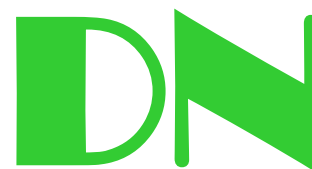


APRIL, 2022



FINANCIAL REPORT FOR 2021



DN AGRAR GROUP SA

A company listed in the MTS AeRO Premium market of Bucharest
Stock Exchange

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ISSUER INFORMATION

Information about this financial report

Report type	Annual report 2021
For the financial period	01.01.2021 – 31.12.2021
Legal background	Annex 13 at the ASF Regulation no. 5/2018
Report date	28.04.2022

Information about the issuer

Name	DN AGRAR GROUP S.A.
VAT Code	24020501
Trade Registry No,	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	10.606.281,60 lei
Market where the transferable securities are traded	MTS AeRO Premium
Key features of the transferable securities issued by the company	53.031.408 ordinary share

Symbol	DN
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The financial statements consolidated on December 31st, 2021 displayed in the following pages are **audited**.

LETTER from the CEO of DN AGRAR GROUP SA

Dear investors,

We are addressing to you, to picture the first annual financial report of DN AGRAR GROUP SA, from the listing of the company on the AeRO market on February 2nd, 2022. Whether you have been with us since the beginning of our journey towards the capital market, in July 2021, when the private placement took place, either after our debut on the Bucharest Stock Exchange, I would like to thank you for your trust and investment in DN AGRAR's vision for Romanian agribusiness.

These results reflect an advanced position on the strategic directions of growth and development provided by the company's management. The continuity and consistency of the implementation of modernization projects, has imposed the successful business model that brings satisfaction to all stakeholders and relevant: employees, customers, investors.

DN AGRAR fulfilled the objectives established by the plan assumed with the listing of the company on the Bucharest Stock Exchange market and made important progress in positioning as market LEADER of the company, in parallel with a good business management, achieving a significant program in the field of investments.

In 2021, the turnover at the level of DN AGRAR GROUP SA was in the amount of 46,95 million lei, and the gross profit in the amount of 9,77 million lei. Investments were made amounting to 38,86 million lei, increasing by 67.51% compared to 2020. In 2022 and in the following years, we plan to continue the investments assumed through the development strategy of the company.

We started the year 2022 with ambitious plans, namely to reach a turnover of 80 million lei, following the acquisition of the Apold Farm, made at the beginning of April. The solid position of the Group and the quality of its management were reflected in the results of 2021, so we remain confident that we will also achieve the financial objectives set for this year.

At the international level, we are facing one of the biggest challenges of the last generation - the conventional war in Ukraine, which took place in the immediate vicinity of Romania. The conflict has created a global shock, a real challenge for investors. The concrete effects of the war in Ukraine are difficult to appreciate at the moment, given the current course of events, but it is certain that agriculture is becoming a strategic area and a guarantor of the continent's food security.

Also, the danger of the Covid-19 pandemic is not yet completely over, the evolution of this virus being uncertain for the fall of 2022.

Despite the current challenges and the future effects of these unforeseen situations, we believe that we have the necessary experience and that the executive team is fully committed to long-term success and is fully aligned with DN AGRAR shareholders. We have a solid business continuity plan, for us it is all the more important to show the seriousness and determination that characterizes us.

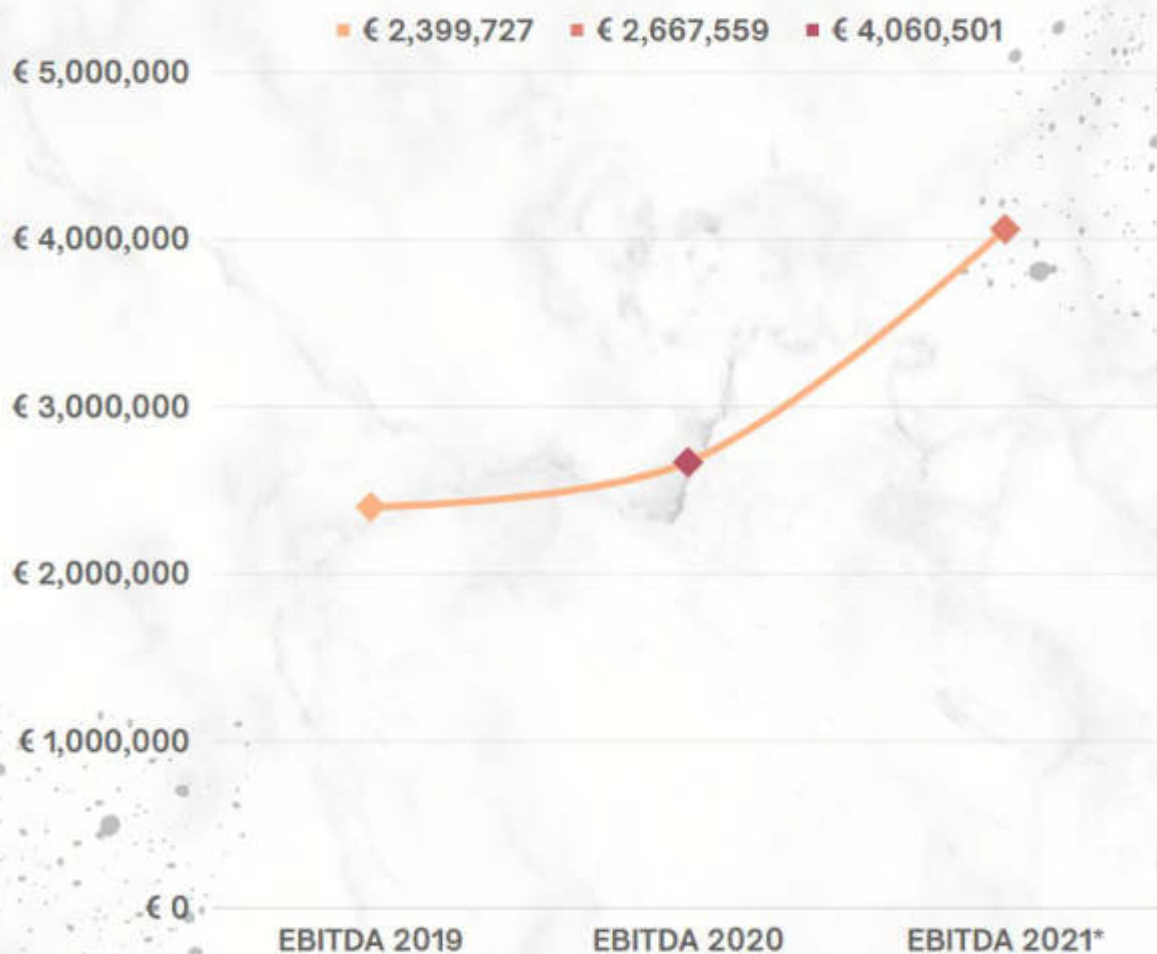
Jan Gijsbertus De Boer,

President of the Board of Directors of DN AGRAR GROUP SA

KEY FIGURES YEAR 2021

- ✓ Turnover: increasing by 22.84%, reaching 46.95 million lei
- ✓ Increasing the agricultural area exploited by the group of companies DN AGRAR with 2,112.05 ha
- ✓ Achieved net profit: 8.89 million lei, with an increase of 62.68% compared to 2020
- ✓ Total assets: increasing by 82.15%, reaching 146.97 million lei
- ✓ Equity capitals increased by 119.33%, reaching 65.46 million lei
- ✓ EBITDA (DN Agrar Group SA) = 12.989.414 lei
- ✓ EBIT (DN Agrar Group SA) = 5.673.126 lei
- ✓ INCOMES (DN Agrar Group SA) = 68.987.139 lei
- ✓ EBITDA (Lacto Agrar SRL) = 8.326.809 lei
- ✓ EBIT (Lacto Agrar SRL) = 3.867.392 lei
- ✓ INCOMES (Lacto Agrar SRL) = 52.261610 lei

EBITDA INDICATOR EVOLUTION FOR PERIOD : 2019 / 2020 / 2021*



* The value of the EBITDA indicator for the year 2021 includes all the companies from DN AGRAR GROUP SA and LACTO AGRAR SRL, the amounts not being consolidated on 31.12.2021

Note: According to OMFP1802/2014 (Section 8, subsection 2, articles 508 and 551) the revenues and expenses of Lacto Agrar SRL for the year 2021 do not cumulate with those of the Group, but the current result of Lacto Agrar SRL is taken into account in the calculation of goodwill on acquisition.

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.

As of December 31st, 2021, DN AGRAR GROUP SA has a total of 170 employees, including LACTO AGRAR SRL, and owns 11 companies in its portfolio. To this number of employees shall be added the number of employees held by DN AGRAR APOLD SRL, DN AGRAR HOLDING SRL, DN AGRAR CÂLNIC SRL and PRODAG GÂRBOVA SRL, after the completion of the acquisition in April 2022, reaching a total of 233 employees.

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

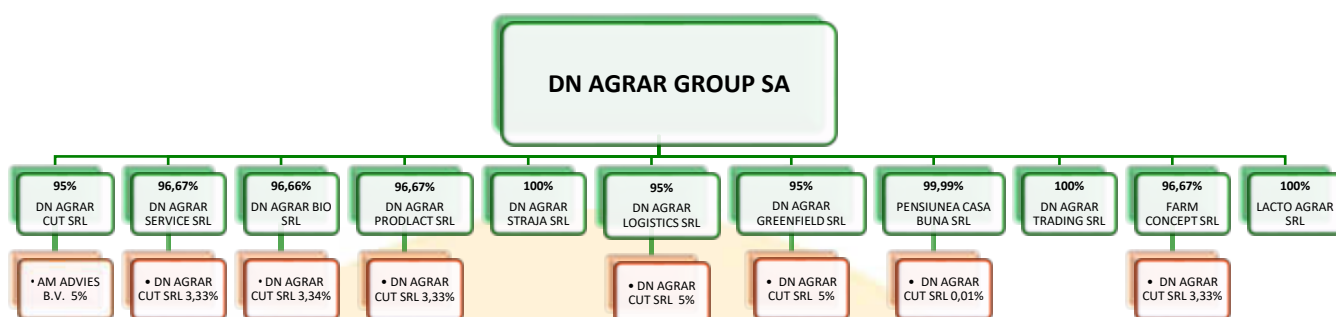
Presentation of the companies from DN AGRAR GROUP SA

In the following lines, we shall present, a brief description of the companies within DN AGRAR GROUP SA. Thus:

- ❖ DN AGRAR CUT SRL, whose main activity is the production of cow's milk. In addition, the farm operates in the cultivation of cereals (exclusively rice), vegetables and oilseeds. For the most part, the production of cereals and vegetables is used as feed for the farm's dairy cows
The DN AGRAR CUT Farm is equipped with technological equipment at European standards, with over 1,400 head of 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. The farm also has a rotating milking parlor, with 60 milking parlors, where 300 cattle/hour can be milked at the same time.
- ❖ DN AGRAR PRODLACT SRL, whose activity is the raising of dairy cattle. The farm currently has a herd of over 1,500 young cattle which is used both to replace livestock for existing farms and to increase the production capacity of dairy cattle for the future.
- ❖ DN FARM CONCEPT SRL, whose main activity is the wholesale of agricultural machinery, equipment and supplies. This company provides advice and support in the management and technological organization of cattle farms for milk production. On March 25th, 2022, the company was deregistered from the Trade Register, the company's activity being taken over by DN Agrar Trading SRL.
- ❖ DN AGRAR BIO SRL, whose main activity is the raising of young cattle, which are used both to replace livestock for existing farms and to increase the production capacity of dairy cattle for the future.

