

2023



ANNUAL REPORT

"Milk Matters" – 2023 Annual Insights from DN AGRAR Group S.A.

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• The individual and 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.

• The Management Report provides a true and fair view of the significant events that occurred in FY 2023 and their impact on the individual and consolidated financial results of the company.



Issuer Information

Information about this Financial Report

| | |
|------------------------|---------------------------------------|
| Type of report | 2023 Annual Report |
| For the financial year | 01.01.2023 – 31.12.2023 |
| Legal framework | Annex 13 to ASF Regulation No. 5/2018 |
| Report date | 29.03.2024 |

Information about the Issuer

| | |
|---|---|
| Name | DN AGRAR Group S.A. |
| Tax code | 24020501 |
| Commercial Register registration number | J01/730/2008 |
| Registered office | Alba-Iulia, Piața Iuliu Maniu Street, No. 1, Bl. 31DE, Alba County, ROMANIA |

Information about the securities

| | |
|--|------------------------------------|
| Subscribed and paid-up share capital | RON 31.818.844,80/EUR 6.396.261,97 |
| Market on which securities are traded | MTS AeRO Premium |
| Key features of securities issued by the company | 159.094.224 ordinary shares |
| Symbol | DN |

Contact

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ABOUT US

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DN AGRAR 2023 BENCHMARKS

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



1. How would you define the year 2023 for DN AGRAR in terms of financial and operational results? How did the results compare to the estimates at the beginning of the year?

DN AGRAR ended 2023 with financial results on the rise, marked by strategic investments that align with the organization's objectives of modernization, digitalization and integration of

group companies. The turnover of DN AGRAR Group reached RON 151 million, the net profit saw a significant increase of 63%, reaching RON 23 million, and the total assets grew by 31%, reaching RON 308 million, compared to 2022. We recorded a profit margin of 15%.

Operational revenues increased to RON 235 million, 14% more than in the same period of the previous year, due to the expansion of production capacity and the quantity of milk delivered. We continued the activity of consolidating the activities of the companies in the group, reaching 13 companies with approx. 280 employees.

2. How did the business environment impact your company's results and how did the company respond to the challenges faced?

The year 2023 has been a good one for DN AGRAR, marked by growth through the adoption of sustainable practices and modern technologies to ensure both the quality and sustainability of the business. However, we also faced challenges related to the environment in which we operate, fluctuations in the price of milk, and challenges regarding the inputs needed for farm operations and cereal cultivation. We relied on a strong team, anticipated the challenges, and took measures to address them. Regarding the milk prices, DN AGRAR anticipated the direction, and among the measures considered was the reduction of fixed

costs. We continued to purchase cows for our farms, thus producing more milk while optimizing fixed costs.

Expanding farm capacities and implementing automation in the milking process have also contributed to improving operational performance.

As we are an integrated company and produce a large portion of the feed for our cows, we were able to control costs reasonably well. We believe that through efficiency, we remain competitive, thus improving productivity was a key objective.

3. What initiatives have been taken to ensure the farm's sustainability and social responsibility, considering the current concerns about the environment and community?

At DN AGRAR, our journey is guided by a firm commitment to sustainability. As the largest integrated farm in Romania, our dedication to sustainability encompasses all our operations, from milk production to agricultural services. Circular economy practices, animal welfare, energy consumption reduction, and responsible waste management are integrated into the company's daily activities. In 2023, we invested in advanced technologies, continuous employee training, and progressed with the construction of the compost factory, which will contribute to soil conservation and reducing environmental impact.



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

Practices such as crop rotation, soil conservation, and reducing the use of chemical fertilizers have already been adopted by us and will continue this year. We have also integrated equipment with reduced water consumption for phytosanitary treatment applications and increased the number of hectares fertilized naturally using our manure.

Additionally, for the first time, DN AGRAR organized a consultation to identify sustainability issues important to stakeholders and addressed them in the first ESG report for the year 2022, which we published in 2023. We believe that by investing in farmers, communities, and the environment, we can build a resilient and sustainable food system, that benefits everyone.

4. What are the main points of the business strategy for the next year?

We are the largest and aim to stay at the forefront, to be the best in circular agriculture. DN AGRAR aims to maintain its growth trajectory and continue the development plans started in 2023, including the sustainable increase of production capacity. The objectives include maintaining the growth pace of operational activities, especially milk production.

We will advance with the Straja farm project, which is estimated to take about 3 years and will become partially operational starting with the third quarter of this year, with 600 cows. The project will have the capacity for 5,000 cattle by the end of 2027. The



compost factory, as part of the circular economy, will also become operational starting with the third quarter of this year.

All these investments will contribute to the expansion of the DN AGRAR group and strengthen its market position.

5. What are the company's expectations regarding the evolution of the sector, in the next year?

Romania is a country with significant opportunities in the dairy production sector, especially considering that over 50% of domestic milk consumption comes from imports. We believe that Romania has good potential to stimulate the production of high-quality milk through sustainable and ecological circular agriculture practices, and we at DN AGRAR are well-positioned to seize these opportunities. Generally, agricultural businesses can be vulnerable to demand fluctuations and weather conditions, and we believe that diversifying the business can help mitigate risks.

The milk market in Romania is also affected by subsidy allocation, and we consider that efficient management of subsidy allocation would further support local farmers.

For 2024, we expect stability in milk prices and predictability regarding the subsidies.



Q&A with Gabriel Țico, CFO DN AGRAR



1. Could you detail the evolution of the main financial indicators in 2023?

In 2023, DN AGRAR Group recorded a turnover of over RON 150 million and a net profit of RON 23 million, a 63% increase compared to 2022. The company's results were supported by the increase in milk production and production cost optimizations, as well as investments made in process automation within the farms, amid a year that also brought challenges regarding the milk price.

The company's EBITDA recorded in 2023 was RON 54 million, up 25% from the previous year. The EBITDA margin was 35%, and the profitability margin was 15%.

At the end of 2023, at the group level, total assets amounted to RON 308 million, a 31% increase compared to the previous year. The value of equity reached RON 133 million, up 67% compared to 2022.

2. What was the impact of the changes in the subsidy calculation reference for DN AGRAR?

DN AGRAR receives subsidies through APIA for agricultural land and for the production of raw milk, which are granted based on the number of animals owned and the land area used, according to the requests made by the organization. With the adoption of the new PNRR regulations in 2023, the reference calculation for the national transitional aid (ANT7, ANT8) for milk production and animals was changed and the year 2018 was considered as reference. As a result, the subsidies owed to DN AGRAR for animals take into account a number of 8,794 of dairy cattle and for the milk production was considered a higher level of milk by 23,994 tons in total at the group level.

It is worth mentioning that in the previous PNRR regulations, the reference for milk production and animals held was calculated at the level of the year 2013, when, in the case of DN AGRAR, the

values were much lower than those from the year 2018, considering the level of development of the company at that time.

Additionally, in 2023 was introduced a subsidy for the Support for Russia-Ukraine Aggression (Sprijin de Agresiune Rusia-Ucraina) of 73 euros/cow, which was collected in the first quarter and which, due to the lack of herds estimated by the authorities, has been increased by 37 euros/cow, and the subsidy for the well-being of dairy cattle of 100 euros/cow, which was requested for a number of 6,386 cattle for the year 2023.

3. What is the status regarding reporting according to IFRS standards?

The listing on the BVB prompted us to adapt our strategy, become more visible, and implement digital tools such as SAP (ERP - Enterprise Resource Planning) for managing and reporting the company's activities. We are already working on implementing the SAP system for all our companies, which means consolidated business processes, automated daily operations, and advanced management and reporting functionalities, a process that will be completed in April 2024.

In preparation for the transfer to the Main Market of the BVB, we have started working to implement and report according to IFRS standards. We are currently implementing IFRS standards in SAP system and our goal is to report on IFRS standards, starting with 2025.



Q&A with Adina Trufaș, the Zootechnics Manager



1. How would you characterize the company's activity in the livestock segment in 2023, and what were the main challenges you faced?

The company's activity in the zootechnical sector is intense, with significant efforts made each year. In 2023, DN AGRAR experienced positive developments in its zootechnical operations, witnessing a 20% increase in the total number of animals and a 14% increase in the overall quantity of milk.

We implemented a strategy that involved both acquiring animals and production. This strategy also included the use of sexed semen insemination, resulting in 67% of the born calves being female.

Additionally, in January 2023, we acquired 800 dairy cows through imports and expanded the capacity at the DN Agrar Apold farm by constructing new facilities for both dairy cows and young stock.

2. What technologies and innovations have you implemented to optimize the zootechnical activities at DN AGRAR?

We are a company committed to sustainable development. We have analysed how we can optimize zootechnical activities and have implemented technologies aimed at improving operational efficiency and performance. To increase labor efficiency on our farms, we decided to install two types of robots in the Lacto Agrar and Cut farms.

In May 2023, we installed in our two farms, the first type of robot, which will carry out an automated spraying process for udder disinfection. This robot is specially designed for rotary parlors and operates with most standard udder disinfectants, automatically spraying the teats after the milking clusters are removed. In this way it will ensure the udder protection against bacteria that cause mastitis between milkings.

The second type of robot, which fully automates the scrubbing position, performing cleaning, disinfection, stimulation and nipple wiping, is due to be installed in April 2024.

Once both robots are installed and operational, internal analysis shows that manual labour in the milking process will be reduced by 50% on both farms.

Together with quality feed and waste management, milking is a key success factor on a dairy farm, and automation helps significantly, not only by reducing dependence on human labour but also by contributing to better animal health.

3. How do you manage waste and residues from livestock activities to minimize the environmental impact at DN AGRAR?

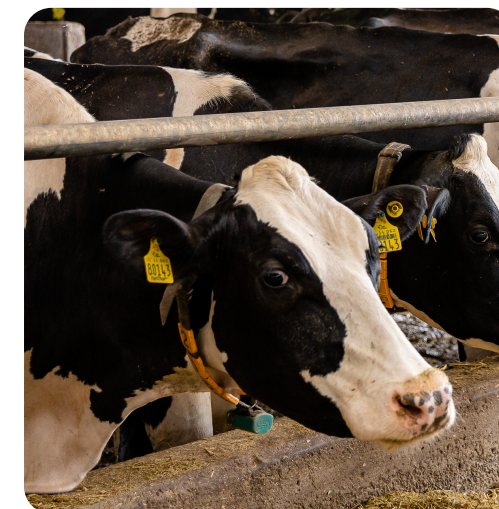
The zootechnical activity carried out in our farms is based on the principles of circular economy, which is why we focus on the reuse of animal waste. Starting from 2022, we have made significant investments to support us in the management of waste and the reduction of our impact.

We use manure after the fermentation period to fertilize the land we cultivate. We acquired a specialized equipment with large capacity to apply a large part of the semi-liquid organic fertilizers we have, by incorporating the

manure directly into the soil, thus greatly reducing the risk of losing nutrients from the manure through runoff or evaporation.

Additionally, through the practice of composting manure, we aim to transform this waste into a substance that improves soil health and supports plant growth, given its rich content in nitrogen, phosphorus, and other essential nutrients.

Waste (e.g., household waste, motor oil, etc.) and residues (e.g., animal waste) are managed in accordance with the law to minimize their impact on the environment and are collected by specialized companies for neutralization or valorization.



Q&A with Dan Bogdan, the Agriculture Manager



1. How would you characterize the company's activity in the agricultural segment in 2023, and what were the main challenges you faced?

Ensuring the quality of our milk begins in the field, with the production of animal feed. We conduct our operations in compliance with sectoral regulations and guidelines, in close collaboration with phytosanitary authorities.

As it is known, the agricultural cycle in Romania is divided into two main seasons, each of which has a different influence on the company's financial performance: the spring campaign, which takes place from March to May, with harvesting activities in September - October, and the autumn campaign, which occurs between September and October, with harvesting in the following year, in summer.

Representative crops at DN AGRAR are maize, triticale, and alfalfa. Our plant production is primarily intended for feeding animals on farms, and the additional quantity is used to pay the rent.

In 2023, we had a total production of 95,000 tons of silage. We cultivate approx. 6,200 hectares located in the counties of Alba, Sibiu, and Hunedoara.

The challenges we faced in 2023 were mainly generated by the increase in crop establishment costs.

2. How would you evaluate the performance of crops in 2023, and what changes did you observe compared to previous years?

In 2023, strictly from a production perspective, it was a good year. We had a higher production compared to 2022, with autumn wheat increasing by +21%, alfalfa by +24.4%, autumn triticale silage by +26.6%, and corn silage by +35.7%.

However, at the same time, we experienced an increase in costs per hectare due to the rise in the price of agricultural inputs. We managed to decrease the cost per ton of product, but not directly proportional to the production increase.

Our biggest advantage is that we are an integrated farm and we did not have to sell our raw products obtained, as overall the price of cereals dropped by approximately 50% compared to 2022.

The year 2023, which was a challenging one from cost perspective and overall environment, also taught us that we must transition to minimum or no-till agriculture as soon as possible for two reasons:

1. To reduce the cost per ton of our products, and
2. To be more sustainable and protected from climate change, especially from periods of drought.

This system of agriculture allows us to retain water in the soil much better than conventional agriculture.

3. What progress has been made regarding the implementation of agricultural technologies to increase operational efficiency and ensure sustainability?

Significant progress has been made in

implementing state-of-the-art agricultural technologies to increase the efficiency and sustainability of the production at DN AGRAR. For example, starting with 2022, the company adopted a differentiated weeding technology in the corn crop, using drones to identify areas with weeds and apply herbicides only to those areas, fully automating this process and thus reducing the number of herbicides.

Drought is a substantial risk from climate change, and we are addressing this challenge by adopting specific measures such as minimal tillage and ground cover during warm seasons to maintain soil moisture. In addition, our crop selection process is adapted to suit the climatic conditions of our region, serving as an essential strategy to mitigate the impact of drought.

The sustainable farming techniques used aim to maximize agricultural productivity while minimizing the negative impact on the environment. As example, the techniques we use are crop rotation, minimum tillage, composting and management of the organic matter, rotational grazing.

These methods ensure long-term ecological balance with positive effects on soil health, biodiversity, and resource efficiency. Continuous investments in high-performance technology and adaptability to new methods and technologies have allowed the company to efficiently manage the entire agricultural area, and the use of a modern grain storage silo contributes to ensuring optimal storage conditions, thus consolidating the progress made in the direction of production efficiency.

Q&A with Marian Rusu, the Technical Director



1. What were the main challenges encountered in obtaining and managing subsidies in 2023, and how were they addressed and integrated into the business development strategies?

In 2023, the National Strategic Plan (PNS) 2023-2027 came into force, bringing significant changes and at the market level it was an effort to adapt to the new requirements.

At DN AGRAR, we paid increased attention to the entire process of obtaining and managing subsidies. We actively participated in the market discussions, and internally, we adjusted our activities to comply with the new regulations, including reporting, and to ensure that we would benefit from the proposed payment schemes.

Additionally, in 2023, the DN AGRAR Apold and Cut farms underwent inspections by APIA. This involved careful verification of all land parcels and of the welfare of the animal for granting the subsidies.

We continue to monitor the legislation to adapt our business development strategy to the new requirements and market opportunities. We observe that through its strategies the Romanian state is paying more attention to the dairy production sector and we expect to see an impact in the future as well.

2. What was the company's strategy for efficiently managing lease costs and how did it impact the overall performance of DN AGRAR?

At DN AGRAR, we adapt our activities, including lease payments for land, based on market conditions. In the agricultural year 2022, we were impacted by severe soil drought, so we approached lease payments differently.

Being an integrated company, it was important for us to have cereal production primarily for

feeding the animals. Therefore, instead of payment in products, such as wheat and corn, we chose to propose to landowners a solution that involved increasing the lease payment in cash, paid per hectare.

Through this approach, we encouraged cash payment in order to keep the products for feeding our animals.

In 2023, addendums were signed on this amendment which, compared to 2022, resulted in savings from the total value of the lease.

3. DN AGRAR is a company guided by a strong commitment to sustainability. What actions have you taken in 2023 to reduce your environmental impact?

Firstly, at DN AGRAR, we ensure that all operating permits from the Romanian Waters (Apele Române) and the environmental authorities are up to date, promptly signaling any changes within the farms. Additionally, alongside internal environmental protection standards, we conduct monthly checks in partnership with an external provider, Geographica Transilvania, to ensure that any environment problem is identified, reported and remedied.

Furthermore, in 2023, soil analyses were updated for all farms, providing a clear understanding of

the nutrient requirements for crop planning. The results showed clear improvements in the areas where organic fertilization with manure was applied.

The company started the building of a manure composting plant at the Apold farm, equipped with an ammonia capture system, which will significantly reduce emissions. Compost, a natural product, is beneficial for the environment and can replace or supplement chemical fertilizers, aligning with the zero-waste strategy aimed at conserving resources and protecting the environment in the long term.



Q&A with Mihaela Nicula, the Head of the Accounting Department



1. What were the most significant tax and legislative changes that impacted the company's accounting during the past year?

The changes in taxation policies and VAT have implications for the whole business in Romania and implicitly for DN AGRAR. The main impacts for our company came from the changes in salary facilities in agriculture, including the elimination of exemptions for social health

insurance contributions and adjustments to tax exemptions for income from wages. Starting in November, the taxes related to salary facilities are 33.5% versus 23.5% previously.

The increase in the VAT rate from 5% to 9% for products with sugar content, non-alcoholic products, and accommodation services also impacted the company as our decision was to maintain the same selling price to align with market prices and retain customers.

Furthermore, new declaration obligations, such as the SAF-T informative declaration, introduced additional administrative requirements for DN AGRAR. We have carefully assessed and adapted to these changes in taxation and reporting requirements by implementing new tools, training our employees, to mitigate any adverse effects on our operations and financial performance.



The modifications in the micro-enterprise taxation system also affected DN AGRAR, particularly the new conditions related to income thresholds, employment, and shareholder ownership. Compliance with these conditions required adjustments to DN AGRAR's strategies.

2. What are the initiatives and projects for automating accounting processes that were implemented in 2023?

We already have solutions implemented such as SAP - ERP for monitoring and integrated management of our activities, and we are in the process of implementing IFRS standards for financial reporting. Additionally, the company aims to continue investing in technologies that automate and optimize accounting processes for more efficient and precise financial management.

The land rent payment process has been automated by accepting payments in cash and grain to the lessees. When paying the land rent in grains, it is necessary to prepare a tax invoice with the amount raised for each individual, and this is currently done automatically.

Also, other processes are also being worked on, such as:

- the automation of bank payments.
- preparing consolidated reports.
- preparation for the E-invoice reporting system.



DN AGRAR - Landmarks 2023



Closing price
of shares
29.12.2023

**1.28
RON**
+75.82%
VS
2022

TURNOVER
**150.88
MIL. RON**
(30.33 MIL. EUR)
+0.06%
VS
2022

NET PROFIT
**22.67
MIL. RON**
(4.55 MIL. EUR)
+62.64%
VS
2022

EBITDA
**53.97
MIL. RON**
(10.85 MIL. EUR)
+24.53%
VS
2022

TOTAL ASSETS
**307.94
MIL. RON**
(61.90 MIL. EUR)
+31.29%
VS
31.12.2022

FIXED ASSETS
**212.14
MIL. RON**
(42.64 MIL. EUR)
+32.05%
VS
31.12.2022

EQUITY
**133.33
MIL. RON**
(26.80 MIL. EUR)
+67.38%
VS
31.12.2022

DN AGRAR - Landmarks 2023

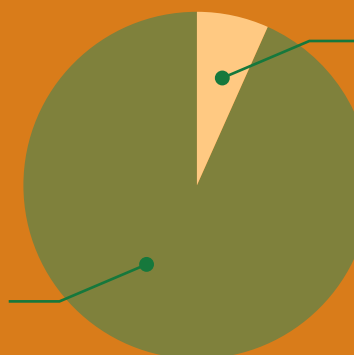


Quantity of
milk delivered
in 2023

13.76%
vs
2022



Total Area - 7.145,38 ha



Owned Land
977,87 ha

Leased Land
6.167,51 ha



CULTURES

Maize

Triticale

Alfalfa

Wheat (autumn)

Barley (spring and autumn)





Sunflower

Grass mixture

2023 Budget – Achieved vs Target

| Indicators | TARGET 2023 | | ACHIEVED 2023 | | TARGET 2023 | | ACHIEVED 2023 | | Δ% |
|--|-------------|-------------|---------------|-------------|-------------|------------|---------------|------------|----------|
| Net turnover | RON | 159,705,913 | RON | 150,886,163 | EUR | 32,104,272 | EUR | 30,331,316 | -5.85% |
| 1. Production sold | RON | 159,761,146 | RON | 149,450,504 | EUR | 32,115,375 | EUR | 30,042,718 | -6.90% |
| Commercial discounts granted | RON | (55,233) | RON | (106,686) | EUR | (11,103) | EUR | (21,446) | 48.23% |
| 2. Income related to the cost of work in progress | RON | 33,376,489 | RON | 45,726,117 | EUR | 6,709,381 | EUR | 9,191,918 | 27.01% |
| 3. Income from the production of intangible and tangible assets | RON | 8,014,788 | RON | 8,274,578 | EUR | 1,611,142 | EUR | 1,663,365 | 3.14% |
| 6. Income from operating subsidies | RON | 20,000,000 | RON | 27,127,826 | EUR | 4,020,424 | EUR | 5,453,268 | 26.27% |
| 7. Other operating income | RON | 1,517,559 | RON | 1,352,978 | EUR | 305,062 | EUR | 271,977 | -12.16% |
| Operating income - total | RON | 222,614,749 | RON | 234,724,747 | EUR | 44,750,281 | EUR | 47,184,647 | 5.16% |
| 8.a) Expenses for raw materials and consumable materials | RON | 117,842,089 | RON | 110,700,989 | EUR | 23,688,757 | EUR | 22,253,244 | -6.45% |
| Other material expenses | RON | 1,972,934 | RON | 2,113,045 | EUR | 396,602 | EUR | 424,767 | 6.63% |
| b) Other external expenses | RON | 3,745,602 | RON | 4,035,022 | EUR | 752,945 | EUR | 811,125 | 7.17% |
| c) Expenses related to goods | RON | 554,814 | RON | 1,282,450 | EUR | 111,529 | EUR | 257,800 | 56.74% |
| Primary trade discounts | RON | (874,719) | RON | (88,938) | EUR | (175,837) | EUR | (17,878) | -883.52% |
| 9. Personnel expenses | RON | 25,480,429 | RON | 25,692,226 | EUR | 5,122,106 | EUR | 5,164,682 | 0.82% |
| a) Salaries and allowances | RON | 24,956,470 | RON | 25,117,003 | EUR | 5,016,779 | EUR | 5,049,050 | 0.64% |
| b) Insurance and social protection expenditure | RON | 523,959 | RON | 575,223 | EUR | 105,327 | EUR | 115,632 | 8.91% |
| 10. a) Value adjustments regarding tangible and intangible assets | RON | 20,135,990 | RON | 20,890,111 | EUR | 4,047,761 | EUR | 4,199,355 | 3.61% |
| a.1) Expenses | RON | 20,135,990 | RON | 20,891,070 | EUR | 4,047,761 | EUR | 4,199,548 | 3.61% |
| b.1) Expenses | RON | 1,845,435 | RON | 218,255 | EUR | 370,972 | EUR | 43,874 | -745.54% |
| b.2) Income | RON | 920,942 | RON | 1,964,536 | EUR | 185,129 | EUR | 394,913 | 53.12% |
| 11. Other operating expenses | RON | 32,326,745 | RON | 37,230,054 | EUR | 6,498,361 | EUR | 7,484,030 | 13.17% |
| 11.1. Expenses related to external services | RON | 30,771,082 | RON | 34,905,582 | EUR | 6,185,639 | EUR | 7,016,762 | 11.84% |
| 11.2. Expenses for other taxes, fees, and similar payments; expenses representing transfers and contributions due based on specific legislative acts | RON | 624,518 | RON | 791,813 | EUR | 125,541 | EUR | 159,171 | 21.13% |

2023 Budget – Achieved vs Target

| Indicatori | TARGET 2023 | | REALIZAT 2023 | | TARGET 2023 | | REALIZAT 2023 | | Δ% |
|--|-------------|-------------|---------------|-------------|-------------|------------|---------------|-------------|----------|
|  11.6. Other expenses | RON | 931,145 | RON | 1,047,961 | EUR | 187,180 | EUR | 210,662 | 11.15% |
| Adjustments regarding provisions | RON | 67,290 | RON | (79,923) | EUR | 13,527 | EUR | (16,066) | 184.19% |
| - Expenses | RON | 317,118 | RON | 381,709 | EUR | 63,747 | EUR | 76,732 | 16.92% |
| - Income | RON | 384,408 | RON | 301,786 | EUR | 77,274 | EUR | 60,665 | -27.38% |
| Operating expenses - total | RON | 202,041,086 | RON | 200,188,600 | EUR | 40,614,539 | EUR | 40,242,150 | -0.93% |
| Operating profit or loss | RON | 20,573,663 | RON | 34,536,147 | EUR | 4,135,742 | EUR | 6,942,497 | 40.43% |
|  13. Income from interest | RON | 121,950 | RON | 108,555 | EUR | 24,515 | EUR | 21,822 | -12.34% |
| - of which, income obtained from affiliated entities | RON | 207,524 | RON | 342,093 | EUR | 41,717 | EUR | 68,768 | 39.34% |
| 15. Other financial income | RON | 2,109,331 | RON | 2,672,752 | EUR | 424,020 | EUR | 537,280 | 21.08% |
| | TARGET 2023 | | ACHIEVED 2023 | | TARGET 2023 | | ACHIEVED 2023 | | Δ% |
| Financial income - total | RON | 2,231,282 | - | - | EUR | 448,535 | - | - | -397.46% |
|  17. Expenses related to interest | RON | 5,063,287 | RON | 6,959,086 | EUR | 1,017,828 | EUR | 1,398,924 | 27.24% |
| - of which, expenses in relation to affiliated entities | RON | 220,361 | RON | 223,132 | EUR | 44,297 | EUR | 44,854 | 1.24% |
| 18. Other financial expenses | RON | 1,265,654 | RON | 3,560,388 | EUR | 254,423 | EUR | 715,713 | 64.45% |
| Financial expenses - total | RON | 6,328,941 | RON | 10,519,474 | EUR | 1,272,251 | EUR | 2,114,637 | 39.84% |
| Financial profit or loss | RON | (4,097,660) | RON | (7,738,167) | EUR | (823,716) | EUR | (1,555,536) | 47.05% |
| Total income | RON | 224,846,030 | RON | 237,506,054 | EUR | 45,198,816 | EUR | 47,743,749 | 5.33% |
| Total expenses | RON | 208,370,027 | RON | 210,708,074 | EUR | 41,886,790 | EUR | 42,356,787 | 1.11% |
| 19. Gross profit or loss | RON | 16,476,003 | RON | 26,797,980 | EUR | 3,312,026 | EUR | 5,386,962 | 38.52% |
| 20. Corporate tax | RON | 3,383,254 | RON | 3,714,454 | EUR | 680,106 | EUR | 746,684 | 8.92% |
| 21. Other financial expenses | RON | 34,798 | RON | 16,277 | EUR | 6,995 | EUR | 3,272 | -113.79% |
| 22. Net profit or loss of the financial year | RON | 13,057,951 | RON | 22,672,945 | EUR | 2,624,925 | EUR | 4,557,742 | 42.41% |
| Net profit or loss related to minority interests | - | - | RON | 394,305 | - | - | - | - | 100.00% |
|  23. Net profit or loss attributable to the group | RON | 13,057,951 | RON | 22,672,945 | EUR | 2,624,925 | EUR | 4,557,742 | 42.41% |

Factors that impacted the consolidated financial results

Increase in income from operating subsidies

With the adoption of the new NRDP regulations in 2023, the reference for calculating transitional national aid for milk production and animals on the farm was changed and 2018 was set as the reference year. Thus, the subsidies for 2023 livestock take into account a number of dairy cattle of 8,794 heads. As regards milk production, the subsidies take into account an increase of 23,994 tons increase in milk production at Group level. It should be noted that in the previous NRDP regulations the reference for milk production and animals owned was calculated at the level of 2013, when they were much lower than in 2018.

It's noteworthy to highlight that while the subsidy income had a positive impact in 2023 compared to previous years, it's important to mention that the subsidies received for 2023 are based on the number of animals owned by the company in 2018. Had the subsidies been calculated on the number of animals owned in 2023, the estimated revenues that DN AGRAR could have received would have been higher by RON 1,257,000.

Also, in 2023, the Russia-Ukraine Aggression Support subsidy was introduced in the amount of 110 euro/cow, which was collected in 2023.

In the new NRDP, the Dairy Cattle Welfare subsidy of 100 euro/cow was also introduced, and we claimed it for 6,386 cows for 2023.

Increased expenditure on rendering compared to the previous year

The acquisition of the DN Agrar Apold farm resulted in a Good Will as it was a difference of RON 5,000,000 between the acquisition value of the shares and the value resulting from the revaluation of the assets with a depreciation period of 5 years. Thus, in the next 4 years the company will record an additional depreciation of RON 1,000,000 per year, same as in 2023.

At the Lacto Agrar farm there was a negative difference in the amount of RON 877,749, resulting from the reforming of the herd following restocking with young animals. The difference arises from expenses with the disposal of fixed assets and the increase in depreciation expenses recorded in the financial year 2023.

Unrealized profit on feed stocks

In the 4th quarter of 2023 at the level of intra-group transactions for feed stocks, was not considered realized profit the amount for feed stocks of RON 700,000. This will be reflected in the consolidated financial statements in the year 2024 when the feed stocks will be released for consumption.

Intra-group eliminations

In the 4th quarter of 2023, under intra-group eliminations was recorded the amount of RON 409,000 that represents additional intragroup income for grain transactions. These amounts resulted from the differences between the estimated production costs and the actual production costs recorded for feed crops, namely maize, lucerne and triticale, in total quantity of 90,800 tons.

Decrease in profit with minority interests to AM Advies BV

In the 4th quarter of 2023, the DN Agrar Cut farm had to record a decrease in profit of RON 394,305 that represents minority interests for the majority shareholder AM Advies BV.

However, the majority shareholder has communicated that it has no claim on the amounts, and they will not be returned as dividends.

Therefore, the amount of RON 394,305, representing the minority interests of the shareholder AM Advies BV related to 2023 will remain at the disposal of DN Agrar Cut.

In 2024 this situation will not be repeated as DN Agrar Group SA acquired the shares from the majority shareholder AM Advies BV at the end of 2023.

Factors that impacted the consolidated financial results

Expenses related to revaluation differences

In the 4th quarter 2023, the fixed assets of DN AGRAR farms were revalued. As such there were recorded expenses related to the revaluation differences in the amount of RON 482,724, which mainly originate from the revaluation of agricultural land. The agricultural land that was acquired at a higher price than the market price was of strategic importance for the economic activity of the DN AGRAR Group.

Higher production cost for crop

In the 4th quarter 2023 the cost of crop production increased and thus the company had higher costs for lease-in-kind that was paid to agricultural landowners in products such as corn and wheat.

To the same extent, the higher costs with crop production from 2023 impacted the cost of milk production, negatively influencing the profitability for the livestock business line with RON 4.26 million.

Changes in the strategy for the growth of the young cattle herd

In the year 2023 there was a change related to the livestock management at the DN AGRAR Group. This change consisted in moving the young cattle from the DN Agrar Prodact farm to the DN Agrar Apold farm leading to a decrease in the profitability of the Apold farm by approximately RON 3,77 million, the largest part of this amount impacted the 4th quarter of 2023. The impact will be gradually recovered in the coming years from lower depreciation expenses

for assets that will go into milk production as well as from income that will be recorded from the production of tangible fixed assets.

The changes that we made will lead in the long term to more efficient breeding activity by reducing expenditure by around RON 1,000,000 per year. The objectives pursued through these strategic changes in activity are as follows:

a. a better control of the production costs for dairy cattle as fixed assets.

b. a better monitoring of the welfare of the breeding animals through continuous 24/7 veterinary surveillance.

c. a better monitoring of their health status, as well as of the

growth increment that is being recorded monthly in the accounts.

d. a reduction in the costs of salaries, transport of animal feed and transport of animal manure to the farmland operated by the DN AGRAR Group.

e. a decrease in the rental costs for the cattle breeding farm recorded monthly by DN Agrar Prodact

Decrease in cow's milk prices in Q4 2023

The milk price saw a decrease of approximately 37% in Q4 2023 compared to Q1 2023.

Compared to the average cow's milk price registered in the first 9 months of 2023 in Q4 the price decreased by only 13.60% as average.

Cow milk production evolution

In 2023, the quantity of milk produced in DN AGRAR farms and delivered increased by almost 14% compared to 2022. In the first 9 months of 2023 we recorded an increase of 15.8% in cow's milk production.

In the last quarter of the year the increase in milk produces was at a lower pace, of only 7.9%, mainly impacted by the gestation period

that means cows are in lactation and therefore not productive for a short period of about 2 months.

In the first quarter of 2024 the average milk production increased to 19% exceeding the average increase in the first 9 months of 2023.

KEY EVENTS 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 2023

APRIL

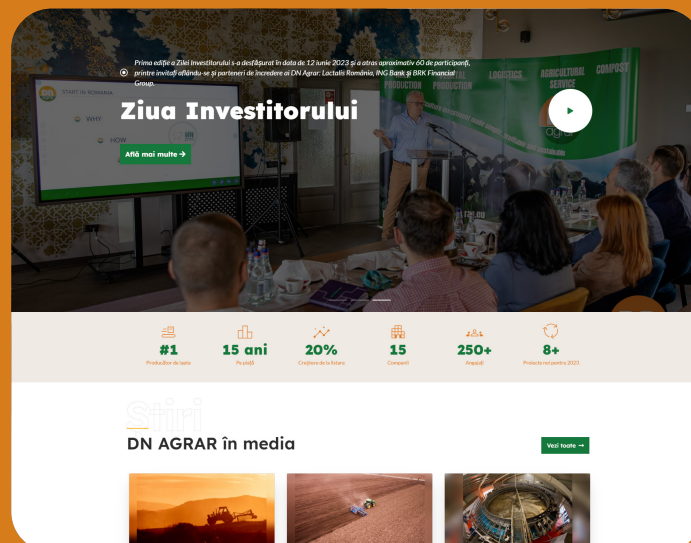
DN AGRAR organized the **Ordinary and Extraordinary General Meetings of Shareholders**

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



KEY EVENTS 2023

JULY

DN AGRAR has published the key operational indicators for H1 2023.

**A 15.5% INCREASE IN THE
DELIVERED QUANTITY OF MILK
IN THE FIRST SEMESTER OF 2023.**



AUGUST

DN AGRAR has published the report for the first quarter of 2023.



SEPTEMBER

DN AGRAR participated in a series of media events dedicated to the capital market.

KEY EVENTS 2023

OCTOBER

DN AGRAR organized the Conference Call for the presentation of the financial results for H1 2023



DN AGRAR participated in a series of media events, dedicated to the capital market



NOVEMBER

DN AGRAR has been named "Best Company" for Investor Relations at Gala by ARIR 2023



DN AGRAR attended to the reception of the Therapy Unit of the Maria Beatrice National Pediatric Center in Alba-Iulia



DECEMBER

DN AGRAR has published its first Sustainability Report for the year 2022

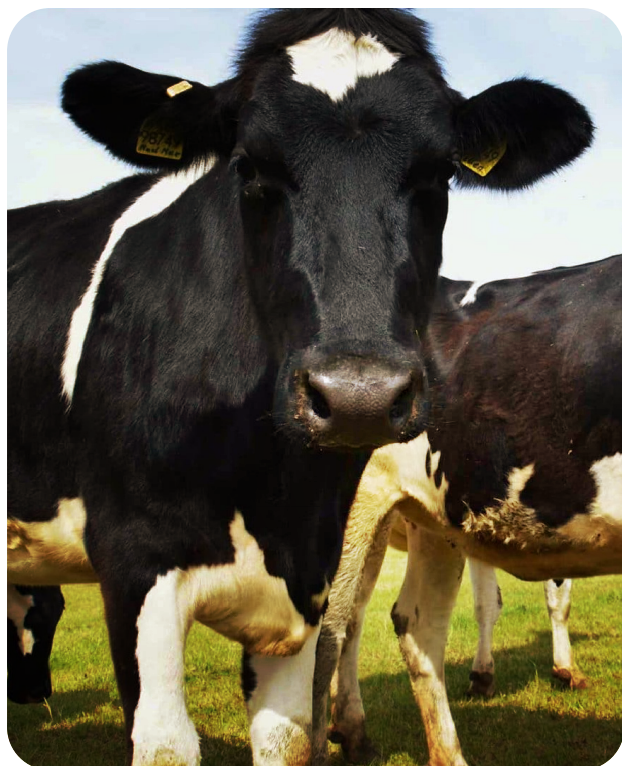


What 2023 meant for DN AGRAR?

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 BVV.

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 2023 meant 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.

What 2023 meant for DN AGRAR?

July

DN AGRAR has published the key operational indicators related to H1 2023

In the first semester of 2023, DN AGRAR recorded a 15.5% increase in the quantity of delivered milk compared to the same period in 2022.

Throughout 2023, DN AGRAR saw increases in the quantity of delivered milk each month compared to the similar period in 2022. May stands out as a benchmark month, hitting a record quantity of nearly 5 million liters delivered per month.

August

DN AGRAR has published the report related to the first quarter of 2023

On August 7th, DN AGRAR released the Financial Statements Report for the first quarter of 2023.

Key indicators for Q1 2023:

- DN AGRAR achieved a turnover of 44 million RON, marking a 48% increase from Q1 2022.
- The net profit reached 8 million RON, a surge of 172% compared to the same period in the previous year.
- The quantity of delivered milk rose by over 13% compared to Q1 2022, attributed to the increase in the number of directly productive animals on the farms.

September

DN AGRAR participated in a series of media events dedicated to the capital market

September 8th, 2023

"Romania & Frontier Investor Days 2023," hosted by the Bucharest Stock Exchange (BVB) & Wood & Co

September 18th, 2023

"The Capital Market Forum 2023," organized by Financial Intelligence

September 20th, 2023

TradeVille Podcast



What 2023 meant for DN AGRAR?

October

DN AGRAR organized the Conference Call for the presentation of the financial results for H1 2023

On October 2nd, DN AGRAR held a conference call to present the financial results for the first half of 2023, an online event, attended by 35 of the company's investors.

Participation in the Quarterly Report event organised by TradeVille

On October 4th, DN AGRAR attended the Quarterly Report, an event organised by TradeVille, where Peter de Boer, BoD Member & IR Manager, discussed the company's business and future plans with individual investors active in the capital market.

Participation in Feel the Markets

Also on October 4th, DN AGRAR was present on Feel The Markets, where Peter de Boer, BoD Member & IR Manager, discussed the results and financial indicators for the first half of 2023, farm activity and milk production, the income and expenditure budget and developments on the Bucharest Stock Exchange.

Participation on ZF LIVE

On October 5th, DN AGRAR participated at ZF LIVE, where Peter de Boer, BoD Member & IR Manager, discussed the company's plans and partnership with ING Romania.

November

DN AGRAR has been named "Best Company" for Investor Relations at Gala by ARIR 2023

Individual investors active in the Romanian capital market have significantly appreciated DN AGRAR's performance in the field of Investor Relations (IR) and have voted DN AGRAR as the "Best Company" in terms of Investor Relations activity in the AeRO market.

