

## Agroland Business System posts 189.4 million lei revenues and an operating result of 12.4 million lei at the consolidated level in the first half of 2023

**Timisoara, September 22, 2023** – Agroland Business System (BVB: AG), a Romanian entrepreneurial group in retail, agriculture, and food sectors, which owns the largest network of agricultural stores in Romania, posts for the first half of 2023, at the consolidated level, operating revenues of 189.4 million lei, a 3% increase compared to the same period last year. In addition, the operating result in H1 2023 amounted to 12.4 million lei, a 41% increase compared to the first six months of 2022, while net profit was 7.6 million lei, +22% compared to last year.

*"Our consolidated results for the first half of the year demonstrate the evolution of our business model and the transition from a retailer whose revenues were influenced by seasonality to a company with an integrated structure. This leads to consistency in revenues over the course of a year and a strong financial position that is less susceptible to external factors. Beyond the numbers, Agroland's growth symbolizes our commitment to creating a complete cycle of agricultural production, from seed to store shelves. By promoting our integrated business model, we aim to develop the local economy to global standards. Also, at a time when sustainability issues are becoming increasingly important in a company's business, we believe that being close to the consumer and supporting local producers is a strong differentiator for Agroland,"* stated Horia Cardos, founder and CEO of Agroland Business System.

In H1 2023, turnover amounted to 189.7 million lei, a 7% increase compared to H1 2022. This is mainly comprised of fodder and concentrated feed sales, which were at a similar level to the same period last year at 64.4 million lei. Sales of day-old chickens recovered in Q2 2023 the decrease from Q1 2023, so that for H1 2023 they reached 44.3 million lei, a 2% increase compared to H1 2022.

Sales of agricultural inputs (results generated by Agroland Agribusiness) grew by 10% to 33 million lei. Sales of food products, which represent the sale of consumer eggs, generated revenues of 13.5 million lei, up 99%, due to the increased production capacity at Mihăilești. Trade discounts granted in the first half of the year were 6.9 million lei, a 6% decrease compared to the first six months of 2022. At the end of the first half of 2023, Agroland Group operated 236 stores, of which 22 were MEGA stores.

*"The effect of the investments we have made in recent years will extend over time, so there will be some discrepancy this year between the performance in the first half of 2023 and the second half of the year. Although the differences have decreased, they remain notable, especially given the current market context characterized by numerous challenges and uncertainties. Thus, we are obliged to revise the revenue and expense budget for this year, with a decrease in net sales from 329.7 million lei to 301.1 million lei and in net profit from 11.1 million lei to 9.1 million lei. For the remainder of the year, we will focus our efforts on the food division, aiming to set up a liquid egg production plant and enter the poultry meat processing sector, while consolidating our position in the top five consumer egg producers in Romania,"* added Horia Cardos.

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 111 million lei.

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### 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 Cardos and today operates a network of over 230 specialized stores*

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*selling products for the garden, farm, and pets. Also, the company owns the Mihăilești Avicola platform, which produces consumer eggs and day-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.*

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