

**HI 2023**



# **FINANCIAL REPORT**



# IN THE H1 2023 REPORT

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• 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 half year of FY2023 and their impact on the Company's financial statements.



# Issuer information

## Information about this financial report

Report type	Report Half Year 2023
For the financial year	01.01.2023 – 30.06.2023
Legal framework	Annex 13 to ASF Regulation No. 5/2018
Report date	28.09.2023

## 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

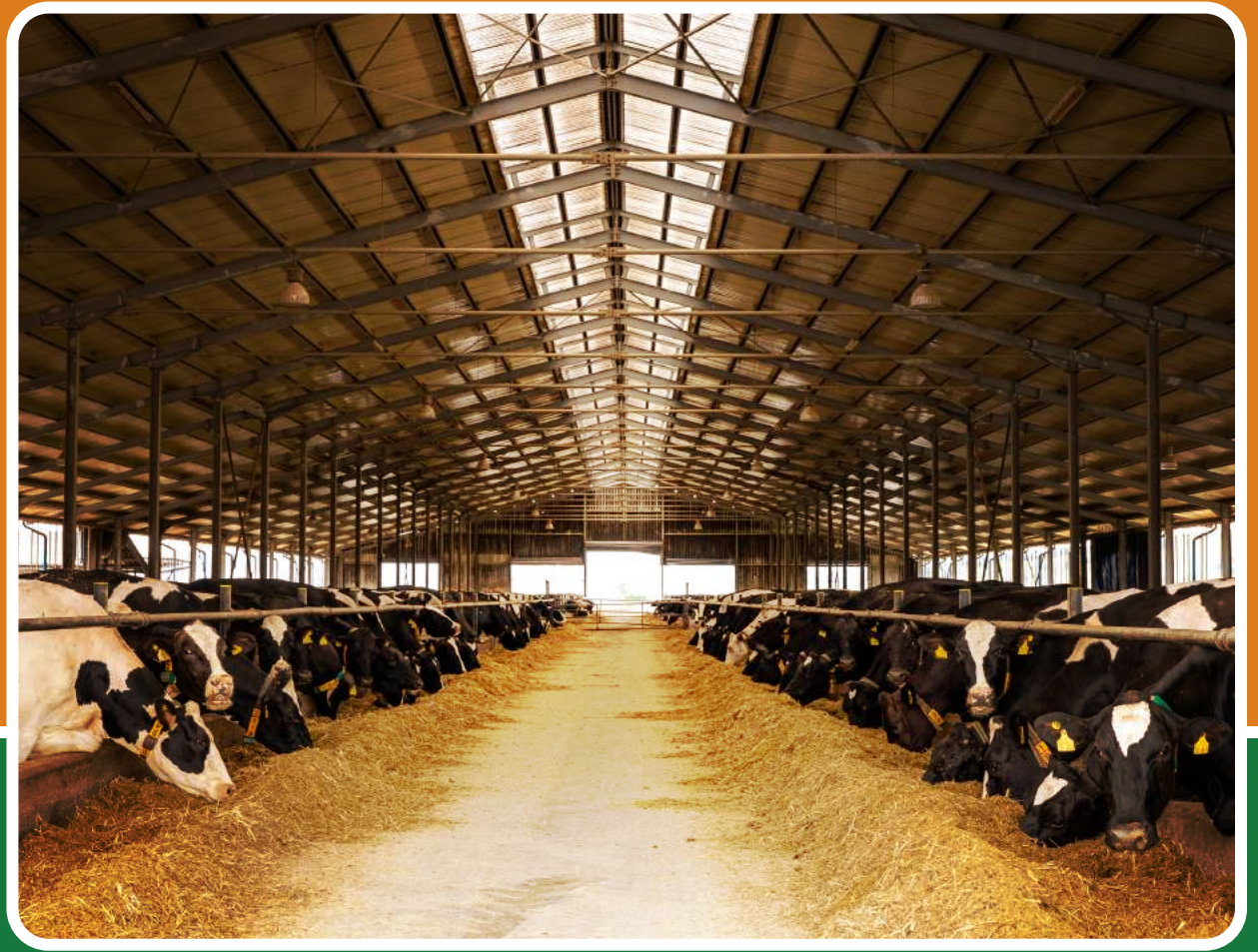
## Contact

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

## ABOUT US

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# DN AGRAR - Landmarks H1 2023



**Number of shares**  
**159.094.224**

**Closing price  
of shares  
June 30th, 2023**



**0.718**  
**RON**



**NET  
PROFIT**  
**RON 15.17**  
**MILLION**  
**+200.05%**  
VS  
H1 2022



**TURNOVER**  
**RON 80.35**  
**MILLION**  
**+28.76%**  
VS  
H1 2022



**EBITDA**  
**RON 31.60**  
**MILLION**  
**+68.93%**  
VS  
H1 2022



**TOTAL  
ASSETS**  
**RON 252.82**  
**MILLION**  
**+7.79%**  
VS  
31 dec. 2022



**FIXED  
ASSETS**  
**RON 165.01**  
**MILLION**  
**+2.72%**  
VS  
31 dec. 2022



**EQUITY**  
**RON 94.90**  
**MILLION**  
**+19.13%**  
VS  
31 dec. 2022

# DN AGRAR - Landmarks H1 2023

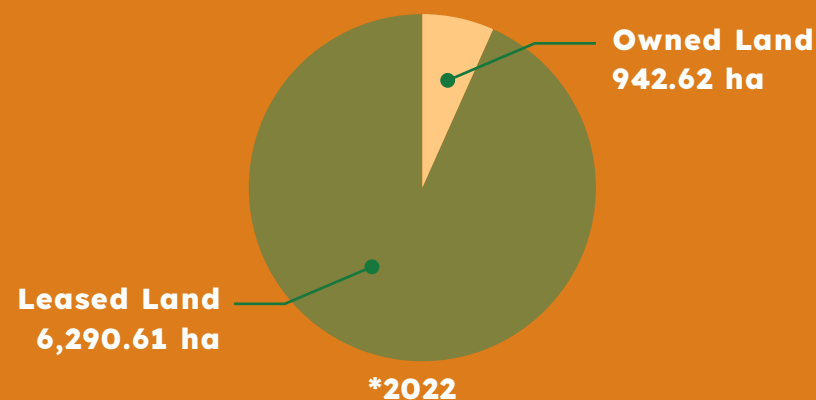


Quantity  
of milk delivered



**15.5%**  
vs. H1 2022

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



## CULTURES

Corn

Triticale

Alfalfa

Wheat (autumn)

Barley (spring and autumn)

Sunflower

Peas

Grass mixture



## Q&A with Jan G. de Boer, CEO DN AGRAR



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

DN AGRAR experienced a successful first half of 2023, marked by strategic investments aligning with the organization's goals.

Turnover reached RON 80 million, up by 28.8% compared with the first half of the previous year, with a net profit of RON 15.2 million, an advance of 200.0%. Total assets also grew by 7.8%.

We have made strategic investments to achieve our goals, we have a strong investment history, and this has also meant the consolidation of group companies, digitalization, and, most importantly, circularity, pillars that have also supported our growth.

We also focused on increasing the number of young cattle raised in the company's own farms, with an eye on future capacity expansion. Simultaneously, we implemented automation in certain aspects of the milking process, such as installing robots in our Lacto Agrar and Cut farms. Also, we continued to prioritize modern soil conservation technology. This strategic approach allows us to maintain full control over internal quality standards while achieving cost-effectiveness.

### 2. How do you characterize the company's operational activity in the first 6 months of the year? What were the challenges you faced during this time?

The livestock owned by DN AGRAR counted over 12,000 animals at the end of the first half of this year, an increase of 18% compared to the 1st half of 2022. This growth is also evident in the increased amount of milk produced and delivered.

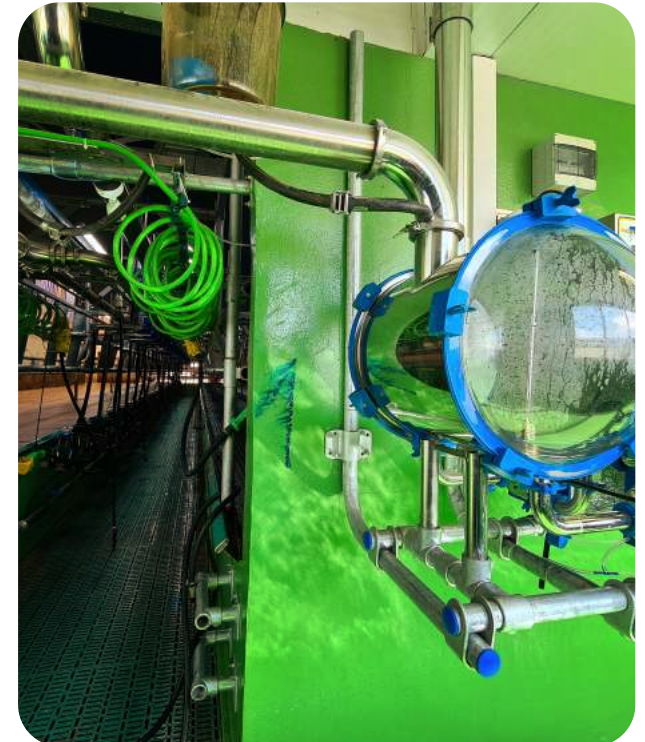
As for milk production, it reached 160,000 liters/day in June 2023, an increase of 23% compared to June 2022. The total production of the first half of the year registered an increase of 15.5% compared to the same period of 2022.

The increase in operating income from RON 124.3 million, up 31.9% compared to the same period last year, was supported on one hand by the increase in the production capacity (expansion of the Apold farm), and on the other hand by the amount of milk delivered.

At the same time, we managed to anticipate and find viable and advantageous solutions for our company in case of the inherent challenges that appeared. First of all, there were milk price fluctuations, especially during the summer, which is also seasonal. Then, following the implementation of the new reporting system for the group companies, this temporary structure made the

consolidation more complex, as the results came from two completely different systems with different analyses, which needed to be merged.

The company is set to complete SAP implementation for all DN AGRAR Group companies by year-end, streamlining operations and enhancing reporting capabilities. This integration will empower DN AGRAR to respond effectively to challenges with advanced Business Intelligence tools, as all business information will be integrated into a single, comprehensive, and scalable system.



## Q&A with Jan G. de Boer, CEO DN AGRAR

### 3. Given that the milk market fluctuated during the first half of the year, how did this affect DN AGRAR and how do you see the milk price trends until the end of the year?

The price of milk in 2022 was the highest we have seen in decades, with the increase continuing into the first quarter of this year, when prices saw considerable increases. Then, in the second quarter, there were declines in the milk prices. So, it was normal for prices to have a bit of a stabilization and to see a correction in the second quarter.



However, we expect milk prices to rise this autumn. We can not change the market, but we can change and adapt our costs. DN AGRAR's management team anticipated this correction of milk prices, and one of the directions considered was to dilute our fixed costs by producing more milk, which we managed to do by purchasing 800 Holstein cows for the Apold farm at the beginning of this year.

We believe that we are well positioned in the local milk market and already offer a significant amount of excellent quality milk for local consumption. Also, by the end of this year, we expect to maintain the growth rate of operational activity, including that of milk production.

### 4. What are your expectations for the rest of 2023?

Looking ahead, DN AGRAR will continue the ambitious plans started for 2023, including sustainable production capacity growth. We are committed to our strategy and, in the medium term, to the Straja project, for which we have already obtained construction permits. The Straja project involves 5,000 cattle, out of which 3,600 are milking cows and 1,400 are young cattle.

We believe that by being efficient we remain competitive, so improving productivity is a key objective. This involves investing in new technologies, optimizing the supply chain, digitizing operations, setting goals, and training staff.

Through these efforts, we aim to be a profitable, leading business recognized for its commitment to sustainability, innovation, social responsibility, and food quality.





