

REPORT OF THE BOARD OF DIRECTORS

The original version of the Board of Directors Report was written in Romanian. This document is an English translation of the original document. In case of any discrepancy between the English text and the Romanian text, the latter will prevail.



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Executive Summary

Strong Profitability and Robust Risk Management in 2024

In 2024, we delivered a strong financial performance, demonstrating resilience and adaptability in a dynamic market environment. The macroeconomic landscape in 2024 was characterised by moderating inflation, persistently high by stabilising input prices, declining grain prices, and prolonged drought conditions. We proactively navigated these challenges while maintaining our unwavering support for farmers. Profit from continuing operations increased by 66.5%, reaching 92.4 million RON, driven by the strong performance of our financing arm, alongside strategic cost management and margin recovery in our inputs distribution business.

We successfully balanced profitability with disciplined risk management across both operating segments:

- ✓ a stable net interest margin at 8.05%, coupled with loan portfolio growth, resulted in a 6.7% year-on-year increase in net interest income;
- ✓ the gross value of loans and advances to customers reached 3.17 billion RON, reaffirming our commitment to financing the agricultural sector;
- ✓ the non-performing loan ratio improved to 3.48%, outperforming SME market benchmarks and reflecting effective credit risk management;
- ✓ the gross margin increased to 3.0%, supporting a 124.1% year-on-year growth in gross distribution profit, which reached 40.5 million RON in 2024.

Key strategic initiatives during 2024 included:

- ✓ expanding our digital financial services portfolio, notably through the launch of the “My Agricover” platform, which streamlines online loan approvals and disbursements for small farmers. We also established a payment institution currently undergoing authorisation by the National Bank of Romania;
- ✓ enhancing credit risk management practices, resulting in a 29.7% reduction in net credit losses on financial assets, despite a challenging market context;
- ✓ continuing our investment in digital transformation, to further improve operational efficiency and enhance customer accessibility across both financing and inputs distribution operations.

Business Segment Performance

Agrifinance continued its strong growth trajectory, with loans and advances increasing by 9.2% to 3.17 billion RON. The net interest margin remained stable at 8.05%, reflecting consistent profitability. Disciplined lending practices and proactive risk management contributed to a reduction in credit losses and notable improvement in overall portfolio quality.

Agribusiness achieved a significant recovery in profitability, with the gross distribution margin increasing by 124.1% year-on-year to reach 40.5 million RON in 2024, despite a decline in

revenue. This performance reflects the successful implementation of effective procurement strategies, rigorous cost optimization measures, and the benefits of a more stable pricing environment.

Investment and Digital Innovation

In 2024, we continued to advance our digital transformation agenda through targeted strategic investments, with investing cash outflows rising to 25.1 million RON, compared to 18.1 million RON in 2023. Key initiatives included:

- ✓ the launch of the “My Agricover” platform, designed to improve access to financing for small farmers by enabling digital loan approvals and disbursements within 24 hours.
- ✓ the establishment of Agricover Payments, a payment institution set to introduce a digital wallet tailored to the needs of Romanian farmers. The authorisation process with the National Bank of Romania is ongoing, with the launch of services anticipated in late 2025.

Outlook and Strategic Priorities

Looking ahead, we remain firmly committed to driving sustainable growth and innovation, guided by a clear strategic focus on the following priorities:

- ✓ enhancing financial and digital service offerings to serve more effectively the evolving needs of farmers and the agricultural sector as a whole;
- ✓ maintaining disciplined risk management, with particular emphasis on credit risk, aiming to ensure continued financial stability and long-term profitability;
- ✓ optimising capital structure while reinforcing liquidity and funding flexibility to effectively support future growth initiatives;
- ✓ leveraging digitalisation to improve operational efficiency, expand our customer reach, and strengthen our competitive market advantage.

Despite ongoing market fluctuations and external challenges, we believe we are well-positioned for long-term success. We remain dedicated to deliver tailored financial solutions and high quality agricultural inputs, supporting both the productivity of Romanian farmers and of the broader agricultural ecosystem.

Information about Agricover Group

Agricover Holding SA ("the Company") and its subsidiaries (together referred to as "Agricover" or "the Group") are incorporated and have their registered office in Romania. Agricover Holding SA was established as a joint-stock company with Mr. Jabbar Kanani as its majority shareholder. In November 2017, the European Bank for Reconstruction and Development ("EBRD") acquired, through a capital contribution, a stake representing 12.727% of the share capital of the Company.

The subscribed and fully paid share capital of the Company is 189,485 thousand RON. There are 1,894,847,082 shares outstanding, each with a nominal value of 0.10 RON.

Ordinary shares issued and fully paid:	31 December 2024			31 December 2023		
	number of shares	%	000'RON	number of shares	%	000'RON
at 1 January	1,894,060,303	100%	189,406	1,890,671,063		189,067
Change during the period	786,779		79	3,389,240		339
at 31 December, of which held by:	1,894,847,082	100%	189,485	1,894,060,303	100%	189,406
Mr Kanani Jabbar	1,649,966,127	87.076%	164,997	1,649,966,127	87.113%	164,997
EBRD	240,630,848	12.699%	24,063	240,630,848	12.704%	24,063
Others	4,165,981	0.220%	417	74,088	0.004%	7
Treasury shares	84,126	0.004%	8	3,389,240	0.179%	339

The increase in share capital during 2023 and 2024 are due to beneficiaries exercising their rights under the share-based compensation plan implemented within the Group.

Company identification data

Headquarters: 1B Pipera Boulevard, Cubic Center building, 8th floor, Voluntari, Ilfov County |

Tel: 021.336.46.45 | **website:** www.agricover.ro | **e-mail:** office@agricover.ro

Commercial Register registration number: J23/447/2018

Registration certificate: B3417524

Unique Commercial Register code: 36036986

Share capital: 189,484,708.20 RON

Regulated trading market: Bucharest Stock Exchange, corporate bond category

Market symbol: AGV26E

We are recognised by Romanian farmers as an innovative leader in providing a range of integrated agricultural inputs, financing, and digital financial solutions effectively helping them to increase productivity, reduce operating costs, finance working capital and growth, and implement performing and resilient agricultural business models.

We operate two separately reportable segments: agricultural inputs distribution ("Agribusiness" segment) and farmer financing ("Agrifinance" segment). Through our Agribusiness segment, carried out by Agricover Distribution and Agricover Commodities (former Agricover Technology), we supply local farmers with:

- ✓ **certified seeds** – providing high-productivity seeds of established identity, certified by an official agency after inspection, for the main crops grown in the country including wheat, barley, maize, sunflower and rapeseed;
- ✓ **crop nutrition products** – sourcing (both from international and local suppliers), storing, packaging, wholesaling, and retailing agricultural fertilisers to farmers and end-consumers. Our activity includes formulating and blending, under private label, specific nutrient combinations (e.g., nitrogen, potassium, phosphorus etc.), mostly foliar fertilisers tailored to various farm production systems and local soil profiles;
- ✓ **crop protection products** – selling generic and brand products (our suppliers include leading global manufacturers of crop protection products) to protect crop yields against weeds, insects and disease and improve overall crop health, both above and below ground, enabling farmers to achieve optimal results;
- ✓ **fuel** – facilitating the farmers' acquisition and delivery of diesel from several of the largest suppliers operating on the local market.

Through our Agrifinance segment, carried out by Agricover Credit IFN, Agricover Payments, and Clubul Fermierilor Romani Broker de Asigurare, we provide local farmers with financing and related services, including insurance brokerage, tailored to their needs and the specifics of the sector, including:

- ✓ **working capital loans** – financing working capital needs (e.g., for acquisition of agricultural inputs, labour, etc.) throughout the growing season with bullet reimbursement once the harvesting is done and the output is monetised;
- ✓ **investment loans** – financing mostly land acquisition or other farm investments; investment loans have longer maturities but with reimbursement schedules that are linked to the agricultural season (i.e., instalment payments correlated with the two main harvesting seasons, namely June-July for autumn crops, such as wheat or barley, and October-November for spring crops, including maize or sunflower);
- ✓ **corporate credit cards** – revolving financing for pre-approved limits generally valid for up to three years, with bullet annual reimbursement – minimum 60% of the utilised limit – tailored to the harvesting season of the farmer's predominant crops;

- ✓ **insurance brokerage** – insurance intermediation services provided by Clubul Fermierilor Români Broker de Asigurare S.R.L. (an entity controlled by Agricover Credit IFN SA, which holds a 51% stake in its share capital, the remaining 49% being held by Clubul Fermierilor Români, a non-profit farmers’ association); we offer expert guidance in identifying the right specialised or general insurer to cover the risks related to our customers’ crops, farms, equipment or other relevant assets; we explain the costs and benefits of competitive insurance products, we assist the farmer in negotiating better pricing with the insurers and, if the insured event occurs, we assist farmers during the claims handling process;
- ✓ **digital finance and payment services** – we recently launched “My Agricover” mobile app, available on Google Play and the App Store, which enables farmers to interact with the Group and secure financing quickly and easily, directly from their farms. This marks a significant step in expanding financial services for small farmers, streamlining access to funding through an exclusively online platform. Additionally, we are developing and authorising tailored payment services, planned to be launched in the last quarter of 2025. These services will provide farmers with a convenient and secure way to manage their finances digitally – making payments, receiving funds, withdrawing cash, and accessing debit cards – all through a user-friendly web and mobile platform.

Our synergistic business model is designed to provide farmers with seamless access to a wide range of technological innovations (from high-quality agricultural inputs to digital agri-finance solutions) along with tailored financial support to help integrate these advancements into their farming operations. This enables farmers to achieve higher yields and maintain long-term competitiveness in a resilient way. As a result, our comprehensive offering stands as one of the most effective and holistic agriculture support solutions in the industry.

Strategy

Agriculture is undergoing a profound global transformation driven by population growth, limited arable land, environmental challenges, and evolving societal expectations. While the demand for food and animal feed continues to rise, the available farmland is increasingly threatened by climate change. At the same time, farmers face growing pressure to enhance productivity while adopting sustainable and environmentally responsible practices.

We believe these challenges can be met through the widespread adoption of advanced technologies, including high-quality agricultural inputs, precision farming solutions, and digital financial services. These innovations lay the foundation for long-term opportunities in agriculture, helping farmers increase efficiency, improve yields, and enhance profitability in a sustainable manner.

Our strategy is to leverage our deep customer relationships and proven expertise to provide farmers with a comprehensive mix of agricultural inputs and digital agri-finance solutions. By facilitating access to cutting-edge agricultural advancements and financing, we believe we contribute to the acceleration of the adoption of modern farming practices, strengthening our partnerships with farmers and contributing to a more robust and sustainable global food supply.

To drive shareholder value creation, we remain committed to three strategic priorities:

- i. **Expansion** – accelerating organic growth while exploring strategic mergers and acquisitions to enter new, complementary markets;
- ii. **Synergy** – maximizing our integrated model by combining knowledge, services, and financial solutions to enhance cross-selling opportunities; and
- iii. **Digital Transformation** – enabling farmers to adopt competitive and sustainable agricultural practices through digital innovation and financial accessibility.

We recognize that our employees are key to executing our strategy successfully. We are committed to attracting, training, and retaining top talent in agriculture, financial services, and information technology. To ensure a dynamic and engaging work environment, we focus on:

- **Competitive hiring** – advertising all open roles to attract top talent.
- **Comprehensive onboarding** – providing structured induction programs for new employees during their first three months.
- **Professional development** – offering competitive compensation and continuous learning opportunities.

As of 31 December 2024, we had 544 employees (31 December 2023: 566). We strive to provide challenging and rewarding careers, empowering our team to foster innovation and excellence in the agricultural sector. Further information about our workforce as well as diversity and inclusion practices can be found in Annex A – *Sustainability Statement* to this Report.

Basis for the Report

The Report of the Board of Directors (the “Report”) is presented together with and based on the Company’s audited consolidated and separate financial statements as at and for the year ended 31 December 2024, prepared in accordance with *Order of the Ministry of Public Finance no. 2844/2016 approving the accounting regulations compliant with the International Financial Reporting Standards*, with subsequent amendments and modifications (“Order 2844”) and are in compliance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”).

The analysis of the financial and operational results of the Group and its significant subsidiaries included in this Report makes references to:

- a) Agricover Holding S.A. consolidated financial statements for the year ended 31 December 2024 and 31 December 2023, respectively, prepared in accordance with Order 2844 (“Consolidated Financial Statements”), audited; and
- b) Agricover Credit IFN S.A. consolidated financial statements for the year ended 31 December 2024 and 31 December 2023, respectively, prepared in accordance with Order No 1/2023 issued by the National Bank of Romania for the approval of accounting regulations in accordance with the European Directives, with subsequent amendments and modifications (“Order 1/2023”) and are in accordance with IFRS (“Agrifinance Consolidated Financial Statements”), audited; and
- c) Agricover Distribution S.A. financial statements for the year ended 31 December 2024 and 31 December 2023, respectively, prepared in accordance with IFRS (“Distribution Financial Statements”), audited; and
- d) Agricover Commodities S.A. financial statements for the year ended 31 December 2024, prepared in accordance with IFRS (“Commodities Financial Statements”), audited;
- e) Agricover Holding S.A. separate financial statements for the year ended 31 December 2024 and 31 December 2023, respectively, prepared in accordance with Order 2844 (“Separate Financial Statements”), audited.

All amounts are presented in thousands Romanian Lei (“RON”), and rounded to the nearest unit, unless otherwise stated. Performance indicators and financial ratios are rounded to the nearest unit unless otherwise stated.

The analysis of the financial and operational results of the Group and its significant subsidiaries included in this Report also makes references to unaudited operating information. The unaudited operating information is derived from internal records, including (i) accounting systems (including based on invoices issued and/or received); (ii) internal reporting systems supporting the preparation of financial statements; (iii) management assumptions and analyses; (iv) operational registers, and (v) discussions with key operating personnel.

The Report is compliant with the Financial Supervisory Authority *Regulation 5/2018 on issuers of financial instruments and market operations* issued in May 2018, with subsequent amendments and modifications.

Market Context

i. Macro Highlights

In 2024, as compared to the previous year, the gross domestic product increased by 0.9%, in accordance with the estimate published by the National Institute of Statistics on 7th of March 2025. During the same period, the volume of activity in agriculture decreased by 10.5% (with a 3.2% share in gross domestic product).

Agriculture financing market continued upward trend, increasing by 5.3% at December 2024 compared to December 2023. Within the agriculture financing market, bank exposures increased by 7.1% at December 2024 compared to December 2023. The exposures of non-banking financial institutions increased by 2.0% during the same period. In this context our market share was at 6.6% at December 2024, after an 8.9% year-on-year increase in exposure.

In 2024, we operated in a moderating inflationary environment, with declining inflation rates across the European Union, though Romania continued to record one of the highest levels in the region. The gradual easing of monetary policy contributed to lower market interest rates, influencing both financing costs in Agribusiness and net interest margins in Agrifinance. While inflationary pressures have eased, uncertainty remains regarding future price developments, particularly in energy and food markets.

The agricultural sector faced challenges related to declining grain prices and severe drought conditions, which impacted production volumes and farm revenues. In response, the Romanian Government introduced temporary debt repayment relief measures for affected farmers. While these measures provide short-term liquidity relief, they also increase medium-term financial risks as postponed obligations become due. We have proactively managed this risk through commercial negotiations with customers and strengthened collateral coverage.

Looking ahead, we aim to remain focused on disciplined risk management to navigate evolving macroeconomic, regulatory, and climate-related risks, ensuring financial stability and operational resilience. Further details on these developments, including their impact on the Group's financial position and risk management approach, are provided in the following section of this report.

ii. Factors Impacting Our Results

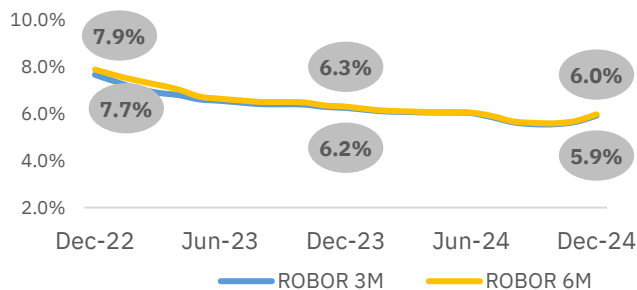
Inflation

In 2024, economic conditions in the European Union were shaped by stubborn inflation, resilient labor markets, and evolving monetary policies.

