



NOVEMBER, 2022

FINANCIAL REPORT ON 30.09.2022

DN AGRAR GROUP SA

Company listed on MTS AeRO Premium market, of the Bucharest Stock
Exchange



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ISSUER INFORMATION

Information about this financial report

Report type	Quarterly report on 30.09.2022
For the financial year	01.07.2022 – 30.09.2022
Legal background	Annex 14 to the ASF Regulation no. 5/2018
Report date	23.11.2022

Information about the issuer

Name	DN AGRAR GROUP S.A.
VAT code	24020501
Trade Registry Number	J01/730/2008
Headquarters	Alba-Iulia, Strada Piața Iuliu Maniu, Nr. 1, Bl. 31DE, Jud. Alba, ROMÂNIA

Information about the transferable securities

Subscribed and paid capital	31.818.844,80 lei
Market where the transferable securities are traded	MTS AeRO Premium
Key features of the transferable securities issued by the company	159.094.224 ordinary shares
Symbol	DN

Contact

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The consolidated financial statements on September 30, 2022, are described in the following pages, are **not audited**.



LETTER FROM THE CEO OF DN AGRAR GROUP

SA

Dear shareholders,

In the first 9 months of this year, we continued to accelerate investments, part of the circular economy. As a leader in cow's milk production, we have achieved growing results with a strengthened group after listing on the stock exchange and a professional management of the company.

This year represented the consolidation of the group's activity and new investments. Recently, we completed the modernization works of both milking parlors within the Apold farm. The investment consisted in the construction of a new milking parlor, to international standards, which was completed in June and was financed by a bank loan, as well as the renovation of the current milking parlor, the renovation value of which amounted to 100.000 euros and was fully financed through own sources, including construction and commissioning. The operation of the two halls at maximum capacity, in 3 shifts, will allow an increase in operational capacity of 50% for the Apold Farm, from 1,000 cows. At the same time, for the same farm we purchased 400 milking cows, which will cover up to 40% of the new capacity.

With regard to the Lacto Agrar farm, in September 2022, we started the project to build a new pool for manure. We are in the phase of preparing the land on which we will build the pool and estimate the completion of the construction by the beginning of 2023.

At the level of DN AGRAR farms, in the first 9 months of 2022, the amount of delivered milk, increased by over 2.7 million liters of milk in the first 9 months of 2022, namely by over 8.3% compared to the same period of 2021, and will continue to grow. Our company offers logistics and cow's milk transport services, with specialized vehicles, both on the national territory and at the European level.

In the field of cereals, the companies of the DN AGRAR group, currently cultivate more than 7,000 hectares located within the counties of Alba, Sibiu and Hunedoara, and the objective is to reach a cultivated area of 10,000 hectares by acquiring other farms with vegetable agricultural production and/or animal husbandry. We use the productions obtained from the established crops, both to ensure the fodder base for our own farms and to pay rent to those tenants who opt for cereals. As for the productions obtained from the barley and sunflower crops, they are used for third parties. In the last three years we have faced a pandemic, war and inflation fueled by energy prices, which have driven up multiple costs, including the cost of bank financing. Also, this year, the drought constituted another challenge for those of us, that work in the field of agriculture, quantitatively affecting the harvested tons.

Despite the current challenges, we believe that we have the necessary experience and the executive team is fully committed to long-term success and fully aligned with DN AGRAR's shareholders. We have a solid business continuity plan; it is important for us to continue to demonstrate the determination that characterizes us.

The permanent objective of the DN AGRAR company is: – Profit reinvestment – Constant improvement of the quality of our products – Continuous development – Circular agriculture.

Jan Gijsbertus de Boer,

President of the Board of Directors of DN AGRAR GROUP SA



KEY FIGURES 9 MONTHS 2022

TURNOVER

103,23 mil. RON

Increasing with **221,45%**
compared to 32,11 mil. Ron on
30.09.2021



NET PROFIT

10,60 mil. RON

Increasing with **249,50%**
compared to 3,03 mil. Ron on
30.09.2021



OWN CAPITAL

76,30 mil. RON

Increasing with **16,56%**
compared to 65,46 mil. Ron on
31.12.2021



ACCOUNTING NET ASSETS

182,02 mil. RON

Increasing with **73,38%**
compared to 104,98 mil. Ron on
31.12.2021



TOTAL ASSETS

230,22 mil. RON

Increasing with **56,64%**
compared to 146,96 mil. Ron
on 31.12.2021



EBITDA DN AGRAR GROUP SA

32,48 mil. RON

Increasing with **270,2%**
compared to
8,77 mil. Ron on 30.09.2021



EVOLUTION OF THE INDICATOR TURNOVER FOR 9 MONTHS 2022 VERSUS 9 MONTHS 2021

LEI 120.000.000

LEI 100.000.000

LEI 80.000.000

LEI 60.000.000

LEI 40.000.000

LEI 20.000.000

LEI 0



LEI 32,113,564



LEI 103,227,461



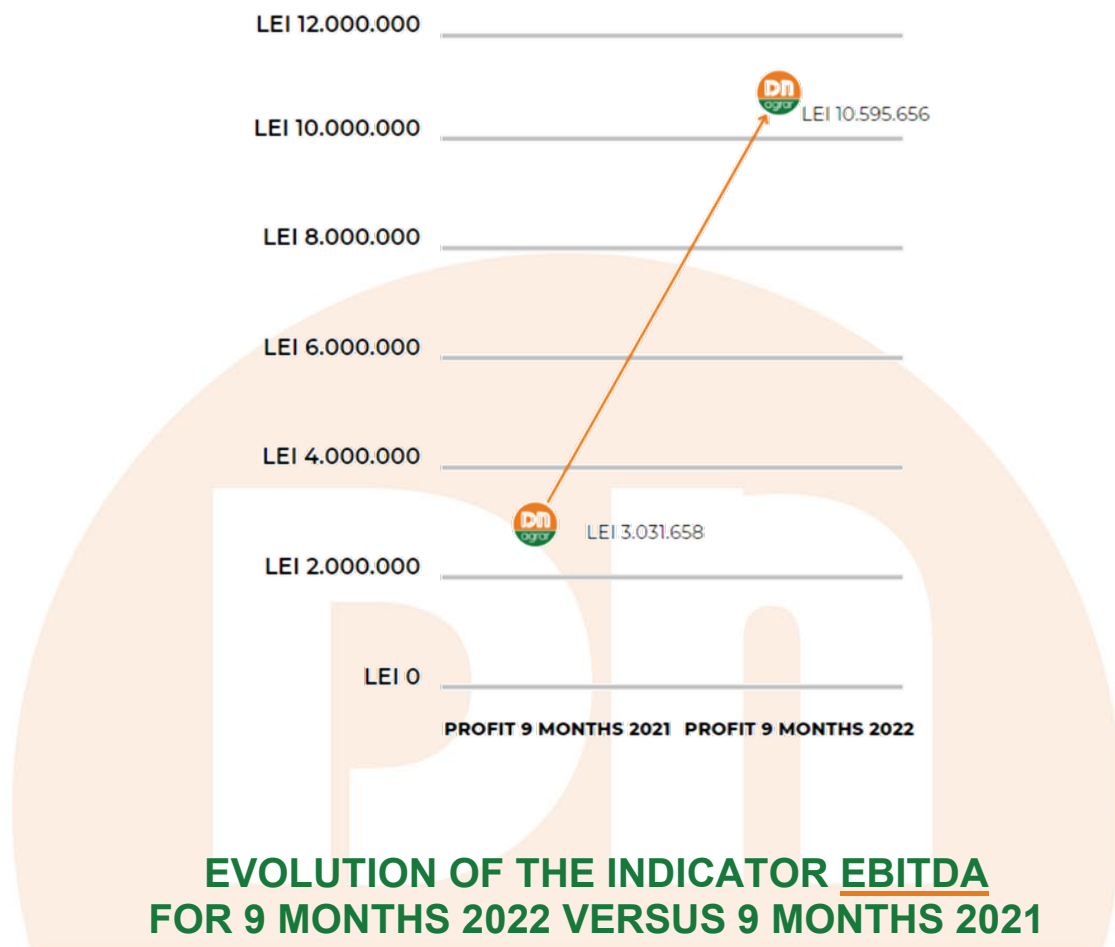
ESTIMATED 2022
LEI 80.000,000

TURNOVER 9 MONTHS 2021

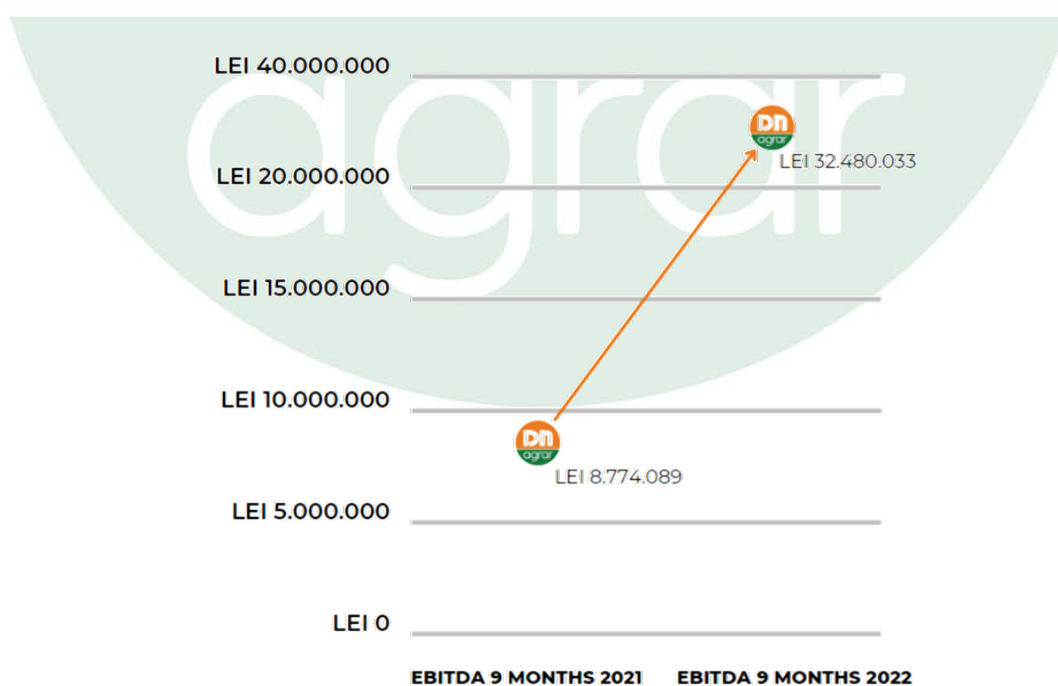
TURNOVER 9 MONTHS 2022



EVOLUTION OF THE INDICATOR NET PROFIT FOR 9 MONTHS 2022 VERSUS 9 MONTHS 2021



EVOLUTION OF THE INDICATOR EBITDA FOR 9 MONTHS 2022 VERSUS 9 MONTHS 2021



ABOUT DN AGRAR GROUP SA

BRIEF HISTORY OF THE COMPANY AND DESCRIPTION OF THE FIELD OF ACTIVITY

DN AGRAR GROUP SA started its activity in Romania in 2008, by initially leasing 23 ha of agricultural land, from the center of Transylvania - Alba, Sibiu and Hunedoara counties - financed by Mr. Jan G. de Boer, and since 2010 through foreign investment.