DN AGRAR attended to the reception of the Therapy Unit of the Maria Beatrice National Pediatric Center in Alba-Iulia

We have been proudly and honourably supporting the Maria Beatrice Centre in Alba-Iulia for 7 years and we will continue to be a reliable partner in this beautiful journey they have started, namely the construction of a hospital for children with disabilities and their families.

We, DN AGRAR, wanted from the beginning to join those who SUPPORT such actions and we hope that our example will be followed by all those who want to create a better world together!



December

DN AGRAR has published its first Sustainability Report, for the year 2022

The Sustainability Report for 2022 has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards, Core Version 2021 and the Supplementary Standard for the Agriculture, Aquaculture and Fisheries sector.

For the first time, DN AGRAR organised a consultation to identify sustainability issues that are important to stakeholders and addressed them in the report.

The document covers topics such as the circular economy, animal welfare, climate change adaptation and resilience, consumer safety, and employee diversity and professional development.

DN AGRAR scored 10 in VEKTOR by ARIR evaluation

VEKTOR is the investor communication indicator for BSE listed companies and is calculated annually by ARIR.

DN AGRAR obtained the highest score - 10 - for investor communication in the second evaluation carried out for the AeRO market in 2023.

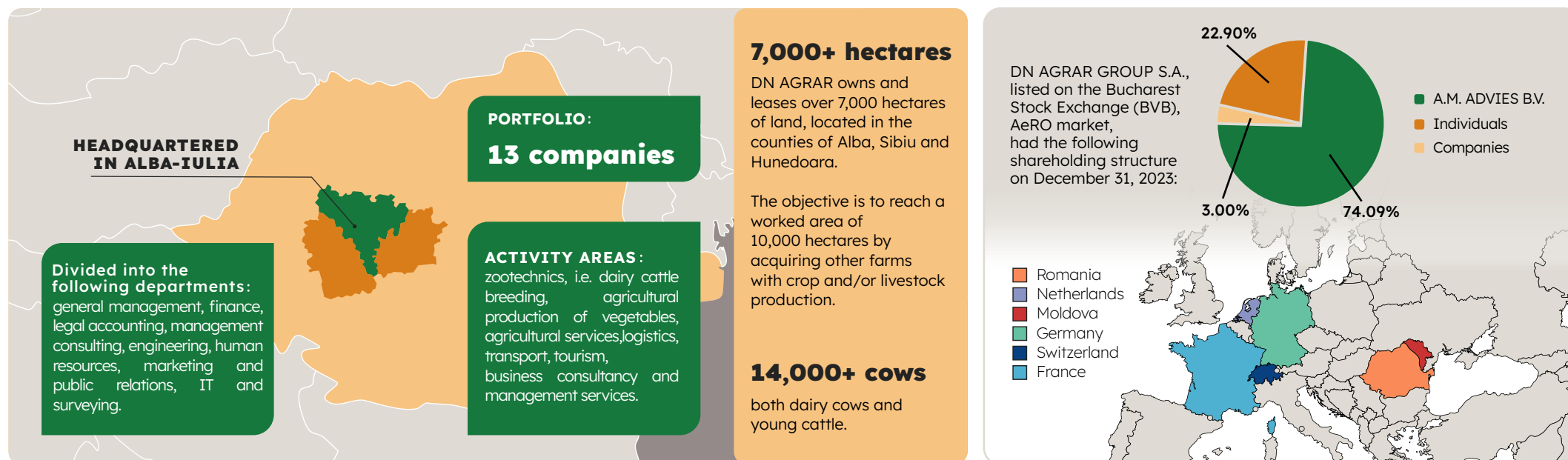
DN AGRAR BUSINESS MODEL

| | |
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| Our Growth Drivers | 36 |



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.



As of the report date, DN AGRAR Group S.A. holds shares in varying proportions (over 90%) in 12 affiliated companies.

| Company | Shareholding (%) | Company | Shareholding (%) | Company | Shareholding (%) | Company | Shareholding (%) | Company | Shareholding (%) | Company | Shareholding (%) |
|---------------------|------------------|-------------------------|------------------|---------------------|------------------|--------------------------|------------------|------------------------|------------------|---------------------------|------------------|
| DN AGRAR CUT S.R.L. | 100% | DN AGRAR SERVICE S.R.L. | 96.67% | DN AGRAR BIO S.R.L. | 96.66% | DN AGRAR PRODLACT S.R.L. | 96.67% | DN AGRAR STRAJA S.R.L. | 100% | DN AGRAR LOGISTICS S.R.L. | 95% |
| | | DNAGRARCUT S.R.L. | 3.33% | DNAGRARCUT S.R.L. | 3.34% | DNAGRARCUT S.R.L. | 3.33% | | | DNAGRARCUT S.R.L. | 5% |
| | | | | | | | | | | DNAGRARCUT S.R.L. | 5% |
| | | | | | | | | | | | 0.01% |
| | | | | | | | | | | | 10% |
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Presentation of DN AGRAR Cut

DN AGRAR CUT FARM

Located in the village of Călnic, DN1, Alba County, it was inaugurated in 2021. In addition to the main activity of cow's milk production, the farm is also active in the cultivation of cereals (except rice), leguminous plants and soya.

Most of the cereal production is used as feed for the farm's dairy cows. The DN AGRAR CUT farm is equipped with technological equipment to European standards, with a herd of 2,100 animals.

The business is managed by approx. 40 employees, working with modern technological equipment and using state-of-the-art animal monitoring systems.

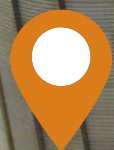
DN AGRAR CUT also has a rotary milking parlour with 60 milking stations, where 300 cows/hour are being milked, with a production of 40,000 liters of milk per day. An important element to point out here is the milk cooling unit, with the help of which the temperature of milked milk is reduced from 37°C to 4°C, to be loaded directly into trucks and transported to the processors. The farm also has a manure storage lagoon.

In order to improve the efficiency of work on our farms, in 2023 we started the installation process of industrial robots

in the milking parlor of the Cut farm. Based on internal analysis, the installation of these robots will lead to a 50% reduction in manual labor after completion and implementation of this project.

The first type of robot installed in May 2023, is an automatic sprayer for disinfecting the udder, after the milking process – this is a fully automatic sprayer for disinfecting the udder, specially designed for the rotating halls, which the DN AGRAR CUT farm has.

- **2,100**
dairy cattle
- **40,000**
liters/day
- **300**
cows milked/hour



Located in Călnic village,
DN1, Alba County

Presentation of DN AGRAR Apold

DN AGRAR APOLD FARM

Located in the village of Gârbova, Alba County, it is one of the farms of the DN AGRAR group, whose main activity is the production of cow's milk and feed grain.

The DN AGRAR APOLD farm has 5 big stables with a total herd of more than 4,800 dairy cows and young stock, the activity being managed by approx. 60 employees. DN AGRAR APOLD has 2 milking parlours with 60 milking stations each, where 400 cows/hour are milked, with a production in 2023, of 65,000 liters of milk per day.

Apold's farm main objective is to double the farm's milk production to 100,000 liters per day by the end of 2027.

The farm also has 3 milk tanks with a total capacity of about 100,000 liters of milk, as well as calf hutches, "igloos", with a capacity of about 600 places. In addition, the DN AGRAR APOLD farm has a feed mill and a grain storage warehouse.

There are also 2 manure storage ponds near Apold Farm, with a total capacity of over 50,000 m³, one of which was inaugurated in 2023.

In 2022, we started the project to increase the capacity of the Apold farm by 50%, a

project successfully completed in 2023. Also, for APOLD Farm, we plan to install solar panels on the roofs of farm buildings.

This project, to be funded through grants, is planned to be launched in 2023. However, due to the late adoption of PNNR, we estimate the installation of panels in 2024 and the operational part for 2025.

- **over 4,800**
dairy cows and
young stock
- **65,000**
liters/day
- **400**
cows milked/hour



Located in Gârbova village,
Alba County

Presentation of DN AGRAR Lacto Agrar

LACTO AGRAR FARM

Since December 2021, the Lacto Agrar farm has been integrated into the DN AGRAR group. The farm is located in the city of Vaidei, Hunedoara County, Romania. DN AGRAR has invested heavily in this company in previous years. The investments have been used to renovate, restructure and develop the farm.

Lacto Agrar houses dairy cows, young cattle and the largest milking parlour in Romania. The land, which belongs to Lacto Agrar farm, is cultivated with corn, triticale and alfalfa. Lacto Agrar offers job opportunities, education, excellent milk quality and an input for more fertile soil in the area.

The farm operates with a strong focus on sustainability and animal welfare. The cows are kept in spacious, well-ventilated barns. Lacto Agrar also uses advanced technology to monitor and optimize cows' diet, health and milking processes.

In addition to the milk production, Lacto Agrar is also involved in the production of high quality agricultural raw materials such as seeds, manure and animal feed.

In 2023, also for the Lacto Agrar farm, we started the installation process of industrial robots to increase the efficiency of work at the milking parlors of the farm.

The first phase of this project was completed in May 2023, when we installed the automatic udder disinfection sprayer after the milking process. This type of robot is specially designed for the rotating halls that the LACTO AGRAR farm has.

• **4,000**
dairy cattle

• **53,000**
liters/day

• **350**
cows milked/hour

A white location pin icon with an orange outline.

Located in Vaidei city,
Hunedoara County

Presentation of DN AGRAR Prodact

DN AGRAR PRODLACT FARM

Located in Pianu de Jos, in Alba County, it houses young cattle, used for the other 3 farms in the Group.

Our cows are treated with care and attention to prepare them for herd replacement on the existing farms and to increase the production capacity of the dairy herd for the future.

Young cows are kept free range, in fields, where they have shelter from bad weather, which is extremely important for legs development, especially the bones, which are vital for future dairy cows.

This farm takes a responsible and sustainable approach to zootechnics, ensuring that young cattle are fed quality feed and receive the necessary medical care to ensure healthy development.

The farm also has a qualified and dedicated staff who ensure that all animals are treated with respect and kept in hygienic and welfare conditions.

This farm takes a sustainable and environmentally responsible approach, ensuring that all operations are carried out with minimal environmental impact.

- over **3,300** young cattle
- growth of young cattle used in Apold and Cut farms



Located in Pianu de Jos,
Alba County

Our strategy

Our strategy is to promote and adopt sustainable and regenerative agricultural practices aimed at **maximizing productivity, reducing environmental impact and ensuring long-term profitability.**

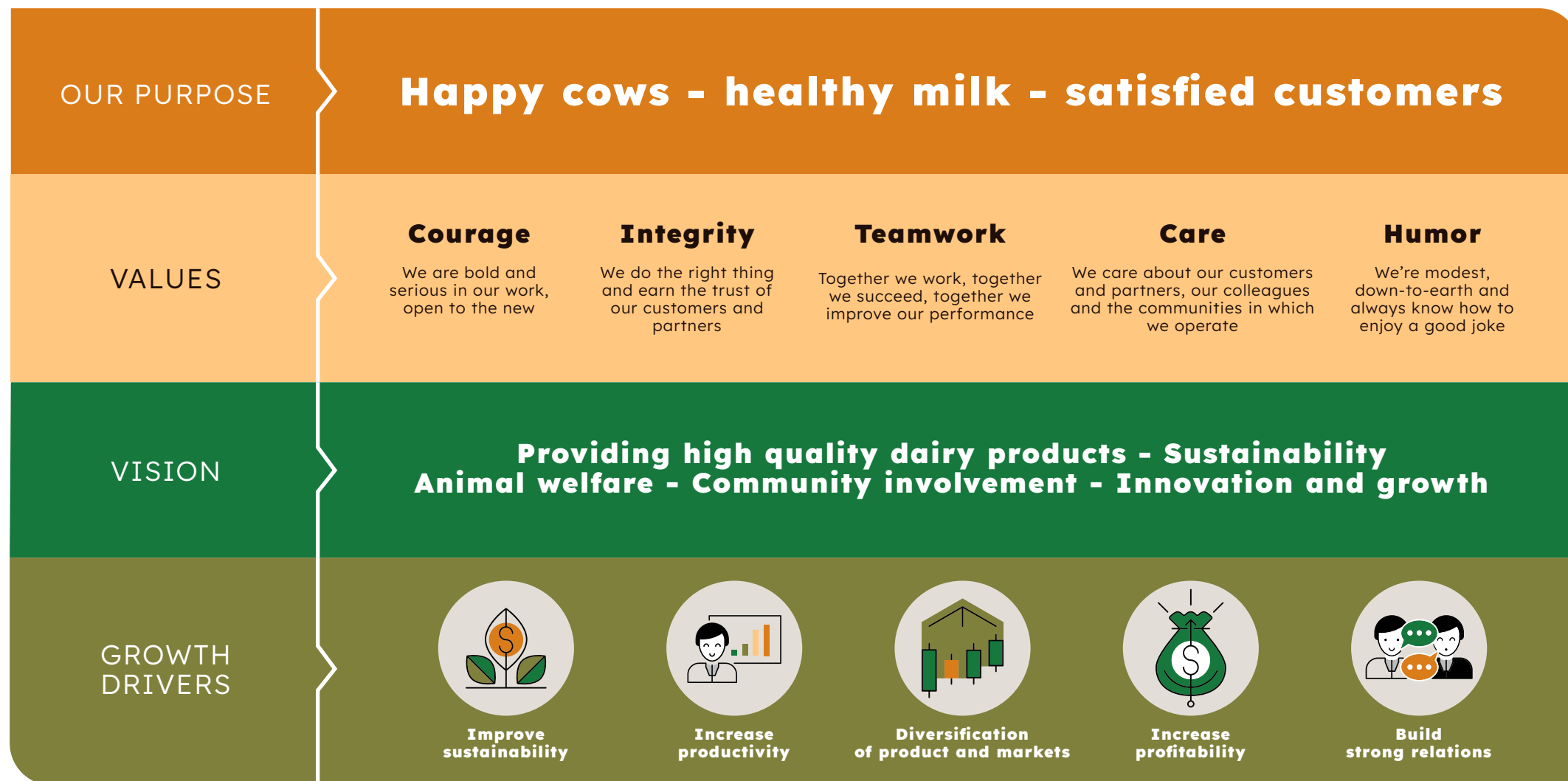
We believe that by investing in farmers, communities and the environment, we can build a resilient and sustainable food system that benefits everyone. Among the key strategic priorities of DN AGRAR are:



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



Our strategy



Our purpose

DN AGRAR's goal is to produce, grow and distribute agricultural products to meet consumer demand. These products include crops, livestock, dairy and other agricultural commodities.

Happy cows
Healthy milk
Satisfied customers

DN AGRAR's objectives are **to increase efficiency, create shareholder value and ensure sustainable production practices.** All this involves managing resources such as land, water, manure and labor, as well as using technology and innovation to improve yields and reduce costs.

In addition to meeting the needs of customers, DN AGRAR also plays an important role in the economy and society as a whole, **providing employment opportunities, supporting rural communities and contributing to food security and the general well-being of the population.** DN AGRAR is one of the main partners of the Maria Beatrice Medical Center, a medical center for children with disabilities.



Our vision

Supply of high-quality milk products

DN AGRAR Farms propose to produce high-quality milk and milk products, that meet and/or exceed Romanian industry standards in terms of taste, nutrition, quality and safety standards. All produced in Romania.



Sustainability

All DN AGRAR Group farms have the vision to be sustainable, both ecologically and financially. The aim is to minimize environmental impact through practices such as waste reduction, water and energy conservation, use of renewable energy sources, manure management.



Animal welfare

DN Farms prioritize the welfare of our animals, ensuring they are well cared for, healthy, have access to comfortable living conditions and are supervised 24/7 by veterinarians. DN AGRAR aims to be an active participant in the community by supporting local businesses, providing sponsorships and interacting with locals through events, tours and educational outreach activities.

Community Involvement

DN AGRAR aims to be an active participant in the community, supporting local businesses, providing sponsorships, and engaging with locals through events, excursions, and educational information activities.



Innovation and growth

DN AGRAR's vision is to expand our operations, invest in new technologies and equipment and adopt new farming practices to remain competitive and continue to grow the group's business.

Our Growth Drivers

DN AGRAR's specific objectives include increasing efficiency, promoting sustainable farming practices and ensuring the quality and safety of our products supported by motivated and committed teams, while delivering on our promises to meet financial targets.

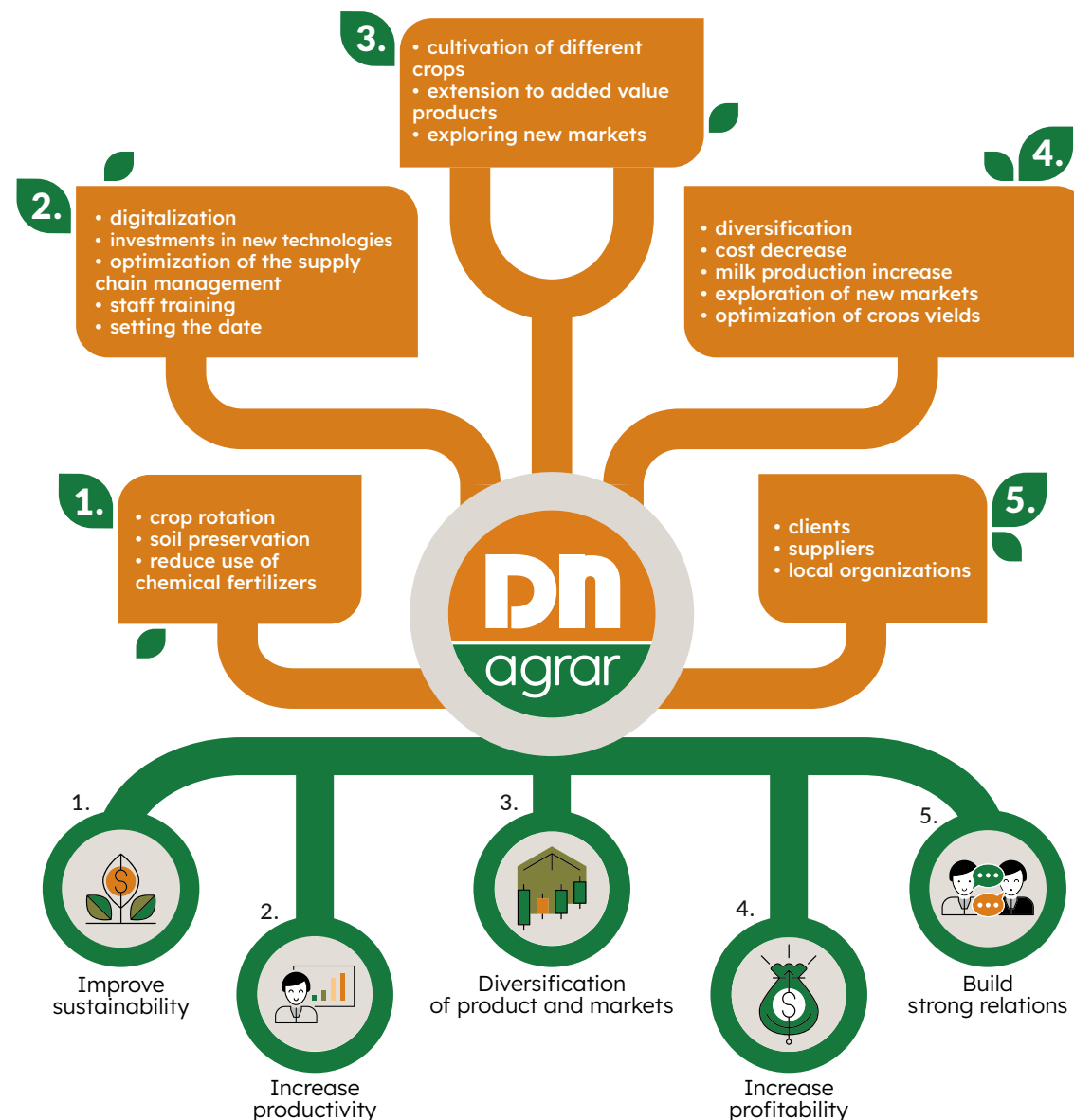
1. Improving sustainability: Agricultural businesses must be sustainable in the long term, which means minimizing negative environmental impacts and ensuring the viability of the land and resources used. Practices such as crop rotation, soil conservation and reducing the use of chemical fertilizers help to achieve this goal.

2. Increased productivity: DN AGRAR must be efficient to remain competitive, so improving productivity is a key objective. This involves investing in new technologies, optimizing supply chain management, digitization, dating and staff training.

3. Diversification of products and markets: Farm businesses can be vulnerable to fluctuations in demand and weather patterns, so diversification can help mitigate risks. This involves growing different crops, exploring new markets and/or expanding into value-added products such as specialty crops.

4. Increased profitability: This is the most important goal of any sustainable company. Maximizing profits can be achieved through several actions, such as optimizing crop yields, reducing costs, exploring new markets, increasing milk production and diversifying.

5. Building strong relationships: Building strong relationships with suppliers, customers and local organizations is crucial. This can help DN AGRAR gain access to new markets, find new suppliers and build a loyal customer base.



DN AGRAR ON THE CAPITAL MARKET

Q&A with Peter de Boer,
Investor Relations Manager

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Q&A with Peter de Boer, Investors Relations Manager



1. How was the year 2023 in terms of interaction with investors, and what were the main projects you focused on in the Investor Relations activities?

At DN AGRAR we pay special attention to our relationship with investors, understanding the importance of good communication and committing to adopting best practices in communicating with them.

The new investor relations tools adopted, such as the new website, quarterly conference calls, dedicated newsletters, as well as contracting Market Making services, have supported the company's activity in the capital market. In June 2023, we also organized our first Investor Day in Alba, an event attended by over 60 individual and institutional investors. They had the opportunity to see the activity on our farms and interact with our extended team.

The notable performances in 2023 include significant growth in our investor community, with their number doubling. Additionally, we have seen an increase in the liquidity of DN AGRAR shares and appreciate the partnership with our new shareholders. Furthermore, brokers have begun to closely monitor us and have initiated coverage of our shares.

Our performances have also been recognized in the market, and in 2023 we received the "Best Company in IR" award at the GALA by ARIR 2023, being the most-voted company by individual investors.

2. How do you evaluate the share price's evolution in 2023, and what are your mid-term expectations?

DN AGRAR's share price saw a significant increase of 74% in 2023, ranking us among the top 10 companies in BETAERO by stock price growth. The transaction volume exceeded RON 25 million, doubling from the previous year. The number of transactions reached 7,812, reflecting

the market's positive reaction to our strategic initiatives and operational and financial performances.

We continue our projects for sustainable growth, aim for technological progress and strategic investments, and believe these efforts will positively contribute to DN AGRAR's stock performance.

3. What are the expectations of DN AGRAR's investors regarding corporate governance and what actions has the company taken in this direction?

Investors' expectations regarding corporate governance are to demonstrate transparency, responsibility, and ethical conduct in managing business affairs. Since listing, we have committed to openness and transparency and improving the governance framework to meet market expectations. We have developed and implemented internal policies and procedures to ensure compliance with best practices in all operational and decision-making aspects of the company. The remuneration policy, the dividend policy, and the Board of Directors charter are in place and published, and in the past year, we have developed the Stakeholder Engagement Policy, Health and Safety Policy, Business Ethics, and Anti-Corruption Policy.

4. What is DN AGRAR's strategy regarding the company's activity in the capital market in 2024?

Listing on the AeRO market of the Bucharest Stock Exchange was a significant milestone in the maturing of our company. It provided increased visibility for DN AGRAR's operations and demonstrated the company's commitment to transparent and responsible business practices. Our priority remains to build trust and predictability for investors, with whom we aim to develop the company in the medium and long term. We aim to be a profitable and leading business, recognized for its commitment to sustainability, innovation, social responsibility, and milk quality.

We believe the evolution of the stock price is a validation of the company's performance in the capital market, and the results obtained, and development plans represent real steps towards our goal of listing on the Main Market, in the medium term, depending on the market conditions.



Performance indicators

Share Buyback Program

On January 5, 2023, according to the decision of the Extraordinary General Assembly of Shareholders (AGEA) no. 15, dated April 28, 2022, DN AGRAR initiated the share buyback program - Stock Option Plan, within which the Company was authorized to repurchase a package of its own shares, representing maximum 0.5% of the company's share capital, a program that was carried out in accordance with the law and within the limits established by the AGEA Decision.

The buyback action took place throughout the year 2023, with the shares repurchased by DN AGRAR to be offered to the beneficiaries of the Stock Option Plan program (employees, directors) free of charge.

Market Making Services

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

Share price performance

The price of DN AGRAR's share on December 29th, 2023, was RON 1.2800, an increase of 75.82% versus December 29th, 2022. In 2023 there were 8,139 transactions with DN AGRAR shares, with a total value traded of RON 25 million.

Share coverage by analysts

In 2023, 2 analysts from BRK Financial Group and Prime Transaction initiated the coverage of DN AGRAR's shares and published research reports that included information about the target price and recommendations.

VEKTOR by ARIR indicator

DN AGRAR obtained the maximum score - 10 at the VEKTOR by ARIR evaluation from 2023.

The indicator is calculated yearly by the Romanian Investor Relations Association, it assesses the communication with investors for listed companies and is published on the Bucharest Stock Exchange website.

Investor-focused events

In June 2023, DN AGRAR organized its first **Investor Day**, where over 60 institutional and individual investors participated. The event took place in Alba County, giving the participants the opportunity to visit DN AGRAR's farms, observe operations firsthand, and interact with the extended team.

Additionally, in 2023, DN AGRAR engaged with investors through two financial results presentations that took place online.

Interactive investors' communication tools

In 2023, DN AGRAR expanded its range of tools used for communication with investors and adopted proactive practices in engaging with them.

DN AGRAR launched a new website, in an intuitive format, designed to provide investors and stakeholders easy access to information and interactive tools (Euroland) and for analyzing the company's performance in the capital market. Additionally, DN AGRAR proactively and consistently communicated with investors, including through constant newsletter communications.

Publication of Key Operational Indicators

Starting in 2023, the company began publishing quarterly reports on the Bucharest Stock Exchange regarding the evolution of the "quantity of milk delivered" indicator.



Performance indicators

CAPITALIZATION

**203.64
MIL. RON**

40.93

MIL. EUR

29.12.2023

↑
+75.82%

EQUITY/ SHARE

**0.84
RON**

0.16

EUR

31.12.2023

↑
+67.38%

NUMBER OF SHARES

159,094,224

DN AGRAR GROUP - SHARE PRICE EVOLUTION 2022 vs. 2023



1.28 RON

closing price

29.12.2023

0.7280 RON —————→ **1.2800 RON**
29.12.2022 29.12.2023

Performance indicators

**EBITDA
MARGIN***
31/12/2023

35.77% **+24.45%**
vs
31 Dec. 2022



**PROFIT
MARGIN***
31/12/2023

15.03% **+62.54%**
vs
31 Dec. 2022



ROA*
31/12/2023

7.36% **+23.88%**
vs
31 Dec. 2022



ROE*
31/12/2023

17.00% **-2.83%**
vs
31 Dec. 2022



| Indicators | 31/12/2023 | 31/12/2022 |
|--------------|---|-----------------|
| PER* | 8.98 +7.56% vs 2022 | 8.35 |
| EPS* | 0.14 RON +62.64% vs 2022 | 0.09 RON |
| P/BV* | 0.88 +31.43% vs 2022 | 0.67 |

PROFIT/SHARE*
31/12/2023

0.14 **+62.64%** vs 31.12.2022



TOTAL ASSETS/SHARE*
31/12/2023

1.94 RON **+31.29%** vs 31.12.2022



NET ASSETS/SHARE*
31/12/2023

1.45 RON **+32.35%** vs 31.12.2022



Performance indicators



$$\text{EBITDA Margin} = \frac{\text{EBITDA}}{\text{Turnover}}$$

$$\text{Profit Margin} = \frac{\text{Net profit}}{\text{Turnover}}$$

$$\text{ROA} = \frac{\text{Net profit}}{\text{Total assets}}$$

$$\text{ROE} = \frac{\text{Net profit}}{\text{Equity}}$$

| PER | P/BV | EPS |
|--|--|---|
| $\frac{\text{Market Capitalisation}}{\text{Net profit}}$ | $\frac{\text{Market Capitalisation}}{\text{Net assets}}$ | $\frac{\text{Net profit}}{\text{Total Number of Shares}}$ |

NET ASSETS = Total assets - Current liabilities

PROFIT/SHARE = Net Profit/Total Number of Shares

TOTAL ASSETS/SHARE = Total Assets/Total Number of Shares

NET ASSETS/SHARE = Net Assets/Total Number of Shares

EQUITY/SHARE = Equity/Total number of shares

RISKS AND OPPORTUNITIES

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Risks

COLLECTION RISK

The risk that a third party will not comply with its contractual obligations towards the entity is the collection risk. In order to eliminate/limit the effects generated by the occurrence of such a risk, DN AGRAR implemented a customer assessment system, both old and new, by monitoring and verifying them in the databases of the Ministry of Finance, as well as by following the information published in national and local dailies. Deliveries to new customers are made only on the basis of payment instruments or payment in advance, for traditional customers payment on maturity is also accepted, according to the negotiated contractual provisions.



LIQUIDITY RISK

Liquidity risk management at DN AGRAR is done by permanently drawing up liquidity forecasts for the next period, by monitoring receipts from customers according to due dates and by requesting payment facilities to suppliers. The aim is to negotiate terms for the payment of debts that are longer than those for the collection of receivables.

In the capitalization of its claims, DN AGRAR may have difficulties in obtaining quick liquidity, determined by the behavior of its partners or their inability to pay. That's why, in order to meet your own liquidity requirements, the basis of product capitalization is substantiated by commercial contracts or firm orders, which can ensure greater certainty in the fulfillment of customer obligations.

Also, in order to recover receivables more quickly and to reduce the risk of non-collection or collection beyond the contractual term, the company runs the contracts with a number of partners on the basis of partial collections in advance.



CREDIT RISK

It consists in the probability that the contracting parties will violate their contractual obligations, which leads to financial losses for the company. For loans contracted in the form of investment loans and working capital line, DN AGRAR is exposed to credit risk regarding a possible delay or non-fulfillment of its payment obligations, caused by the increase in interest rates and/or the lack of liquidity at maturity.



PRICE RISK

DDN AGRAR is exposed to price risk and there is a possibility that the value of services may fluctuate as a result of price changes at market level. We are an integrated farm that produces most of our feed. However, price variability of agricultural inputs can influence income and profitability at the group level.



ESG RISK

The existing climate challenges affect communities and organizations, and the agricultural sector in particular. At DN AGRAR, we take constant steps to adapt to these challenges and limit potential risks to our business, as well as to the environment, the community and end consumers.

In our business strategy we address both environmental and social and governance risks by adopting sustainable agricultural practices, fair labor standards and community engagement, and transparency to ensure ethical behavior and regulatory compliance. By promoting a culture of accountability and continuous improvement, we protect stakeholder interests and strengthen our reputation as a responsible organization.



OPERATIONAL RISK

The operational risks faced by DN AGRAR in its activities include risks caused by weather conditions (drought, floods, etc.) that may affect agricultural production, biological risks such as pests or diseases in agricultural crops or diseases that may affect livestock, technological risks such as equipment failure or technological problems that may lead to interruptions in production, delays in delivery and additional costs for repair or replacement. To manage these risks, we have implemented procedures to constantly monitor developments and have taken appropriate measures to prevent and intervene if necessary.



MARKET RISK

In general, farm businesses can be vulnerable to fluctuations of the demand, and we believe that diversifying the business can help mitigate risks. The demand for the company's services is more elastic than stable, because the price level, the orientations of the beneficiaries, as well as the competitors' offers are unpredictable in the medium and long term.

In recent years, pandemics, drought, inflation and uncertainty caused by conflicts have led to unpredictable variations in the milk price and agricultural inputs, creating difficulties in the market, with an impact on us.

At DN AGRAR we anticipated the direction and we took action. At the same time, Romania is a country with important opportunities in the field of milk production, especially considering that more than 50% of domestic milk consumption comes from imports. Thus, there is good potential to boost high quality milk production through sustainable and organic circular farming practices, and we are well positioned to capture the opportunities.

For the efficient management of market risk, DN AGRAR GROUP SA uses different methods of technical and fundamental analysis:

- profitability assessments corresponding to the portfolio of clients, products and services;
- profitability analysis in relation to the market price.

The selection of opportunities is carried out by:

- analyzes regarding the relative value of a product/group of products or services in relation to the market or to the products/services of other similar companies.



Opportunities

COMPANY POSITIONING IN THE EUROPEAN CONTEXT

DN AGRAR Group is one of the most important milk producers in Europe and the largest integrated farm in Romania. In recent years, the company has undergone a process of consolidation and expansion, following 2 acquisitions to achieve this leadership position. The company is strategically positioned in a complex European environment, with opportunities to support milk demand and benefit from common European agricultural policies. Strategic positioning and adaptability to European requirements and regulations can provide DN AGRAR with competitive advantages in terms of access to financing and even export to other EU countries.



OPPORTUNITY TO MEET THE ENTIRE DOMESTIC MILK DEMAND

Currently, approximately 50% of the milk consumed in Romania is imported from Hungary and Poland. At DN AGRAR, we aim to provide Romanian consumers with access to the highest quality of milk produced locally and see significant growth potential. We are the largest milk producer in Romania, following two acquisitions, and other investments supported by funds raised through private placement before going public and bank financing. We have over 14,000 heads of cattle and a cultivated area of over 7,000 hectares. Thus, we increased the quantity of delivered milk by approximately 14% in 2023 compared to 2022, and through our envisioned strategy, we aim to deliver approximately 100 million liters annually by 2027.



CIRCULAR AGRICULTURE, AN ADVANTAGE FROM A SUSTAINABILITY PERSPECTIVE

A significant aspect of DN AGRAR's investments in recent years aimed at adopting circular agriculture and a sustainable business model – investments in the compost factory, green energy zone, and technologies that reduce environmental impact. This aspect of the Group's strategy has pursued two main goals: reducing operational costs and aligning with the new market reality, where sustainability is a subject of special attention. DN AGRAR's performance in sustainability represents a step forward in complying with potential regulations that are expected to appear in the European space and also represent a competitive advantage compared to companies in the market that have started the transition to this model later or are implementing it more slowly. There are several innovative solutions and technologies that can be integrated into agriculture to facilitate the sustainable development of companies. We are open to adopting them and have even taken steps to implement them. These solutions aim to optimize resources, reduce environmental impact, and improve operational efficiency.



FAVORABLE EVOLUTION OF DN AGRAR SHARE IN THE CAPITAL MARKET

We have recorded remarkable performances in the stock market since listing. The price of DN shares increased by 20% from the private placement price until December 30, 2022. In 2023, we were in the top 10 companies in the BETAdE index in terms of share price growth, with a significant increase in the share price and a doubling of the value traded with DN AGRAR's shares compared to 2022, exceeding 25 million RON. We have received a positive response from the market to our strategic initiatives and our operational and financial performances. We see opportunities derived from the status of listed company, including facilitated access to additional capital and increased visibility and credibility of the company to investors and potential business partners, which will support the long-term development plans.



EXCELLENT INDUSTRY POSITIONING IN A COMPLEX ENVIRONMENT

The European Union is a substantial producer of milk and dairy products, integrated into the Common Organization of Markets and the Common Agricultural Policy. The EU milk herd has decreased in recent years as cow milk production has improved. In 2020, there were approximately 20 million cows in the EU, with an average of 7,300 kg of milk produced per cow (European Commission Publications, 2022). EU raw milk production remained stable in 2021 at 161 million tons, increasing by only 0.7 million tons compared to 2020. 96% of it was cow's milk. In 2022, the European Union ranks first in the world in terms of cow milk production, with 143.9 million tons of milk produced (Statista, 2023). The average milk production per cow in Romania is less than half the EU average and three times lower than in EU countries leading this ranking, according to data published by Eurostat in November 2022.



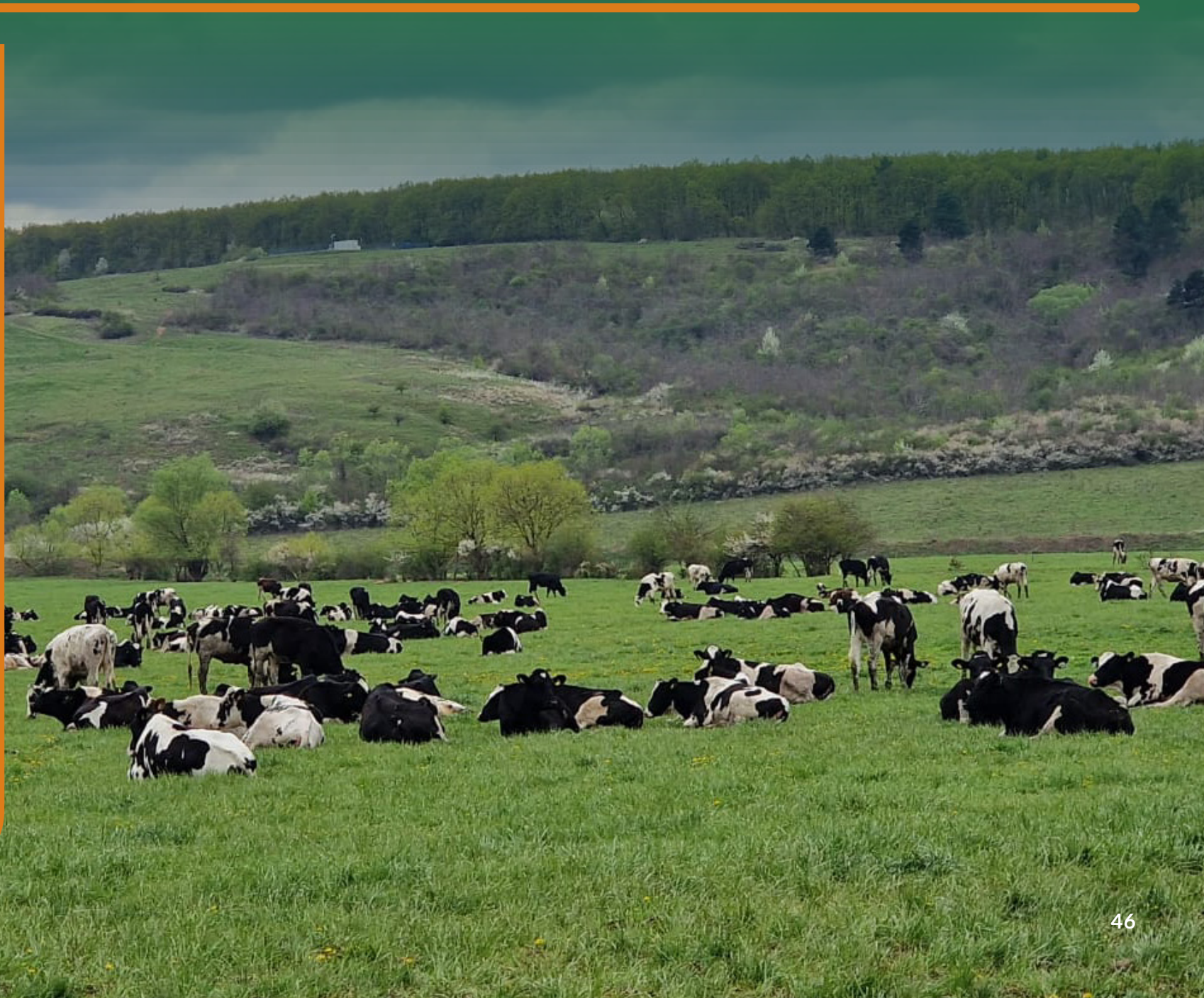
INCREASED INTEREST IN THE DOMESTIC MILK MARKET

According to data published by the National Institute of Statistics, the quantity of raw milk imported by processing units in Romania increased in December 2023 compared to the previous month by 1.3%. Compared to December 2022, in December 2023, the quantity of raw milk imported by processing units increased by 919 tons (+7.8%). Comparing the levels of 2023 to 2022, the quantity of raw milk imported by processing units decreased by 31,383 tons (-21.4%) in 2023 compared to 2022.