Inflation rates saw a general decline compared to the previous year. The euro area annual inflation rate was 2.4% in December 2024, up from 2.2% in November. A year earlier, the rate was 2.9%. European Union annual inflation was 2.7% in December 2024, up from 2.5% in November. A year earlier, the rate was 3.4%. In December 2024, Romania’s annual inflation rate rose slightly to 5.5% from 5.4% in November, making it the highest in the European Union¹. However, despite this short-term increase, inflation had significantly declined from 7.0% in December 2023, indicating a broader downward trend compared to the previous year. This suggests that while inflationary pressures persist, they are easing over time.

Despite the sluggish economic performance in the last quarter of 2024, the labor market remained surprisingly stable, with a 5.9% unemployment rate in the EU in December 2024, down from 6.0% in December 2023². Romania’s unemployment rate stood at 5.2% in December 2024, marking an improvement from 5.6% in December 2023. This suggests a level of economic resilience despite inflationary challenges.

Looking ahead, monetary policy adjustments by the European Central Bank and by the National Bank of Romania are expected to influence financial conditions. While the European Central Bank has already implemented interest rate cuts, persistent core inflation near 3% could slow the pace of future reductions. Some analysts expect that energy and food prices may exert upward pressure on inflation in the short term, but easing services inflation is expected to bring core inflation closer to the ECB’s 2% target.



The National Bank of Romania kept the policy interest rate at 7% during the first half of 2024, decreasing it by 25bps at the beginning of July and further by another 25bps in August 2024. In this context, market interest rates have decreased by around 30bps during 2024.

graph: **market interest rates**, source: *National Bank of Romania*

For the agricultural sector, these macroeconomic dynamics present both challenges and opportunities. High inflation in Romania continues to impact input costs and consumer purchasing power, while stable labor markets provide a degree of economic predictability.

¹ Inflation information is based on data published by Eurostat on 17th of January 2024

² Unemployment information is based on data published by Eurostat on 30st of January 2024

Additionally, the expected gradual monetary easing may lead to improved access to financing, benefiting farmers seeking investments or working capital financing.

Market interest rates influence our net interest income in Agrifinance and our net finance cost in Agribusiness. Our net interest margin in Agrifinance remained strong at 8.05% in 2024, slightly lower than 8.17% in 2023, yet significantly above the 6.90% recorded in 2022. All financing contracted by in the Agribusiness segment bearing floating interest rates.

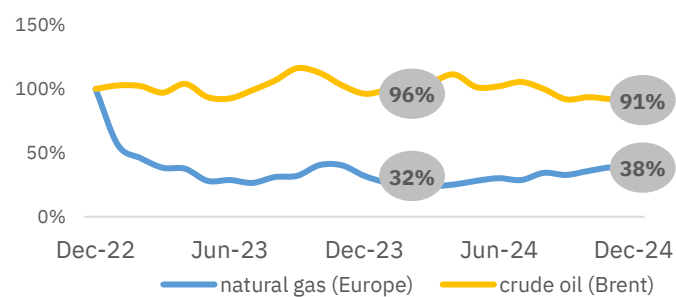
Oil and gas

Certain commodities (especially gas, energy, and oil) represent significant costs in the manufacturing process of crop nutrition and crop protection products and there is a high correlation between the price of those commodities and the price of crop nutrition and crop protection products.

The European natural gas market remained volatile in 2024, with prices fluctuating between €8 and €15 per MWh. Price pressures stemmed from higher winter demand and supply disruptions, leading to gas trading at higher levels in December 2024 compared to the previous year, though still well below the peaks of December 2022. Further price increases followed the halt of Russian pipeline gas transit through Ukraine in January 2025, constraining supply. Given ongoing storage challenges and geopolitical risks, the International Energy Agency anticipates that European gas prices will remain high in 2025. Efforts to secure LNG imports and improve energy efficiency will be critical in stabilizing the market.

Oil prices were also volatile throughout 2024, fluctuating between \$74 and \$94 per barrel, driven mainly by trade uncertainties, economic sanctions, and OPEC+ supply decisions. Sanctions on Russia and Iran initially led to higher prices early in the year, but concerns over a potential global trade slowdown and weakening demand later offset these increases. For 2025, the International Energy Agency forecasts moderate oil demand growth, with stable supply helping to prevent major price surges, barring any significant geopolitical disruptions.

Higher energy prices drive up manufacturing and transportation costs, leading to increased input prices for farmers. Moreover, volatile prices can at times ease cost pressures but add



uncertainty. For input distributors, commodity price volatility increases financial and operational risks, affecting procurement, pricing strategies, and inventory management. Managing these fluctuations is essential to ensuring stable supply and cost predictability for farmers.

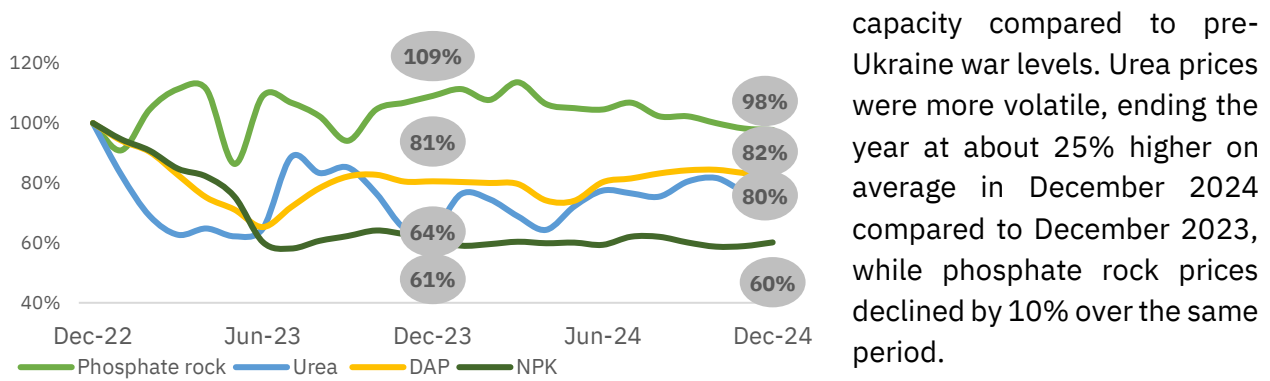
graph³: **natural gas and crude oil price evolution**, source: World Bank data processed internally

³ the graph presents the monthly evolution of prices versus December 2022 (base period)

Crop nutrition products

In 2024, fertiliser prices remained relatively stable compared to the sharp corrections observed in 2023, though they continued to be influenced by energy costs, supply chain adjustments, and global trade policies. While natural gas prices fluctuated, they remained well below the peaks seen in 2022, contributing to a more stable cost environment for fertiliser production.

The 35% drop in the World Bank’s fertilizer price index in 2023 compared to 2022 continued in 2024 with a further 23% decrease⁴. However, in Europe, fertiliser prices remained largely stable throughout 2024, influenced by input costs (see section above) and improved production



capacity compared to pre-Ukraine war levels. Urea prices were more volatile, ending the year at about 25% higher on average in December 2024 compared to December 2023, while phosphate rock prices declined by 10% over the same period.

graph⁵: **crop nutrition price evolution**, source: Argus Direct data, processed internally

Looking ahead, while no major price shocks are currently anticipated, fertiliser prices are expected to remain sensitive to global energy costs, trade policies, and agricultural demand. According to World Bank projections, price stabilization may continue, but factors such as natural gas price trends, geopolitical developments, and supply chain adjustments will play a crucial role in shaping the market. Upside risks include potential increases in input costs, particularly natural gas, as well as geopolitical uncertainties that could disrupt supply chains.

With crop nutrition inventories as low as 1.8 million RON as at 31 December 2024 (31 December 2023: 2.5 million RON), our exposure commodities price risk is limited and we do not expect a significant impact under reasonably possible market prices scenarios.

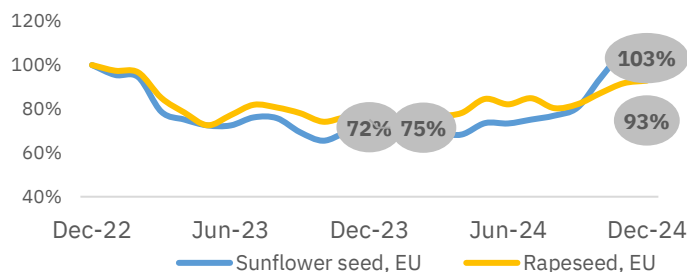
⁴ World Bank "Commodities Price Data" (the Pink Sheet), 2 July 2024

⁵ the graph presents the monthly evolution of prices versus December 2022 (base period)

Grains

The declining trend in grain prices continued in 2024, following significant corrections in 2023.

The European Union price index of grains (including seeds) was down by 26% in 2023 compared to 2022, further decreasing by 15% during 2024. For Romania, the same index was 19% down in 2023 from 2022, and then further decreased by 20% during 2024⁶. Globally, the FAO Cereal

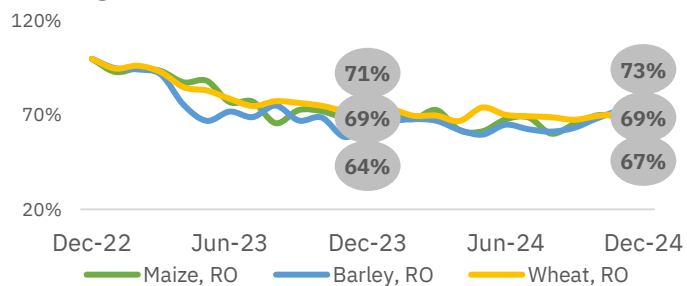


Price Index averaged 113.5 points in 2024, down 13% from the 2023 level, making a second annual decline from the 2022 record level⁷. This downward trend was primarily driven by ample wheat and maize supplies, which helped ease market pressures.

graph⁸: **EU sunflower seed and rapeseed prices evolution,**

source: European Commission data processed internally

While global wheat and maize production is expected to remain stable in the 2024-2025



marketing year, higher consumption is likely to tighten stocks, adding some upward pressure on prices. However, according to Euromonitor, prices of major crops are generally projected to trend lower, with weather conditions and trade policies remaining key factors to watch.

graph⁹: **local maize, barley, and wheat prices evolution,**

source: European Commission data processed internally

In early 2025, maize prices began rising due to mounting supply concerns, particularly weaker US production estimates and increasing global consumption. Although prices are expected to ease from current levels, tight supply conditions could keep them above 2024 averages. In contrast, a stronger supply outlook has helped stabilize wheat prices.

These developments in grain prices are closely linked to fertilizer and energy cost trends, as input costs play a critical role in production decisions. Relative stable fertiliser prices in 2024, following sharp declines in previous years but still remaining well above pre-2022 levels, provide a floor for major crops prices, barring excessive supply.

⁶ Eurostat data (Price indices of agricultural products, output - annual data [apri_pi20_outq]; products: cereals, including seeds, as updated on 3 March 2025), processed internally

⁷ based on date released by the Food and Agriculture Organization of the United Nations on 3 January 2024

⁸ the graph presents the monthly evolution of prices versus December 2022 (base period)

⁹ the graph presents the monthly evolution of prices versus December 2022 (base period)

Weather

The weather can influence the presence of disease and pests in the short term on a regional basis and, accordingly, can affect the demand for crop protection products and the mix of products used. The weather also can affect the quality, volume and costs of the seeds produced and available for sale, while seed yields can be higher or lower than planned.

The year 2024 was marked by severe drought conditions in Romania, significantly impacting agricultural production. Prolonged water deficits and high temperatures affected key crop-growing regions, particularly in the southern and eastern parts of the country, leading to substantial yield losses. The European Commission acknowledged the scale of these damages by approving a 400 million EUR compensation scheme to support farmers whose crops were directly affected (conditions apply).

The drought's impact on crop yields and farm revenues was significant, this situation further exacerbating financial challenges for farmers already facing declining grain prices and ongoing input cost pressures. While the compensation scheme provided some relief, lower revenues, combined with historical debt obligations, created additional financial strain for many farmers. Despite these challenges, favorable precipitation towards the end of 2024 and early 2025 improved soil moisture levels, providing a more optimistic outlook for the upcoming agricultural season. However, concerns remain about long-term climate risks, soil degradation, and the need for expanded irrigation infrastructure to enhance resilience against future drought events.

Weather events adversely impacting crop production and/or quality might adversely affect the ability of our customers to meet their obligations towards the Group. Moreover, unfavourable weather shifts the planting and/or the harvesting seasons and can affect our agricultural inputs distribution quarterly results and sales mix.

Debt Repayment Postponement for Farmers

In response to the financial difficulties caused by severe drought conditions in 2023 and 2024, as well as the broader economic impact of geopolitical events, the Romanian Government introduced temporary relief measures for local farmers, allowing them to postpone debt payments on both commercial and financial obligations.

Under this relief, impacted farmers (namely those who can prove significant crop losses – at least 50% – through official assessment reports) can request a suspension of loan repayments, including principal, interest, and fees until 1st of August 2025. Such requests have to be filed with the creditor no later than 31 December 2024. Eligible debt includes loans used for agricultural and food industry activities, as long as the credit agreements were in place before the relief took effect and were not already in default. The maturity of these loans can be extended by the duration of the payment suspension.

In addition to financial debt, the ordinance also addresses commercial debt within the agricultural value chain. Farmers who qualify for postponement may request a suspension of payments owed to suppliers of agricultural inputs under similar terms and conditions as highlighted above for financial debt.

To further protect affected farmers, the relief also freezes enforcement actions, including debt recovery and insolvency proceedings, for eligible agricultural debts until 1st of August 2025. Moreover, for farmers who settle outstanding obligations by December 31, 2024, no penalties, interest, or late fees will be charged, and contractually agreed discounts will be maintained.

These measures aim to provide short-term financial relief to farmers struggling with lower revenues and rising production costs.

While the debt postponement measures provide short-term financial relief to affected farmers by easing immediate liquidity constraints, they effectively increase the financial burden in the medium to long term. As farmers will need to finance new crops while also resuming payments on postponed debts starting in August 2025, they will face a period of heightened financial pressure, managing both seasonal financing needs and deferred obligations. This increases the risk of defaults, particularly for highly leveraged farmers or those still recovering from poor harvests.

Recognising these challenges, we have commercially negotiated appropriate payment terms with our customers, ensuring a balanced approach that supports their short-term liquidity needs while mitigating longer-term financial risks. Given this approach and our proactive engagement with customers, we have not incurred a significant number of eligible postponement requests, nor do we anticipate a material financial impact on our business as a result of the government relief plan. Furthermore, as part of our risk mitigation strategy, we have increased collateral coverage across our portfolio, reaching 57.9% as of 31 December 2024, compared to 41.9% at the end of 2023. This approach enhances credit security and reduces potential losses, reinforcing our resilience against increased financial stress in the sector.

Financial covenants

The Group is required to comply with financial covenants under its major borrowing facilities and listed bonds. Except as presented below, as of 31 December 2024, the Group has complied with all applicable covenants, or where thresholds were breached, relevant waivers have been obtained from lenders.

In April 2023, one of the Group's lenders was placed under U.S. OFAC sanctions. Although these sanctions do not directly apply in Romania, the Group has proactively taken steps to ensure compliance with international regulations. This included halting payments to the sanctioned lender, both under the existing borrowing facilities as well as under the bond prospectus, and setting aside the corresponding funds in separate accounts. The lender has issued temporary waivers for payments due in 2023, 2024, and March 2025 under the borrowing facilities, postponing their due date until June 2025. However, while the lender was informed of our decision to withhold interest payments until they can be made in compliance with international sanctions, no waivers were issued for amounts due under the Group's corporate bonds. In the unlikely event that the Group is required to repay the outstanding principal on its corporate bonds early, while ensuring compliance with international sanctions, management does not anticipate a significant impact on the Group's ongoing business.

The challenging macroeconomic environment in 2024, characterized by declining crop prices, persistent drought, and financial strain on farmers, not only affected their ability to service obligations but also reduced their willingness to invest in quality inputs. Additionally, the loss of crops due to extreme weather led to a lower overall demand for agricultural inputs. As a result, our top line was impacted by lower sales volumes and a shift toward more affordable, generic products.