- ❖ DN AGRAR TRADING SRL, whose main activity is the wholesale of agricultural machinery, equipment. This company provides support in capitalizing on agricultural production for group companies and ensures the negotiation of sale-purchase contracts.
- ❖ DN AGRAR SERVICE SRL, the company having as object of activity “Activities after harvesting (NACE CODE 0163)” and “Machine repair (NACE CODE 3312)”. With more than 40 employees, this company ensures the provision of quality agricultural services for the establishment of crops for companies in the group, as well as outside the group, on an agricultural area of about 8,000 hectares. The company owns a fleet of machinery, which currently contains 28 high-performance tractors, 152 agricultural machinery, 25 agricultural trailers for harvesting, and 13 semi-trailers of 24-tons, for road transport of crops for storage or their capitalization. The entire fleet of equipment and vehicles is monitored with high-performance GPS agro-monitoring systems, and the data collected are centralized and analyzed in customized software programs for agricultural activities. DN Agrar Service SRL also owns a grain storage silo, inaugurated in 2018, which has a capacity of 10,000 tons, consisting of 10 vertical cells with a capacity of 1,000 tons/cell, offering integrated reception services, analysis, weighing, storage, conditioning and drying of cereals, for companies within the group.
- ❖ DN AGRAR LOGISTICS SRL, whose main activity is the provision of logistics and freight services, mainly cereals and cow's milk, using specialized vehicles, both nationally and in Europe. The management of the means of transport is done through the use of high-performance GPS monitoring systems, in real time of the fleet, by the transport coordinators.
- ❖ DN AGRAR GREENFIELD SRL, whose main activity is the raising of young cattle that are used both to replace livestock for existing farms and to increase the production capacity of dairy cattle for the future.
- ❖ PENSIUNEA CASA BUNĂ SRL, whose main activity is accommodation services. The company manages an accommodation unit with 14 double rooms, a traditional Transylvanian restaurant, a meeting room and recreation spaces ideal for team-building, as well as for other social events.
- ❖ DN AGRAR STRAJA SRL, owns a project that includes all the necessary construction permits for the establishment of a modern farm, with a capacity of 1,250 head of cattle for milk production, which shall be expanded to 4,000 head of dairy cattle and which it shall be equipped with state-of-the-art technological equipment, at European standards.

In the diagram below, you can find the percentage of capital that DN AGRAR GROUP SA holds, in each of the companies whose short presentation we made above.



DN AGRAR carefully adapts the number of animals to the number of owned hectares. This contributes to circular agriculture. DN AGRAR is aware of climate change and supports integrated agriculture. DN AGRAR uses liquid and solid animal manure, from cattle farms as an organic fertilizer for established agricultural crops. The improved soil ensures an increased quality of cereals and cultivated plants, the plants being used in animal feed. Fertile soil and healthy animals contribute to the company's goal of becoming an integrated agricultural entity.

With every investment and decision, the effect on biodiversity is taken into account. The aim is to allow Romanian consumers to enjoy the best quality Romanian milk. The used seeds and fodder from the animals, are not genetically modified. DN AGRAR GROUP SA intends to carry out a project to capitalize on animal manure through a compost processing plant, for which the land acquisition action has already started, and after the completion of the transaction, shall start the action to obtain permits and necessary approvals from the competent authorities.

DN AGRAR GROUP SA has the most modern equipment and technologies, being managed and structured on the same level as the farms in the Netherlands and Germany, with a well-qualified staff and continuous improvement.

New Acquisitions

In 2021, DN AGRAR GROUP started the necessary procedures for listing the company on the Bucharest Stock Exchange. Thus, in July 2021, a Private Placement took place, through which the company attracted 24,8 million lei from investors, who hold as a result of the operation 25.7% of the share capital of DN AGRAR GROUP SA. The funds obtained from the Private Placement were used for the takeover of Lacto Agrar SRL, a transaction completed towards the end of 2021. The takeover of the Lacto Agrar farm was approved by the Competition Council, by decision no. 96 of 14.12.2021. At the end of December 2021, this transaction was registered with the National Office of the Trade Register.

Lacto Agrar Farm, located in Romos Township, Vaidei Village, Hunedoara County, has as object of activity "Raising dairy cattle". Prior to the full takeover of the Lacto Agrar Farm, the share capital was wholly owned by the investment fund Eurolapte B.V., from the Netherlands. An agreement was signed between DN AGRAR GROUP S.A. and Eurolapte B.V., for the full takeover of the Lacto

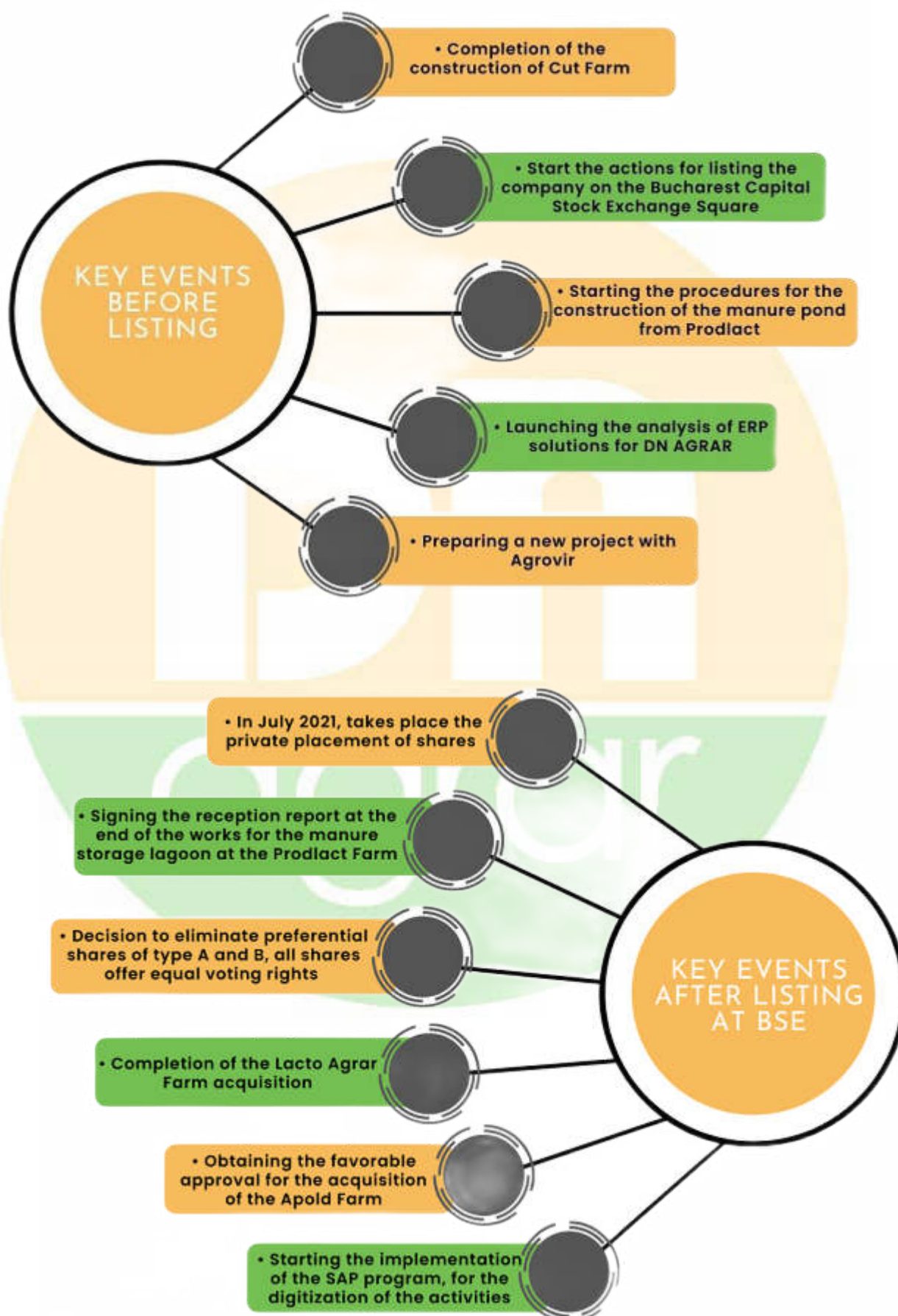
Agrar shares held by Eurolapte B.V. (EUR 3.980.000) and the repayment of the associated loan in the amount of EUR 506.375.

The farm currently has a herd of 3.669 animals, of which 1.921 are dairy cattle, and the difference of 1.748 heads are cattle up to 2 years old.

The farm is also equipped with equipment to European standards, the activity being managed by a number of 46 employees, who work with modern technological equipment and livestock monitoring systems, of the latest generation, also having a rotating milking parlor with 72 milking stations, where can be milked at the same time 350 cattle/hour.



KEY EVENTS IN 2021



Events prior to the listing of the company on the Bucharest Stock Exchange

Since the **beginning of 2021**, DN AGRAR GROUP SA has been intensely involved in listing the company on the Bucharest Stock Exchange, starting the necessary actions for listing, by preparing the necessary documentation for the Competition Council, preparing the acquisition of Lacto Agrar and Apold Farms, with the purpose of bring significant increases to the companies of the entire Group.

In **the first part of 2021**, was completed the construction of the Cut Farm. After the end of this stage, were made, monthly deliveries of cattle, in this case youth, so that the farm becomes operational at full capacity, being about 1,800 heads of dairy cattle.

Also **in the first part of 2021**, the project for the analysis of integrated ERP business solutions for the entire DN AGRAR Group was started, in order to achieve a high level of efficiency.

Due to climate change and the fact that DN AGRAR supports integrated agriculture, in cattle farms, the resulting liquid and solid animal manure is used as an organic fertilizer for established crops. In this sense, the company DN AGRAR GROUP SA started the necessary procedures for the construction of a manure lagoon for the Prodlact Farm, a lagoon with a capacity of 25,000 cubic meters.

For the agriculture segment, the company DN AGRAR GROUP SA started, **in the first half of 2021**, a new project with Agrovir, for the installation of agromonitoring programs on the equipment used in the field, within the 2 seasons in which the agricultural cycle is divided: spring campaign and autumn campaign.

Events after listing the company on the Bucharest Stock Exchange

In July 2021, took place the private placement of DN AGRAR GROUP SA, which attracted funds from investors amounting up to 24.8 million lei, representing 25.7% of the company's share capital. The funds attracted on the occasion of the private placement were used according to the issue prospectus, for the acquisition of the Lacto Agrar Farm, the transaction being completed towards the end of 2021.

One of the main objectives of the company is the constant attention to the equipment and machinery used in its activities, so in **July-September 2021**, the following types of equipment were purchased:

- 1 KOMATSU backhoe loader, model WB93R-8, year of manufacture 2021
- 2 KOMATSU hydraulic excavator, model PC240LC-11E0, year of manufacture 2021
- 3 GUTTLER ROLLER, MODEL PW 820 MASTER, SERIES: HP22296S, including FlatSpring for GUTTLER ROLLER, SERIES: HP80494-2

The total value of these acquisitions amounting to 246.370 euros.

In August 2021, the acceptance report was signed at the end of the works for the manure storage lagoon for the Prodlact Farm, a lagoon with a total capacity of 25,000 cubic meters, thus facilitating the management of animal manure from the farms of the DN AGRAR group.

The agricultural land areas owned by the companies from the DN AGRAR group, on 31.12.2021, are of 3,759.74 hectares, of which approximately 2,503.26 hectares are currently worked and 324.32 hectares are grazed, located within the counties of Alba and Hunedoara, the objective being

to increase the cultivated land area to 10,000 hectares. Some of them are owned by companies within the DN AGRAR group, and the other part by Land Lease Agreements.

During the lease period, namely **September - November 2021**, it was managed to sign addendums for 5 years extension of the Land Lease Agreements, for most of the company's lessors, the Land Lease Agreements having, on average, a validity period of at least 10 years. Also, during the same period, were made new land acquisitions, namely over 85 hectares of agricultural land were purchased from natural or legal owners.

On November 10th, 2021, the Extraordinary and Ordinary Meeting of the Company's Shareholders took place, a meeting in which the shareholders of DN AGRAR GROUP SA, that participated at the meeting, approved by unanimous vote, all the proposals on the agenda. The main approved decisions were:

1. Was approved the amendment of the Articles of Incorporation of the Company, by the complete elimination of certain articles concerning Class A and B preferred shares, which become "Actions conferring to the holders equal voting rights in the General Meetings of Shareholders.
2. Was approved the loan from ING BANK for the purchase by the Company of the shares held by DN Agrar Gârbova CV in DN AGRAR APOLD SRL, DN AGRAR HOLDING SRL, DN AGRAR CÂLNIC SRL and PRODAG GÂRBOVA SRL.
3. It was approved the amendment of the composition of the Board of Directors, by increasing the number of members from 3 to 5, as well as the election of the two new members in the person of: Sorin Gheorghe Șerban and Bințișan Cristian Dan, both shareholders within DN AGRAR GROUP SA.

