

Agroland Business System posts 69.7 million consolidated revenues and an operating result of 3.8 million lei in the first quarter of 2023

Timisoara, May 26, 2023 – Agroland Business System (BVB: AG), a Romanian entrepreneurial group in retail, agriculture, and food, which owns the largest network of agricultural stores in Romania, posts consolidated revenues of 69.7 million lei for the first quarter of 2023, a 4% increase compared to the same period in 2022, an operating result of 3.8 million lei, a 34% increase compared to Q1 2022, and a net profit of 1.4 million lei, a 12% decrease due to the doubling of financing costs compared to last year.

"The first quarter of 2023 was a dynamic period for the Agroland group. Despite the challenges in the agri-food industry, including fluctuations in raw material prices, inflation, high financing costs, and difficulties in supply chains, we quickly adapted to market conditions and focused on strategic investments. Thus, our business concept, from seed to shelf, which covers the entire agri-food production cycle, proves reliable and begins to bear fruit, an example being the 34% increase in the operating result, superior to the dynamics recorded at the revenue level. Moreover, this integrated business model is also diversified, contributing to the rebalancing of revenue structure throughout the activity. In this way, we will reduce the seasonality of the Agroland Business System business, which, historically, had the first part of the year generating a significant proportion of revenues and profits," stated Horia Cardos, founder and CEO of Agroland Business System.

In Q1 2023, turnover amounted to 70.6 million lei, a 14% increase compared to 62 million lei in Q1 2022. The input division, representing the performance recorded by Agroland Agribusiness, contributed to the consolidated turnover with 21.9 million lei (+20% compared to Q1 2022), the food division, which includes the production of consumer eggs from the Mihailesti poultry platform, contributed with 10.2 million lei (+203% compared to Q1 2022), and the retail division recorded a turnover of 42.7 million lei (-5% compared to Q1 2022). The decline is due to the unfavorable weather in the first quarter of the year, which led to a part of the sales of poultry and feeds, and concentrates being delayed to Q2 2023. At the end of the first quarter of 2023, the Agroland Group operated 230 stores, of which 24 were MEGA. Discounts for the year's first quarter amounted to 4.1 million lei, a 10% decrease compared to the first three months of 2022.

"One of the greatest successes of the first quarter for the Agroland Group was our first exports of eggs to the Polish market and other Western European countries, reversing Romania's egg import trend from Poland seen in the last two decades. With our genetic resources, day-old chicks, and our egg farms, we are exploring the potential for poultry meat processing and identifying companies active in the field to acquire. In this sense, geographically, we prefer to focus our production activities in the south, considering that our feed mills and genetic facilities are located there," added Horia Cardos.

In 2023, the company targets, at a consolidated level, net sales worth 329.7 million lei, a 17% increase compared to the result obtained in 2022, and a net profit of 11.1 million lei, a 237% increase compared to the result recorded in the previous year.

Agroland Business System is listed on the AeRO market of the Bucharest Stock Exchange as of March 1, 2021. The company is traded under the symbol AG, having a market capitalization of approximately 109 million lei.

###

About Agroland Business System

Agroland Business System (BVB: AG) is a Romanian entrepreneurial company owning Romania's largest network of agricultural stores. The company was founded in 2009 in Timișoara by entrepreneur Horia Cardoș and today operates a network of 230 specialized stores selling products for the garden, farm, and pets. Also, the company owns the Mihailești Avicola platform, which produces consumer eggs and day-



Agroland Business System S.A.

Str. Gării nr. 14

Timișoara, jud. Timiș

www.agroland.ro | investitor@agroland.ro

old chicks. This platform comprises six farms spread over 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 listed on the AeRO market of the Bucharest Stock Exchange since March 1, 2021, under the symbol AG.