Despite these difficulties, Agricover Distribution achieved a strong turnaround, posting a 5.4 million RON profit in 2024, compared to a 17 million RON loss in 2023, while maintaining a trade receivables collection rate above 95% (further details are included in Annex C – *Agricover Distribution SA Financial Statement*, and in the *Financial Performanc of Agribusiness* chapter of this Report). However, in a high-interest-rate environment and considering delayed payments from certain customers, this operational improvement was not sufficient to fully meet all financial covenants set out in the bond prospectus.

Non-compliance with financial covenants grants bondholders the right to request early repayment, provided that at least 25% of bondholders vote in favor. As of 31 December 2023 and 31 December 2024, some of the Group's financial ratios have not met required thresholds, leading to bond liabilities being classified as current in the consolidated financial statements for the year ended 31 December 2024.

Consolidated Performance of the Agricover Group

Despite macroeconomic pressures and sector-specific challenges, we remained committed to supporting farmers by ensuring access to financing and essential agricultural inputs while maintaining a disciplined approach to risk management. Total gross loans and advances to customers increased to RON 3.17 billion as of 31 December 2024, reflecting sustained demand for financing solutions. The net interest margin remained strong at 8.05%, while the credit risk profile of the portfolio remained below market benchmarks, with an NPL ratio of 3.48%, compared to the 4.70% average NPL ratio for SME loans.

The earnings per share from continuing operations improved to RON 0.048, reflecting operational efficiencies and a continued focus on sustainable growth and financial discipline.

9,797

the Group's unique customers as at and for the year ended 31 December 2024

RON 3.17 billion

gross carrying amount of loans and advances granted to Agrifinance customers as at 31 December 2024

8.05% NIM

net interest margin ("NIM") in Agrifinance in 2024, stable as compared to 2023

3.48% NPL

Non-performing loans ratio ("NPL") at 31 December 2024, below the 4.7 % average NPL for local loans and advances granted to SMEs as at 30 September 2024¹⁰

RON 1.35 billion

revenue in the Agribusiness segment

RON 0.048

EPS from continuing operations, higher by **+61%** as compared to 2023

¹⁰ financial stability report published by the National Bank of Romania in December 2024

i. Our customer base

Strong farmer relationships enable us to anticipate customer needs and enhance loyalty and recurrence across all business segments. The direct access model, with field agents engaging regularly with both current and prospective customers, remains a key driver of customer retention and deeper business understanding. Farmers eligible to become customers are primarily selected based on their access to SAPS-related subsidies paid by APIA, which also serve as an independent verification of farm size for Agrifinance customers. Additionally, our agricultural inputs online sales platform remains accessible to other end consumers, including unincorporated private individuals.

Customers of:	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24
both segments	1,879	2,563	2,885	2,927	2,990	3,068	2,732
Agribusiness ¹¹	2,665	3,661	4,482	5,419	5,765	6,032	5,436
Agrifinance ¹²	928	871	934	920	1,194	1,375	1,629
Unique customers	5,472	7,095	8,301	9,266	9,949	10,475	9,797

Source: internal data, unaudited

In the context of our focus on risk management and core customers and activities during 2024, as at end of December 2024 the number of unique customers we serve decreased by 6.5% as compared to December 2023. Despite the year-on-year decline, the long-term trajectory remains positive, with a compound annual growth rate (CAGR) of 10.2% in the number of unique customers since 2018.

For our internal reporting and commercial decision-making purposes, we group our customers as follows:

- ✓ in Agrifinance – based on farm size, as: i) large – above 1,000 ha operated; ii) medium – 401 to 1,000 ha operated; iii) small – 101 to 400 ha operated; iv) micro – 20 to 100 ha operated; and vi) other (as shown in the table below). For risk management purposes, we group our clients based on the following farm size: a) below 400 ha; b) above 400 ha; and (c) others.

	31 December 24		31 December 23		31 December 22	
	No of customers	%	No of customers	%	No of customers	%
large	325	7%	319	7%	332	8%
medium	735	17%	778	18%	794	19%
small	2,108	48%	2,141	48%	2,034	49%
micro	1,181	27%	1,167	26%	973	23%
other	12	0%	38	1%	51	1%
Total	4,361		4,443		4,184	

Source: internal data, unaudited

¹¹ In Agribusiness an active customer is one which has made at least one acquisition during a twelve-month rolling period.

¹² In Agrifinance an active customer is one to which we have at least one open financing agreement at the date of the analysis.

As of 31 December 2024, customer distribution in Agrifinance remained relatively stable, with small farms (101-400 ha) continuing to represent the largest segment (48%), while the micro-farm category (20-100 ha) expanded to 27% from 23% in 2022, indicating increased financing penetration among smaller farms.

- ✓ in Agribusiness - based on the types of agricultural inputs acquired during one calendar year, namely from customers who have acquired all four types of agricultural inputs – i.e. seeds, crop nutrition products, crop protection products and fuel – down to customers who have acquired only one type of agricultural input.

	31 December 24		31 December 23		31 December 22	
	No of customers	%	No of customers	%	No of customers	%
4 input types	391	5%	610	7%	741	8%
3 input types	1,120	14%	1,412	16%	1,454	17%
2 input types	2,320	28%	2,425	27%	2,183	25%
1 input type	4,337	53%	4,653	51%	4,377	50%
Total	8,168		9,100		8,755	

Source: internal data, unaudited

As of 31 December 2024, the number of Agribusiness customers declined compared to previous years, with a noticeable shift towards single-product buyers, who now represent 53% of the total customer base. The proportion of customers purchasing all four input types continued to decline, reflecting a more selective purchasing approach among farmers, likely influenced by macroeconomic conditions and shifting input needs, but also linked to our focus on risk management and higher margin products.

Concentration risk is detailed in the Consolidated Financial Statements, including in Note 5 *Revenue from Contracts with Customers*, and in Note 11 *Financial Risks*.

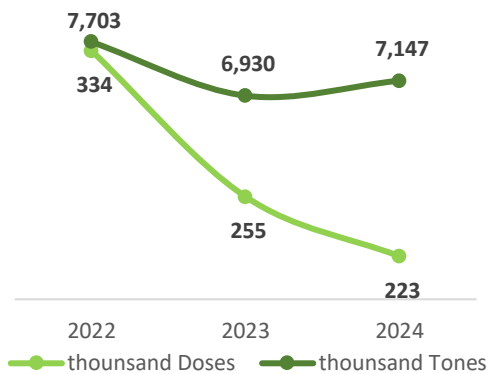
i. Our product offering

Agribusiness segment offering

The four main categories of products distributed to farmers through our Agribusiness segment are the following:

Certified seeds

Our seeds offering includes high-performance varieties and hybrids in all major crops grown within the region, including maize, sunflower, wheat, rapeseed, and barley, that aim to increase yields and enhance quality. Certain hybrids might include biotechnology traits designed to enhance yields for farmers by enabling crops to protect themselves against a variety of agricultural pest species and/or to be tolerant of specific herbicides.

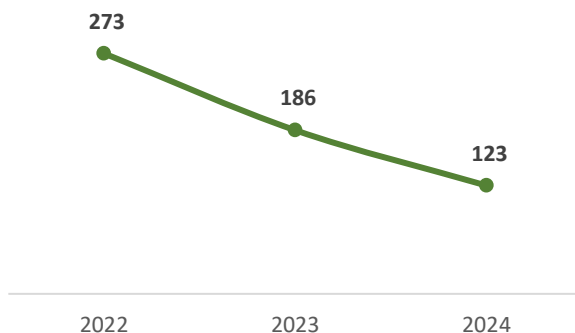


In terms of value, top three seeds sold during 2024 were maize (37% in total seeds revenue), sunflower (29%) and rapeseed (19%).

graph: **seeds, volumes sold**,
source: *internal data, unaudited*

Crop nutrition products

The main crop nutrition products we offer include straight fertilisers with one nutrient only such as phosphates, nitrogen and potash or potassium, as well as blended and NPK fertilisers (complete fertilisers including all three main nutrients – nitrogen, phosphorus, and potassium – at various weights each). Related services include loading, transportation, unloading and storage. Crop nutrition products are offered under brand names, generic products, or private label products.



In terms of value, top three crop nutrition products sold during 2024 were NPK complex (17% in total crop nutrition products revenue), phosphates (19%) and urea (19%).

graph: **crop nutrition product, volumes sold** (thousand tonnes),
source: *internal data, unaudited*

Crop protection products

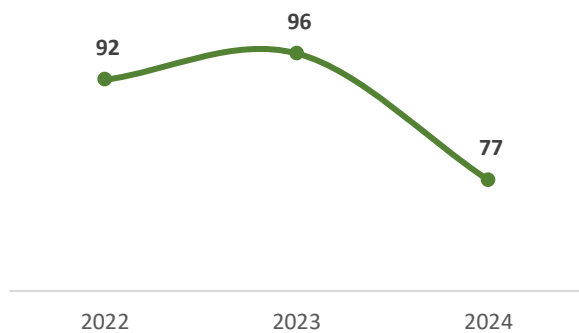
Crop protection products are represented by safe and effective active ingredients for use as insecticides, fungicides, herbicides, and crop efficiency products for foliar or soil application as well as seed treatment. In addition to a wide range of chemical solutions, we offer biological products derived from plants, bacteria and/or fungi as we believe that these are a vital tool in sustainable agriculture. Agribusiness’ crop protection offering includes brand names as well as generic products.

Insecticides aim to control damaging insects and nematodes in a variety of crops, including all main crops grown within the region. Certain insecticides might promote cell growth and plant restoration, activate, or strengthen the plant’s natural defence mechanisms or safeguard crops from various environmental stresses. Fungicides aim to provide control of a broad spectrum of crop diseases, with a view to leading to healthier plants and higher yields. Herbicides are used to fight weeds by controlling weed pressure and providing reliable, season-long control solutions. Herbicides may utilise various or multiple modes of action to help combat broadleaf weeds and grass.

Given their heterogeneous nature (e.g., some are liquid, others solid, with lower or higher concentrations, etc.), crop protection products volumes sold data is not provided here. In terms of value, top three crop protection products sold during 2024 were herbicides (40% in total crop protection products revenue), fungicides (31%) and insecticides (12%).

Fuel

We have a dedicated sales team for fuel distribution and related financing solutions, providing current and prospective customers with a comprehensive purchasing and financing platform. By integrating fuel supply with tailored financing, we support farmers in cost control, efficiency gains, and inventory management.



Our purchasing power, strong supplier relationships, and complementary financing solutions further enhance our competitive advantage. Additionally, our fuel distribution platform adds value for both producers and customers by combining financing options, centralized order handling, and access to a nationwide sourcing and storage network.

graph: **fuel, volumes sold** (thousand cubic meters),
source: *internal data, unaudited*

Agrifinance segment offering

Through the Agrifinance segment, we provide farmers with a range of tailored financing solutions, including working capital loans, investment loans, and corporate credit cards, designed to support farm operations, acquisitions, and investments. All loans are structured based on the farmer's repayment capacity, which is directly linked to cash flows generated by agricultural activities. Consequently, loan repayment availability is inherently tied to agricultural seasonality, with funds being utilized throughout the production cycle—from pre-planting to harvesting—before cash is generated from the sale of crops. The volume and structure of loans outstanding in the Agrifinance segment as at the end of 2024, 2023, and 2022 are presented in the table below:

Type of product	December 2024		December 2023		December 2022	
	RON'000	%	RON'000	%	RON'000	%
Working capital lines	3,021,451	95%	2,585,883	89%	2,607,777	92%
Investment loans	146,325	5%	188,219	6%	201,991	7%
Factoring	4,094	0%	131,607	5%	29,269	1%
Total	3,171,870		2,905,709		2,839,037	
Letter of guarantee	-		4,000		5,500	

Source: Agrifinance Financial Statements

As of December 2024, total loans and advances in Agrifinance reached 3.17 billion RON, reflecting a 9% year-on-year increase from 2.91 billion RON in 2023. This growth was primarily driven by a 17% expansion in working capital lines, which now account for 95% of the total loan portfolio, up from 89% in 2023. Factoring volumes decreased significantly, dropping to 4.1 million RON in 2024 from 131.6 million RON in 2023, with factoring arrangements being related to invoices issued by Agricover Distribution, eliminated upon consolidation.

ii. Cross-sales

Cross-sales efforts within the Group result in: i) sales of mainly crop protection products packages with working capital loans, and ii) sales of mainly crop nutrition products and fuel directly financed by loans granted by the Agrifinance segment.

Generally, within a year roughly one third of the revenue generated within Agribusiness is directly related to cross-sales efforts.

	2024		2023		2022	
	RON'000	% of total revenue	RON'000	% of total revenue	RON'000	% of total revenue
Crop protection products	80,003	19%	166,880	34%	119,462	21%
Crop nutrition products	102,326	38%	178,361	36%	541,058	50%
Fuel	213,329	49%	252,810	47%	315,225	51%
Seeds	12	0%	1,715	1%	3,831	1%
Total cross-sale revenues	395,669	29%	599,766	33%	979,576	38%

Source: internal data, unaudited

The lower weight of cross sales in the loan production during 2024 is mainly due to the decrease of the agricultural inputs demand while general liquidity in agriculture was low given the impact of continued low soft commodities (output) prices exacerbated by severe droughts. This context led to lower direct financing of crop nutrition products but higher general working capital financing.

	31 December 2024	31 December 2023	31 December 2022
	RON'000	RON'000	RON'000
Financing packaged with:			
Crop protection products	61,782	97,413	93,727
Crop nutrition products	112,405	337,601	614,096
Fuel	259,143	317,228	384,426
Seeds	3,101	20,977	25,538
E-commerce	12,796	22,103	-
	449,227	795,322	1,117,787
% cross sales in total loan production	15%	27%	35%

Source: internal data, unaudited

We believe that, besides the impact on the revenue, our synergistic business model allows us plenty of opportunities to achieve higher productivities and lower costs (e.g., by leveraging Group wide data in risk management, by leveraging the work of our field teams for the benefit of all business segments we operate, by sharing physical resources including working points, by higher negotiation power in acquiring tangible and intangible assets etc). Our synergy project, along with our ongoing productivity and efficiency efforts, are aimed at achieving a best-in-class cost structure, as well as a sharper focus on the farmers.

Financial performance of Agrifinance segment

	2024	2023	2022
Net interest income	232,031	213,231	173,000
Net fee and commission income	10,545	10,395	10,645
Net credit losses	(34,329)	(50,482)	(28,326)
Net income	208,247	173,145	155,319
General and administrative expenses	(85,920)	(71,651)	(65,064)
Other gains / (losses)	(6,662)	(10,362)	(14,417)
Operating profit	115,665	91,130	75,838
Income tax expenses	(15,343)	(13,089)	(10,485)
Profit for the year	100,322	78,041	65,353

Source: Agrifinance Financial Statements

Net interest income increased by 9% year-on-year to 232 million RON, driven by portfolio growth and a stable net interest margin of 8.05%, consistent with 2023 level. The stable net interest margin reflects effective pricing strategies, while the decline in net credit losses underscores disciplined loan portfolio management, both contributing to higher profitability despite market challenges.

RON'000	2024	2023	2022
gross carrying amount of loans and advances	3,171,870	2,905,878	2,839,037
net interest income	232,031	213,231	173,000
net commission income	10,545	10,396	10,645
profit before tax	115,665	91,130	75,838
net interest margin	8.05%	8.17%	6.92%
cost to income ratio	38.6%	35.7%	39.0%
NPL ratio	3.48%	3.87%	2.92%

Source: Agrifinance Financial Statements

The nominal value of outstanding loans and advances reached **3.17 billion RON** as of 31 December 2024, reflecting an increase of 9.2% compared to 2023 and 11.7% compared to 2022. This growth underscores our commitment to supporting farmers, ensuring access to financing even in challenging market conditions, when funding is most critical for sustaining agricultural operations.

The **NPL ratio improved to 3.48%**, down from 3.87% in 2023, reflecting effective risk management and credit quality improvements. This level remains well below the 4.7% market average NPL ratio for SME loans, as reported by the NBR in September 2024, indicating a resilient portfolio despite the pressures faced by the agricultural sector.

27% increase in profit before tax in 2024 versus 2023, driven by higher net interest income and a 32% reduction in net credit losses, which declined to 34.3 million RON from 50.5 million RON in 2023.