These companies carry out activities in areas such as: zootechnics, namely raising dairy cattle, vegetable agricultural production, services in agriculture, logistics, transport, tourism, business and management consulting services.

The company is headquartered in Alba-Iulia and is divided into the following departments: general management, finance, accounting, legal, management consulting, engineering, human resources, marketing & PR, IT and topography.

PRESENTATION OF THE COMPANIES FROM DN AGRAR GROUP SA

The 15 companies that are part of the DN AGRAR GROUP SA portfolio, include 4 farms, whose main activity is both dairy cattle breeding (Prodact farm) and cow's milk production (Cut, Lacto Agrar and Apold farms), meeting a total capacity of approximately 10,500 heads, both dairy cows and young cattle. The objective of the DN AGRAR company is to reach a number of up to 12,500 dairy cows and young cattle in the near future.

In continuation, we present the two of our farms:

❖ DN AGRAR CUT farm, located in Călnic Village, DN1, Alba County was inaugurated in 2021. In addition to the main activity of producing cow's milk, the farm also operates in the cultivation of cereals (excluding rice), leguminous plants and plants producing oilseeds. For the most part, the grain and vegetable production is used as feed for the farm's dairy cows.

The DN AGRAR CUT farm is equipped with technological equipment to European standards, having a herd of over 1,800 dairy cattle. The activity is managed by a number of 40 employees, who work with modern technological equipment and use state-of-the-art livestock monitoring systems.

DN AGRAR CUT also has a rotary milking parlor with 60 milking stations, where between 300 and 350 cows/hour can be milked, with a production of 35,000 liters of milk daily. An important element to specify here is the milk cooling unit, with the help of which the temperature of the milked milk is lowered from 37°C to 4°C, to be loaded directly into the tanks and transported to the processors.

The farm also has a manure storage lagoon.

❖ DN AGRAR APOLD farm, located in Gârbova Village, Alba County, is one of the farms from DN AGRAR group, whose main activity is the production of cow's milk and feed grains.

The DN AGRAR APOLD farm has 5 stables with a total herd of over 3,000 dairy cattle, the activity being managed by a number of 47 employees.

DN AGRAR APOLD owns 2 milking rooms, with 60 milking stations each, where 480 cows can be milked/hour, with a current production of over 50,000 liters of daily milk. The main goal for Apold Farm is to double the farm's milk production by the end of next year.



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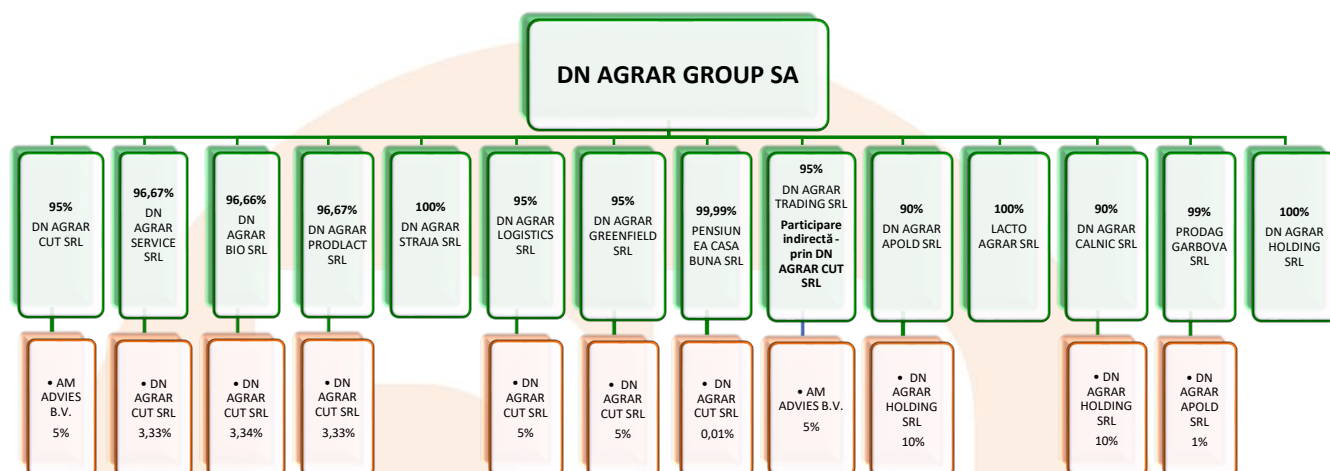
https://dn-agrar.eu/

The farm also has 3 milk tanks, with a total capacity of approximately 100.000 liters of milk, as well as shelters for housing the calves, "igloo" beds, with a capacity of approximately 600 places.

In addition, the DN AGRAR APOLD farm owns a mill for the preparation of animal feed and a grain storage warehouse.

Also, near the Apold farm, there are 2 manure storage lagoons, with a total capacity of 75,000 m³, one of which was inaugurated this year.

The diagram below shows the percentage of capital that DN AGRAR GROUP SA owns in each of the companies in the portfolio.



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

1. DN AGRAR APOLD SRL – direct participation in the share capital 90% + indirect participation in the share capital (prin DN Agrar Holding SRL) 10%
2. DN AGRAR CALNIC SRL- direct participation in the share capital 90% + indirect participation in the share capital (prin DN Agrar Holding SRL) 10%
3. DN AGRAR TRADING – indirect participation in the share capital (prin DN Agrar Cut SRL) 95%
4. DN AGRAR CUT - direct participation in the share capital 95%
5. DN AGRAR HOLDING - direct participation in the share capital 100%
6. LACTO AGRAR - direct participation in the share capital 100%
7. PRODAG GARBOVA SRL - direct participation in the share capital 99 % + indirect participation in the share capital (bby DN Agrar Apold SRL) 1%
8. DN AGRAR STRAJA SRL - direct participation in the share capital 100%
9. DN AGRAR BIO SRL - direct participation in the share capital 96,66% + indirect participation in the share capital (by DN Agrar Cut SRL) 3,173%
10. DN AGRAR LOGISTICS SRL - direct participation in the share capital 95% + indirect participation in the share capital (by DN Agrar Cut SRL) 4,75%
11. DN AGRAR PRODLACT SRL - direct participation in the share capital 96,67% + indirect participation in the share capital (by DN Agrar Cut SRL) 3,16%
12. DN AGRAR SERVICE SRL - direct participation in the share capital 96,67% + indirect participation in the share capital 3,1635%



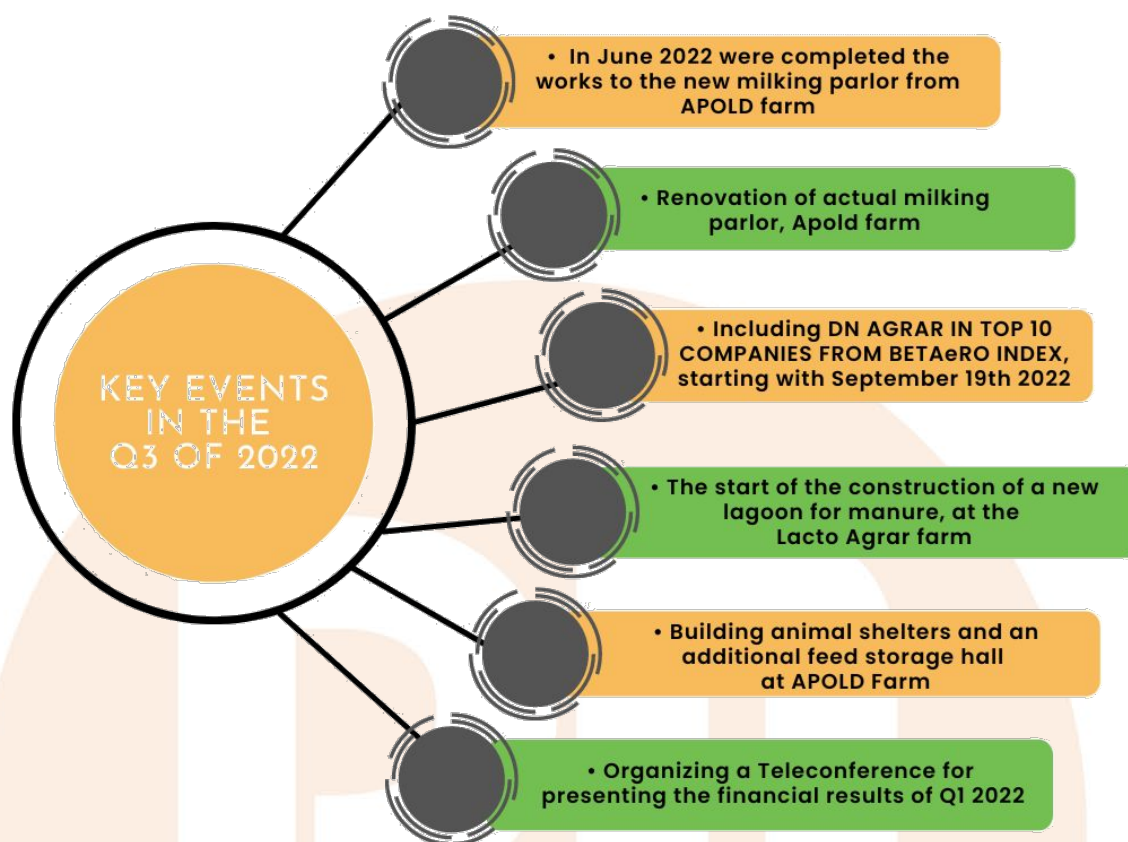
13. DN AGRAR GREENFIELD SRL - direct participation in the share capital 95% + indirect participation in the share capital (by DN Agrar Cut SRL) 4,75%
14. PENSIUNEA CASA BUNA SRL - direct participation in the share capital 99,99% + direct participation in the share capital (by DN Agrar Cut SRL) 0,0095%



** Indirect participation in the share capital was calculated pro-rata*



KEY EVENTS IN Q3 2022 AND AFTER THE END OF THE REPORTING PERIOD



KEY EVENTS IN Q3 2022

The company's plans and strategy continued the settled direction in Q3 of 2022, therefore on July 5th, 2022, DN AGRAR GROUP SA informed the market that it had completed the work on the new milking parlor at the Apold farm, this representing part from the investment project planned for this year, as well as the renovation of the current milking parlor, an operation completed in October 2022. Starting from October of this year, both milking parlors became operational, and by purchasing the 400 cows, Holstein breed, from Germany, the Apold farm registered a 40% increase in capacity.