PERFORMANCE

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Macro-Economic Environment

In 2023, the economic context in Europe was mixed, influenced by various factors including geopolitical tensions, the consequences of the COVID-19 pandemic, and efforts towards sustainability and digitalization. Europe faced increased inflationary pressures caused by supply chain disruptions, rising demand and energy prices. Central banks adopted prudent monetary policies to manage inflation while still supporting economic growth. As a result, the European economy recorded a modest performance in 2023, with a 0.6% growth. For 2024, estimates indicate an economic growth of 1.3% and a decreasing inflation rate of 1.2%.

Romania, as a member of the European Union, has also navigated these challenges, addressing its own unique economic circumstances. Romania's economy slowed down in 2023, with a GDP growth of 2.9%, affected by high inflation, restrictive monetary policy, and a decrease in industrial production. Agriculture, IT, and construction were the sectors that supported growth this year. After reaching its peak in 2022, inflation declined in 2023, with a significantly smaller contribution from food and energy, decreasing from 14.3% in January 2023 to 6.6% in December 2023. The average inflation rate for 2023 was 10.4%. In January, the National Bank of Romania (BNR) decided to increase the policy interest rate to 7.0%

as a measure to manage inflation, a value maintained throughout the year. To reduce the budget deficit of 5.7% (above the target of 4.4%), a series of fiscal measures were announced, aiming at reducing government spending and increasing budget revenues (including through a corporate tax increase).

For 2024, the Government has adopted a budget project targeting a deficit of 5.0% of GDP. The budget deficit remains one of the vulnerabilities of the Romanian economy, especially as the country has been under an excessive deficit procedure imposed by the European Commission since 2020. Over the medium term, economic growth is expected to be driven by the resumption of both private and government consumption, as well as increased investments from European funds in infrastructure. The estimated economic growth for 2024 is around 3%¹.

At the European level, the dairy market has been volatile, influenced by economic factors. Consumption has remained robust, albeit with some notable changes in consumer preferences and behavior. In the dairy sector in Romania, there was a 6.2% increase in the quantity of milk collected in 2023, one of the highest growth rates in the European Union². In the region, Bulgaria reported a growth of 4.2%, Poland 1.9%, while Hungary experienced a decrease of 3.3%.

Amount of milk collected at the regional level

| | |
|----------|-------|
| Romania | +6.2% |
| Bulgaria | +4.2% |
| Poland | +3.3% |

2022

On average, the volumes collected at the European level are similar to those in 2022, and stagnation is estimated for the coming period. Additionally, at the national level, there was a 21% decrease in imported raw milk³, following a 3-year period of growth (2020-2022). Over the past 10 years (2014-2023), the quantity of collected milk increased by 21%, while imported milk rose by 48.8%. According to partial data for 2023, Romania recorded a decrease of 1.7% in total milk consumption (a 0.5% increase in urban areas and a 4.2% decrease in rural areas).

In Europe, the average price of raw milk in 2023 decreased by 6.4% compared to 2022. Although food inflation has started to decline, high food prices still limit demand both in the EU and globally. Weaker purchasing power, combined with a continued decline in EU dairy

Total milk consumption in Romania.

| | |
|------------------|-------|
| Entire territory | -1.7% |
| Urban Area | +0.5% |
| Rural Area | -4.2% |

2023

commodity prices, supports lower prices for raw milk in the EU⁴.

At the same time, the dairy industry in the EU is concerned about the implementation of the new Common Agricultural Policy (CAP) and the Green Deal. Stricter requirements regarding environmental protection and animal welfare could necessitate additional investments.

- <https://www.imf.org/en/News/Articles/2024/02/01/pr2432-romania-imf-staff-concludes-visit>
- https://agriculture.ec.europa.eu/system/files/2023-11/eu-raw-milk-deliveries_en.pdf
- INS, date provizorii 2023.
- https://agriculture.ec.europa.eu/system/files/2023-10/short-term-outlook-autumn-2023-chapter-milk-dairy-products_en.pdf

Milk production activity

In recent years, the agricultural sector in Romania has faced significant challenges, such as the decrease in the number of dairy cows and annual milk production. However, **an increase in per capital milk consumption has been observed, with an approximately 10% growth** starting with 2015.

At the same time, another problem faced by the Romanian agricultural market is its fragmentation, with many small farmers and variations in the quality of the products offered. These issues also highlight the potential of the sector. In general, milk prices fluctuate seasonally.

In recent years, pandemics, drought, inflation and the uncertainty brought by the war have caused the price of milk and agricultural inputs to fluctuate unpredictably, creating market difficulties and impacting on our business.

Regarding the milk prices, **DN AGRAR anticipated these fluctuations and considered measures to reduce fixed costs.** We have continued our efforts to purchase cows for our farms, which has led to an increase in milk production and the optimisation of fixed costs.

Related to the milk production activity, 2023 was not without challenges for our company. Fluctuating milk prices and input challenges required strategic measures such as reducing fixed costs and expanding our cattle herd. But with determination and smart investment, **we experienced a 2023 marked by evolution and consolidation.**

In terms of milk deliveries, in 2023 we saw a 13.76% increase, compared to 2022, delivering around **55 million liters of milk**, to our customers.

We also saw increases in the amount of milk delivered in each month of 2023 compared to the similar period in 2022.

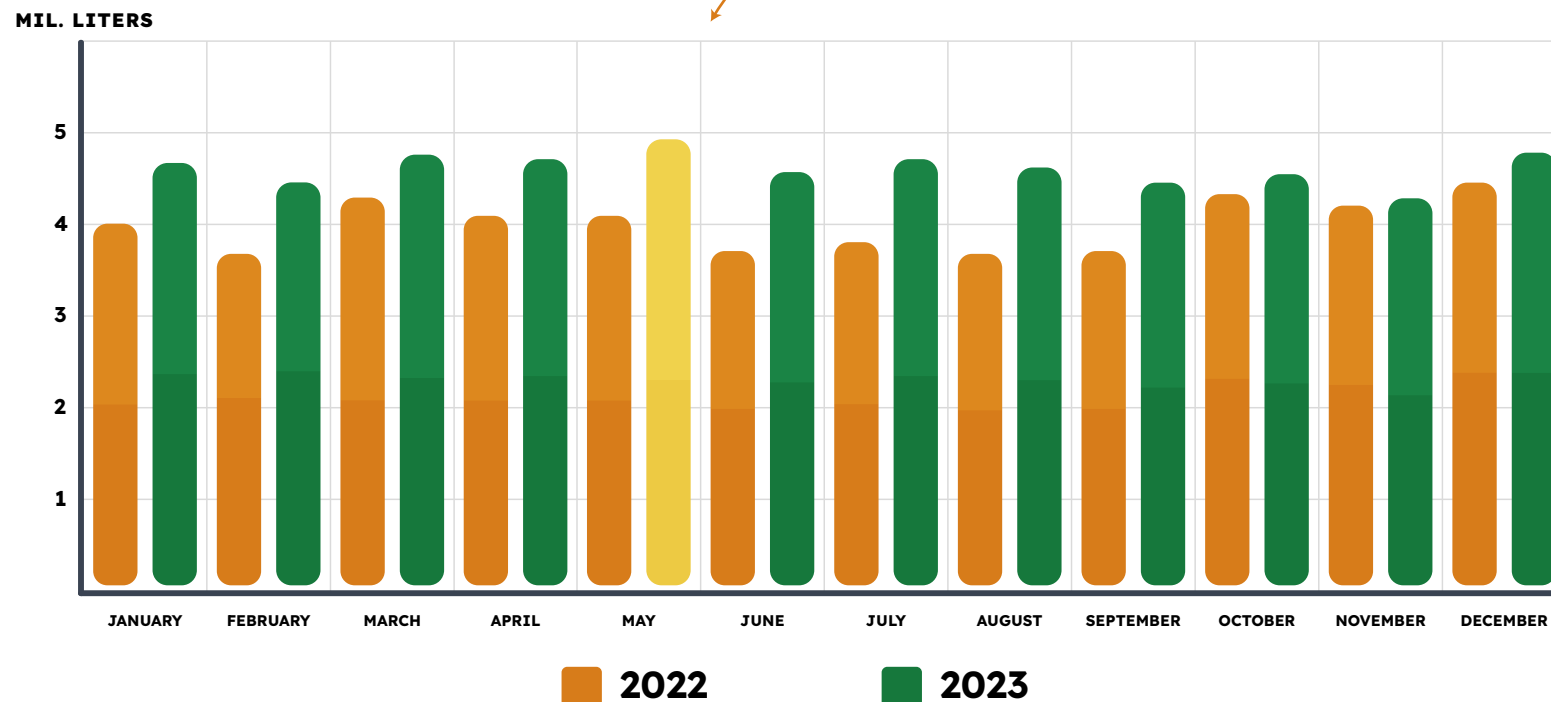


Milk production activity

In relation to the livestock owned by DN AGRAR, consisting of **dairy cows and young cattle**, at the end of last year it reached **more than 14,000 heads, an increase of more than 20% compared to 2022.**

EVOLUTION OF MONTHLY MILK DELIVERIES IN 2023 VS. 2022

May 2023 is a landmark month, as **we reached a record in terms of the quantity of milk delivered** last year, approaching the **5 million liters per month** threshold.



Agriculture and cereal production activity

The company DN AGRAR, alongside its milk production activity, also conducts, on a secondary level, cereal production, which is partially seasonal. As the agricultural cycle in Romania is divided into two main seasons, each has a different influence on the company's financial performance.

Spring campaign: takes place from March to May, with harvesting activities in September to October.

Autumn campaign: occurs between September and October, with harvesting activities in the following summer.

In the field of vegetal agriculture, the companies within **DN AGRAR group exploits over 7.000 hectares**, located in Alba, Sibiu, and Hunedoara counties.

The objective is to expand the cultivated area to 10,000 hectares through the acquisition of other agricultural production farms.

| 2023 | Total Area | Leased Land* | Owned Land by DN AGRAR | Production Land | Pasture use for cows | Unworked Land |
|---------------------|--------------------|--------------------|------------------------|--------------------|----------------------|------------------|
| LACTO AGRAR | 1.779,71 ha | 1.628,52 ha | 151,19 ha | 1.557,84 ha | 35,00 ha | 186,87 ha |
| DN AGRAR CUT | 1.716,32 ha | 1.361,36 ha | 354,96 ha | 1.367,84 ha | 223,18 ha | 125,30 ha |
| DN AGRAR BIO | 1,15 ha | - | 1,15 ha | - | - | 1,15 ha |
| DN AGRAR GREENFIELD | 0,87 ha | - | 0,87 ha | - | - | 0,87 ha |
| DN AGRAR PRODLACT | 444,58 ha | 411,34 ha | 33,24 ha | 253,94 ha | 102,54 ha | 88,10 ha |
| DN AGRAR SERVICE | 10,38 ha | - | 10,38 ha | - | - | 10,38 ha |
| DN AGRAR GROUP | 6,21 ha | - | 6,21 ha | - | - | 6,21 ha |
| PENSIUNEA CASA BUNA | 6,09 ha | - | 6,09 ha | - | - | 6,09 ha |
| DN AGRAR STRAJA | 10,68 ha | - | 10,68 ha | - | - | 10,68 ha |
| DN AGRAR APOLD | 2.009,78 ha | 1.661,87 ha | 347,91 ha | 1.256,43 ha | 364,14 ha | 389,21 ha |
| DN AGRAR CALNIC | 237,29 ha | 237,29 ha | - | 200,04 ha | - | 37,25 ha |
| DN AGRAR HOLDING | 922,32 ha | 913,94 ha | 8,38 ha | 846,23 ha | 57,97 ha | 18,12 ha |
| DN AGRAR PRODAG | - | -46,81 ha | 46,81 ha | - | - | - |
| Total | 7.145,38 ha | 6.167,51 ha | 977,87 ha | 5.482,32 ha | 782,83 ha | 880,23 ha |

* Land is leased for contractual periods of 5-15 years.

Agriculture and cereal production activity

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

Also, in **January**, we commenced basic machinery and tractor revisions, an annual operation **completed towards the end of February**.

In **March**, specific activities began

We carried out specific work for autumn crops (fertilization) and started preparing the soil for establishing spring barley and lucerne crops.

We conducted specific work for spring crops: sowing spring barley and lucerne, and fertilization for cereal crops.

We began preparing land for sowing for the maize crop.

In **April**, we started sowing maize, carried out phytosanitary treatments for cereal crops, and pre-emergent herbicide application for the maize crop. Additionally, in April, we began harvesting the first cut of lucerne for silage.

In **May**, we completed maize sowing for silage and finished harvesting silage from triticale. Also, we completed the second cut of lucerne, started sowing the second maize crop after the autumn triticale crop, and applied phytosanitary treatments (T2) for cereal crops.

In **June**, we applied vegetation herbicide treatments for the primary maize crop and pre-emergent herbicide treatments for the secondary maize crop.



We carried out specific silage preparation works to accommodate grain cereals that would be harvested in **July**.

In **July**, we harvested grain cereals: autumn wheat, autumn triticale, autumn barley. The cereals were transported and stored into our silos. Simultaneously, we started baling straw bales, an operation that extended into **August**. After baling, the bales were transported to our livestock farms.

In **August**, we began harvesting the primary maize silage crop, completing the baling operation and transporting the straw bales to the farms.

In **September**, we continued harvesting the primary maize silage crop and began preparing the land for spring crops through scarification. Also, in this month, we initiated preparation and sowing operations for autumn cereals, including autumn wheat and autumn triticale.

In **October** we continued the maize silage harvesting operation, sowed wheat and triticale, and carried out the autumn wheat and triticale fertilisation operation.

We also carried out pre-emergence herbicides on autumn wheat and triticale crops. We continued with the application of organic fertilisers on owned land for spring crops.

In **November** and **December**, we started to prepare the land for the spring crops. We also continued the work to prepare the land for spring crops by scarifying.

Agricultural production in 2023

| Cultures | Silo Tons |
|---------------|-----------|
| Maize | 51.254 |
| Triticale | 24.106 |
| Alfalfa | 15.059 |
| Wheat | 3.529 |
| Barley | 975 |
| Grass mixture | 334 |
| Sorghum | 62 |

Agriculture and cereal production activity

90% of the production from crops are used to provide the fodder base for DN AGRAR's cow farms (silage maize, alfalfa, silage triticale, grass, wheat straw) and to pay the land rent (for those lessors opting for cereals). The only part of DN AGRAR's production that is subject to sale is sunflower and barley seed, if these cereals are grown in the crop year in question.

Another important activity for our company is the establishment of a secondary maize crop, planted after the primary silage triticale crop harvest. This brings multiple advantages, both economic and agronomic.

The second maize crop is established with lower costs than the primary crop because it doesn't involve land rent costs, doesn't require basic land work (plowing or scarification), or land cleaning, leaving the field clear of vegetative residues after silage harvesting, thus preventing soil erosion.

As a agricultural vegetal and cattle integrated farm, within a circular economy mentality, at DN AGRAR we aim to create a sustainable ecosystem where resources are used efficiently and environmental impact is minimized.

For the agricultural year 2023/2024, in the next image are the crops established by DN AGRAR.



DN AGRAR Group Performance and Key Figures in 2023

TURNOVER*

**150.88
MIL. RON**
(30.33 MIL. EUR)

+0.06%
VS
2022

TOTAL
ASSETS

**307.94
MIL. RON**
(61.90 MIL. EUR)

+31.29%
VS
31.12.2022

EQUITY*

**133.33
MIL. RON**
(26.80 MIL. EUR)

+67.38%
VS
31.12.2022

EBITDA*

**53.97
MIL. RON**
(10.85 MIL. EUR)

+24.53%
VS
2022

NET
PROFIT*

**22.67
MIL. RON**
(4.55 MIL. EUR)

+62.64%
VS
2022

OPERATING
INCOME*

**234.72
MIL. RON**
(47.18 MIL. EUR)

+14.26%
VS
2022

FIXED
ASSETS*

**212.14
MIL. RON**
(42.64 MIL. EUR)

+32.05%
VS
31.12.2022

NET
ASSETS*

**231.26
MIL. RON**
(46.48 MIL. EUR)

+32.35%
VS
31.12.2022

DN AGRAR Group Performance and Key Figures in 2023



NET TURNOVER = Production sold + Income from sale of goods - Income from trade discounts granted

NET PROFIT OR LOSS FOR THE FINANCIAL YEAR = GROSS PROFIT OR LOSS - Income tax - Tax specific to certain activities - Other taxes - Net profit or loss on minority interests

| EBITDA | TOTAL ASSETS |
|---|--|
| Net Profit + Interest Expense + Tax Expense + Depreciation and Amortization Expense | Fixed assets + Current assets + Prepaid expenses |
| FIXED ASSETS | NET ASSETS |
| Intangible assets + Tangible assets + Financial assets | Total assets - Current liabilities |

SHAREHOLDERS' EQUITY = Subscribed paid-in capital + EQUITY Premium + RESERVES + OWN SHARES + REPORTED PROFIT OR LOSS + PROFIT OR LOSS FOR THE FINANCIAL YEAR + MINORITY INTEREST

REVENUE FROM OPERATING ACTIVITIES = Production sold + Income from the sale of goods + Trade discounts granted + Income relating to the cost of work in progress + Income from the production of intangible and tangible fixed assets + Income from the revaluation of tangible fixed assets + Income from the production of investment property + Income from operating subsidies + Other operating income

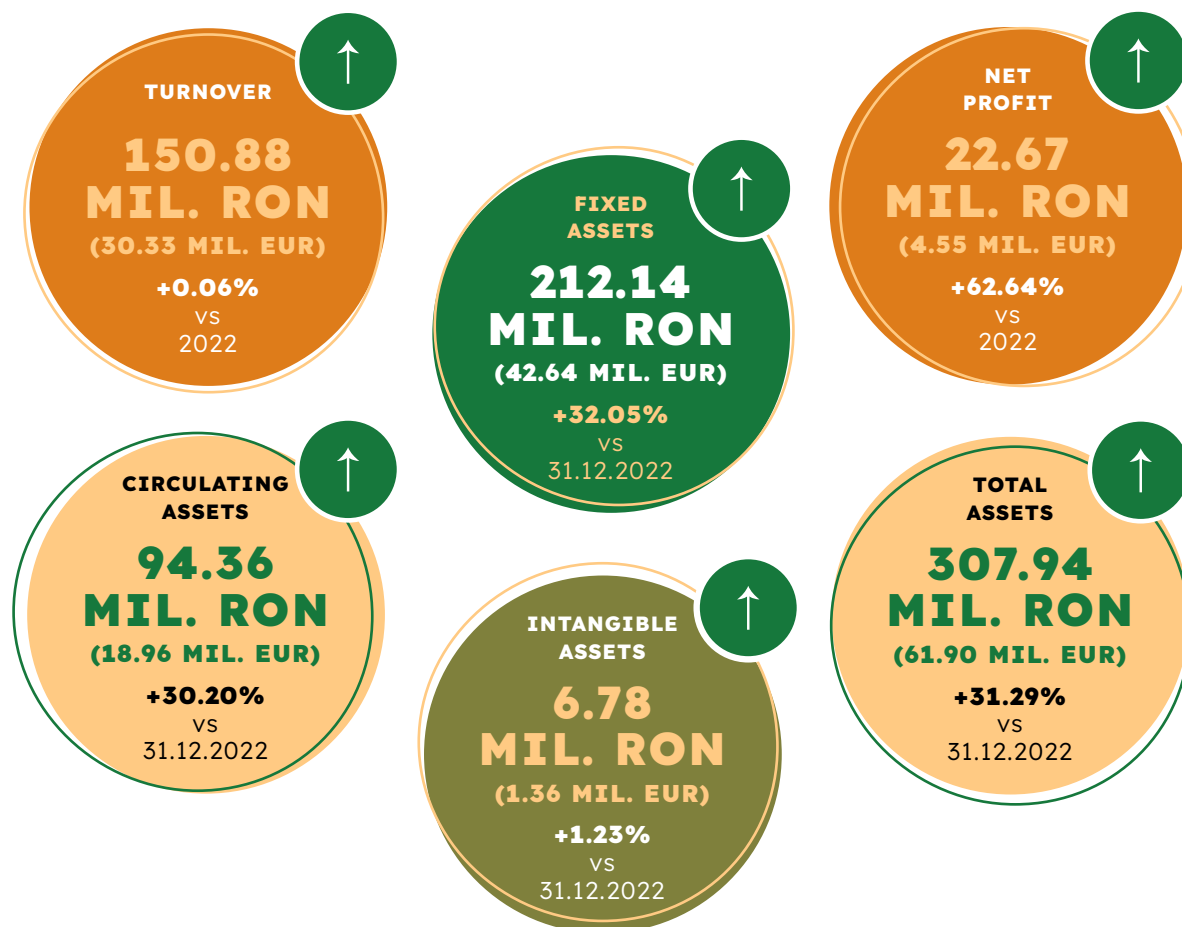
Analysis of the financial results

Analysis of the consolidated financial results as at 31.12.2023

**In 2023,
DN AGRAR Group**
recorded a turnover of
RON 151 million
and a net profit of
RON 23 million,
a 63% increase
compared to 2022.

The company's results were supported by an increase in milk production, production cost optimizations, and investments in the automation of processes within the farms, in the context of a year that also brought challenges concerning milk prices.

For 2024, we anticipate maintaining this trend considering the increase in the number of dairy cows in the farms which supported the advance of cow milk production, as well as considering the continuation of the process of optimizing production costs both at the vegetal production level and at the zootechnical production level.



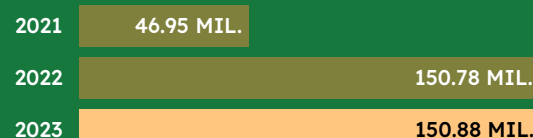
Analysis of the financial results

Analysis of the profit and loss account at consolidated level

NET TURNOVER

150.88 MIL. RON

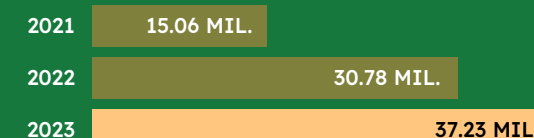
0.06%
vs 2022



OTHER OPERATING EXPENSES

37.23 MIL. RON

20.93%
vs 2022



OPERATING INCOME TOTAL

234.72 MIL. RON

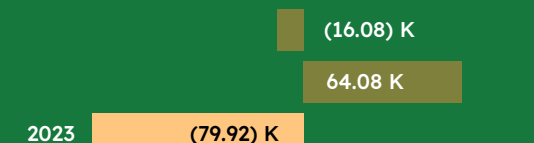
14.26%
vs 2022



ADJUSTMENTS REGARDING PROVISIONS

(79.92) K RON

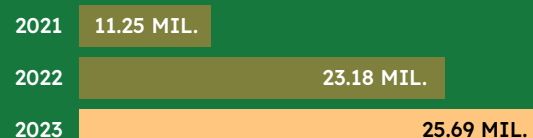
-224.71%
vs 2022



PERSONNEL EXPENSES

25.69 MIL. RON

10.81%
vs 2022



OPERATING EXPENSES – TOTAL

200.18 MIL. RON

10.25%
vs 2022



VALUE ADJUSTMENTS REGARDING TANGIBLE AND INTANGIBLE ASSETS

20.89 MIL. RON

8.94%
vs 2022



OPERATING PROFIT OR LOSS

34.53 MIL. RON

44.85%
vs 2022



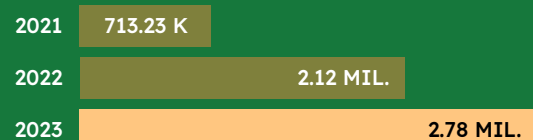
Analysis of the financial results

Analysis of the profit and loss account at consolidated level

FINANCIAL INCOME – TOTAL

2.78 MIL. RON

30.88%
vs 2022



TOTAL EXPENSES

210.70 MIL. RON

10.89%
vs 2022



FINANCIAL EXPENSES – TOTAL

10.51 MIL. RON

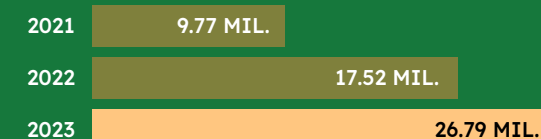
24.66%
vs 2022



GROSS PROFIT OR LOSS

26.79 MIL. RON

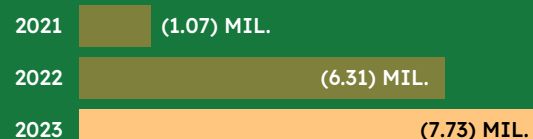
52.88%
vs 2022



FINANCIAL PROFIT OR LOSS

(7.73) MIL. RON

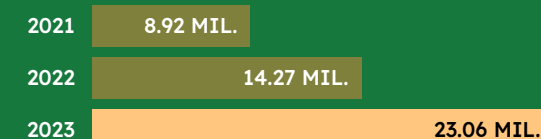
22.56%
vs 2022



NET PROFIT OR LOSS OF THE FINANCIAL YEAR

23.06 MIL. RON

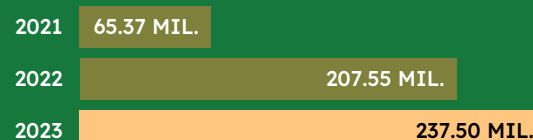
61.61%
vs 2022



TOTAL INCOME

237.50 MIL. RON

14.43%
vs 2022



NET PROFIT OR LOSS ATTRIBUTABLE TO THE GROUP

22.67 MIL. RON

62.64%
vs 2022



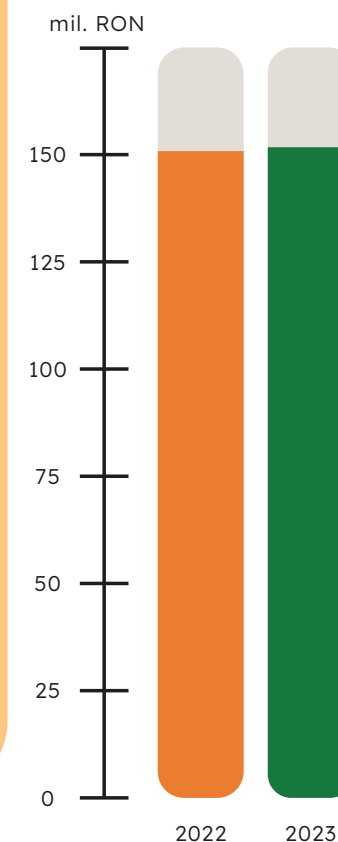
Analysis of the financial results

Analysis of the profit and loss account at consolidated level

| Indicatori | 31/12/2023 | | 31/12/2022 | | Δ% |
|--|-----------------|-----------------|-----------------|-----------------|----------|
| NET TURNOVER | RON 150,886,163 | EUR 30,331,316 | RON 150,789,463 | EUR 30,311,877 | 0.06% |
| OPERATING INCOME - TOTAL | RON 234,724,747 | EUR 47,184,647 | RON 205,421,694 | EUR 41,294,113 | 14.26% |
| PERSONNEL EXPENSES | RON 25,692,226 | EUR 5,164,682 | RON 23,186,709 | EUR 4,661,020 | 10.81% |
| VALUE ADJUSTMENTS REGARDING TANGIBLE AND INTANGIBLE ASSETS | RON 20,890,111 | EUR 4,199,355 | RON 19,176,414 | EUR 3,854,866 | 8.94% |
| OTHER OPERATING EXPENSES | RON 37,230,054 | EUR 7,484,030 | RON 30,787,376 | EUR 6,188,915 | 20.93% |
| ADJUSTEMENTS REGARDING PROVISIONS | RON (79,923) | EUR (16,066) | RON 64,086 | EUR 12,883 | -224.71% |
| OPERATING EXPENSES - TOTAL | RON 200,188,600 | EUR 40,242,150 | RON 181,579,817 | EUR 36,501,390 | 10.25% |
| OPERATING PROFIT OR LOSS | RON 34,536,147 | EUR 6,942,497 | RON 23,841,877 | EUR 4,792,722 | 44.85% |
| FINANCIAL INCOME - TOTAL | RON 2,781,307 | EUR 559,102 | RON 2,125,030 | EUR 427,176 | 30.88% |
| FINANCIAL EXPENSES - TOTAL | RON 10,519,474 | EUR 2,114,637 | RON 8,438,652 | EUR 1,696,348 | 24.66% |
| FINANCIAL PROFIT OR LOSS | RON (7,738,167) | EUR (1,555,536) | RON (6,313,623) | EUR (1,269,172) | 22.56% |
| TOTAL INCOME | RON 237,506,054 | EUR 47,743,749 | RON 207,546,723 | EUR 41,721,289 | 14.43% |
| TOTAL EXPENSES | RON 210,708,074 | EUR 42,356,787 | RON 190,018,469 | EUR 38,197,738 | 10.89% |
| GROSS PROFIT OR LOSS | RON 26,797,980 | EUR 5,386,962 | RON 17,528,254 | EUR 3,523,550 | 52.88% |
| NET PROFIT OR LOSS ATTRIBUTABLE TO THE GROUP | RON 22,672,945 | EUR 4,557,742 | RON 13,940,230 | EUR 2,802,282 | 62.64% |

In the consolidation of the **Profit and Loss Statement**, the comparatives for the financial indicators are considered as of **31.12.2022**, and the financial position indicators of the Group include, on the same date, the financial results obtained by Lacto Agrar and DN Agrar Apold farms.

Turnover



Analysis of the financial results

Analysis of the profit and loss account at consolidated level

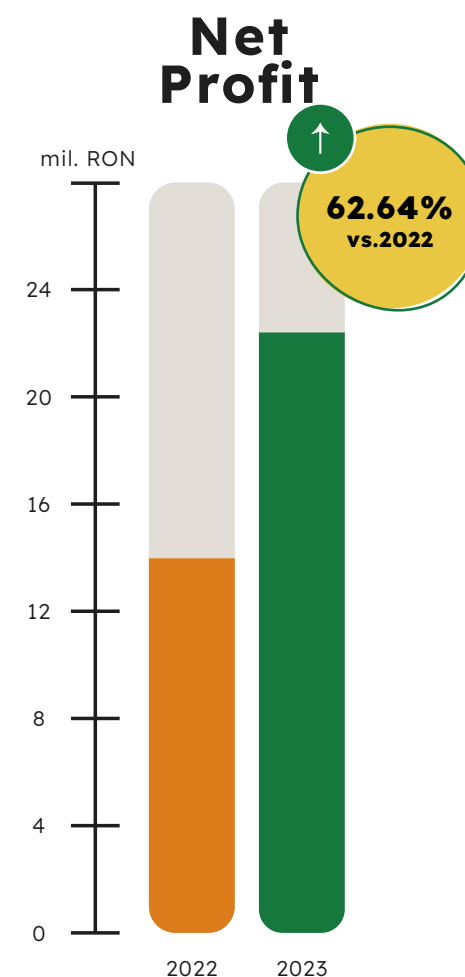
Lacto Agrar farm was acquired by DN AGRAR in December 2021, and Apold farm was taken over in April 2022.

In 2023, **operating revenues** were **RON 235 million**, a **14% increase** compared to the same period last year. **Revenues from sold production** were **RON 149 million**, a **2% increase** compared to the same period in 2022.

Revenues from operating subsidies increased by 84% to RON 27 million. The subsidies received through APIA are for agricultural land and the production of raw milk. Subsidies are granted based on the number of animals owned and the land area used, according to requests submitted by the company.

The Net Profit of DN AGRAR has increased significantly, from 13.94 million RON to 22.67 million RON, an increase of 62.64%.

| Profit and loss account indicators | 12/31/2023 | | | | 12/31/2022 | | | | Δ% |
|------------------------------------|------------|-------------|-----|-------------|------------|-------------|-----|-------------|--------|
| Operating revenue - total | RON | 234,724,747 | EUR | 47,184,647 | RON | 205,421,694 | EUR | 41,294,113 | 14.26% |
| Operating expenditure - total | RON | 200,188,600 | EUR | 40,242,150 | RON | 181,579,817 | EUR | 36,501,390 | 10.25% |
| Operating profit or loss | RON | 34,536,147 | EUR | 6,942,497 | RON | 23,841,877 | EUR | 4,792,722 | 44.85% |
| Financial income - total | RON | 2,781,307 | EUR | 559,102 | RON | 2,125,030 | EUR | 427,176 | 30.88% |
| Financial expenditure - total | RON | 10,519,474 | EUR | 2,114,637 | RON | 8,438,652 | EUR | 1,696,348 | 24.66% |
| Financial profit or loss | RON | (7,738,167) | EUR | (1,555,536) | RON | (6,313,623) | EUR | (1,269,172) | 22.56% |
| Gross profit or loss | RON | 26,797,980 | EUR | 5,386,962 | RON | 17,528,254 | EUR | 3,523,550 | 52.88% |
| Net profit or loss | RON | 22,672,945 | EUR | 4,557,742 | RON | 13,940,230 | EUR | 2,802,282 | 62.64% |



Analysis of the financial results

Analysis of the profit and loss account at consolidated level

By adopting the new PNRR regulations in 2023, the reference for calculating the national transitional aids for milk production and animals held on farms has been changed, with the year 2018 being set as the reference. Thus, the subsidies due in 2023 for animals take into account a number of 8,794 heads of dairy cows. As for the milk production, a higher level of milk with 23,994 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, a subsidy for the Russia-Ukraine Aggression Support was introduced, amounting to EUR 110 per head of cattle, and it was received in the first quarter of the year.

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

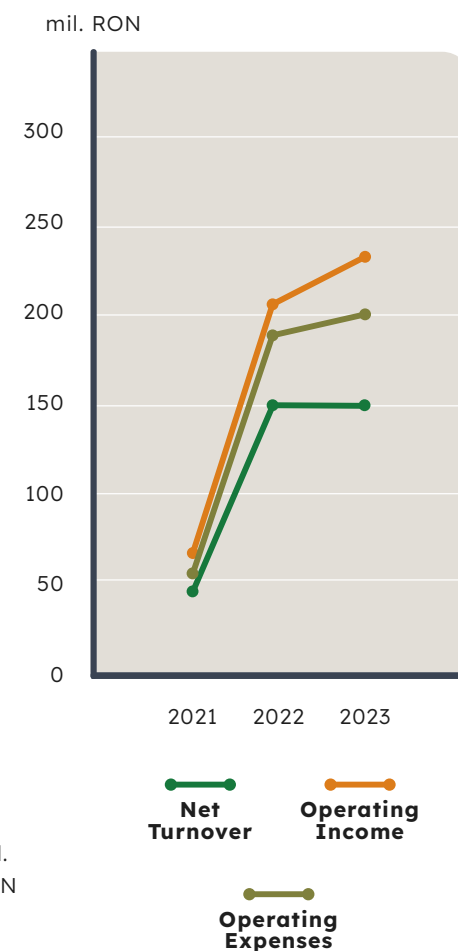
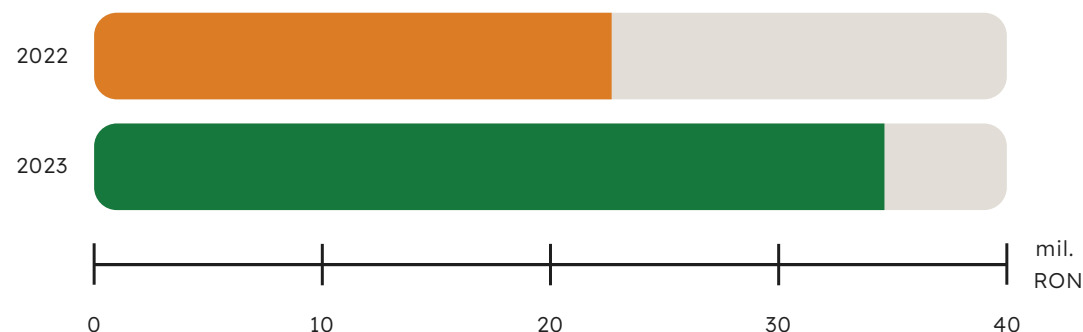
Revenues related to the production of tangible fixed assets recorded a 14% increase, reaching RON 8 million.

Revenues from the sale of goods decreased by 64%, to the value of RON 2 million, as a result of keeping the finished products obtained from agricultural activity for feeding the animals on dairy farms.

Operating expenses increased by 10% in 2023 compared to 2022, reaching RON 200 million. The main contribution came from the expenses on raw materials and consumables, which reached RON 110 million, an increase of 8% compared to the same period of last year, a trend related to the increase in the number of directly productive animals on the farm and the areas worked to ensure the necessary feed.

The operating result of the DN AGRAR group has increased significantly, from **23.84 million RON** to **34.53 million RON**, an increase of **44.85%**.

Operating Profit



Analysis of the financial results

Analysis of the profit and loss account at consolidated level

Expenses related to external services recorded an increase of 19% compared to 2022, up to RON 35 million. Along with the expansion of the livestock, personnel expenses also increased to RON 25 million, an increase of 11%, with DN AGRAR having approximately **280 employees** at the end of 2023. Expenses for depreciation and value adjustments were RON 21 million, an increase of 9% as a result of the increase in fixed assets.

The operating result of the DN AGRAR recorded a **45% advance in 2023**, from RON 24 million to RON 35 million.

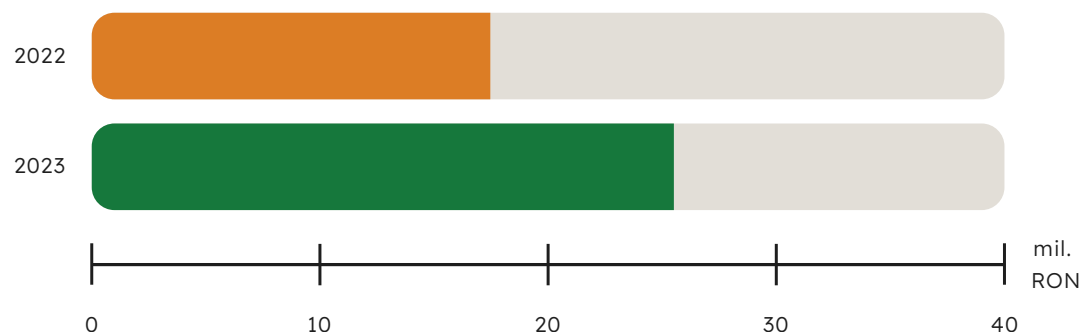
In 2023, **financial revenues increased by 31%**, reaching **RON 3 million**, while **financial expenses increased by 25%**, reaching **RON 11 million**. The increase in financial expenses was mainly due to the increase in expenses related to foreign exchange differences, by 195% compared to 2022, reaching RON 4 million. This is due to the depreciation of the national currency against the EURO, in which all the bank loans contracted by the companies within the DN AGRAR group were converted.

The increase in expenses due to foreign exchange differences is fully recovered through the positive evolution of the turnover because the price invoiced for the quantities of milk delivered is set in EURO and is indexed to the foreign exchange rate at the date of invoicing for the production sold according to contracts concluded with customers..

At the end of 2023, DN AGRAR Group closed the balance with a **net profit of RON 23 million, an increase of 63%** compared to the previous year.

DN AGRAR Group recorded a gross result of RON 27 million in 2023, an increase of 53%, compared to the amount of RON 18 million recorded in 2022.