The **cost-to-income ratio stood at 38.6%**, reflecting continued operational efficiency while accommodating an increase in general and administrative expenses.

Overall, our Agrifinance segment demonstrated strong financial performance in 2024, with portfolio expansion, improved asset quality, and enhanced profitability, reinforcing its role as a key financial partner for Romanian farmers in a complex market environment.

Financial performance of Agribusiness segment

	2024	2023	2022
Revenue	1,353,369	1,851,096	2,545,369
Cost of sales	(1,293,083)	(1,797,428)	(2,449,466)
Net credit losses on trade receivables	(19,940)	(26,742)	(11,793)
Gross distribution profit	40,346	26,926	84,110
Gross margin	3.0%	1.5%	3.3%
Administrative expenses	(36,887)	(33,191)	(33,764)
Other gains / (losses)	671	2,353	3,898
Operating profit / (loss)	4,130	(3,912)	54,244
Operating profit / (loss) margin	0.31%	(0.21%)	2.13%
(add back) tax on turnover	4,763	n/a	n/a
(add back) depreciation and amortisation	11,422	10,399	7,978
EBITDA	20,315	6,487	62,222
Net financial result	2,625	(9,783)	(7,909)
Income tax expense	(933)	(3,423)	(6,707)
Profit / (Loss) for the year	5,823	(17,118)	39,628

Source: Consolidated Financial Statements

In 2024, EBITDA increased to 20.3 million RON, more than tripling the 6.5 million RON recorded in 2023, reflecting improved margin performance, better cost control, and lower cost of risk. The gross margin rose to 3.0%, up from 1.5% in 2023, supported by a more stable pricing environment and disciplined procurement strategies, following the margin pressures experienced in 2023 due to market volatility. At the same time, net credit losses on trade receivables declined by 25.4%, highlighting strong collection performance and improved risk management in a difficult market context.

Net profit reached 5.8 million RON, a significant recovery from the 17.1 million RON loss recorded in 2023, despite higher operational costs in a persistent inflationary environment.

RON'000	2024	2023	2022
Revenue, out of which	1,358,408	1,851,096	2,545,369
Crop protection products	421,226	558,015	559,238
Crop nutrition products	269,966	497,226	1,081,036
Fuel	436,720	540,130	613,162
Seeds	220,854	249,947	265,486
Other revenue	9,642	5,779	26,447
Operating profit/ (loss)	9,168	(3,912)	54,244
Operating margin	0.67%	(0.21%)	2.13%

Source: Consolidated Financial Statements

In 2024, revenue declined across all major product categories, reflecting lower purchasing power among farmers, unfavourable weather conditions, and a challenging macroeconomic

environment. However, the impact varied across product segments, with some showing greater resilience in terms of volume demand.

- ✓ **crop protection products** revenue declined by 24.5% year-on-year, totaling 421.2 million RON. This decline was largely influenced by farmers' cost-saving strategies, with a shift towards cheaper generic alternatives and reduced application rates, as seen during periods of unfavourable weather and financial strain,
- ✓ **crop nutrition products** recorded the largest revenue decline (-45.7%), reaching 270.0 million RON, with demand impacted by drought conditions,
- ✓ **fuel** sales decreased by 19.1% to 436.7 million RON, mostly in line with decreased sales volumes,
- ✓ **seeds revenue** fell by 11.6% year-on-year, totaling 220.9 million RON. While the volume of seeds sold remained relatively stable, the revenue decline reflects pricing adjustments and shifts in the product mix.

The operating margin improved to 0.7%, recovering from the negative margin of -0.2% in 2023, though still below the 2.1% recorded in 2022. This improvement was primarily driven by better cost management, improved gross margin performance, and lower credit losses on trade receivables. Despite the revenue decline across all product categories, the return to a positive operating margin reflects a more stable pricing environment and disciplined expense control, supporting the segment's gradual recovery in a challenging market context.

Risk management

We aim to support farmers in reaching their full potential while strengthening the local agricultural sector's role in the European and global food chain. However, evolving macroeconomic dynamics alongside persistent structural challenges are reshaping agricultural risks. These risks impact food crops, which in turn affect the financial resilience of our customers, as well as broader agricultural supply chains.

Effective risk management is essential to our ability to navigate this environment. Our business model involves actively managing financial and non-financial risks, with a structured approach to risk acceptance, diversification, retention, and mitigation:

- ✓ we accept risks inherent to our core business areas.
- ✓ we diversify exposure through our scale, product variety, and financing sources, ensuring resilience across operations.
- ✓ we retain risks that can be effectively managed to generate returns.
- ✓ we hedge or insure against those risks that exceed our risk tolerance.

Looking ahead, the magnitude and nature of our risk exposure will be influenced by both emerging external trends (such as economic conditions, market volatility, and regulatory shifts) and internal developments (such as operational adjustments and business growth).

Our risk management policies and practices remained broadly unchanged during 2024. Risk exposures and their financial impact are discussed in Note 11 to the Consolidated Financial Statements attached to this Report. This note outlines:

- ✓ **credit risk**,
- ✓ **market risk**, detailing exposure to currency risk, and interest rate risk.

Market, weather as well as other relevant risks are also discussed in the *Market Context* chapter of this Report, above.

Analysis of Consolidated Financial Statements

i. Group consolidated profit or loss (summarised)

The financial information set forth below for the years ended 31 December 2024, 2023, and 2022 has been extracted or derived from, and should be read in conjunction with the Consolidated Financial Statements, unless otherwise stated. The summarised statement presents the profit or loss from continued operations, excluding the revenue, income and expenses of operations discontinued during the presented periods.

RON'000	2024	2023	2022
Revenue	1,352,251	1,844,761	2,548,600
Cost of sales	(1,293,286)	(1,797,103)	(2,449,523)
Net credit losses on trade receivables	(18,485)	(29,596)	(13,033)
Gross Agribusiness profit	40,481	18,062	86,044
Gross margin	3.0%	1.0%	3.4%
Net interest income	219,977	206,085	154,143
Net fee and commission income	10,545	10,395	10,644
Net credit losses on loans and advances to customers	(35,784)	(47,628)	(27,086)
Cost of sales	(50,624)	(42,316)	(30,983)
Net Agrifinance profit	144,114	126,536	106,718
Gross profit	184,594	144,598	192,762
Operating expenses, net	(84,011)	(77,448)	(88,088)
Operating profit	100,583	67,150	104,674
Net financial result	7,084	5,290	3,025
Income tax expenses	(15,221)	(16,906)	(16,395)
Profit for the period from continuing operation	92,446	55,534	91,304

Source: Consolidated Financial Statements

In 2024, we delivered a strong financial performance, with **profit from continuing operations increasing to 92.4 million RON**, up 66% from 55.5 million RON in 2023. This improvement was primarily driven by sustained profitability in Agrifinance and margin recovery in Agribusiness, despite a decline in total revenue.

The gross margin in Agribusiness improved to 3.0%, up from 1.0% in 2023, while Agrifinance continued to be a key profit driver, with net interest income increasing by 7% to 220 million RON, supported by portfolio growth and a stable net interest margin of 8.05%. Meanwhile, net credit losses on loans and advances declined by 25%, contributing to overall profitability.

Revenue

We generate revenue from distribution of agricultural inputs and from rendering related services, such as transportation or storage. Revenue derived from selling of products is recognised when control of goods sold has transferred to the buyer. Revenue is measured at the fair value of the consideration received or receivable, net of commercial discounts, returns and value added taxes.

Business Line	2024		2023		2022	
	RON'000	%	RON'000	%	RON'000	%
Crop protection products	421,226	31%	552,563	30%	562,576	22%
Crop nutrition products	269,966	20%	497,226	27%	1,081,036	42%
Seeds	220,854	16%	249,947	14%	265,486	10%
Fuel	436,720	32%	540,130	29%	613,162	24%
Other revenue	3,485	1%	4,895	0%	26,340	1%
Total	1,352,251		1,844,761		2,548,600	

Source: Consolidated Financial Statements

In 2024, we recorded total revenues of 1.35 billion RON, a 26.7% decrease compared to 2023, primarily due to lower sales volumes and farmers' increased preference for lower-cost generic inputs amid challenging macroeconomic and weather conditions.

Revenue from crop protection products declined by 23.8% year-on-year, while the crop nutrition segment experienced the sharpest drop, down 45.7%, as volumes fell by 34.0%. Similarly, fuel revenue decreased by 19.1%, reflecting a corresponding decline in volumes sold. These fluctuations were primarily driven by farmers' lower purchasing power, high input costs, and reduced application rates amid drought conditions. Additionally, inflationary pressures and lower profitability increased demand for more affordable generic alternatives to branded crop protection and crop nutrition products.

In the seeds segment, revenue declined by 11.6%, primarily due to price adjustments and changes in product mix. However, quantities sold remained relatively stable (7.2 thousand tonnes in 2024 vs. 6.9 thousand tonnes in 2023), suggesting that farmers continued to prioritize seed quality despite economic pressures.

Overall, the 2024 revenue evolution reflects the impact of a weaker macroeconomic environment and drought conditions on farmers' input purchases, along with the effects of pricing adjustments and margin compression across key product categories.

Gross margin

In 2024, the gross margin in Agribusiness improved to 3.0%, up from 1.0% in 2023, despite the decline in total revenue. While 2023 margins were significantly pressured by market volatility, the more stable pricing environment in 2024, coupled with enhanced risk management, contributed to margin recovery.

Additionally, net credit losses on trade and other receivables decreased by 38% year-on-year, reflecting strengthened credit risk management in a challenging market context, with collection rates well above market averages. Although still below 2022 levels (3.4%), the margin improvement in 2024 signals a more balanced profitability structure, despite ongoing external pressures. Further details are provided in the *Financial Performance of Agribusiness Segment* section of this Report.

Net interest income

We primarily generate interest income from financing products tailored to farmers' needs, including working capital lines, corporate credit cards, and investment loans, offered through the Agrifinance operating segment. Interest expense on debt contracted within Agrifinance is reported as part of operating results in the Consolidated Financial Statements, reflecting the nature of the financing segment's activity. Meanwhile, other interest income and expenses arising from other operating segments are recorded under "Finance income" and "Finance costs" in the statement of profit or loss.

Interest income and interest expense are measured and recognised using the effective interest method, as prescribed by IFRS 9 Financial Instruments. Interest income generated on the loans and advances granted, as included in the Consolidated Financial Statements, is detailed below:

	2024		2023		2022	
	RON'000	%	RON'000	%	RON'000	%
Working capital lines	400,821	94%	369,796	93%	284,058	93%
Investment loans	22,363	5%	28,477	7%	21,430	7%
Deposits and current accounts	2,781	1%	315	0%	500	0%
Interest income – Agrifinance	425,965		398,588		305,988	
Interest expense	205,988		192,503		151,845	
Net interest income - Agrifinance	219,977		206,085		154,143	

Source: Consolidated Financial Statements

In 2024, net interest income in Agrifinance increased to 220 million RON, up 7% from 206 million RON in 2023, supported by loan portfolio growth and a stable net interest margin. The gross carrying amount of loans and advances to customers increased by 15% year-on-year, reaching 3.17 billion RON as of 31 December 2024, driven primarily by the expansion of working capital lines, which accounted for 95% of the total loan portfolio.

Net fee and commission income

Refers mostly to net commissions gained by Clubul Fermierilor Români Broker de Asigurare, the insurance broker controlled and consolidated by Agricover Credit, remaining stable across the analysed period.

Net credit losses

Credit losses on financial assets are represented by the movements in expected credit losses calculated for existing and new loans and advances to customers as well as for trade and other receivables, and for commitments and guarantees granted.

	2024	2023	2022
	RON'000	RON'000	RON'000
Net credit losses on loans and advances to customers	37,029	46,497	26,746
Net credit losses on commitments and guarantees	(1,244)	1,131	340
Net credit losses on trade and other receivables	18,485	29,596	13,033
Total net credit losses	54,269	77,224	40,119

Source: Consolidated Financial Statements

In 2024, total net credit losses decreased to 54.3 million RON, down 30% from 77.2 million RON in 2023, despite a challenging macroeconomic environment exacerbated by unfavourable weather conditions (further details on factors affecting credit risk are provided in the *Market Context* section of this Report), and in the context of an expanding loans portfolio. This decline reflects effective credit risk management, as evidenced by a reduction in the NPL ratio to 3.48% as at 31 December 2024 from 3.87% as at 31 December 2023, alongside an increase in the collateral coverage ratio, indicating an overall improvement in portfolio quality.

Strong collection performance on trade and other receivables contributed to the overall reduction in credit risk costs, with related cost of risk decreasing by 11.1 million RON year-on-year.

These developments highlight our disciplined risk approach, maintaining portfolio growth while preserving credit quality in a complex market environment.

Costs structure

In 2024, total Group operating expenses decreased to 1.43 billion RON, down from 1.92 billion RON in 2023, primarily due to a reduction in the cost of goods sold within the Agribusiness segment. Operating costs excluding cost of goods sold increased by 5.3% year-on-year, reaching 200.3 million RON in 2024, after a 9.7% decline in 2023 as compared to 2022. The increase in 2024 was mainly driven by:

- higher administrative expenses, up 6.3% year-on-year to 85.0 million RON, reflecting investments in digitalization, and personnel-related costs as driven up by inflation and talent acquisitions during the year;
- an increase in sponsorships, reaching 4.0 million RON during 2024 compared to 2.8 million RON in 2023, aligning with our commitment to supporting educational programs for young farmers through Clubul Fermierilor Români, together with other initiatives designed together with the farmers' association to support the industry and the community.

Operating expenses are presented below per segment and type:

Operating costs	2024		2023		2022	
	RON'000	%	RON'000	%	RON'000	%
Agribusiness	1,330,474	93%	1,833,665	96%	2,483,230	97%
Agrifinance	91,854	6%	77,663	4%	70,261	3%
Net loss from derivatives	2,343	0%	4,716	0%	9,180	0%
Agricover Holding	4,605	0%	8,375	0%	1,804	0%
Other net (gains) / losses	(1,724)	0%	(4,409)	0%	(2,728)	0%
Total operating costs, of which:	1,427,552		1,920,010		2,561,747	
Cost of sales	1,343,707	94%	1,839,744	97%	2,480,506	97%
Administrative expenses	84,969	6%	79,959	4%	71,135	3%
Sponsorships	3,997	0%	2,779	0%	3,315	0%

Source: Consolidated Financial Statements

Overall, the 2024 cost structure reflects disciplined cost control, operational efficiencies, and continued investment in strategic areas such as digitalization and logistics infrastructure.

Within Agribusiness, the main types of costs are presented below:

Operating costs	2024		2023		2022	
	RON'000	%	RON'000	%	RON'000	%
Employees costs	56,672	55%	51,673	50%	55,888	42%
Transportation expenses	7,978	8%	14,803	14%	24,026	18%
Third party services	7,550	7%	9,119	9%	16,640	13%
Amortisation and depreciation	11,422	11%	10,399	10%	7,978	6%
Inventories losses	-	0%	0	0%	8,066	6%
Other costs	19,573	19%	17,790	17%	19,361	15%
Costs other than COGS	103,195		103,784		131,959	
Cost of goods sold	1,227,279	92%	1,729,881	94%	2,351,271	95%
Agribusiness operating costs	1,330,474		1,833,665		2,483,230	

Source: Agribusiness Financial Statements

In 2024, total operating costs in Agribusiness decreased to 1.33 billion RON, down 27% year-on-year from 1.83 billion RON in 2023. This decline was primarily due to a reduction in the cost of goods sold, driven by the same factors affecting revenue (refer to *Revenue* section above).

Other operating expenses remained relatively stable at 103.2 million RON, with notable shifts across key cost categories:

- employee costs increased by 9.7% year-on-year in 2024, reaching 56.67 million RON, driven primarily by inflation-driven labor cost adjustments and higher performance-based bonuses, reflecting the improvement in the operating and financial results of the segment. Compared to 2022, employee costs increased by only 1.4%. However, now they account for 55% of total operating costs, up from 50% in 2023 and 42% in 2022. This evolution underscores the segment's commitment to maintaining a leaner cost structure;
- transportation and storage expenses are on a declining trend, reflecting both inventory optimization strategies and lower input volumes sold;

- amortization and depreciation increased by 9.8% year-on-year in 2024, reaching 11.4 million RON, primarily due to investments in digitalization and the lease agreement on the new warehouse.