As well, as was foreseen in the investment project for the Apold farm, we completed the construction of animal shelters, as well as an additional feed storage hall.

On **August 24th, 2022**, we published the pro forma financial statements for the year 2021 to reflect the 4 new companies integrated this year. Total assets as of December 31st, 2021, including the new companies, are 218,74 million lei (proforma), 50% higher than the consolidated annual balance sheet published in the 2021 Annual Report and 170% higher than 2020.

On **September 12th, 2022**, we have participated in the "Capital Market Forum", an event organized by Financial Intelligence, where we discussed the listing of the DN AGRAR company on the AeRO



market of the Bucharest Stock Exchange, projects related to farms and agriculture and future products of the company. More details [HERE](#).

Starting from **September 19th, 2022**, DN AGRAR GROUP SA shares were included in the top 10 companies in the BETAeRO index. The share of the company in the index basket is 3.69%, at a reference share price of 0.7000 lei and a free-float of 0.3. In order for a company to be included in the basket of the BETAeRO index, it is necessary that, at the time of the analysis, it registers a liquidity coefficient of at least 0.5% (50 bps) and the free-float capitalization of at least five million lei. The capitalization of DN AGRAR, on September 8th, 2022, when the decision of the BVB Indices Commission to include in BETAeRO was issued, was over 111 million lei.

On **September 26th, 2022**, the related financial results for Q1 2022 were published.

On **September 27th, 2022**, we organized the first teleconference to present the financial results related to Q1 2022. The company closed the first half of 2022 with a total turnover of 62.4 million lei, an increase of 241% compared to the first semester of 2021, supported mainly by the acquisition of the two agro-zootechnical farms Lacto Agrar and DN AGRAR Apold. The registration of the teleconference is available [HERE](#).

On **September 28th, 2022**, we have participated in an online meeting dedicated to individual investors organized by the "Invest in the Stock Market" community, during which we discussed the company's financial results, investment plans and DN AGRAR's activity in the capital market.

KEY EVENTS AFTER THE END OF THE REPORTING PERIOD

On **October 4th, 2022**, we have participated in the show "Feel the Markets", where we discussed the business lines and companies of the DN AGRAR group, milk and grain production, financial results and indicators, the perspective for 2022, as well as the evolution of DN AGRAR within the Bucharest Stock Exchange. More details [HERE](#).

On **October 24th, 2022**, we have participated in the "ZF Agriculture Summit 2022, an event organized by the Financial Newspaper, where we discussed Romania's chances of covering consumption needs for the main food products, in this case we discussed the necessary investments in the livestock sector, about the problems it faces, as well as about the possible solutions in the sense of reducing the dependence on imports at the country level, for this sector.

On **November 10th, 2022**, we have participated in the XXIX of the "Top of Companies from Alba County", an event organized by the Alba Chamber of Commerce and Industry, in which the performances achieved by DN AGRAR in 2021 were awarded, with no less than 7 prizes.

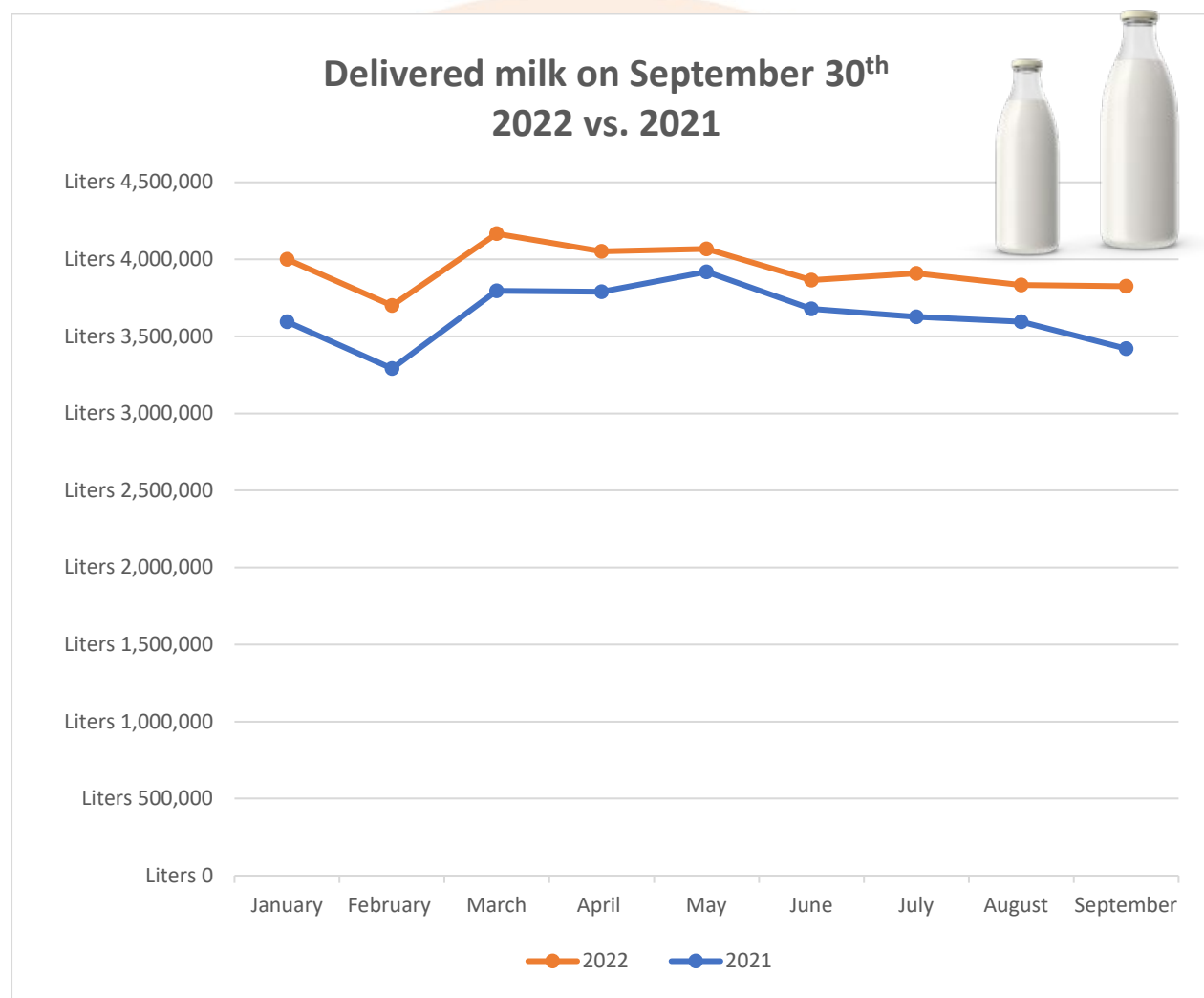
On **November 17th, 2022**, we have participated in the "ARIR Gala 2022", an event organized by the Romanian Investor Relations Association, where DN AGRAR was voted by the public as one of the top companies on the AeRO market, in terms of the best communication with investors. More details [HERE](#).



ASSESSMENT OF DN AGRAR GROUP SA ACTIVITY

MILK PRODUCTION ACTIVITY

Regarding the quantity of milk delivered to the processors with which DN AGRAR has partnerships, in the graph presented below, we highlight the ratio of deliveries for the first 9 months of 2022, compared to the first 9 months of 2021.



As can be seen, at the level of DN AGRAR farms, the amount of delivered milk increased by more than 2.7 million liters of milk in the first 9 months of 2022, meaning an increase of 8.3% compared to the same period of 2021, a trend that will continue.

For the third quarter, we have maintained the pace of growth in the amount of delivered milk compared to the same period last year, so we expect the upward pace of milk deliveries to remain high.



CEREAL PRODUCTION ACTIVITY

For the AGRICULTURE sector, we state that at the end of July, we successfully completed the campaign to harvest grassy grains, as well as the campaign to harvest and collect bales.

In August, we harvested green mass alfalfa, finished seeding green crops and started the silage corn harvesting campaign, which ended in September.

Starting from September, we carried out works specific to this period, by preparing the land for the spring campaign for the year 2023 (scarified and plowed). Harvesting of sunflower and grain corn crops was also carried out.

In the 2nd decade of September, the sowing of autumn crops was carried out, especially grass cereals (wheat, triticale and barley), as well as leguminous crops (fodder autumn peas).

We present below, the situation of crops established in the 2021-2022 agricultural year.

Year 2021-2022

Crops	Corn	Triticale	Alfalfa	Wheat	Barley	Sunflower	Peas	Soyabean	Mixed grass	Pasture	Uncultivated land
Hectares	2.828,58	1.069,22	546,67	246,98	193,68	132,60	58,17	326,28	80,33	709,21	918,56



DN AGRAR GROUP SA ON THE CAPITAL MARKET

DN AGRAR shares were included in the BETAeRO index, of the most traded companies, starting on September 19th, with a weight of 3.69% in the index basket, at the reference share price of 0.7000 lei and a free-float of 0.3. In order for a company to be included in the BETAeRO index basket, it is necessary that, at the time of the analysis, it registers a liquidity coefficient of at least 0.5% (50 bps) and free-float capitalization of at least 5 million lei.