# KEY EVENTS H1 2023

## JANUARY

### Acquisition of 800 Holstein cows for 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 IFRS reporting
- Implementation of the ERP-SAP digital solution for DN AGRAR SERVICE and DN AGRAR LOGISTICS



## FEBRUARY

### Acquisition of 200 igloos for Apold farm



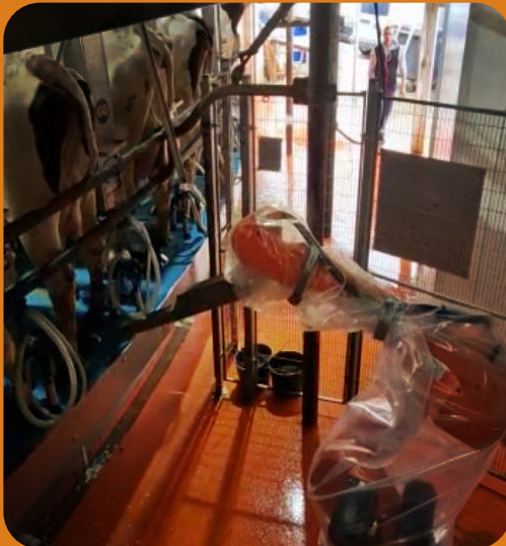
# KEY EVENTS H1 2023

## APRIL

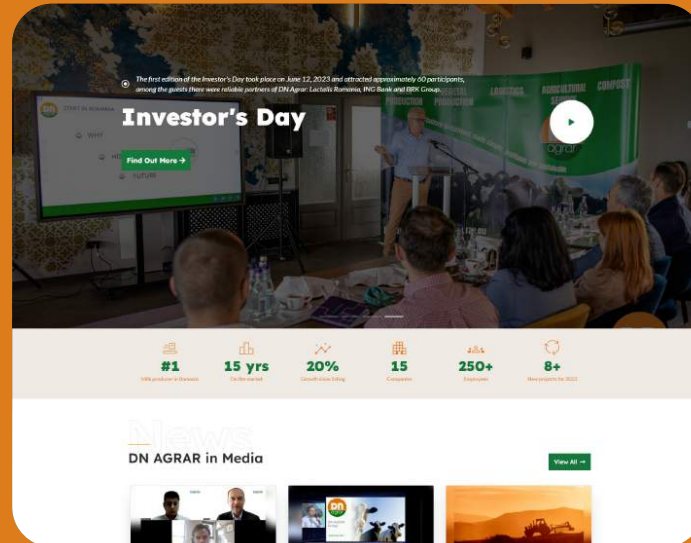
DN AGRAR organized the **Ordinary and Extraordinary General Meetings of Shareholders**

## MAY

**Installation of robots** in the milking parlors of the Lacto Agrar and DN Agrar Cut farms



**New instruments for communication with investors by launching a new website**



## JUNE

**The first Investors' Day event organized**



**Market Maker services acquired from BRK Financial Group**



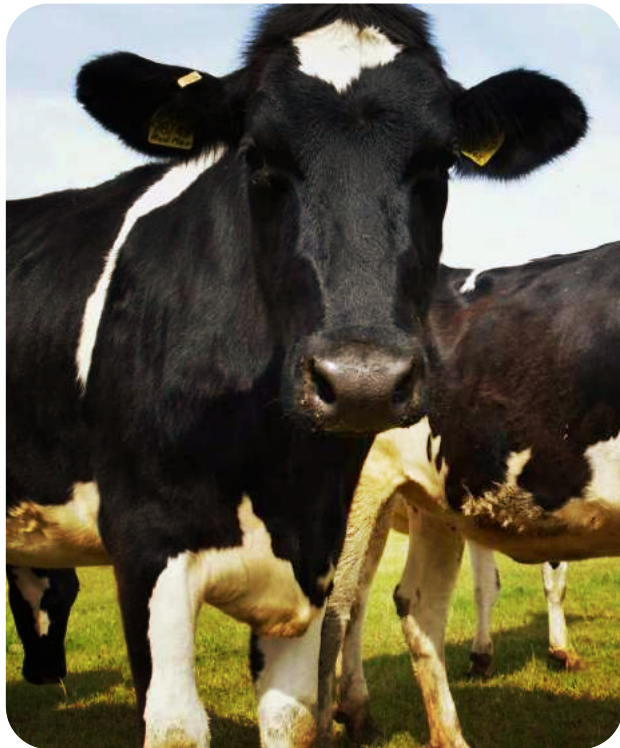


# What did H1 2023 mean for DN AGRAR?

## January

### The acquisition of 800 Holstein cows for the Apold farm.

The purpose of this acquisition was to increase the production capacity and also to renew the milking cow livestock and young cattle.



## February

### The acquisition of 200 Igloos for the Apold farm.

Also for the Apold farm, we have additionally purchased 200 Igloos for young cattle, bringing the total number to 600 units, sufficient capacity to accommodate the farm's livestock growth.

The igloo shelters are used for approximately 3 months. After this period, the calves are transferred to the Prodact farm (whose activity is to grow dairy cattle), where they stay for approximately 20 months, spending time both indoors and in the field.



## March

### DN AGRAR PROJECTS

We have signed a collaboration contract with a company that will prepare the reports for the year 2022/2023 in accordance with IFRS standards, considering our objective to transfer on the Main Market of the BVB.

Additionally, in the month of March, we initiated the implementation phase of the ERP – SAP digital solution for DN AGRAR LOGISTICS and DN AGRAR SERVICE, along with the integration of the Arendis program, the software for monitoring fuel tanks, and the Agrovir program.





# What did H1 2023 mean for DN AGRAR?

## April

### The Ordinary and Extraordinary General Shareholders' Meeting

During the GSM, the company's representatives provided a general overview of the company's activities for the year 2022.

#### The main approved agenda items during the meetings were as follows :

- The individual and consolidated financial statements for 2022.
- Allocation of the net profit for the financial year 2022.
- The budget of revenues and expenses for the financial year 2023.
- Renewal of the mandate of the financial auditor.
- Approval of the modification of Article 13, point 8, of the Company's Articles of Incorporation, by introducing the possibility of convening and conducting the General Meeting of Shareholders through electronic means of direct remote communication.
- Guaranteeing the loans contracted by DN AGRAR Holding S.R.L. and LACTO AGRAR S.R.L. from ING Bank NV Amsterdam, Bucharest Branch.

## May

### Installation of robots in the milking parlors of the Lacto Agrar and DN Agrar Cut farms

In order to increase the efficiency of work in our farms, we set out to install and use, in the LACTO AGRAR and CUT farms, 2 types of robots for the milking process:

- The first type of robot is a milking sprayer that is used after the milking process is finished.
- The 2nd type of robot has the role of pre-cleaning and stimulation of lactation and is used before the start of the milking process.

These robots are specially designed to be used in the milking parlors equipped with milking rotators, which we have both at the Lacto Agrar farm and at the Cut farm.

We have already started this project and installed milking sprayers in our 2 farms in May this year, which are used after the milking process is finished. These robots automatically spray the udders with a special solution (post-dip), which covers and protects the udder from the bacteria that cause mastitis between milking cycles.

Phase 2 of the project consists of the installation of pre-cleaning and lactation stimulation robots, which we anticipate to be installed towards the end of this.

According to our internal analysis, when this project is completed and these robots are installed and operational, we will see an approximately 50% reduction in manual labor in the milking process for both farms.

### New communication tools with investors adopted by launching a new website

The company launched a new website, in an intuitive format, designed to give investors and other stakeholders easy access to information and interactive tools to analyze the company's performance and the evolution in the capital market.

The new website launched by DN AGRAR aims at effective, proactive, and transparent communication with investors, providing them with easy access to information, as well as the adopted proactive communication tools.

The section dedicated to investors presents both the mandatory information arising from the status of a company listed on the Bucharest Stock Exchange, as well as a series of materials and tools that proactively and in detail explain the company's activity and investment strategy.

Interactive analysis tools are integrated into the new website, which allows investors and stakeholders to interact with the company's financial data, choosing the information and making comparisons relevant to their interests.

## June

### The first "Investor Day" event was organized at the company's farms in Alba

DN AGRAR organized its first "Investor Day" event, where over 60 participants had the opportunity to witness remarkable agricultural activities, discover how animals are raised and cared for, and learn details about the milk market in Romania.

DN AGRAR presented the audience with a concrete overview of the operational activities on its farms, including how milk is collected from cows, the digital tools implemented on the farms, and the innovative approach that highlighted the scale of the company's operations and the professionalism of its team.

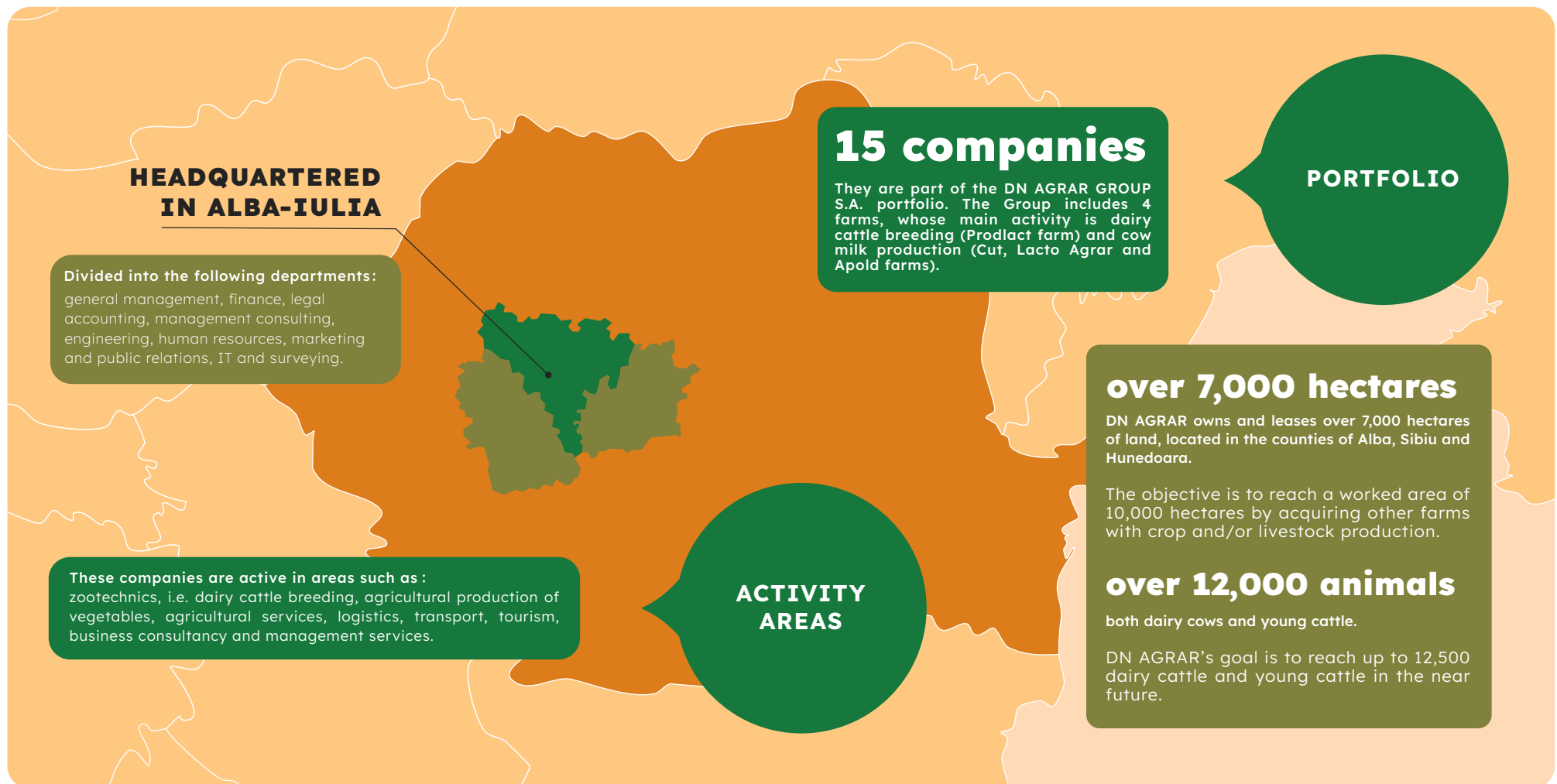
### Market Maker Services by BRK Financial Group

Starting from June 2023, DN AGRAR benefits from the Issuer's Market Maker services, offered by BRK Financial Group.

The DN share was the 17th share of an issuer listed on the Bucharest Stock Exchange, for which the BRK Financial Group team provides Issuer Market Maker services, and the 5th on the AeRO market.

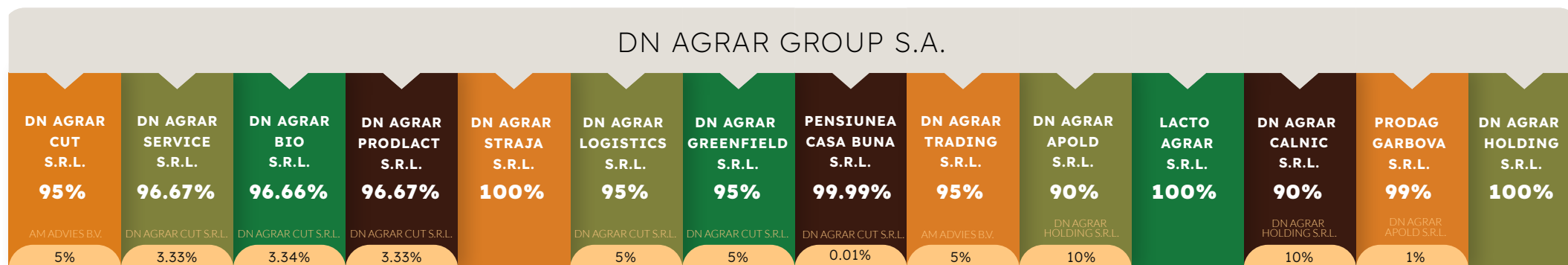
# Presentation of DN AGRAR

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 S.A. 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**

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# Q&A with Peter de Boer, Investor Relations Manager



## 1. What do you consider to be the benefits of a company listed on the Bucharest Stock Exchange?

The listing on the AeRO market of the Bucharest Stock Exchange provided increased visibility to DN AGRAR's operations and demonstrated the company's commitment to open and responsible business practices.

Over the past 6 months, DN AGRAR Group has shown remarkable growth, with our share price increasing by over 10%.

We have seen interest in our business and company on the stock exchange and have implemented proactive communication tools with the capital market. We were impressed by the participation of investors at the first Investor Day, organized in Alba, where more than 60 institutional and retail investors had the opportunity to see the activity on our farms and interact with the extended team.

## 2. When do you consider it appropriate to transfer to the BVB main market? Are you taking concrete actions in this regard?

The development strategy of DN AGRAR Group is based on long-term sustainable development, constantly investing in the modernization of facilities and equipment specific to animal husbandry activities and not only, towards the circular economy.

Looking ahead, DN AGRAR wants to maintain its growth trajectory. We intend to transfer to the Main Market, subject to market conditions, which would provide access to institutional investors and further support the company expansion plans, while also allowing investors to gain exposure to agriculture in a highly professional and sustainable manner.

Our priority remains, in the future, building trust and predictability for investors, with whom we aim to develop the company in the medium and long term.

## 3. What is next in the Investor Relations area for DN AGRAR?

We are closely looking at main market best practices in communicating with investors and offering quarterly reports was our key priority this year.

Digitization is a major project in our company and SAP implementation would offer us the speed and quality of integrated reporting. Discussing more and more with institutional investors is

also key, as well as increasing analyst coverage. In both areas we have made significant progress, in explaining our company activity and its prospects.

We offer a unique exposure to the agribusiness sector, and combined with a growth story, we believe are prerequisites of a successful listing on the main market.