The cost structure adjustments over the past two years reflect a focus on efficiency, cost discipline, and strategic investments.

Within Agrifinance, the main types of costs are presented below:

Operating costs	2024		2023		2022	
	RON'000	%	RON'000	%	RON'000	%
Employees costs	54,626	59%	45,840	59%	45,451	65%
Taxes except income tax	5,610	6%	5,494	7%	5,011	7%
Amortisation and depreciation	12,169	13%	7,858	10%	2,947	4%
Other costs	19,449	21%	18,471	24%	16,852	24%
Agrifinance operating costs	91,854		77,663		70,261	

Source: Agrifinance Financial Statements and Consolidated Financial Statements

In 2024, total operating costs in Agrifinance increased to 91.9 million RON, up 18.3% from 77.7 million RON in 2023, driven by:

- higher employee costs, which rose by 19.2% year-on-year in 2024, reflecting both personnel expansion and wage adjustments in response to inflation.
- amortization and depreciation expenses increased by 54.9% year-on-year in 2024, reaching 12.2 million RON, primarily due to the SAP implementation, which became operational in early 2023, with further enhancements and improvements added over the analyzed periods.
- other costs remained broadly stable, reflecting controlled discretionary spending and continued cost discipline.

This cost evolution reflects ongoing investments in digitalization and operational infrastructure, alongside measures to attract and retain talent while maintaining financial discipline.

Operating profit

With an operating profit from continuing operations of 100.6 million RON, up 50% from 67.2 million RON in 2023, we demonstrated strong resilience and improved profitability, despite a challenging macroeconomic and sectoral environment. These results highlight effective risk management, operational efficiency, and our ability to adapt to market conditions while supporting long-term growth.

ii. Group consolidated statement of financial position (summarised)

RON'000	31 December 2024	31 December 2023	31 December 2022
Assets			
Non-current assets	1,271,648	997,489	718,796
Loans and advances to customers	1,187,246	927,308	647,266
Intangibles, PP&E, RoUA	71,650	61,701	58,538
Trade receivables	1,388	953	1,568
Other non-current assets	11,364	7,527	11,424
Current assets	2,721,037	2,792,543	2,943,485
Loans and advances to customers	1,867,779	1,724,338	2,083,502
Trade and other receivables	343,190	489,270	547,291
Inventories	59,994	65,023	167,070
Other current assets	43,270	36,383	26,021
Cash and cash equivalent	406,804	477,529	119,601
Total assets	3,992,685	3,790,032	3,662,281
Equity and liabilities			
Total equity	720,678	675,748	637,527
Non-current liabilities	1,191,259	1,325,584	1,140,453
Borrowings and Leases	1,190,891	1,325,500	1,139,373
Other liabilities	368	84	1,080
Current liabilities	2,080,748	1,788,700	1,884,301
Borrowings and Leases	1,785,412	1,458,171	1,453,286
Trade and other payables	276,025	308,344	401,274
Other liabilities and provisions	19,311	22,185	29,741
Total equity and liabilities	3,992,685	3,790,032	3,662,281

Source: Consolidated Financial Statements

As of 31 December 2024, **total assets** increased to 3.99 billion RON, reflecting 5% growth compared to 2023. This increase was primarily driven by **loan portfolio expansion**, with loans and advances to customers rising by 15.2% year-on-year to 3.06 billion RON, reinforcing our commitment to financing the agricultural sector. Meanwhile, current assets declined slightly by 3%, mainly due to **lower trade receivables and inventory levels**, reflecting improved collection and reduced exposure to price risk in Agribusiness.

Funding needs to support loan growth contributed to the increase in both current and total liabilities.

Total **equity** rose to 720.68 million RON, up 7% from 675.75 million RON at 31 December 2023, after the distribution of **30 million RON in dividends during the year**. This strengthened capital position reflects improved profitability and retained earnings growth, supporting our ability to continue financing the agricultural sector while maintaining financial stability.

Loans and advances to customers

Consolidated portfolio of loans and advances includes working capital lines, including credit cards, and investment facilities, as follows:

Product type	31 December 2024		31 December 2023		31 December 2022	
	RON'000	%	RON'000	%	RON'000	%
Working capital lines	3,020,447	95%	2,570,367	93%	2,606,568	93%
Investment loans	146,325	5%	188,220	7%	201,991	7%
Gross carrying amount¹³	3,166,772		2,758,587		2,808,559	
Expected credit losses	111,747	3.53%	106,941	3.88%	77,791	2.77%
Loans and advances to customers, of which:	3,055,025		2,651,646		2,730,768	
current portion	1,867,779	61%	1,724,338	65%	2,083,502	76%
non-current portion	1,187,246	39%	927,308	35%	647,266	24%

Source: Consolidated Financial Statements

As of 31 December 2024, the total loan portfolio increased by 15% year-on-year to 3.17 billion RON. While the number of customers remained relatively stable at 4,361 (compared to 4,413 at 31 December 2023), this increase is mostly due to 16% higher average exposure per customer, reaching 726,000 RON at 31 December 2024, up from 625,000 RON at 31 December 2023.

	31 December 2024	31 December 2023	31 December 2022
Loans and advances to customers (RON'000)	3,166,772	2,758,587	2,808,559
Number of customers	4,361	4,413	4,166
Average exposure per customer (RON'000)	726	625	674

Source: Consolidated Financial Statements, internal data, unaudited

The increase in average exposure per customer reflects larger financing needs among existing clients, driven lower operating performance in a difficult macroeconomic environment further exacerbated by unfavourable weather. At the same time, the share of non-current loans continued to grow, reaching 39% of the portfolio compared to 35% in 2023, indicating a gradual extension of loan maturities to better support farmers' liquidity and investments.

Despite the growth in exposure, the NPL ratio improved to 3.48% as at 31 December 2024, down from 3.87% as at 31 December 2023, reflecting effective credit risk management and a resilient loan portfolio.

¹³ Versus the value reported separately by the Agrifinance segment (refer to Financial performance of the Agrifinance segment chapter of the Report), at Group consolidated level the gross nominal value of loans and advances to customer is lower by the value of intra-group factoring, whereby Agricover Credit purchased trade receivable from Agricover Distribution.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. Cost includes all expenditure which has been incurred in the normal course of business in bringing the products to their present location and condition.

Product category	31 December 2024		31 December 2023		31 December 2022	
	RON'000	%	RON'000	%	RON'000	%
Crop protection products	50,468	84%	59,074	91%	80,671	48%
Crop nutrition products	1,795	3%	2,544	4%	83,489	50%
Seeds	7,011	12%	2,188	3%	1,738	1%
Drones	19	0%	339	1%	-	0%
Others	701	1%	878	1%	1,172	1%
Total	59,994		65,023		167,070	
Crop nutrition products (to)	1,242		1,192		19,879	

Source: Consolidated Financial Statements

As of 31 December 2024, total inventories decreased to 60 million RON, down 8% from 65 million RON as of 31 December 2023, continuing the downward trend from 2022. This reduction primarily reflects lower stock levels of crop protection products, which remain the largest category, accounting for 84% of total inventories.

We also maintained a low exposure to crop nutrition products, with inventory levels at 1.8 million RON, representing just 3% of total stock, compared to 83.5 million RON as of 31 December 2022. This strategic approach helps mitigate price volatility risk in a market where fertiliser prices have experienced sharp fluctuations in recent years.

Reducing inventory exposure in an uncertain environment is a prudent risk management practice, as it minimizes the impact of potential price declines and demand shifts, while allowing for greater flexibility in procurement and pricing strategies. By maintaining leaner inventory levels, we ensure efficient working capital management and reduced exposure to commodity price risks.

As of 31 December 2024, crop nutrition products totaling 1,242 tonnes were stored on behalf of customers who seek to secure pricing and availability while scheduling purchases for later delivery. The associated risks and rewards of these inventories remain primarily with the farmers.

Borrowings

Contracted loans from financial institutions and capital markets are the main source of funding for loans and advances granted to Agrifinance clients. In addition, loans are used to finance some trade receivables and inventories, mainly when cheaper versus supplier financing.

	31 December 2024		31 December 2023		31 December 2022	
	RON'000	%	RON'000	%	RON'000	%
Borrowings from local banks	1,400,216	48%	1,553,625	56%	1,714,900	67%
Borrowings from international financial institutions	1,330,266	45%	1,005,692	36%	654,045	25%
Issued bonds	206,228	7%	204,753	7%	203,400	8%
Total borrowings	2,936,709		2,764,070		2,572,345	

Source: Consolidated Financial Statements

Trade and other payables

Mostly referring to payables to our suppliers of agricultural inputs, trade and other payables decrease is closely linked with that of the trade and other receivables as our objective within Agribusiness is to match the commercial terms received from our suppliers with the commercial terms extended to our customers.

iii. Group consolidated cash flows statement (summarised)

RON'000	31 December 2024	31 December 2023	31 December 2022
Sources of funds:			
Cash generated from financing activities	123,710	168,323	889,479
Cash generated / (used in) from operating activities	-	198,544	-
Total cash generated	123,710	366,867	889,479
Used in:			
Cash used in operating activities	(180,386)	-	(859,450)
Cash used in investing activities	(13,517)	(8,622)	(12,446)
Total cash used	(193,903)	(8,622)	(871,896)
Effect of exchange rates on cash and cash equivalents	(532)	(317)	(103)
Net (decrease) / increase in cash and cash equivalents	(70,725)	357,928	17,480
Cash out from Abatorul Peris	-	-	(388)
Cash and cash equivalents at the beginning of the period	477,529	119,601	102,509
Cash and cash equivalents at the end of the period	406,804	477,529	119,601

Source: Consolidated Financial Statements

In 2024, we recorded a net cash outflow of 70.7 million RON, compared to a cash inflow of 357.9 million RON in 2023. This was mainly driven by a significant shift in cash flows from operating activities, which turned negative due mainly to increased lending activity in Agrifinance.

Cash generated from financing activities totaled 123.7 million RON in 2024, lower than 168.3 million RON in 2023, reflecting a moderation in additional borrowing needs as part of our funding strategy. Additionally, financing cash flows were impacted by dividend distributions, in line with the dividend policy, which allows for periodic distributions unless financial covenants are at risk of being breached. As approved by shareholders on 28 April 2024, a total of 30 million RON in dividends was distributed, comprising 11.8 million RON from the 2023 net profit and 18.2 million RON from undistributed profits of previous financial years. Net funds obtained from financing activities were used to support operating liquidity needs, particularly in Agrifinance, ensuring compliance with regulatory liquidity requirements imposed by the National Bank of Romania.

Cash used in investing activities increased to 13.5 million RON, up from 8.6 million RON in 2023, reflecting continued investment in digitalisation and internal process improvements.

At year-end, we maintained robust financial flexibility, with total available undrawn borrowing facilities reaching 939.0 million RON as at 31 December 2024, up from 827.0 million RON as at 31 December 2023.

Additionally, unencumbered eligible assets increased to 1.6 billion RON, further strengthening our liquidity position and funding capacity.

RON'000	31 December 2024	31 December 2023	31 December 2022
Undrawn Committed facilities	424,683	171,033	92,244
expiring within one year	424,683	171,033	92,244
Undrawn Uncommitted facilities	514,364	655,961	411,096
expiring within one year	286,170	413,041	289,710
expiring beyond one year	228,194	242,920	121,386
Total available undrawn facilities, of which:	939,047	826,993	503,340
expiring within one year	710,853	584,073	381,954
expiring beyond one year	228,194	242,920	121,386
Unencumbered eligible assets	1,619,908	1,460,075	1,375,686

Source: Consolidated Financial Statements

Looking ahead, we remain committed to optimizing our capital structure, balancing growth investments with prudent liquidity management, while ensuring compliance with financial covenants and long-term financial stability.

Group statement of investments cash outflows (summarised):

RON'000	31 December 2024	31 December 2023	31 December 2022
Total Group investing cash outflows:	25,063	18,097	20,249
Agribusiness investing outflows	2,965	2,429	8,318
Agrifinance investing outflows	18,004	11,727	9,544
Other investing outflows	4,094	3,941	2,387

Source: Consolidated Financial Statements

In 2024, investing cash outflows increased to 25.1 million RON from 18.1 million RON in 2023, reflecting its continued focus on digitalization and operational improvements. The Agrifinance segment accounted for the majority of these investments, with outflows rising to 18.0 million RON from 11.7 million RON in the previous year.

A key initiative was the launch of “My Agricover,” a fully digital platform streamlining the financing process for small farmers. The platform automates loan procedures, enabling faster approvals and disbursements, significantly improving access to credit for small-scale agricultural enterprises. Farmers can apply for corporate credit cards directly through the app, with the entire process (from application to disbursement) fully digital, reducing approval times to as little as 24 hours.

Moreover, as part our strategic expansion into digital financial services, 4 million RON were allocated to the setup and initial capital requirements for Agricover Payments. This investment supports the ongoing authorization process with the National Bank of Romania and the planned launch of tailored payment services in the last quarter of 2025, aimed at providing farmers with secure and convenient digital financial solutions.

These innovations highlight our commitment to supporting farmers in general, and small farmers in particular, who often face financing challenges due to perceived credit risks. By offering user-friendly digital solutions, we enhance farmers' access to working capital, enabling investments in equipment, business expansion, and operational efficiency.

iv. Agricover Holding investments

In its separate financial statements, the Company measures its investments in subsidiaries and associates at cost less impairment.

All subsidiaries controlled by the Company, detailed in the below table, are incorporated, and operate in Romania.

Entity name	% participation as at			thousand RON as at		
	31-Dec-24	31-Dec-23	31-Dec-22	31-Dec-24	31-Dec-23	31-Dec-22
Agricover Credit IFN	99.99%	99.99%	99.99%	152,760	150,386	151,820
Agricover Distribution SA	86.62%	86.62%	86.62%	182,886	181,566	183,362
Agricover Commodities SRL	100%	100%	100%	31,073	22,545	19,045
Agroadvice SRL	50%	50%	50%	0	0	0
Investments in subsidiaries				366,719	354,497	354,227

Source: Separate Financial Statements

Changes in the value of the investments in subsidiaries are due to:

- ✓ share capital increases in Agricover Commodities SRL (formerly Agricover Technology SRL) as follows: i) 8.5 million RON in 2024; ii) 3.5 million RON in 2023; and iii) 6 million RON in 2022;
- ✓ starting 2022, Abatorul Peris SA is no longer a subsidiary of the Company, 4th of February 2022 being the date when the control was lost;
- ✓ remaining changes in the value of the investments are related to a Share Option Plan implemented at Group level in 2022 (for more details please refer to the Consolidated Financial Statements).

Corporate Governance

The corporate governance structures, as well as the composition of boards and committees discussed in this chapter, reflect their status as of 31 December 2024, unless otherwise stated. Any subsequent changes, whether implemented or submitted for approval by shareholders or the Board of Directors in 2025, are available on the Company's website (<https://relatii-investitori.agricover.ro/en/investor-relations>). These updates can primarily be found in convening notices for shareholders' meetings, minutes of past meetings, or other current reports.

We conduct our business in accordance with the Articles of Association and, among others, the Romanian Companies Law no. 31/1990 (the "Companies Law"). The latest amendments to the Articles of Association were approved on 12 July 2024, based on Board of Directors Decision no. AH28 from the same date. The version in force as of 31 December 2024 is attached to this report (see Appendix A: *Agricover Holding's Articles of Association*).

The Company operates under a one-tier management system, with daily operations managed by executives under the supervision and control of the Board of Directors. This structure aligns with applicable corporate laws, the Articles of Association, and the Company's internal norms and regulations.

i. Board of Directors

The Company is governed by a Board of Directors composed of five members: a non-executive Chairman and four non-executive directors. Board members are elected by the Ordinary General Shareholders' Meeting based on proposals from current board members and/or shareholders. Each member is appointed for a four-year term and may be re-elected.