In December 2021, DN AGRAR GROUP SA received the favorable approval from the Romanian Competition Council Authority for the acquisition of Lacto Agrar and Apold Farms. For the acquisition of the Lacto Agrar Farm, the company used the capital attracted through the private placement, and for the acquisition of the Apold Farm, the company shall access, following the decisions approved at the General Meeting of Shareholders, an investment loan from ING BANK N.V. AMSTERDAM.

As both farms have integrated the vegetal and zootechnical production in the agribusiness of DN AGRAR GROUP SA, after the completion of the takeover transactions, it shall not be necessary a long transition process of these activities.

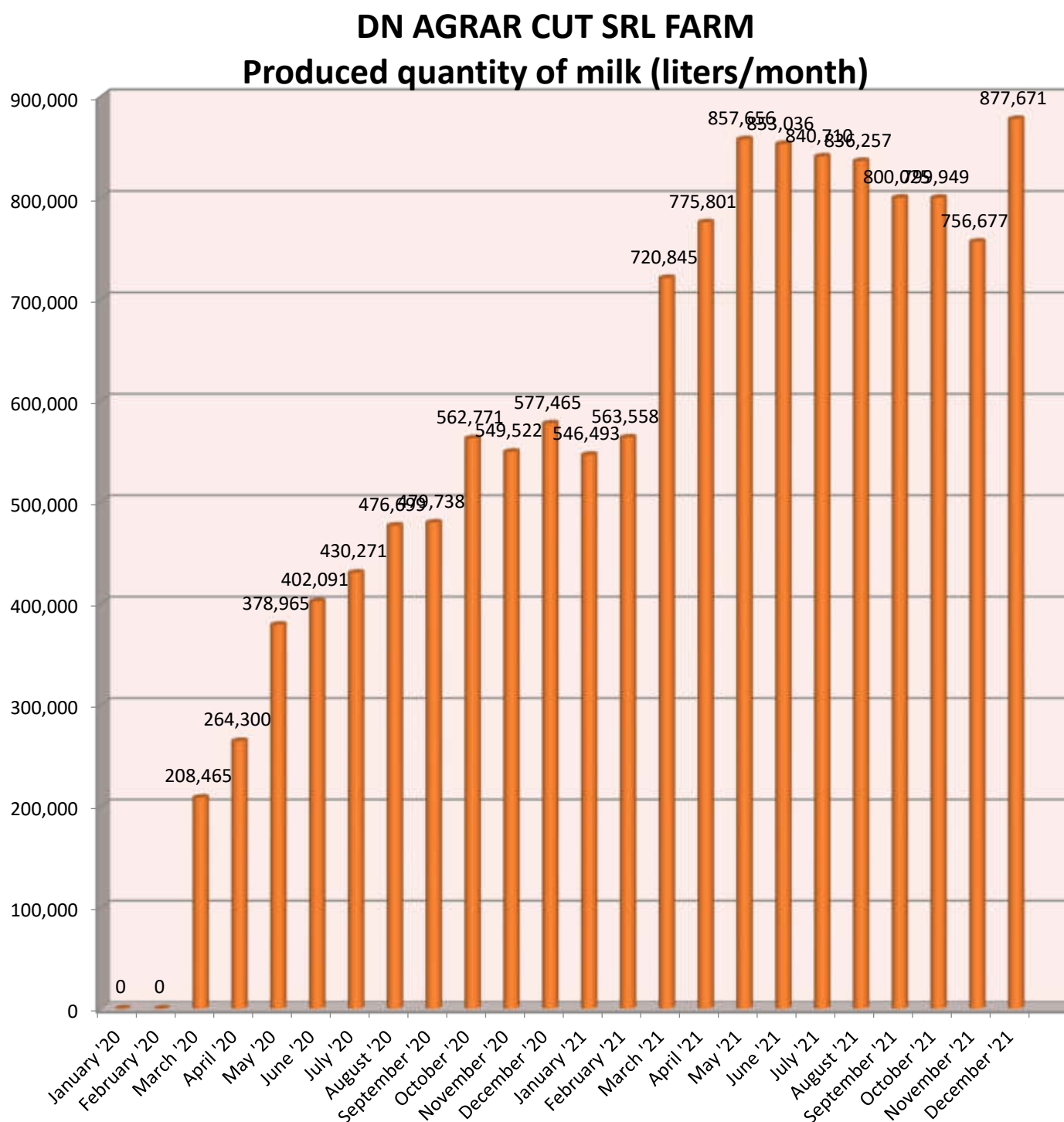
At the end of December 2021, the acquisition of the Lacto Agrar Farm was successfully completed. Once the acquisition of the Apold Farm shall be completed, scheduled for April 2022, the company DN AGRAR GROUP SA becomes the largest livestock farm with cow's milk production in Romania.

Another important project for the company DN AGRAR GROUP SA was successfully started **at the end of 2021**, namely the implementation of the SAP program for the digitization of the company's activities. This contributes to a faster growth of the company in the near future, making it easier to integrate future acquisitions into the current business model, as well as increasing the efficiency and effectiveness of all business processes within the group. The digital transformation shall allow the DN AGRAR group to accelerate its growth strategy, resulting in more value for all involved shareholders and stakeholders.

Also, on the digital side, towards **the end of December 2021**, was completed the implementation of a software program for the management of agricultural activity, which the companies within the DN AGRAR group, use in the plant production activity.

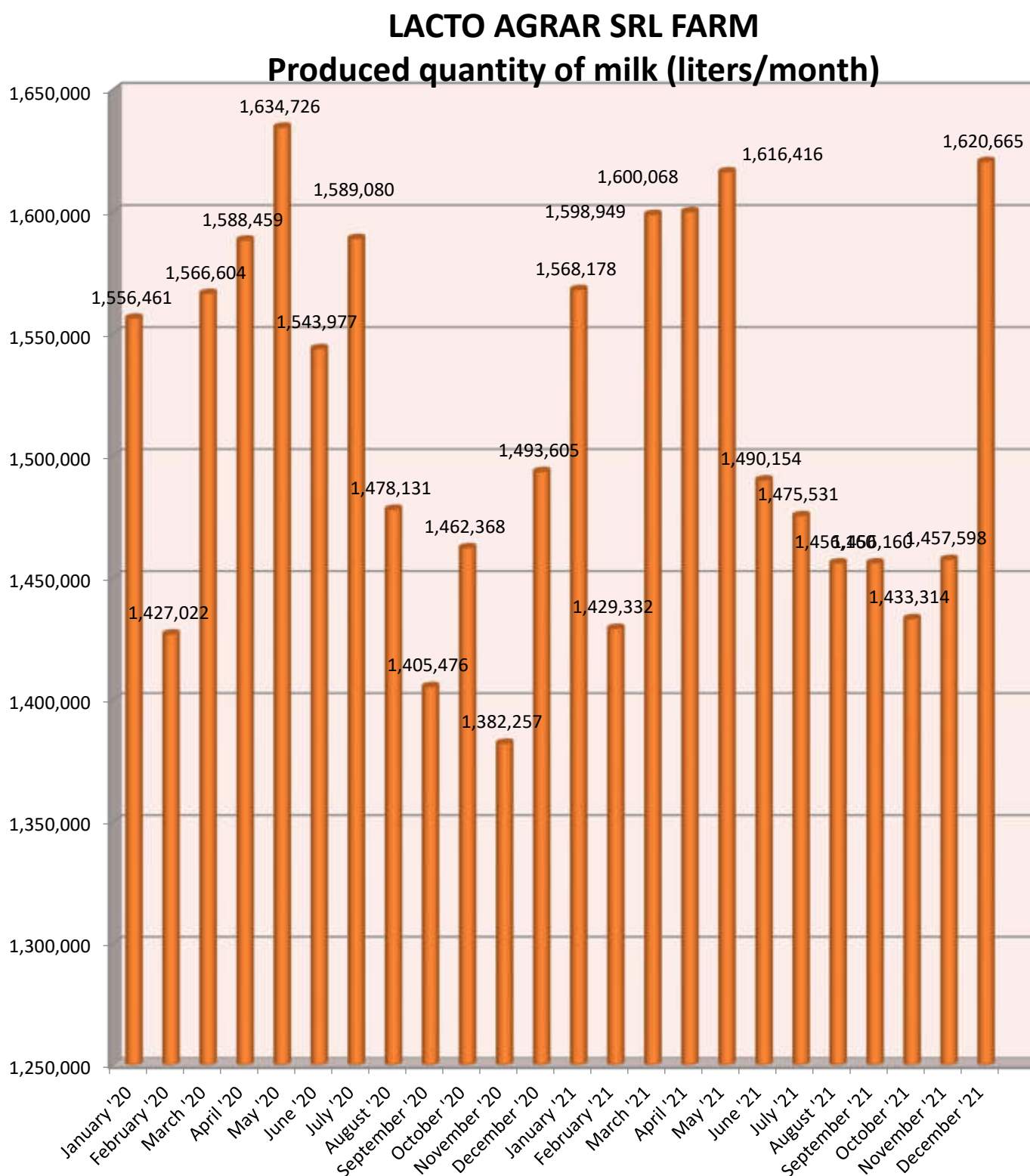
ASSESSMENT OF ACTIVITY OF DN AGRAR GROUP SA

Milk production activity



According to the above graph, if at the beginning of 2020 the CUT Farm produced just over 200,000 liters of cow's milk, at the end of December 2021, it reached to produce more than 870,000 liters of milk.

According to our forecasts, for the year of 2022 we suggest an increase of approximately 200,000 liters of milk per month, which means a monthly production of 1.1-1.2 million liters of milk.



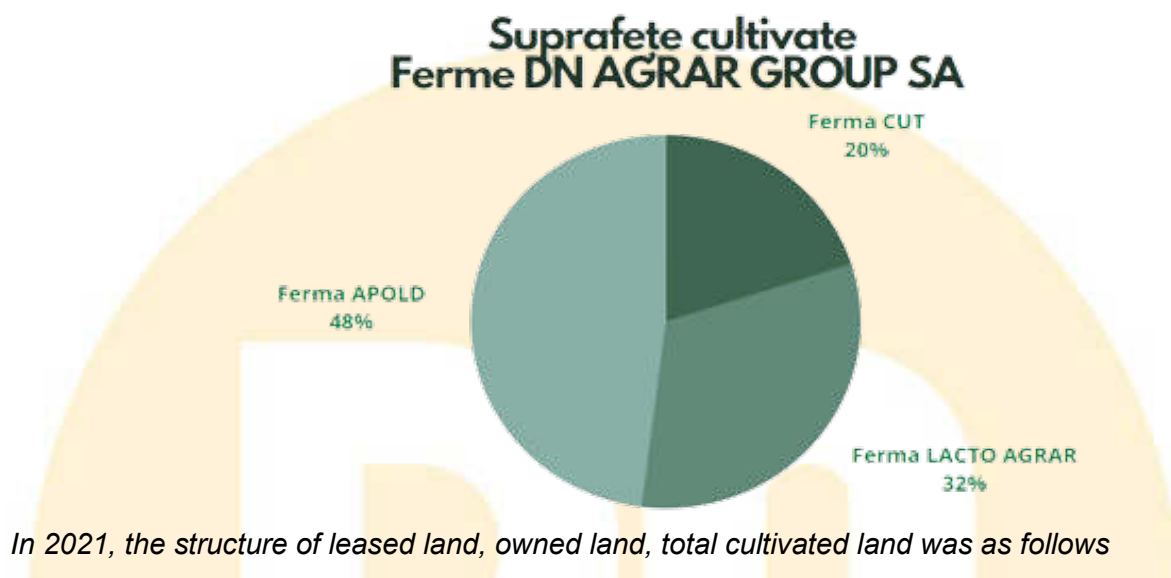
Analyzing the above graph, the Lacto Agrar Farm monthly produces, an average of about 1.5 million liters of milk.

As can be seen, in the winter months production is at its peak, and after the summer, production is decreasing.

Cereal production activity

DN AGRAR works over 5000 hectares of arable land, divided into 3 farms Cut - 1000 ha, Apold - 2400 ha and Lacto Agrar - 1600 ha.