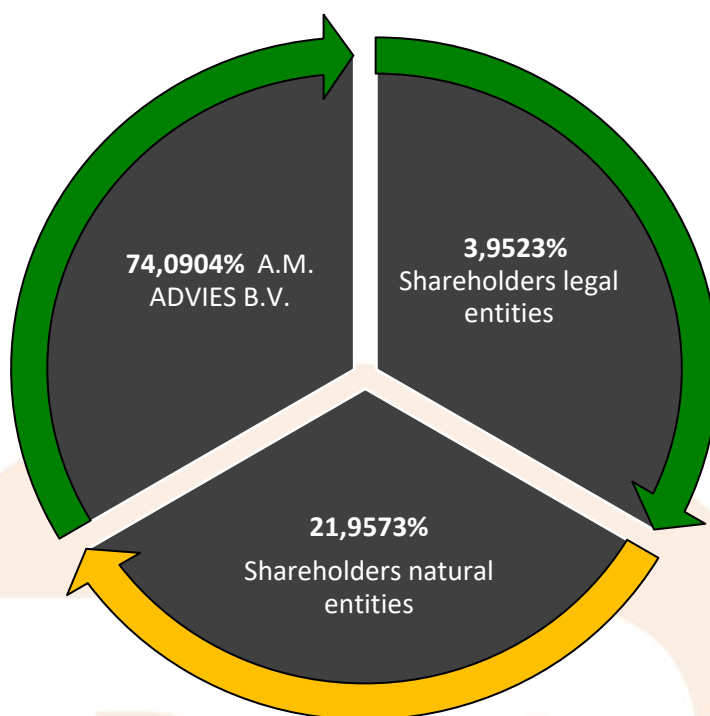
DN AGRAR's capitalization on **September 8th, 2022**, the date of the decision of the BVB Indices Commission to include in BETAeRO, was over 111 million lei. At the level of the 33 companies included in BETAeRO's SMT, DN AGRAR was among the companies with the highest increase in turnover in the first 6 months, by over 240% compared to the same period of 2021. Source [HERE](#).

On **September 30th, 2022**, the price of the DN AGRAR share was 0.6760 lei, close to the initial level of the share in February, in a difficult market context, in which the BET index decreased by more than 10% and the of the AeRO market, double.

We present, in the graph below, the evolution of the share price of DN AGRAR GROUP SA, from **February 2nd, 2022**, when the company was listed on the AeRO market of the Bucharest Stock Exchange, and until now, as well as the BETAeRO index.



On September 30th, 2022, the shareholding structure of DN AGRAR GROUP SA is as follows:



Shareholders	Number of shares		Percentage
A.M. ADVIES B.V.	117.873.600		74,0904 %
Shareholders natural entities	34.932.720		21,9573 %
Shareholders legal entities	6.287.904		3,9523 %
Total	159.094.224		100 %

The share capital of DN AGRAR GROUP SA, on the date for which this report is drawn up, consisted of 159,094,224 shares, with a nominal value of 0.2 lei/share, and the shareholding structure of DN AGRAR GROUP SA was as follows:

- AM Advies BV = 117.873.600 shares
- Shareholders natural entities = 34.932.720 shares
- Shareholders legal entities = 6.287.904 shares



ACCOUNTING POLICIES

The elements presented in the financial statements are assessed, in compliance with the general accounting principles set out below, according to accrual accounting. The effects of transactions and other events are recognized when the transactions and events occur and are recorded in the accountancy and reported in the financial statements of the related periods. Accounting entries are made in lei (RON) at historical cost, except when fair value is used, according to the Company's accounting policies.

Accounting is kept in Romanian and in the national currency. Accounting for operations performed in foreign currency is kept both in the national currency and in foreign currency.

Conversion of foreign currency transactions

The companies' transactions in foreign currency are recorded at the exchange rate on the date of the transactions: gains and losses recorded from the settlement of such transactions and from the conversion of monetary assets and liabilities denominated in foreign currency are recognized in the profit and loss account. The balances of receivables, debts and monetary availability in foreign currency on December 31st are converted into lei, at the reference rate of the day published by the National Bank of Romania.

Conventions and principles

As general rules for recognizing the elements in the financial statements, the 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) the elements presented in the individual financial statements are assessed, in compliance with the following accounting principles:

- The principle of business continuity
- The principle of permanence of methods
- The precautionary principle
- The principal accrual accounting
- The principle of separate valuation of assets and liabilities
- The principle of intangibility
- The principle of non-compensation
- The principle of the prevalence of the economic over the legal



- The principle of the significance threshold

d) the qualities of the accounting information that were taken into account when preparing the individual financial statements are: relevance, credibility, comparability, intelligibility.

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.

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.

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 the case may be.

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 fiscal 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 losses in value.

The valuation at the balance sheet date of the financial assets is presented in the balance sheet at the entry value, less the accumulated adjustments for the loss of value.

SPECIFIC POLICIES RELATED TO CURRENT ASSETS

STOCKS

Inventories are valued at acquisition 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 the form and location where it is located. 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 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

Liabilities are valued at the nominal value of the sums of money that will be paid or at the nominal value of other ways to extinguish the obligation. The update of the value of the debts is done in the case of debts in foreign currency, not settled until the end of the year, which lead to the recognition of some expenses or income from exchange rate differences within the period, or in the case of medium and long-term debts that must be indexed according 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 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 plus or minus 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.

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

REVENUE, EXPENDITURE AND PERFORMANCE POLICIES

Recognition of revenues

Revenue recognition is carried out according to the following criteria:

- ❖ the increase in future economic benefits, through increases in assets or reductions in liabilities, growth determined when the following criteria are cumulatively met:
 - the transfer of all the risks and advantages related to the ownership of the asset;
 - effective control over the sold good 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.

Revenues 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.

Revenues from the provision of services are recorded in the accounting as they are performed.

Income from interest, royalties and dividends 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 decrease or cancellation of the established provisions, namely of the adjustments for depreciation or loss of value reflected, is carried out by recording them in the income if their maintenance is no longer justified, the risk is realized or the expense becomes payable.

Recognition of expenditures

Expenses are recognized according to the following criteria:

- ❖ the reduction of 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 founders of the company, 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.

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 subsequent to the balance sheet date

Events subsequent to 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 publication.

Subsequent events that provide additional information compared to those existing at the balance sheet date, in relation to the company's balance sheet or with negative implications on the continuity of the activity and that lead to the need to record income or expenses in the accounting, in order to present a true picture, are reflected in the financial statements.

Change in accounting policies

The change in 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.



RISKS FOR 2022

- **Collection risks**

The risk that a third party will not comply with its contractual obligations towards the entity, thus causing it financial losses, is collection risk. In order to eliminate/limit the effects generated by the occurrence of such a risk, a customer assessment system was implemented, 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 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 GROUP S.A. 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.

- **Risk price**

DN AGRAR GROUP S.A. is exposed to price risk as there is a possibility that the value of services may fluctuate as a result of changing market prices.

- **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 GROUP S.A. 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.

- **Market risk**

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. Therefore, the instability of demand, sales, price, causes the emergence of market risk for the company.

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.



PERSPECTIVE ELEMENTS FOR 2022

ONGOING INVESTMENT PROJECTS

At the level of the DN AGRAR group companies, we plan to continue the projects started this year, as well as to carry out a number of new projects. We present below, broken down by each company, the projects we refer to.

DN AGRAR GROUP SA

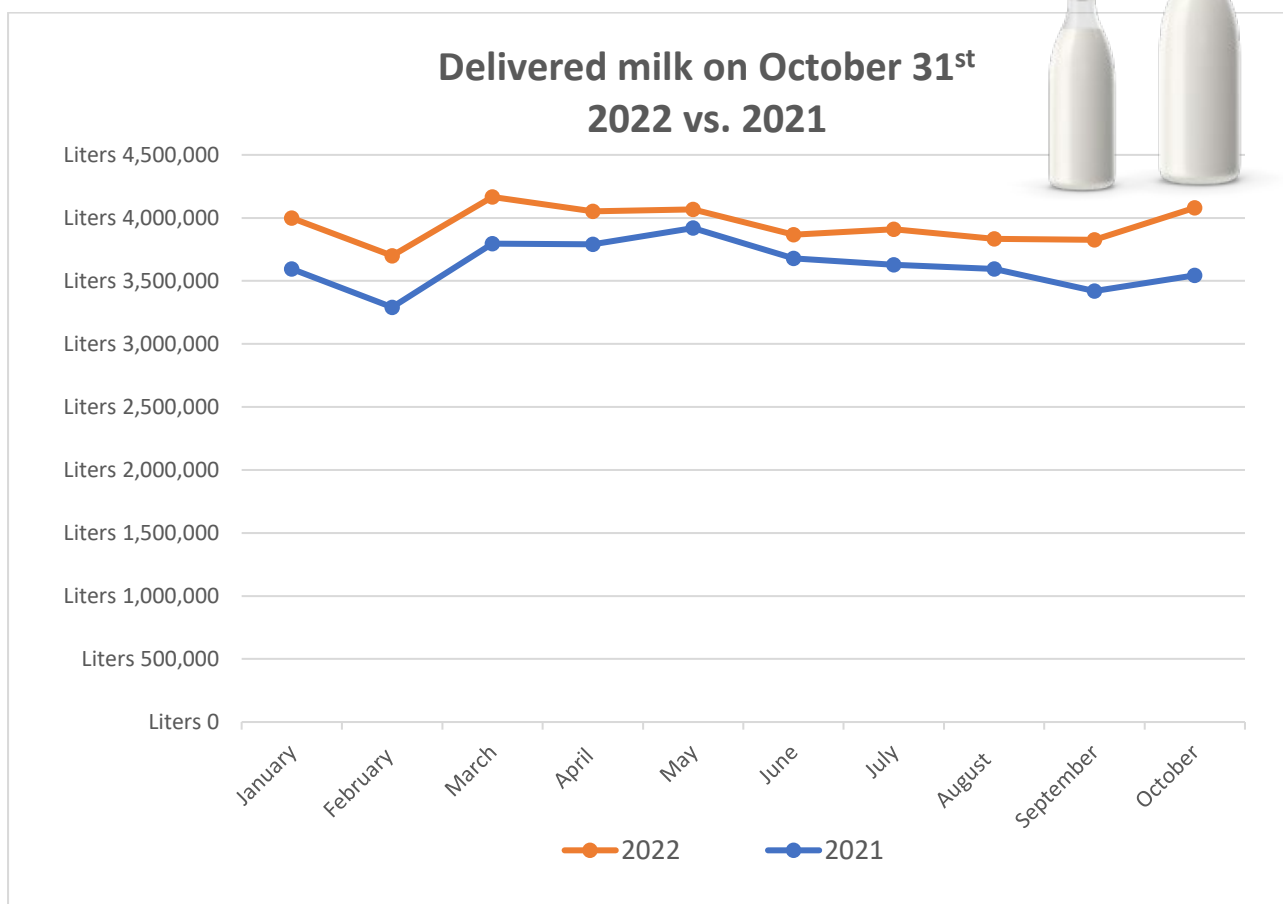
- I. The start of the Compost Factory project – we are already in the phase of preparing the necessary documents to obtain the building permit, as well as in advanced discussions with suppliers, which we expect to complete by the beginning of 2023. We plan that, in March of next year, to start the construction of this factory, near the Apold farm, an investment that will also lead to the establishment of an alternative line of business. We plan to have the factory up and running in the third quarter of next year. Also, the success of this factory depends on the implementation of this system in our other farms.
- II. Continuation of the implementation of the SAP program - ongoing process within the farms in the group, the implementation of the SAP program at the level of the entire company DN AGRAR GROUP SA is a long-term one, we predict that it will be completed in the fall of 2023.
- III. Simplifying the group structure of DN AGRAR member companies - we are in the advanced phase of analyzing the structure of the entire Group, in order to find the most effective solutions in this regard; we anticipate that we will complete this stage by the end of this year, and it will begin to produce effects starting from January 1st, 2023.