Duties and organisational structure of the Board of Directors

Directors are jointly and severally liable for a number of duties concerning the management of the Company, including that: (a) payments made by shareholders into the share capital and the dividends paid by the Company, if any, are real; (b) the Company has in place all corporate registries required by law and the same are kept in good order; (c) the shareholders' resolutions are implemented precisely; and (d) the legal and statutory duties are discharged thoroughly. The Board of Directors has specific duties that cannot be delegated to the managers, such as: (a) determining the strategy of the Company, (b) establishing the accounting policies and the financial control system and approving the financial planning; (c) appointing and revoking the Chief Executive Officer and, if the case, other managers of the Company, determining their powers and responsibilities, supervising their activity and deciding on their remuneration within the limits approved by the shareholders; (d) preparing the annual report, organizing the shareholders meeting and implementing the resolutions of the shareholders; (e) filing for the opening of insolvency proceedings against the Company; (f) carrying out the powers delegated

by the shareholders, in accordance with the provisions from articles of association; (g) approving the Rules of Organization and Functioning of the Board of Directors and of each advisory committee it establishes; (h) appointing the members of the advisory committees, including the Chairman, unless the appointment of a member must be made in accordance with applicable law or made by the shareholders; (i) approving corporate procedures and internal policies of the Company which are not within the powers of the shareholders; and (j) approving the increase of the share capital, within the limits provided for in the articles of association.

The Board of Directors shall have regular meetings at least once every 3 months, called by the Chairman who sets the agenda of the meeting. Extraordinary meetings may be called at the request of at least two members, in which case the agenda is set by the calling members. Decisions are passed with the majority of votes cast by attending members and only in respect of proposals included in the announced agenda of the meeting. Under extraordinary circumstances, decisions can be adopted on proposals not included in the agenda with the same majority. The Board of Directors may hold meetings via telephone, video conference, correspondence or any other electronic means and the content of the minutes of any such meeting must be confirmed in writing by all members of the Board of Directors who attended the meeting.

Composition of the Board of Directors

The Company's Board of Directors comprised the following members at 31 December 2024:

	Start of tenure	Re-elected	Expiry of tenure	Position
Jabbar Kanani	17.11.2017	17.11.2021	17.11.2025	Chairman
Veldtster Inc, represented by Ștefan Bucătaru	17.11.2017	17.11.2021	17.11.2025	Member
Unik Advisors S.R.L., represented by Vargha Moayed	29.04.2021	23.08.2024	23.08.2026	Member
Gürhan Çam	18.12.2020	18.09.2024	18.09.2026	Member
Platinum Advisory Services S.R.L., represented by Madeline - Dalila Alexander	26.05.2022	20.05.2024	20.05.2026	Member

The business address of the members of the Board of Directors is at the Company's registered office: 1B Pipera bd., Cubic Center Office Building, floor 8, Voluntari, Ilfov county, Romania.

Jabbar Kanani

Mr. Kanani is the founder of the Company and the Chairman of the Board of Directors, with over 30 years of entrepreneurial experience in agriculture, fast-moving consumer goods (FMGC) and food industries and is a Romanian and Iranian national. Mr. Kanani is a graduate of the Medicine and Pharmacy University Carol Davila in Bucharest. Mr. Kanani is also the majority shareholder of the Company.

Ştefan Bucătaru (permanent representative of Veldtster Inc.)

Mr. Bucătaru joined the Group in 2014 and has over 30 years of experience in turnaround management, mergers and acquisitions, and corporate finance. Prior to serving on the Board of Directors, Mr. Bucătaru held executive and non-executive director positions in numerous companies in the CEE, including Transelectrica S.A. (listed), Teraplast S.A. (listed), United Milk Company, Lasselsberger GmbH, Sicomed S.A., Sanex S.A., and senior executive positions in several other companies. Mr. Bucătaru holds the ICD.D designation from the Canadian Institute of Corporate Directors. Mr. Bucătaru graduated from the Polytechnic University of Bucharest and holds an MBA from Durham University Business School in the UK.

Vargha Moayed (permanent representative of Unik Advisors S.R.L.)

Mr. Moayed joined the Group in 2019 as an independent member of the Board of Directors, bringing a long-standing record of success (over 30 years) in strategic development and organisational effectiveness. Outside the Group, Mr. Moayed serves as the Chairman of the board of UiPath Foundation and previously held executive and non-executive positions in companies such as UiPath, Ernst & Young, McKinsey & Company, First Data Corporation and Venture Park. Mr. Moayed is a graduate of Ecole Supérieure de Commerce de Montpellier (France) and holds a master's degree from Wharton School, University of Pennsylvania (USA).

Gürhan Çam

Gürhan Çam became an independent member of the Board of Directors in 2020. Mr. Çam was selected as a member mainly due to his comprehensive background in development and implementation of digital transformation strategies in the finance industry. Currently, he is the CEO of DenizBank's new generation subsidiary NEOHUB. As regards simultaneous offices held, Mr. Çam continues to serve as an executive board member of FastPay (an e-money subsidiary of DenizBank), Deniz Ventures and Deniz Portföy (Asset Management Subsidiary of DenizBank). Prior to founding NEOHUB, Gürhan Çam held the positions of Senior Vice President and Deputy Chief Digital Officer in DenizBank.

Gürhan Çam is also a board member of MMA Türkiye, a member of Digital Transformation Community of Qorus (formerly known as EFMA) and an editor at the Journal of Digital Banking – Henry Stewart Publications UK. Mr. Çam earned an MBA from Bahçeşehir University, and a Bachelor of Science degree in Management Engineering from İstanbul Technical University.

Madeline Alexander (permanent representative of Platinum Advisory Services S.R.L.)

Mrs. Alexander is a member of the Board of Directors and the chair of the Audit Committee. Mrs. Alexander possesses over 30 years of experience in audit, risk management and financial advisory, of which 22 years at partner level with Big4 Accounting Firms. She has extensive expertise in US GAAP, IFRS and Romanian GAAP, as well as internal controls compliance and SOX Implementations and PCAOB audits in Romania and USA, being Romanian and US citizen. Mrs. Alexander is member in the Romanian Chamber of Financial Auditors, the Romanian

Authority for Public Oversight of the Statutory Audit Activity, the Romanian Chamber of Certified Chartered Accountants and as well as a Certified Public Accountant in the United States, member of the American Institute of Certified Public Accountants. Mrs. Alexander holds a bachelor's degree in accounting from Florida International University, Miami, Florida in the USA.

Severance compensation

In accordance with the Company's Remuneration Policy and the agreements with each Board member, directors whose mandates are terminated early without cause are entitled to severance compensation. This includes one fixed monthly allowance and one supplementary monthly allowance for each incomplete year of their board mandate.

ii. Board Advisory Committees

Audit Committee

The Audit Committee is tasked with ensuring the integrity of financial reporting and of the internal control system, including the internal and external audit process as well as risk management. All members of the committee must be non-executive directors. At least one member must have proven, adequate auditing or accounting experience and the chair must be independent. The composition of the Audit Committee as well as the length of tenure of each member as at 31 December 2024 was:

- Madeline Alexander, permanent representative of Platinum Advisory Services S.R.L., as chair (independent non-executive member of the Board of Directors, with audit and accounting experience) – 4 years and 6 months;
- Gürhan Çam, as member (independent non-executive member of the Board of Directors) – 1 year and 10 months;
- Ştefan Bucătaru, permanent representative of Veldtster Inc., as member (non-executive member of the Board of Directors) – 7 years and 1 month.

There were no changes to the committee's composition in 2024.

The main tasks of the Audit Committee grouped by areas of competence covered include:

Financial reporting: examining and reviewing compliance of annual and interim consolidated financial statements of the Company and any other financial disclosures before being submitted to the Board of Directors for approval. The Audit Committee monitors, in particular, compliance with applicable accounting standards, legal and regulatory requirements; review of disclosure in the financial statements of any significant or unusual transactions, if any; consistent application of, and any changes to, the accounting policy.

External audit: assessing and monitoring the external auditor's effectiveness, independence and objectivity; making recommendations to the Board of Directors on the (re-)appointment and removal of external auditors; overseeing the relationship with the external auditors.

Internal audit and internal controls: approving the internal audit charter and the annual internal audit plan; monitoring and reviewing the work of the internal audit function, ensuring that it is effective adequate, independent of management and performs its tasks with impartiality, proficiency and due professional care; making recommendations to the Board of Directors on the appointment or dismissal of the internal audit manager / internal auditor; reviewing the reports of the internal auditor on the latest findings and recommendations and the status of their implementation by management; monitoring staff changes within the internal audit function; monitoring the adequacy and effectiveness of the internal control systems of the Group.

Compliance, conduct and conflicts of interest: ensuring the policies and practices of the Company are compliant with local and international laws and regulations, the regulators' recommendations and best practices; monitoring implementation of the Code of Business Conduct and Ethics.

Risk Committee

Starting January 2024, when it was formed, the Risk Committee is responsible for advising the Board of Directors on the overall risk strategy, including the Group's risk tolerance and appetite, and for overseeing the management's implementation of an effective risk management framework reasonably designed to identify, assess, and manage the Group's significant risks, including strategic, credit, market, and operational risks. The Risk Committee's responsibilities include approval of applicable risk policies and review of certain associated frameworks, analysis and reporting established by management. It oversees the risk appetite framework implementation and monitors the Group risk profile versus the risk appetite stated, and it controls the independence, adequacy, and effectiveness of the risk management function. The composition of the Risk Committee as well as the length of tenure of each member as at 31 December 2024 was:

- Ștefan Bucătaru, permanent representative of Veldtster Inc., as chair (non-executive member of the Board of Directors) – 1 year;
- Jabbar Kanani, as member (non-executive member of the Board of Directors) – 1 year;
- Madeline Alexander, permanent representative of Platinum Advisory Services S.R.L., as member (independent non-executive member of the Board of Directors, with audit and accounting experience) – 1 year.

The main tasks of the Risk Committee revolve around **risk management**, including: reviewing the CFO's regular reports on the Group's risk profile and the status and effectiveness of the risk mitigation system; reporting to the Board of Directors on the major risks assumed by the Group, monitoring the said risks and ensuring that they are managed effectively; adopting a systematic approach to overseeing all major key risk categories.

The Risk Committee is set to meet on a regular basis, at least four times a year and as many times as necessary on an extraordinary basis. Notice for the meetings including the agenda is

sent to all participants no later than five working days before the meeting. Decisions are taken by majority.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee supports the Board of Directors in maintaining an appropriate structure for both the Board and executive management. This includes ensuring the right balance of size, skills, and competencies to achieve the Group's strategic objectives and uphold its values. The committee also oversees the implementation of effective remuneration policies and human resources management systems.

The composition of the Nomination and Remuneration Committee as well as the length of tenure of each member as at 31 December 2024 was:

- Ștefan Bucătaru, permanent representative of Veldtster Inc, as chair – 1 year and 10 months;
- Jabbar Kanani, as member – 1 year and 10 months;
- Vargha Moayed, permanent representative of Unik Advisors S.R.L., as member – 1 year and 10 months.

The key responsibilities of the Nomination and Remuneration Committee, grouped by areas of competence covered, include:

Nomination: reviewing the structure, size, and composition of the Board of Directors and recommending changes as needed; ensuring a robust succession framework for both the Board and senior management, including the development of a diverse leadership pipeline; assessing the Group's executive and non-executive leadership needs.

Remuneration: Collaborating with the Board to establish the Group's remuneration and benefits policies, including those for the CEO, executive directors, the Company secretary, and other senior executives; annually reviewing corporate goals and objectives related to CEO compensation, evaluating the CEO's performance, and setting compensation accordingly; in consultation with the CEO, reviewing and approving compensation for other executive managers, covering base salary, performance-based incentives, and any additional benefits.

The committee meets at least four times a year or as required. The CEO may be invited to attend meetings to discuss executive management performance and propose relevant measures.

iii. Executive Management

The Board of Directors has the power to delegate the management of the Company to one or several managers, appointing one of them as Chief Executive Officer. Managers carry out the day-to-day business of the Company and are its representatives, binding the Company in its relations with third parties, including public authorities, bodies and courts, in accordance with the Articles of Association and applicable law.

The Company's executive officers vested with representation and management powers delegated by the Board of Directors are:

	Start of tenure	Expiry of tenure	Position
Liviu Dobre	15.02.2019	15.02.2027	Chief Executive Office
Stelian Vezentan	01.03.2023	01.03.2027	Chief Financial Officer

The business address of the CEO and the CFO is at the Company's registered office: 1B Pipera bd., Cubic Center Office Building, floor 8, Voluntari, Ilfov county, Romania.

Liviu Dobre

Liviu Dobre has a comprehensive background in the non-banking financial sector, with over 20 years' experience in senior executive roles. Prior to joining the Group, he launched Renault Group's financial services arm in Romania, where he subsequently held various senior management positions. Liviu Dobre joined the Group in 2007 and held several positions, including CEO of Agricover Credit, before being appointed as the Company's CEO. Mr. Dobre is a graduate of the Academy of Economic Studies, Bucharest.

Stelian Vezentan

Stelian Vezentan has over 18 years of experience in finance and risk management, having held advisory and audit roles across the CEE region. Prior to joining the Group in 2021, Stelian was a member of the PwC and EY regional teams of experts in financial instruments for nine years and was an executive director (associate partner) with EY Romania, leading the local financial advisory services team. He is a CFA charter-holder.

Other senior managers

Other senior managers whose expertise and experience significantly contribute to the Group's business include the general managers of the Subsidiaries, as listed below (note that Mr. Liviu Dobre is also the general manager of Agricover Commodities):

	Start of tenure	Expiry of tenure	Position
Bogdan Dimcea	01.03.2023	18.02.2025	Chief Executive Office Agricover Distribution
Serhan Hacısüleyman	01.07.2022	01.07.2026	Chief Executive Office Agricover Credit

Effective 18 February 2025, Agricover Distribution has implemented a leadership transition. Jaydeep Singh has been appointed as CEO, while Bogdan Dimcea has assumed the role of Deputy CEO, with responsibilities for category management and operations.

Jaydeep Singh brings experience in business growth, financial performance, and strategic leadership, having led companies in the agricultural technology sector over the past five years. Bogdan Dimcea, with his extensive operational expertise and knowledge of the business, will continue to play a key role in ensuring efficiency and strengthening category management.

This transition is part of the ongoing efforts of Agricover Distribution to enhance leadership capabilities and support long-term business objectives.

As a strategic development, we have established Agricover Payments, a payment institution designed to introduce a digital wallet tailored to farmers in Romania. This initiative aims to expand financial service offerings for both existing and new customers by integrating payment solutions within our broader financial ecosystem. The authorization process for Agricover Payments as a payment institution, managed by the National Bank of Romania, is ongoing.

In this context, Andrei Vasile has been appointed as General Manager of Agricover Payments. He brings over ten years of experience in the banking and financial technology sectors, having developed financial products for various institutions. He has also founded two technology startups focused on healthcare and financial services.

Further updates on the progress of Agricover Payments, including the payment institution authorisation process, will be provided as the initiative advances.

Bogdan Dimcea

Bogdan Dimcea has over 24 years of commercial and operational experience gained in companies such as Coca-Cola HBC, Red Bull Romania, CHS, Aectra Agrochemicals and Agricover Distribution. Mr. Dimcea is a graduate of the University of Craiova, Faculty of Economics Science and Business Administration– Finance-Banks section and holds a master's degree in Analysis, Diagnosis, Business Evaluation, and Assessment Financial from Faculty of Economics Science and Business Administration, University of Craiova.

Serhan Hacısüleyman

Serhan Hacısüleyman brings 24 years of banking experience in multiple business areas (retail, SME, agriculture and commercial). The latest positions include the Senior Vice Chairman position for Agricultural Banking in DenizBank (ENBD) and the Executive Vice Chairman position in Deniz Leasing. Mr. Hacısüleyman has an MBA from Sabanci University and also graduated from Leadership & Entrepreneurship Program at MIT.

iv. Corporate Governance Structures of Main Subsidiaries

Agricover Distribution SA

Agricover Distribution SA, a joint-stock company incorporated and operating under Romanian law, is responsible for the distribution of seeds, crop protection products, and certain specialised crop nutrition products. In 2024, the company reorganized its agricultural inputs distribution business, discontinuing commodity-type products—primarily crop nutrition products and fuel—due to their lower margins and significant price volatility. The company is represented by its General Manager, who operates under the oversight of the Board of Directors.

The Board of Directors of Agricover Distribution SA consists of five members, elected by the Ordinary General Shareholders' Meeting based on nominations from either current board members or shareholders. Directors are appointed for a term of up to four years and may be re-elected.