The distribution of cultivated areas per farm (represented as percentage % of the total area of 5000 hectares cultivated in the agricultural year 2021/2022), is shown in the graph below:



In 2021, the structure of leased land, owned land, total cultivated land was as follows

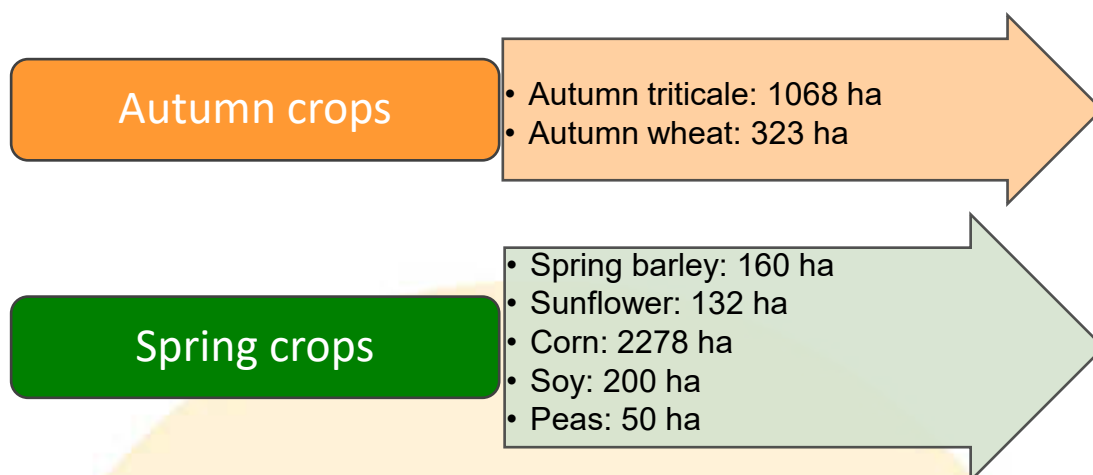
2021	TOTAL FARMED LAND	LEASED LAND*	OWNED LAND	PRODUCTION LAND	PASTURE USE FOR COWS
LACTO AGRAR	2112.05 ha	1641.01ha	107.89 ha	1425.20 ha	20.00 ha
Extension LACTO AGRAR 2022		363.15 ha		0.00 ha	0.00 ha
DN AGRAR CUT	1655.46 ha	1360.28ha	295.18 ha	974.40 ha	200.40 ha
DN AGRAR BIO	51.92 ha	50.77 ha	1.15 ha	45.00 ha	0.00 ha
DN AGRAR GREENFIELD	96.32 ha	93.35 ha	2.97 ha	58.66 ha	0.00 ha
DN AGRAR PRODLACT	207.15 ha	177.89 ha	29.26 ha	0.00 ha	103.92 ha
DN AGRAR SERVICE	0.00 ha	0.00 ha	10.38 ha	0.00 ha	0.00 ha
DN AGRAR GROUP	0.00 ha	0.00 ha	6.21 ha	0.00 ha	0.00 ha
PENSIUNEA CASA BUNA	0.00 ha	0.00 ha	6.09 ha	0.00 ha	0.00 ha
DN AGRAR STRAJA	0.00 ha	0.00 ha	10.68 ha	0.00 ha	0.00 ha
Total	4122.89 ha	3686.45ha	469.81 ha	2503.26 ha	324.32 ha

* the areas are leased for contractual periods of 5 – 15 years.

The main activity is to provide the fodder base for the dairy farms we own, being about corn silage, alfalfa, triticale silo, grass, wheat straw.

Also an important activity is the production, for sale, of cereals (wheat, corn, barley) and oilseeds (soybeans and sunflowers). From its own production, the necessary cereals are also provided for the payment of the rent.

For the agricultural year 2021-2022 we have set up: autumn crops (autumn triticale 1068 ha, autumn wheat 323 ha) and spring crops: spring barley 160 ha, sunflower 132 ha, corn 2278 ha, soy 200 ha and peas 50 ha.



In addition, we have 473 ha of alfalfa.

Another important activity for our company is the establishment of a secondary crop of corn, which is established after the harvest of the main crop of autumn triticales silo. This has multiple advantages, both economic and agronomic. The second maize crop is established at a lower cost than the main crop, as it does not involve rental costs, does not require a basic work (plowing or scarifying) or land clearing, the land remains clean of plant debris after the harvest of silos, thus preventing soil erosion.

Acquisition of inputs

DN AGRAR acquires the necessary inputs for the vegetal production process, on the free market in Romania, the company carrying out commercial relations with over 10 distributors. As we are in constant contact with the largest producers (Bayer, BASF, Adama, Syngenta, Corteva, etc.), as well as with the largest distributors in Romania (Promat, Alcedo, Agricover, Agrii, Kwizda, RDF, etc.), we are up to date with the latest and most innovative plant protection products, and the large number of distributors we work with at company level, ensures the best conditions and the best prices on the market, there is no risk of creating a monopoly on the flow purchase.

Implemented agricultural technology

DN AGRAR implements in its farms a modern soil conservation technology by using the minimum tillage technology, environmentally friendly.

At the company level, we intend to reduce the purchase of chemical fertilizers in the future and to use the manure we have in a much more efficient way, which has clearly superior qualities on both the soil and the plants. To this end, starting with 2022, we apply a large part of the semi-liquid organic fertilizers that we have with a high-capacity drain and with direct incorporation into the soil, thus greatly reducing the risk of loss, by leaching or evaporation, of the useful nutrients in manure. Also, the direct incorporation of semi-liquid fertilizers in the soil greatly reduces the olfactory discomfort.

This year, the company DN AGRAR aims to apply a different herbicide technology to the corn crop, so by using drones to identify in the plot only the areas where the weeds are and to apply only in those herbicide areas, all this process being completely automatic, in this way there is a decrease in herbicides used between 60% and 80%.

At the same time, by using a large number of crops (Corn, Wheat, Soybeans, Barley, Sunflower, Triticale), we can ensure a suitable rotation to increase soil quality and reduce as much as possible the pressure of diseases, weeds and pests.

All these measures are meant to ensure a long-term healthy soil, which allows us to have large, consistent and healthy yields, while reducing the long-term protection products and chemical fertilizers used.

Sales activity

The products offered for sale by DN AGRAR, are produced of a high quality and are sold on the free market, following the conclusion of binding agreements with companies specialized in the trade of cereals and oilseeds. In order to obtain the best possible average price, we decided to sell 30% - 40% of the production immediately after sowing, by concluding a futures contract with immediately delivery after harvest, when we have the exact data on the harvested quantities, another part of the harvest is sold immediately after the end of the harvest, and another part is stored in our silos and sold it throughout the year.

DN AGRAR GROUP SA ON THE CAPITAL MARKET

The debut of DN AGRAR GROUP SA on the capital market was marked by the successful completion of the private placement of shares on July 20th, 2021, an operation mediated by BRK Financial Group, as an authorized consultant.

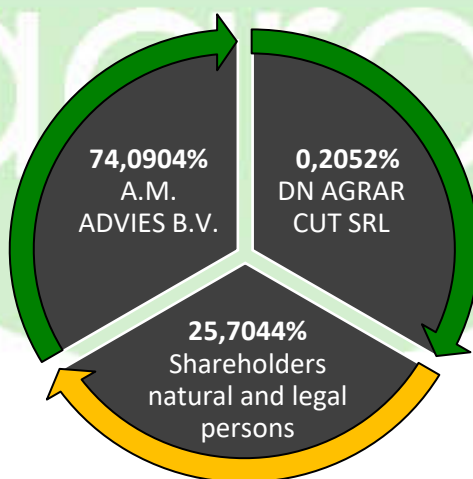
Through this operation, DN AGRAR GROUP SA attracted the amount of 24.782.465 lei through from investors, an increase in share capital, being the largest private placement of shares concluded in the last year in Romania, due to the value of the transaction within the private placement, the investors hold 25.7% of the share capital of DN AGRAR GROUP SA.

The capital difference is controlled by the majority shareholder, A.M. Advies B.V., a company owned by Jan Gijsbertus de Boer.

Between **July 27 - 28th, 2021**, the subscription formulas were collected and accepted from more than 100 investors, for a number of 13.6 million shares, with a nominal value of 0.2 lei and a subscription price of 1.81 lei per unit.

On **November 10th, 2021**, took place the General Meeting of Shareholders, where the shareholders of DN AGRAR GROUP SA, that participated at the meeting, approved all the proposals on the established agenda. At the two meetings, the shareholders unanimously approved all the proposals on the agenda. The main decisions approved were:

- Was approved the loan from ING BANK for the purchase by DN AGRAR GROUP SA of the shares held by DN Agrar Gârbova CV in DN AGRAR APOLD SRL, DN AGRAR HOLDING SRL, DN AGRAR CÂLNIC SRL and PRODAG GÂRBOVA SRL.
- Was approved the amendment to the Articles of Incorporation of the Company, by the full elimination of certain articles concerning Class A and B preferred shares, which become "Actions conferring to the holders equal voting rights in the General Meetings of Shareholders"



On December 31st, 2021, the shareholding structure of the company is as follows:

Shareholder	Number of shares	Percentage
A.M. ADVIES B.V.	39,291,200	74,0904 %
Shareholders individuals or entities	13,631,408	25,7044 %
DN AGRAR CUT SRL	108,800	0,2052 %
TOTAL	53,031,408	100 %

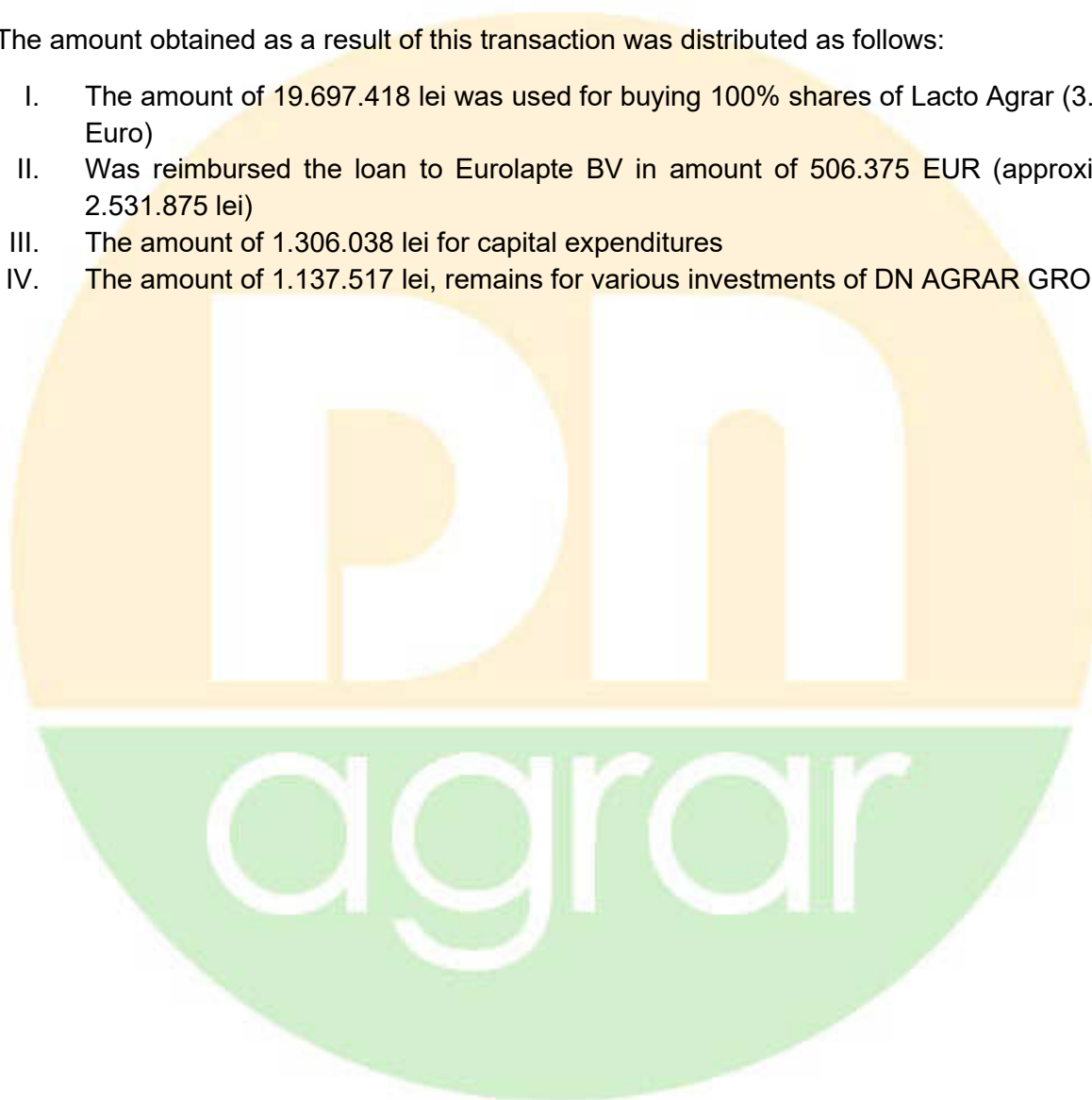
The share capital of DN AGRAR GROUP SA consists of 53.031.408 shares with a nominal value of 0.2 lei/share. The shareholding structure of DN AGRAR GROUP SA is as follows:

- AM Advies BV = 7.858.240 lei = 39.291.200 shares
- DN AGRAR CUT SRL = 21.760 Lei = 108.800 shares
- Alți acționari = 2.726.281,60 Lei = 13.631.408 shares

The value obtained after selling the shares DN AGRAR GROUP SA was in amount of 24.672.848,48 lei, of which the amount 21.946.566,88 lei is represented by the share premium.