ESG principles are analysed more closely starting this year and measures are taken within the company to become compliant with the EU Taxonomy. We acknowledge the importance of this topic to the capital markets community which is synergetic with our beliefs as well.

The quarterly conference calls, the Investors' Day event, and also the Market Making are all instruments adopted this year.

The new website offers an overview of DN AGRAR activity, of the performance of the company, at the same time making intuitive the objectives and the values. By utilizing the interactive analysis made available through Euroland, the investors, and all stakeholders can make their own comparisons, using the relevant periods for them.



# Performance indicators

## VEKTOR Indicator

**DN AGRAR achieved a score of 8.5 in the VEKTOR** by ARIR evaluation, the indicator of the communication with investors for listed companies on the BVB, calculated by ARIR. The score obtained at the first evaluation conducted for the AeRO market in 2022 places DN AGRAR at the top of the market's companies and demonstrates the company's commitment to adopting the best tools for communicating with investors.

## Share Buyback Program

Starting from January 6th of this year, DN AGRAR initiated a share buyback program - **Stock Option Plan**, as per decision no. 15 of the Extraordinary General Shareholders' Meeting from April 28, 2022, which approved the repurchase of the company's own shares. The buyback program ran until February 23, 2023, when DN AGRAR's share repurchase program was concluded following the repurchase of the share package established by the Board of Directors.

The shares repurchased by DN AGRAR will be offered to the beneficiaries of the Stock Option Plan (employees, directors) free of charge.

The payment for the repurchased shares will be made from the distributable profit or available reserves of the company, as recorded in the latest approved annual financial statement, except for legal reserves, in accordance with the provisions of Article. 103 ind.1 of Law no. 31/1990, updated.

## Market Maker Services

To support the company's plans regarding its activities in the capital market, starting from June 2023, DN AGRAR has contracted **Market Maker** services from **BRK Financial Group**.

## Stock Price Performance

The price of DN AGRAR shares as of June 30, 2023, was **RON 0.7180**, representing a **10.46% increase** compared to June 30, 2022. In the first half of 2023, there were **2,195 transactions** with DN AGRAR shares, with a total traded value of approximately RON 4.3 million.

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



## CAPITALIZATION

**RON 114.23**  
MILLION  
30.06.2023

## EQUITY/SHARE

**0.60**  
RON  
30.06.2023

↑ **+19.13%**

## NUMBER OF SHARES

**159.094.224**



# Performance indicators

AT CONSOLIDATED LEVEL at 30.06.2023

**EBITDA  
MARGIN**

30/06/2023

**48.02%**

+77.62%  
vs H1 2022



**PROFIT  
MARGIN**

30/06/2023

**12.21%**

+127.56%  
vs H1 2022



**ROA**

30/06/2023

**6.00%**

+178.37%  
vs 31 dec.  
2022



**ROE**

30/06/2023

**15.99%**

+151.87%  
vs 31 dec.  
2022



**PER**

**7.53%**

-66.67% vs H1 2022



**EPS**

**0.10 RON**

+200.05% vs H1 2022



**P/BV**

**0.59%**

-10.14% vs 31.12.2022



30/06/2023

**8.62%**

-66.67% vs H1 2022



**0.10 RON**

+200.05% vs H1 2022



**0.67%**

-10.14% vs 31.12.2022



31/08/2023

**PROFIT/SHARE  
H1 2023**

30/06/2023

**9.54%**

+200.05% vs H1 2022



**TOTAL ASSETS/  
SHARE H1 2023**

30/06/2023

**1.59 RON**

+7.79% vs 31.12.2022



**NET ASSETS/  
SHARE H1 2023**

30/06/2023

**1.22 RON**

+11.29% vs 31.12.2022



## PERFORMANCE

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# DN AGRAR Group performance and key figures in H1 2023

TURNOVER

**RON 80.35**  
MILLION**+28.76%**  
VS  
H1 2022NET  
PROFIT**RON 15.17**  
MILLION**+200.05%**  
VS  
H1 2022

EBITDA

**RON 31.60**  
MILLION**+68.93%**  
VS  
H1 2022TOTAL  
ASSETS**RON 252.82**  
MILLION**+7.79%**  
VS  
31 dec. 2022FIXED  
ASSETS**RON 165.01**  
MILLION**+2.72%**  
VS  
31 dec. 2022NET  
ASSETS**RON 194.46**  
MILLION**+11.29%**  
VS  
31 dec. 2022

EQUITY

**RON 94.90**  
MILLION**+19.13%**  
VS  
31 dec. 2022OPERATING  
INCOME**RON 60.40**  
MILLION**+42.82%**  
VS  
H1 2022



# Milk production activity

At the end of June 2023, **the livestock** owned by DN AGRAR, consisting of dairy cows and young cattle, **was over 12,000 heads, increasing by 18%** compared to the same period of 2022.

Regarding **the amount of milk delivered**, in the first half of 2023, we recorded **a 15.5% increase** compared to the same period last year.

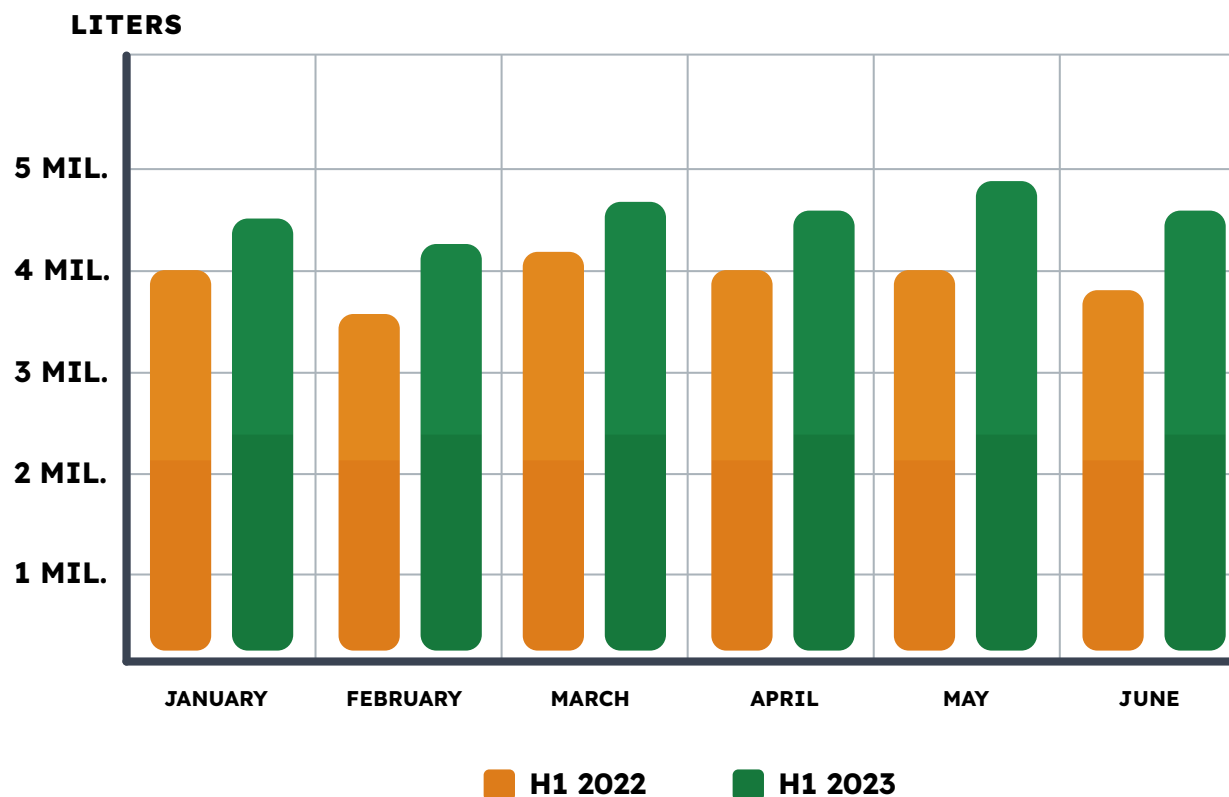
We have also seen increases in milk delivered each month in 2023 compared to the same period in 2022. May 2023 is a milestone as we have reached the record in terms of milk delivered this year, approaching the threshold of **5 million liters per month**.

For the rest of 2023, we aim to maintain the growth rate in terms of operational activity, including that of milk production, and we expect that the rate of milk deliveries will continue to be high.



## QUANTITY OF MILK DELIVERED H1 2023 vs H1 2022

↑  
**15.5%**



# Agriculture and cereal production activity

The DN AGRAR company, in addition to the milk production activity, carries out, on a secondary level, the grain production activity, an activity that is partly seasonal. Since the agricultural cycle in Romania is divided into two main seasons, each of them has a different influence on the financial performance of the company:

**Spring campaign:** takes place between March and May, with harvest activity in the months of September and October.

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

In the field of cereal cultivation, the companies of the **DN AGRAR Group cultivate over 6,200 hectares**, located within the counties of Alba, Sibiu, and Hunedoara, **the objective being to reach a cultivated area of 10,000 hectares**, through the acquisition of other farms with vegetable agricultural production.

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

Also in **January**, we started the basic overhauls of machinery and tractors, an operation that we carry out annually and which we **completed towards the end of February**.

In **March**, we started a series of specific activities, respectively:

We carried out specific works for autumn crops (fertilized) and started soil preparation for the establishment of spring barley and alfalfa crops.

We carried out specific works for spring crops: sowing spring barley and sowing alfalfa, and we carried out fertilization works for grassy cereals.

We started preparing the land for sowing, for the corn crop.

In **April**, we started sowing corn, carrying out phytosanitary treatments for field cereals and carrying out pre-emergent weeding for the corn crop. Also, in April, we started harvesting the first alfalfa scythe for silage.

In **May**, we finished sowing corn for silage and finished harvesting triticale silage. We also carried out the second mowing in lucerne, we started the sowing of the second corn crop after the autumn triticale crop and we carried out phytosanitary treatments (T2) for grassy cereals.

In **June**, we carried out herbicide treatments on the main crop corn, as well as pre-emergent herbicide on the secondary corn crop.

We carried out specific work to prepare the silos, in order to be able to take over the grains that will be harvested in July.

The productions resulting from the established crops are used both to ensure the fodder base for DN AGRAR's cow farms (maize silage, alfalfa, triticale silage, grass, wheat straw) and to pay the rent (for those lessors who opt for cereals). Also, another activity that DN AGRAR carries out is the production, for sale, of cereals (wheat, corn).

Another important activity for our company is the establishment of a secondary corn crop, which is established after the harvest

of the main autumn triticale silage crop. This represents multiple advantages, both economic and agronomic.

The second crop of maize is established with lower costs than the main harvest, because it does not involve the costs of the lease, does not require basic work (plowing or scarifying) or land clearing work, the land remains clean of plant residues after harvesting silage, preventing soil erosion in this way.



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

CULTURES

Corn

Triticale

Alfalfa

Wheat (autumn)

Barley (spring and autumn)

Sunflower

Peas

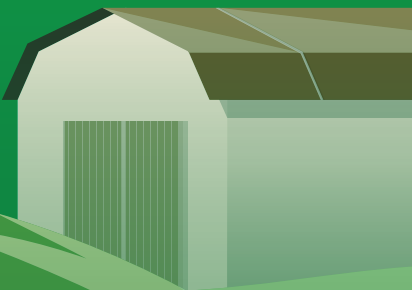
Grass mixture

# Analysis of the financial results

Analysis of the consolidated financial results as at 30.06.2023

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

with cow milk and vegetable production, recorded very good financial results in the first half of 2023. **The company's financial performance improved significantly**, achieving a total turnover of **RON 80.35 million**, representing **a growth of 28.76%**. This growth was attributed to the positive trend in the price of the milk delivered and increased milk production in the farms.



TURNOVER

**RON 80.35**  
MILLION

**+28.76%**  
vs  
H1 2022



NET  
PROFIT

**RON 15.17**  
MILLION

**+200.05%**  
vs  
H1 2022



INTANGIBLE  
ASSETS

**RON 6.49**  
MILLION

**-3.13%**  
vs  
31 dec. 2022



FIXED  
ASSETS

**RON 165.01**  
MILLION

**+2.72%**  
vs  
31 dec. 2022



CIRCULATING  
ASSETS

**RON 86.23**  
MILLION

**+18.99%**  
vs  
31 dec. 2022



TOTAL  
ASSETS

**RON 252.82**  
MILLION

**+7.79%**  
vs  
31 dec. 2022





# Analysis of the financial results

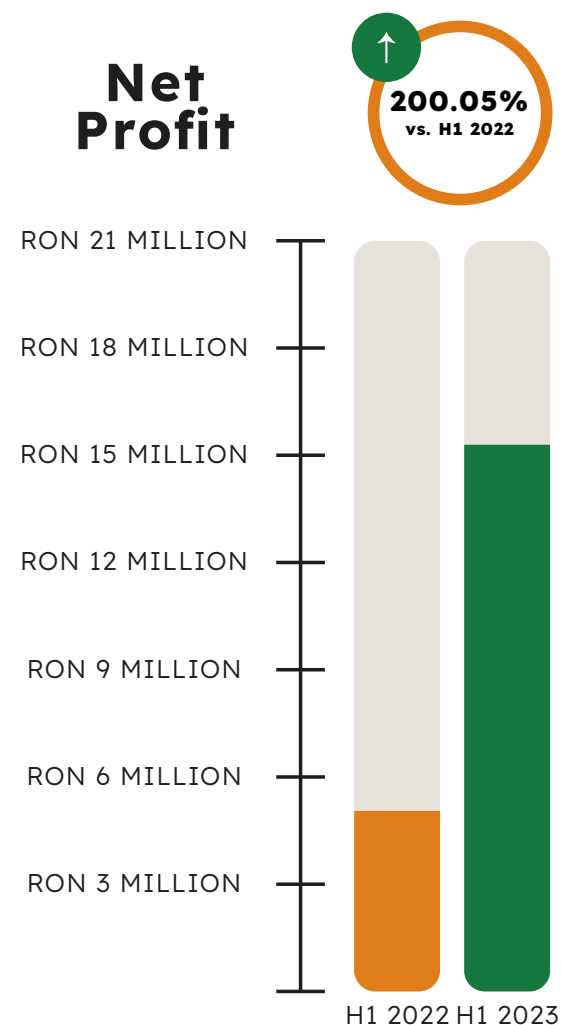
## Analysis of the profit and loss account at consolidated level

In the consolidation of the Profit and Loss Statement, the financial indicators are compared with June 30, 2022, and the financial indicators of the Group include the financial results obtained by Lacto Agrar and DN Agrar Apold farms as of June 30, 2022.