As of 31 December 2024, the Board of Directors was composed of Mr. Liviu Dobre, as chair, Mrs. Liliana Fedorovici, Mrs. Simona Podgoreanu, Mrs. Madeline Alexander (permanent representative of Platinum Advisory Services S.R.L.), and Mr. Ștefan Bucătaru (permanent representative of Veldtster Inc.). Mrs. Simona Podgoreanu was elected to the Board of Directors during 2024, replacing Mr. Gürhan Çam.

Simona Podgoreanu

Simona Podgoreanu rejoined the Group as a non-executive member of the Board of Directors of Agricover Distribution SA and Agricover Credit IFN. Until December 2018, she served as HR Director of Agricover, before taking on the role of HR Director at KPMG Romania.

In her capacity as a Board member, she contributes to shaping the company's overall strategic direction, with a particular focus on human resources strategy. She is also advising the Remuneration Committee, bringing insights from her experience in consultancy to support the development of the Group's HR strategy.

Her deep understanding of the organization, combined with her expertise in human capital management and governance, strengthens the Board's ability to oversee strategic initiatives while ensuring alignment with the Group's long-term objectives.

The business address of the members of the Board of Directors is at Agricover Distribution's registered office: 1B Pipera bd., Cubic Center Office Building, floor 8, Voluntari, Ilfov county, Romania.

Agricover Credit IFN SA

Agricover Credit IFN SA is a non-banking financial institution providing financing solutions for farmers. Its operations are regulated by and conducted under the oversight of the National Bank of Romania.

It holds 51.02% of Clubul Fermierilor Români Broker de Asigurare S.R.L., an insurance brokerage company incorporated and operating under Romanian law. The remaining 48.98% is held by Clubul Fermierilor Români pentru Agricultură Performantă, a non-profit farmers' association.

In 2024, Agricover Credit IFN SA established Agricover Payments SA, in which it holds a 99% stake. Agricover Payments SA aims to become an authorised payment institution, offering digital payments and funds management services tailored to the agricultural sector.

Agricover Credit IFN SA is represented by its General Manager, who operates under the supervision of the Board of Directors. The Board of Directors consists of five members elected for terms of up to four years, with the possibility of re-election.

As of 31 December 2024, the Board was composed of Mr. Robert Corneliu Rekkers as chair, Mr. Ștefan Bucătaru, Mrs. Madeline Alexander, Mr. Liviu Dobre, and Mrs. Simona Podgoreanu, who replaced Mr. Gürhan Çam in 2024. For details on Mrs. Simona Podgoreanu's background, please refer to the Agricover Distribution SA section above.

The business address of the members of the Board of Directors is at the company's registered office: 1B Pipera Blvd., Cubic Center Office Building, floor 8, Voluntari, Ilfov county, Romania.

Agricover Commodities SRL

Agricover Commodities SRL (formerly known as Agricover Technology SRL) is a limited liability company incorporated and operating under Romanian law. It is primarily engaged in the distribution of commodity-type agricultural inputs, including crop nutrition products and fuel. Under its business model, most sales contracts are back-to-back agreements with suppliers, minimising the company's trading position risk.

The company is represented by its General Manager, with Mr. Liviu Dobre serving as the sole director and general manager. Agricover Commodities SRL operates as part of the Group's broader agricultural supply chain, complementing the activities of Agricover Distribution SA, which focuses on seeds, crop protection products.

v. Conflicts of interest

There are no conflicts of interest between the duties of each of the members of the Board of Directors, the managers and the senior officers of the Company and their private interests and/or their other duties, other than those which may arise from the following relationships:

- Mr. Kanani is the founder and the majority shareholder of the Company as well as the Chairman of the Board of Directors. Therefore, there may be cases where the interests of Mr. Kanani as the shareholder and those as the Chairman of the Board of Directors may diverge. In these circumstances, the Companies Law requires the relevant persons to abstain from debates / voting on matters in respect of which they have conflicting interest. The law clearly provides that a shareholder voting in breach of the conflict-of-interest rule may be held liable to pay damages caused to the company arising from such breach if, absent his/her vote, the necessary majority would have not been achieved.
- Mr. Jabbar Kanani, Mr. Ștefan Bucătaru, Mr. Liviu Dobre, Mr. Bogdan Dimcea, Mrs. Madeline - Dalila Alexander, Mrs. Simona Podgoreanu, Mr. Stelian Vezentan, Mr. Gürhan Çam and Mr. Serhan Hacısüleyman in relation to the positions held by each of such person in the Subsidiaries of the Company or in entities affiliated to the Company and with the activities carried out within the Company or the Subsidiaries of the Company. In

case of conflict of interest, each of the aforementioned persons undertook to act in compliance with the applicable legal provisions, by abstaining from deliberations, voting and taking part in the decision-making process in relation to the conflict matter and by disclosing such conflict of interest accordingly.

To the best of the Company's knowledge, there is no arrangement or understanding with the major shareholders, customers, suppliers or others pursuant to which any members of the administrative, management or supervisory bodies or a manager of the Company was selected in their respective position, except for Mrs Madeline Alexander (permanent representative of Platinum Advisory Services S.R.L.) who was appointed under the provisions of the shareholders agreement concluded by the Company with the European Bank for Reconstruction and Development.

Agricover on the capital markets

The Group is present on the local capital markets with a bond issue initiated by Agricover Holding SA, in the amount of 40 million EUR, listed on the EUR Regular-Bonds Market of the Bucharest Stock Exchange in March 2021. The bonds have an initial maturity of 5 years and carry a fixed coupon of 3.5%. The bond proceeds were used to finance Agricover Credit's lending activity. In the first quarter of 2024 the Group paid the third coupon (further refer to *Financial covenants* section above). The bonds issued were not actively traded during the reporting period.

The Directors' declaration:

The Directors of Agricover Holding SA hereby declare that, to the best of their knowledge, the audited consolidated and separate financial statements of Agricover Holding SA as at and for year ended 31 December 2024, prepared in accordance with Order no. 2844 for the approval of accounting regulations in accordance with the International Financial Reporting Standards issued by the Romanian Ministry of Finance on 12th of December 2016, with subsequent amendments and modifications ("Order 2844"), and in compliance with the International Financial Reporting Standards as adopted by the European Union ("IFRS"), give a true and fair view that reflects the reality of the assets, liabilities, financial position, cash flows, and profit or loss account of Agricover Holding SA and its subsidiaries included in the consolidation of its consolidated financial statements, and the Report of the Board of Directors includes a fair review of the Group's developments and performance for year ended 31 December 2024 and a description of the principal risks and uncertainties specific to the sector.

Bucharest, 27 March 2025

Kanani Jabbar

Chairman of the Board of Directors

Bucătaru Ștefan, permanent representative of Veldtster INC

Member of the Board of Directors

Alexander Madeline-Dalila, permanent representative of Platinum Advisory Services SRL

Member of the Board of Directors

Cam Gurhan

Member of the Board of Directors

Moayed Vargha, permanent representative of Unik Advisors SRL

Member of the Board of Directors



ANNEX A

SUSTAINABILITY STATEMENT



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Introduction and Basis of Preparation

This Sustainability Statement (hereinafter referred to as "the Statement") of the Group marks a significant transition in our sustainability reporting framework. Beginning with this reporting cycle, we have adopted the European Sustainability Reporting Standards ("ESRS") as the basis for our disclosures, in line with the requirements of the Corporate Sustainability Reporting Directive ("CSRD"). Additionally, we have incorporated disclosures mandated by the EU Taxonomy Regulation. As part of this transition, references to the Global Reporting Initiative have been removed, and ESRS references have been integrated into this Statement.

The 2024 Sustainability Statement has been prepared on a consolidated basis, with the scope of consolidation aligned with the Group's financial statements. Unless explicitly stated otherwise, all reported disclosures reflect consolidated results at the Group level. Further details regarding the basis of preparation, including definitions of relevant terms used, are included in section *Basis of Preparation* below in this Statement.

This Statement provides a transparent overview of the Group's sustainability performance, reflecting our commitment to responsible business practices, environmental stewardship, and social impact. The Group integrates due diligence into its governance, strategy, and business model by maintaining internal reporting channels for potential corruption, abuse of power, and violations of the Code of Conduct. We engage with affected stakeholders throughout key stages of the due diligence process, particularly but not limited to when identifying and assessing adverse impacts.

We obtain necessary environmental permits, adhere to health and safety standards, and ensure compliance with regulatory requirements. The effectiveness of our governance and due diligence is monitored through regulatory compliance, overseen where applicable by the National Bank of Romania, the Financial Supervisory Authority, or other relevant regulatory bodies. We also conduct periodic internal compliance audits, provide training on ethical business conduct. Further details on each of these areas are presented in the relevant chapters of this Statement.

General Disclosures

In this Sustainability Statement, we provide information on material impacts, risks, and opportunities (referred to as "IROs" in this Statement) across our direct and indirect business relationships within the upstream and downstream value chain. This approach is based on our double materiality assessment ("DMA"), which helps identify the most relevant sustainability matters affecting different parts of our value chain, considering both financial and non-financial implications for our stakeholders and the environment.

We aim to present a clear and relevant picture of our sustainability performance and the broader impact of our business operations.

Time Horizons for Impact Assessment

When analysing IROs, we consider their short-, medium-, and long-term impacts, whether positive or negative. Our definition of these time horizons aligns with the European Sustainability Reporting Standards (ESRS) framework:

- **short-term** (0-1 years): impacts that have already occurred within the reporting period;
- **medium-term** (1-5 years): impacts that are foreseeable but not immediate;
- **long-term** (beyond 5 years): impacts expected to manifest over an extended period.

Phase-in Approach for Sustainability Disclosures

We are applying the 'phase-in' approach, in line with Appendix C of ESRS 1, for the disclosure of sustainability information related to the following topical standards, which we have identified as material: ESRS E4 (Biodiversity & Ecosystems), ESRS S1 (Own Workforce), ESRS S2 (Workers in the Value Chain), ESRS S3 (Affected Communities), and ESRS S4 (Consumers & End-Users).

Under this phased approach, we are disclosing the following key elements for each material topic:

1. **Material Matters & Business Model Alignment:** a list of assessed material topics and a brief explanation of how our business model and strategy address the related impacts;
2. **Policies:** a summary of the policies we have in place to manage these material topics.
3. **Actions:** describe what we are doing to identify, monitor, prevent, mitigate, remediate, or resolve actual or potential adverse impacts, along with related results.
4. **Metrics:** quantitative indicators that measure our performance, impact, and progress in key sustainability areas; they provide data-driven insights into how effectively we manage environmental, social, and governance.
5. **Metrics & Targets:** a summary of the informal key performance indicators ("KPIs") set for each material matter and, where applicable, progress toward achieving them. These KPIs are currently under review by our executive management, Group Risk Committee, and Board of Directors and are expected to be formally approved in 2025 as part of an updated Group-wide ESG strategy.

The list of material matters for which the phase-in approach applies is presented below:

Topic	Sub-topics	Sub-sub-topics
E4 - Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Climate Change Direct exploitation Invasive alien species Pollution
	Impacts on the state of species	Species population size
S1 - Own workforce	Working conditions	Secure employment Working time Adequate wages Social dialogue Freedom of association Collective bargaining Work-life balance Health and safety
	Equal treatment and opportunities for all	Training and skills development Measures against violence and harassment in the workplace
S2 - Workers in the value chain	Working conditions	Health and safety
	Other work-related rights	Sub-topic level (human rights)
S3 - Affected communities	Communities' civil and political rights	Freedom of expression Freedom of assembly
S4 - Consumers and end users	Information-related impacts for consumers and/or end-users	Access to (quality) information
	Personal safety of consumers and/or end-users	Health and safety Security of a person
	Social inclusion of consumers and/or end-users	Non-discrimination Access to products and services Responsible marketing practices

In addition to phased-in topical standards, there are additional disclosure requirements and datapoints to which phase-in disclosure is applied, including: E1-6.44(c), E1-9, E2-6 and E4-6.

i. Sustainability Governance Framework

The Company and its subsidiaries operate under a one-tier governance system, where managers oversee daily operations under the supervision and control of the Board of Directors. Governance is conducted in accordance with applicable corporate laws, the Articles of Association, and internal regulations. The structure of the Board of Directors and management team, their roles, responsibilities, and relevant experience and expertise, are presented in the *Corporate Governance* chapter of the Report. This section provides an overview of the interaction between corporate governance and sustainability within the Group.

At the Group level, we have developed a sustainability strategy, which is subject to approval by the Board of Directors of Agricovert Holding. Insights from IRO assessments are integrated into our strategy, major business decisions, and risk management processes, as needed. The governance framework and risk management approach ensure that sustainability considerations are embedded in our overall strategic planning and decision-making.

Additionally, we are implementing an Environmental and Social Management System (“ESMS”), with full deployment expected across all subsidiaries by the end of 2025. A strong ESMS is already operational within Agricover Credit, where it is regularly reviewed by international investment funds and financial institutions that provide financing to the Group. The current phase of ESMS implementation primarily focuses on expanding its scope to other operating segments while further refining the existing system within Agricover Credit.

To track our progress on sustainability commitments, we are in the process of developing a structured program for monitoring and reporting through key performance indicators (“KPIs”), aligned with our strategic objectives. These indicators should cover areas such as reducing greenhouse gas emissions, promoting products that help farmers lower their carbon footprint, engaging with key suppliers to support their emissions reduction efforts, ensuring ethical business conduct. Overall, the process for monitoring progress and communicating our sustainability performance to both internal and external stakeholders is currently under development and will be further enhanced in future reporting periods.

The Board of Directors, senior management, and supervisory bodies oversee the setting of sustainability targets and monitor progress through KPIs, internal audits, and compliance with environmental regulations and permits. The Audit Committee, composed of three non-executive board members, provides oversight of these initiatives, with regular updates discussed with management.

When assessing whether the Board of Directors and management have the necessary skills and expertise to oversee sustainability matters, we follow a process similar to addressing skill gaps in any other business area:

1. **Identifying Required Knowledge and Skills** – we determine the necessary sustainability expertise based on industry trends, regulatory requirements, and material environmental and social impacts;
2. **Assessing Existing Expertise** – we evaluate current skills and capabilities within our operational teams, management, and governance bodies, relying on interviews, discussions, and external expert feedback (e.g., from sustainability consultants, NGOs, or lenders).
3. **Bridging Skills Gaps** – where needed, we strengthen sustainability expertise through:
 - ✓ new hires with relevant experience
 - ✓ training and development programs for existing teams
 - ✓ external consultants to provide specialized guidance

The Group’s remuneration policies and incentive schemes are designed to support a well-balanced Board of Directors and executive management team, ensuring alignment with the Group’s strategic objectives and values. The Nomination and Remuneration Committee oversees the implementation of these policies and the effectiveness of human resources management.

The Group's compensation framework includes a variable component linked to business KPIs, which are key performance indicators used to assess financial, operational, and strategic performance. While there is no direct link between remuneration and sustainability performance, an indirect connection exists through the variable component of compensation, which is tied to business KPIs. Several of these KPIs are closely linked to sustainability objectives (e.g. exposure growth reflects our commitment to financial accessibility and supporting a diverse range of farmers, while the non-performing loans ratio is directly linked to responsible lending practices, or compliance-related KPIs reinforce our efforts in environmental protection and adherence to regulatory requirements, etc. as further presented in relevant chapters of this Statement). Further details on the remuneration of key management personnel, including Board members, are available in Annex B – *Consolidated Financial Statements* to the Report. As we continue to develop our sustainability strategy and key performance indicators, future revisions of the remuneration policy may establish a more explicit link to sustainability considerations, further integrating environmental, social, and governance factors into our long-term business approach.

Controls over sustainability reporting

We have integrated risk management and internal controls into our sustainability reporting processes to enhance accuracy, consistency, and accountability. Our approach follows the three-lines-of-defence model, with roles and responsibilities detailed in chapter *Corporate Governance* of the Report, and in the Annex B – *Consolidated Financial Statements* to the Report.

In a nutshell, to mitigate sustainability reporting risks, we implement internal controls such as: i) active stakeholder engagement and expert involvement to improve data quality; ii) internal scoring of impacts, risks, and opportunities (IROs) using both qualitative and quantitative criteria to ensure a comprehensive materiality assessment, whereby both operational and executive managers were involved, including an executive management calibration phase; iii) thorough documentation of the process to support transparency and accountability.

