2026 Budget

DN AGRAR Group's 2026 budget reflects a prudent and balanced approach, set against an increased market uncertainty and external pressures.

1. Key takeaways

The company projects the following figures:

- **Revenue:** RON 200 million
- **EBITDA:** RON 85 million
- **Net Profit:** RON 38 million
- **Milk production growth:** +10%

In 2026, while profitability is expected to decline compared to 2025, this reflects a conservative positioning in response to historically low milk prices and cost uncertainties. Nevertheless, 2026 is anticipated to be a transitional year, with significant operational progress laying the foundation for accelerated growth from 2027 onwards.

Profitability is expected to improve progressively throughout the year, supported by a gradual recovery in milk prices, particularly in the second half of 2026.

For the first quarter of 2026, DN AGRAR Group expects to close with a small profit. Encouragingly, recent trends indicate a stabilization of milk prices, although at low levels. Achieving the budgeted results for the full year 2026 will depend on milk prices stabilizing further and entering an upward trend in the second quarter, with acceleration expected in the third and fourth quarters.

Given the exceptional level of geopolitical and market uncertainty, the management team retains the right to adjust the 2026 budget at any time, either upwards or downwards. Any such adjustments will be communicated transparently and in a timely manner to the market.

The 2026 budget has been built on conservative assumptions, incorporating both growth initiatives and ongoing market challenges and reflects:

- Continued pressure on milk prices, particularly in the first half of the year;
- Elevated input costs, especially fuel and labor;
- Ongoing investments in capacity expansion and operational efficiency.

2. Key assumptions in 2026

- **Milk Prices:** Stabilization at low levels in Q1–Q2, with a gradual recovery expected in H2 2026;
- **Production Growth:** Increase of at least 10%, driven by herd expansion and productivity improvements;
- **Input Costs:** Continued pressure on fuel, feed, and labor costs, influenced by inflation and geopolitical factors;
- **Operational Efficiency:** Improvements driven by digitalization, automation, and better resource management.

On a positive note, due to the rapid herd expansion and the weaker agricultural year in 2025, DN AGRAR Group is currently required to purchase a portion of its feedstock from the market. However, following a generally strong global agricultural year, the Group benefits from relatively low feedstock purchase prices. In addition, the chemical fertilizers used in the current period were contracted in autumn of the previous year, prior to the escalation of the Middle East crisis, allowing the company to partially mitigate current input cost pressures.

3. Operational and strategic priorities considered in 2026

Operationally, DN AGRAR Group anticipates a highly active and successful year. Key milestones include:

- The finalization of the Straja 1 farm construction, as well as continued herd expansion to over 3,200 animals by year-end, ongoing herd optimization initiatives at the other farms.
- The completion and start of operations in August 2026 of the cream and skimmed milk processing facility, with a production capacity of 150,000 liters per day, alongside the construction and commissioning of an additional 300,000 liters of milk storage capacity.
- The construction and start of production in H2 of the first wheatgrass facility at the CUT 1 farm, with an estimated output of 40 tons of feedstock, expected to replace approximately 30% of the farm's future feedstock needs.
- Securing financing approval for the CUT 2 farm and two additional compost units, with construction of the CUT 2 farm expected to commence in the autumn of 2026.
- The Group also targets the final investment decision and obtaining building permits for a biomethane plant with a capacity of 15-20 MW, which is expected to generate annual revenues of approximately EUR 3.5 million.
- Obtaining Ecocert and European certification for organic fertilizer remains a key objective that will support the commercialization of compost production.

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4. Management approach in a volatile environment

In response to the current environment, management will place a strong emphasis on cost reduction and operational optimization throughout 2026.

- Given the elevated level of uncertainty, the management team will also intensify its monitoring of budget execution and maintain close communication with investors, providing updates on a quarterly basis or more frequently if necessary.
- DN AGRAR Group does not intend to revise its long-term projections beyond 2026. Based on current visibility, management considers the previously presented scenarios to remain achievable over the long term. Furthermore, market expectations indicate a potential shift in the coming period from a buyer's market toward a seller's market, which could support improved pricing dynamics in the future.

Indicators	TARGET 2026		TARGET 2026	
Net turnover	RON	200,000,000	EUR	39,227,224
Net profit or loss relating to the group	RON	38,000,000	EUR	7,453,173
EBITDA	RON	85,000,000	EUR	16,671,570
EBITDA MARGIN	42.50%		42.50%	
PROFIT MARGIN	19.00%		19.00%	

5. Medium- and long-term outlook

- On the mid- to long-term horizon, management expects a recovery in the dairy market fundamentals.
- European milk supply is projected to decrease by at least 5%, while global consumption is expected to increase by approximately 20%.
- In this context, DN AGRAR Group plans to continue investing in its dairy operations, most notably through the development of the CUT 2 farm. This new dairy facility is designed to accommodate approximately 5,000 dairy cows and reach a production capacity of around 150,000 liters of milk per day; the Cut 2 farm will significantly contribute to DN AGRAR its goal to produce in 2030 between 150-200 million liters of milk annually. Construction of the CUT 2 farm is currently estimated to begin in the second half of 2026, with operations expected to commence in early 2028, alongside the start of biomethane production. This investment reflects the Group's confidence in the long-term growth potential of the dairy sector and its commitment to expanding production capacity in a sustainable and integrated manner.

6. Positioning for growth in a transitional year

Due to its integrated business model, DN AGRAR Group is confident in its ability to successfully navigate the challenging conditions expected in 2026 for the agri-food industry. The Group is well positioned to manage this transition and anticipates accelerated growth in the period 2027-2030, as current investments begin to generate revenues and contribute to further cost optimization and operational efficiencies.

Overall, 2026 is expected to be a transitional year financially, but from an operational perspective, DN AGRAR Group expects a busy, productive, and successful year, laying a strong foundation for future growth.