Lacto Agrar farm was acquired by DN AGRAR Group SA in December 2021, while the Apold farm was acquired in April 2022.

In the first half of 2023, operating revenues amounted to RON 124.29 million, marking an increase of 31.86% compared to the same period last year. Revenues from sold production reached RON 80.29 million, registering a growth of 28.93% compared to the same period of 2022. The most significant contribution came from **operating subsidies, which increased by 113.38%, reaching RON 12.31 million**. These subsidies are primarily received through APIA for agricultural land and raw milk production. Subsidies are granted based on the number of animals owned and the land area used, in accordance with applications submitted by the company.

Profit and loss account in RON	30.06.2023	30.06.2022	Δ%
Operating revenue - total	124,299,059	94,267,981	31.86%
Operating expenditure - total	100,999,572	85,155,975	18.61%
Operating profit or loss	23,299,487	9,112,006	155.70%
Financial income - total	791,093	267,116	196.16%
Financial expenditure - total	5,670,999	2,846,677	99.21%
Financial profit or loss	(4,879,906)	(2,579,561)	89.18%
Gross profit or loss	18,419,581	6,532,445	181.97%
<b>Net profit or loss</b>	<b>15,175,641</b>	<b>5,057,663</b>	<b>200.05%</b>



# Analysis of the financial results

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

By adopting the new PNRR regulations, the reference year for calculating national transitional aid, ANT7 and ANT8, for milk production and farm animals has been changed to 2018. As a result, the subsidies due to DN AGRAR for animals now take into account a larger number of dairy cattle by 2,286 heads, and for milk production, a higher level of milk by a total of 23,814 tons at the group level. It should be noted that in the previous PNRR regulations, the reference for milk production and farm animals was calculated based on the year 2013 when, in the case of DN AGRAR, the values were much lower than those in 2018, considering the level of the development of the company at that time.

In 2023, it was introduced a subsidy for the Support for Russia-Ukraine Aggression (Sprijin de Agresiune Rusia-Ucraina) in the amount of 73 euros per cow which was received in the first quarter of this year.

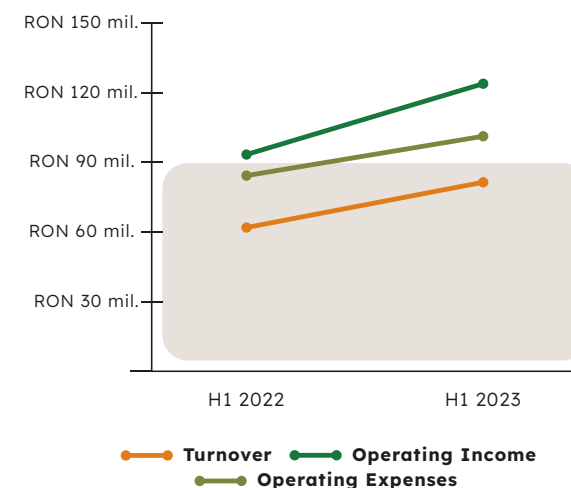
Additionally, in the new PNRR, a subsidy for the well-being of dairy cattle in the amount of 100 euros per cow was introduced, which DN AGRAR requested for a total of 6,386 cows for 2023.

Revenues related to the production of tangible assets saw a slight increase of 10.16%, reaching RON 4.09 million. **Revenues from goods sold increased by 29.05% to a value of RON 157.54 thousand, mainly due to the retention of finished products obtained from agricultural activities for feeding the dairy cattle from the farms.**

Operating expenses increased by 18.61% as of June 30, 2023, reaching RON 100.99 million. The main contribution came from expenses related to raw materials and consumable materials, which reached RON 61.88 million, representing an increase of 34.31% compared to the same period last year. This increase is associated with the growth in the number of directly productive animals in the farms and the cultivated areas to ensure an adequate supply of feed.

Indicators (RON)	30.06.2023	30.06.2022	Δ%
Net turnover	80,349,549	62,402,956	28.76%
Production sold	80,298,686	62,281,084	28.93%
Income from the sale of goods	157,549	122,084	29.05%
Commercial discounts granted	(106,686)	(212)	-
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	26,440,615	21,636,365	22.20%
Sold D	-	-	-
3. Income from the production of intangible and tangible assets	4,091,285	3,713,841	10.16%
4. Income from the revaluation of tangible assets	-	-	-
5. Income from the production of real estate investments	-	-	-
6. Income from operating subsidies	12,314,682	5,771,184	113.38%
7. Other operating income	1,102,927	743,635	48.32%
- of which, income from investment subsidies	66,012	66,012	0.00%
- of which, income from negative goodwill	-	-	-
<b>Operating income - total</b>	<b>124,299,059</b>	<b>94,267,981</b>	<b>31.86%</b>
8.a) Expenses for raw materials and consumable materials	61,881,307	46,073,431	34.31%
Other material expenses	1,063,969	841,311	26.47%
b) Other external expenses	2,061,659	1,509,719	36.56%
c) Expenses related to goods	66,243	2,721,369	-97.57%
Trade discounts received	(88,307)	(52,962)	66.74%

## Turnover, Operating Income and Operating Expenses



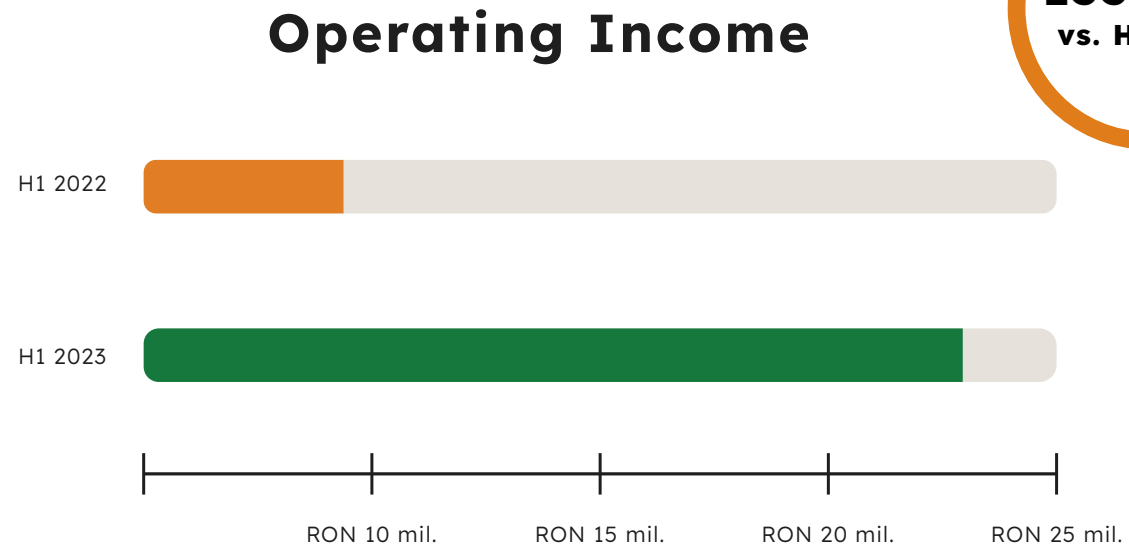
**Expenses related to the goods sold decreased by 97.57%, totaling RON 2.65 million, and stood at RON 66.24 thousand at the end of the first half of 2023.**

Expenses related to external services reached a total of RON 14.53 million, with an increase of 5.18% compared to the first half of 2022. With the expansion of the workforce, personnel expenses increased to RON 12.12 million, a 16.06% rise. This increase was driven by the growth in the number of employees, DN AGRAR Group having 265 employees as of June 30, 2023, compared to 244 in the same period of the previous year. Depreciation and impairment expenses amounted to RON 10.19 million, an increase of 5.24% due to the growth of fixed assets.

# Analysis of the financial results

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

Indicators (RON)	30.06.2023	30.06.2022	Δ%
9. Personnel expenses	12,123,509	10,446,300	16.06%
a) Wages and allowances	11,859,307	10,205,054	16.21%
b) Expenses for insurances and social protection	264,202	241,246	9.52%
10. a) Value adjustments regarding tangible and intangible assets	10,193,656	9,686,333	5.24%
a.1) Expenses	10,194,135	9,686,573	5.24%
a.2) Income	(479)	(240)	-
b) Value adjustments regarding current assets	1,248,582	610,334	104.57%
b.1) Expenses	159,261	12,821	1,142.19%
b.2) Income	1,407,843	623,155	125.92%
11. Other operating expenses	15,254,052	14,827,520	2.88%
11.1. Expenses related to external services	14,532,435	13,816,939	5.18%
11.2. Expenses for other taxes, fees, and similar payments <sup>§</sup> expenses representing transfers and contributions due based on specific legislative acts	454,665	289,860	56.86%
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	266,952	720,721	-62.96%
Expenses for refinancing interest recorded by entities deregistered from the General Registry that still have ongoing leasing contracts	-	-	-
Adjustments regarding provisions	307,934	286,711	7.40%
- Expenses	-	-	-
- Income	307,934	286,711	7.40%
<b>Operating expenses</b>	<b>100,999,572</b>	<b>85,155,975</b>	<b>18.61%</b>
<b>Operating profit or loss</b>	<b>23,299,487</b>	<b>9,112,006</b>	<b>155.70%</b>



**155.70%**  
vs. H1 2022

**The operational result of the DN AGRAR Group significantly increased in the first semester of 2023, from RON 9.11 million to RON 23.29 million, representing a growth of 155.70%.**



# Analysis of the financial results

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

Indicators (RON)	30.06.2023	30.06.2022	Δ%
12. Income from equity interests	-	-	-
- of which, income obtained from affiliated entities	-	-	-
13. Income from interest	13,567	1,191	1,038.76%
- of which, income obtained from affiliated entities	342,093	171,917	98.99%
14. Income from operating subsidies for interest payable	-	-	-
15. Other financial income	777,526	265,925	192.39%
- of which, income from other financial assets	-	-	-
<b>Financial income - total</b>	<b>791,093</b>	<b>267,116</b>	<b>196.16%</b>
16. Value adjustments regarding financial assets and financial investments held as current assets	-	-	-
- Expenses	-	-	-
- Income	-	-	-
17. Expenses related to interest	3,402,116	2,487,076	36.79%
- of which, expenses in relation to affiliated entities	153,507	99,304	54.58%
18. Other financial expenses	2,268,883	359,601	530.94%
<b>Financial expenses - total</b>	<b>5,670,999</b>	<b>2,846,677</b>	<b>99.21%</b>
<b>Financial profit or loss</b>	<b>(4,879,906)</b>	<b>(2,579,561)</b>	<b>89.18%</b>
Total income	125,090,152	94,535,098	32.32%
Total expenses	106,670,571	88,002,653	21.21%
19. Gross profit or loss	18,419,581	6,532,445	181.97%
20. Profit tax	2,970,077	1,354,878	119.21%
21. Specific activities tax	-	-	-
22. Other taxes not presented in the elements above	9,595	9,259	3.63%
23. Net profit or loss of the financial year	15,439,908	5,168,308	198.74%
Net profit or loss attributable to minority interests	264,267	110,645	138.84%
<b>23. Net profit or loss attributable to the group</b>	<b>15,175,641</b>	<b>5,057,663</b>	<b>200.05%</b>

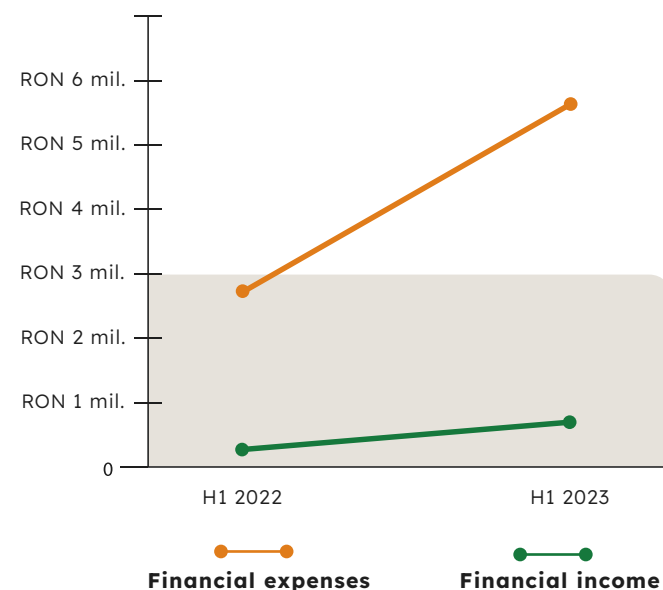
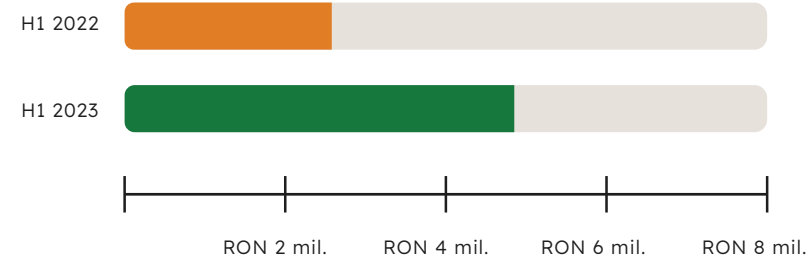
**Financial revenues increased by 196.16%, reaching RON 791.09 thousand, while financial expenses increased by 99.21%, to RON 5.67 million.**

The increase in the financial expenses was primarily driven by a 36.79% increase in interest expenses, reaching RON 3.4 million, and an increase in the balance of loans contracted by RON 61 million, which were used in previous periods for the acquisition of DN Agrar Apold farm from the investment fund DN Agrar Gârbova CV and for ongoing investment works at DN Agrar Apold farm to increase the production capacity by 50% this year.