For DN AGRAR farms, due to the increase recorded in October 2022, in the amount of delivered milk (*see the graph below*), we are confident that for the months of November and December of the current year, we will maintain the pace of growth.



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Analyzing the table above, it can be seen that on October 31st, 2022, we register an organic increase, in the amount of delivered milk, of 9%.

By increasing the operational efficiency for the Apold Farm, through more efficient management, as well as thanks to the 40% increase in new capacity, we foresee a substantial increase in the amount of milk delivered in the next period, especially for the next year.

Apold Farm

Increasing the amount of milk produced and delivered.

- I. Implementation of the SAP program - starting from October 1st, 2022, the implementation stage of the SAP program was started, and we predict that we will complete the implementation of SAP at the Apold farm on December 31st, 2022.
- II. New milking parlor - we completed the construction of the new milking parlor in June 2022.
- III. Renovation of the existing milking parlor - at the date of this report, the stage of renovation of the existing milking parlor was completed, both milking parlors of the Apold farm being functional.
- IV. Completion of the construction to increase the capacity of the farm, to increase the number of dairy cows by 50% - we have made progress in this regard, about 85% of the construction stage of the stables is done, we expect to be completed by the end of the current year.
- V. Expanding the number of milk cows up to 50%, this being a long-term process of approximately 1.5-2 years - we have already started actions in this regard, by purchasing 400 milking cows, Holstein breed, from Germany, purchase made in October.
- VI. Expanding capacity on young cattle - we are taking significant actions in this regard; we expect to start this stage towards the end of this year.



- VII. Construction of a new manure pond - we started this project in May 2022 and completed the project in September 2022.

Cut Farm

- I. Increasing the amount of milk produced and delivered.
- II. The implementation of the SAP program starting on October 1st, 2022, the implementation stage of the SAP program has been started, and we anticipate that we will complete the SAP implementation at the Cut farm on December 31st, 2022.
- III. Increasing the number of dairy cows, to use the full capacity of the farm - we are constantly taking actions in this regard, we have already increased the capacity of the farm, which together with the optimization of farm operations, are the 2 main reasons why we are registering significant increases in the amount of delivered milk.

Lacto Agrar

- I. Increasing the amount of milk produced and delivered.
- II. Implementation of the SAP program - starting from July 1st, 2022, we started the implementation of the SAP program for the Lacto Agrar farm, a process that was successfully completed at the end of September 2022.
- III. Construction of a new manure pond - we started this project in September 2022, being in the stage of preparing the land on which we will build the pond, and we expect to complete the construction by the beginning of 2023.

DN AGRAR SERVICE

- I. New machinery – the need for high-performance machinery and equipment has led to investments in this sector of over EUR 1.7 million.
- II. The purchase of a new equipment for a more efficient use of manure, in this way we believe that we will have a significant reduction in costs - we have purchased and already use such equipment, for which we have recorded significant reductions in the costs of chemical fertilizers.

Casa Bună Guest House

Renovation of the Guest House - we completed this project in proportion to **90% in June 2022.**

- I. The start of the project to build a Spa next to the Guest House, as well as its transformation into a Boutique Hotel - we are in the analysis and advanced discussion phase, working with the team of architects and suppliers, to find the best solutions in the performance of this project.
- II. Starting the project of A-frame houses - we are in the phase of pre-analysis and advanced discussions with suppliers.



ANALYSIS OF THE FINANCIAL RESULTS

ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS ON 30.09.2022

The 3rd quarter of 2022 had very good financial results for the DN AGRAR GROUP SA group of companies, as the company's financial performance increased reaching a total turnover of 103,23 million lei, an increase of 221.45% due to the acquisition of the two agro-zootechnical farms Lacto Agrar and DN Agrar Apold.

CONSOLIDATED PROFIT AND LOSS ACCOUNT ANALYSIS

In the first half of 2022, the acquisition of the shares related to the companies DN Agrar Apold SRL, DN Agrar Holding SRL, DN Agrar Călnic SRL and Prodag Gârbova SRL from the majority shareholder DN Agrar Garbova CV was completed, thus the financial position of the group of companies DN AGRAR considerably improved.

In the consolidation of the Profit and Loss Account, the comparisons for the financial indicators are taken on 30.09.2021. Thus, the group's financial position indicators do not include the financial results obtained by Lacto Agrar and DN Agrar Apold farms on 30.09.2021.

The Lacto Agrar farm was taken over by DN Agrar Group SA in December 2021, and the DN Agrar Apold farm was taken over in April 2022. Thus, on 30.09.2022 the financial indicators of the DN Agrar group include the financial position of the Lacto farms Agrar and DN Agrar Apold.

In the three quarters of 2022, operating revenues were 148.81 million lei, an increase of 258.93% compared to the same period last year. Revenues from sold production amounted to 101.26 million lei, registering an increase of 222.50% compared to the same period in 2021. The second largest contribution was the revenue from operating subsidies which increased by 244% to the value of 8.56 million lei. The subsidies are mainly in the area of agriculture, received through APIA, for agricultural land and raw milk production. Subsidies are granted according to the number of animals owned and the area of used land, based on the requests made by the organization.

The revenues related to the production of tangible assets increased by 301.34%, reaching 5.11 million lei, they represent the increase in the herd of animals for reproduction.

Revenues from the sale of goods increased by 178.66% to the value of 1.99 million lei, due to the sale of finished products obtained from the agricultural activity related to the 2022 agricultural year.

Operating expenditures also increased due to the integration of Lacto Agrar and DN Agrar Apold farms into the DN Agrar group. Total operating expenses increased by 256.07% on 30.09.2022, reaching 130,32 million lei. The main contribution was made by the expenditures for raw materials and consumables, which reached the figure of 69.88 million lei, an increase of 471.23% compared to the same period last year, an evolution related to the increase in the number of animals on the farm, as well as cultivated areas to ensure the feed requirement.

This path was followed by expenditures with external services, which reached the amount of 22.39 million lei, an increase of 150.03%. Along with the expansion of the herd of animals, personnel expenses also increased to the amount of 15.33 million lei, an increase of 95.05%. This increase was determined by the increase in the number of employees, the DN AGRAR group of companies



having, on 30.09.2022, a number of 239 employees, compared to 125 employees, for the same date of 2021.

Depreciation and value adjustments expenditures were 14.50 million lei, an increase of 233.85% due to the increase in total assets following the acquisition of the two farms.

The operating result of the DN AGRAR group of companies increased significantly, from the value of 4,86 million lei, to an operating result of 18,48 million lei, an increase of 280.46%.

Financial income increased by 603.36%, up to 911.57 thousand lei, while financial expenditures increased by 293.54%, reaching 5.65 million lei. The increase in financial expenditures was mainly determined by the increase in interest expenditures by 434.40% to the value of 4.69 million lei, due to the increase in the balance of contracted loans by 57.78 million lei, money used for the purchase of the DN Agrar Apold farm from the DN Agrar Gârbova CV investment fund and for the ongoing investment works at the DN Agrar Apold farm to increase production capacity by 50%.

This led to a gross result of 13.74 million lei as of 30.09.2022, a significant increase of 286.94% compared to the amount of 3.55 million lei recorded in the same period last year. In the 3rd quarter of 2022, DN AGRAR closed the balance sheet with a net profit of 10.59 million lei, an increase of 249.50% compared to 30.09.2021, and an increase of 109.49% compared to the first half of 2022.

Profit and loss account in LEI	30.09.2022	30.09.2021	Δ %
Operating income - total	148.814.330	41.460.452	258,93%
Operating expenses - total	130.326.185	36.601.003	256,07%
Operating profit or loss	18.488.146	4.859.449	280,46%
Financial revenues - total	911.571	129.602	603,36%
Financial expenditures - total	5.658.169	1.437.751	293,54%
Financial profit or loss	(4.746.598)	(1.308.149)	262,85%
Gross profit and loss	13.741.548	3.551.300	286,94%
Group net profit or loss	10.595.656	3.031.658	249,50%

CONSOLIDATED BALANCE SHEET ANALYSIS

In the consolidation of the Balance Sheet on 30.09.2022, the comparisons for the financial indicators are taken on 31.12.2021. Thus, the indicators of the group's financial position do not include, on 31.12.2021, the financial results obtained by the DN Agrar Apold farm, which was taken over by the DN Agrar group of companies in April 2022.

In the 3rd quarter of 2022, following the acquisition of the DN Agrar Apold farm, the group's total assets increased by 56.64%, reaching 230.21 million lei. Fixed assets increased by 57.74%, reaching 152.08 million lei. Intangible assets increased by 296.63% from 1.68 million lei to 6.67 million lei.

Financial fixed assets increased by approximately 2.96 thousand lei, representing an increase of 5.77%. Current assets increased by 54.74%, reaching 76.48 million lei in the analyzed period. The increase was mainly determined by the increase in stocks by 78.41%, which reached 53.70 million lei. The receivables increased by 2.16%, and reached 15.40 million lei. The receivables have increased due to the subsidies for the year 2022 for the agricultural activity (livestock and vegetable) which are to be collected in the following period. The increase of 73.70% in the amount of 3.13 million lei in the cash at bank and in hand category, compared to 30.09.2021, was determined by the exponential increase in the net profit of the DN AGRAR group of companies recorded on 30.09.2022.



Balance sheet indicators in LEI	30.09.2022	31.12.2021	Δ %
Tangible assets - total	152.084.450	96.416.465	57,74%
Current assets - total	76.484.291	49.426.260	54,74%
Advance expenditures	1.650.849	1.133.043	45,70%
Total assets	230.219.590	146.975.768	56,64%

Short-term debts increased by 10.45%, reaching 46.16 million lei. This represents a natural growth following the acquisition of the DN Agrar Apold farm.