The amount obtained as a result of this transaction was distributed as follows:

- I. The amount of 19.697.418 lei was used for buying 100% shares of Lacto Agrar (3.980.000 Euro)
- II. Was reimbursed the loan to Eurolapte BV in amount of 506.375 EUR (approximately 2.531.875 lei)
- III. The amount of 1.306.038 lei for capital expenditures
- IV. The amount of 1.137.517 lei, remains for various investments of DN AGRAR GROUP SA



ANALYSIS OF THE FINANCIAL RESULTS

Consolidated financial results on 31.12.2021

The year 2021 was with good financial results for the group of companies DN Agrar Group SA, because the financial performance of the company increased reaching a total turnover of 46,95 million lei, an increase of 22.84% compared to the same period of the year last.

In the field of agricultural crops, the companies from the DN Agrar group are currently cultivating 3,759.74 hectares located in the counties of Alba and Hunedoara, and the objective is to reach a cultivated area of 10.000 hectares by acquiring other farms with vegetable agricultural production. At the beginning of April 2022, such an acquisition was completed, namely the purchase of the Apold Farm, which owns 3,372.36 hectares, of which 390.70 hectares as owner. Also, in the first quarter of 2022, the Lacto Agrar Farm increased the leased area by 363,15 ha and it is estimated that it shall be leased up to a total area of 500 hectares. The land currently owned by the group of companies DN Agrar Group SA is in the area of 860.51 hectares, and through leases in the area of 6,668.11 hectares.

The crops established in the agricultural year 2020 - 2021 were the following: triticale (365.33 ha), corn (1,622.32), alfalfa (475.23 ha) and pasture (52.12 ha). The productions made for the established crops were about 6 tons/ha for grain triticale, over 15 tons/ha for silo triticale, about 6 tons/ha for grain corn, about 27 tons/ha for silo corn and about 21 tons/ha for alfalfa silo and were used both for feeding their own animals and for paying the rent (to those landlords who opt for cereals).

Consolidated profit and loss account analysis

The shares of Lacto Agrar SRL were acquired on December 24th, 2021. In order to include the income and expenses of Lacto Agrar SRL, in the consolidation, the acquisition was considered to be made on the last day of 2021 considering the fact that the transactions of Lacto Agrar SRL from December 24-31, 2021, are insignificant. As a result, according to OMFP 1802/2014 (Section 8, Subsection 2, Articles 508 and 551), Lacto Agrar SRL's revenues and expenses for 2021 do not add up to those of the Group, but the current result of Lacto Agrar SRL is taken into account in the calculation of the goodwill on acquisition.

With the exception of Lacto Agrar SRL, the goodwill did not appear in the consolidation because the participations in the subsidiary companies were made at the time of the establishment of those companies.

For Lacto Agrar SRL, acquired in December 2021, the goodwill was calculated based on the fair values of its assets and liabilities at the date of acquisition of the shares, resulting in a negative goodwill amounting to 4.98 million lei. The value of the negative goodwill in excess to the fair value of the identifiable acquired non-monetary assets was recognized immediately as income included under other operating income.

Below you can see the calculation of the goodwill for the acquisition of the Lacto Agrar SRL farm:

	31-Dec-21	31-Dec-21	31-Dec-21
A. FIXED ASSETS	29,738,693	2,194,759	31,933,452
B. CURRENT ASSETS	27,670,860		27,670,80
C. ADVANCE PAYMENTS	113,870		113,870
D. DEBTS: AMOUNTS TO BE PAID UP TO ONE YEAR	(17,076,868)		(17,076,868)
G. DEBTS: AMOUNTS TO BE PAID IN MORE THAN ONE YEAR	(17,566,751)		(17,566,751)
H. PROVISIONS	(41,748)		(41,748)
Net assets	22,838,056	2,194,759	25,032,418
Acquisition price			19,697,418
Negative goodwill			(5,335,397)
Deferred tax effect	16%		351,12
Total effect on the profit and loss account			(4,984,236)

In 2021, the operating incomes were 64,66 million lei, an increase of 18.24% compared to the same period last year. The revenues from the sold production amounted to 43.90 million lei, registering an increase of 27.45% compared to the same period in 2020. The second largest contribution was the revenues related to the production of tangible fixed assets which increased by 237.66%, reaching 1.28 million lei, these represent the increase of the number of animals for reproduction.

The revenues from operating subsidies registered for 2021 amounted to 3,53 million lei, listing an increase of 8.13%. Subsidies are mainly in the area of agriculture received by APIA for agricultural land and raw milk production. Grants are awarded according to the area of used land, based on requests from the organization.

Operating expenses increased at a slower pace than revenues, being appreciated by 14.62% at the end of 2021, reaching 53.80 million lei. The main contribution was made by the expenditures on raw materials and consumables, which reached the figure of 16.79 million lei, an increase of 51.85% compared to the same period last year, an evolution related to the increase in the number of directly productive animals in the farm and of the worked surfaces to ensure the necessary fodder.

This line was followed by other external expenses, which reached the amount of 1.17 million lei, an increase of 76.34% and by the expenses with external services which reached the amount of 12.84 million lei, an increase of 21.09%. With the expansion of the number of animals, the personnel expenses increased to 10,58 million lei, an increase of 16.14%. This increase was determined by the increase in national the minimum wage and by the increase in the number of employees, the DN Agrar group of companies currently having an effective number of approximately 170 employees compared to 116 in the same period of 2020. Expenditures on depreciation and value adjustments amounted to 5.96 million lei, an increase of 8.42%.

The company's operating result increased significantly, from a value of 7.74 million lei, to an operating result of 10.85 million lei, an increase of 40.22%.

Financial revenues increased by 28.88%, until 713.24 thousand lei, while financial expenses decreased by 7.13%, reaching 1.79 million lei. The decrease in financial expenses was mainly due to the decrease in interest expenses by 8.98%, mainly due to the decrease in the balance of contracted loans.

This led to a gross result of 9.77 million lei in 2021, a significant increase of 53.59%, compared to the amount of 6.36 million lei recorded in the same period last year. In 2021, the company closed the balance sheet with a net profit of 8.89 million lei, an increase of 62.68% compared to 2020.

PROFIT AND LOSS ACCOUNT IN LEI	31/12/2020	31/12/2021	Δ%
OPERATING INCOME - TOTAL	54.685.127	64.661.674	18,24%
OPERATING EXPENSES - TOTAL	46.945.266	53.808.826	14,62%
OPERATING PROFIT (LOSS)	7.739.861	10.852.848	40,22%
FINANCIAL INCOME - TOTAL	553.430	713.237	28,88%
FINANCIAL EXPENSES - TOTAL	1.928.928	1.791.345	-7,13%
FINANCIAL PROFIT OR (LOSS)	1.375.498	1.078.108	-21,62%
GROSS PROFIT OR (LOSS)	6.364.363	9.774.740	53,59%
NET PROFIT OR (LOSS) RELATED TO THE GROUP	5.464.045	8.888.910	62,68%

Consolidated Balance Sheet Analysis

Since the beginning of 2021, following the acquisition of the Lacto Agrar SRL Farm, the total assets increased by 82.15%, reaching 146.97 million lei. Fixed assets increased by 67.51%, reaching 96.42 million lei. Intangible assets increased from 159,696 lei to 1.68 million lei.

Financial fixed assets increased by approximately 8.32 thousand lei, representing an increase of 19.33%. Current assets increased by 121.02%, reaching 49.43 million lei in the analyzed period. The increase was mainly determined by the increase of stocks by 185.20%, which reached 30.10 million lei, of receivables by 42.32%, which reached 15.08 million lei. Receivables have increased due to the subsidy for agricultural activity (animal husbandry and vegetation) which shall be collected by the end of the year. The increase recorded in the category of house and bank accounts was determined by the cash received by the company with the successful completion of the private placement. The share capital increase brought the company approximately 24.67 million lei.

FINANCIAL STATEMENT INDICATORS in LEI	31/12/2020	31/12/2021	Δ%
FIXED ASSETS – TOTAL	57.557.888	96.416.465	67,51%
CIRCULATING ASSETS – TOTAL	22.362.883	49.426.260	121,02%
ADVANCE EXPENSES	770.173	1.133.043	47,12%
TOTAL ASSETS	80.690.944	146.975.768	82,15%

Short-term debts increased by 78.37% reaching 41.79 million lei. This is a natural increase as a result of the acquisition of the farm Lacto Agrar SRL.

Short-term debts also increased due to the takeover within the DN Agrar Group of short-term credit lines received from ING Bank in the amount of 5 million lei and from the majority shareholder Eurolapte BV in the amount of approximately 2.5 million lei for financing the current activity of the farm Lacto Agrar SRL. The commercial debts show an increase, approximately 8.68 million lei as a result of the increase of the stocks following the takeover of the farm Lacto Agrar SRL, it does not present overdue debts at maturity.

Description	31/12/2020	31/12/2021	Δ%
Short-term debts related to loan agreements	4,991,690	12,890,712	158.24%
Short-term debts related to leasing contracts	2,614,197	3,804,887	45.55%
Guarantees	-	658,150	-
Trade payables	5,323,359	14,008,869	163.16%
Trade payables to related parties	5,270,015	7,180,654	36.25%
Advances from customers	4,128	9,986	141.91%
Various creditors	358,683	476,623	32.88%
Salaries and other rights due to staff	449,461	829,898	84.64%
Social security contributions	313,371	504,831	61.10%
Wage income tax	57,166	107,120	87.38%
Corporate tax	451,499	245,952	-45.53%
VAT payable	285,504	467,550	63.76%
Loans from related parties	3,304,257	578,623	-82.49%
Other short-term debts	7,330	30,125	310.98%
TOTAL	23,430,660	41,793,980	78.37%

Long-term debts increased by 44.19% due to the takeover of the farm Lacto Agrar SRL, reaching 39,33 million lei at the end of 2021. The acquisition of the new farm added to the long-term debts of the DN Agrar group the investment loans with a balance of 15,43 million lei received by the Lacto Agrar farm from ING Bank in 2016 for the modernization and development of the production capacity.

Compared to 2020, there may be a decrease in long-term loans contracted from Exim Bank as well as loans related to leasing contracts for the purchase of agricultural equipment from BT Leasing as a result of payments made during 2021.

Long term debts Description	31/12/2020	31/12/2021	Δ%
Loans from Transilvania Bank	42,494	-	-
Loans from Exim Bank	19,527,911	16,775,339	-14.10%
Loans from ING	-	15,430,751	-
Loans from Raiffeisen Bank	-	-	-
Leasing BT Leasing	2,053,885	1,058,459	-48.47%
Leasing BRD Sogelease	4,990,517	5,172,460	3.65%
Unicredit leasing	-	534,487	-
Other long-term debts (miscellaneous guarantees)	658,651	353,637	-46.31%
TOTAL	27,273,458	39,325,133	44.19%

Provisions increased by 40.54% in 2021, reaching 200.46 thousand lei, compared to the end of 2020 with the takeover of the farm Lacto Agrar SRL.

Equity increased by 119.33%, reaching 65.46 million lei, an increase determined by the capital from the acquisition of Lacto Agrar SRL farm at the end of 2021. Following the private placement carried out in July last year by DN Agrar Group SA registered capital premiums amounting to 21.95 million lei. The legal reserves increased by 180.38%, having a value of 142,83 thousand lei.

