

To:
Bucharest Stock Exchange
Financial Supervisory Authority

CURRENT REPORT

In accordance with Law no. 24/2017 regarding issuers of financial instruments and market operations (republished) and ASF Regulation no. 5/2018 on issuers of financial instruments and market operations.

Report date:	05.11.2024
Name of issuer:	DN AGRAR GROUP SA
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Website:	www.dn-agrar.eu
Registration at Trade Register no./date:	J01/730/2008
Tax identification code:	RO24020501
Subscribed and paid-in share capital:	31.818.844,80 lei
Shares no.:	159.094.224
Market symbol:	DN
Trading market:	MTS AeRO Premium

Important events that need to be reported: The compost factory becomes operational following an investment of euro 1.8 million

DN AGRAR Group (BVB: [DN](#)), the largest integrated livestock farm in Romania, the largest integrated livestock farm in Romania, leader in cow milk production, starts the operational activities at the compost factory built at the DN AGRAR Apold farm following the finalization of the first automated manure composting unit and organic fertilizer production facility.

In the past 2 years, the company finalized the feasibility study and the construction of the facility towards developing an integrated organic waste management system. This unit will transform 21,000 tons of manure annually into over 7,000 tons of organic fertilizer. The total investment in the compost factory is approximately euros 1.8 million.

Peter de Boer, Board Member & Strategy and IR Director, DN AGRAR Group:

„DN AGRAR marks another step towards strengthening the circular economic model at Group level by implementing the first automated manure composting unit at Apold farm. In parallel with the start of the operations, we have embarked on the process to obtain voluntary carbon certification for the compost produced, and by the end of 2026, we expect to receive the first carbon credits. The integrated project built around the compost factory will generate significant economic benefits, including additional revenues for sales and from carbon credits earned through methane emission reductions.”

The compost project addresses two major challenges: efficient manure management and improved soil fertility, while also contributing to the reduction of greenhouse gas emissions.

DN AGRAR's target for the compost factory is to use the organic fertilizers produced for internal needs and to also sell outside the Group. The process of certifying fertilizers as organic typically takes between 3 to 6 months. Once certified, DN AGRAR expects to register an increase in revenues, as the market price for a ton of organic fertilizer in big bags is currently between 230 - 300 euros.

In 2025, a significant part of the total produced fertilizer will remain within the Group, to test and optimize the product for certification as organic fertilizer. By valorizing the manure, the compost that will be used internally will bring efficiencies to the current operations as it will significantly reduce transportation and management costs. In addition to the economic benefits that the production of compost will bring, it will improve soil fertility and will reduce the usage of chemical fertilizers.

Meanwhile, as part of DN AGRAR's sustainability strategy and in recognition of the efforts to reduce carbon emissions, the company started the process of obtaining voluntary carbon certificates. This project, which requires an initial investment of 180,000 euros and a two-year process, will enable DN AGRAR to obtain around 16,000 certificates per year and represents another confirmation of the company's commitment to the circular economy and sustainability.

DN AGRAR plans to develop the business line by building the sales channel and advancing with the certification process to achieve the international "Gold Standard" accreditation for carbon credit, which uses innovative approaches to quantify, certify, and maximize the impact on climate security and sustainable development under the Gold Standard for the Global Goals framework. The certification will be valid for 5 years.

DN AGRAR's goal is to transform the company into a leader in sustainable agriculture, significantly cutting carbon emissions from the current activities. DN AGRAR recently announced the signing of a cooperation agreement for the largest biomethane production facility in Romania, with a total capacity of up to 15 MW, and will provide the raw materials

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for biomethane production through a long-term contract to ensure the sustainability of the project, while BSOG Energy will develop the necessary infrastructure.

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