**DN AGRAR achieved a gross result of RON 18.41 million as of June 30, 2023, marking a significant increase of 181.97%** compared to the sum of RON 6.53 million recorded in the same period of the previous year. In the first semester of 2023, the **DN AGRAR Group closed the balance sheet with a net profit of RON 15.17 million**, representing a **200.05% increase** compared to the similar period of 2022.



## Financial loss



# Analysis of the financial results

## Analysis of the balance sheet at consolidated level

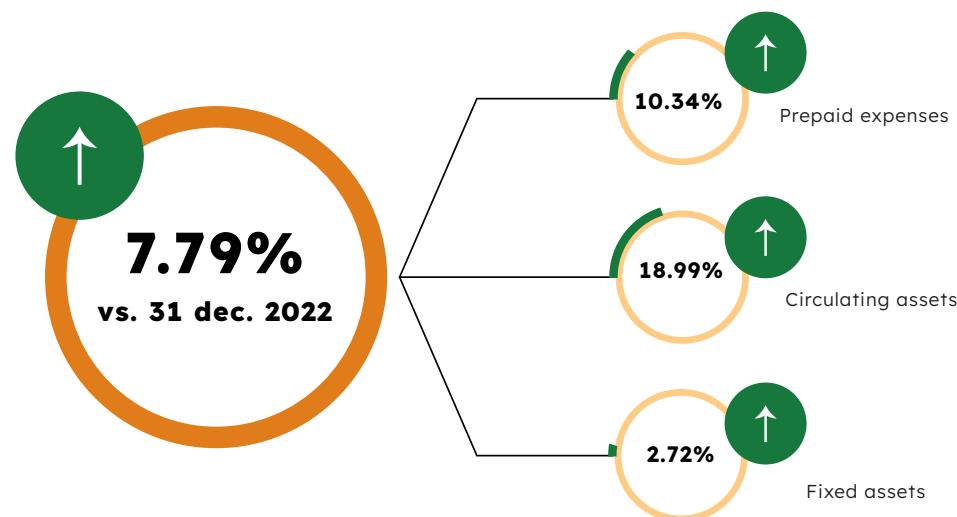
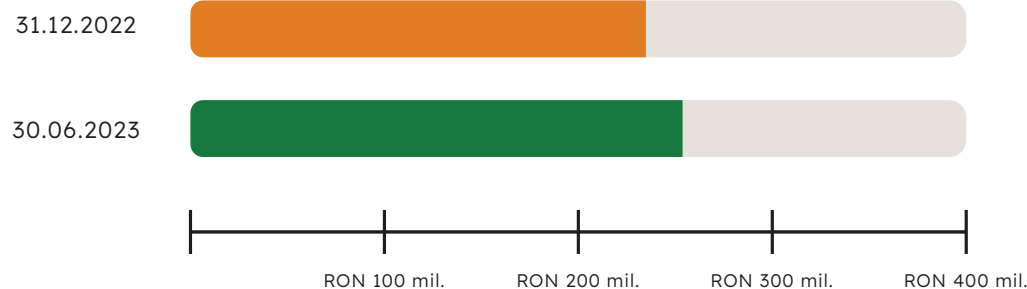
In the consolidation of the Balance Sheet as of June 30, 2023, the financial indicators are compared to December 31, 2022. As a result, the financial indicators of the Group include the financial results obtained by Lacto Agrar Farm and Apold Farm, which was acquired by DN AGRAR Group in April 2022.

In the first half of the year, the total assets of the Group increased by 7.79%, reaching RON 252.82 million. Fixed assets increased by 2.72%, reaching RON 165.01. Intangible assets decreased by 3.13% to RON 6.49 million from RON 6.7 million.

The financial assets increased by approximately RON 33, a 0.06% increase. Current assets increased by 18.99%, reaching RON 86.23 million during the analyzed period. **This increase was primarily driven by the 11.54% increase in inventories, which reached RON 51.12 million.** Receivables increased by 24.67% and reached RON 31.22 million, mainly due to the recognition of subsidies for agricultural activities (zootechnics and vegetation) for the year 2023. These subsidies are expected to be received by June 30, 2024. The increase in the cash and bank accounts by RON 2.3 million was driven by the receipt of subsidies obtained for agricultural and zootechnical activities.

Balance sheet indicators (RON)	30.06.2023	31.12.2022	Δ%
Fixed assets - total	165,016,498	160,654,419	2.72%
Circulating assets - total	86,235,493	72,472,451	18.99%
Prepaid expenses	1,576,508	1,428,834	10.34%
<b>Total assets</b>	<b>252,828,498</b>	<b>234,555,704</b>	<b>7.79%</b>

## Total Assets



# Analysis of the financial results

## Analysis of the balance sheet at consolidated level

Following the payments made in the first semester of 2023, short-term liabilities decreased by 2.42%, reaching RON 58.23 million.

Short-term liabilities related to loan contracts decreased by approximately 51.69%, of roughly RON 16.06 million, while short-term liabilities related to leasing contracts increased by 40.65%.

The liabilities related to social contributions decreased by RON 89.79 thousand, a decrease of 16.21%, and the value-added tax owed to the state budget decreased by 53.53%.

Trade payables increased by RON 11.05 million due to the purchase of raw materials, consumables, and agricultural works for the establishment of spring crops and the maintenance of autumn crops.

**Long-term liabilities registered a slight increase of 5.20% due to investment works at Apold Farm to increase production capacity by 50%**, for which financing of RON 10.27 million was accessed from ING Bank. Consequently, as of June 30, 2023, the balance of long-term liabilities reached RON 97.73 million. Astfel, la 30.06.2023 soldul datorilor pe termen lung ajunge la 97,73 milioane de lei.

Compared to 2022, there was a specific decrease in long-term loans contracted from Exim Banca Românească by RON 1.4 million, representing a decrease of 10.15%.

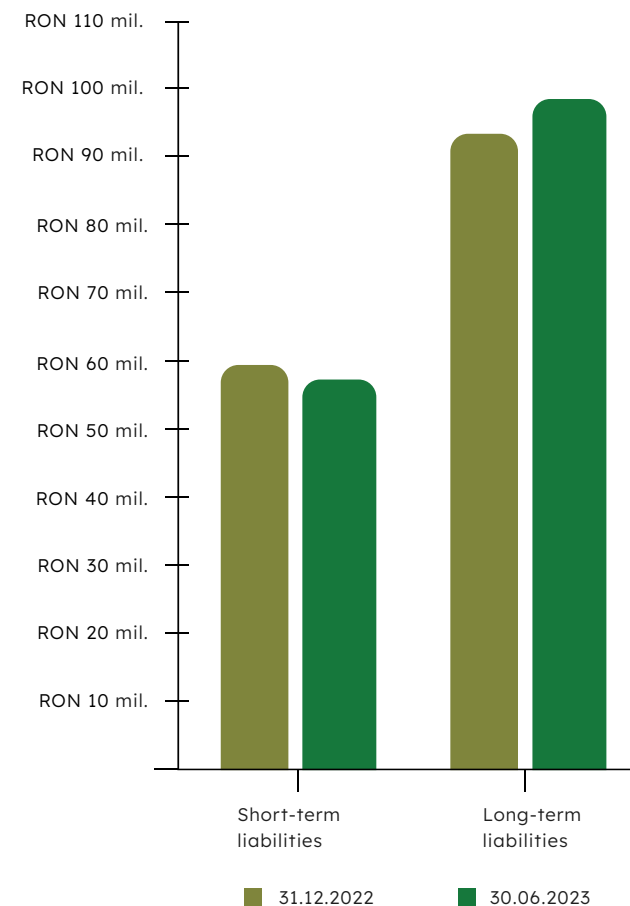
Leasing-related loans from BRD Sogelease decreased by 19.42% to RON 8.67 million due to the payment of maturing leasing installments.

Leasing-related loans from Unicredit Leasing decreased by 19.05% to RON 313.04 thousand due to the payment of maturing leasing installments.

Short-term liabilities (RON)	30.06.2023	31.12.2022	Δ%
Short-term liabilities related to loan contracts	15,012,839	31,077,768	-51.69%
Short-term liabilities related to leasing contracts	3,669,478	2,608,917	40.65%
Guarantees	-	-	-
Commercial debts	27,077,240	16,019,765	69.02%
Commercial liabilities to related parties	5,515,658	6,002,022	-8.10%
Customer advances	30,353	9,980	204.14%
Diverse creditors	3,549,396	957,661	270.63%
Salaries and other dues payable to employees	1,358,460	1,280,894	6.06%
Social insurance contributions	464,139	553,938	-16.21%
Income tax on salaries	54,511	57,350	-4.95%
Profit tax	1,241,033	562,539	120.61%
VAT payable	222,858	479,575	-53.53%
Other taxes	-	-	-
Settlements from equity method operations	-	-	-
Dividends Receivable/Liabilities to Associates	-	50,000	-100.00%
Other short-term liabilities	32,695	15,160	115.67%
<b>Total</b>	<b>58,228,660</b>	<b>59,675,569</b>	<b>-2.42%</b>

Long-term liabilities (RON)	30.06.2023	31.12.2022	Δ%
Loans from Exim Bank	12,406,551	13,807,749	-10.15%
Loans from ING	74,654,432	66,188,136	12.79%
Leasing BT Leasing	1,638,890	1,564,149	4.78%
Leasing BRD Sogelease	8,674,573	10,764,946	-19.42%
Leasing Unicredit	313,045	386,698	-19.05%
Other long-term liabilities (various guarantees)	46,875	72,225	-35.10%
Deferred tax	0	122,576	-100.00%
<b>Total</b>	<b>97,734,366</b>	<b>92,906,479</b>	<b>5.20%</b>

## Evolution of Debt





# Analysis of the financial results

## Analysis of the balance sheet at consolidated level

Provisions decreased by 91.01% compared to the end of 2022, reaching RON 27.50 thousand as of June 30, 2023.

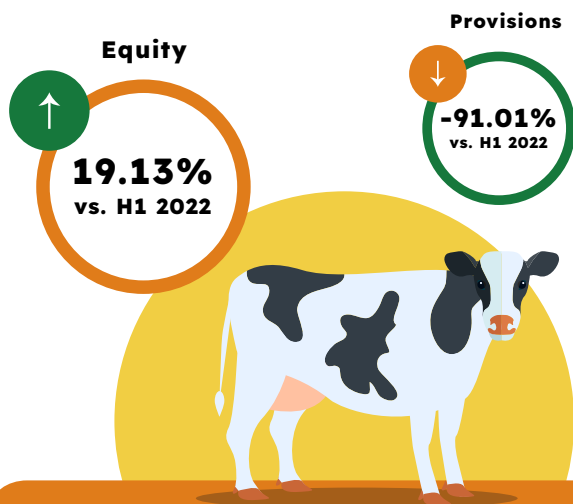
Equity increased by 19.13% compared to December 31, 2022, reaching RON 94.90 million. This increase was driven by the recording of a net profit of RON 15.17 million as of June 30, 2023, representing an 8.86% increase compared to the end of the financial year in 2022.

Balance sheet indicators (RON)	30.06.2023	31.12.2022	Δ%
Liabilities: Amounts due to be paid within a period of up to one year	58,228,660	59,675,569	-2.42%
Liabilities: Amounts due to be paid over a period of more than one year	97,734,366	92,906,479	5.20%
Provisions	27,505	305,969	-91.01%
Deferred revenues	1,936,629	2,006,257	-3.47%
Debts - total	155,963,026	152,582,048	2.22%
Total shareholders' equity	94,901,338	79,661,430	19.13%
<b>Total equity and liabilities</b>	<b>252,828,498</b>	<b>234,555,704</b>	<b>7.79%</b>

## Consolidated balance sheet

Consolidated balance sheet	30.06.2023	31.12.2022	Δ%
I. Intangible assets	6,493,991	6,704,090	-3.13%
II. Tangible assets	158,468,138	153,895,993	2.97%
III. Financial assets	54,369	54,336	0.06%
<b>Fixed assets - total</b>	<b>165,016,498</b>	<b>160,654,419</b>	<b>2.72%</b>
I. Stocks	51,125,960	45,838,344	11.54%
II. Receivables	31,227,351	25,047,812	24.67%
III. Short-term investments	-	-	-
IV. Cash and bank accounts	3,882,181	1,586,295	144.73%
<b>Circulating assets - total</b>	<b>86,235,493</b>	<b>72,472,451</b>	<b>18.99%</b>
Prepaid expenses	1,576,508	1,428,834	10.34%
Amounts to be recovered within a period of up to one year	983,018	749,015	31.24%
Amounts to be recovered over a period of more than one year	593,490	679,819	-12.70%
Liabilities: Amounts due to be paid within a period of up to one year	58,228,660	59,675,569	-2.42%
Net current assets/ Net current liabilities	28,850,595	13,406,641	115.20%
<b>Total assets minus current liabilities</b>	<b>194,460,583</b>	<b>174,740,878</b>	<b>11.29%</b>
Liabilities: Amounts due to be paid over a period of more than one year	97,734,366	92,906,479	5.20%
Provisions	27,505	305,969	-91.01%
Prepaid income	1,936,629	2,006,257	-3.47%
1. Investment subsidies	1,936,629	2,006,257	-3.47%
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	1,797,374	1,867,001	-3.73%
2. Deferred revenues	-	-	-
Amounts to be collected within a period of up to one year	-	-	-