FINANCIAL STATEMENTS INDICATORS in LEI	31/12/2020	31/12/2021	Δ%
DEBTS: AMOUNTS TO BE PAID UP TO ONE YEAR	23.430.660	41.793.980	78,37%
DEBTS: AMOUNTS TO BE PAID IN MORE THAN ONE YEAR	27.273.458	39.325.133	44,19%
PROVISIONS	142.636	200.465	40,54%
ADVANCE REVENUES - TOTAL		198.172	
DEBTS - TOTAL	50.704.118	81.119.113	59,99%
EQUITY - TOTAL	29.844.190	65.458.018	119,33%
TOTAL EQUITY AND DEBTS	80.548.308	146.577.131	81,97%

MAIN FINANCIAL FACTORS

Current liquidity indicator	31-Dec-21
Current assets (A)	49,426,260
Current debts (B)	41,793,980
A/B	1.18

Indebtmnt degree indictor	31-Dec-21
Borrowed capital (A)	38,871,496
Equity (B)	65,458,018
A/B	60%

Indebtmnt degree indictor	31-Dec-21
Borrowed capital (A)	38,971,496
Invested capital (B)	104,429,514
A/B	37%
<i>Borrowed capital = Loans over 1 year</i>	
<i>Invested capital = Borrowed capital + Equity</i>	

Fixed assets turnover	31-Dec-21
Turnover (A)	46,951,665
Fixed assets (B)	96,416,465
A/B	0.49

Individual financial results on 31.12.2021

Individual financial results on 31.12.2021

The year 2021 brought good financial results for the company DN Agrar Group SA, because the financial performance of the company increased reaching a total turnover of 4,95 million lei, an increase of 47.04% compared to the same period last year.

Individual profit and loss account analysis

In 2021, the operating income was 4,97 million lei, an increase of 46.47% compared to the same period last year. Revenues from the production of consulting and management services constitute the main source of income of the company and amounted to 4.89 million lei, registering an increase of 45.29% compared to the same period in 2020.

Operating expenses increased by 49.55% at the end of 2021, reaching 3.84 million lei. The main contribution was brought by the expenses with external services, which reached the figure of 753.53 thousand lei, an increase of 61.62% compared to the same period last year, an evolution related to the consulting services contracted for listing on the stock exchange. Staff expenditures increased by 42.4% due to the increase in the number of qualified staff from 17 to 23 employees.

Expenditures on depreciation and value adjustments amounted to 104.97 thousand lei, an increase of 242.86%.

The operating result of the company increased significantly, from a value of 825.88 thousand lei, to an operating result of 1.13 million lei, an increase of 36.89%.

Financial revenues increased by 894.75%, up to 460.51 thousand lei, while financial expenses increased by 20.99%, reaching 86.78 thousand lei.

This led to a gross result of 1.5 million lei in 2021, a significant increase of 90.82%, compared to the amount of 788.31 thousand lei recorded in the same period last year. In 2021, the company closed the balance sheet with a net profit of 1.47 million lei, an increase of 93.63% compared to 2020.

PROFIT AND LOSS ACCOUNT IN LEI	31/12/2020	31/12/2021	Δ%
OPERATING INCOME - TOTAL	3,395,118	4,972,960	46.47%
OPERATING EXPENSES - TOTAL	2,569,234	3,842,405	49.55%
OPERATING PROFIT OR LOSS	825,884	1,130,555	36.89%
FINANCIAL INCOME - TOTAL	34,158	460,511	1248.18%
FINANCIAL EXPENSES - TOTAL	71,728	86,783	20.99%
FINANCIAL PROFIT OR LOSS	(37,570)	373,728	894.75%
19. GROSS PROFIT OR LOSS	788,314	1,504,283	90.82%
23. NET PROFIT OR LOSS FOR THE FINANCIAL YEAR	758,403	1,468,528	93.63%

Individual balance sheet analysis

Due to the private placement made on BSE in July 2021, the total assets increased by 317.06%, reaching 35.40 million lei. Fixed assets increased by 545.53%, reaching 25.19 million lei. Intangible assets increased from 20.32 thousand lei to 1.33 million lei.

Financial fixed assets increased by approximately 19.75 million lei, representing an increase of 538.27% due to the acquisition of the shares related to the Lacto Agrar SRL farm from the majority shareholder Eurolapte BV. Current assets increased by 122.84%, reaching 10.21 million lei in the analyzed period. The increase was mainly determined by the collection of cash obtained as a result of the private placement, the bank accounts registering a balance on 31.12.2021 in the amount of 1.91 million lei. The value of receivables registered an increased by 95.41% and reached 8.3 million lei.

FINANCIAL STATEMENT INDICATORS IN LEI	31/12/2020	31/12/2021	Δ%
FIXED ASSETS – TOTAL	3,901,493	25,185,495	545.53%
CURRENT ASSETS - TOTAL	4,584,153	10,215,275	122.84%
ADVANCE EXPENDITURES	3,634	4,412	21.41%
TOTAL ASSETS	8,489,280	35,405,182	317.06%

Short-term debts decreased by 61.33% to 1.3 million lei. This was also due to the incorporation in the share capital of the associated loan from AM Advies BV in the amount of 2.8 million lei.

Short term debts	31/12/2020	31/12/2021	Δ%
Short-term debt related to Loan Agreements	101,986	42,494	-58.33%
Trade payables	73,366	928,864	1166.07%
Trade payables to related parties	-	13,923	-
Various creditors	356	-	-
Salaries and other rights due to staff	111,612	154,617	38.53%
Social security contributions	71,776	89,163	24.22%
Wage income tax	13,003	18,041	38.74%
Corporate tax	9,008	-	-
VAT payable	52,718	54,968	4.27%
Loans from related parties	2,777,240	-	-
Debt depreciation	155,733	-	-
Total	3,366,798	1,302,070	-61.33%

Long-term debts decreased completely due to the payment of the loan taken from Transilvania Bank.

Long term debts	31/12/2020	31/12/2021	Δ%
Loans from Transilvania Bank	42.495	-	-100%
TOTAL	42.495	-	-100%

Provisions decreased by 16.23% in 2021, reaching 40.39 thousand lei, compared to the end of 2020.

Equity increased by 556.63%, reaching 34.06 million lei, increase from the incorporation of the profit carried forward in the amount of 4.35 million lei in the share capital, the incorporation in the share capital of the associated loan from AM Advies BV in amount of 2.8 million lei and from the successful

completion of the private placement in July 2021 in the amount of 24.67 million lei. Following the private placement carried out in July last year by DN Agrar Group SA, capital premiums amounting to 21.95 million lei were registered. The legal reserves increased by 181.93%, having a value of 116.57 thousand lei.

FINANCIAL STATEMENTS INDICATORS in LEI	31/12/2020	31/12/2021	Δ%
D. DEBTS: AMOUNTS TO BE PAID UP TO ONE YEAR	3,109,079	1,302,070	-58.12%
G. DEBTS: AMOUNTS TO BE PAID IN MORE THAN ONE YEAR	144,480		
H. PROVISIONS	48,219	40,393	-16.23%
I. ADVANCE REVENUES - TOTAL	-	-	
DEBTS - TOTAL	3,253,559	1,302,070	-59.98%
EQUITY - TOTAL	5,187,504	34,062,719	556.63%
TOTAL EQUITY AND DEBTS	8,441,063	35,364,789	318.96%

MAIN FINANCIAL INDICATORS

Current liquidity indicator	31-Dec-21
Current assets (A)	10,215,275
Current debts (B)	1,302,070
A/B	7.85

Indebtmnt degree indictor	31-Dec-21
Borrowed capital (A)	-
Equity (B)	34,062,719
A/B	0%

Indebtmnt degree indictor	31-Dec-21
Borrowed capital (A)	-
Invested capital (B)	34,062,719
A/B	0%
<i>Borrowed capital = Loans over 1 year</i>	
<i>Invested capital = Borrowed capital + Equity</i>	

Fixed assets turnover	31-Dec-21
Turnover (A)	4,951,930
Fixed assets (B)	25,185,495
A/B	0.20

Acquisitions and disposal of assets

FIXED ASSETS

Description	Intangible assets	Land and landscaping	Constructions	Equipment, technological facilities and means of transport	Furniture, office automation and protective equipment	Biological assets	Subtotal	Tangible assets	Total	Grand total
Gross value										
Balance on 01.01.2021	243.606	1.687.934	27.180.352	33.133.358	141.785	6.791.458	68.934.885	6.720.890	75.655.775	75.899.382
Fixed assets infows in 2021	1.566.206	-	18.301	1.857.842	33.758	4.209.011	6.118.911	7.570.846	13.689.757	15.255.963
Fixed assets outflows in 2021	(2.093)	-	(18.301)	(134.321)	-	(1.893.821)	(2.046.444)	(791.346)	(2.837.790)	(2.839.883)
Transfers of fixed assets in 2021	-	-	6.949.529	2.928.434	2.767	-	9.880.730	(9.880.730)	-	-
Balance on 31.12.2021	1.807.719	1.687.934	34.129.880	37.785.312	178.310	9.106.647	82.888.083	3.619.660	86.507.743	88.315.462

Depreciation

Balance 01.01.2021	83.910	19.964	1.114.791	16.461.261	45.484	659.132	18.300.631	-	18.300.631	18.384.541
Depreciation during 2021	88.183	5.680	1.053.650	3.893.343	22.590	896.635	5.871.898	-	5.871.898	5.960.081
Depreciation of assets take off the books	(2.093)	-	-	(114.032)	-	(344.676)	(458.708)	-	(458.708)	(460.801)
Balance on 31.12.2021	170.000	25.644	2.168.441	20.240.572	68.074	1.211.090	23.713.821	-	23.713.821	23.883.821

Input Lacto Agrar SRL

Balance on 31.12.2021	46.408	1.351.539	14.615.500	2.725.082	22.305	11.366.601	30.081.027	1.806.016	31.887.043	31.933.451
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Net book value

Balance on 01.01.2021	159.696	1.667.970	26.065.561	16.672.097	96.301	6.132.326	50.634.255	6.720.890	57.355.145	57.514.841
Balance on 31.12.2021	1.684.128	3.013.829	46.576.339	20.289.822	132.541	19.282.158	89.255.289	5.425.678	94.680.967	96.365.092

Description	Intangible assets	Land and landscaping	Constructions	Equipment, technological facilities and means of transport	Furniture, office automation and protective equipment	Biological assets	Subtotal	Tangible assets	Total	Grand total
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Gross value

Balance on 01.01.2020	208.575	1.687.934	5.430.733	26.792.132	73.409	5.074.506	39.058.714	20.050.037	59.109.051	59.317.626
Fixed assets inflows in 2020	35.031	-	9.540	546.495	43.401	7.155.335	7.754.772	14.811.267	25.565.039	22.601.070
Fixed assets outflows in 2020	-	-	(44.267)	(423.388)	-	(5.438.384)	(5.906.039)	(113.276)	(6.019.315)	(6.019.315)
Transfers of fixed assets in 2020	-	-	21.784.345	6.218.119	24.975	-	28.027.439	(28.027.439)	-	-
Balance on 31.12.2020	243.606	1.687.934	27.180.352	33.133.358	141.785	6.791.458	68.934.885	6.720.890	75.655.775	75.899.832

Depreciation

Balance 01.01.2020	55.994	15.243	318.708	13.099.573	29.989	649.130	14.112.643	-	14.112.643	14.168.636
Depreciation during 2021	27.917	4.721	804.131	3.594.715	15.495	1.050.487	5.469.549	-	5.469.549	5.497.466
Depreciation of assets take off the books	-	-	(8.049)	(233.027)	-	(1.040.485)	(1.281.561)	-	(1.281.561)	(1.281.561)
Balance on 31.12.2020	83.910	19.964	1.114.791	16.461.261	45.484	659.132	18.300.631	-	18.300.631	18.384.541

Net book value

Balance on 01.01.2020	152.582	1.672.691	5.112.025	13.692.559	43.420	4.425.376	29.946.071	20.050.337	44.996.408	45.148.990
Balance on 31.12.2020	159.696	1.667.970	26.065.561	16.672.097	96.301	6.132.326	50.634.255	6.720.890	57.355.145	57.514.841

CONSOLIDATED FINANCIAL STATEMENTS

DN AGRAR GROUP SA Consolidated Profit and Loss Account Concluded on December 31st, 2021