Gross Result



Analysis of the financial results

Analysis of the profit and loss account at consolidated level

| Indicators | 12/31/2023 | | | | 12/31/2022 | | | | Δ% |
|---|------------|--------------------|------------|-------------------|------------|--------------------|------------|-------------------|---------------|
| Net turnover | RON | 150,886,163 | EUR | 30,331,316 | RON | 150,789,463 | EUR | 30,311,877 | 0.06% |
| 1. Production sold | RON | 149,450,504 | EUR | 30,042,718 | RON | 146,569,859 | EUR | 29,463,647 | 1.97% |
| Income from the sale of goods | RON | 1,542,345 | EUR | 310,044 | RON | 4,269,816 | EUR | 858,323 | -63.88% |
| Commercial discounts granted | RON | (106,686) | EUR | (21,446) | RON | (50,212) | EUR | (10,094) | 112.47% |
| Sold C | RON | 45,726,117 | EUR | 9,191,918 | RON | 31,192,980 | EUR | 6,270,450 | 46.59% |
| 3. Income from the production of intangible and tangible assets | RON | 8,274,578 | EUR | 1,663,365 | RON | 7,286,171 | EUR | 1,464,675 | 13.57% |
| 4. Income from the revaluation of tangible assets | RON | 1,357,085 | RON | 272,803 | - | - | - | - | - |
| 6. Income from operating subsidies | RON | 27,127,826 | EUR | 5,453,268 | RON | 14,773,481 | EUR | 2,969,783 | 83.63% |
| 7. Other operating income | RON | 1,352,978 | EUR | 271,977 | RON | 1,379,599 | EUR | 277,329 | -1.93% |
| - of which, income from investment subsidies | RON | 66,012 | EUR | 13,270 | RON | 132,023 | RON | 26,539 | -50.00% |
| Operating income - total | RON | 234,724,747 | EUR | 47,184,647 | RON | 205,421,694 | EUR | 41,294,113 | 14.26% |
| 8.a) Expenses for raw materials and consumable materials | RON | 110,700,989 | EUR | 22,253,244 | RON | 102,471,382 | EUR | 20,598,919 | 8.03% |
| Other material expenses | RON | 2,113,045 | EUR | 424,767 | RON | 1,878,985 | EUR | 377,716 | 12.46% |
| b) Other external expenses | RON | 4,035,022 | EUR | 811,125 | RON | 3,567,240 | EUR | 717,091 | 13.11% |
| c) Expenses related to goods | RON | 1,282,450 | EUR | 257,800 | RON | 528,394 | EUR | 106,218 | 142.71% |
| Trade discounts received | RON | (88,938) | EUR | (17,878) | RON | (833,066) | EUR | (167,464) | -89.32% |
| 9. Personnel expenses | RON | 25,692,226 | EUR | 5,164,682 | RON | 23,186,709 | EUR | 4,661,020 | 10.81% |
| a) Wages and allowances | RON | 25,117,003 | EUR | 5,049,050 | RON | 22,687,700 | EUR | 4,560,708 | 10.71% |

Analysis of the financial results

Analysis of the profit and loss account at consolidated level

| Indicators | 12/31/2023 | | | | 12/31/2022 | | | | Δ% |
|--|------------|-------------|-----|------------|------------|-------------|-----|------------|----------|
| b) Expenses for insurances and social protection | RON | 575,223 | EUR | 115,632 | RON | 499,009 | EUR | 100,311 | 15.27% |
| 10. a) Value adjustments regarding tangible and intangible assets | RON | 20,890,111 | EUR | 4,199,355 | RON | 19,176,414 | EUR | 3,854,866 | 8.94% |
| a.1) Expenses | RON | 20,891,070 | EUR | 4,199,548 | RON | 19,177,133 | EUR | 3,855,010 | 8.94% |
| a.2) Income | RON | (959) | EUR | (193) | RON | (719) | RON | (145) | - |
| b) Value adjustments regarding current assets | RON | 1,746,281 | EUR | 351,039 | RON | (880,469) | EUR | (176,993) | -298.34% |
| b.1) Expenses | RON | 218,255 | EUR | 43,874 | RON | 1,757,557 | EUR | 353,306 | -87.58% |
| b.2) Income | RON | 1,964,536 | EUR | 394,913 | RON | 877,088 | EUR | 176,313 | 123.98% |
| 11. Other operating expenses | RON | 37,230,054 | EUR | 7,484,030 | RON | 30,787,376 | EUR | 6,188,915 | 20.93% |
| 11.1. Expenses related to external services | RON | 34,905,582 | EUR | 7,016,762 | RON | 29,305,792 | EUR | 5,891,085 | 19.11% |
| 11.2. Expenses for other taxes, fees, and similar payments; expenses representing transfers and contributions due based on specific legislative acts | RON | 791,813 | EUR | 159,171 | RON | 594,779 | EUR | 119,563 | 33.13% |
| 11.4. Expenses for the revaluation of tangible assets | RON | 484,698 | RON | 97,435 | - | - | - | - | - |
| 11.6. Other expenses | RON | 1,047,961 | EUR | 210,662 | RON | 886,805 | EUR | 178,267 | 18.17% |
| Adjustments regarding provisions | RON | (79,923) | EUR | (16,066) | RON | 64,086 | EUR | 12,883 | -224.71% |
| - Expenses | RON | 381,709 | EUR | 76,732 | RON | 302,017 | EUR | 60,712 | 26.39% |
| - Income | RON | 301,786 | EUR | 60,665 | RON | 366,103 | EUR | 73,594 | -17.57% |
| Operating expenses | RON | 200,188,600 | EUR | 40,242,150 | RON | 181,579,817 | EUR | 36,501,390 | 10.25% |
| Operating profit or loss | RON | 34,536,147 | EUR | 6,942,497 | RON | 23,841,877 | EUR | 4,792,722 | 44.85% |
| 13. Income from interest | RON | 108,555 | EUR | 21,822 | RON | 116,143 | EUR | 23,347 | -6.53% |

Analysis of the financial results

Analysis of the profit and loss account at consolidated level

| Indicators | 12/31/2023 | | 12/31/2022 | | Δ% |
|---|------------|--------------------|------------|--------------------|---|
| - of which, income obtained from affiliated entities | RON | 342,093 | EUR | 68,768 | RON 197,642 RON 39,730 73.09% |
| 15. Other financial income | RON | 2,672,752 | EUR | 537,280 | RON 2,008,887 EUR 403,829 33.05% |
| Financial income - total | RON | 2,781,307 | EUR | 559,102 | RON 2,125,030 EUR 427,176 30.88% |
| 17. Expenses related to interest | RON | 6,959,086 | EUR | 1,398,924 | RON 7,233,267 EUR 1,454,040 -3.79% |
| - of which, expenses in relation to affiliated entities | RON | 223,132 | EUR | 44,854 | RON 209,868 RON 42,188 6.32% |
| 18. Other financial expenses | RON | 3,560,388 | EUR | 715,713 | RON 1,205,385 EUR 242,308 195.37% |
| Financial expenses - total | RON | 10,519,474 | EUR | 2,114,637 | RON 8,438,652 EUR 1,696,348 24.66% |
| Financial profit or loss | RON | (7,738,167) | EUR | (1,555,536) | RON (6,313,623) EUR (1,269,172) 22.56% |
| Total income | RON | 237,506,054 | EUR | 47,743,749 | RON 207,546,723 EUR 41,721,289 14.43% |
| Total expenses | RON | 210,708,074 | EUR | 42,356,787 | RON 190,018,469 EUR 38,197,738 10.89% |
| 19. Gross profit or loss | RON | 26,797,980 | EUR | 5,386,962 | RON 17,528,254 EUR 3,523,550 52.88% |
| 20. Profit tax | RON | 3,714,454 | EUR | 746,684 | RON 3,222,147 EUR 647,720 15.28% |
| 22. Other taxes not presented in the elements above | RON | 16,277 | EUR | 3,272 | RON 33,141 EUR 6,662 -50.89% |
| 23. Net profit or loss of the financial year | RON | 23,067,250 | EUR | 4,637,006 | RON 14,272,966 EUR 2,869,169 61.61% |
| Net profit or loss attributable to minority interests | RON | 394,305 | EUR | 79,264 | RON 332,736 EUR 66,887 18.50% |
| 23. Net profit or loss attributable to the group | RON | 22,672,945 | EUR | 4,557,742 | RON 13,940,230 EUR 2,802,282 62.64% |

Analysis of the financial results

Analysis of the balance sheet at consolidated level

| Indicators | 31/12/2023 | | 31/12/2022 | | Δ% |
|--|------------------------|-----------------------|------------------------|-----------------------|---------------|
| FIXED ASSETS - TOTAL | RON 212,141,058 | EUR 42,644,847 | RON 160,654,419 | EUR 32,294,942 | 32.05% |
| CIRCULATING ASSETS - TOTAL | RON 94,362,606 | EUR 18,968,883 | RON 72,472,451 | EUR 14,568,498 | 30.20% |
| ADVANCE COSTS | RON 1,441,310 | EUR 289,734 | RON 1,428,834 | EUR 287,226 | 0.87% |
| TOTAL ASSETS | RON 307,944,974 | EUR 61,903,464 | RON 234,555,704 | EUR 47,150,666 | 31.29% |
| LIABILITIES: AMOUNTS DUE TO BE PAID WITHIN A PERIOD OF UP TO ONE YEAR | RON 76,397,539 | EUR 15,357,524 | RON 59,675,569 | EUR 11,996,054 | 28.02% |
| LIABILITIES: AMOUNTS TO BE RECOVERED OVER A PERIOD OF MORE THAN ONE YEAR | RON 95,954,744 | EUR 19,288,937 | RON 92,906,479 | EUR 18,676,171 | 3.28% |
| TOTAL LIABILITIES | RON 172,352,283 | EUR 34,646,461 | RON 152,582,048 | EUR 30,672,225 | 12.96% |
| PROVISIONS | RON 385,892 | EUR 77,572 | RON 305,969 | EUR 61,506 | 26.12% |
| ADVANCE INCOME | RON 1,867,001 | EUR 375,307 | RON 2,006,257 | EUR 403,300 | -6.94% |
| EQUITY - TOTAL | RON 133,339,798 | EUR 26,804,125 | RON 79,661,430 | EUR 16,013,635 | 67.38% |
| TOTAL EQUITY and LIABILITIES | RON 307,944,974 | EUR 61,903,464 | RON 234,555,704 | EUR 47,150,666 | 31.29% |

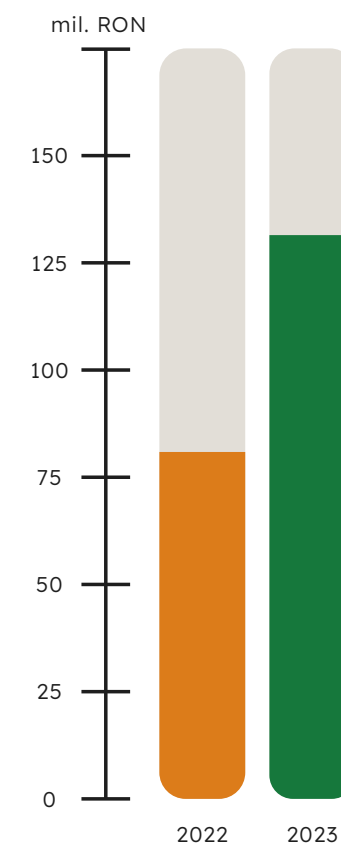
In the consolidation of the **Balance Sheet as of 31.12.2023**, the comparatives for the financial indicators are considered as of **31.12.2022**.

Thus, the financial position indicators of the Group include as of 31.12.2022 the financial results obtained by the Lacto Agrar farm and the Apold farm, which was taken over by the DN AGRAR group of companies in April 2022.

In 2023, the **total assets** of the group **increased by 31%**, reaching **RON 308 million**.

Fixed assets increased by 32%, reaching **RON 212 million**.

Equity



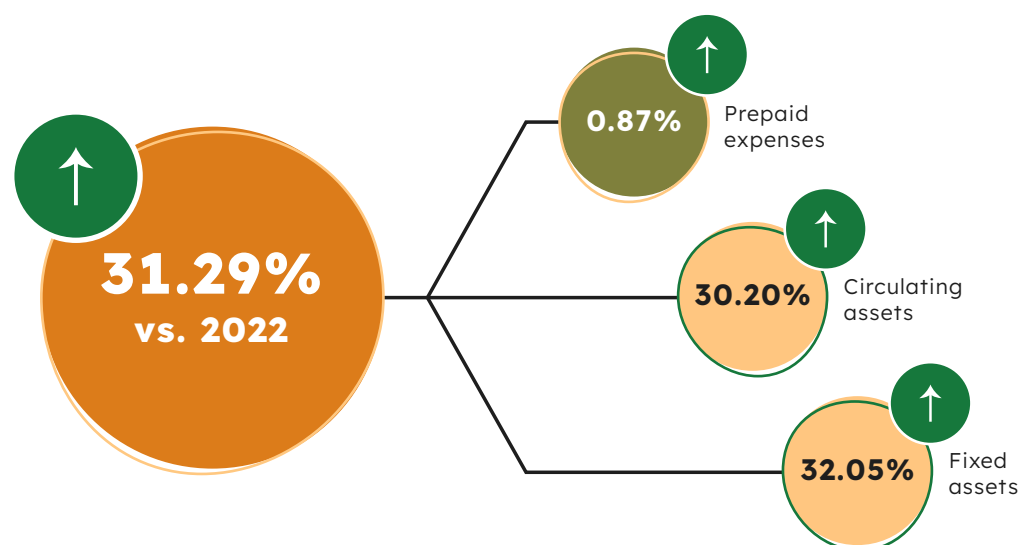
Analysis of the financial results

Analysis of the balance sheet at consolidated level

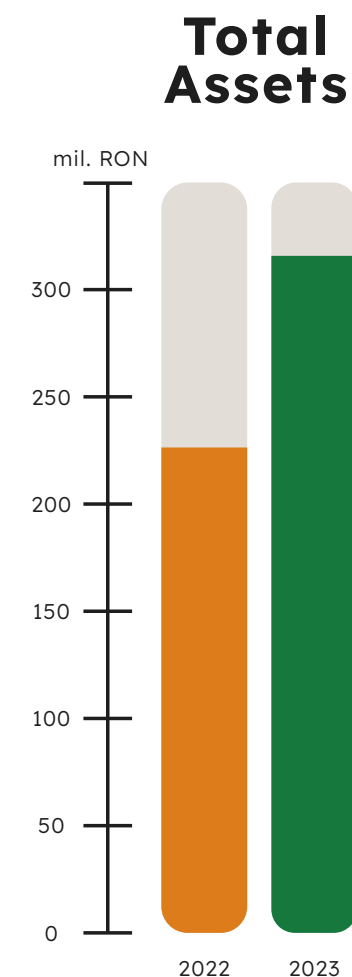
Current assets grew by 30%, reaching **RON 94 million** in the analyzed period.

The increase was mainly due to a **26% increase in inventories**, which reached **RON 58 million**.

Receivables increased by 39% and reached RON 35 million. The increase in receivables is due to the recording of subsidies for the year 2023 for agricultural activity (animals and land), which are to be collected by 30.06.2024.



| Balance sheet indicators | 12/31/2023 | | | | 12/31/2022 | | | | Δ% |
|----------------------------|------------|--------------------|------------|-------------------|------------|--------------------|------------|-------------------|---------------|
| Fixed assets - total | RON | 212,141,058 | EUR | 42,644,847 | RON | 160,654,419 | EUR | 32,294,942 | 32.05% |
| Circulating assets - total | RON | 94,362,606 | EUR | 18,968,883 | RON | 72,472,451 | EUR | 14,568,498 | 30.20% |
| Prepaid expenses | RON | 1,441,310 | EUR | 289,734 | RON | 1,428,834 | EUR | 287,226 | 0.87% |
| Total assets | RON | 307,944,974 | EUR | 61,903,464 | RON | 234,555,704 | EUR | 47,150,666 | 31.29% |



Analysis of the financial results

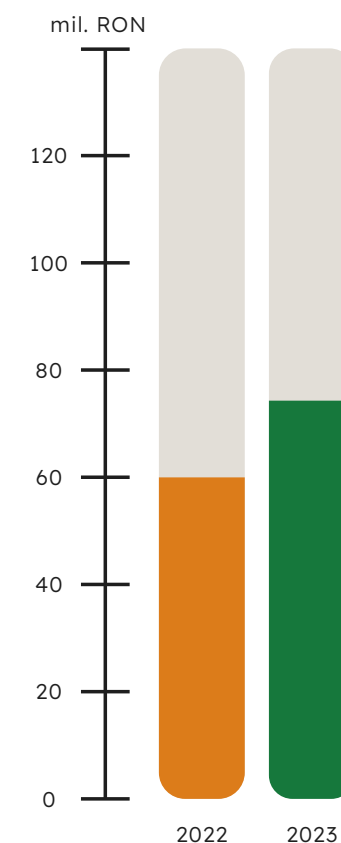
Analysis of the balance sheet at consolidated level

As of 31.12.2023, **short-term liabilities have increased by 28%** compared to the end of 2022. Trade payables show an increase of 95%, approximately RON 15 million, as a result of the increase in the number of directly productive animals on the farm and the areas worked to ensure the necessary forage. This is reflected in the increase in quantities of raw materials and consumables purchased for establishing autumn crops and does not present overdue debts.

Short-term liabilities related to loan contracts were at approximately the same level as at the end of 2022, and short-term liabilities related to leasing contracts recorded an increase of 37%. Liabilities with social contributions recorded an increase of RON 218 thousand, by 39%, and the value-added tax owed to the state budget decreased by 28%.

| Short-term liabilities | 12/31/2023 | | 12/31/2022 | | Δ% |
|---|-----------------------|-----------------------|-----------------------|-----------------------|---------------|
| Short-term liabilities related to loan contracts | RON 31,153,749 | EUR 6,262,564 | RON 31,077,768 | EUR 6,247,290 | 0.24% |
| Short-term liabilities related to leasing contracts | RON 3,584,115 | EUR 720,483 | RON 2,608,917 | EUR 524,448 | 37.38% |
| Payments to be made for financial assets | RON 467,841 | EUR 94,046 | - | - | - |
| Commercial debts | RON 31,176,758 | EUR 6,267,189 | RON 16,019,765 | EUR 3,220,312 | 94.61% |
| Commercial liabilities to related parties | RON 6,265,921 | EUR 1,259,583 | RON 6,002,022 | EUR 1,206,534 | 4.40% |
| Customer advances | RON 7,159 | EUR 1,439 | RON 9,980 | EUR 2,006 | -28.27% |
| Diverse creditors | RON 1,021,076 | EUR 205,258 | RON 957,661 | EUR 192,510 | 6.62% |
| Salaries and other dues payable to employees | RON 1,405,436 | EUR 282,522 | RON 1,280,894 | EUR 257,487 | 9.72% |
| Social insurance contributions | RON 771,641 | EUR 155,116 | RON 553,938 | EUR 111,353 | 39.30% |
| Income tax on salaries | RON 65,914 | EUR 13,250 | RON 57,350 | EUR 11,529 | 14.93% |
| Profit tax | RON 84,739 | EUR 17,034 | RON 562,539 | EUR 113,082 | -84.94% |
| VAT payable | RON 347,524 | EUR 69,860 | RON 479,575 | EUR 96,405 | -27.54% |
| Dividends Receivable/Liabilities to Associates | - | - | RON 50,000 | EUR 10,051 | - |
| Other short-term liabilities | RON 45,665 | EUR 9,180 | RON 15,160 | EUR 3,047 | 201.22% |
| Total | RON 76,397,539 | EUR 15,357,524 | RON 59,675,569 | EUR 11,996,054 | 28.02% |

Short-term liabilities



Analysis of the financial results

Analysis of the balance sheet at consolidated level

Long-term liabilities recorded a slight increase of 3% compared to the end of 2022, as a result of the investment Works in progress at the Apold farm to increase production capacity by 50%, for which a financing of RON 10 million from ING Bank was accessed in 2022, with the last withdrawals being made at the beginning of 2023. Thus, as of 31.12.2023, the balance of long-term liabilities reached RON 96 million.

Compared to the end of 2022, there is a **decrease in long-term loans** contracted from **Exim Bank** by RON 3 million, a percentage of **21%**.

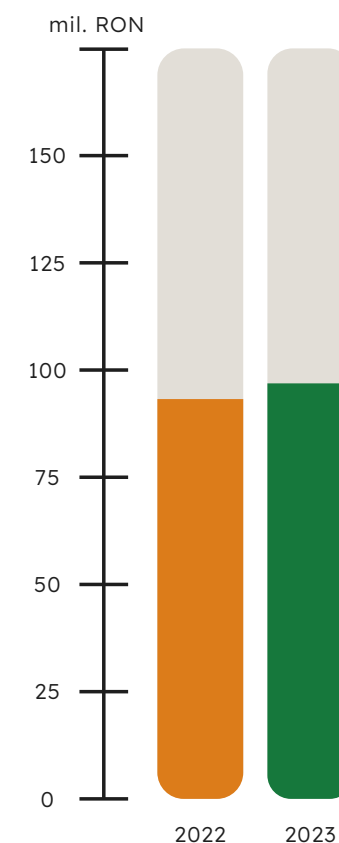
The **loans** related to leasing contracts from **BT Leasing** **decreased by 22%**, down to RON 1 million, as a result of the payment of matured leasing installments.

The **loans** related to leasing contracts from **BRD Sogelease** **decreased by 32%**, down to RON 7 million, as a result of the payment of matured leasing installments.

The **loans** related to leasing contracts from **Unicredit Leasing** **decreased by 38%**, down to RON 238 thousand, as a result of the payment of matured leasing installments.

| Long-term liabilities | 12/31/2023 | | 12/31/2022 | | Δ% |
|--|------------|-------------------|------------|-------------------|--|
| Loans from Exim Bank | RON | 10,932,150 | EUR | 2,197,594 | RON 13,807,749 EUR 2,775,650 -20.83% |
| Loans from ING | RON | 67,274,497 | EUR | 13,523,599 | RON 66,188,136 EUR 13,305,218 1.64% |
| Loans from BT Leasing | RON | 1,215,708 | EUR | 244,383 | RON 1,564,149 EUR 314,427 -22.28% |
| Leasing BRD Sogelease | RON | 7,284,670 | EUR | 1,464,373 | RON 10,764,946 EUR 2,163,982 -32.33% |
| Leasing Unicredit | RON | 238,132 | EUR | 47,870 | RON 386,698 EUR 77,734 -38.42% |
| Payments to be made for financial fixed assets | RON | 1,363,212 | EUR | 274,034 | - - - |
| Other long-term liabilities (various guarantees) | RON | 46,375 | EUR | 9,322 | RON 72,225 EUR 14,519 -35.79% |
| Deferred tax | RON | 7,600,000 | EUR | 1,527,761 | RON 122,576 EUR 24,640 6100.23% |
| Total | RON | 95,954,744 | EUR | 19,288,937 | RON 92,906,479 EUR 18,676,171 3.28% |

Long-term liabilities



Analysis of the financial results

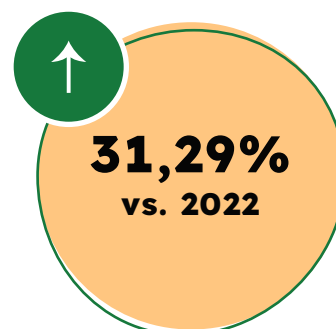
Analysis of the balance sheet at consolidated level

Provisions increased by 26% in 2023 compared to the end of 2022, reaching **RON 386 thousand**.

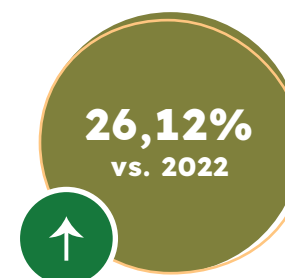
Equity has increased by 67% compared to 31.12.2022, reaching **RON 133 million**, an increase determined by the recording of a net profit of RON 23 million as of 31.12.2023, up 63% compared to the end of the financial year corresponding to 2022.

The increase in equity is also due to the recording of reserves from reevaluation amounting to RON 32 million, obtained following the revaluations carried out for the livestock and constructions owned by DN AGRAR farms.

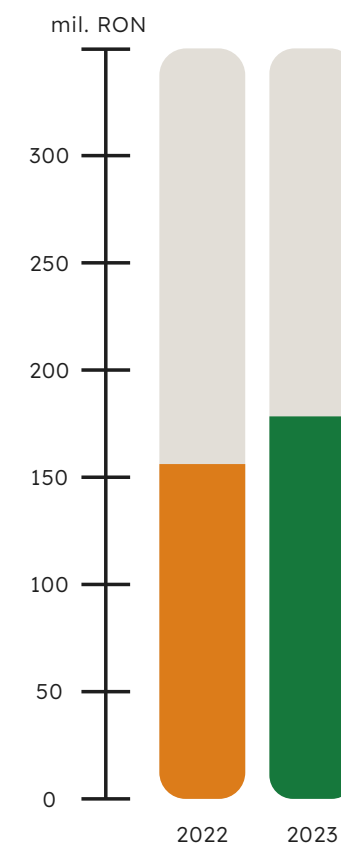
Total equity and liabilities



Provisions



Total debts



| Balance sheet indicators | 12/31/2023 | | 12/31/2022 | | Δ% |
|---|-----------------|----------------|-----------------|----------------|--------|
| Liabilities: Amounts due to be paid within a period of up to one year | RON 76,397,539 | EUR 15,357,524 | RON 59,675,569 | EUR 11,996,054 | 28.02% |
| Liabilities: Amounts due to be paid over a period of more than one year | RON 95,954,744 | EUR 19,288,937 | RON 92,906,479 | EUR 18,676,171 | 3.28% |
| Provisions | RON 385,892 | EUR 77,572 | RON 305,969 | EUR 61,506 | 26.12% |
| Deferred revenues | RON 1,867,001 | EUR 375,307 | RON 2,006,257 | EUR 403,300 | -6.94% |
| Debts - total | RON 172,352,283 | EUR 34,646,461 | RON 152,582,048 | EUR 30,672,225 | 12.96% |
| Total shareholders' equity | RON 133,339,798 | EUR 26,804,125 | RON 79,661,430 | EUR 16,013,635 | 67.38% |
| Total equity and liabilities | RON 307,944,974 | RON 61,903,464 | RON 234,555,704 | EUR 47,150,666 | 31.29% |

Analysis of the financial results

Analysis of the balance sheet at consolidated level

| Indicators | 12/31/2023 | | 12/31/2022 | | Δ% |
|---|-----------------|----------------|-----------------|----------------|--------|
| I. Intangible assets | RON 6,786,357 | EUR 1,364,202 | RON 6,704,090 | EUR 1,347,664 | 1.23% |
| II. Tangible assets | RON 205,300,332 | EUR 41,269,717 | RON 153,895,993 | EUR 30,936,355 | 33.40% |
| III. Financial assets | RON 54,369 | EUR 10,929 | RON 54,336 | EUR 10,923 | 0.06% |
| Fixed assets - total | RON 212,141,058 | EUR 42,644,847 | RON 160,654,419 | EUR 32,294,942 | 32.05% |
| I. Stocks | RON 57,700,705 | EUR 11,599,064 | RON 45,838,344 | EUR 9,214,478 | 25.88% |
| II. Receivables | RON 34,905,208 | EUR 7,016,686 | RON 25,047,812 | EUR 5,035,141 | 39.35% |
| IV. Cash and bank accounts | RON 1,756,693 | EUR 353,133 | RON 1,586,295 | EUR 318,879 | 10.74% |
| Circulating assets - total | RON 94,362,606 | EUR 18,968,883 | RON 72,472,451 | EUR 14,568,498 | 30.20% |
| Prepaid expenses | RON 1,441,310 | EUR 289,734 | RON 1,428,834 | EUR 287,226 | 0.87% |
| Amounts to be recovered within a period of up to one year | RON 711,980 | EUR 143,123 | RON 749,015 | EUR 150,568 | -4.94% |
| Amounts to be recovered over a period of more than one year | RON 729,330 | EUR 146,611 | RON 679,819 | EUR 136,658 | 7.28% |
| Liabilities: Amounts due to be paid within a period of up to one year | RON 76,397,539 | EUR 15,357,524 | RON 59,675,569 | EUR 11,996,054 | 28.02% |
| Net current assets/ Net current liabilities | RON 18,394,323 | EUR 3,697,649 | RON 13,406,641 | EUR 2,695,019 | 37.20% |
| Total assets minus current liabilities | RON 231,264,711 | EUR 46,489,107 | RON 174,740,878 | EUR 35,126,619 | 32.35% |
| Liabilities: Amounts due to be paid over a period of more than one year | RON 95,954,744 | EUR 19,288,937 | RON 92,906,479 | EUR 18,676,171 | 3.28% |
| Provisions | RON 385,892 | EUR 77,572 | RON 305,969 | EUR 61,506 | 26.12% |
| Prepaid income | RON 1,867,001 | EUR 375,307 | RON 2,006,257 | EUR 403,300 | -6.94% |

Analysis of the financial results

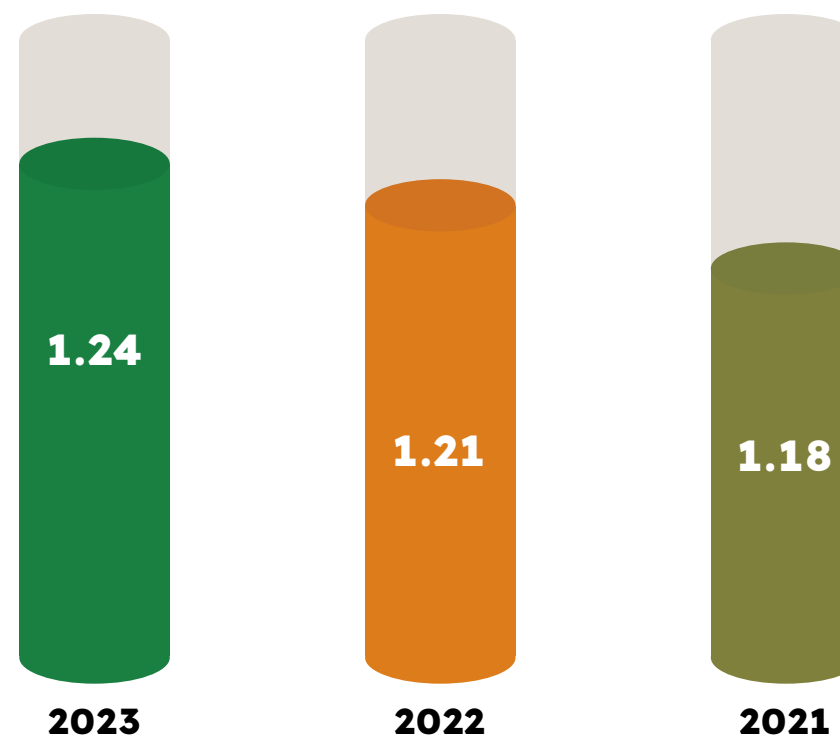
Analysis of the balance sheet at consolidated level

| Indicators | 12/31/2023 | | | | 12/31/2022 | | | | Δ% |
|---|------------|-------------|-----|------------|------------|------------|-----|------------|---------|
| 1. Investment subsidies | RON | 1,867,001 | EUR | 375,307 | RON | 2,006,257 | EUR | 403,300 | -6.94% |
| Amounts to be recovered within a period of up to one year | RON | 282,724 | EUR | 56,834 | RON | 139,256 | EUR | 27,993 | 103.02% |
| Amounts to be recovered over a period of more than one year | RON | 1,584,277 | EUR | 318,473 | RON | 1,867,001 | RON | 375,307 | -15.14% |
| Capital | RON | 31,985,512 | EUR | 6,429,766 | RON | 31,818,845 | EUR | 6,396,262 | 0.52% |
| 1. Subscribed and paid-up capital | RON | 31,818,845 | EUR | 6,396,262 | RON | 31,818,845 | EUR | 6,396,262 | 0.00% |
| 5. Other equity items DR/(CR) | RON | 166,667 | RON | 33,504 | - | - | - | - | - |
| II. Capital premiums (ct. 104) | RON | 734,004 | EUR | 147,550 | RON | 734,004 | EUR | 147,550 | 0.00% |
| III. Reserves from revaluation (ct. 105) | RON | 31,716,735 | RON | 6,375,736 | - | - | - | - | - |
| IV. Reserves | RON | 826,434 | EUR | 166,131 | RON | 406,683 | EUR | 81,752 | 103.21% |
| Own shares (ct 109) | RON | (265,281) | EUR | (53,327) | RON | (65,280) | EUR | (13,123) | 306.37% |
| V. Carried-forward profit or loss - SOLD C | RON | 46,089,200 | EUR | 9,264,906 | RON | 32,364,362 | EUR | 6,505,922 | 42.41% |
| VI. Profit or loss of the financial year - SOLD C | RON | 22,672,945 | EUR | 4,557,742 | RON | 13,940,230 | EUR | 2,802,282 | 62.64% |
| Profit distribution | RON | (419,751) | EUR | (84,379) | RON | (222,572) | EUR | (44,742) | - |
| Equity - total | RON | 133,339,798 | EUR | 26,804,125 | RON | 79,661,430 | EUR | 16,013,635 | 67.38% |

Analysis of the financial results

Key financial indicators at consolidated level

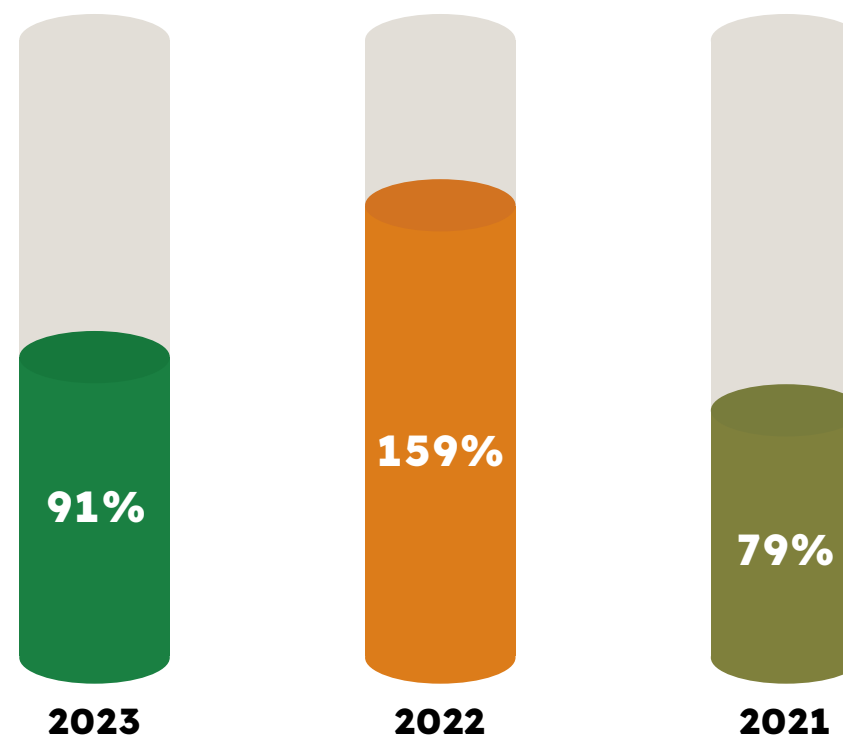
| Current liquidity ratio | 12/31/2023 | | | | 31.12.2022 | | | | 31.12.2021 | | | |
|-------------------------|-------------|------------|-----|------------|-------------|------------|-----|------------|-------------|------------|-----|------------|
| Current assets (A) | RON | 94,362,606 | EUR | 20,989,058 | RON | 72,472,451 | EUR | 16,120,034 | RON | 49,426,260 | EUR | 10,993,874 |
| Current liabilities (B) | RON | 76,397,539 | EUR | 16,993,091 | RON | 59,675,569 | EUR | 13,273,626 | RON | 41,793,980 | EUR | 9,296,228 |
| A/B | 1.24 | | | | 1.21 | | | | 1.18 | | | |



Analysis of the financial results

Key financial indicators at consolidated level

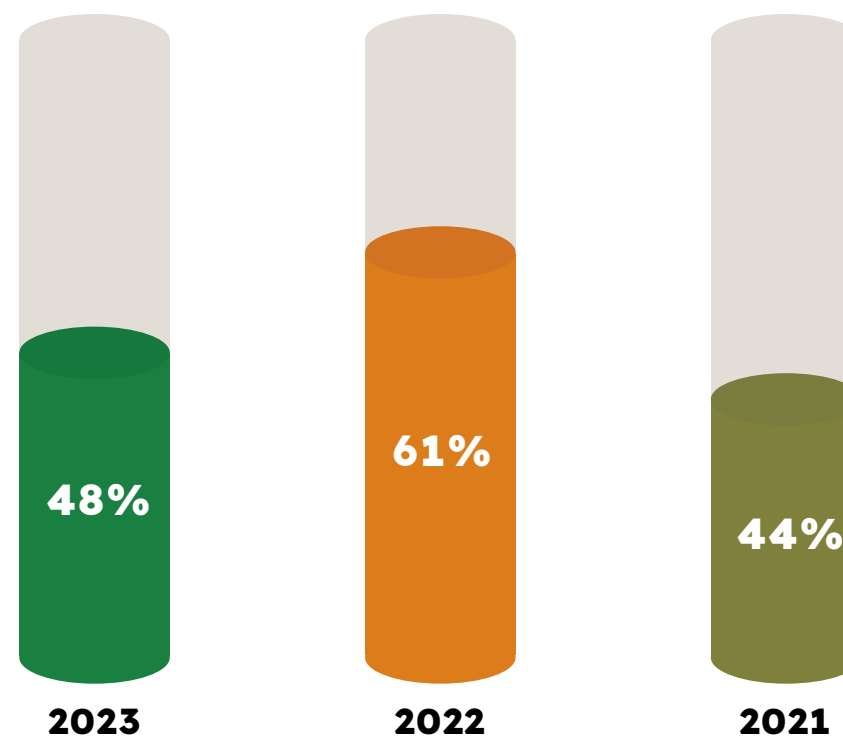
| Debt-to-equity indicator to own capital | 12/31/2023 | | | | 31.12.2022 | | | | 31.12.2021 | | | |
|---|------------|-------------|-----|------------|------------|-------------|-----|------------|------------|------------|-----|------------|
| Loan capital (A) = Loans over 1 year | RON | 121,683,021 | EUR | 27,065,933 | RON | 126,397,863 | EUR | 28,114,654 | RON | 51,691,514 | EUR | 11,497,734 |
| Equity capital (B) | RON | 133,339,798 | EUR | 29,658,748 | RON | 79,661,430 | EUR | 17,719,078 | RON | 65,458,018 | EUR | 14,559,815 |
| A/B | 91% | | | | 159% | | | | 79% | | | |