Short-term liabilities increased due to the loans contracted by DN Agrar Group SA for the takeover of the DN Agrar Apold farm, as well as due to the takeover within the DN Agrar Group of the short-term credit lines received from ING Bank in the amount of 5 million lei for financing the current activity of the DN Agrar Apold farm. Commercial debts show an increase of 34.40%, approximately 4.81 million lei as a result of the increase in stocks following the takeover of the DN Agrar Apold farm, there are no overdue debts.

Short-term debts in LEI	30.09.2022	31.12.2021	Δ %
Short-term debts related with loan contracts and leasing contracts	14.854.754	16.695.599	(11,03)%
Guarantees	1.353.081	658.150	105,59%
Trade payables	18.827.372	14.008.869	34,34%
Trade payables to related parties	5.015.017	7.180.654	(30,16)%
Advances to customers	13.977	9.986	39,97%
Different creditors	2.041.658	476.623	328,36%
Salaries and other entitlements due to staff	1.164.376	829.898	40,30%
Social insurance contributions	406.168	504.831	(19,54)%
Wages income tax	39.749	107.120	(62,89)%
Profit tax	1.444.133	245.952	487,16%
VAT payment	549.403	467.550	17,51%
Joint ventures settlements	-	-	-
Related party loans	402.095	578.623	(100,00)%
Other short-term liabilities	49.039	30.125	62,79%
Total	46.160.822	41.793.980	10,45%

Long-term liabilities increased by 168.77% due to the takeover of the farm DN Agrar Apold with a financing of 33.2 million lei received from ING Bank. Thus, on 30.09.2022, the balance of long-term debts reaches 105.69 million lei. The purchase of the new farm added to the long-term debts of the DN Agrar group, the investment credits with a balance of 12.72 million lei received by the DN Agrar Apold farm from Raiffeisen Bank in 2013 for the modernization and development of the production capacity.

Compared to 2021, an increase in loans contracted from ING Bank can be observed also due to the investment works carried out at the DN Agrar Apold farm to increase production capacity by 50%. The total amount of the loan contracted from ING Bank for this investment project is 27.6 million lei, of which approximately 19 million lei were used on 30.09.2022.



Loans related to leasing contracts from BRD Sogelease increased by 6.3 million lei due to the contracting of a package of machines and technological equipment worth 1.25 million euros for the improvement and modernization of the machinery park.

Long term debts in LEI	30.09.2022	31.12.2021	Δ %
Loans from Transilvania Bank	-	-	-
Loans from Exim Bank	17.566.958	16.775.339	4,72%
Loans from ING	73.210.080	15.430.751	374,44%
Loans from Raiffeisen Bank	-	-	-
Leasing BT Leasing	2.694.395	1.058.459	154,56%
Leasing BRD Sogelease	11.502.312	5.172.460	122,38%
Leasing Unicredit	522.356	534.487	(2,27)%
Credit ING – anticipated recognition	-	-	-
Other long-term debts (various guarantees)	197.608	353.637	(44,12)%
Deferred tax			-
Total	105.693.709	39.325.133	168,77%

Provisions decreased by 86.37% in the first half of 2022, reaching 27.32 thousand lei, compared to the end of 2021.

Equity increased by 16.56%, reaching 76.29 million lei, an increase determined by the capital from the purchase of the DN Agrar Apold farm in April 2022.

Balance sheet indicators in LEI	30.09.2022	31.12.2021	Δ %
Liabilities: Amounts to be paid within a period of up to one year	46.160.822	41.793.980	10,45%
Liabilities: Amounts to be paid in more than one year	105.693.709	39.325.133	168,77%
Provisions	27.325	200.465	(86,37)%
Advance income	2.041.071	198.172	929,95%
Debts - total	151.854.531	81.119.113	87,20%
Own equity - TOTAL	76.296.663	65.458.018	16,56%
Total own equity and debts	230.219.590	146.975.768	56,64%



MAIN FINANCIAL INDICATORS AT CONSOLIDATED LEVEL

Current liquidity indicator	30.09.2022	31.12.2021	31.12.2020
Current assets (A)	81.899.474	49.426.260	22.362.883
Current liabilities (B)	43.141.519	41.793.980	23.430.660
A/B	1,90	1,18	0,95

Indebtedness indicator	30.09.2022	31.12.2021	31.12.2020
Loan capital (A)	114.128.194	38.971.496	26.614.807
Own capital (B)	70.609.404	65.458.018	29.844.190
A/B	162%	60%	89%

Indebtedness indicator	30.09.2022	31.12.2021	31.12.2020
Loan capital (A)	114.128.194	38.971.496	26.614.807
Invested capital (B)	184.737.598	104.429.514	56.458.997
A/B	62%	37%	47%

Loan capital = Loans over 1 year

Invested capital = Loan capital + Own capital

Fixed asset turnover rate	30.09.2022	31.12.2021	31.12.2020
Turnover (A)	103.227.461	46.951.665	38.220.407
Tangible assets (B)	152.084.450	96.416.465	57.557.888
A/B	0,68	0,49	0,66



The Group DN AGRAR GROUP SA
PROFIT ACCOUNT and CONSOLIDATED LOSS
Concluded on September 30th, 2022
(all amounts are expressed in RON)

Balance sheet indicators in LEI	30.09.2022	30.09.2021	Δ %
Net turnover	103.227.461	32.113.564	221,45%
Sold production	101.259.031	31.398.291	222,50%
Income from sale of goods	1.993.641	715.441	178,66%
Granted commercial discounts	(25.212)	(168)	14.907,14%
Income from interests registered by entities written off from the General Register and which still have leasing contracts in progress	-	-	-
Revenues related to the cost of production in progress	-	-	-
Balance C	31.225.246	4.345.213	618,61%
Balance D	-	-	-
3. Income from the production of tangible and intangible assets	5.114.301	1.274.291	301,34%
4. Income from reassessment of tangible assets	-	-	-
5. Income from the production of real estate investments	-	-	-
6. Income from operating subsidies	8.556.565	2.487.365	244,00%
7. Other operating revenues	690.758	1.240.019	(44,29)%
- of which, income from investment subsidies	66.012	-	-
- of which, negative goodwill income	-	-	-
Operating income - total	148.814.330	41.460.452	258,93%
8. a) Expenses with raw materials and consumables	69.887.292	12.234.516	471,23%
Other material expenses	1.311.023	651.344	101,28%
b) Other external expenses	2.042.199	582.148	250,80%
c) Expenses regarding the goods	4.169.965	608.994	584,73%
Received trade discounts	(56.144)	(20.589)	172,69%
9. Staff expenses	15.330.356	7.859.821	95,05%
a) Salaries and allowances	14.966.793	7.669.846	95,14%
b) Insurance and social protection expenses	363.563	189.975	91,37%
10.a) Value adjustments regarding tangible and intangible assets	14.500.639	4.343.666	233,83%
a.1) Expenses	14.501.118	4.343.666	233,85%
a.2) Revenues	(479)	-	-
b) Value adjustments on current assets	758.793	188.250	303,08%
b.1) Expenses	17.821	26.097	(31,71)%
b.2) Revenues	776.614	214.347	262,32%



Balance sheet indicators in LEI	30.09.2022	30.09.2021	Δ %
11. Other operating expenses	24.228.623	10.648.297	127,54%
11.1. Expenditures regarding external services	22.392.377	8.955.993	150,03%
11.2. Expenses with other taxes, fees and similar payments; expenses representing transfers and contributions due on the basis of special normative acts	397.293	174.355	127,86%
11.3. Environmental protection expenses	-	-	-
11.4. Expenses from reassessment of tangible assets	-	-	-
11.5. Expenses related to calamities and other similar events	-	-	-
11.6. Other expenses	1.438.952	1.517.949	(5,20)%
Expenses with refinancing interest registered by the entities written off from the General Register and which still have leasing contracts in progress	-	-	-
Adjustments regarding the provisions	328.975	118.944	176,58%
- Expenses	-	1.629	(100,00)%
- Revenues	328.975	120.573	172,84%
Operating incomes	130.326.185	36.601.003	256,07%
OPERATING PROFIT OR LOSS	18.488.146	4.859.449	280,46%
12. Income from participation interests	-	-	-
- of which, the revenues obtained from affiliated entities	-	-	-
13. Revenues from interest	56.293	17.560	220,58%
- of which, the revenues obtained from affiliated entities	171.917	-	-
14. Income from operating subsidies for the owed interest	-	-	-
15. Other financial revenues	855.278	112.042	663,35%
- of which, income from other financial assets	-	-	-
FINANCIAL REVENUES – TOTAL	911.571	129.602	603,36%
16. Value adjustments regarding financial fixed assets and financial investments held as current assets	-	-	-
- Expenses	-	-	-
- Revenues	-	-	-
17. Interest charges	4.698.002	879.123	434,40%
- of which, the expenses in the relationship with the affiliated entities	106.885	-	-



Balance sheet indicators in LEI	30.09.2022	30.09.2021	Δ %
18. Other financial expenses	960.167	558.628	71,88%
FINANCIAL EXPENSES – TOTAL	5.658.169	1.437.751	293,54%
FINANCIAL PROFIT OR LOSS	(4.746.598)	(1.308.149)	262,85%
TOTAL REVENUES	149.725.902	41.590.054	260,00%
TOTAL EXPENSES	135.984.354	38.038.754	286,94%
19. GROSS PROFIT OR LOSS	13.741.548	3.551.300	286,94%
20. Profit tax	2.859.229	405.435	605,22%
21. Tax specific to certain activities	-	-	-
22. Other taxes not shown in the items above	26.740	53.444	(49,97)%
23. NET PROFIT OR LOSS FOR THE FINANCIAL YEAR	10.855.579	3.092.421	251,04%
Net profit or loss related to minority interests	259.923	60.763	327,77%
23. NET PROFIT OR LOSS RELATED TO THE GROUP	10.595.656	3.031.658	249,50%



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The Group DN AGRAR GROUP SA
BALANCE SHEET OF CONSOLIDATED COMPANIES
concluded on September 30th, 2022
(all amounts are expressed in RON)