(All amounts are expressed in RON)

	31/12/2020	31/12/2021	Δ%
1. Net turnover	38,220,407	46,951,665	22.84%
Sold production	34,442,948	43,896,458	27.45%
Sale of goods income	4,424,954	3,055,422	-30.95%
Granted commercial discounts	647,495	215	-99.97%
2. Revenue related to the cost of production in progress	5,157,860	5,933,943	15.05%
3. Income from the production of intangible and tangible assets	379,146	1,280,233	237.66%
4. Revenues from revaluation of tangible assets			
5. Income from the production of real estate investments			
6. Income from operating subsidy	3,263,841	3,529,295	8.13%
7. Other operating incomes	7,663,873	6,966,538	-9.10%
OPERATING INCOMES - TOTAL	54,685,127	64,661,674	18.24%
8. a) Expenditures on raw materials and consumables	11,059,582	16,794,227	51.85%
Other material expenses	1,140,707	932,002	-18.30%
b) Other external expenses	662,484	1,168,215	76.34%
c) Expenses regarding the goods	4,363,203	2,724,446	-37.56%
Received trade discounts	478,509	52,872	-88.95%
9. Staff costs	8,902,778	11,248,522	26.35%
a) Salaries and allowances	8,686,648	10,988,016	26.49%
b) Expenses with insurance and social protection	216,130	260,506	20.53%
10.a) Value adjustments regarding tangible and intangible assets	5,497,467	5,960,080	8.42%
a.1) Expenditure	5,497,467	5,960,080	8.42%
a.2) Incomes			
b) Asset value adjustments regarding current assets	282,358	50,649	-82.06%
b.1) Expenses	282,358	250,065	-11.44%
b.2) Incomes		300,174	
11. Other operating expenses	15,726,482	15,068,775	-4.18%
11.1. Expenditure on external services	10,606,493	12,842,966	21.09%
11.2. Expenditure with other taxes, fees and similar payments	179,337	289,492	61.42%
11.6. Other expenditure	4,940,652	1,936,317	-60.81%
Adjustments regarding provisions	211,286	16,081	-92.39%
- Expenditure	121,491	137,927	13.53%
- Incomes	332,777	121,846	-63.39%
OPERATING EXPENDITURE – TOTAL	46,945,266	53,808,826	14.62%
EXPLOITATION PROFIT OR (LOSS)	7,739,861	10,852,848	40.22%
12. Income from participation interests		222,841	
13. Interest income	14,643	131,088	795.23%
14. Income from operating subsidies for interest due			
15. Other financial income	538,787	359,308	-33.31%
FINANCIAL REVENUES - TOTAL	553,430	713,237	28.88%
17. Interest expenses	1,272,371	1,158,113	-8.98%
18. Other financial expenses	656,557	633,232	-3.55%
FINANCIAL EXPENDITURES – TOTAL	1,928,928	1,791,345	-7.13%
FINANCIAL PROFIT OR (LOSS)	1,375,498	1,078,108	-21.62%
TOTAL REVENUES	55,238,557	65,374,911	18.35%
TOTAL EXPENDITURES	48,874,194	55,600,171	13.76%
19. GROSS PROFIT OR (LOSS)	6,364,363	9,774,740	53.59%
20. Corporate tax	725,980	795,009	9.51%
22. Other taxes not shown in the foregoing	72,136	52,645	-27.02%
23. NET PROFIT OR (LOSS) OF FINANCIAL YEAR	5,566,247	8,927,086	60.38%
Net profit or loss on minority interests	102,202	38,176	-62.65%
24. NET PROFIT OR (LOSS) RELATED TO THE GROUP	5,464,045	8,888,910	62.68%

DN AGRAR GROUP SA
Financial Statement of the Consolidated Companies
Concluded on December 31st, 2021

(All amounts are expressed in RON)

	31/12/2020	31/12/2021	Δ%
I. INTANGIBLE ASSETS	159,696	1,684,128	954.58%
II. TANGIBLE ASSETS	57,355,145	94,680,967	65.08%
III. FINANCIAL ASSETS	43,047	51,370	19.33%
A. TANGIBLE ASSETS - TOTAL	57,557,888	96,416,465	67.51%
I. STOCKS	10,555,033	30,102,953	185.20%
II. RECEIVABLES	10,594,354	15,077,828	42.32%
III. SHORT-TERM INVESTMENTS			
IV. CASH AT BANK AND IN HAND	1,213,496	4,245,479	249.86%
CURRENT ASSETS – TOTAL	22,362,883	49,426,260	121.02%
TOTAL ASSETS	79,920,771	145,842,725	82.48%
ACCRUED EXPENSES	770,173	1,133,043	47.12%
Amounts to be resumed in a period of up to one year	318,661	520,529	63.35%
Amounts to be resumed for more than one year	451,512	612,514	35.66%
D. DEBTS: AMOUNTS TO BE PAID UP TO ONE YEAR	23,430,660	41,793,980	78.37%
E. NET CURRENT ASSETS/(NET CURRENT DEBTS)	749,116	7,954,637	961.87%
F. TOTAL ASSETS MINUS CURRENT DEBTS	57,260,284	104,983,616	83.34%
G. DEBTS: AMOUNTS TO BE PAID IN MORE THAN ONE YEAR	27,273,458	39,325,133	44.19%
H. PROVISIONS	142,636	200,465	40.54%
I. INVESTMENT GRANTS		198,172	
Amounts to be resumed in a period of up to one year		190,940	
Amounts to be resumed for more than one year		7,232	
II. INCOME RECORDED IN ADVANCE			
Amounts to be resumed in a period of up to one year			
Amounts to be resumed for more than one year			
III. ADVANCE INCOME RELATED TO ASSETS RECEIVED BY TRANSFER FROM CUSTOMERS			
Amounts to be resumed in a period of up to one year			
Amounts to be resumed for more than one year			
IV. NEGATIVE GOODWILL			
I. ADVANCE INCOME - TOTAL		198,172	
I. CAPITAL	36,100	10,606,282	
1. Subscribed capital	36,100	10,606,282	
2. Unpaid subscribed capital			
3. State-owned equity plus assets			
4. Patrimony of the national research – development institutes			
5. Other equity items			
II. SHARE PREMIUMS		21,946,567	
III. REVALUATION RESERVES			
IV. RESERVATIONS	50,940	142,826	180.38%
V. OWN SHARES (DEBIT BALANCE)		21,760	
VI. GAINS/LOSSES RELATED TO EQUITY INSTRUMENTS			
VII. PROFIT OR (LOSS) CARRIED FORWARD	23,923,490	23,584,202	-1.42%
VIII. PROFIT OR (LOSS) OF THE FINANCIAL YEAR	5,464,045	8,888,910	62.68%
IX. PROFIT DISTRIBUTION (debit balance)	9,000	91,886	920.96%
X. MINORITY INTERESTS	378,615	402,877	6.41%

Cash flow

	31-dec-2021	31-dec-2020
Cash flows from operating activities:		
Net profit	8.927.086	5.566.247
<i>Adjustments for reconciling gross income with net cash from operating activities:</i>		
Adjusting the value of tangible and intangible assets	5.960.080	5.497.467
Value adjustments on current assets	(50.649)	67.914
Adjustments for provisions for risks and expenditures	16.081	(2.503)
(Profit)/loss from the exit of fixed assets	121.333	(2.805.628)
The effect of changes in the exchange rate related to loans and leasing	398.933	455.659
Tax expenses	847.654	798.116
Income from the production of tangible and intangible assets	(1.280.233)	(379.146)
Income from the negative goodwill	(5.335.397)	-
Interest income	(131.088)	(59.861)
Interest expenses	1.158.113	1.297.161
Increase in operating cash before changes in working capital	10.631.913	10.435.426
<i>Changes in working capital:</i>		
(Increase)/Decrease in balances of trade receivables and other receivables	1.982.853	3.936.672
(Increase)/Decrease in prepayment balances	(249.000)	(269.123)
(Increase)/Decrease in stock balances	965.109	(1.926.720)
Increase/(decrease) in balances of trade debts and other debts	40.772	(5.287.451)
Net cash flow from operating activities	13.371.647	6.888.804
Paid interests	(1.158.113)	(1.297.161)
Collected interests	131.088	59.861
Paid corporate tax	(862.132)	(624.332)
Net cash flow from exploitation activities	11.482.490	5.027.172
Cash flows from investment activities:		
Cash payments for the purchase of fixed assets	(10.117.720)	(18.140.509)
Cash collection from the sale of fixed assets	1.466.403	7.435.399
Cash payments for the acquisition of shares in the subsidiary	(19.697.417)	-
Cash inflows from the branch	828.340	-
Net cash flow used for investment activities	(27.520.394)	(10.705.110)
Cash flows from financing activities:		
Cash collection from loans	39.688.199	39.712.145
Cash repayments of loans	(41.758.800)	(33.824.608)
Collections/(Cash payments) of the lessee to reduce the obligations related to the financial leasing operations	(3.003.498)	(78.165)
Contribution to share capital	24.143.986	-
Net cash flow generated by financing activities	19.069.887	5.809.372
Cash flows - total	3.031.983	131.434
Changes in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	1.213.496	1.082.062
Cash and cash equivalents at the end of the period	4.245.479	1.213.496
Increase in cash and cash equivalents	3.031.983	131.434

INDIVIDUAL FINANCIAL STATEMENTS

DN AGRAR GROUP SA

Individual Loss and Profit Account Concluded on December 31st, 2021 (All amounts are expressed in RON)

	31/12/2020	31/12/2021	Δ%
1. Net turnover	3,367,689	4,951,930	47.04%
Sold production	3,367,689	4,892,780	45.29%
Sale of goods income	-	59,197	
Granted commercial discounts	-	47	
Interest income registered by the entities removed from the General Register and which still have ongoing leasing contracts			
Revenue from operating subsidies related to net turnover			
Balance C			
Balance D			
2. Revenue related to the cost of production in progress			
3. Income from the production of intangible and tangible assets			
4. Revenues from revaluation of tangible assets			
5. Income from the production of real estate investments			
6. Income from operating subsidy	869	378	-56.50%
7. Other operating incomes	26,560	20,652	-22.24%
-from which, income from subsidies for investors			
-from which, negative income from goodwill			
OPERATING INCOMES - TOTAL	3,395,118	4,972,960	46.47%
8. a) Expenditures on raw materials and consumables	33,243	50,232	51.11%
Other material expenses	141,382	85,528	-39.51%
b) Other external expenses	34,469	82,452	139.21%
c) Expenses regarding the goods	-	49,012	
Received trade discounts	-	1,489	
9. Staff costs	1,836,668	2,615,442	42.40%
a) Salaries and allowances	1,791,262	2,551,365	42.43%
b) Expenses with insurance and social protection	45,406	64,077	41.12%
10.a) Value adjustments regarding tangible and intangible assets	30,616	104,971	242.86%
a.1) Expenditure	30,616	104,971	242.86%
a.2) Incomes	-	-	
b) Asset value adjustments regarding current assets	778	-	
b.1) Expenses	778	-	
b.2) Incomes	-	-	
11. Other operating expenses	476,112	864,083	81.49%
11.1. Expenditure on external services	466,235	753,528	61.62%
11.2. Expenditure with other taxes, fees and similar payments	3,959	63,117	1494.27%
11.3. Expenditure with environmental protection			
11.4 Expenditure from revaluation of tangible assets			
11.5. Expenditure on disaster and other similar events			
11.6. Other expenditure	5,919	47,438	701.45%
Adjustments regarding provisions	15,966	(7,826)	-149.02%
- Expenditure	48,219	40,393	-16.23%
- Incomes	32,253	48,129	49.50%
OPERATING EXPENDITURE - TOTAL	2,569,234	3,842,405	49.55%
EXPLOITATION PROFIT OR (LOSS)	825,884	1,130,555	36.89%
12. Income from participation interests	-	215,780	
- of which incomes obtained from the affiliated entities	-	215,780	
13. Interest income	29,137	163,726	461.92%
- of which incomes obtained from the affiliated entities	-	58,629	
14. Income from operating subsidies for interest due	-	-	
15. Other financial income	5,021	81,005	1513.32%
- of which incomes obtained from the financial assets	-	-	
FINANCIAL REVENUES - TOTAL	34,158	460,511	1248.18%
16. Value adjustments in respect of financial fixed assets and financial investments held as current assets	-	-	
-Expenditures	-	-	
-Revenues	-	-	
17. Interest expenses	45,278	3,982	-91.21%
- of which incomes obtained from the affiliated entities	-	-	
18. Other financial expenses	26,450	82,801	213.05%
FINANCIAL EXPENDITURES - TOTAL	71,728	86,783	20.99%
FINANCIAL PROFIT OR (LOSS)	(37,570)	373,728	-1094.75%
TOTAL REVENUES	3,429,276	5,433,471	58.44%
TOTAL EXPENDITURES	2,640,962	3,929,188	48.78%
19. GROSS PROFIT OR (LOSS)	788,314	1,504,283	90.82%
20. Corporate tax			
21. Activity-specific tax			
22. Other taxes not shown in the foregoing	29,911	35,755	19.54%
23. NET PROFIT OR (LOSS) OF FINANCIAL YEAR	758,403	1,468,528	93.63%

