

## Agroland estimates turnover of 241 million lei in 2022

**Timisoara, 10 February 2022** – Agroland Business System (BVB: AG), Romanian entrepreneurial retail, agriculture, and food group, which operates the largest network of agricultural stores in Romania, estimates in 2022 a turnover of 241 million lei, EBITDA of 20.7 million lei and a net profit of 13 million lei. In 2022, the company envisages total investments of approximately 17 million lei to develop all of its business lines.

*"In 2022, we want to consolidate Agroland's position in Romania by continuing the accelerated development for all our business lines. At the same time, we will continue to increase the number of employees, strengthen the management team, and appoint a Board of Directors to support us in the company's development process. In this regard, we are thrilled to see that institutional investors are joining the company, such as SevenX, controlled by Leonard Leca and Iulian Cîrciumaru, that currently holds a 3% stake in Agroland. Leonard Leca will also be one of the members of the future Board of Directors of the company. The 14.7 million lei raised during the capital increase closed in January this year bring us in a favorable position in terms of cash flow and opportunities on the market,"* stated Horia Cardos, founder and CEO of Agroland Business System.

The budget of Agroland Business System for 2022 was published in a current report on the Bucharest Stock Exchange. The company envisages total investments of 17 million lei in 2022, which will focus on the opening of new stores, expanding the poultry business, modernizing the fodder factory in Caransebeș, and developing the online store.

In addition to these investments, Agroland is also considering kicking off sustainability projects by investing in the installation photovoltaic panels and other renewable energy solutions for its stores, warehouses, and farms. The medium-term goal in this direction is for all Agroland business lines to significantly reduce their carbon footprint by using green energy.

*"The threats posed by the COVID-19 pandemic appear to be lower than in the previous years. However, 2022 comes with new challenges, such as inflation, energy prices increase, and potential supply chain disruptions. Ultimately, all this will lead to higher prices for the final consumer. Even under these circumstances, just as we did in 2020, we are not going to stay on the sidelines, and we will continue to invest in the development of all business lines within the company. Although food prices are rising every day, we see an enabling of small farmers, who see the opportunities in the market and want to grow their business,"* added Horia Cardos.

In 2022, the company expects sales of the 12 Agroland MEGA stores that opened last year to grow as these locations reach their maturity. At the same time, Agroland plans to open 10 more new Agroland MEGA stores this year and aims for a double turnover generated by them compared to 2021. In addition, the company intends to open another 10 new traditional Agroland stores.

In terms of store performance in 2022, the traditional stores will contribute 60% to the turnover generated by the retail business line, and MEGA stores will contribute 40%. The goal is for the distribution between the two types of stores to be equal in 2023. Agroland also targets online sales of approximately 10 million lei, an increase of 65% compared to 2021. To reach this figure, the company will invest heavily in developing the online platform, which is a sales channel that is complementary to the brick and mortar stores, and therefore can contribute to attracting new customers.

For the Mihăilești poultry farm, the company plans to increase the production capacity, as rising food prices will lead to higher sales volumes. Thus, the company envisages expanding the production capacity

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of day-old chicks to 1,000,000 hatching eggs per month and increasing the production capacity of eggs for consumption to a minimum of 180,000 eggs per day. In 2022, Agroland estimates a 50% increase in revenues from this line of business.

Agroland Business System is listed on the AeRO market of the Bucharest Stock Exchange starting with March 1, 2021, and is traded under the symbol AG. The company has a market capitalization of over 170 million lei. As of October 11, 2021, the AG shares are included in the BET-AeRO index developed by BVB for the AeRO market.

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#### **About Agroland Business System**

*Agroland Business System (BVB: AG) is a Romanian entrepreneurial company, which owns the largest network of agricultural stores in Romania. The company was founded in 2009 in Timișoara by the entrepreneur Horia Cardoș and today operates a network of 250 stores specializing in the sale of the garden, farm, and pet products. The company also owns the Avicola Mihailesti platform, where it produces table eggs and one-day-old chicks. This platform consists of six farms located on an area of 30 hectares in Giurgiu County. Agroland is also active in the technology area through AgTech TM by Agroland, the first complete incubation program in Romania that stimulates and supports innovation in agriculture. The shares of Agroland Business System have been floating on the AeRO market of the Bucharest Stock Exchange since 1 March 2021 under the symbol AG.*

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