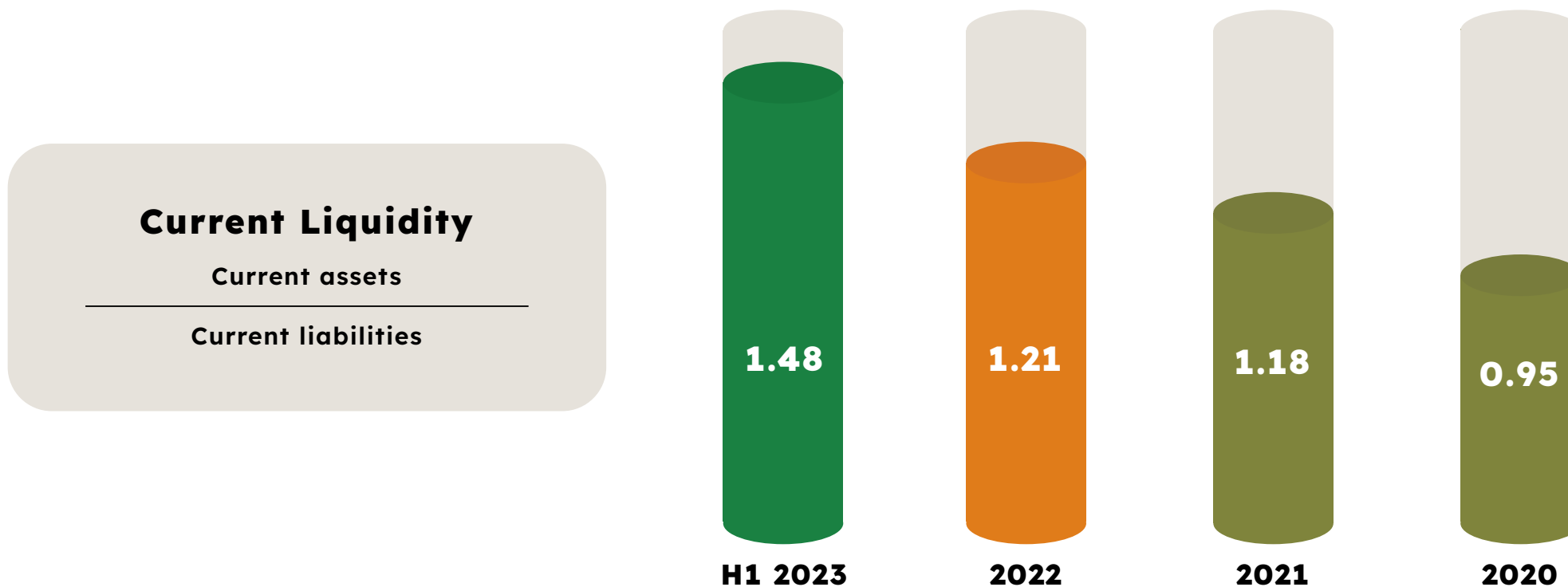
Consolidated balance sheet	31.03.2023	31.12.2022	Δ%
Amounts to be collected over a period of more than one year	-	-	-
3. Advance revenues related to assets received through transfer from customers	-	-	-
Amounts to be recovered within a period of up to one year	-	-	-
Amounts to be recovered over a period 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)	-	-	-
II. Capital premiums (ct. 104)	734,004	734,004	0.00%
III. Reserves from revaluation (ct. 105)	-	-	-
IV. Reserves	406,683	406,683	0.00%
Own shares (ct 109)	(265,281)	(65,280)	306.37%
Gains related to equity instruments	-	-	-
Losses related to equity instruments	-	-	-
V. Carried-forward profit or loss - SOLD C	46,082,020	32,364,362	42.39%
VI. Profit or loss of the financial year - SOLD C	15,175,641	13,940,230	8.86%
Profit distribution	-	(222,572)	-
Minority interests	949,425	685,158	38.57%
<b>Equity - total</b>	<b>94,901,338</b>	<b>79,661,430</b>	<b>19.13%</b>



# Analysis of the financial results

## Main financial indicators at consolidated level

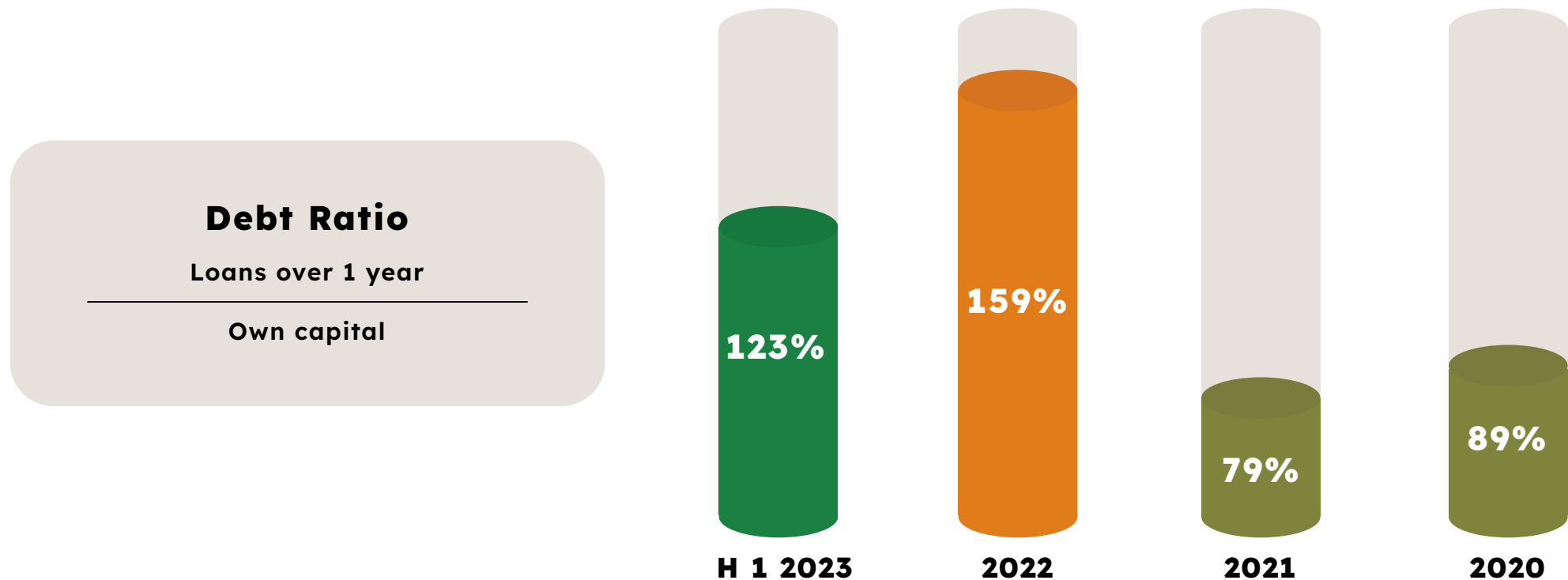
Current liquidity ratio	30.06.2023	31.12.2022	31.12.2021	31.12.2020
Current assets (A)	86,235,493	72,472,451	49,426,260	22,362,883
Current liabilities (B)	58,228,660	59,675,569	41,793,980	23,430,660
A/B	1.48	1.21	1.18	0.95



# Analysis of the financial results

## Main financial indicators at consolidated level

Debt Ratio Indicator	30.06.2023	31.12.2022	31.12.2021	31.12.2020
Loan capital (A) = Loans over 1 year	116,369,808	126,397,863	51,691,514	26,614,807
Own capital (B)	94,901,338	79,661,430	65,458,018	29,844,190
A/B	123%	159%	79%	89%

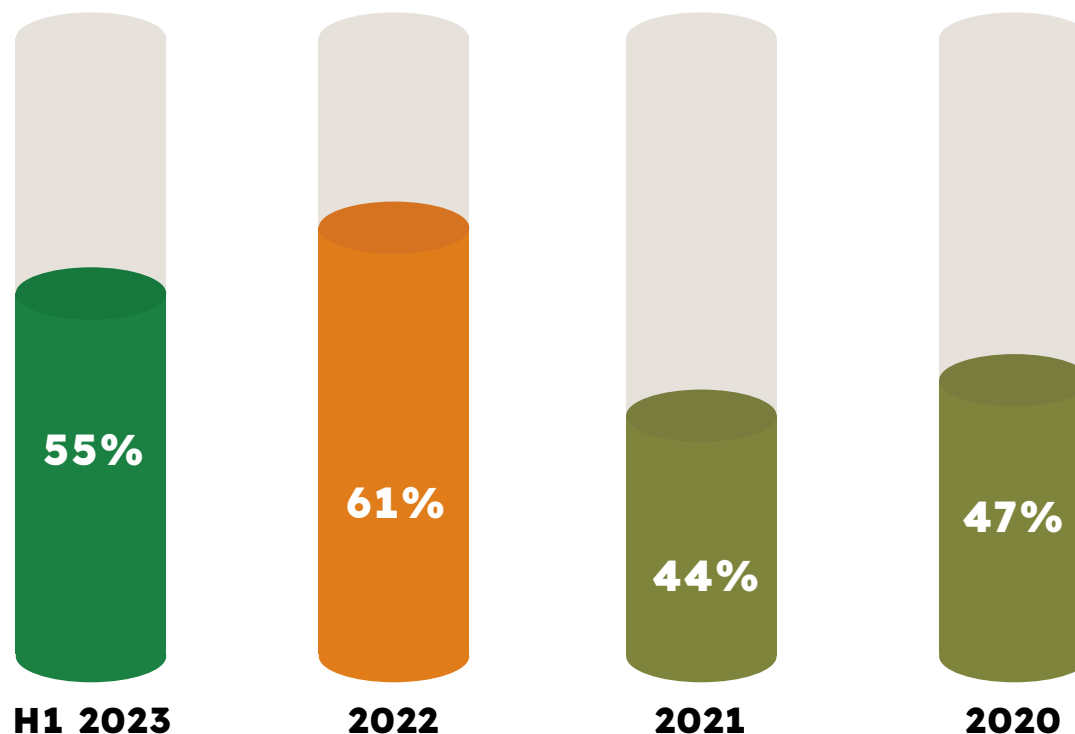


# Analysis of the financial results

## Main financial indicators at consolidated level

Debt Ratio Indicator	30.06.2023	31.12.2022	31.12.2021	31.12.2020
Loan capital (A) = Loans over 1 year	116,369,808	126,397,863	51,691,514	26,614,807
Capital employed (B) = Borrowed capital + Own capital	211,271,146	206,059,293	117,149,532	56,458,997
A/B	55%	61%	44%	47%

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

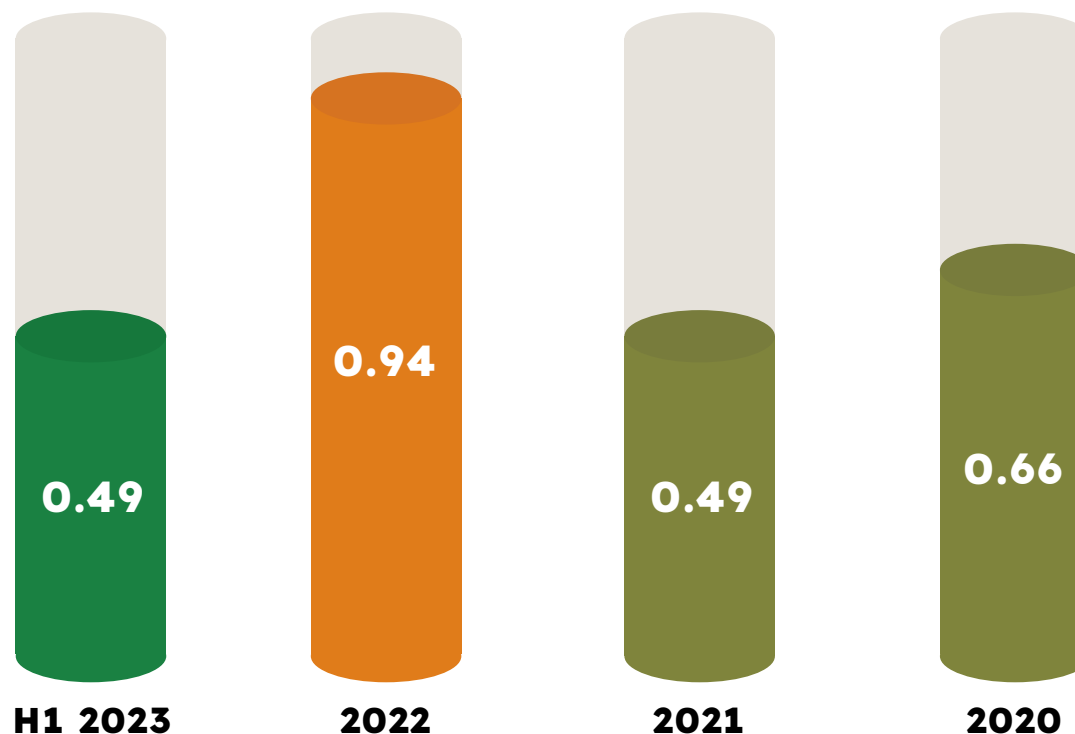




# Analysis of the financial results

## Main financial indicators at consolidated level

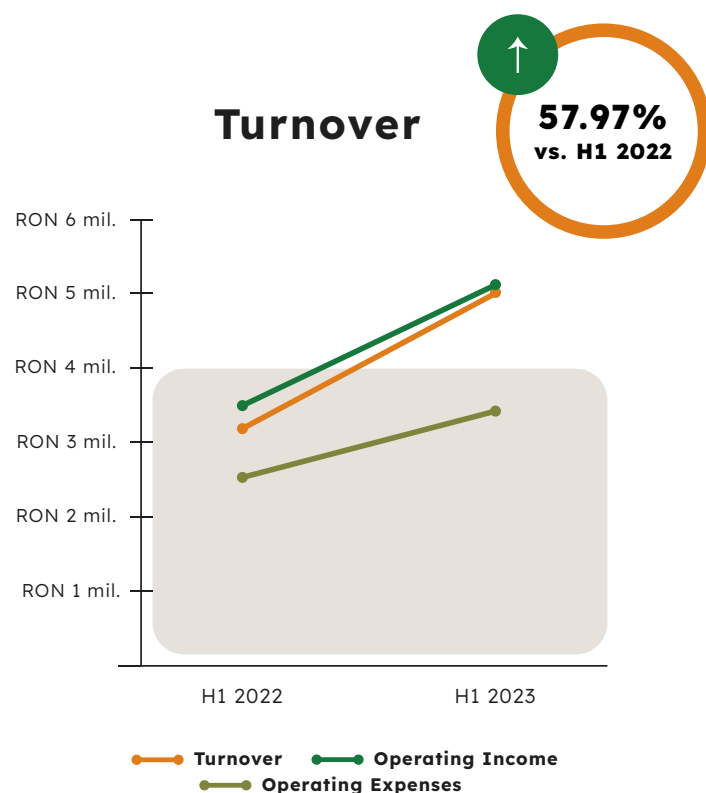
Turnover of fixed assets	30.06.2023	31.12.2022	31.12.2021	31.12.2020
Turnover (A)	80,349,549	150,789,463	46,951,665	38,220,407
Fixed assets (B)	165,016,498	160,654,419	96,416,465	57,557,888
A/B	0.27	0.94	0.49	0.66



# Analysis of the financial results

## Analysis of the individual financial results as at 30.06.2023

In the first half of 2023, DN AGRAR Group S.A. registered good financial results, with the **total turnover reaching RON 5.06 million, an increase of 57.97%** compared to the same period last year.