Analysis of the financial results

Key financial indicators at consolidated level

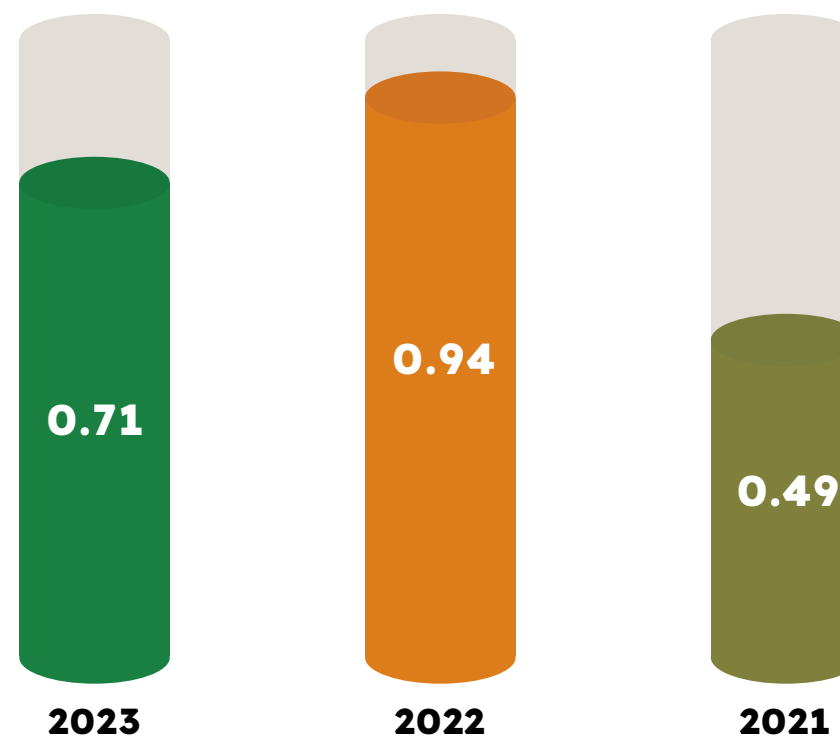
| Debt ratio to total equity | 12/31/2023 | | | | 31.12.2022 | | | | 31.12.2021 | | | |
|---|------------|-------------|-----|------------|------------|-------------|-----|------------|------------|-------------|-----|------------|
| Loan capital (A) = Loans over 1 year | RON | 121,683,021 | EUR | 27,065,933 | RON | 126,397,863 | EUR | 28,114,654 | RON | 51,691,514 | EUR | 11,497,734 |
| Capital employed (B) = Borrowed capital + Own capital | RON | 255,022,819 | EUR | 56,724,681 | RON | 206,059,293 | EUR | 45,833,732 | RON | 117,149,532 | EUR | 26,057,550 |
| A/B | 48% | | | | 61% | | | | 44% | | | |



Analysis of the financial results

Key financial indicators at consolidated level

| Turnover of fixed assets | 12/31/2023 | | | | 31.12.2022 | | | | 31.12.2021 | | | |
|--------------------------|------------|-------------|-----|------------|------------|-------------|-----|------------|------------|------------|-----|------------|
| Turnover (A) | RON | 150,886,163 | EUR | 33,561,583 | RON | 150,789,463 | EUR | 33,540,074 | RON | 46,951,665 | EUR | 10,443,451 |
| Fixed assets (B) | RON | 212,141,058 | EUR | 47,186,498 | RON | 160,654,419 | EUR | 35,734,334 | RON | 96,416,465 | EUR | 21,445,897 |
| A/B | 0.71 | | | | 0.94 | | | | 0.49 | | | |



Analysis of the financial results

Analysis of the profit and loss account at individual level

NET TURNOVER

10.50 MIL. RON

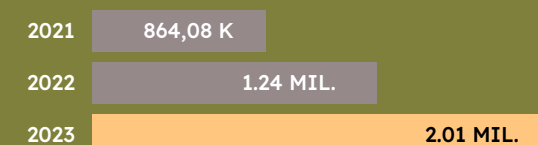
50.99%
vs 2022



OTHER OPERATING EXPENSES

2.01 MIL. RON

62.06%
vs 2022



TOTAL OPERATING INCOME

10.52 MIL. RON

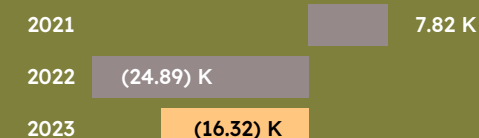
45.32%
vs 2022



ADJUSTMENTS REGARDING PROVISIONS

(16.32) K RON

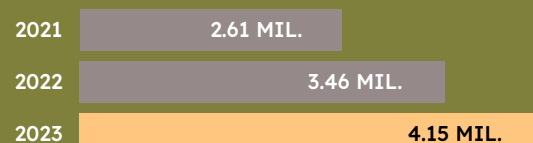
-34.44%
vs 2022



PERSONNEL EXPENSES

4.15 MIL. RON

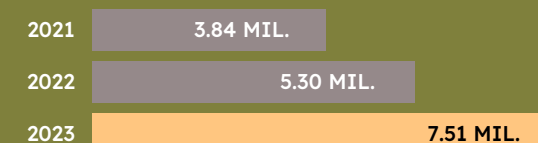
19.91%
vs 2022



OPERATING EXPENSES

7.51 MIL. RON

41.69%
vs 2022



VALUE ADJUSTMENTS REGARDING TANGIBLE AND INTANGIBLE ASSETS

1.05 MIL. RON

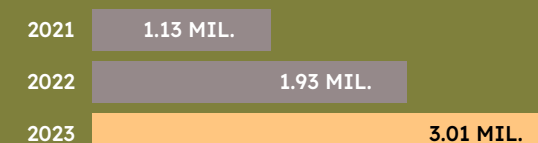
196.72%
vs 2022



OPERATING PROFIT OR LOSS

3.01 MIL. RON

55.23%
vs 2022



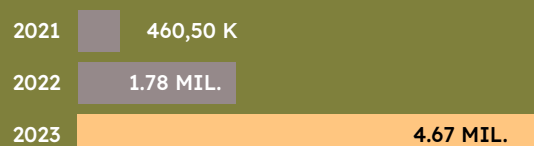
Analysis of the financial results

Analysis of the profit and loss account at individual level

TOTAL FINANCIAL INCOME

4.67 MIL. RON

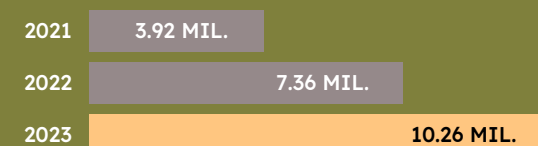
161.89%
vs 2022



TOTAL EXPENSES

10.26 MIL. RON

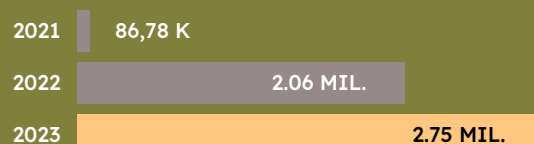
39.32%
vs 2022



TOTAL FINANCIAL EXPENSES

2.75 MIL. RON

33.23%
vs 2022



GROSS PROFIT OR LOSS

4.92 MIL. RON

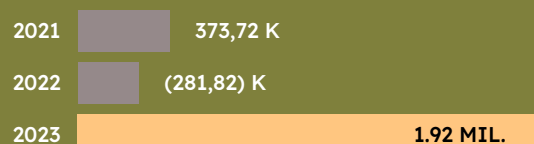
197.39%
vs 2022



FINANCIAL PROFIT OR LOSS

1.92 MIL. RON

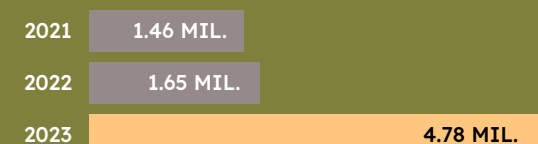
780.42%
vs 2022



NET PROFIT OR LOSS OF THE FINANCIAL YEAR

4.78 MIL. RON

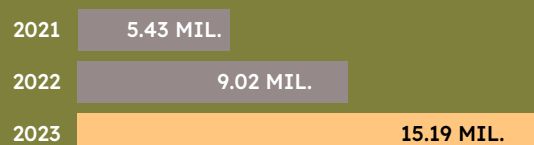
188.33%
vs 2022



TOTAL INCOME

15.19 MIL. RON

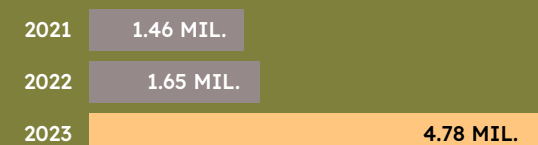
68.34%
vs 2022



NET PROFIT OR LOSS ATTRIBUTABLE TO THE GROUP

4.78 MIL. RON

188.33%
vs 2022



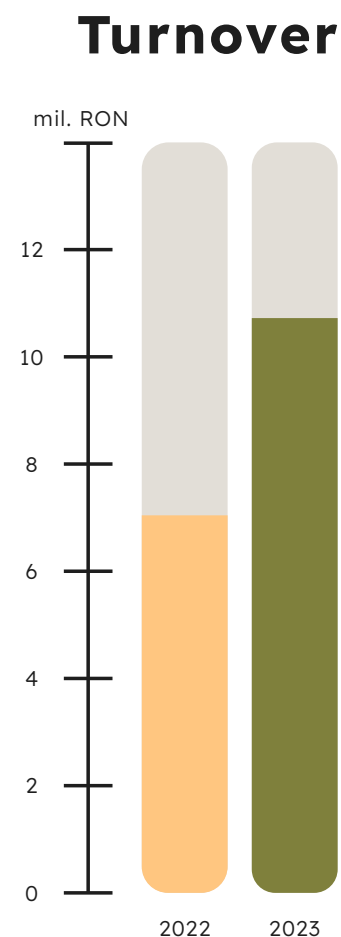
Analysis of the financial results

Analysis of the profit and loss account at individual level

| Indicators | 12/31/2023 | | | | 12/31/2022 | | | | Δ% |
|--|------------|------------|-----|-----------|------------|-----------|-----|-----------|---------|
| NET TURNOVER | RON | 10,502,550 | EUR | 2,111,235 | RON | 6,955,755 | EUR | 1,398,254 | 50.99% |
| OPERATING INCOME - TOTAL | RON | 10,525,202 | EUR | 2,115,789 | RON | 7,242,928 | EUR | 1,455,982 | 45.32% |
| PERSONNEL EXPENSES | RON | 4,156,381 | EUR | 835,521 | RON | 3,466,324 | EUR | 696,805 | 19.91% |
| VALUE ADJUSTMENTS REGARDING TANGIBLE AND INTANGIBLE ASSETS | RON | 1,049,359 | EUR | 210,943 | RON | 353,657 | EUR | 71,093 | 196.72% |
| OTHER OPERATING EXPENSES | RON | 2,011,934 | EUR | 404,441 | RON | 1,241,455 | EUR | 249,559 | 62.06% |
| ADJUSTMENTS REGARDING PROVISIONS | RON | (16,322) | EUR | (3,281) | RON | (24,896) | EUR | (5,005) | -34.44% |
| OPERATING EXPENSES – TOTAL | RON | 7,516,183 | EUR | 1,510,912 | RON | 5,304,489 | EUR | 1,066,315 | 41.69% |
| OPERATING PROFIT OR LOSS | RON | 3,009,019 | EUR | 604,877 | RON | 1,938,439 | EUR | 389,667 | 55.23% |
| FINANCIAL INCOME – TOTAL | RON | 4,667,408 | EUR | 938,248 | RON | 1,782,212 | EUR | 358,262 | 161.89% |
| FINANCIAL EXPENSES – TOTAL | RON | 2,749,857 | EUR | 552,780 | RON | 2,064,032 | EUR | 414,914 | 33.23% |
| FINANCIAL PROFIT OR LOSS | RON | 1,917,551 | EUR | 385,468 | RON | (281,820) | EUR | (56,652) | 780.42% |
| TOTAL INCOME | RON | 15,192,610 | EUR | 3,054,037 | RON | 9,025,140 | EUR | 1,814,244 | 68.34% |
| TOTAL EXPENSES | RON | 10,266,040 | EUR | 2,063,692 | RON | 7,368,521 | EUR | 1,481,229 | 39.32% |
| GROSS PROFIT OR LOSS | RON | 4,926,570 | EUR | 990,345 | RON | 1,656,619 | EUR | 333,016 | 197.39% |
| NET PROFIT OR LOSS ATTRIBUTABLE TO THE GROUP | RON | 4,776,463 | EUR | 960,170 | RON | 1,656,619 | EUR | 333,016 | 188.33% |

In 2023,
DN AGRAR GROUP S.A.
recorded strong
financial results,

with a turnover
of **RON 11**
million, an
increase of **51%**
compared
to 2022.



Analysis of the financial results

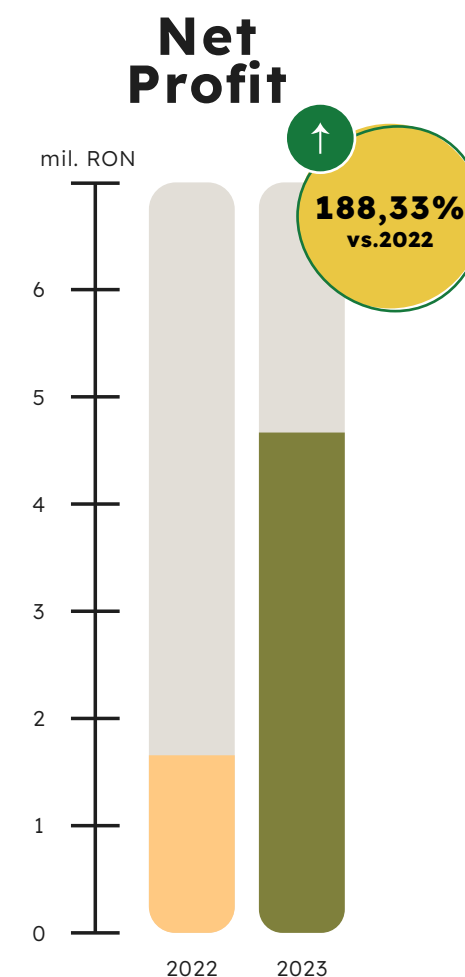
Analysis of the profit and loss account at individual level

In the financial year 2023, **operating revenues amounted to RON 11 million**, representing a 45% increase compared to the same period last year.

Revenues from consulting and management services production constitute the company's main source of income and **amounted to RON 11 million**, marking a **51% growth** compared to 2022 financial year 2022.

The Net Profit of DN AGRAR has increased significantly, from 1.65 mil. RON, to 4.77 mil. RON, an increase of 188.33%.

| Profit and loss account indicators | 12/31/2023 | | | | 12/31/2022 | | | | Δ% |
|------------------------------------|------------|------------|-----|-----------|------------|-----------|-----|-----------|---------|
| Operating revenue - total | RON | 10,525,202 | EUR | 2,115,789 | RON | 7,242,928 | EUR | 1,463,987 | 45.32% |
| Operating expenditure - total | RON | 7,516,183 | EUR | 1,510,912 | RON | 5,304,489 | EUR | 1,072,177 | 41.69% |
| Operating profit or loss | RON | 3,009,019 | EUR | 604,877 | RON | 1,938,439 | EUR | 391,810 | 55.23% |
| Financial income - total | RON | 4,667,408 | EUR | 938,248 | RON | 1,782,212 | EUR | 360,232 | 161.89% |
| Financial expenditure - total | RON | 2,749,857 | EUR | 552,780 | RON | 2,064,032 | EUR | 417,195 | 33.23% |
| Financial profit or loss | RON | 1,917,551 | EUR | 385,468 | RON | (281,820) | EUR | (56,963) | 780.42% |
| Gross profit or loss | RON | 4,926,570 | EUR | 990,345 | RON | 1,656,619 | EUR | 334,846 | 197.39% |
| Net profit or loss | RON | 4,776,463 | EUR | 960,170 | RON | 1,656,619 | EUR | 334,846 | 188.33% |



Analysis of the financial results

Analysis of the profit and loss account at individual level

Operating expenses increased by 42% in 2023, reaching RON 8 million.

The main impact came from external service expenses, which grew by 66% compared to 2022, reaching RON 2 million, as a result of the SAP program implementation.

Expenses related to consumable materials reached RON 59 thousand, a 19% increase compared to the same period last year.

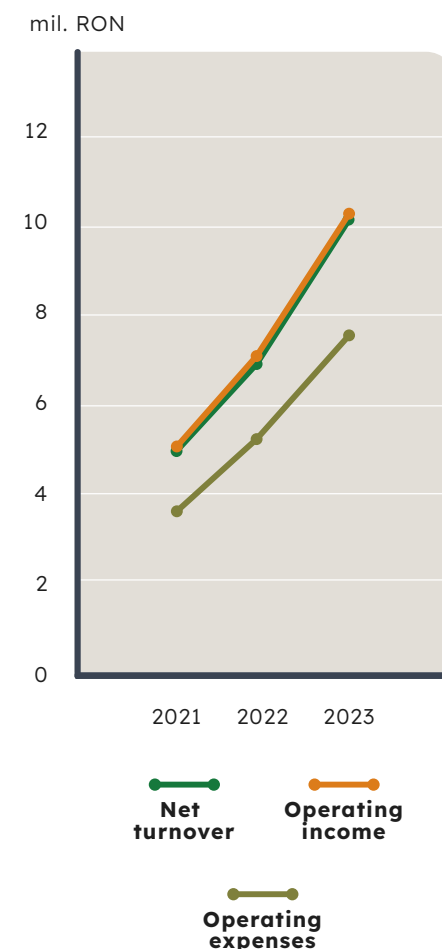
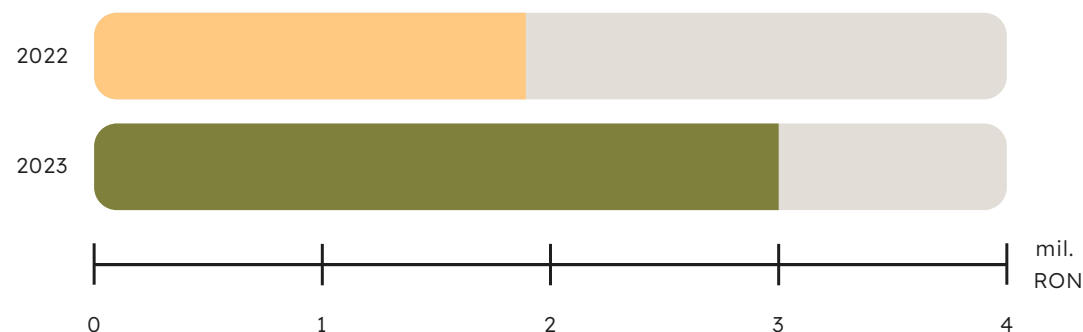
Personnel expenses increased by 20% due to training and development activities for the staff, as well as an increase in the number of qualified personnel from 29 employees to 30 employees.

Depreciation and impairment expenses amounted to RON1 million, marking a 197% increase following the 4% increase in fixed assets that reached RON 62 million.

The company's operating result recorded a 55% growth, rising from RON 1.9 million to RON 3 million.

The operating result of DN AGRAR has increased significantly, from **1.94 mil. RON**, to **3.01 mil. RON**, an increase of **55.23%**.

Operating profit



Analysis of the financial results

Analysis of the profit and loss account at individual level

Financial income increased by 162%, reaching **RON 5 million**, driven by a 183% growth in income from equity interests, totaling RON 4 million.

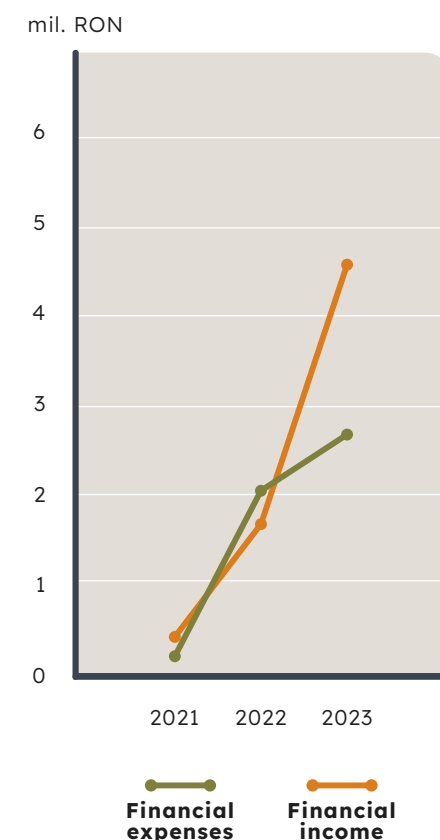
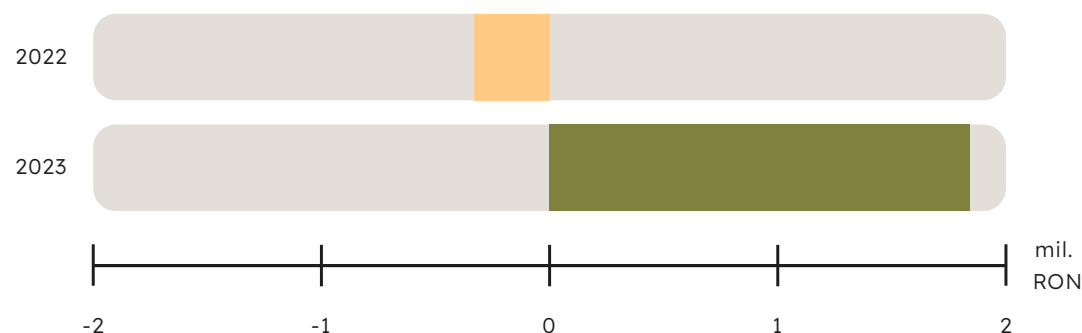
Financial expenses increased by 33%, reaching **RON 3 million**, due to expenses incurred on interest payments and exchange rate differences related to the conversion of a RON 33.2 million loan contracted from ING Bank for the acquisition of shares in the Apold farm in April 2022 into euro.

At the end of 2023, the company recorded a **gross profit of RON 5 million**, marking a **197% increase** compared to the RON 2 million recorded in 2022.

In 2023, the company recorded a net profit of RON 5 million, an advance of 188% compared to 2022.

The financial result of DN AGRAR has increased significantly from a loss of **281.820 K RON**, to a profit of **RON 1,91 mil.**, an increase of **780.42%**.

Financial profit



Analysis of the financial results

Analysis of the profit and loss account at individual level

| Indicators | 12/31/2023 | | | | 12/31/2022 | | | | Δ% |
|--|------------|-------------------|------------|------------------|------------|------------------|------------|------------------|----------------|
| Net turnover | RON | 10,502,550 | EUR | 2,111,235 | RON | 6,955,755 | EUR | 1,405,942 | 50.99% |
| 1. Production sold | RON | 10,502,550 | EUR | 2,111,235 | RON | 6,955,755 | EUR | 1,405,942 | 50.99% |
| 6. Income from operating subsidies | | - | | - | RON | 320 | EUR | 65 | - |
| 7. Other operating income | RON | 22,652 | EUR | 4,554 | RON | 286,853 | EUR | 57,981 | -92.10% |
| Operating income - total | RON | 10,525,202 | EUR | 2,115,789 | RON | 7,242,928 | EUR | 1,463,987 | 45.32% |
| 8.a) Expenses for raw materials and consumable materials | RON | 59,267 | EUR | 11,914 | RON | 49,800 | EUR | 10,066 | 19.01% |
| Other material expenses | RON | 116,033 | EUR | 23,325 | RON | 86,018 | EUR | 17,387 | 34.89% |
| b) Other external expenses | RON | 106,887 | EUR | 21,487 | RON | 83,429 | EUR | 16,863 | 28.12% |
| Trade discounts received | | - | | - | RON | (1,090) | EUR | (220) | - |
| 9. Personnel expenses | RON | 4,156,381 | EUR | 835,521 | RON | 3,466,324 | EUR | 700,635 | 19.91% |
| a) Wages and allowances | RON | 4,041,610 | EUR | 812,449 | RON | 3,390,999 | EUR | 685,410 | 19.19% |
| b) Expenses for insurances and social protection | RON | 114,771 | EUR | 23,071 | RON | 75,325 | EUR | 15,225 | 52.37% |
| 10. a) Value adjustments regarding tangible and intangible assets | RON | 1,049,359 | EUR | 210,943 | RON | 353,657 | EUR | 71,483 | 196.72% |
| a.1) Expenses | RON | 1,049,359 | EUR | 210,943 | RON | 353,657 | EUR | 71,483 | 196.72% |
| b.1) Expenses | RON | 155,733 | EUR | 31,306 | - | - | - | - | - |
| b.2) Income | RON | 155,733 | EUR | 31,306 | - | - | - | - | - |
| 11. Other operating expenses | RON | 2,011,934 | EUR | 404,441 | RON | 1,241,455 | EUR | 250,931 | 62.06% |
| 11.1. Expenses related to external services | RON | 1,968,121 | EUR | 395,634 | RON | 1,186,573 | EUR | 239,838 | 65.87% |
| 11.2. Expenses for other taxes, fees, and similar payments; expenses representing transfers and contributions due based on specific legislative acts | RON | 3,901 | EUR | 784 | RON | 14,658 | EUR | 2,963 | -73.39% |
| 11.6. Other expenses | RON | 39,912 | EUR | 8,023 | RON | 40,224 | EUR | 8,130 | -0.78% |
| Adjustments regarding provisions | RON | (16,322) | EUR | (3,281) | RON | (24,896) | EUR | (5,032) | -34.44% |

Analysis of the financial results

Analysis of the profit and loss account at individual level

| Indicators | 12/31/2023 | | 12/31/2022 | | Δ% |
|---|------------|------------------|------------|------------------|---|
| - Expenses | RON | 81,611 | EUR | 16,406 | RON 65,289 EUR 13,197 25.00% |
| - Income | RON | 65,289 | EUR | 13,124 | RON 40,393 EUR 8,164 61.63% |
| Operating expenses | RON | 7,516,183 | EUR | 1,510,912 | RON 5,304,489 EUR 1,072,177 41.69% |
| Operating profit or loss | RON | 3,009,019 | EUR | 604,877 | RON 1,938,439 EUR 391,810 55.23% |
| 12. Income from equity interests | RON | 3,966,700 | EUR | 797,391 | RON 1,400,000 EUR 282,977 183.33% |
| 13. Income from interest | RON | 311,562 | EUR | 62,631 | RON 324,271 EUR 65,544 -3.92% |
| - of which, income obtained from affiliated entities | RON | 166,856 | EUR | 33,542 | RON 126,787 RON 25,627 31.60% |
| 15. Other financial income | RON | 389,146 | EUR | 78,227 | RON 57,941 EUR 11,711 571.62% |
| Financial income - total | RON | 4,667,408 | EUR | 938,248 | RON 1,782,212 EUR 360,232 161.89% |
| 17. Expenses related to interest | RON | 1,822,329 | EUR | 366,327 | RON 1,962,296 EUR 396,632 -7.13% |
| - of which, expenses in relation to affiliated entities | - | - | - | - | RON 1,776 RON 359 - |
| 18. Other financial expenses | RON | 927,528 | EUR | 186,453 | RON 101,736 EUR 20,564 811.70% |
| Financial expenses - total | RON | 2,749,857 | EUR | 552,780 | RON 2,064,032 EUR 417,195 33.23% |
| Financial profit or loss | RON | 1,917,551 | EUR | 385,468 | RON (281,820) EUR (56,963) 780.42% |
| Total income | RON | 15,192,610 | EUR | 3,054,037 | RON 9,025,140 EUR 1,824,219 68.34% |
| Total expenses | RON | 10,266,040 | EUR | 2,063,692 | RON 7,368,521 EUR 1,489,372 39.32% |
| 19. Gross profit or loss | RON | 4,926,570 | EUR | 990,345 | RON 1,656,619 EUR 334,846 197.39% |
| 20. Profit tax | RON | 150,107 | EUR | 30,175 | - - - |
| 23. Net profit or loss of the financial year | RON | 4,776,463 | EUR | 960,170 | RON 1,656,619 EUR 334,846 188.33% |
| 23. Net profit or loss attributable to the group | RON | 4,776,463 | EUR | 960,170 | RON 1,656,619 EUR 334,846 188.33% |

Analysis of the financial results

Analysis of the balance sheet at individual level

| Indicators | 12/31/2023 | | 12/31/2022 | | Δ% |
|--|-----------------------|-----------------------|-----------------------|-----------------------|--------------|
| FIXED ASSETS - TOTAL | RON 62,333,406 | EUR 12,530,335 | RON 59,836,800 | EUR 12,028,465 | 4.17% |
| CIRCULATING ASSETS - TOTAL | RON 12,837,713 | EUR 2,580,652 | RON 9,335,629 | EUR 1,876,659 | 37.51% |
| ADVANCE COSTS | RON 109,897 | EUR 22,092 | RON 95,690 | EUR 19,236 | 14.85% |
| TOTAL ASSETS | RON 75,281,016 | EUR 15,133,079 | RON 69,268,119 | EUR 13,924,360 | 8.68% |
| LIABILITIES: AMOUNTS DUE TO BE PAID WITHIN A PERIOD OF UP TO ONE YEAR | RON 3,354,753 | EUR 674,376 | RON 2,361,260 | EUR 474,663 | 42.07% |
| LIABILITIES: AMOUNTS TO BE RECOVERED OVER A PERIOD OF MORE THAN ONE YEAR | RON 31,300,659 | EUR 6,292,096 | RON 31,122,232 | EUR 6,256,228 | 0.57% |
| TOTAL LIABILITIES | RON 34,655,412 | EUR 6,966,472 | RON 33,483,492 | EUR 6,730,891 | 3.50% |
| PROVISIONS | RON 81,611 | EUR 16,406 | RON 65,289 | EUR 13,124 | 25.00% |
| EQUITY - TOTAL | RON 40,543,993 | EUR 8,150,202 | RON 35,719,338 | EUR 7,180,344 | 13.51% |
| TOTAL EQUITY and LIABILITIES | RON 75,281,016 | EUR 15,133,079 | RON 69,268,119 | EUR 13,924,360 | 8.68% |

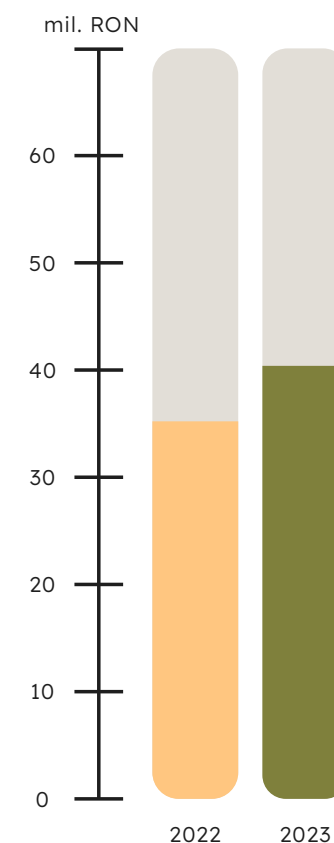
In the financial year 2023, total assets recorded a growth of 9%, reaching RON 75 million.

Fixed assets increased by 4%, reaching RON 62 million.

Intangible assets increased by 22%, from RON 2.5 million to RON 3 million, as a result of the

company's investments in the digitalization of information flows, including the acquisition of the SAP informational system.

Equity



Analysis of the financial results

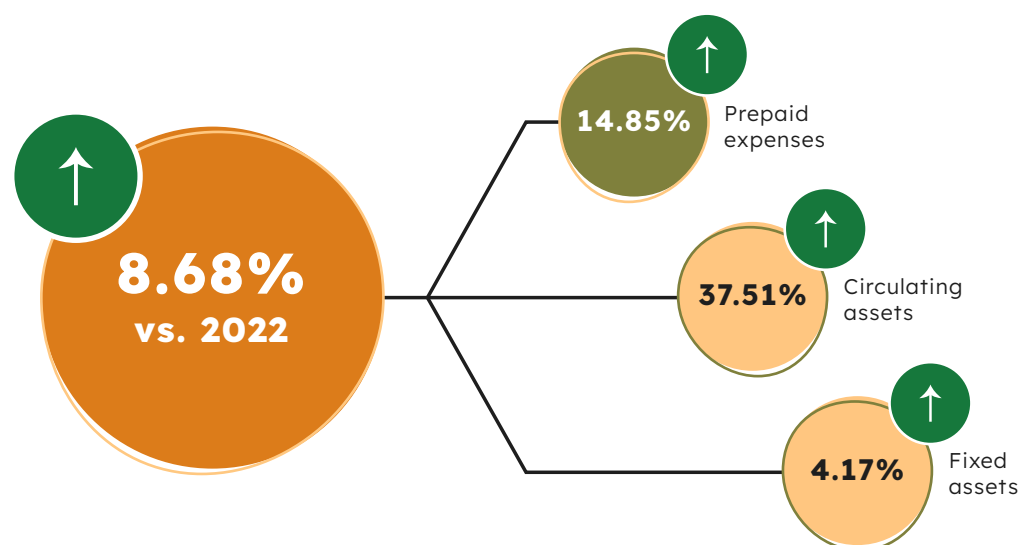
Analysis of the balance sheet at individual level

Financial investments increased by 3%, reaching RON 59 million.

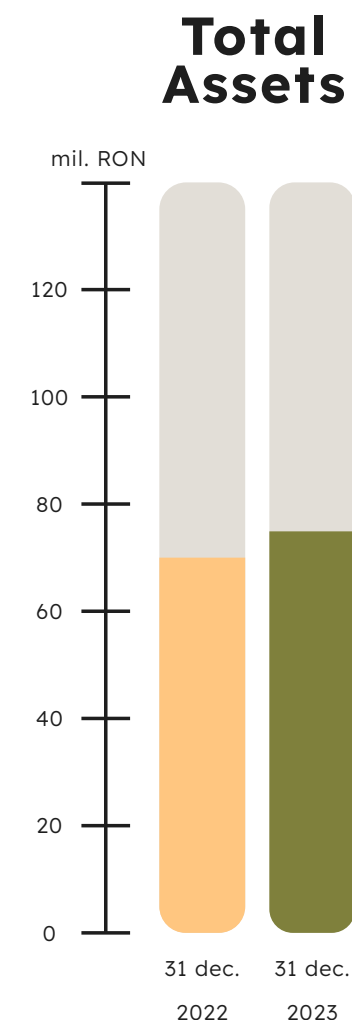
The prepaid expenses amounting to RON 109 thousand are due to the annual management fees charged for the RON 33.2 million loan contracted from ING Bank for the acquisition of shares related to the Apold farm.

Current assets recorded **a growth of 38%**, reaching **RON 13 million** during the analyzed period.

The increase was mainly driven by the trade receivables recorded by the company at the end of 2023, amounting to RON 13 million, which were 38% higher compared to 2022.



| Balance sheet indicators | 12/31/2023 | | | | 12/31/2022 | | | | Δ% |
|----------------------------|------------|------------|-----|------------|------------|------------|-----|------------|--------|
| Fixed assets - total | RON | 62,333,406 | EUR | 12,530,335 | RON | 59,836,800 | EUR | 12,094,595 | 4.17% |
| Circulating assets - total | RON | 12,837,713 | EUR | 2,580,652 | RON | 9,335,629 | EUR | 1,886,977 | 37.51% |
| Prepaid expenses | RON | 109,897 | EUR | 22,092 | RON | 95,690 | EUR | 19,341 | 14.85% |
| Total assets | RON | 75,281,016 | EUR | 15,133,079 | RON | 69,268,119 | EUR | 14,000,913 | 8.68% |



Analysis of the financial results

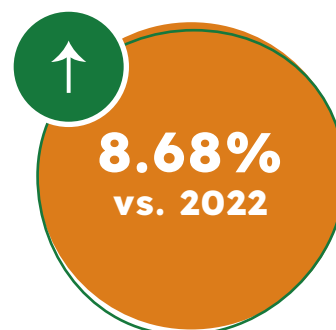
Analysis of the balance sheet at individual level

Long-term liabilities remained at the same level as in 2022, while **short-term liabilities increased by 42%**, reaching **RON 3 million**.

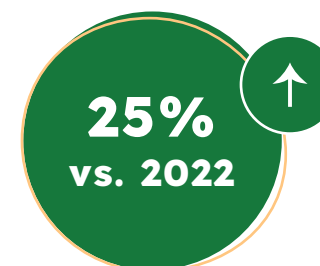
Provisions increased by RON 16 thousand compared to 2022, marking a **25% growth**.

Equity increased by 14%, reaching **RON 40 million**, driven by a profit increase of RON 3 million in 2023.