	30.09.2022	31.12.2021	Δ %
I. INTANGIBLE ASSETS	6.679.769	1.684.128	296,63%
II. TANGIBLE ASSETS	145.350.346	94.680.967	53,52%
III. FINANCIAL ASSETS	54.336	51.370	5,77%
Tangible assets – total	152.084.450	96.416.465	57,74%
I. Stocks	53.705.518	30.102.953	78,41%
II. Receivables	15.404.187	15.077.828	2,16%
III. Short-term investments	-	-	-
IV. Cash at bank and in hand	7.374.586	4.245.479	73,70%
Current assets - total	76.484.291	49.426.260	54,74%
Advance expenses	1.650.849	1.133.043	45,70%
Amounts to be paid within a period of up to one year	1.650.849	520.529	217,15%
Amounts to be paid in more than one year	-	612.514	(100,00)%
Liabilities: Amounts to be paid within a period of up to one year	46.160.822	41.793.980	10,45%
NET CURRENT ASSETS/ NET CURRENT LIABILITIES	29.933.247	7.954.637	276,30%
TOTAL ASSETS MINUS CURRENT LIABILITIES	182.017.697	104.983.616	73,38%
Liabilities: Amounts to be paid in more than one year	105.693.709	39.325.133	168,77%
Provisions	27.325	200.465	(86,37)%
ADVANCE REVENUES	2.041.071	198.172	929,95%
1. Subsidies from investments	2.041.071	198.172	929,95%
Amounts to be taken over in a period of up to one year	2.041.071	198.172	929,95%
Amounts to be resumed in a period longer than one year	-	-	-
2. Revenue recorded in advance	-	-	-
Amounts to be taken over in a period of up to one year	-	-	-
Amounts to be resumed in a period longer than one year	-	-	-
3. Advance income related to assets received by transfer from customers	-	-	-
Amounts to be taken over in a period of up to one year	-	-	-
Amounts to be resumed in a period longer than one year	-	-	-
Negative goodwill (account 2075)	-	-	-
Equity	31.818.845	10.606.282	200,00%
1. Paid subscribed capital	31.818.845	10.606.282	200,00%
2. Unpaid subscribed capital	-	-	-



	30.09.2022	31.12.2021	Δ %
3. State-owned equity plus assets	-	-	-
4. Heritage of the national research-development institutes	-	-	-
5. Other elements of own equity DR/ (CR)	-	-	-
II. Capital premiums (acc. 104)	734.004	21.946.567	(96,66)%
III. Reassessment reserves (acc. 105)	-	-	-
IV. Reserves	142.766	142.826	(0,04)%
Own shares (acc. 109)	(21.760)	(21.760)	0,00%
Gains related to equity instruments	-	-	-
Losses related to equity instruments	-	-	-
V. PROFIT OR LOSS CARRIED OVER - BALANCE C	32.364.364	23.584.202	37,23%
VI. PROFIT OR LOSS OF THE FINANCIAL YEAR - BALANCE C	10.595.644	8.888.910	19,20%
Profit repartition	-	(91.886)	-
MINORITY INTERESTS	662.800	402.877	64,52%
OWN EQUITIES - TOTAL	76.296.663	65.458.018	16,56%

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ANALYSIS OF INDIVIDUAL FINANCIAL RESULTS AT 30.09.2022

The 3rd quarter of 2022, had very good financial results for the DN Agrar Group SA group of companies, as the company's financial performance increased reaching a total turnover of 5,07 million lei, an increase of 32,44% compared with the same period of the last year.

ANALYSIS OF THE INDIVIDUAL PROFIT AND LOSS ACCOUNT

In the nine months of 2022, operating revenues were 5.36 million lei, an increase of 39.36% compared to the same period last year. The revenues from the production of consulting and management services constitute the main source of income of the company and were in the amount of 5.07 million lei, registering an increase of 34.49% compared to the same period in 2021. The increase in operating revenues is also due to the signing of a debt waiver agreement for a loan received by DN Agrar Group SA from the Dutch investment fund DN Agrar Garbova CV in the amount of 50,000 euros.

Operating expenses increased by 15.35% in the first three months of 2022, reaching 3.74 million lei. The main contribution was made by the expenses for consumables, which reached 66.60 thousand lei, an increase of 29.91% compared to the same period last year. Personnel expenses increased by 29.76% due to the performance of personnel training and improvement activities as well as the increase in the number of qualified personnel from 23 employees to 29 employees.

Expenditure on external services decreased by 17.8% compared to the same period last year to the amount of 1.03 million lei.

Depreciation and value adjustments expenses were 263.93 thousand lei, an increase of 718.10% due to the increase of fixed assets by 136.46% to the value of 59.55 million lei.

The operating result of the company had an increase of 168.75%, from a value of 0.6 million lei, to an operating result of 1.61 million lei.

Financial revenues increased by 258.43%, up to 271.28 thousand lei, while financial expenses increased by 2870%, reaching 1.27 million lei. This increase is due to the expenses recorded with interest for the loan of 33.2 million lei contracted from ING Bank for the acquisition of the social shares related to the farm DN Agrar Apold owned by the investment fund DN Agrar Garbova CV.

This led to a gross result of 614.35 thousand lei in the 3rd quarter of 2022, down 3.17%, compared to the amount of 634.50 thousand lei recorded in the same period last year. In the nine months of 2022, the company closed the balance sheet with a net profit of 524.92 thousand lei, a decrease of 11.87% compared to the 3rd quarter of 2021.



Profit and loss account in LEI	30.09.2022	30.09.2021	Δ %
Operating revenues - total	5.356.005	3.843.205	39,36%
Operating expenses - total	3.738.927	3.241.499	15,35%
Operating profit and loss	1.617.078	601.706	168,75%
Financial revenues - total	271.280	75.686	258,43%
Financial expenses - total	1,274.006	42.896	2.869,99%
Financial profit and loss	(1.002.726)	32.790	(3.158,02)%
Gross profit and loss	614.352	634.496	(3,17)%
Net profit and loss related to the group	524.919	595.636	(11,87)%

INDIVIDUAL BALANCE SHEET ANALYSIS

Due to the purchase of the shares related to the DN Agrar Apold farm owned by the DN Agrar Garbova CV investment fund, total assets increased by 93.17%, reaching 68.39 million lei. Fixed assets increased by 136.46%, reaching 59.55 million lei. Intangible assets increased from 1.52 million lei to 2.22 million lei due to the investments made by the company in the process of digitizing information flows, namely the purchase of a SAP-type information system.

Financial fixed assets increased by approximately 33.69 million lei, representing an increase of 143.91% due to the acquisition of the shares of the companies DN Agrar Apold SRL, DN Agrar Holding SRL, DN Agrar Călnic SRL and Prodag Gârbova SRL from the majority shareholder DN Agrar Garbova CV. The expenses registered in advance in the amount of 105.46 thousand lei were due to the granting commissions for the loan of 33.2 million lei contracted from ING Bank for the acquisition of the social shares related to the farm DN Agrar Apold.

Current assets registered a slight decrease of 14.53%, reaching 8.73 million lei in the analyzed period. The decrease was mainly determined by the reduction of the cash held by the company by 65.49%, with bank accounts recording a balance of 660.13 thousand lei on 30.09.2022. The value of receivables decreased by 2.79% and reached 8.07 million lei.

Balance sheet indicators in LEI	30.09.2022	31.12.2021	Δ %
Tangible assets - total	59.554.793	25.185.495	136,46%
Current assets - total	8.730.744	10.215.273	(14,53)%
Advance expenses	105.455	4.413	2.289,64%
Total assets	68.390.992	35.405.181	93,17%

Long-term debts increased by 31.5 million lei and short-term debts increased by 73.74%, reaching 2.26 million lei. This was due to the registration of the loan of 33.2 million lei contracted from ING Bank for the purchase of the social shares related to the farm DN Agrar Apold from the investment fund DN Agrar Garbova CV.

Provisions decreased by 40.39 thousand lei, compared to the end of 2021.

Own equity increased by 1.54%, reaching 34.58 million lei, an increase resulting from the incorporation of the carried forward profit in the amount of 1.39 million lei.



Balance sheet indicators in LEI	30.09.2022	31.12.2021	Δ %
Liabilities: Amounts to be paid within a period of up to one year	2.262.160	1.302.069	73,74%
Liabilities: Amounts to be paid in more than one year	31.541.196	-	-
Provisions	-	40.393	-
Advance income	-	-	-
Debts - total	33.803.356	1.302.069	2.496,13%
Own equity - TOTAL	34.587.636	34.062.719	1,54%
Total own equity and debts	68.390.992	35.405.181	93,17%

MAIN FINANCIAL INDIVIDUAL INDICATORS

Current liquidity indicators	30.09.2022	31.12.2021	31.12.2020
Current assets (A)	8.730.744	10.215.273	4.584.154
Current liabilities (B)	586.305	1.302.069	3.109.079
A/B	14,89	7,85	7,85

Indebtedness indicator	30.09.2022	31.12.2021	31.12.2020
Loan capital (A)	33.217.056	-	144.480
Own capital (B)	34.587.636	34.587.636	5.187.504
A/B	96%	0%	3%

Indebtedness indicator	30.09.2022	31.12.2021	31.12.2020
Loan capital (A)	33.217.056	-	144.480
Invested capital (B)	67.804.692	34.062.719	5.331.984
A/B	49%	0%	3%

Loan capital = Credits over 1 year

Invested capital = Loan capital + Own capital

Fixed asset turnover rate	30.09.2022	31.12.2021	31.12.2020
Turnover (A)	5.071.246	4.951.930	3.367.689
Tangible assets (B)	59.554.793	25.185.495	3.901.493
A/B	0,09	0,20	0,86



DN AGRAR GROUP SA
INDIVIDUAL LOSS AND PROFIT ACCOUNT
concluded on September 30th, 2022
(all amounts are expressed in RON)