DN AGRAR GROUP SA

**Individual Financial Statement
Concluded on December 31st, 2021**

(All amounts are expressed in RON)

	31/12/2020	31/12/2021	Δ%
I. INTANGIBLE ASSETS	20,322	1,332,480	6456.83%
II. TANGIBLE ASSETS	212,829	439,210	106.37%
III. FINANCIAL ASSETS	3,668,342	23,413,805	538.27%
TANGIBLE ASSETS - TOTAL	3,901,493	25,185,495	545.53%
I. STOCKS	2,258	-	
II. RECEIVABLES	4,248,616	8,302,418	95.41%
III. SHORT-TERM INVESTMENTS	-	-	
IV. CASH AT BANK AND IN HAND	333,279	1,912,857	473.95%
CURRENT ASSETS - TOTAL	4,584,153	10,215,275	122.84%
C. ACCRUED EXPENSES	3,634	4,412	21.41%
Amounts to be resumed in a period of up to one year	3,634	4,412	21.41%
Amounts to be resumed for more than one year	-	-	
D. DEBTS: AMOUNTS TO BE PAID UP TO ONE YEAR	3,109,079	1,302,070	-58.12%
E. NET CURRENT ASSETS/NET CURRENT DEBTS	1,479,709	8,917,617	502.66%
TOTAL ASSETS	8,485,646	35,400,770	317.18%
F. TOTAL ASSETS MINUS CURRENT DEBTS	5,380,202	34,103,112	533.86%
G. DEBTS: AMOUNTS TO BE PAID IN MORE THAN ONE YEAR	144,480	-	
H. PROVISIONS	48,219	40,393	-16.23%
I. ADVANCE REVENUES	-	-	
1. Investment grants	-	-	
Amounts to be resumed in a period of up to one year	-	-	
Amounts to be resumed for more than one year	-	-	
2. Income recorded in advance	-	-	
Amounts to be resumed in a period of up to one year	-	-	
Amounts to be resumed for more than one year	-	-	
3. Advance income related to assets received by transfer from customers	-	-	
Amounts to be resumed in a period of up to one year	-	-	
Amounts to be resumed for more than one year	-	-	
Negative goodwill (account 2075)	-	-	
I. CAPITAL	36,200	10,606,282	
1. Subscribed capital	36,200	10,606,282	
2. Unpaid subscribed capital	-	-	
3. State-owned equity plus assets	-	-	
4. Patrimony of the national research – development institutes	-	-	
5. Other equity items DR/(CR)	-	-	
II. SHARE PREMIUMS (account 104)	-	21,946,567	
III. REVALUATION RESERVES (account 105)	-	-	
IV. RESERVATIONS	41,342	116,556	181.93%
Own shares (account 109)	-	-	
Gains related to equity instruments	-	-	
Losses related to equity instruments	-	-	
V. PROFIT OR (LOSS) CARRIED FORWARD – BALANCE C -	4,351,559	-	
VI. FINANCIAL YEAR PROFIT OR (LOSS) – BALANCE C -	758,403	1,468,528	93.63%
Profit distribution	-	75,214	
MINORITY INTERESTS	-	-	
EQUITY - TOTAL	5,187,504	34,062,719	556.63%

RISKS

- **Collection risk**

The risk that a third party shall not comply with its contractual obligations to the entity, thus causing it financial losses, is a collection risk.

In order to eliminate/limit the effects generated by the production of such a risk, a system for evaluating clients, both old and new, has been implemented 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 newspapers. Deliveries to new customers are made only on the basis of payment instruments or by advance payment, for traditional customers accepting payment at maturity, 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 collections from customers according to due dates and by requesting payment facilities from suppliers. The aim is to negotiate deadlines for the payment of debts higher than those for the collection of debts.

In recovering its claims, DN Agrar Group S.A. may have difficulty obtaining quickly liquidity, due to the behavior of its partners or their inability to pay. Therefore, in order to meet its own liquidity requirements, the basis products capitalization are the substantiated commercial contracts or firm orders, which can ensure a greater certainty in fulfilling the clients' obligations. Also, in order to recover the debts faster and to reduce the risk of non-collection or collection over the contractual term, the company carries out the contracts with a series of partners based on partial collections in advance.

- **Price risk**

DN Agrar Group S.A. is exposed to price risk with the 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 shall breach their contractual obligations, which lead to financial losses for the company.

For contracted loans 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 a lack of liquidity at maturity.

- **Market risk**

The demand for the company's services is more flexible than stable, because the price level, the beneficiaries' orientations, as well as the competitors' offers are unpredictable in the medium and long term. Therefore, the instability of the demand, sales, price, determines the appearance of the market risk for the company.

For the efficient management of the market risk, the company uses different methods of technical and fundamental analysis:

- the profitability evaluations corresponding to the portfolio of clients, products and services;
- establishing bearable risk limits;
- setting price limits, without going below the profitability limit.

The selection of opportunities is done by:

- technical and price analysis;
- analysis of the client's ability to generate profit;
- analyzes regarding the relative value of a product/group of products or services in relation to the market or to products/services of other similar companies;
- analyzes regarding the market trends using the history of prices and traded volumes.



PERSPECTIVE ELEMENTS

Projects scheduled for 2022

At the level of the companies from the DN AGRAR group, we plan to continue the projects started in 2021, as well as to carry out a series of new projects. We present below, the projects we refer to:

1. DN AGRAR GROUP SA

- I. Starting the Compost Factory project
- II. Continue implementing of the the SAP program
- III. Simplification of the group structure of DN AGRAR member companies

2. Apold Farm

- I. Increase in produced and delivered milk
- II. Completion of farm purchase
- III. Implementing the SAP program
- IV. Completion of the new milking parlors
- V. Renovation of the current milking parlor
- VI. Completion of construction to increase the capacity of the farm, to increase by 50% the number of dairy cows
- VII. Expanding the number of dairy cows to 50%, this is a long process of about 1.5-2 years
- VIII. Expanding the capacity of young cattle

3. Cut Farm

- I. Increasing the amount of produced and delivered milk
- II. Implementation of the SAP program
- III. Increasing the number of dairy cows, to be able to use the full capacity of the farm

4. Lacto Agrar Farm

- I. Increasing the amount of produced and delivered milk
- II. Implementing the SAP program
- III. Construction of a new manure tank

5. DN AGRAR SERVICE

- I. Purchase of new equipment
- II. Implementing a new machine for a more efficient use of manure, in this way we consider that we shall have a significant reduction of costs

6. Pensiunea Casa Bună

- I. Renovation
- II. Starting the project for the construction of a Spa near the Pension, as well as its transformation into a Boutique Hotel
- III. Starting the project of A-frame houses

The perspectives for the first half of 2022 gives us a lot of confidence, the price of milk is constantly rising every month, and it is expected that this growth shall continue in the coming months.

At the moment, one of our main goals is to increase the number of dairy cows each month, which means an increase in the amount of produced milk.

Regarding the spring campaign, DN Agrar is on schedule with the sowing of crops.

The conflict between Russia and Ukraine also creates a risk of controlling costs in an efficient and predictable way. As a result of this conflict, gas prices as well as electricity prices have increased significantly. This has consequences for both the cost of animal feed and the use of machinery.

We expect new optimizations and a significant increase in efficiency through the acquisition of Apold and Lacto Agrar Farms.



PRINCIPLES OF CORPORATE GOVERNANCE

Statement on alignment with BVB's Corporate Governance Principles for the Multilateral Trading System - AeRO Market.

	Provisions of the Corporate Governance Code	Observe	Don't observe	Reason for non-compliance
SECTION A – RESPONSIBILITIES OF THE BOARD OF DIRECTORS (BORD)				
A1	The company must have internal Board regulations that include terms of reference regarding the Board and key management positions of the company. The administration of the conflict of interests at Board level, should also be dealt with in the Board regulations.		X	We consider to adopt a regulation in the near future
A2	Any other professional commitments of the members of the Board, including the position of executive or non-executive member of the Board in other companies (excluding subsidiaries of the company) and non-profit institutions, shall be brought to the notice of the Board before 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 shall take into account any liaison which may affect the position of that Member on matters relating to decisions of the Board.	X		
A4	The annual report must inform whether an evaluation of the Board has taken place, under the leadership of the President. It must also contain the number of meetings of the Board.		X	We consider the compliance
A5	The procedure regarding the cooperation with the Authorized Consultant for the period in which this cooperation is imposed by the Bucharest Stock Exchange shall contain at least the provisions specified in the Corporate Governance Code.	X		
SECTION B – CONTROL/INTERNAL AUDIT				
B1	The Board shall adopt a policy so that any transaction of the company with a subsidiary representing 5% or more of the company's net assets, according to the latest financial reporting, is approved by the Board.	X		
B2	The internal audit must be performed by a separate organizational structure (internal audit department) within the company or through the services of an independent third party, which shall report to the Board and, within the company, shall report directly to the General Manager.		X	Not having the obligation to have an internal audit department, we currently do not have
SECTION C – FAIR REWARDS AND MOTIVATION				
C1	The company shall publish in the annual report a section that shall include the total income of the members of the Board and the General Manager for the that financial year and the total value of all bonuses or any variable compensations and also the key assumptions and principles for calculating the mentioned above income.	X		
SECTION D – BUILDING VALUE THROUGH THE RELATIONSHIP WITH INVESTORS				
D1	In addition to the information provided in the legal provisions, the company's website shall contain a section dedicated to Investors' Relationship, both in Romanian and in English, with all relevant information of interest to investors, including the provisions specified in the Corporate Governance Code.	X		

D2	A company must have adopted a dividend policy of the company, as a set of guidelines regarding the distribution of net profit, which the company declares that it shall respect. The principles of the dividend policy must be published on the company's website.		X	We consider to adopt a dividend policy
D3	A company must have a policy on forecasts and whether or not they shall be provided. The forecasts represent the quantified conclusions of the studies that aim to determine the total impact of a list of factors related to a future period (the so-called hypotheses). The policy must stipulate the frequency, the period considered and the content of the forecasts. The forecasts, if published, shall be part of the annual, half-yearly or quarterly reports. The forecast policy must be published on the company's website.		X	
D4	A company must establish the date and place of a General Meeting so as to allow the participation of as many shareholders as possible.	X		
D5	The financial statements shall include information in both Romanian and English on the main factors that influence changes in sales, operating profit, net profit or any other relevant financial indicator.	X		
D6	The company shall hold at least one meeting/conference call with analysts and investors each year. The information presented on these occasions shall be published in the Investors' Relationship section of the company's website, at the time of the that meeting/conference call.		X	

STATEMENT OF THE MANAGEMENT

Alba-Iulia, April 28th, 2022

The undersigned Jan Gijsbertus de Boer, as Chairman of the Board of Directors of DN AGRAR GROUP S.A., a company with headquarters in Alba-Iulia, strada Piața Iuliu Maniu, nr. 1, bl. 31DE (property), VAT code RO 24020501, order number at the Trade Register Office J01/730/2008, on my own behalf, I declare that:

- To the best of my knowledge, the financial statements from 31.12.2021, prepared in compliance with the applicable accounting standards, provide a fair and consistent reality of the assets, liabilities, financial position, profit and loss account of DN AGRAR GROUP S.A.
- The report of the Board of Directors is prepared in compliance with the provisions of the Financial Supervisory Authority and includes a correct analysis of the development and performance of the Company, as well as a description of the main risks and uncertainties specific to the activity that is carried-out.

DN AGRAR GROUP S.A. carries out its activity in conditions of continuity.

Jan Gijsbertus De Boer

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