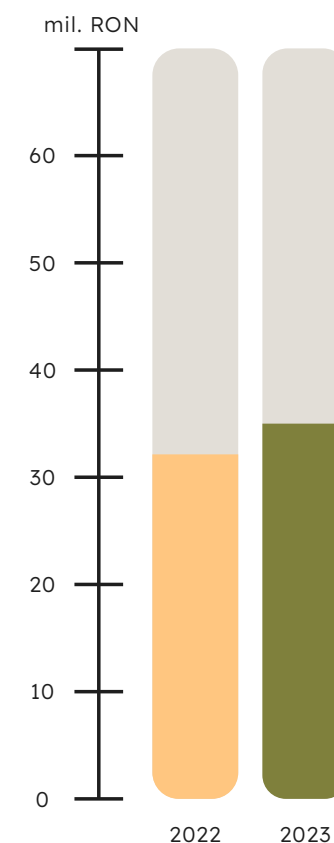
Total Equity and Liabilities



Provisions



Total debts



| Balance sheet indicators | 12/31/2023 | | 12/31/2022 | | Δ% |
|---|----------------|----------------|----------------|----------------|--------|
| Liabilities: Amounts due to be paid within a period of up to one year | RON 3,354,753 | EUR 674,376 | RON 2,361,260 | EUR 477,273 | 42.07% |
| Liabilities: Amounts due to be paid over a period of more than one year | RON 31,300,659 | EUR 6,292,096 | RON 31,122,232 | EUR 6,290,624 | 0.57% |
| Provisions | RON 81,611 | EUR 16,406 | RON 65,289 | EUR 13,197 | 25.00% |
| Debts - total | RON 34,655,412 | EUR 6,966,472 | RON 33,483,492 | EUR 6,767,897 | 3.50% |
| Total shareholders' equity | RON 40,543,993 | EUR 8,150,202 | RON 35,719,338 | EUR 7,219,820 | 13.51% |
| Total equity and liabilities | RON 75,281,016 | EUR 15,133,079 | RON 69,268,119 | EUR 14,000,913 | 8.68% |

Analysis of the financial results

Analysis of the balance sheet at individual level

| Indicators | 12/31/2023 | | 12/31/2022 | | Δ% |
|---|------------|------------|------------|------------|-------------------------------------|
| I. Intangible assets | RON | 3,073,916 | EUR | 617,922 | RON 2,510,154 EUR 507,368 22.46% |
| II. Tangible assets | RON | 284,648 | EUR | 57,220 | RON 218,849 EUR 44,235 30.07% |
| III. Financial assets | RON | 58,974,842 | EUR | 11,855,193 | RON 57,107,797 EUR 11,542,992 3.27% |
| Fixed assets - total | RON | 62,333,406 | EUR | 12,530,335 | RON 59,836,800 EUR 12,094,595 4.17% |
| I. Stocks | RON | 10,862 | EUR | 2,183 | RON 11,860 EUR 2,397 -8.41% |
| II. Receivables | RON | 12,708,291 | EUR | 2,554,636 | RON 9,200,360 EUR 1,859,635 38.13% |
| IV. Cash and bank accounts | RON | 118,560 | EUR | 23,833 | RON 123,409 EUR 24,944 -3.93% |
| Circulating assets - total | RON | 12,837,713 | EUR | 2,580,652 | RON 9,335,629 EUR 1,886,977 37.51% |
| Prepaid expenses | RON | 109,897 | EUR | 22,092 | RON 95,690 EUR 19,341 14.85% |
| Amounts to be recovered within a period of up to one year | RON | 51,338 | EUR | 10,320 | RON 23,315 EUR 4,713 120.19% |
| Amounts to be recovered over a period of more than one year | RON | 58,559 | EUR | 11,772 | RON 72,375 EUR 14,629 -19.09% |
| Liabilities: Amounts due to be paid within a period of up to one year | RON | 3,354,753 | EUR | 674,376 | RON 2,361,260 EUR 477,273 42.07% |
| Net current assets/ Net current liabilities | RON | 9,534,298 | EUR | 1,916,596 | RON 6,997,684 EUR 1,414,416 36.25% |
| Total assets minus current liabilities | RON | 71,926,263 | EUR | 14,458,703 | RON 66,906,859 EUR 13,523,640 7.50% |
| Liabilities: Amounts due to be paid over a period of more than one year | RON | 31,300,659 | EUR | 6,292,096 | RON 31,122,232 EUR 6,290,624 0.57% |

Analysis of the financial results

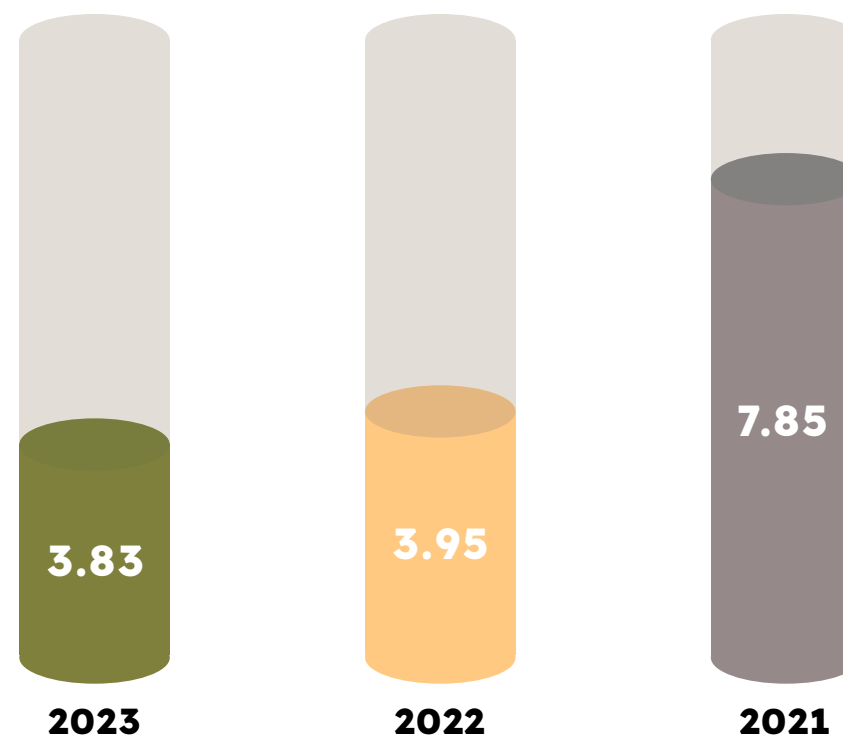
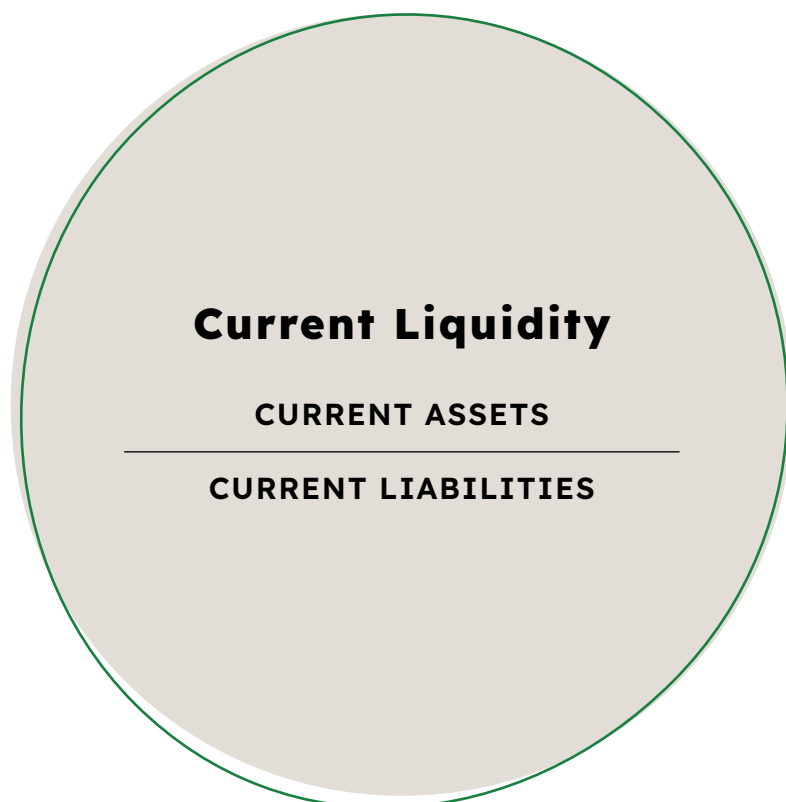
Analysis of the balance sheet at individual level

| Indicators | 12/31/2023 | | | | 12/31/2022 | | | | Δ% |
|---|------------|------------|-----|-----------|------------|------------|-----|-----------|---------|
| Provisions | RON | 81,611 | EUR | 16,406 | RON | 65,289 | EUR | 13,197 | 25.00% |
| Capital | RON | 31,985,512 | EUR | 6,429,766 | RON | 31,818,845 | EUR | 6,431,428 | 0.52% |
| 1. Subscribed and paid-up capital | RON | 31,818,845 | EUR | 6,396,262 | RON | 31,818,845 | EUR | 6,431,428 | 0.00% |
| 5. Other equity items DR/(CR) | RON | 166,667 | EUR | 33,504 | - | - | - | - | - |
| II. Capital premiums (ct. 104) | RON | 734,004 | EUR | 147,550 | RON | 734,004 | EUR | 148,362 | 0.00% |
| III. Reserves from revaluation (ct. 105) | RON | 81,526 | EUR | 16,388 | - | - | - | - | - |
| IV. Reserves | RON | 445,716 | EUR | 89,598 | RON | 199,387 | EUR | 40,301 | 123.54% |
| Own shares (ct 109) | RON | (200,001) | EUR | (40,204) | - | - | - | - | - |
| V. Carried-forward profit or loss - SOLD C | RON | 2,967,102 | EUR | 596,450 | RON | 1,393,314 | EUR | 281,626 | 112.95% |
| VI. Profit or loss of the financial year - SOLD C | RON | 4,776,463 | EUR | 960,170 | RON | 1,656,619 | EUR | 334,846 | 188.33% |
| Profit distribution | RON | (246,329) | EUR | (49,517) | RON | (82,831) | EUR | (16,742) | 197.39% |
| Equity - total | RON | 40,543,993 | EUR | 8,150,202 | RON | 35,719,338 | EUR | 7,219,820 | 13.51% |

Analysis of the financial results

Main financial indicators at individual level

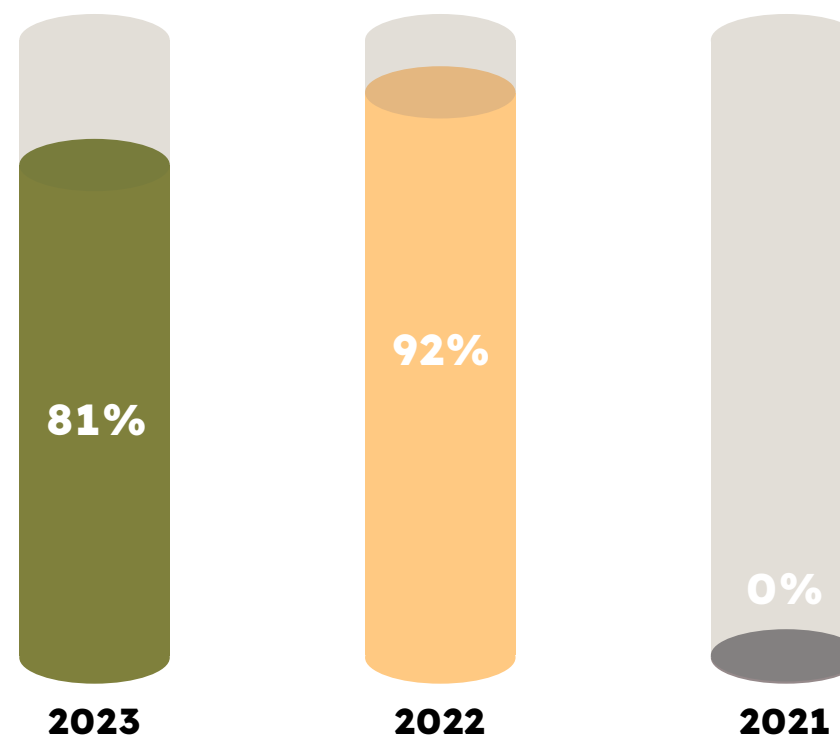
| Current liquidity ratio | 12/31/2023 | | | | 12/31/2022 | | | | 12/31/2021 | | | |
|-------------------------|------------|------------|-----|-----------|------------|-----------|-----|-----------|------------|------------|-----|-----------|
| Current assets (A) | RON | 12,837,713 | EUR | 2,580,652 | RON | 9,335,629 | EUR | 1,876,659 | RON | 10,215,273 | EUR | 2,053,486 |
| Current liabilities (B) | RON | 3,354,753 | EUR | 674,376 | RON | 2,361,260 | EUR | 474,663 | RON | 1,302,069 | EUR | 261,743 |
| A/B | 3.83 | | | | 3.95 | | | | 7.85 | | | |



Analysis of the financial results

Main financial indicators at individual level

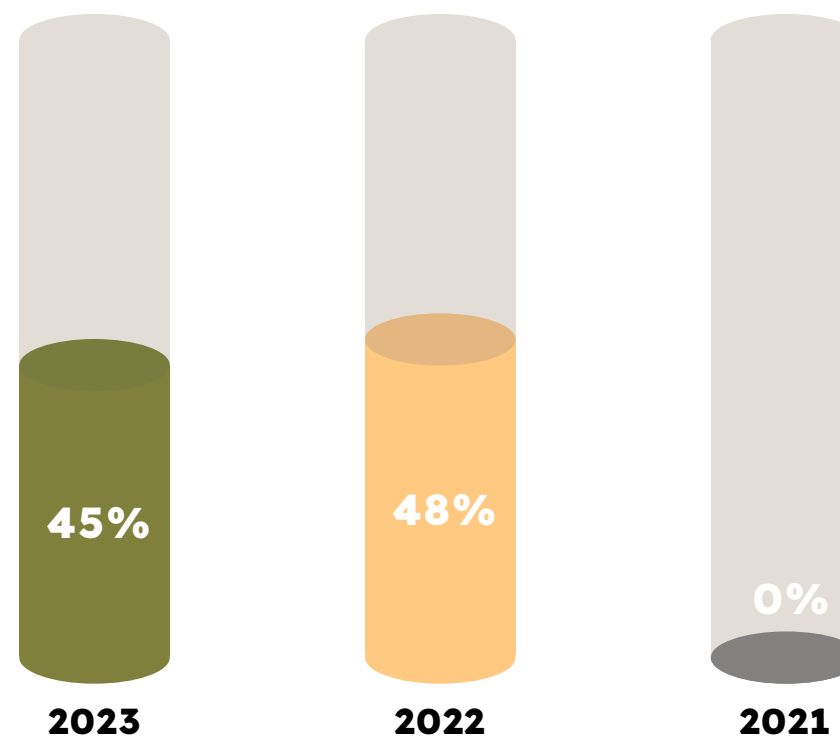
| Debt-to-equity indicator to own capital | 12/31/2023 | | | | 12/31/2022 | | | | 12/31/2021 | | | |
|---|------------|------------|-----|-----------|------------|------------|-----|-----------|------------|------------|-----|-----------|
| Loan capital (A) = Loans over 1 year | RON | 33,004,466 | EUR | 6,634,597 | RON | 32,798,091 | EUR | 6,593,111 | - | - | - | - |
| Own capital (B) | RON | 40,543,993 | EUR | 8,150,202 | RON | 35,719,338 | EUR | 7,180,344 | RON | 34,062,719 | EUR | 6,847,328 |
| A/B | 81% | | | | 92% | | | | 0% | | | |



Analysis of the financial results

Main financial indicators at individual level

| Debt ratio to total equity | 12/31/2023 | | | | 12/31/2022 | | | | 12/31/2021 | | | |
|---|------------|------------|-----|------------|------------|------------|-----|------------|------------|------------|-----|-----------|
| Loan capital (A) = Loans over 1 year | RON | 33,004,466 | EUR | 6,634,597 | RON | 32,798,091 | EUR | 6,593,111 | - | - | - | - |
| Capital employed (B) = Borrowed capital + Own capital | RON | 73,548,459 | EUR | 14,784,799 | RON | 68,517,429 | EUR | 13,773,455 | RON | 34,062,719 | EUR | 6,847,328 |
| A/B | 45% | | | | 48% | | | | 0% | | | |



Analysis of the financial results

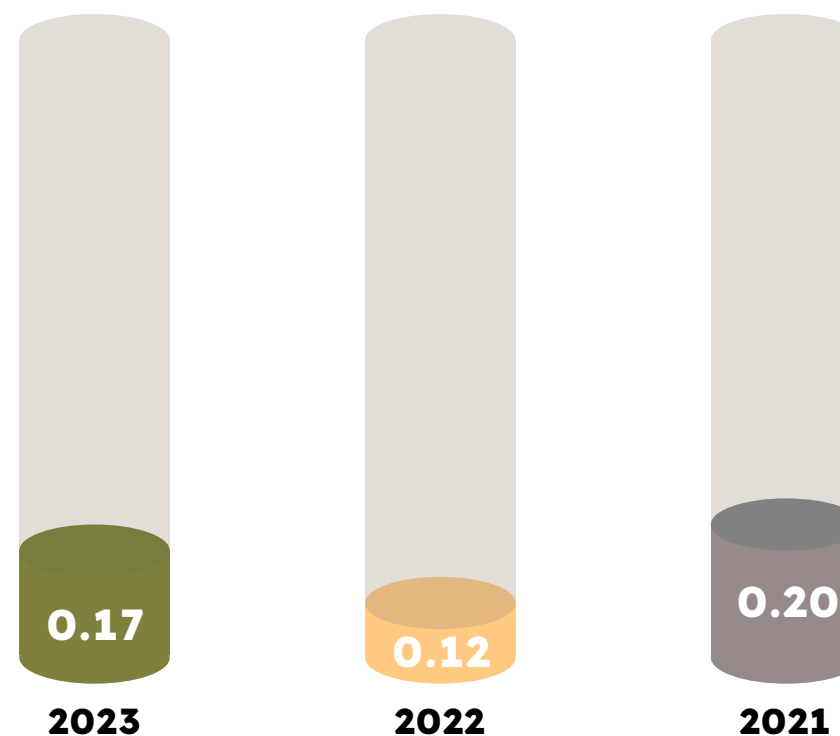
Main financial indicators at individual level

| Turnover of fixed assets | 12/31/2023 | | | | 12/31/2022 | | | | 12/31/2021 | | | |
|--------------------------|------------|------------|-----|------------|------------|------------|-----|------------|------------|------------|-----|-----------|
| Turnover (A) | RON | 10,502,550 | EUR | 2,111,235 | RON | 6,955,755 | EUR | 1,398,254 | RON | 4,951,930 | EUR | 995,443 |
| Fixed assets (B) | RON | 62,333,406 | EUR | 12,530,335 | RON | 59,836,800 | EUR | 12,028,465 | RON | 25,185,495 | EUR | 5,062,818 |
| A/B | 0.17 | | | | 0.12 | | | | 0.20 | | | |

Turnover of Fixed assets

TURNOVER

FIXED ASSETS



Analysis of the financial results

Acquisitions and disposals of assets (RON)

| Description | Intangible assets | Lands and lands fit-outs | Buildings | Equipment, technological facilities and means of transportation | Furniture, office supplies and protective equipment | Biological assets | Subtotal | Tangible assets in progress | Total | Grand total |
|--|-------------------|--------------------------|--------------|---|---|-------------------|--------------|-----------------------------|--------------|--------------|
| Gross value | | | | | | | | | | |
| Balance 01.01.2023 | 8,466,803 | 10,466,844 | 84,077,997 | 65,107,509 | 1,118,495 | 37,445,197 | 198,216,042 | 13,453,156 | 211,669,198 | 220,136,001 |
| Inputs | 2,123,602 | 14,916 | 68,500 | 1,143,604 | 519 | 2,689,121 | 3,916,659 | 35,471,129 | 39,387,788 | 41,511,390 |
| Revaluation | - | 8,899,711 | 31,529,678 | - | - | - | 40,429,389 | - | 40,429,389 | 40,429,389 |
| Outputs | (5,500) | (55,664) | (551,329) | (3,168,531) | - | (17,248,152) | (21,023,676) | - | (21,023,676) | (21,029,176) |
| Bringing to net value before revaluation | - | - | (12,054,734) | - | - | - | (12,054,734) | - | (12,054,734) | (12,054,734) |
| Transfers | - | 1,236,228 | 607,233 | 5,451,170 | 70,943 | 24,120,678 | 31,486,252 | (31,486,252) | - | - |
| Balance 31.12.2023 | 10,584,905 | 20,562,035 | 103,677,345 | 68,533,752 | 1,189,957 | 47,006,844 | 240,969,932 | 17,438,033 | 258,407,965 | 268,992,870 |
| Depreciation | | | | | | | | | | |
| Balance 01.01.2022 | (1,762,713) | (552,781) | (8,265,595) | (34,737,104) | (201,965) | (14,015,759) | (57,773,205) | - | (57,773,205) | (59,535,918) |
| Depreciation | (2,039,635) | (4,242) | (3,934,399) | (6,425,506) | (119,820) | (8,367,468) | (18,851,434) | - | (18,851,434) | (20,891,070) |
| Cumulated depreciation decreases | 3,800 | 959 | 145,260 | 2,497,877 | - | 8,818,177 | 11,462,272 | - | 11,462,272 | 11,466,072 |
| Bringing to net value before revaluation | - | - | 12,054,734 | - | - | - | 12,054,734 | - | 12,054,734 | 12,054,734 |
| Balance 31.12.2022 | (3,798,548) | (556,064) | - | (38,664,733) | (321,785) | (13,565,051) | (53,107,633) | - | (53,107,633) | (56,906,181) |
| Net value | | | | | | | | | | |
| Balance 01.01.2021 | 6,704,090 | 9,914,063 | 75,812,401 | 30,370,405 | 916,530 | 23,429,438 | 140,442,837 | 13,453,156 | 153,895,993 | 160,600,083 |
| Balance 31.12.2021 | 6,786,357 | 20,005,971 | 103,677,345 | 29,869,019 | 868,172 | 33,441,793 | 187,862,299 | 17,438,033 | 205,300,332 | 212,086,689 |

Analysis of the financial results

Acquisitions and disposals of assets (EUR)

| Description | Intangible assets | Lands and lands fit-outs | Buildings | Equipment, technological facilities and means of transportation | Furniture, office supplies and protective equipment | Biological assets | Subtotal | Tangible assets in progress | Total | Grand total |
|--|-------------------|--------------------------|-------------|---|---|-------------------|-------------|-----------------------------|--------------|--------------|
| Gross value | | | | | | | | | | |
| Balance 01.01.2023 | 1,702,007 | 2,104,057 | 16,901,459 | 13,087,989 | 224,841 | 7,527,278 | 39,845,624 | 2,704,369 | 42,549,994 | 44,252,000 |
| Inputs | 426,889 | 2,998 | 13,770 | 229,889 | 104 | 540,570 | 787,331 | 7,130,448 | 7,917,780 | 8,344,669 |
| Revaluation | - | 1,789,030 | 6,338,133 | - | - | - | 8,127,164 | - | 8,127,164 | 8,127,164 |
| Outputs | (1,106) | (11,190) | (110,829) | (636,942) | - | (3,467,244) | (4,226,204) | - | (4,226,204) | (4,227,310) |
| Bringing to net value before revaluation | - | - | (2,423,257) | - | - | - | (2,423,257) | - | (2,423,257) | (2,423,257) |
| Transfers | - | 248,508 | 122,067 | 1,095,801 | 14,261 | 4,848,767 | 6,329,404 | (6,329,404) | - | - |
| Balance 31.12.2023 | 2,127,790 | 4,133,405 | 20,841,343 | 13,776,736 | 239,207 | 9,449,372 | 48,440,062 | 3,505,414 | 51,945,476 | 54,073,266 |
| Depreciation | | | | | | | | | | |
| Balance 01.01.2022 | (354,343) | (111,121) | (1,661,560) | (6,982,894) | (40,599) | (2,817,465) | - | - | (11,613,638) | (11,967,981) |
| Depreciation | (410,010) | (853) | (790,898) | (1,291,663) | (24,086) | (1,682,038) | - | - | (3,789,538) | (4,199,548) |
| Cumulated depreciation decreases | 764 | 193 | 29,200 | 502,126 | - | 1,772,640 | - | - | 2,304,160 | 2,304,923 |
| Bringing to net value before revaluation | - | - | 2,423,257 | - | - | - | 2,423,257 | - | 2,423,257 | 2,423,257 |
| Balance 31.12.2022 | (763,589) | (111,781) | - | (7,772,431) | (64,686) | (2,726,863) | - | - | (10,675,759) | (11,439,348) |
| Net value | | | | | | | | | | |
| Balance 01.01.2021 | 1,347,664 | 1,992,937 | 15,239,899 | 6,105,095 | 184,242 | 4,709,813 | 28,231,986 | 2,704,369 | 30,936,355 | 32,284,019 |
| Balance 31.12.2021 | 1,364,202 | 4,021,624 | 20,841,343 | 6,004,306 | 174,521 | 6,722,509 | 37,764,302 | 3,505,414 | 41,269,717 | 42,633,918 |

Independent auditor's report - consolidated level



RAPORTUL AUDITORULUI INDEPENDENT

Catre Actionarii Societatii **DN Agrar Group SA**

Opinie

- Am auditat situatiile financiare consolidate anexate societatii DN Agrar Group SA si ale filialelor sale ("Grupul") care cuprind bilantul la 31 decembrie 2023, contul de profit si pierdere, situatia modificarilor capitalurilor proprii si situatia fluxurilor de trezorerie pentru exercitiul financiar incheiat la aceasta data precum si un sumar al politicilor contabile semnificative si alte note explicative.
- Situatiile financiare consolidate la 31 decembrie 2023 se identifica astfel:

| | |
|--|-----------------|
| ➤ Total capitaluri proprii: | 133.339.799 lei |
| ➤ Rezultatul net al exercitiului financiar - profit: | 22.672.945 lei |
- In opinia noastra situatiile financiare consolidate anexate prezinta fidel, sub toate aspectele semnificative, pozitia financiara consolidata a Grupului la data de 31 decembrie 2023, precum si performanta sa financiara consolidata si fluxurile sale de trezorerie consolidate aferente exercitiului financiar incheiat la aceasta data, in conformitate cu Ordinul Ministrului Finantelor Publice nr. 1802/2014 ("OMFP 1802/2014") pentru aprobarea Reglementarilor contabile privind situatiile financiare anuale individuale si situatiile financiare anuale consolidate, cu modificarile ulterioare.

Baza pentru opinie

- Am desfasurat auditul nostru in conformitate cu Standardele Internationale de Audit ("ISA") si Legea nr. 162/2017. Responsabilitatile noastre in baza acestor standarde sunt descrise detaliat in sectiunea "Responsabilitatile auditorului intr-un audit al situatiilor financiare consolidate" din raportul nostru. Suntem independenti fata de Grup, conform cerintelor de etica profesionala relevante pentru auditul situatiilor financiare din Romania si ne-am indeplinit celelalte responsabilitati de etica profesionala, conform acestor cerinte. Credem ca probele de audit pe care le-am obtinut sunt suficiente si adecvate pentru a furniza o baza pentru opinia noastra.

Responsabilitatile conducerii si ale persoanelor responsabile cu guvernanta pentru situatiile financiare consolidate

- Conducerea Grupului este responsabila pentru intocmirea situatiilor financiare consolidate care sa ofere o imagine fidela in conformitate cu OMFP 1802/2014 si pentru acel control intern pe care conducerea il considera necesar pentru a permite intocmirea de situatii financiare consolidate lipsite de denaturari semnificative, cauzate fie de fraudă, fie de eroare.
- In intocmirea situatiilor financiare consolidate, conducerea Grupului este responsabila pentru evaluarea capacitatii Grupului de a-si continua activitatea, pentru prezentarea, daca este cazul, a aspectelor referitoare la continuitatea activitatii si pentru utilizarea contabilitatii pe baza continuitatii activitatii, cu exceptia cazului in care conducerea fie intentioneaza sa lichideze Grupul sau sa opreasca operatiunile, fie nu are nicio alta alternativa realista in afara acestora.

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- Persoanele responsabile cu guvernanta sunt responsabile pentru supravegherea procesului de raportare financiara a Grupului.

Responsabilitatile auditorului intr-un audit al situatiilor financiare consolidate

- Obiectivele noastre constau in obtinerea unei asigurari rezonabile privind masura in care situatiile financiare consolidate, in ansamblu, sunt lipsite de denaturari semnificative, cauzate fie de fraudă, fie de eroare, precum si in emiterea unui raport al auditorului care include opinia noastra. Asigurarea rezonabila reprezinta un nivel ridicat de asigurare, dar nu este o garantie a faptului ca un audit desfasurat in conformitate cu ISA va detecta intotdeauna o denaturare semnificativa, daca aceasta exista.

Denaturarile pot fi cauzate fie de fraudă, fie de eroare si sunt considerate semnificative daca se poate preconiza, in mod rezonabil, ca acestea, individual sau cumulativ, vor influenta deciziile economice ale utilizatorilor, luate in baza acestor situatii financiare consolidate.

- Ca parte a unui audit in conformitate cu ISA, exercitam rationamentul profesional si mentinem scepticismul profesional pe parcursul auditului. De asemenea:

- Identificam si evaluam riscurile de denaturare semnificativa a situatiilor financiare consolidate, cauzata fie de fraudă, fie de eroare, proiectam si executam proceduri de audit ca raspuns la respectivele riscuri si obtinem probe de audit suficiente si adecvate pentru a furniza o baza pentru opinia noastra. Riscul de nedetectare a unei denaturari semnificative cauzate de fraudă este mai ridicat decat cel de nedetectare a unei denaturari semnificative cauzate de eroare, deoarece fraudă poate presupune intelegeri secrete, fals, omisiuni intentionate, declaratii false si evitarea controlului intern.
- Intelegem controlul intern relevant pentru audit, in vederea proiectarii de proceduri de audit adecvate circumstantelor, dar fara a avea scopul de a exprima o opinie asupra eficacitatii controlului intern al Grupului.
- Evaluam gradul de adecvare a politicilor contabile utilizate si caracterul rezonabil al estimarilor contabile si al prezentarilor aferente de informatii realizate de catre conducere.
- Formulam o concluzie cu privire la gradul de adecvare a utilizarii de catre conducere a contabilitatii pe baza continuitatii activitatii si determinam, pe baza probelor de audit obtinute, daca exista o incertitudine semnificativa cu privire la evenimente sau conditii care ar putea genera indoile semnificative privind capacitatea Grupului de a-si continua activitatea. In cazul in care concluzionam ca exista o incertitudine semnificativa, trebuie sa atragem atentia in raportul auditorului asupra prezentarilor aferente din situatiile financiare consolidate sau, in cazul in care aceste prezentari sunt neadecvate, sa ne modificam opinia. Concluziile noastre se bazeaza pe probele de audit obtinute pana la data raportului auditorului. Cu toate acestea, evenimente sau conditii viitoare pot determina Grupul sa nu isi mai desfasoare activitatea in baza principiului continuitatii activitatii.
- Evaluam in ansamblu prezentarea, structura si continutul situatiilor financiare consolidate, inclusiv al prezentarilor de informatii, si masura in care situatiile financiare consolidate reflecta tranzactiile si evenimentele care stau la baza acestora intr-o maniera care sa rezulte intr-o prezentare fidela.
- Obtinem suficiente probe de audit referitor la informatiile financiare ale Grupului sau la activitatea sa pentru a putea exprima o opinie asupra situatiilor financiare consolidate. Avem responsabilitatea de a planifica, superviza si realiza desfasurarea auditului. Ne asumam responsabilitatea exclusiv pentru opinia noastra.



- 10 Comunicam persoanelor responsabile cu guvernanta, printre alte aspecte, aria planificata si programarea in timp a auditului, precum si principalele constatari ale auditului, inclusiv orice deficiente semnificative ale controlului intern, pe care le identificam pe parcursul auditului.

Bucuresti, 29 martie 2024

Christodoulos Seferis

Inregistrat in Registrul Public Electronic ASPAAS cu nr. AF1585

In numele **TGS ROMANIA ASSURANCE & ADVISORY BUSINESS SERVICES SRL**

Inregistrata in Registrul Public Electronic ASPAAS cu nr. FA91

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Auditor financiar: Christodoulos Seferis
Registrul Public Electronic: AF1585

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Firma de audit: TGS Romania Assurance &
Advisory Business Services S.R.L.
Registrul Public Electronic: FA91



Independent auditor's report - individual level



RAPORTUL AUDITORULUI INDEPENDENT

Catre: Actionarii Societatii **DN Agrar Group SA**

Opinie

- Am auditat situatiile financiare individuale anexate ale societatii **DN Agrar Group SA** ("Societatea") care cuprind bilanțul la 31 decembrie 2023, contul de profit si pierdere pentru exercitiul financiar incheiat la aceasta data precum si un sumar al politicilor contabile semnificative si alte note explicative pentru anul 2023.
- Situatiile financiare la 31 decembrie 2023 se identifica astfel:
 - Total capitaluri proprii: 40,543,993 lei
 - Rezultatul net al exercitiului financiar - profit: 4,776,463 lei
- In opinia noastra situatiile financiare ale Societatii prezinta fidel, sub toate aspectele semnificative, pozitia financiara a Societatii la data de 31 decembrie 2023, precum si rezultatele sale financiare pentru anul incheiat la aceasta data, in conformitate cu Ordinul Ministrului Finantelor Publice nr. 1802/2014 ("OMFP 1802/2014") pentru aprobarea Reglementarilor contabile privind situatiile financiare anuale individuale si situatiile financiare anuale consolidate, cu modificarile ulterioare.

Baza pentru opinie

- Am desfasurat auditul nostru in conformitate cu Standardele Internationale de Audit ("ISA") si Legea nr. 162/2017. Responsabilitatile noastre in baza acestor standarde sunt descrise detaliat in sectiunea "Responsabilitatile auditorului intr-un audit al situatiilor financiare" din raportul nostru. Suntem independenti fata de Societate, conform cerintelor de etica profesionala relevante pentru auditul situatiilor financiare din Romania si ne-am indeplinit celelalte responsabilitati de etica profesionala, conform acestor cerinte. Credem ca probele de audit pe care le-am obtinut sunt suficiente si adecvate pentru a furniza o baza pentru opinia noastra.

Alte informatii – Raportul administratorilor

- Alte informatii includ Raportul administratorilor. Administratorii sunt responsabili pentru intocmirea si prezentarea Raportului administratorilor in conformitate cu OMFP 1802/2014, punctele 489-492 din Reglementarile contabile privind situatiile financiare anuale individuale si situatiile financiare anuale consolidate si pentru acel control intern pe care administratorii il considera necesar pentru a permite intocmirea si prezentarea Raportului administratorilor care sa nu contina denaturari semnificative, datorate fraudei sau erorii.

Raportul administratorilor nu face parte din situatiile financiare. Opinia noastra cu privire la situatiile financiare nu acopera Raportul administratorilor.

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1



- In legatura cu auditul situatiilor financiare pentru exercitiul financiar incheiat la 31 decembrie 2023, responsabilitatea noastra este sa citim Raportul administratorilor si, in acest demers, sa apreciem daca exista neconcordante semnificative intre Raportul administratorilor si situatiile financiare, daca Raportul administratorilor include, in toate aspectele semnificative, informatiile cerute de OMFP 1802/2014, punctele 489-492 din Reglementarile contabile privind situatiile financiare anuale individuale si situatiile financiare anuale consolidate, si daca in baza cunostintelor si intelegerii noastre dobandite in cursul auditului situatiilor financiare cu privire la Societate si la mediul acesteia, informatiile incluse in Raportul administratorilor sunt eronate semnificativ. Ni se solicita sa raportam cu privire la aceste aspecte. In baza activitatii desfasurate, raportam ca:

a) in Raportul administratorilor nu am identificat informatii care sa nu fie in concordanta, in toate aspectele semnificative, cu informatiile prezentate in situatiile financiare anexate;

b) Raportul administratorilor identificat mai sus include, in toate aspectele semnificative, informatiile cerute de OMFP 1802/2014, punctele 489-492 din Reglementarile contabile privind situatiile financiare anuale individuale si situatiile financiare anuale consolidate.

- In plus, in baza cunostintelor si intelegerii noastre dobandite in cursul auditului situatiilor financiare pentru exercitiul financiar incheiat la data de 31 decembrie 2023 cu privire la Societate si la mediul acesteia, nu am identificat informatii incluse in Raportul administratorilor care sa fie eronate semnificativ.

Responsabilitatile conducerii si ale persoanelor responsabile cu guvernanta pentru situatiile financiare

- Conducerea Societatii este responsabila pentru intocmirea situatiilor financiare care sa ofere o imagine fidela in conformitate cu OMFP 1802/2014 si pentru acel control intern pe care conducerea il considera necesar pentru a permite intocmirea de situatii financiare lipsite de denaturari semnificative, cauzate fie de fraudă, fie de eroare.
- In intocmirea situatiilor financiare, conducerea este responsabila pentru evaluarea capacitatii Societatii de a-si continua activitatea, pentru prezentarea, daca este cazul, a aspectelor referitoare la continuitatea activitatii si pentru utilizarea contabilitatii pe baza continuitatii activitatii, cu exceptia cazului in care conducerea fie intentioneaza sa lichideze Societatea sau sa opreasca operatiunile, fie nu are nicio alta alternativa realista in afara acestora.
- Persoanele responsabile cu guvernanta sunt responsabile pentru supravegherea procesului de raportare financiara al Societatii.

Responsabilitatile auditorului intr-un audit al situatiilor financiare

- Obiectivele noastre constau in obtinerea unei asigurari rezonabile privind masura in care situatiile financiare, in ansamblu, sunt lipsite de denaturari semnificative, cauzate fie de fraudă, fie de eroare, precum si in emiterea unui raport al auditorului care include opinia noastra. Asigurarea rezonabila reprezinta un nivel ridicat de asigurare, dar nu este o garantie a faptului ca un audit desfasurat in conformitate cu ISA va detecta intotdeauna o denaturare semnificativa, daca aceasta exista. Denaturarile pot fi cauzate fie de fraudă, fie de eroare si sunt considerate semnificative daca se poate preconiza, in mod rezonabil, ca acestea, individual sau cumulat, vor influenta deciziile economice ale utilizatorilor, luate in baza acestor situatii financiare.

2



- Ca parte a unui audit in conformitate cu ISA, exercitam rationamentul profesional si mentinem scepticismul profesional pe parcursul auditului. De asemenea:

- Identificam si evaluam riscurile de denaturare semnificativa a situatiilor financiare, cauzata fie de fraudă, fie de eroare, proiectam si executam proceduri de audit ca raspuns la respectivele riscuri si obtinem probe de audit suficiente si adecvate pentru a furniza o baza pentru opinia noastra. Riscul de nedetectare a unei denaturari semnificative cauzate de fraudă este mai ridicat decat cel de nedetectare a unei denaturari semnificative cauzate de eroare, deoarece fraudă poate presupune intelegeri secrete, fals, omisiuni intentionate, declaratii false si evitarea controlului intern.
- Intelegem controlul intern relevant pentru audit, in vederea proiectarii de proceduri de audit adecvate circumstantelor, dar fara a avea scopul de a exprima o opinie asupra eficientei controlului intern al Societatii.
- Evaluam gradul de adecvare a politicilor contabile utilizate si caracterul rezonabil al estimarilor contabile si al prezentarilor aferente de informatii realizate de catre conducere.
- Formulam o concluzie cu privire la gradul de adecvare a utilizarii de catre conducere a contabilitatii pe baza continuitatii activitatii si determinam, pe baza probelor de audit obtinute, daca exista o incertitudine semnificativa cu privire la evenimente sau conditii care ar putea genera indoile semnificative privind capacitatea Societatii de a-si continua activitatea. In cazul in care concluzionam ca exista o incertitudine semnificativa, trebuie sa atragem atentia in raportul auditorului asupra prezentarilor aferente din situatiile financiare sau, in cazul in care aceste prezentari sunt neadecvate, sa ne modificam opinia. Concluziile noastre se bazeaza pe probe de audit obtinute pana la data raportului auditorului. Cu toate acestea, evenimente sau conditii viitoare pot determina Societatea sa nu isi mai desfasoare activitatea in baza principiului continuitatii activitatii.
- Evaluam in ansamblu prezentarea, structura si continutul situatiilor financiare, inclusiv al prezentarilor de informatii, si masura in care situatiile financiare reflecta tranzactiile si evenimentele care stau la baza acestora intr-o maniera care sa rezulte intr-o prezentare fidela.
- Obtinem suficiente probe de audit referitor la informatia financiara a Societatii sau la activitatea sa pentru a putea exprima o opinie asupra situatiilor financiare. Avem responsabilitatea de a planifica, superviza si realiza desfasurarea auditului. Ne asumam responsabilitatea exclusiv pentru opinia noastra.

- Comunicam persoanelor responsabile cu guvernanta, printre alte aspecte, aria planificata si programarea in timp a auditului, precum si principalele constatari ale auditului, inclusiv orice deficiente semnificative ale controlului intern, pe care le identificam pe parcursul auditului.

Bucuresti, 08 martie 2024

**Autoritatea pentru Supravegherea Publică a
Activităţii de Audit Statutar (ASPAAS)**
Auditor financiar: Christodoulos Seferis
Registrul Public Electronic: AF1585

Christodoulos Seferis

Inregistrat in Registrul Public Electronic ASPAAS cu nr. AF1585

In numele **TGS ROMANIA ASSURANCE & ADVISORY BUSINESS SERVICES SRL**

Inregistrata in Registrul Public Electronic ASPAAS cu nr. FA91

**Autoritatea pentru Supravegherea Publică a
Activităţii de Audit Statutar (ASPAAS)**
Firma de audit: TGS Romania Assurance &
Advisory Business Services S.R.L.
Registrul Public Electronic: FA91

3

DN AGRAR PROJECTS

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| Increasing the capacity of the DN AGRAR Apold farm by 50% | 99 |
| Expansion of the number of milk cows by 50% for the Apold farm | 99 |
| Solar panels | 100 |
| Installation of robots for the milking parlors of the DN AGRAR Cut and Lacto Agrar farms | 101 |
| Straja Project | 102 |
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| Implementation of IFRS standards | 104 |



DN AGRAR Projects

Our strategy is to support integrated agriculture, part of a circular economy.

In 2023, DN AGRAR continued to implement sustainable practices and modern technologies to improve the quality and sustainability of the business. Despite facing challenges related to environmental factors, fluctuating milk prices, and securing the necessary inputs for agricultural operations and cereal cultivation, our team managed to anticipate and proactively address these challenges.

To mitigate the impact of milk price fluctuations, we took measures to reduce fixed costs and continued to purchase cows to increase milk production, while optimizing expenses.

The increase in the operational capacity of the Apold farm and the introduction of automation in the milking process, for the Cut and Lacto Agrar farms, contributed to the increase in operational efficiency. We are a vertically integrated company, responsible for producing a significant amount of feed for our cows, and we have managed to efficiently manage costs. Efficiency is essential for maintaining competitiveness and increasing productivity, a major goal for DN AGRAR.

