

## Agroland Business System enters the organic segment and operationalizes the largest certified organic (BIO) feed factory in Romania

**Timisoara, June 26, 2024** – Agroland Business System (BVB: AG), the Romanian entrepreneurial retail, agriculture, and food group that owns the largest network of agricultural stores in Romania, is entering the organic segment by transforming its Caransebes feed factory to become the largest certified organic feed factory in Romania. The certification of the feed factory is part of Agroland's strategy to focus on organic products.

*"From the very beginning of Agroland 27 years ago, our priority has been the small farmers, developing the business to provide them with as many Romanian-made products as possible. This endeavor continues with the transformation of the Caransebes factory into the largest certified organic feed factory in Romania. Through this, we will be able to source raw materials from a significant number of farmers in the western part of the country who produce organic grains, reducing their dependence on grain traders from Western Europe. Additionally, our focus on local food production, which started in 2020 with the acquisition of the poultry platform in Mihailesti, continues to be one of our development directions. In this nearly four-year period, we have increased our egg production capacity fivefold and have constantly increased the number of day-old chicks produced. The next stage in this line of business is the production of organic eggs, for which we are planning to acquire a small organic egg producer. Our objective in this segment is to become the largest organic egg producer in Romania in the coming years, with a potential market share of 30%, by establishing organic farms across the country,"* stated Horia Cardos, founder and CEO of Agroland Business System.

The feed factory in Caransebes was acquired in 2022 and involved a 5 million lei investment. It will be transformed into the largest certified organic feed factory in Romania and will operate under a new entity, Agroland Organic. The transition of the factory from conventional feed production to organic feed represented an investment of 200,000 euros, which focused on refurbishing the equipment within the factory and renovating the silos and buildings. The utilization of organic feed production will have two directions, with the majority of products to be sold to organic laying hens and organic broiler farms. The other channel will include sales to small breeders through the network of over 240 Agroland stores.

Additionally, Agroland plans to acquire a small organic egg producer, a farm with a maximum capacity of approximately 10,000 hens. The targeted annual production is about 3 million organic eggs. Moreover, the company will certify its own organic farm in Timis County in the coming months, with a maximum capacity of 10,000 hens. Currently, the farm's area is in the process of certification, while modifications will be made to the existing shelters to meet organic requirements.

Agroland will also introduce a new line of business, modular slaughterhouses for poultry and rabbits, being the first project of its kind in Romania. The modular slaughterhouse targets small farmers and offers high flexibility, with modules being installed based on demand in the respective area. Additionally, these are suitable for organic chickens, which require special processing lines but are much fewer in number compared to conventionally raised chickens. Combined with organic feeds, genetics, and modular slaughterhouses, this investment will create a complete infrastructure to support sustainable organic food production in small and medium-sized farms in Romania.

Agroland Business System is listed on the AeRO market of the Bucharest Stock Exchange as of March 1, 2021, and trades under the symbol AG.



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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 Cardoș and today operates a network of over 240 specialized stores 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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