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

In the first six months of 2023, operating revenues amounted to RON 5.07 million, marking an increase of 45.71% compared to the same period last year. **The main source of income for the company is the revenue from consulting and management services, which amounted to RON 5.06 million, registering a growth of 57.97%** compared to the same period in 2022.

Operating expenses for the first six months were RON 3.42 million, reflecting an increase of 36.23% compared to the same period in 2022. The primary category of operating expenses consists of consumable materials, which reached RON 28.09 thousand, representing a 20.37% increase compared to the same period last year. **Personnel expenses increased by 16.75% due to training and development activities for employees and the increase in the number of qualified personnel from 23 employees to 30 employees.**

Depreciation and impairment expenses amounted to RON 446.53 thousand, a significant increase of 155.23% due to the growth of fixed assets by 1.32% to RON 60.12 million.

Profit and loss account in RON	30.06.2023	30.06.2022	Δ%
Operating revenue - total	5,072,279	3,481,161	45.71%
Operating expenditure - total	3,421,302	2,511,410	36.23%
Operating profit or loss	1,650,977	969,751	70.25%
Financial income - total	310,671	157,639	97.08%
Financial expenditure - total	1,496,470	586,267	155.25%
Financial profit or loss	1,185,799	(428,628)	-376.65%
Gross profit or loss	465,178	541,123	-14.03%
Net profit or loss	383,001	462,166	-17.13%

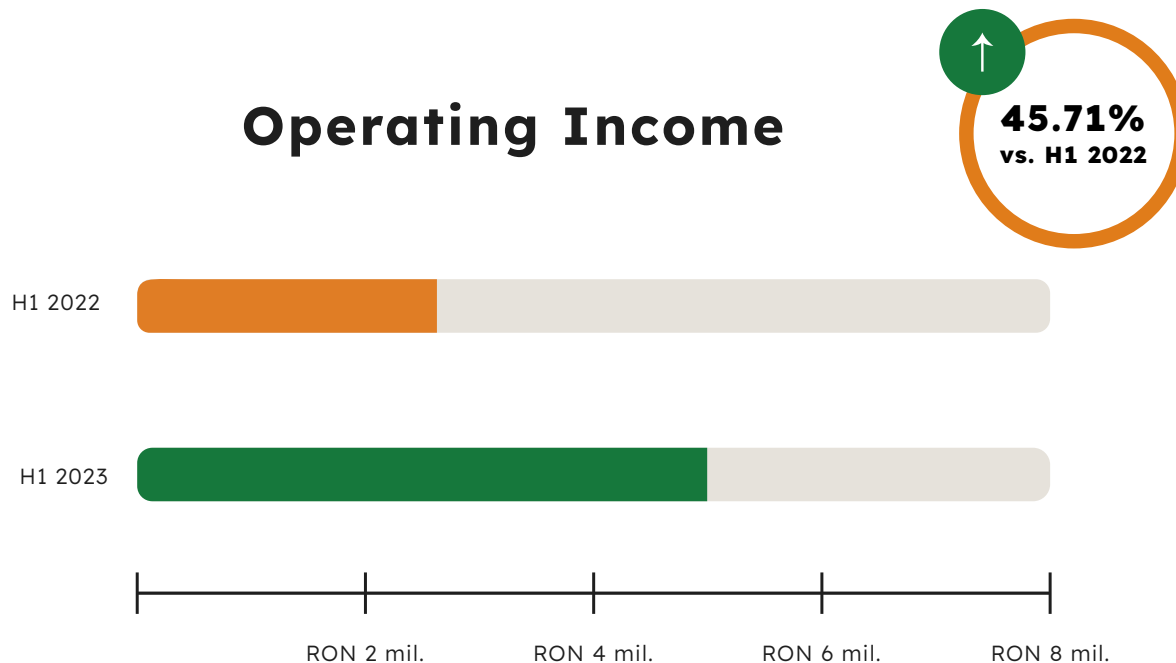
# Analysis of the financial results

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

The operating result of the company was 1.65 million lei, registering an increase of 70.25%.

Financial revenues increased by 97.08%, reaching RON 310.67 thousand, while financial expenses increased by 155.25%, totaling RON 1.49 million. This increase is attributed to expenses related to interest and foreign exchange differences resulting from the conversion in euro of a RON 33.2 million loan contracted from ING Bank for the acquisition of equity shares of the Apold Farm in April 2022.

As a result, the gross profit decreased to RON 465.17 thousand in the first semester of 2023, a 14.03% decrease compared to the RON 541.12 thousand recorded in the same period of the previous year. In the first six months of 2023, the company closed its balance sheet with a net profit of RON 383 thousand, a decrease of 17.13% compared to the first half of 2022.



Indicators (RON)	30.06.2023	30.06.2022	Δ%
Net turnover	5,059,491	3,202,788	57.97%
Production sold	5,059,491	3,202,788	57.97%
Income from the sale of goods	-	-	-
Commercial discounts granted	-	-	-
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	-	-	-
Sold D	-	-	-
3. Income from the production of intangible and tangible assets	-	-	-
4. Income from the revaluation of tangible assets	-	-	-
5. Income from the production of real estate investments	-	-	-
6. Income from operating subsidies	-	319	-
7. Other operating income	12,788	278,054	-95.40%
- of which, income from investment subsidies	-	-	-
- of which, income from negative goodwill	-	-	-
<b>Operating income - total</b>	<b>5,072,279</b>	<b>3,481,161</b>	<b>45.71%</b>
8.a) Expenses for raw materials and consumable materials	28,095	23,341	20.37%
Other material expenses	72,953	41,789	74.57%
b) Other external expenses	58,363	33,251	75.52%
c) Expenses related to goods	-	-	-
Trade discounts received	-	(71)	-

# Analysis of the financial results

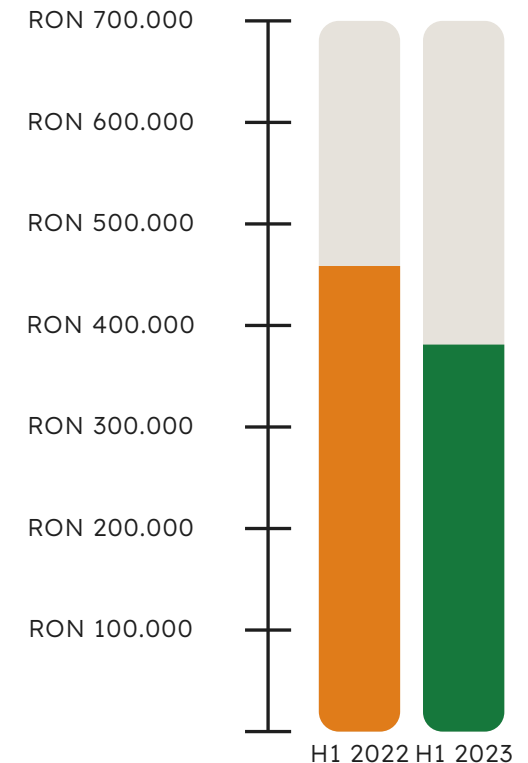
## Analysis of the profit and loss account at individual level

Indicators (RON)	30.06.2023	30.06.2022	Δ%
9. Personnel expenses	1,786,556	1,530,268	16.75%
a) Wages and allowances	1,747,753	1,492,162	17.13%
b) Expenses for insurances and social protection	38,803	38,106	1.83%
10. a) Value adjustments regarding tangible and intangible assets	446,537	174,954	155.23%
a.1) Expenses	446,537	174,954	155.23%
a.2) Income	-	-	-
b) Value adjustments regarding current assets	-	-	-
b.1) Expenses	147,304	-	-
b.2) Income	147,304	-	-
11. Other operating expenses	1,093,546	748,271	46.14%
11.1. Expenses related to external services	1,070,510	716,803	49.35%
11.2. Expenses for other taxes, fees, and similar payments expenses representing transfers and contributions due based on specific legislative acts	2,079	12,799	-83.76%
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	20,957	18,669	12.26%
Expenses for refinancing interest recorded by entities deregistered from the General Registry that still have ongoing leasing contracts	-	-	-
Adjustments regarding provisions	64,748	40,393	60.30%
- Expenses	-	-	-
- Income	64,748	40,393	60.30%
<b>Operating expenses</b>	<b>3,421,302</b>	<b>2,511,410</b>	<b>36.23%</b>
<b>Operating profit or loss</b>	<b>1,650,977</b>	<b>969,751</b>	<b>70.25%</b>

Indicators (RON)	30.06.2023	30.06.2022	Δ%
12. Income from equity interests - of which, income obtained from affiliated entities	-	-	-
13. Income from interest - of which, income obtained from affiliated entities	167,219	126,993	31.68%
14. Income from operating subsidies for interest payable	-	-	-
15. Other financial income - of which, income from other financial assets	143,452	30,646	368.09%
<b>Financial income - total</b>	<b>310,671</b>	<b>157,639</b>	<b>97.08%</b>
16. Value adjustments regarding financial assets and financial investments held as current assets	-	-	-
- Expenses	-	-	-
- Income	-	-	-
17. Expenses related to interest - of which, expenses in relation to affiliated entities	886,334	513,154	72.72%
18. Other financial expenses	610,136	73,113	734.51%
<b>Financial expenses - total</b>	<b>1,496,470</b>	<b>586,267</b>	<b>155.25%</b>
<b>Financial profit or loss</b>	<b>(1,185,799)</b>	<b>(428,628)</b>	<b>176.65%</b>
Total income	5,382,950	3,638,800	47.93%
Total expenses	4,917,772	3,097,677	58.76%
19. Gross profit or loss	465,178	541,123	-14.03%
20. Profit tax	82,177	78,957	4.08%
21. Specific activities tax	-	-	-
22. Other taxes not presented in the elements above	-	-	-
23. Net profit or loss of the financial year	383,001	462,166	-17.13%
Net profit or loss attributable to minority interests	-	-	-
<b>23. Net profit or loss attributable to the group</b>	<b>383,001</b>	<b>462,166</b>	<b>-17.13%</b>

## Net Profit

↓  
**-17.13%**  
vs. H1 2022





# Analysis of the financial results

## Analysis of the balance sheet at individual level

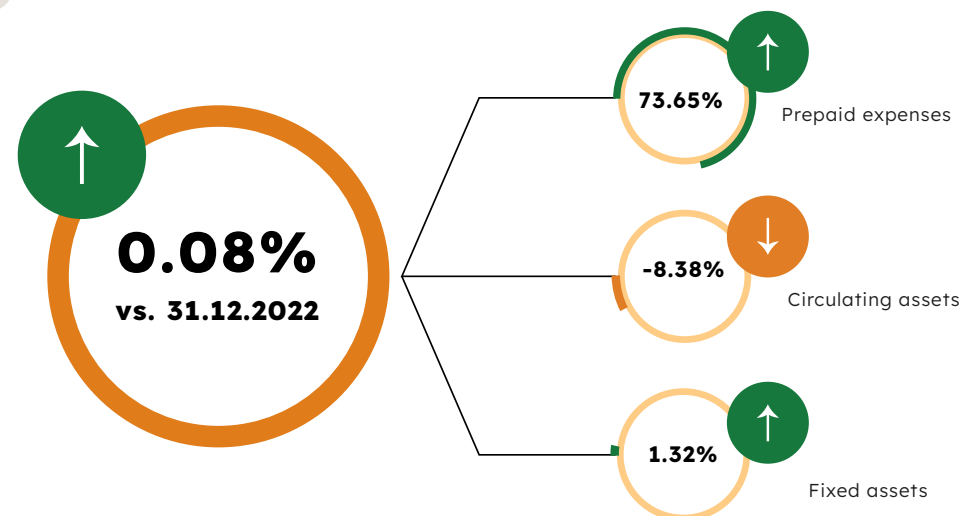
**Fixed assets increased by 137.10%, reaching RON 59.84 million as a result of the acquisition of the shares of the Apold Farm** held by the investment fund Gârbova CV. Intangible assets increased by 39.20% from RON 2 million to RON 2.79 million following the company's investments in the digitization of informational flows, respectively the acquisition of a SAP system.

Financial assets registered a slight decrease of 0.01%, reaching RON 57.1 million. Prepaid expenses of RON 181.91 thousand were incurred due to annual management fees associated with the RON 33.2 million loan contracted from ING Bank for the acquisition of the Apold Farm shares.