We have made significant progress in the construction of the compost factory, which will play an important role in soil conservation and reducing our environmental footprint. We have implemented practices such as crop rotation, soil conservation and minimizing the use of chemical fertilizers, which will continue to be implemented in 2024.

The expansion of the capacity of the farms and the implementation of automation in the milking process have also contributed to the improvement of the operational performance.

All the investments made by DN AGRAR will contribute to the expansion of the company and the consolidation of its position on the market.

”

Jan G. De Boer,
CEO DN AGRAR



The main investments made by DN AGRAR in development projects, were focused on the directions detailed in the following pages.



DN AGRAR Projects

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

Project started in 2022 and was finalized in 2023.

Expansion of the number of milking cows by 50% for the Apold farm

This project was started in 2022, with 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.

12

DN AGRAR Projects

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 subsidies and it was planned to start in 2023, when the process to obtain the necessary funds was started.

However, there is a delay in the implementation of this project, due to the late adoption of the PNNR by the Romanian Government.

Depending on the time for obtaining the necessary funds, we estimate the installation of the panels for 2024 and the operational part for 2025.

3

DN AGRAR Projects

Installation of 2nd robot for the milking parlors of the DN AGRAR Cut and Lacto Agrar farms

This project was initiated in 2023, and in **May 2023 the first type of robot**, an automatic sprayer for udder disinfection, **was installed**. This robot is used after the milking process for udder disinfection and is specially designed for rotary halls, such as those in DN AGRAR Cut and Lacto Agrar farms.

The 2nd robot will be installed on the two farms in April 2024.

This is a robot used for pre-cleaning and stimulation of milking and milking. The main purpose of using this type of robot is to minimise clinical mastitis and associated costs.

The background image shows a milking robot in a rotary hall. The robot is a white, cylindrical machine with various sensors and nozzles. It is positioned in the center of the frame, with its arms extended. The hall has a red floor and metal railings. A cow is visible in the background, partially obscured by the robot. The lighting is warm and orange-toned.

4

DN AGRAR Projects

Straja Project

DN AGRAR's new Straja farm will cover an area of 10 hectares and will be equipped with 2 milking parlours.

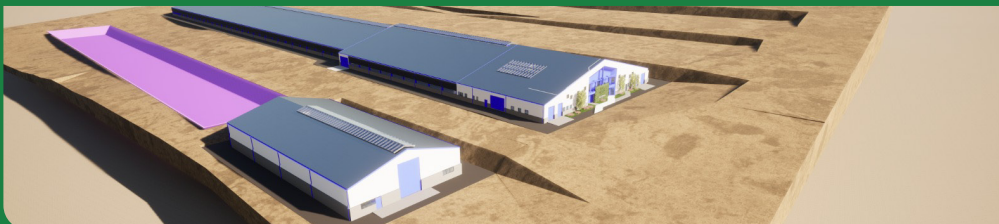
In 2023, the first stages of this project were started and completed, namely the preparation of the land for the construction of the new farm and additional buildings. The construction of the new manure lagoon was also completed.

For the operational part of the new Straja farm, we have already started preparations to populate the first milking parlour as early

as 2023. Thus, on the Prodlact farm, which currently houses more than 3,300 head, we are already rearing the young cattle that will be transferred to the new farm.

Steps have also been taken to obtain a new building permit for the animal shelters and grain mill, which will be built on an area of 50 ha, adjacent to the investment already started.

In the first part of 2024, we will start the construction phase for the first milking parlour, and in September 2024, we expect to start milk production at the Straja farm with 600 dairy cows, and gradually increase the number of dairy cows to 900, by the end of 2024.



DN AGRAR Projects

The compost factory

In 2023, we completed the first 3 phases of this project, with the completion of the construction of the composting building, where we will place the composting unit.

The next stage is the installation of the equipment, the composting machine, the packaging line and the necessary auxiliary equipment. We anticipate that we will start operations at the compost factory in the 3rd quarter of 2024.



6



DN AGRAR Projects

Implementation of IFRS standards

In preparation for the transfer to the Main Market of the Bucharest Stock Exchange, in 2023 we signed a contract for the implementation of IFRS standards with a company that helps us in the preparation of reports.

This project is one that we will carry out in stages.

We are currently working on implementing IFRS standards in the SAP system, and DN AGRAR goal is to report in accordance with IFRS standards, starting with 2025.



7

DN AGRAR STRATEGY FOR 2024-2027

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| Digitization & Automation | 108 |
| Diversification of DN AGRAR's Activities | 109 |
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| Circular agriculture | 111 |
| DN AGRAR in 2027/2028 | 112 |
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Our strategy for the period 2024-2027

DN AGRAR Group is one of the most important milk producers in Europe and the largest integrated farm in Romania.

Since the beginning of DN AGRAR's operations in Romania, starting from 2008, we have made major investments totaling approximately 100 million euros. In recent years, **the company has undergone a rapid process of consolidation and expansion**, which included the acquisition of two farms (DN AGRAR Apold and Lacto Agrar) **to achieve a leading position.**

Since our listing on the Bucharest Stock Exchange in 2022, **we have tripled our turnover** and have a growth strategy focused on developing a new farm, digitalization, and automation, enhancing operational efficiency, as well as diversifying into new lines of business, **aiming to double our business between 2024 and 2027.**

Doubling our Business in 2024-2027

- The New Straja Farm
- Compost Factory
- New Farm Acquisitions

Digitization & Automation

- Installation of Robots on Farms
- Digitization of the Administrative and Financial-Accounting Department

Diversification of Activities

- Production of Liquefied or Compressed Biogas
- Compost Factory

Emissions Reduction & Circular Agriculture

- Solar Panels on Farm Buildings' Roofs
- Photovoltaic Park near the Apold Farm
- Compost Factory
- Utilization of No-tillage Technology
- The reduction of impact on the environment through crop rotation strategy
- Utilization of Sexed Semen in Milk Production Farms

Doubling the Business in the period 2024 - 2027

The New DN AGRAR STRAJA Farm

DN AGRAR aims to develop a new farm in Straja, spanning an area of 10 hectares and equipped with 2 milking parlors. The company plans to operationalize the farm starting in the third quarter of 2024, with 600 dairy cows.

There will be a gradual increase in production capacity, reaching a maximum of 5,000 cattle by the end of 2027.



DN AGRAR Compost Factory

Reducing the transportation costs of water to the lagoons

Development of a new business line

Reducing the use of chemical fertilizers

Reducing transportation costs for field crop residues

The construction of the composting building was completed in 2023, and in 2024, we will install the composting machine equipment and the packaging/packaging line. **We anticipate starting operations at this factory in the third quarter of 2024**

We plan to sell the resulting compost to vineyards and vegetable producers, both domestically in Romania and internationally.

The success of this factory is crucial for the development of compost factories in our other farms as well.

New farm acquisitions

Considering the objective of expansion and development of the company, DN AGRAR aims to acquire new farms with both crop and livestock production. We are constantly attentive to market opportunities and have defined the criteria that a potential acquisition must meet.

By expanding the portfolio of farms, DN AGRAR can benefit from operational synergies, economies of scale, and better risk distribution.



Digitization & Automation

Installing robots in the milking parlors of farms

To improve efficiency on our farms, we plan to install and utilize industrial robots in our farms: LACTO AGRAR, CUT, and STRAJA.

Based on internal analysis conducted for the CUT and LACTO AGRAR farms, implementing these robots in the milking parlors will result in a

50% reduction in manual labor

for certain milking process operations.

These robots are specially designed for use in milking parlors, which we have in both the LACTO AGRAR and CUT farms, and in the future in the new STRAJA farm as well.



Digitization and implementation of IFRS Standards

For increased efficiency, digitization is key.

We aim to automate processes and activities within the administrative department, implement new solutions for personnel management, document recording for the Financial - Accounting department, etc.

In preparation for entry into the Main Market of the Bucharest Stock Exchange, we have already initiated the implementation of IFRS standards, in collaboration with a partner.

Additionally, we are also working on implementing IFRS standards in the SAP ERP solution, a process that will be completed by 2024.



Diversification of DN AGRAR's Activities

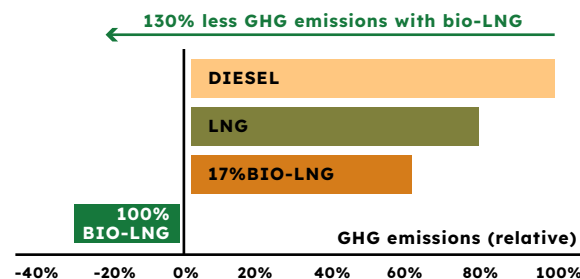
Production of Liquefied or Compressed Biogas

Another direction in which DN AGRAR aims to develop is biogas production.

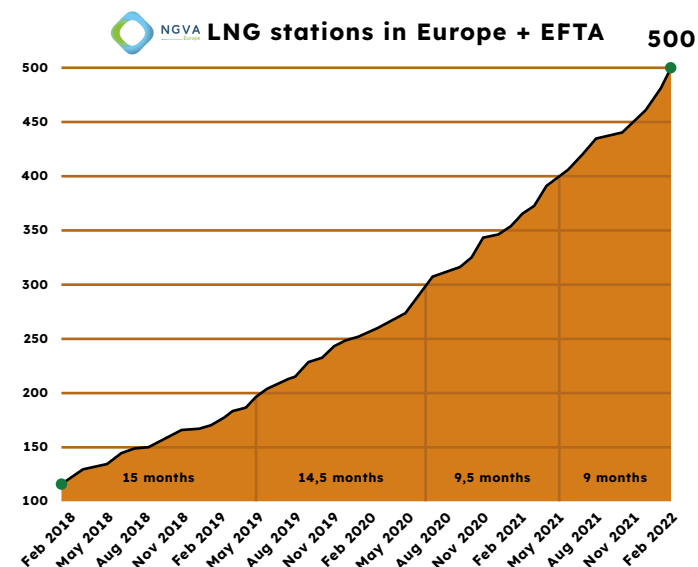
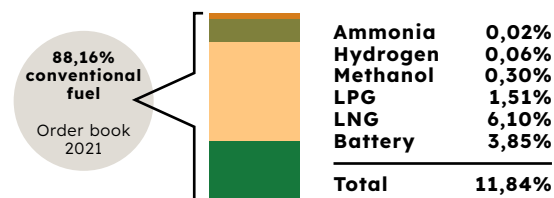
We are considering the possibility of producing either liquefied biogas or compressed biogas, and **we aim to become a significant player in this field.**

Our objective is to reduce greenhouse gas emissions generated by liquid and semi-liquid waste from manure by recycling this waste.

By using manure from own farms in biogas production, DN AGRAR will reduce its carbon emissions by 90%.



Ships on order



Emissions Reduction & Circular Agriculture

Solar Panels on Farm Buildings' Roofs

The procedure has already been initiated to obtain the necessary funds, namely non-reimbursable funds for photovoltaic installations on the roofs of the three farms: DN AGRAR Apold, DN AGRAR Cut, and Lacto Agrar.

The projects submitted have a total installed capacity of 2,218 kW, for the three farms, covering a total area of 9,900 square meters.



Photovoltaic Park near Apold Farm

This photovoltaic park will be developed in collaboration with a partner, adjacent to DN AGRAR Apold farm, and **will cover an area of 50 hectares.**

The project is in the process of obtaining a grid connection point for 110 MW.



Utilization of No-till or Minimum-till technology

In order to implement the no-till or minimum-till technology, special equipment will be purchased for use across the entire cultivated area.

As a result, conventional plowing and harrowing activities will no longer take place, leaving only the strip-till technology for operations performed at depths greater than 15 cm.

By employing this technology, along with the use of organic fertilizers and successive corn crops:

DN AGRAR aims to access programs related to carbon footprint reduction and carbon sequestration, as well as obtain carbon certificates.

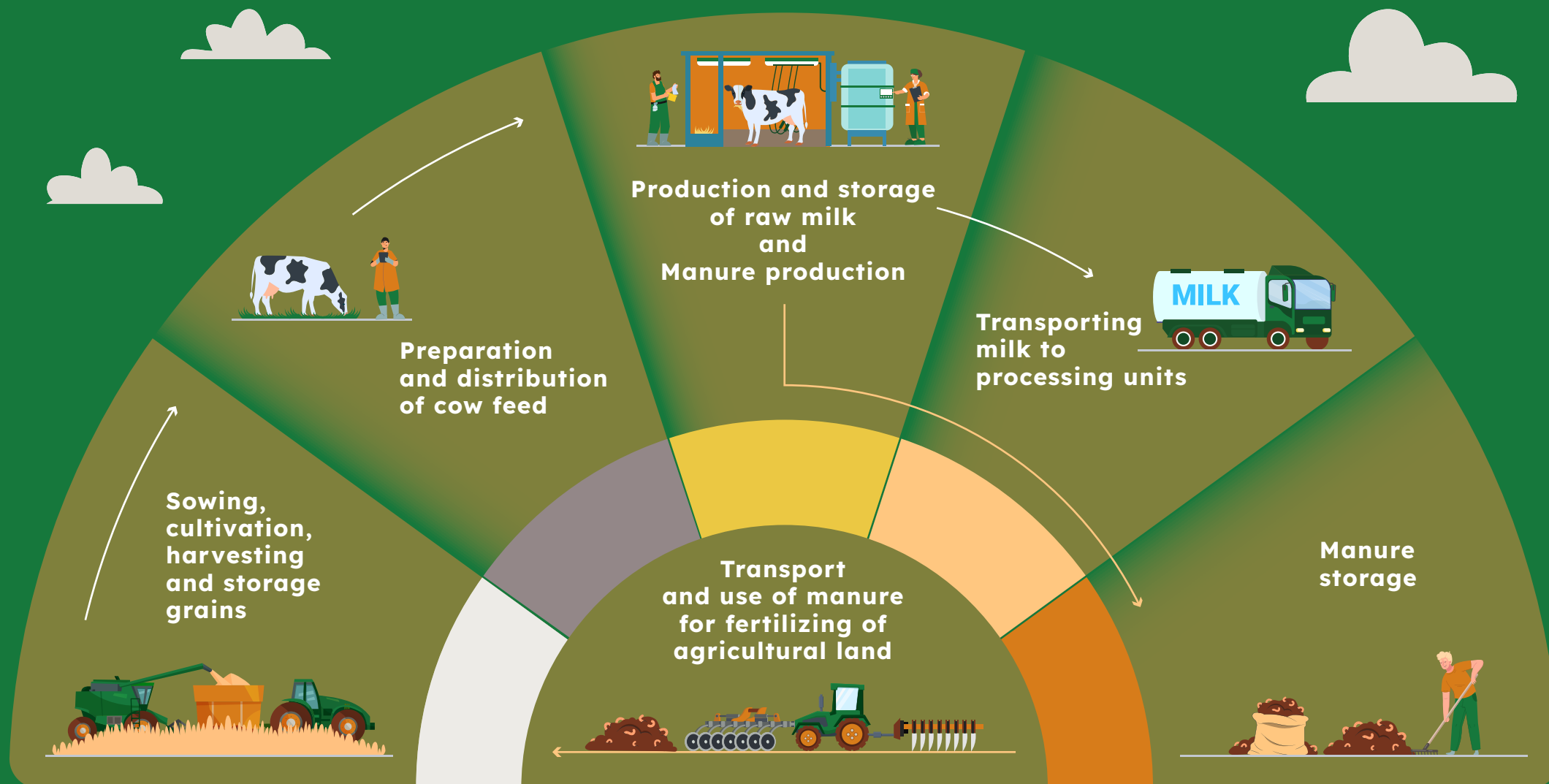
Reducing the environmental impact

DN AGRAR is a long-term sustainable company aiming to minimize its negative impact on the environment and ensure the viability of the land and resources used.

Practices such as crop rotation, soil conservation, and reducing the use of chemical fertilizers contribute to achieving this goal.



Circular agriculture



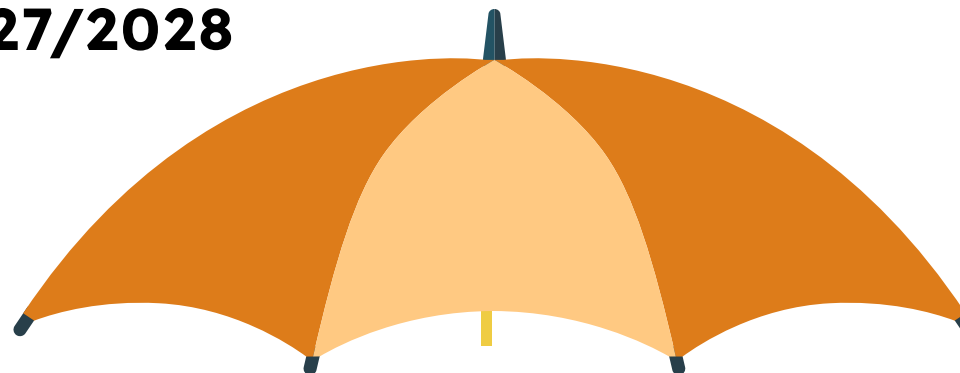
DN AGRAR in 2027/2028

The goal of DN AGRAR is to double its business

by 2024-2027

through increasing operational efficiency, developing a new farm, and diversifying activities into new business lines.

By 2027/2028, following the completion of the new farm, **DN AGRAR will own approx. 20,000 head of livestock, produce over 300,000 liters of milk daily, and deliver over 100 million liters of milk annually.**



FERMA CUT

- **2.100** dairy cattle
- **50.000** liters/day
- **300** cows milked/hour

FERMA APOLD

- **over 4.800** dairy cattle + young stock
- **100.000** liters/day
- **400** cows milked/hour

FERMA LACTO AGRAR

- **4.000** dairy cattle + young stock
- **63.000** liters/day
- **350** cows milked/hour

FERMA PRODLACT

- **over 3.300** young stock
- raising young cattle for **Apold and Cut farms**

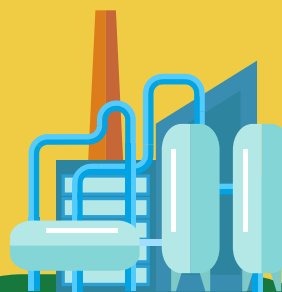
FERMA STRAJA

- **3.800** dairy cattle
- **1.200** young stock
- **100.000** liters/day
- **600** cows milked/hour

**OVER
300.000**
liters per day

The 4 dairy farms
will produce
**OVER
100 MIL.**
liters of milk annually

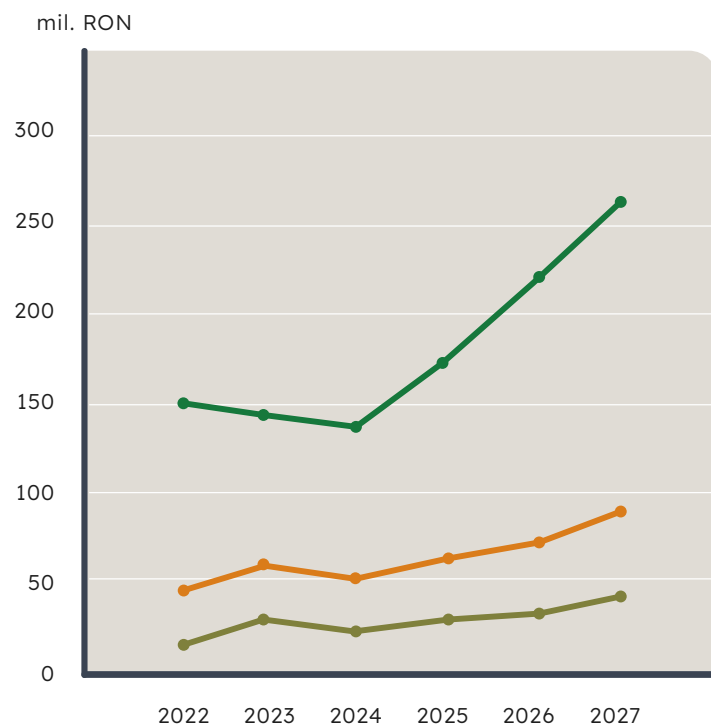
A herd of
**approx.
20.000**
dairy cows
and young stock



DN AGRAR in 2027/2028

For the upcoming years, the evolution of DN AGRAR defined four possible scenarios for the evolution of the business and main indicators:

SCENARIO 1

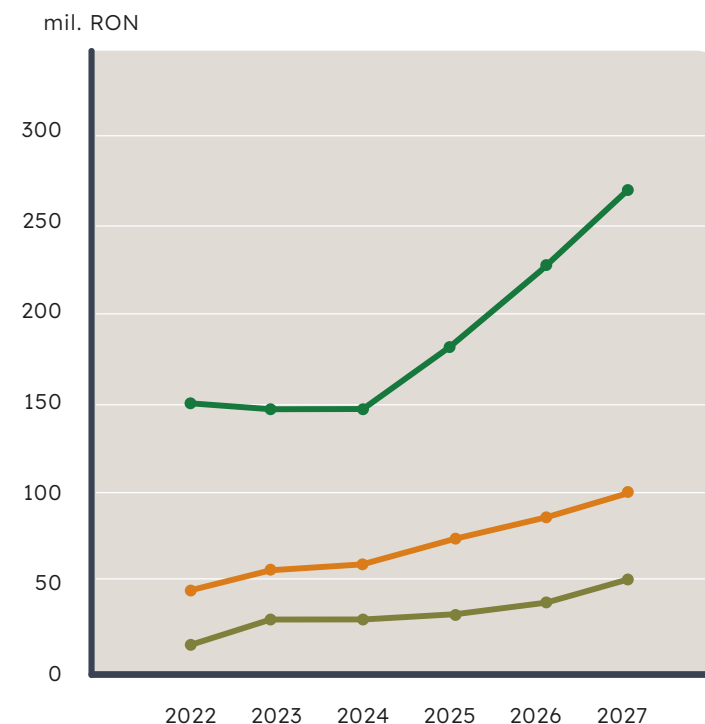


In scenario 1, the **selling price of milk** is considered to be close to **2023's lowest selling price**.

In scenario 2, is considered the **milk price** at the **average price level** we achieved from the sale of production in November 2023.

Net Profit Turnover EBITDA

SCENARIO 2

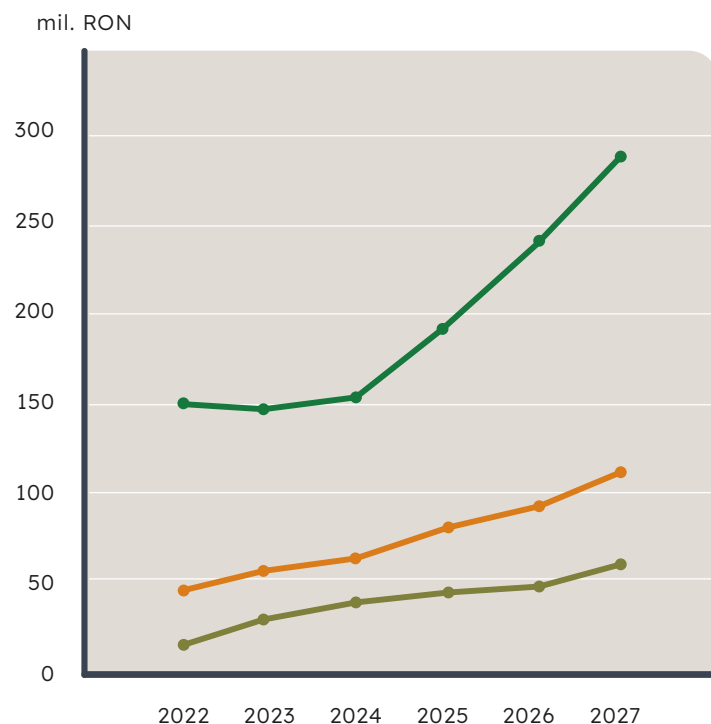


The four scenarios include both the Straja project - DN AGRAR's new farm, and the compost factory.

DN AGRAR in 2027/2028

For the upcoming years, the evolution of DN AGRAR defined four possible scenarios for the evolution of the business and main indicators:

SCENARIO 3

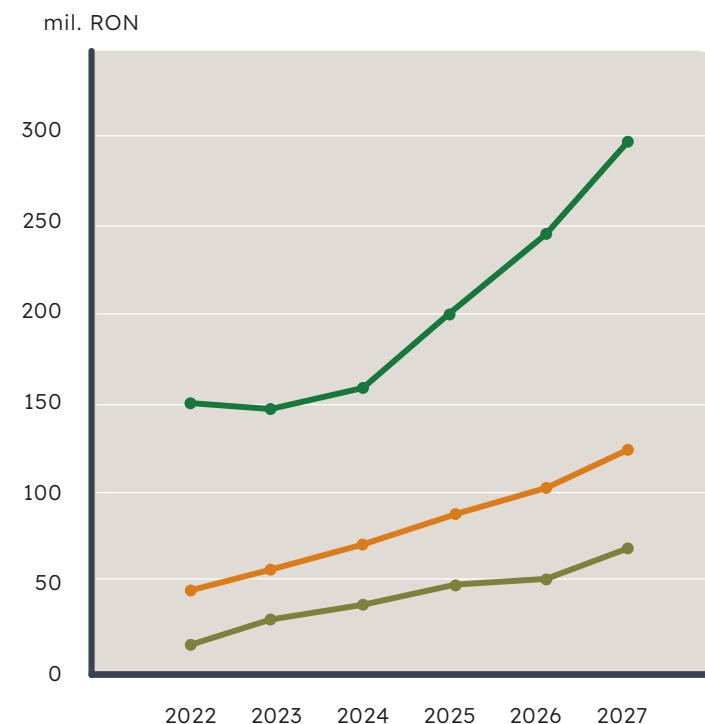


In scenario 3, the **price of milk** is considered to be at the level of the **annual average at which we sold milk in 2023**.

Scenario 4 takes into account a positive evolution in **the milk price, higher than the average selling price in 2023**, but at a significantly lower level than the sales price from the first quarter of 2023.

Net Profit Turnover EBITDA

SCENARIO 4



DN AGRAR considers scenarios 2 or 3 to be the most achievable, considering the prospects for the evolution of the milk market in the future.

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 |

Income and expenditure budget for 2024 at consolidated level

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 |

Income and expenditure budget for 2024 at consolidated level

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 |

ENVIRONMENT, SOCIAL AND GOVERNANCE

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Environment, social and government

DN AGRAR is Romania's largest integrated livestock farm with agricultural vegetal production and the leader in raw cow milk production in Romania, with a farmland portfolio of over 7,000 hectares and over 14,000 heads, both dairy cows and young cattle.

For DN AGRAR, corporate governance is an essential element that supports sustainable business development and long-term shareholder value growth.

DN AGRAR focuses on values such as integrity, transparency and accountability. **The company is committed to providing employees, shareholders, investors and partners with a sustainable, responsible business that delivers long-term value.**

We understand the social and environmental impact of our operations along the value chain and the influence of ESG factors on our business.



Corporate Governance Principles

Statement on alignment with the BVB Corporate Governance Principles for the multilateral trading facility - AeRO market.

| | Provisions of the Corporate Governance Code | Complies | Not comply | Reason for non-compliance |
|---|--|----------|------------|---|
| SECTION A - RESPONSIBILITIES OF THE BOARD OF DIRECTORS (THE BOARD) | | | | |
| A1 | The Company must have internal Board rules that include terms of reference regarding the Board and key management functions of the Company. Conflict of interest management at Council level should also be addressed in the Council Regulation. | | X | We plan to adopt a regulation in the near future |
| A2 | Any other professional commitments of Board members, including executive or non-executive Board membership in other companies (excluding subsidiaries of the Company) and non-profit institutions, shall be disclosed to the Board prior to A2 appointment and during the term of office. | X | | |
| A3 | Each member of the Board shall inform the Board of any relationship with a shareholder who directly or indirectly holds shares representing not less than 5% of the total number of voting rights. This obligation covers any kind of link which may affect the position of the member concerned on matters relating to Board decisions. | X | | |
| A4 | The annual report must state whether an evaluation of the Board has taken place under the leadership of the Chairman. It must also contain the number of Board meetings. | | X | We are considering compliance |
| A5 | The procedure for cooperation with the Authorized Consultant for the period during which such cooperation is required by the Bucharest Stock Exchange shall contain at least the provisions specified in the Corporate Governance Code. | X | | |
| SECTION B - INTERNAL CONTROL/AUDIT | | | | |
| B1 | The Board shall adopt a policy such that any transaction by the Company with a subsidiary representing 5% or more of the Company's net assets, as of the most recent financial report, is approved by the Board. | X | | |
| B2 | The internal audit must be carried out by a separate organizational structure (internal audit department) within the Company or through the services of an independent third party, which will report to the Board and, within the Company, directly to the CEO. | | X | Currently we do not have an internal audit department considering that we do not have this obligation |

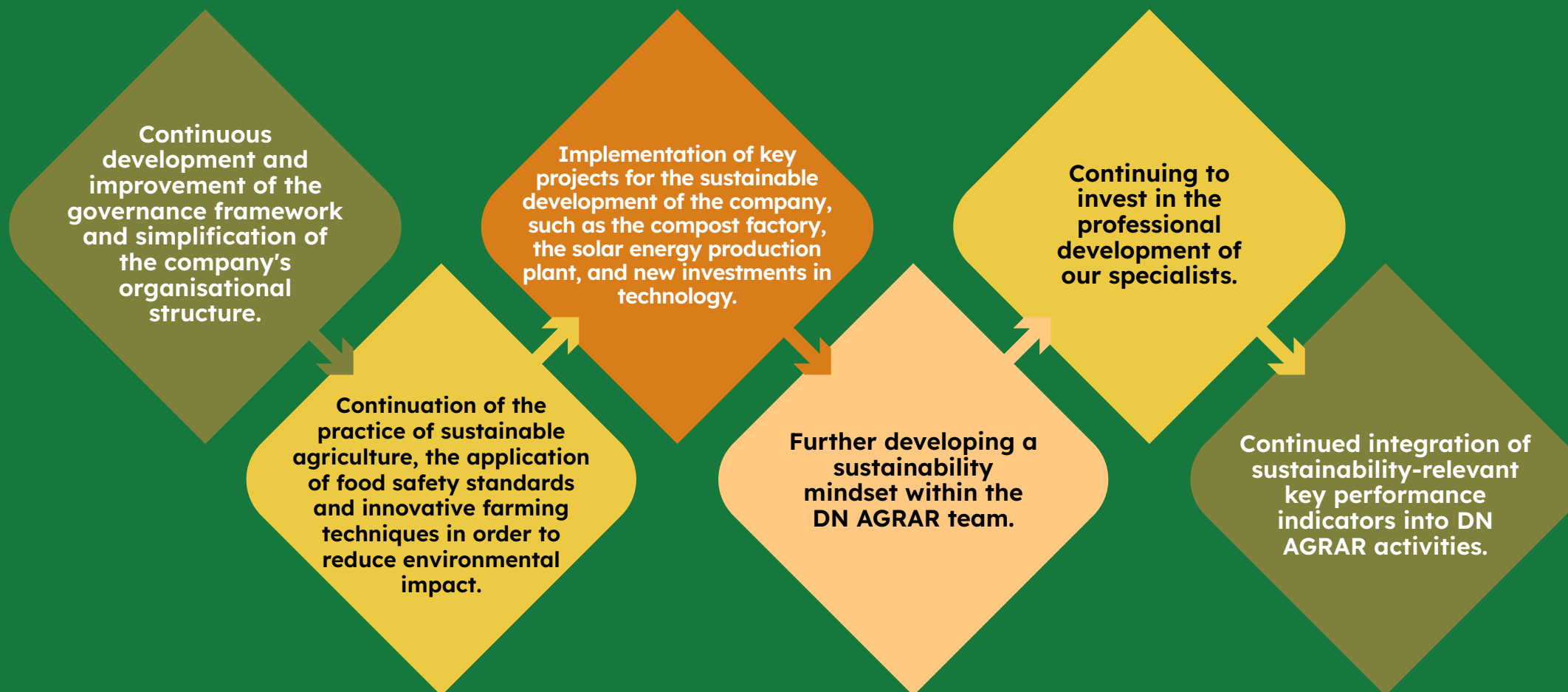
Corporate Governance Principles

Statement on alignment with the BVB Corporate Governance Principles for the multilateral trading facility - AeRO market.

| | Provisions of the Corporate Governance Code | Complies | Not comply | Reason for non-compliance |
|--|--|----------|------------|--|
| SECTION C - FAIR REWARDS AND MOTIVATION | | | | |
| C1 | The Company will publish in the annual report a section which will include the total income of the Board members and the CEO for the financial year in question and the total amount of all bonuses or any variable compensation and also the key assumptions and principles for calculating the above income. | X | | |
| SECTION D - BUILDING VALUE THROUGH INVESTOR RELATIONS | | | | |
| D1 | In addition to the information required under the legal provisions, the Company's website will contain a section dedicated to Investor Relations, both in Romanian and English, with all relevant information of interest to investors, including the provisions specified in the Corporate Governance Code. | X | | |
| D2 | A company must have an adopted corporate dividend policy, as a set of guidelines for the distribution of net profits, which the company declares it will follow. The principles of the dividend policy must be published on the company's website. | X | | |
| D3 | A company must have a policy in place regarding forecasts and whether or not they will be provided. Forecasts are quantified conclusions of studies that aim to determine the total impact of a list of factors relating to a future period (so-called assumptions). The policy should state the frequency, the period considered and the content of the forecasts. The forecasts, if published, will be part of the annual, half-yearly or quarterly reports. The forecast policy must be published on the company's website. | | X | We constantly monitor market developments and carry out planning and forecasting activities, including for the annual budget, but the results are not translated as forecast policy. |
| D4 | A company must set the time and place of a general meeting in such a way as to allow as many shareholders as possible to attend. | X | | |
| D5 | Financial reports will include information in both English and Romanian on the main factors influencing changes in sales, operating profit, net profit or any other relevant financial indicator. | X | | |
| D6 | The company will hold at least one meeting/conference call with analysts and investors each year. Information presented on these occasions will be published in the Investor Relations section of the company's website at the time of the respective meeting/conference call. | X | | |

DN AGRAR's sustainability objectives

The DN AGRAR Sustainability Strategy refers to the following:



Our Impact

We are not new to sustainability, we have taken measures to integrate circular economy practices, animal welfare, reduced energy consumption, soil preservation and responsible waste management for years now, and this is how we managed to grow.

We operate in Romania for over 15 years, so our company has developed, over the years, a positive impact in terms of agricultural practices, animal welfare and opportunities for the employees and local community.

It is a priority for us to invest in advanced technology such as farm equipment, fleet of specialized vehicles, animal health monitoring systems, as well as in the development of our employees, through trainings and continuous education.



Stakeholder engagement

We value the communication with all our stakeholders, their involvement and fair cooperation.

Our network gives us constant support, drives us to being **more responsible, more transparent** and **to giving back to the society.**

Our network



Breeders' Association
of cows HolsteinRO



Best Company in IR 2023
(public choice, AeRO market)

Our Stakeholders



Investors



Employees



Authorities



**Business partners
and clients**



**ONG &
Local community**



Education



Media

Engagement examples

Periodical conferences & reports, general shareholders meetings, one-on-one meetings with investors, newsletters, events with investor clubs & brokers, dedicated Investors email and website section

Employee evaluation yearly, teambuilding, informal events

Participation to meetings, periodical reports, visits from the authorities in the farm on different occasions

- Negotiation & contract
- Meetings with suppliers (plans and aligning strategies)

Philanthropy, social projects, conferences, meetings, debates, videocalls

Partnerships, internships , events organized with Dutch education institutions and local Chamber of Commerce

Press releases, events, interviews, conferences

Stakeholder impact

As the largest integrated farm in Romania, our dedication to sustainability covers our entire operations, from milk production to agricultural services

For our **valued employees**, your safety, growth, and wellbeing are paramount! At DNAGRAR we maintain a workplace that focuses on diversity, provides equal opportunities, and fosters professional development. Your dedication fuels our progress, and your growth is our common success.

For our **investors**, our sustainability initiatives emphasize the value and ethical performance of our work. Our continuous focus on responsible governance, compliance measures and operational and financial results, reassures your trust in our commitment to sustainability, ethical conduct and long-term value creation.

To our esteemed **clients and business partners**, our commitment extends beyond mere collaboration. We engage in open dialogue, working hand-in-hand to ensure that our shared endeavors are underlined by responsible practices. As we navigate the future, we stand resolute in our dedication to mutually beneficial partnerships, built on transparency and shared values.

Clients

Customer health and safety

We produce the highest quality milk, prioritising the welfare of our cows.

From the health of our cows to the hygiene of our production facilities, every aspect is **meticulously monitored to ensure safe and high quality milk production on DN AGRAR farms.**

Ensuring the **health and safety of our customers** is a priority for our company. We recognise the critical importance of maintaining the highest standards of hygiene, quality and safety throughout our production process.

At every stage, **from feed production, from the initial collection of milk to its distribution**, we adhere to strict health and safety measures.

Our facilities follow **strict hygiene protocols** to ensure the highest quality and purity of our milk. We understand that the health of our customers relies on the safety and quality of the products they consume. Therefore, **every batch of milk undergoes thorough testing and analysis** to ensure it meets our rigorous standards before being delivered to our processing partners.

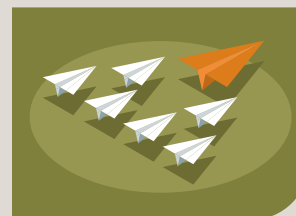
Business Conduct

At DN AGRAR, we prioritize good corporate governance.

At DN AGRAR **we adhere to high ethical standards** based on **the principles of transparency and fairness.**

This commitment extends not only to our internal operations but also to our external business relationships.

Compliance with all relevant laws and regulations is fundamental to our business.



Investor Relations

On 2 February 2022, DN AGRAR was listed on the Bucharest Stock Exchange, on the AeRO market.

With the listing of the company on the Romanian stock market, we started the **constant implementation of measures to support the development of our governance framework and communication with investors.**

Also in 2022, we started working with a dedicated investor relations (IR) consultant.

To better meet investor needs, we conducted a perception survey and the results helped us define our IR and communication strategy.

We also **focused on proactive communication with capital market stakeholders and started to develop specific communication tools**, such as a new website, integration of the EUROLAND interactive stock analysis tool, sending dedicated investor newsletters.

Our Environmental Impact

Our environmental impact is a critical aspect that requires attention and conscientious action.

Milk production, like many agricultural processes, has implications for the environment.

Our priorities for mitigating the environmental impact of our operations go into these directions:

soil health

use of pesticides

energy consumption

waste generation

biodiversity protection

We use sustainable farming techniques aiming to maximize agricultural productivity while minimizing adverse environmental impacts.

These methods prioritize long-term ecological balance, soil health, biodiversity, and resource efficiency.

Here are several examples of sustainable farming techniques: **crop rotation, minimum tilling, composting and organic matter management, rotational grazing**



Our Social Responsibility

At DN AGRAR, we are directly involved in the social and educational system by teaching primary school students about animals free of charge.

As a company that supports its community, we are dedicated to helping improve education and create a better society. Through this initiative, we help students learn about the importance of animals in our lives and encourage them to care for the environment.

Visiting DN AGRAR farms is always a joyful occasion for children to learn new knowledge and have great experiences.

We are proud to support education and contribute to the development of our community!



Our Social Responsibility

Also, last July, we joined the **MAPIoT project** (Modernizing agricultural practice using Internet of Things, EEA Grants, ANPCDEFP 20-COP-0019 ESAYEP) and welcomed students and professors from Lucian Blaga University in Sibiu to DN AGRAR.