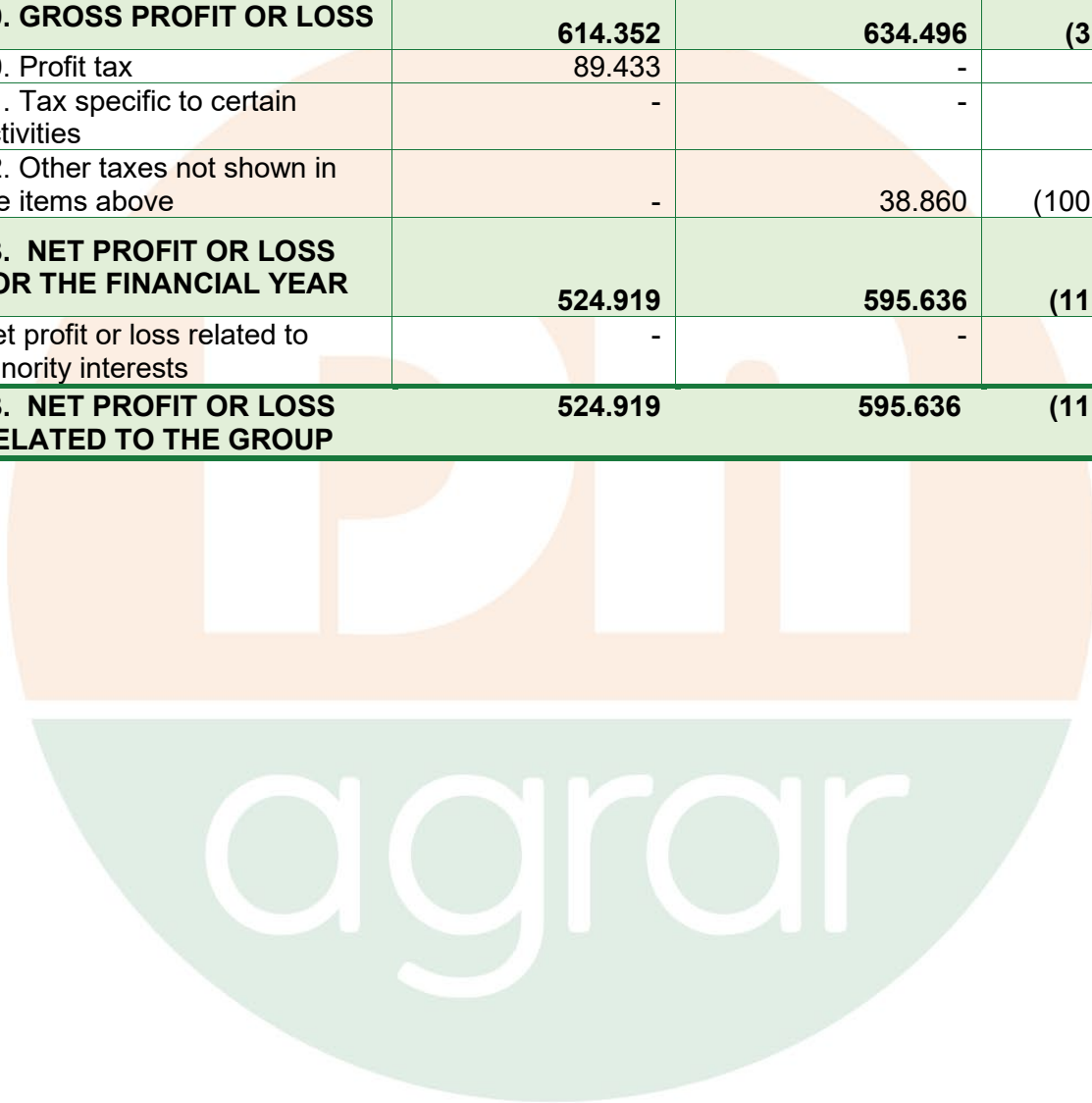
Balance sheet indicators in LEI	30.09.2022	30.09.2021	Δ %
Net turnover	5.071.246	3.828.963	32,44%
Sold production	5.071.246	3.770.792	34,49%
Income from sale of goods	-	58.171	-
Granted commercial discounts	-	-	-
Income from interests registered by entities written off from the General Register and which still have leasing contracts in progress	-	-	-
Revenues related to the cost of production in progress	-	-	-
Balance C	-	-	-
Balance D	-	-	-
3. Income from the production of tangible and intangible assets	-	-	-
4. Income from reassessment of tangible assets	-	-	-
5. Income from the production of real estate investments	-	-	-
6. Income from operating subsidies	319	-	-
7. Other operating revenues	284.440	14.242	1.897,19%
- of which, income from investment subsidies	-	-	-
- of which, negative goodwill income	-	-	-
Operating income - total	5.356.005	3.843.205	39,36%
8. a) Expenses with raw materials and consumables	36.693	40.458	(9,31)%
Other material expenses	66.596	51.264	29,91%
b) Other external expenses	51.429	41.862	22,85%
c) Expenses regarding the goods	-	48.004	-
Received trade discounts	(598)	(47)	1.172,34%
9. Staff expenses	2.299.073	1.776.937	29,38%
a) Salaries and allowances	2.242.784	1.728.360	29,76%
b) Insurance and social protection expenses	56.289	48.577	15,88%
10.a) Value adjustments regarding tangible and intangible assets	263.926	32.261	718,10%
a.1) Expenses	263.926	32.261	718,10%
a.2) Revenues	-	-	-
b) Value adjustments on current assets	-	-	-
b.1) Expenses	-	-	-



Balance sheet indicators in LEI	30.09.2022	30.09.2021	Δ %
b.2) Revenues	-	-	-
11. Other operating expenses	1.062.201	1.298.979	(18,23)%
11.1. Expenditures regarding external services	1.028.729	1.251.455	(17,80)%
11.2. Expenses with other taxes, fees and similar payments; expenses representing transfers and contributions due on the basis of special normative acts	13.816	9.648	43,20%
11.3. Environmental protection expenses	-	-	-
11.4 Expenses from reassessment of tangible assets	-	-	-
11.5. Expenses related to calamities and other similar events	-	-	-
11.6. Other expenses	19.656	37.876	(48,10)%
Expenses with refinancing interest registered by the entities written off from the General Register and which still have leasing contracts in progress	-	-	-
Adjustments regarding the provisions	40.393	48.219	(16,23)%
- Expenses	-	-	-
- Revenues	40.393	48.219	(16,23)%
Operating incomes	3.738.927	3.241.499	15,35%
OPERATING PROFIT OR LOSS	1.617.078	601.706	168,75%
12. Income from participation interests	-	-	-
- of which, the revenues obtained from affiliated entities	-	-	-
13. Revenues from interest	220.230	42.731	415,39%
- of which, the revenues obtained from affiliated entities	126.787	-	-
14. Income from operating subsidies for the owed interest	-	-	-
15. Other financial revenues	51.050	32.955	54,91%
- of which, income from other financial assets	-	-	-
FINANCIAL REVENUES – TOTAL	271.280	75.686	258,43%
16. Value adjustments regarding financial fixed assets and financial investments held as current assets	-	-	-
- Expenses	-	-	-
- Revenues	-	-	-
17. Interest charges	1.179.853	3.372	34.889,71%



Balance sheet indicators in LEI	30.09.2022	30.09.2021	Δ %
- of which, the expenses in the relationship with the affiliated entities	1.776	-	-
18. Other financial expenses	94.153	39.524	138,22%
FINANCIAL EXPENSES – TOTAL	1.274.006	42.896	2.869,99%
FINANCIAL PROFIT OR LOSS	(1.002.726)	(32.790)	2.958,02%
TOTAL REVENUES	5.627.285	3.918.891	43,59%
TOTAL EXPENSES	5.012.933	(3.284.395)	(252,63)%
19. GROSS PROFIT OR LOSS	614.352	634.496	(3,17)%
20. Profit tax	89.433	-	-
21. Tax specific to certain activities	-	-	-
22. Other taxes not shown in the items above	-	38.860	(100,00)%
23. NET PROFIT OR LOSS FOR THE FINANCIAL YEAR	524.919	595.636	(11,87)%
Net profit or loss related to minority interests	-	-	-
23. NET PROFIT OR LOSS RELATED TO THE GROUP	524.919	595.636	(11,87)%



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DN AGRAR GROUP SA
INDIVIDUAL BALANCE SHEET
concluded on September 30th, 2022
(all amounts are expressed in RON)

	30.09.2022	31.12.2021	Δ %
I. INTANGIBLE ASSETS	2.224.186	1.521.197	46,21%
II. TANGIBLE ASSETS	222.810	250.492	(11,05)%
III. FINANCIAL ASSETS	57.107.797	23.413.806	143,91%
Tangible assets – total	59.554.793	25.185.495	136,46%
I. Stocks	-	-	-
II. Receivables	8.070.606	8.302.416	(2,79)%
III. Short-term investments	-	-	-
IV. Cash at bank and in hand	660.138	1.912.857	(65,49)%
Current assets - total	8.730.744	10.215.273	(14,53)%
Advance expenses	105.455	4.413	2.289,64%
Amounts to be paid within a period of up to one year	105.455	4.413	2.289,64%
Amounts to be paid in more than one year	-	-	-
Liabilities: Amounts to be paid within a period of up to one year	586.305	1.302.069	(54,97)%
NET CURRENT ASSETS/ NET CURRENT LIABILITIES	8.249.894	8.917.617	(7,49)%
TOTAL ASSETS MINUS CURRENT LIABILITIES	67.804.687	34.103.112	98,82%
Liabilities: Amounts to be paid in more than one year	33.217.056	-	-
Provisions	-	40.393	-
ADVANCE REVENUES	-	-	-
1. Subsidies from investments	-	-	-
Amounts to be taken over in a period of up to one year	-	-	-
Amounts to be resumed in a period longer than one year	-	-	-
2. Revenue recorded in advance	-	-	-
Amounts to be taken over in a period of up to one year	-	-	-
Amounts to be resumed in a period longer than one year	-	-	-
3. Advance income related to assets received by transfer from customers	-	-	-
Amounts to be taken over in a period of up to one year	-	-	-
Amounts to be resumed in a period longer than one year	-	-	-
Negative goodwill (account 2075)	-	-	-
Equity	31.818.845	10.606.282	200,00%
1. Paid subscribed capital	31.818.845	10.606.282	200,00%
2. Unpaid subscribed capital	-	-	-



	30.09.2022	31.12.2021	Δ %
3. State-owned equity plus assets	-	-	
4. Heritage of the national research-development institutes	-	-	-
5. Other elements of own equity DR/ (CR)	-	-	-
II. Capital premiums (acc. 104)	734.004	21.946.567	(96,66)%
III. Reassessment reserves (acc. 105)	-	-	-
IV. Reserves	116.556	116.556	0,00%
Own shares (acc. 109)	-	-	-
Gains related to equity instruments	-	-	
Losses related to equity instruments	-	-	-
V. PROFIT OR LOSS CARRIED OVER - BALANCE C	1.393.314	-	-
VI. PROFIT OR LOSS OF THE FINANCIAL YEAR - BALANCE C	524.917	1.468.528	(64,26)%
Profit repartition	-	(75.214)	-
MINORITY INTERESTS	-	-	-
OWN EQUITIES - TOTAL	34.587.636	34.062.719	1,54%

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MANAGEMENT STATEMENT

Alba-Iulia, November 23rd, 2022

Based on the best information available, we confirm that the unaudited interim consolidated and individual simplified financial statements prepared for the nine-month period ended September 30th, 2022, give a true and fair view of the assets, liabilities, financial position and statement of income and expenses of DN AGRAR GROUP SA, as required by the applicable accounting standards, and that the Management Report provides a fair and true picture of the important events that occurred during the first nine months of the financial year 2022 and their impact on the financial statements intermediate consolidated and individual simplified.

Jan Gijsbertus de Boer

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