Current assets decreased by 8.38%, reaching RON 8.76 million during the analyzed period. This decrease was primarily driven by the collection of trade receivables, which decreased by 8.73%, from RON 8.66 million in June 2022 to RON 7.90 million. The reduction in current assets was also influenced by a 5.27% decrease in the company's cash, with bank account balances totaling RON 860.16 thousand as of June 30, 2023.

Balance sheet indicators (RON)	30.06.2023	31.12.2022	Δ%
Fixed assets - total	60,126,854	59,346,354	1.32%
Circulating assets - total	8,766,537	9,568,785	-8.38%
Prepaid expenses	181,913	104,760	73.65%
<b>Total assets</b>	<b>69,075,304</b>	<b>69,019,899</b>	<b>0.08%</b>

### Total Assets



# Analysis of the financial results

## Analysis of the balance sheet at individual level

Long-term liabilities decreased by 3.76%, reaching RON 30.72 million, while short-term liabilities decreased by 4.76%, reaching RON 2.45 million.

Provisions increased by RON 0.54 thousand compared to the first quarter of 2023.

Equity increased by 3.99%, reaching RON 35.9 million, and this increase was driven by the incorporation of retained earnings totaling RON 1.38 million.

Balance sheet indicators (RON)	30.06.2023	30.06.2022	Δ%
Liabilities: Amounts due to be paid within a period of up to one year	2,452,395	2,575,009	-4.76%
Liabilities: Amounts due to be paid over a period of more than one year	30,720,030	31,920,005	-3.76%
Provisions	541	-	-
Deferred revenues	-	-	-
Debts - total	33,172,425	34,495,014	-3.83%
Total shareholders' equity	35,902,338	34,524,885	3.99%
<b>Total equity and liabilities</b>	<b>69,075,304</b>	<b>69,075,304</b>	<b>0.08%</b>

### Provisions

↓  
-71.08%  
vs. H1 2022

### Equity

↑  
10.30%  
vs. H1 2022



## Individual balance sheet

Balance sheet indicators	30.06.2023	30.06.2022	Δ%
I. Intangible assets	2,794,561	2,007,656	39.20%
II. Tangible assets	227,463	230,900	-1.49%
III. Financial assets	57,104,830	57,107,798	-0.01%
<b>Fixed assets - total</b>	<b>60,126,854</b>	<b>59,346,354</b>	<b>1.32%</b>
I. Stocks	1,455	-	-
II. Receivables	7,904,919	8,660,809	-8.73%
III. Short-term investments	-	-	-
IV. Cash and bank accounts	860,163	907,976	-5.27%
<b>Circulating assets - total</b>	<b>8,766,537</b>	<b>9,568,785</b>	<b>-8.38%</b>
Prepaid expenses	181,913	104,760	73.65%
Amounts to be recovered within a period of up to one year	112,903	25,447	343.68%
Amounts to be recovered over a period of more than one year	69,010	79,313	-12.99%
Liabilities: Amounts due to be paid within a period of up to one year	2,452,395	2,575,009	-4.76%
Net current assets/ Net current liabilities	6,427,045	7,019,223	-8.44%
<b>Total assets minus current liabilities</b>	<b>66,622,909</b>	<b>66,444,890</b>	<b>0.27%</b>
Liabilities: Amounts due to be paid over a period of more than one year	30,720,030	31,920,005	-3.76%
Provisions	541	-	-
Prepaid income	-	-	-
1. Investment subsidies	-	-	-
Amounts to be recovered within a period of up to one year	-	-	-
Amounts to be recovered over a period of more than one year	-	-	-
2. Deferred revenues	-	-	-
Amounts to be collected within a period of up to one year	-	-	-

Balance sheet indicators	30.06.2023	30.06.2022	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>10,606,285</b>	<b>200.00%</b>
1. Subscribed and paid-up capital	31,818,845	10,606,285	200.00%
2. Unpaid subscribed capital	-	-	-
3. Assets of the authority	-	-	-
4. Assets of national research and development institutes	-	-	-
5. Other equity items DR/(CR)	-	-	-
II. Capital premiums (ct. 104)	734,004	21,946,567	-96.66%
III. Reserves from revaluation (ct. 105)	-	-	-
IV. Reserves	199,387	116,556	71.07%
Own shares (ct 109)	(200,001)	-	-
Gains related to equity instruments	-	-	-
Losses related to equity instruments	-	-	-
V. Carried-forward profit or loss - SOLD C	2,967,102	1,393,314	112.95%
VI. Profit or loss of the financial year - SOLD C	383,001	462,166	-17.13%
Profit distribution	-	-	-
Minority interests	-	-	-
<b>Equity - total</b>	<b>35,902,338</b>	<b>34,524,885</b>	<b>3.99%</b>

# Analysis of the financial results

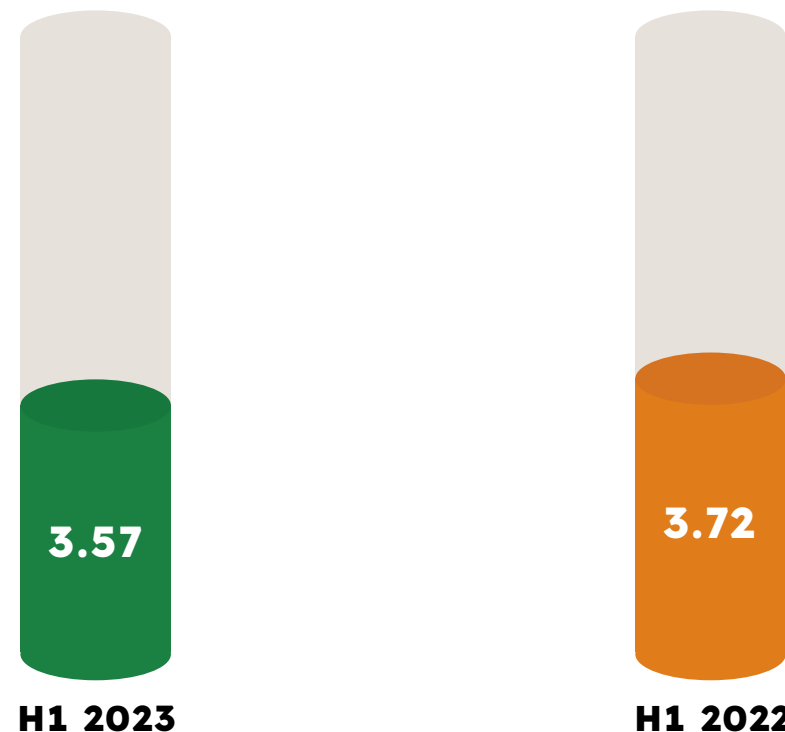
## Main financial indicators at individual level

Current liquidity ratio	30.06.2023	30.06.2022
Current assets (A)	8,766,537	9,568,785
Current liabilities (B)	2,452,395	2,575,009
A/B	3.57	3.72

### Current Liquidity

Current assets

Current liabilities





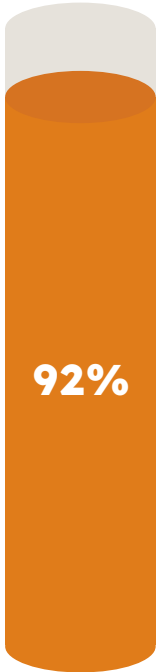
# Analysis of the financial results

## Main financial indicators at individual level

Debt Ratio Indicator	30.06.2023	30.06.2022
Loan capital (A) = Loans over 1 year	32,420,001	31,920,005
Own capital (B)	35,902,338	34,524,885
A/B	90%	92%



H1 2023



H1 2022



# Analysis of the financial results

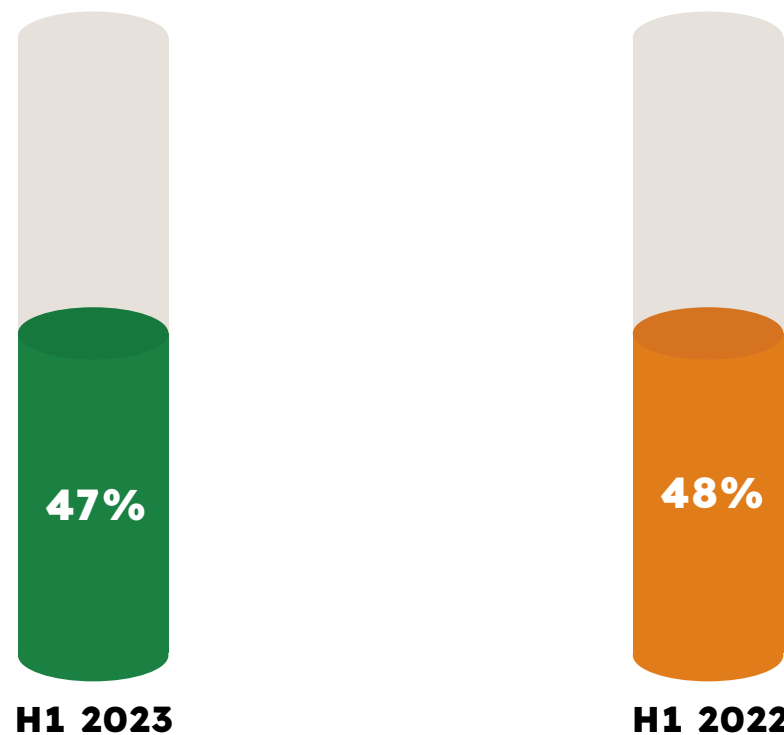
## Main financial indicators at individual level

Debt Ratio Indicator	30.06.2023	30.06.2022
Loan capital (A) = Loans over 1 year	32,420,001	31,920,005
Capital employed (B) = Borrowed capital + Own capital	68,322,339	66,444,890
A/B	47%	48%

### Debt Ratio

Loans over 1 year

Borrowed capital + Own capital





# Analysis of the financial results

## Main financial indicators at individual level

Turnover of fixed assets	30.06.2023	30.06.2022
Turnover (A)	5,059,491	3,202,788
Fixed assets (B)	60,126,854	59,346,354
A/B	0.08	0.05



H1 2023



H1 2022

CURRENT PROJECTS AND PERSPECTIVES



## Current projects and perspectives

With regard to projects carried out in the first semester of 2023, DN AGRAR continued the development of projects already launched, the investments undertaken both to increase the 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**, which registered significant increases: the **total turnover reached RON 80.35 million, an increase of 28.76%** compared to the same period of last year, the company closing the balance sheet in the six months of 2023, with a **net profit of RON 15.18 million, an increase of 200.05%** compared to the first semester of 2022.

We also recorded a **15.5% increase in the amount of milk delivered** in the first half of 2023 compared to the same period in 2022, and **the number of animals increased by 18%** compared to the first half of 2022.

The main development and investment projects carried out by DN AGRAR were directed along the directions detailed below.

**I** **Increase of the production capacity of the Apold farm by 50%**

**Project** started in 2022 and which was **finalized**.



**E** **xpansion of the number of milking cows by 50% for the Apold farm**

This is a long-term **project**, about 1.5-2 years, which **we started in 2022**, making the first purchase of 400 milking cows, the Holstein breed, in October.

**The next stage** was completed in **January 2023**, when we purchased 800 additional Holstein dairy cows from Germany.

In addition to this project, **we started** in the first half of 2023 **the construction of new shelters for calves and young cattle** for the Apold farm, which we expect to be completed by the end of the current year.



**S** **olar panels**

This is a project that we want to carry out in 2023 and which will involve the **installation of solar panels** on the roof of the buildings of the DN AGRAR Apold, DN AGRAR Cut and Lacto Agrar farms.

This project will be financed through grants. In this regard, we have already started the process to obtain the necessary funds.





# Current projects and perspectives

## Installation of robots for the milking parlors of the DN AGRAR Cut and Lacto Agrar farms

We are considering equipping the milking parlors of the Cut and Lacto Agrar farms with 2 types of robots, respectively:

- Automatic disinfection sprayer for post udder – this is a fully automatic udder disinfection sprayer specially designed for rotary sheds.

**This type of robot was already installed in the Cut and Lacto Agrar farms in May this year.**

- Robot for pre-cleaning and stimulating the udder and milking. The purpose of using this type of robot is to minimize clinical mastitis and associated costs, as the udder must be as clean as possible.

**This type of robot is to be installed in the Cut and Lacto Agrar farms by the end of the current year, considering a small delay from the supplier.**



Automatic disinfection sprayer for post udder

## Straja Project

We have **partially completed the First stage** of this project, meaning that we have already prepared the land for the construction of the new farm and additional buildings, and we have completed the land preparation for the construction of the new lagoon where the manure is to be collected.



Related to the milk production activity, we are already in the preparation stage for populating the first milking parlor, in the sense that, for this new farm, we are already raising the young cattle within the Prodact farm, which currently has over 3,000 heads.

By the time this farm becomes operational, we will already have the possibility to ensure the necessary livestock capacity.

In the last quarter of this year, we will officially announce the funding method for this project.

## Compost factory

We are in the **advanced construction phase** for the composting building, the works are advancing according to the investment plan.



# MANAGEMENT STATEMENT

Alba-Iulia, September 28, 2023

According to the best information available, we confirm that the unaudited interim consolidated and individual simplified financial statements prepared for the six months ended on June 30, 2023 offer a true and fair view of the assets, liabilities, financial position and income statement and expenses of DN AGRAR GROUP S.A., as provided by the applicable accounting standards, and that the Management Report provides a fair and true picture of the important events that took place during the first six months of the financial year 2023 and their impact on the unaudited consolidated and individual simplified 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 the DN AGRAR company website, you can find recent and archived press releases, financial reports, annual reports, presentations, the financial calendar, and other relevant information for shareholders, accessible through the Euroland interactive tool.

**Access our page and subscribe to our newsletter to stay updated on DN AGRAR's activities.**



## 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)