The visit took place at DN AGRAR farms and aimed to investigate the machinery and technological processes that take place on the farm - both at the level of grain harvesting and checking grain moisture levels, feeding and milking cattle or automatic cleaning of the barn with the help of collaborative robots and IoT devices.

The professors discussed potential future joint projects between Lucian Blaga University of Sibiu, South-East University of Norway, Sibiu IT Cluster and DN AGRAR to solve hot issues in the farm and apply technology transfer from academic to economic partners.

The aim of this project, is to build capacity and facilitate the implementation of digital technologies in agriculture.

Specifically, it is based on the transfer of skills, knowledge and digital technologies from IT to Agriculture, Food Processes and Safety, improving efficiency, increasing societal welfare and reducing environmental footprint.

In order to research real challenges and find potential solutions, visits to companies and farms are organised with the aim of developing future joint projects, which would support the implementation of knowledge transfer both from academia to industry and vice versa, in order to increase the skills of future agricultural and food industry employees.

Our Social Responsibility

A beautiful story with and about **REMARKABLE PEOPLE** and **WONDERFUL CHILDREN!**

Another direction in which DN AGRAR is channelling its efforts is to support and sustain social causes. In this respect, we have been proudly and honourably supporting the **Maria Beatrice Centre** in Alba-Iulia for 7 years.

We will continue to be a reliable partner in this beautiful journey they have started, namely the construction of a hospital for children with disabilities and their families.

This medical campus is dedicated to the premature child and the conditions associated with prematurity - where the patient is the whole family.



Our Social Responsibility

As infant mortality in Romania has a high threshold, the pressure on hospitals is very high. Hospitals make great efforts to get these babies born prematurely out of hospital but are less interested in the children's later life. We take care of these families after hospitalisation, because the first six months of life are crucial to avoid as much as possible any long-term post-preterm birth disorders.

Maria Beatrice Medical Campus in Alba-Iulia

”

We are very happy that we, DN AGRAR, are part of a community of optimistic and courageous people who help to make a fundamental change in the lives of children with special needs and disabilities, through sustained actions, day by day, month by month, donation by donation.



DN AGRAR in the social environment

NGO Collaboration

The Association Center of Excellence for Agri-Food Education Resources and Sustainable Development (AgriEDU CEX) is established in 2021 with the aim to promote local, regional, national and international cooperation to support agricultural education reforms in Romania, involving the education sector and business partners, with the support of government institutions and local authorities.

The association promotes sustainable partnerships for green education by working with stakeholders in Romania to carry out activities to increase the capacity of the agri-food education sector to adapt educational processes to market requirements and to increase the attractiveness of the agricultural sector for the younger generation. These include training courses, internships, study visits, workshops, seminars and inspirational events on priority topics in agriculture.

The association operates on the basis of a partnership established with Green Table of the Netherlands in the framework of the GroenPact internationalization acceleration program, a platform on which Dutch environmental education institutes, the business community and civil society organizations have joined forces with the Dutch Ministry of Agriculture, Nature and Food Quality.

In 2022, DN AGRAR has started a collaboration with the AgriEDU CEX Association to support and involve us directly in the education system.

We will start a series of visits to high schools and universities in Romania, where we will join the AgriEDU CEX Association, as support in the programs and projects that it runs, based on the Romanian-Dutch collaboration, in the field of agricultural education, for pre-university, university and business environment.

Our involvement is especially aimed at agri-food education, we support collaboration through access to internships through the possibility of carrying out various educational projects for pupils and students, about the companies within DN AGRAR.

These actions are designed to stimulate access and support partnerships to facilitate access to modern educational resources and tools, supporting the training of new generations of farmers.

DN AGRAR is permanently involved in the social life of the community, actively supports long-term projects and provides a favorable environment for professional development, responsible people willing to offer their own experience to improve working habits, and offering their valuable contribution to the Romanian society.



DN AGRAR in the social environment

INTERNSHIP at DN AGRAR

Another direction in which we are involved is to help train a new generation of young and professional farmers, who will ensure the exchange of generations on the farms, by offering the possibility of internships within the companies of the DN AGRAR Group.

At DN AGRAR, young people who choose the internship option benefit from the opportunity to work on a modern cow farm and thus have access to the latest technologies and best practices in zootechnics and farming.

If young people choose Agriculture for Internship, they benefit from a training in the field of agri-business DN AGRAR, where they improve their knowledge of agricultural practice, discover techniques and methodologies specific to this field.

This is a “learn-by-doing” program, where participants learn by practicing the work itself.

We need intelligent, creative, discerning and enthusiastic people.

This program aims to identify future professionals in Zootechnics and Agriculture, who will have the opportunity to learn with the team of professionals of DN AGRAR.

Diversity, equality and inclusion

We consider the way we value and treat our employees, partners, and associates, as well as how, as leaders, we support the values and behaviors of diversity and social inclusion, to be very important.

We take measures to ensure an extremely inclusive culture within our company, where the voices of our employees are heard and appreciated, where they find purpose in their work, have fair access to opportunities, and can grow and contribute to the development of DN AGRAR.

Essentially, our goal is for DN AGRAR to become a model company in the sectors where we operate, where every employee feels a sense of belonging and community.

Jan G. De Boer, CEO DN AGRAR

”



People

Gender balance

Community

Being representative
of our communities

Culture

To be inclusive

At DN AGRAR, we aspire and constantly strive for gender balance at all levels, we want to be representative of the communities we are part of and to be inclusive.

The values we believe
in at DN AGRAR are care,
courage, teamwork,
integrity and humour.
They guide us to cultivate
a diverse and inclusive
organizational culture,
and to make the best
decisions every day.

CARE

COURAGE

**TEAM
WORK**

INTEGRITY

HUMOR

Our Governance Framework and corporate entity structure

The structure of the corporate entities of DN AGRAR is as follows:

- General Meeting of Shareholders
- Board of Directors
- Management Team

The company is managed by a Board of Directors consisting of 5 members, elected by the Ordinary General Meeting of Shareholders for a 4-year term of office.

The General Meeting of Shareholders is chaired by the Chairman of the Board of Directors.

Decisions of the General Meeting of Shareholders are taken by the majority required by the legislation in force, i.e. by a majority of the votes cast. Exceptions are decisions concerning the appointment and dismissal of members of the Board of Directors and their remuneration, which shall be taken by a majority of the votes held by the shareholders present or represented.

In addition to debating other matters on the agenda, the General Meeting of Shareholders shall be bound:

discuss, approve or amend
the annual financial statements

to fix the dividend

select and dismiss
the members of the Management Board,
the Supervisory Board and the auditors

to appoint or dismiss the financial auditor
and to fix the minimum duration of
the financial audit contract

to fix the remuneration for the current financial year
of the members of the Management Board, the
members of the Supervisory Board and the auditors,
if not laid down in the articles of association

to give an opinion on the management of
the Board of Directors or the Management Board

to establish the income and expenditure
budget for the following financial year

to decide on the pledging, leasing or dissolution
of one or more units of the company

Our Governance Framework and corporate entity structure

The Extraordinary General Meeting of Shareholders meets whenever necessary. The powers of this meeting are those laid down by the rules in force.

The Board of Directors consists of members with business experience and is responsible for ensuring strong and effective corporate governance.

The corporate governance framework of DN AGRAR is based on the provisions of the Articles of Incorporation regarding the activities of the Board of Directors, as well as the governance requirements of the AeRO market of the Bucharest Stock Exchange.

The two structures that ensure the guidance and supervision of the activity of DN AGRAR GROUP SA are the General Meeting of Shareholders (AGM) and the Board of Directors (BoD), elected by the AGM.

The Board of Directors, together with the executive management, is in charge of the overall functioning of the company, including the sustainability strategy and other related issues. The Board of Directors is also involved in sustainability decision-making and sustainability impact management as part of the company's regular business and is responsible for defining the overall strategy of the company, with the Chairman representing the company.

The Board of Directors may be dismissed or replaced at any time by the Ordinary General Meeting of Shareholders of the company. The members of the Board of Directors may be natural persons, Romanian or foreign citizens, or legal persons, Romanian or foreign, may be shareholders or outsiders. The Board of Directors appoints and dismisses the General Manager of the company, determines his duties and remuneration.

The main duties of the Board of Directors are:

- to determine the main lines of activity and development of the company,
- establishing accounting policies and the financial control system and approving financial planning,
- appointing and dismissing directors and setting their remuneration,
- supervising the work of the directors,
- preparing the annual report, organising the General Meeting of Shareholders and implementing its resolutions,
- issuing new shares in accordance with legal provisions,
- the establishment or dissolution of secondary offices: branches, agencies, representative offices or other such establishments without legal personality, unless the General Meeting decides otherwise,
- any other powers granted by law or by the General Meeting of Shareholders.

Our Governance Framework and corporate entity structure

Board of Directors



**Jan Gijsbertus
de Boer**

Function: Chairman of the Board of Directors and Founding member

Date of appointment: 01.07.2021

Nationality: Dutch

Experience: A graduate of the Higher Institute of Agriculture in Groningen and a founding member of DN AGRAR, Jan Gijsbertus de Boer has a large experience in the field of agri-business, accumulated over 20 years.

Arriving in Romania in 2008, he found here the people and the conditions to building a business in agriculture and especially dairy farms. He put into practice all the knowledge gained in the years of leadership from the farms in the Netherlands and Germany. Thanks to the efforts made, DN AGRAR became in 2022, the largest integrated livestock farm in Romania.



**Peter Hilbertus
de Boer**

Function: Member of the Board of Directors

Date of appointment: 01.07.2021

Nationality: Dutch

Experience: Peter is a graduate of the Faculty of Law and Business Administration at Leiden University, the Netherlands, as well as the financial evaluation and modeling course at the CFI Corporate Financial Institute. He is part of the DN AGRAR team since 2019, as Strategic Corporate Financial Manager and Investor Relations Manager. Due to his experience, Peter is responsible for leading the administrative departments of the DN AGRAR group of companies, he is responsible for establishing and implementing HR strategies, as well as the strategy of digitization of the companies within the group, by implementing an ERP system and a management software for agriculture. From the perspective of the relationship with the investors of DN AGRAR, Peter is responsible for maintaining an efficient, constant and transparent communication, ensuring a long-term partnership with them.



**Gheorghe-Sorin
Șerban**

Function: Member of the Board of Directors

Date of appointment: 10.11.2021

Nationality: Romanian

Experience: In 1995 he graduated from the Technical University of Cluj-Napoca, where he obtained the qualification of Engineer. In 1997 he obtained the qualification of Financial Investment Services Agent.

He started his professional activity in 1995 as a Sales Agent, and then he will occupy positions such as: Manger Marketing, Financial Services Broker, Insurance Agent, Unit Manager within an important bank, and since 2008 he holds the position of Executive Manager within the company Business Broker de Asigurare SRL.



**Cristian Dan
Bințișan**

Function: Member of the Board of Directors

Date of appointment: 10.11.2021

Nationality: Romanian

Experience: He graduated from the Technical University of Cluj-Napoca in 1996, The Faculty of Automatic Control and Computers. He started his professional activity in 1996 as an IT System Engineer, and since 1999, he has been the Executive Director within the company INFOGRUP SRL.



**Marijke de Boer
Geerts**

Function: Member of the Board of Directors

Date of appointment: 01.07.2021

Nationality: Dutch

Experience: • General Manager Beheermaatschappij De Boer B.V.
• Financial Manager ELKI-GROUP Germany
• PR Manager ELKI-Group Germany

Our Governance Framework and corporate entity structure

Management Team



**Jan Gijsbertus
de Boer**

Function: CEO

Founded DN AGRAR in: 2008

Nationality: Dutch

Experience: A graduate of the Higher Institute of Agriculture in Groningen and a founding member of DN AGRAR, Jan Gijsbertus de Boer has a large experience in the field of agri-business, accumulated over 20 years.

Arriving in Romania in 2008, he found here the people and the conditions to building a business in agriculture and especially dairy farms. He put into practice all the knowledge gained in the years of leadership from the farms in the Netherlands and Germany. Thanks to the efforts made, DN AGRAR became in 2022, the largest integrated livestock farm in Romania.



**Peter Hilbertus
de Boer**

Function: Investor Relations Manager

Part of DN AGRAR since: 2019

Nationality: Dutch

Experience: Peter is a graduate of the Faculty of Law and Business Administration at Leiden University, the Netherlands, as well as the financial evaluation and modeling course at the CFI Corporate Financial Institute. He is part of the DN AGRAR team since 2019, as Strategic Corporate Financial Manager and Investor Relations Manager. Due to his experience, Peter is responsible for leading the administrative departments of the DN AGRAR group of companies, he is responsible for establishing and implementing HR strategies, as well as the strategy of digitization of the companies within the group, by implementing an ERP system and a management software for agriculture. From the perspective of the relationship with the investors of DN AGRAR, Peter is responsible for maintaining an efficient, constant and transparent communication, ensuring a long-term partnership with them.



**Ștefan Gabriel
Țico**

Function: Economic Director

Part of DN AGRAR since: 2008

Nationality: Romanian

Experience: Gabriel holds the position of Economic Director within DN AGRAR, since 2008.

“Being at the beginning of the road, DN AGRAR offered me the opportunity to develop professionally, together with a young and motivated team, which had a bold goal: to become the largest agrozootechnical farm in Romania.”

He is a graduate of the “1 DECEMBRIE 1918” University of Alba-Iulia and holds a Master’s degree in Public Administration.

He is professionally licensed as a Chartered Accountant and a member of CECAR since 2011.

Before joining DN AGRAR, Gabriel was at a company specialized in the processing of ferrous and non-ferrous metals.



**Adina
Truș**

Function: Livestock Farms Manager

Part of DN AGRAR since: 2011

Nationality: Romanian

Experience: Adina is a graduate of the Bucharest Academy of Economic Studies and has a Master’s degree in Audit and Accounting Expertise. Due to her high interest in animal husbandry, she attended qualification courses and has specialized in countries such as Ireland, England, Italy and the USA.

She is part of DN AGRAR team from 2011, starting as responsible of the Lacto Agrar farm.

Due to her involvement, experience and the performances accumulated within the farm, starting with 2015, she is the Manager of Livestock Farms of DN AGRAR GROUP SA.

Our Governance Framework and corporate entity structure

Management Team



**Mihaela Laura
Nicula**

Function: Chief of Accountancy Department
Part of DN AGRAR since: 2011

Nationality: Romanian

Experience: Mihaela is the Chief Accountant within DN AGRAR, since 2011. She ensures the organization of the financial-accounting activity of the company and she is responsible for the timely fulfillment of the obligations towards the state budget and towards third parties.

She is a graduate of the Babes-Bolyai University Cluj-Napoca and holds a Master's degree in Accounting Audit. She is professionally authorized as a Chartered Accountant and is a member of CECCAR since 2010.

Before joining DN AGRAR team, Mihaela was a legal loans analyst and a member of the loan approval committee within a banking institution, as well as an economist in a company with a similar profile.



**Dan Bogdan
Ioan**

Function: Vegetal Production Manager
Part of DN AGRAR since: 2012

Nationality: Romanian

Experience: Bogdan started his career within DN AGRAR, as Head of Farm at SC DN Agrar Berghin SRL, between 2012 and 2017, and starting with 2017 he holds the position of Manager of vegetal production within DN AGRAR GROUP SA.

He is responsible for the organization and planning of the agricultural works within DN AGRAR, for the quality and quantity of the crops that are produced annually, for the processes of treatment and storage of the seed lots, as well as for the coordination of the entire team of agronomists within the company. He is a graduate of the University of Agricultural Sciences and Veterinary Medicine Cluj-Napoca - Faculty of Agriculture, specializing in Agriculture and holds a Master's degree in Organic Agriculture, graduated in 2011. He is professionally authorized by ANF, is a grader authorized by CNGSC Romania and is authorized by ITCSM România.



**Marian Mircea
Rusu**

Function: Technical Director
Part of DN AGRAR since: 2012

Nationality: Romanian

Experience: Marian is graduate of the "1 DECEMBRIE 1918" University of Alba-Iulia - Faculty of Sciences, Specialization Cadastre, and is professionally authorized, starting with 2012, for the realization of the geodesy and cadastre works, category B.

He has been part of the DN AGRAR team since 2009, starting his activity as a topographer engineer. Due to his dedication and the performances accumulated within the company, starting with 2011, he holds the position of Technical Director within DN AGRAR GROUP SA and is responsible for the activity of the Topography Department.



Remuneration policy

DN AGRAR's main objective in relation to remuneration is to respect the principle of fairness, focusing on the company's business strategy, culture and values, long-term interests of the company and shareholders.

The overall remuneration framework supports DN AGRAR in achieving the set business objectives, taking into consideration that remuneration is competitive with other companies and that the Company's performance as well as individual contributions are recognised and rewarded. Rewards are also balanced between short-term success and long-term value creation.

The remuneration policy of the Board of Directors and executive management respects the principle of fairness in relation to the business strategy and long-term interests of the Company and its shareholders.

The fixed remuneration of the members of the Board of Directors is determined annually by decision of the General Meeting of Shareholders. The AGM may also approve the share buy-back plan for members of the Board of Directors.

| Remuneration type | Board of Directors | Executive Management |
|-----------------------|---------------------|----------------------|
| Fixed remuneration | Yes* | Yes |
| Variable remuneration | Stock Option Plan * | Stock Option Plan ** |

*Approved by GMS

** Performance related

Dividend policy

DN AGRAR's dividend policy aims to maintain a balance between shareholder remuneration through dividends and the company's need to finance development projects. Maintaining this balance aims both to increase the long-term investment attractiveness and to maintain the company's future development potential, ensuring the long-term sustainable profitability of the business, to the benefit of increasing the value created for our shareholders.

Their remuneration is carried out transparently and efficiently, both financially and fiscally, in any of the proposed options: distribution of dividends, reinvestment of profits or share buyback programmes for our company.

The main recipients and beneficiaries of the dividend policy are the company's shareholders and potential investors considering the opportunity to invest in DN AGRAR shares.



ACCOUNTING POLICIES

| | |
|--|-----|
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| Income, expenditure and performance policies | 146 |
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ACCOUNTING POLICIES

The items presented in the financial statements are measured in accordance with the general accounting principles set out below on an accrual basis.

The effects of transactions and other events are recognized when the transactions and events occur and are booked in the accounts and reported in the financial statements of the related periods. Accounting entries are made in RON at historical cost, unless fair value is used in accordance with the Company's accounting policies.

The accounts are kept in Romanian and in national currency. The accounting of transactions carried out in foreign currency is kept both in national currency and in foreign currency.



Conversion of foreign currency transactions

Transactions of companies in foreign currencies are booked at the exchange rate on the date of the transactions: gains and losses arising from the settlement of these transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account. The balances of claims, debts and monetary liquidity in foreign currency as at 31 December are converted into RON at the daily reference rate published by the National Bank of Romania.

Conventions and Principles

As general rules for the recognition of items in the financial statements, companies have adopted the following conventions, principles and rules:

a) the convention activity continuity, according to which the general activity of the companies is carried out on a continuous basis, without the premise (intention or necessity) of the interruption of their activity or entry into bankruptcy;

b) the accrual of accounting convention, according to which the effects of transactions and other events are recognized (and implicitly accounted for and reported in the individual financial statements) when the transactions and events occur (and not as the treasury or its equivalent is collected or paid).

c) items presented in the individual financial statements shall be measured in accordance with the following accounting principles:

- Going concern principle
- Principle of permanence of methods
- Precautionary principle
- Principle of accruals accounting
- Principle of separate valuation of assets and liabilities
- Principle of intangibility
- No compensation principle
- Principle of economic prevalence over legal
- Principle of significance threshold

d) The qualities of accounting information that have been taken into account in the preparation of the individual financial statements are: relevance, credibility, comparability, understandability.

SPECIFIC POLICIES RELATED TO FIXED ASSETS

INTANGIBLE ASSETS

The assessment of intangible assets is carried out at the acquisition cost, for the assets that enter through purchase, at the production cost, for the assets that are produced by the company under its own management, at the fair value, namely the utility value for the assets that enter through the contribution to the share capital, by donation, grant or exchange with other assets.

The costs related to modernizations, improvements and other efforts that improve the performances/use parameters of the respective asset are (also) capitalized in the input value of the fixed assets.

The valuation on the balance sheet, is carried out at the minimum between the net book value and the recoverable amount, and the exit from management is carried out at the entry value.

ACCOUNTING POLICIES

Concessions, patents, licenses, trademarks, rights and similar assets

Concessions, patents, licenses, trademarks, rights and similar assets representing contribution, purchased or acquired in other ways, are recorded in the accounts of intangible assets at the input value or acquisition cost, as the case may be.

In this situation, the input value is assimilated to the fair value. Received concessions are reflected as intangible assets when the concession contract establishes a specific duration and value for the concession.

Depreciation of the concession is to be recorded during the period of its use, established according to the contract.

If the contract provides for the payment of a rent and not a depreciable value, the expense representing the rent will be reflected, without the recognition of an intangible asset.

Advances and other intangible assets

Within advances and other intangible assets, advances granted to suppliers of intangible assets, computer programs created by the entity or purchased from

third parties, for own use needs, as well as other intangible assets, are recorded.

Valuation at the balance sheet date

Intangible assets are presented in the balance sheet at their entry value, less accumulated value adjustments.

TANGIBLE ASSETS

Lands

In the case of tangible fixed assets from the "Land" group, the companies opted for recording their value at the acquisition cost. Land valuation at the balance sheet date is carried out at cost, less the accumulated depreciation adjustments.

Buildings and productive biological assets (dairy cows)

Companies have opted for their registration at acquisition cost, for assets that enter through purchase or production cost, for assets that are produced by the company on its own or in partnership.

The valuation at the balance sheet date is carried out at cost, less the accumulated depreciation adjustments.

The plus or minus resulting from the revaluation of tangible assets, in compliance with the provisions of these regulations, must be reflected in the debit or credit of the "Revaluation Reserves" account, as the case may be, in compliance with the provisions regarding the revaluation of tangible assets.

The reduction of revaluation reserves can only be carried out within the limit of the existing credit balance.

The gain from the depreciation of reassessment differences is considered to be achieved, as the asset depreciates (is used by the economic entity). In this case, the amount of the transferred reserve is the difference between the depreciation calculated on the basis of the reassessed book value and the depreciation amount calculated on the basis of the original cost of the asset.

Depending on the legal provisions in force at the time, the reassessment of tangible assets and implicitly the reassessment reserve related to them was recognized from a fiscal point of view or not. As a result, the company registers and tracks on distinct analytically recognized and unrecognized fiscally, the revaluation reserves as well as the transferred surplus.

Subsequent expenses

The subsequent expenses with the significant improvements are recognized as a component of the asset in the conditions in which they have the effect of improving its initial technical parameters and/or lead to obtaining future economic benefits, additional to those initially estimated. The costs of maintenance, repairs and minor improvements are recognized as expenses in the period in which they are incurred.

Disposal and cassation of tangible assets, which are scrapped or withdrawn from service, are removed from the balance sheet together with the related accumulated depreciation.

Any profit or loss resulting from such an operation is determined as the difference between the income generated by the derecognition and the unamortized value, including the expenses caused by it, being included as income, namely expense, in the profit and loss account.

Gains and losses on the sale of fixed assets are determined based on their sales value and are taken into account when determining operating profit.

ACCOUNTING POLICIES

Fixed assets by the type of inventory items

Fixed assets as of inventory items, are expensed at the time of consumption and are not included in the accounting value of fixed assets.

Tangible assets in progress

Tangible assets in progress, represent the unfinished investments carried out under own management or in a joint venture and are valued at acquisition or production cost, as the case may be. They are classified as completed fixed assets after their reception, implementation or commissioning, as appropriate.

Financial leasing

Fixed assets that will be purchased under financial leasing will be capitalized and depreciated according to their estimated useful life time, on the same basis as own fixed assets. Assets acquired under finance leases are recognized as assets at the fair value at the acquisition date or at the discounted value of the minimum lease payments, if the latter is lower. The corresponding debt to the lessor is included in the balance sheet as a financial lease liability.

The finance cost, which is the difference between the total lease payments and the fair value of the leased assets, is allocated on the balance sheet over the lease term so as to obtain a constant periodic interest rate on the remaining debt balance in each period.

Depreciation

Tangible and intangible fixed assets are depreciated by the straight-line method, in compliance with the "Accounting Regulations according to the European Directives" approved by the Order of the Ministry of Finance 1802/2014, based on their estimated useful life time, from the moment they are put into operation, in such a way that the cost to decrease to the estimated residual value during the considered operating period, as follows:

- Tangible assets 3-18 years
- Landscaping 9 years
- Buildings 8-60 years
- Equipment, technological installations and means of transport 2-24 years
- Furniture, office equipment and protective equipment 3-12 years
- Biological assets (milk cows) 5 years
- Land is not depreciated because it is assumed to have an indefinite useful life

The tax depreciation regime is also the straight-line depreciation regime.

FINANCIAL ASSETS

Financial assets represent long-term participations, shares in affiliated companies and other participations, and are valued at acquisition cost or the value determined by the contract to acquire them, less accumulated adjustments for impairment losses.

The balance sheet date valuation of financial assets is shown in the balance sheet at the entry value less accumulated impairment adjustments.

SPECIFIC POLICIES RELATED TO CURRENT ASSETS

INVENTORIES

Inventories are valued at purchase cost and production cost respectively. The cost of inventory includes all costs related to acquisition and processing, as well as all costs incurred by the company to bring the inventory to its present form and location.

The cost of finished goods, as well as those in progress, includes direct materials, direct labour and other direct production costs, as well as the share of indirect costs reasonably

allocated as being related to their manufacture. The discharge method is FIFO (namely first in - first out). Inventories are shown on the balance sheet at the lower of cost and net realizable value.

RECEIVABLES

Short-term receivables (with maturities of up to 12 months) are valued at nominal value, on the date of their appearance, periodic updates are no longer necessary. Long-term receivables are shown at discounted value, based on an exchange rate or based on the payment collection plan.

Adjustments and provisions for the impairment of receivables, for the impairment of receivables from customer and debtor accounts, with the inventory at the end of the financial year, adjustments for impairment are reflected. Exchange rate differences related to receivables in foreign currencies at the end of each financial year are recognized as income or financial expenses of the period.

Uncollected receivables will lead to the recognition of losses in the financial statements of the year in which they are identified, as such only if it is certain that it is impossible to collect the said

ACCOUNTING POLICIES

amount, and only after the company has undertaken all the actions that are required in these situations (law enforcement the that bad-payer and obtaining a final judgement, the bankruptcy petition of the that debtor, etc.).

CASH FUNDS AND EQUIVALENTS

Cash funds are highlighted separately and accounted for by each currency type. The accounting record of cash funds in estimates and their movement is done in lei, at the exchange rate from the date of the transaction.

At the end of the financial year, foreign currency balances are converted according to the exchange rate communicated by the National Bank of Romania, valid at the closing date of the financial year, and exchange rate differences are highlighted as financial expenses or income of the period.

SPECIFIC POLICIES RELATED TO ADVANCE EXPENSES

Expenses incurred in the current financial year, but which concern the following financial years, are recorded separately, as expenses recorded in advance and may be as rents,

subscriptions or other expenses incurred in advance. Expenses registered in advance are valued at the acquisition cost or the value stipulated by the contract.

SPECIFIC DEBT POLICIES

Debts are valued at the nominal value of the sums of money to be paid or at the nominal value of other means of extinguishing the debt. Discounting of the value of debts is done in the case of debts in foreign currency, which are not settled by the end of the year, leading to the recognition of expenses or income from exchange rate differences during the period, or in the case of medium- and long-term debts which must be indexed to certain rates (bank loans, other similar loans, etc.).

Staff settlements and related contributions

The accounting of settlements with the staff includes salary rights, increments, additions, awards from the salary fund, allowances for annual leave, as well as those for temporary incapacity for work, paid from the salary fund and other rights in money and/or in kind owed by staff entity for the performed

work. Accounting for social contribution settlements includes obligations for social insurance contribution and social health insurance contribution.

The social contributions highlighted in the balance sheet at the end of the financial year will be presented separately, namely the social contributions to be recovered as receivables, and the social contributions to be paid as debt.

Companies evaluate and record, every month, salary expenses and related payment obligations. All benefits of the nature of wages that are granted to employees are assessed and included in the level of gross wages. The exception to this rule is meal voucher benefits, which are granted to employees within the legally established limits.

Settlements with the state budget and special funds

Settlements with the state budget and special funds include: profit/income tax, value added tax, salary income tax, subsidies to be received, other taxes, fees and similar payments. The profit tax/payment income must be recognized as a liability within the limit of the unpaid amount. If the amount paid exceeds the amount owed, the

excess must be recognized as a receivable. The value added tax due to the state budget is determined as the difference between the amount of the chargeable tax related to the goods delivered or services provided (collected VAT) and the deductible tax for purchases of goods and services (deductible VAT).

In the situation where there are gaps between the fact generating VAT and its maturity date, the total VAT is recorded in a separate account, called non-chargeable VAT which, as it becomes chargeable according to the law, is transferred to collected VAT or deductible VAT, as the case may be.

The income tax as wages, which is registered in the accounting, includes the total of individual taxes, calculated according to the law. Debts to the state budget and special funds are calculated, highlighted and transferred according to the legal provisions in force.

Bank credits

Bank loans drawn by companies in the future, will be assessed and presented in the balance sheet at the updated value of the future payments needed to settle the debt. The calculation of the update will be done either with the help of the repayment

ACCOUNTING POLICIES

graphs drawn up by the creditor bank, or with the help of an update rate considered representative. Interest related to bank loans will be recognized as expenses of those financial years. Interest will be charged directly to costs.

The liabilities associated with bank loans in foreign currency will be converted at the end of the financial year into the reporting currency, using the reference exchange rate communicated by the National Bank of Romania for the end of the financial year, and the exchange rate differences that appear will be recognized as income, namely financial expenses of the period.

The current part of the long-term loans will be included in "Debts to be paid within one year". The interest accrued on the balance sheet date will be included in "Amounts owed to credit institutions" under current liabilities.

Provisions

A provision will only be recognized when:

- an entity has a current obligation generated by a previous event. The value recognized as a provision must be the best estimate at the balance sheet date of the costs necessary to settle the current obligation. Provisions should be reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If an outflow of resources is no longer likely to settle an obligation, the provision will be canceled by resuming income. The provision will be used only for the purpose for which it was originally recognized.

SPECIFIC POLICIES RELATED TO ADVANCE INCOME

Incomes recorded in the current year, but which concern the following financial years, are recorded separately, as incomes recorded in advance and may be as rents, subscriptions or other incomes related to the following periods or years.

Revenues recorded in advance, follows the regime of assessment and recording of debts.

SPECIFIC POLICIES RELATED TO EQUITY

Share capital

The companies were established according to Law no. 31/1990 republished, with subsequent amendments and changes.

The share capital can be increased by issuing new shares, issued and

subscribed at the market value of the shares, or by issuing shares granted free of charge.

Reserves from reassessment

The gain or loss resulting from the reassessment of tangible assets, in compliance with the provisions of these regulations, must be reflected in the debit or credit of the "Reassessment Reserves" account, as the case may be, in compliance with the provisions regarding the reassessment of tangible assets.

Revaluation reserves may be reduced only up to the limit of the existing loan balance.

The gain from amortization of reassessment differences, is considered achieved as the asset depreciates (is used by the economic entity).

In this case, the amount of the transferred reserve is the difference between the depreciation calculated on the basis of the revalued book value and the depreciation amount calculated on the basis of the original cost of the asset.

Depending on the legal provisions in force at the time, the reassessment of

tangible assets and implicitly the reassessment reserve related to them was recognized from a fiscal point of view or not.

As a result, the company records and tracks the reassessment reserves, as well as the transferred surplus, on separate analytically recognized and unrecognized for tax purposes.

Legal reserves

Legal reserves are established annually from the profit of the entity, in the shares and within the limits provided by law (at a rate of 5%, until the total reserve reaches 20% of the subscribed and paid-up capital), and from other sources provided by law.

Legal reserves can only be used under the conditions provided by law.

Other reserves

Other reserves not foreseen by the law or the statute can be constituted as optional, on account of the net profit to cover accounting losses or for other purposes, according to the decision of the General Meeting of Shareholders or Associates, in compliance with the legal provisions.

ACCOUNTING POLICIES

INCOME, EXPENDITURE AND PERFORMANCE POLICIES

Income recognition

Income is recognized in accordance with the following criteria:

- increase in future economic benefits, by increasing assets or reducing liabilities, determined when the following criteria are cumulatively met:

- the transfer of all risks and rewards of ownership of the asset;
- effective control of the good sold is no longer held;
- that good can no longer be managed.

- credible assessment

Sales excluding VAT, excise duties, other sales taxes and discounts are recognized when the delivery of goods and services have taken place and the transfer of risks and rewards is achieved.

Income from sales of goods are recorded at the moment of handing over the goods to the buyers, their delivery based on the invoice or under other conditions stipulated in the contract,

which attests the transfer of the ownership of those goods to the customers.

Income from the provision of services are recorded in the accounting as they are performed. Interest, royalty and dividend income is recognized as follows:

- a) interests are recognized periodically, proportionally, to the extent of generating that income, based on accrual accounting;
- b) royalties are recognized based on accrual accounting, according to the contract;
- c) dividends are recognized when the shareholder's right to collect them is established.

The reduction or cancellation of established provisions, i.e. adjustments for depreciation or impairment reflected, is achieved by booking them to income if their maintenance is no longer justified, the risk is realized or the expense becomes chargeable.

Recognition of expenditures

Expenses are recognized according to the following criteria:

- a reduction in future economic benefits,

through reductions in assets or increases in liabilities, which has the effect of reducing the company's own capital, a consequence that does not refer to withdrawals or distributions to the company's founders;

and

- the assessment should be credible

In order to properly assess the expenditures, they are associated with the value of the assets that decrease accordingly or with the value of the liabilities that appear together with these expenditures.

Therefore, a correct assessment of the assets upon their entry into management and later upon the adjustment of their value, due to various causes, namely the correct assessment of the liabilities results in the credible assessment of the associated expenditures.

An essential aspect associated with expenditures is the timing of their recognition. Professional judgment will be used here, which will be based on accrual accounting, as well as the principle of connecting expenditures with the revenues that were generated in that period of time. Expenditures related to salaries and collaborators will be recorded on the basis of payroll and related documents.

The expenses related to the works performed and the services provided by third parties will be recorded on the basis of invoices or supporting documents, in the period related with the generating event.

Depreciation expenditures will be recorded each month of use of those assets, based on real estate depreciation plans. The expenditures related to granted subsidies, sponsorships and donations will be recognized in the period in which the assets with which the subsidy/ sponsorship/ donation was made are out of management. These expenditures are carried out within the limits provided by the legislation in force, regarding their deductibility when calculating the profit tax.

Accounting result – tax result

At the end of each period (month, etc.) the balances of the income and expense accounts are taken over by the profit and loss account. The gross accounting result is adjusted with the non-taxable expenses, with the tax-deductible ones, as well as with the non-taxable income, to determine the tax result.

The tax facilities that the companies have benefited from, are assessed and registered according to the legal and statutory provisions in force during the reporting period.

ACCOUNTING POLICIES

Taxation

Companies record either the current profit tax based on the gross profit from the financial statements, according to law no. 227/2015 on the Tax Code with subsequent amendments and completions, or income tax in the case of micro-enterprises.

ACCOUNTING POLICIES RELATED TO SPECIFIC SITUATIONS

Contingent assets

Contingent assets are usually generated by unplanned or unexpected events that can generate inflows of economic benefits to the company.

Contingent assets are not recognized in the financial statements because they are not certain and their recognition could result in income that is never realized.

Contingent assets are continuously assessed to ensure the appropriate reflection in the financial statements of the changes that have occurred.

Thus, if the inflow of economic benefits becomes certain, the corresponding asset and income will be recognized in the financial statements for the period

in which the changes occurred. Otherwise, it will continue to be presented as a contingent asset.

Contingent debts

A contingent debt is:

a) a potential obligation, arising as a result of some past events, prior to the balance sheet date and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, which cannot be fully under the entity's control;

or

b) a current obligation arising as a result of past events, prior to the balance sheet date, but which is not recognized because either it is not certain that outflows of resources will be required to settle this debt, or the value of the debt cannot be assessed reliably enough.

Contingent liabilities are continuously assessed, to determine whether an outflow of resources embodying the economic benefits has become probable.

If it is considered that the outflow of resources is necessary, generated by an element considered prior to the

contingent liability, a liability or a provision will be recognized, as the case may be, in the financial statements related to the period in which the change in the classification of the event took place.

Events after the balance sheet date

Events after the balance sheet date are those events, favorable or unfavorable, that occur between the balance sheet date and the date on which the annual financial statements are authorized for issue.

Subsequent events that provide additional information to that existing at the balance sheet date in relation to the company's balance sheet or that have negative implications for going concern and that result in income or expenses having to be recognized in the accounts in order to present a true and fair view are shown in the financial statements

Change in accounting policies

Changes to the accounting policies will only be made if required by law or results in more relevant or more credible information regarding the company's operations.

In the event of a change in accounting policies, so that users can appreciate whether the new policy has been chosen adequately, the effect of the change on the reported results of the period and the actual trend of the results of the company's activity will be presented accordingly.

MANAGEMENT STATEMENT

Alba-Iulia, 29 March 2023

We confirm to the best of our knowledge that the audited condensed consolidated and separate financial statements prepared for the twelve-month period ended at December 31, 2023 give a true and fair view of the assets, liabilities, financial position and profit and loss position of DN AGRAR GROUP SA, as required by the applicable accounting standards, and that the Management Report gives a true and fair view of the significant events that occurred in the financial year 2023 and their impact on the company's consolidated and separate financial statements.

Jan Gijsbertus de Boer

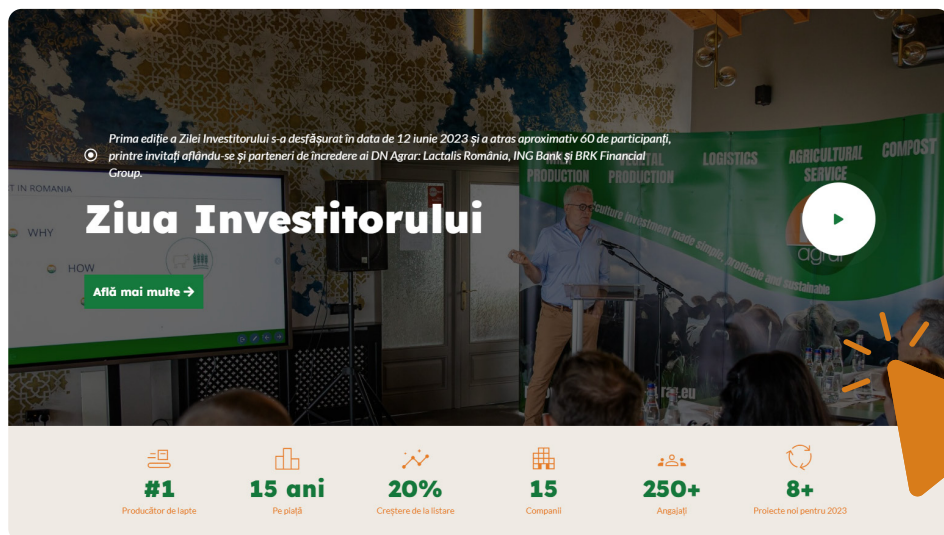
Chairman of the Board of Directors of DN AGRAR GROUP S.A.

CONTACT

Website: 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.

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