Overall sustainability related risks, including reporting risks, are reported from operational teams to management, reviewed by the Group Risk Committee or by the Audit Committee, and ultimately overseen by the Board of Directors.

i. Strategy and Business Model

Our strategy includes providing farmers with the right combination of products and financing solutions to accelerate the adoption of technological advancements, maximise yields, and improve profitability in a sustainable manner. We are committed to supporting Romanian agriculture in its vital role within the European and global food chain.

Based on the results of our materiality assessment, we have identified six strategic areas where our activities can generate positive impacts. These areas align with both global and local challenges affecting the agricultural sector and are defined as follows:

1. Strengthening Farmers' Representation and Agribusiness Attractiveness

We aim to enhance farmers' social and political influence and prepare the next generation of agricultural leaders. Our efforts include:

- ✓ representing farmers' interests before authorities,
- ✓ providing scholarships for vocational training,
- ✓ promoting thought leadership on agricultural topics,
- ✓ sponsoring professional development for future agribusiness entrepreneurs and managers,
- ✓ keeping the farming community informed about local and EU opportunities.

2. Enhancing Climate Resilience and Water Management

To help farmers adapt to climate change and mitigate water-related risks, we offer:

- ✓ financing for irrigation systems and climate-resilient solutions,
- ✓ financing for precision farming technologies to optimize resource use,
- ✓ awareness campaigns on climate impacts and adaptation strategies.

3. Minimizing Environmental and Health Risks of Agricultural Inputs

We aim to reduce the potential negative impacts of crop nutrition and protection products by:

- ✓ fully comply with applicable regulations,
- ✓ prioritizing low-risk chemicals and sustainable alternatives,
- ✓ partnering with suppliers to develop and market eco-friendly products,
- ✓ providing financing solutions to make these products accessible,
- ✓ training farmers on safe and responsible product handling.

4. Promoting Occupational Health and Safety Across the Value Chain

We strive to provide a safe working environment and help farmers manage Occupational Health and Safety ("OHS") risks by:

- ✓ maintaining an OHS management system compliant with Romanian and European Union regulations, as well as with international best practices,
- ✓ integrating OHS criteria into the loan origination and monitoring processes,
- ✓ integrating OHS criteria into supplier and contractor selection,
- ✓ sponsoring and delivering OHS awareness campaigns for farmers.

5. Advancing Carbon-Neutral Agriculture

We aim for net-zero emissions by 2050 and promote low-carbon farming by:

- ✓ encouraging and financing the adoption of digital and precision farming tools,
- ✓ providing products and solutions that enable farmers to reduce carbon emissions.

6. Upholding Ethical Business Conduct

We promote integrity and accountability throughout our operations and value chain by:

- ✓ providing safe channels for reporting unethical practices and corruption,
- ✓ conducting internal compliance audits,
- ✓ training employees on ethical business conduct.
- ✓ assessing suppliers for confirmed cases of corruption and anti-competitive behaviour or for inclusion on international sanctions lists.

We actively support the achievement of United Nations Sustainable Development Goals relevant to our business and aligned with our strategic priorities.



Further details about our strategy, products, and services, including our value chain, are included in chapters *Information about Agricover Group, Strategy, and Consolidated Financial Performance* of the Report. Details on how our strategy interacts with material sustainability topics are included in each relevant chapter, in this Statement.

Value Chain

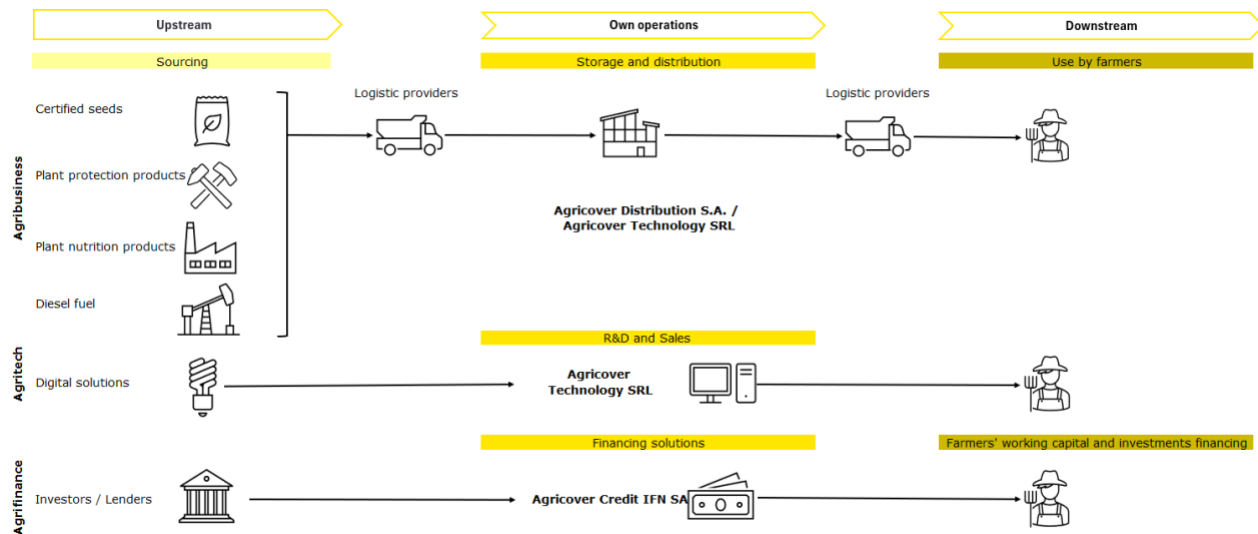
Our value chain consists of diverse activities and partnerships, connecting us with key stakeholders both upstream and downstream.

Upstream, we collaborate with international financial institutions, impact funds, and local banks that finance our operations, as well as suppliers of agricultural inputs. These include both large international brands and smaller suppliers of generic or private label products.

Downstream, we focus on serving farmers, with our core activities (agricultural inputs distribution and financing) designed to support incorporated local farmers. Our teams meet thousands of farmers face-to-face in the field, ensuring that our offerings are tailored to their specific needs and provide practical, problem-solving solutions.

We act as a strategic enabler and integrator, helping farmers access technological innovations that improve productivity and economic viability. We also work closely with suppliers to bridge

gaps across the value chain, delivering targeted products, financing, and services that enhance efficiency, sustainability, food safety, and security.



At the end of 2024, we discontinued the Agritech segment. Agricover Technology was renamed Agricover Commodities, now operating exclusively as a distributor of fuel and commodity-like crop nutrition products.

We have also initiated the process of authorizing a payment institution, which will be operated by Agricover Payments, a wholly owned subsidiary of the Company.

In the 2024 financial year, Agricover Group recorded material revenues, totalling of 1.35 billion RON, exclusively from the agriculture sector. The Group is active in the fossil fuel sector by means of distributing fuel to farmers. Generation of revenue per operating segment, including revenue generated from distribution of fuel, is disclosed in Annex B – Consolidated Financial Statements.

ii. Stakeholder Engagement and Materiality Assessment

As part of defining our sustainability strategy and conducting the double materiality assessment, we have identified several key stakeholders, including:

- ✓ customers (farmers)
- ✓ shareholders
- ✓ local banks, international financial institutions, and investment funds
- ✓ suppliers of agricultural inputs
- ✓ government and other central and local authorities
- ✓ members of the Board of Directors
- ✓ employees

Understanding the interests and perspectives of our stakeholders is essential to our decision-making processes, strategic priorities, and overall business model. We regularly engage with external stakeholders, including farmers, financial institutions, suppliers, and government authorities, through a tailored approach that considers the specific characteristics of each group. Engagement methods include questionnaires, face-to-face meetings, and interviews, with the latter particularly used for gathering targeted feedback, such as during the drafting of our sustainability strategy.

For the materiality assessment, we followed a comprehensive approach, identifying and assessing impacts, risks, and opportunities across the entire value chain of entities within the Group. Initially, we developed a list of environmental and social impacts, based on context analysis and stakeholder input, alongside a list of financial risks and opportunities, derived from impacts, dependencies, and other value chain factors. This process leveraged the ESRS topics list, peer benchmarking, and findings from our previous materiality assessment. Additional guidance was drawn from recognized sustainability frameworks, including the SASB Industry Standard for Agricultural Products and Consumer Finance; the TCFD Guide on Climate-Related Risks; as well as national environmental and social legislation.

Stakeholder engagement was a core element of the DMA, ensuring that stakeholders' views were considered throughout the entire process, from understanding the business context to conducting the assessment and visualizing the results. This was done through a structured approach, which involved:

1. identifying stakeholder groups and clustering them based on relevance,
2. assigning relevant IROs (impacts, risks, and opportunities) to each category,
3. validating findings and conclusions by involving internal specialists who manage these relationships,
4. executive management calibration.

Through this engagement, we gained a deeper understanding of the impacts and dependencies within our value chain, helping us identify and prioritise the most relevant sustainability topics to address.

Impact Materiality Assessment

To assess impact materiality, we analysed both positive and negative impacts across our value chain, considering the activities, business relationships, and external stakeholders involved. This assessment was based on scientific studies, internal expertise, and regulatory factors to determine how specific business activities may positively or negatively affect the environment and society. Key internal subject matter experts were assigned to assess specific impacts, based on their expertise, role within the Group, and connection to affected stakeholders. Each IRO was then mapped according to:

- where the effect occurs in the value chain: own operations, upstream, downstream, or multiple areas;

- time horizon of the impact: short, medium, or long term;
- severity for both actual and potential impacts, and likelihood of occurrence for potential impacts.

The severity of impacts was evaluated based on three components:

- **scale:** how serious or beneficial the impact is for people or the environment;
- **scope:** how widespread the impact is;
- **irremediability:** the extent to which negative impacts can be mitigated or reversed.

All impacts were evaluated on a gross basis, meaning positive impacts were not netted against negative ones, and were assessed prior to considering any mitigating actions. Each impact was scored based on these predefined variables, and materiality was determined by comparing the average score against an internally agreed-upon threshold for both positive and negative impacts.

Financial Materiality Assessment

The financial materiality assessment was conducted by identifying risks and opportunities that arise from business impacts and dependencies on natural and human resources:

- **negative impacts** led to the identification of financial risks, representing potential adverse financial effects.
- **positive impacts** led to the identification of financial opportunities, representing potential financial benefits.

The financial effects of identified IROs were scored based on:

- **magnitude:** the potential size of the financial impact.
- **probability:** the likelihood of occurrence of the risk or opportunity.

To maintain accuracy and relevance, the financial materiality scoring process only included stakeholders directly involved in or knowledgeable about the Group's financial position and performance. This was achieved through structured interviews with Group leadership, ensuring that the assessment accurately reflects our business environment and financial outlook.

Validation and Board of Directors Approval

We are committed to understanding and responding to stakeholder needs while enhancing transparency in our sustainability reporting. The results of the materiality assessment were carefully evaluated by our management, ensuring that stakeholder perspectives were thoroughly considered. These findings were then presented to and discussed with the Board of Directors, which reviewed and approved the final results.

Results

The 2024 materiality assessment identified 33 material IROs with significant environmental, social, and/or financial impacts on our operations, as detailed in the Appendix B – *Material IROs* to this Statement, including their mapping across the value chain (categorised as affecting Own Operations, Upstream, Downstream, or Multiple areas) along with their reasonably expected time horizons for impact realisation.

Following the identification of material IROs, we used the list of sustainability matters in Appendix A of the ESRS 1 and the flowchart in Appendix E to determine the material disclosure requirements. A sustainability matter was considered material if it met the criteria for impact materiality, financial materiality, or both.

For each material sustainability matter, we disclosed information in accordance with the relevant topical ESRS standards, aiming for the disclosures to be relevant, meaningful, and aligned with the decision-making needs of users. Where the phase-in option was available for the first year of reporting, we chose to apply it. Generally, if certain information was material but not available, we explicitly stated this and provided a reasoning, either within this general section or in the respective topical sections.

The results of the DMA are largely aligned with our (draft) ESG Strategy. Below, we present a mapping of our strategic priorities to the material ESRS topics. For further details on how our material IROs are integrated into our strategy and business model, please refer to the relevant chapters of this Statement.

Strategic priority	Material ESRS Topic/Sub-topic
Strengthening Farmers' Representation and Agribusiness Attractiveness	S3 - Affected communities, Communities' civil and political rights
Enhancing Climate Resilience and Water Management	E1 - Climate Change, Climate change adaptation
Minimizing Environmental and Health Risks of Agricultural Inputs	E2 - Pollution, Pollution of soil and water, Substances of concern
	E4 - Biodiversity and Ecosystems, Direct impact drivers of biodiversity loss, Impacts on the state of species
	S4 - Consumers and End Users, Personal safety of consumers and/or end-users
Promoting Occupational Health and Safety Across the Value Chain	S1 - Own workforce, Working conditions
Advancing Carbon-Neutral Agriculture	S2 - Workers in the value chain, Working conditions
Upholding Ethical Business Conduct	E1 - Climate Change, Climate change mitigation
	G1 - Business Conduct, Corporate Culture, Corruption and bribery & Management of relationships with suppliers including payment practices

For reference, an index of the disclosure requirements covered in this Statement, along with their corresponding page numbers, is presented in Appendix D – *ESRS Disclosure Requirements*

covered in the Statement. Additionally, datapoints derived from other EU legislation are referenced in Appendix E – *Datapoints*.

All material risks and opportunities identified in our materiality assessment are detailed in the relevant chapters of this Statement, along with disclosures on their estimated financial effects on the financial statements, where applicable. Additional insights are provided in the *Market Context* and *Financial Performance* review sections of this Report, as well as in the *Risk Management* note to the Annex B – *Consolidated Financial Statements* attached to the Report.

As a whole, agriculture is a resilient sector, and our diversification and expertise allow us to achieve positive results even in challenging financial years. Despite extreme droughts in 2021, 2023, and 2024, the impact of the war in Ukraine in 2022, and broader macroeconomic uncertainties such as high inflation, rising interest rates, and commodity price fluctuations, we have maintained strong financial performance. Even under these conditions, the Group has consistently reported positive consolidated net results and NPL ratios below relevant market averages.

Climate Change

Climate Resilience Strategy: from mitigation to adaptation

We recognise that climate change presents a significant challenge to agricultural productivity and food security, with shifting weather patterns and extreme events threatening farmers' livelihoods and the global food system. The weather can influence the presence of disease and pests in the short term on a regional basis and, accordingly, can affect the demand for crop protection products and the mix of products used. The weather also can affect the quality, volume and costs of the seeds produced and available for sale, while seed yields can be higher or lower than planned. Seasonal and weather factors make substantially all operations within the sector relatively unpredictable from period to period. Global warming is a root cause for natural disasters, changes in average temperatures, changes in rainfalls, causing drought and other extreme weather conditions (such as extreme heat waves). It also may result in an increased risk of soil erosion, flooding, degradation in the quality of groundwater aquifers and expansion of agricultural weed and pest populations. These environmental shifts may have a negative impact on the farmlands by rendering them less suitable for farming, which could adversely impact crop production and/or quality and thereby might adversely affect the ability of our customers to meet their obligations towards the Group. Moreover, climate change is driving shifts in agricultural practices and technologies, influencing the adoption of new methods and innovations. These transformations may impact the execution of our strategy and reshape agricultural business models, ultimately affecting our operations and long-term planning.

As part of our approach to climate adaptation and resilience, we qualitatively assess climate-related physical risks within our own operations and across the value chain. In line with legal requirements, we conduct site-level risk assessments at all operational locations, particularly

at our warehouse facilities. Moreover, assessments carried out by registered independent experts are included in the Environmental Impact Assessment (EIA) and form part of the permitting process, which also involves public consultation.

These qualitative vulnerability assessments, conducted in accordance with Romanian legislation, take into account short-, medium-, and long-term time horizons. They cover risks such as seismic activity, flooding, wildfires, and other relevant local hazards. Where necessary, site-specific vulnerabilities are addressed through appropriate mitigation or adaptation measures. Based on a high-emissions climate scenario (worst case), no additional adaptation measures were deemed necessary for our current operational sites.

We acknowledge that climate change brings not only physical risks but also regulatory and transitional uncertainties. We continuously monitor developments in regulation, technology, and climate science to inform our long-term planning and climate resilience strategy.

Our broader climate resilience analysis has identified both risks and opportunities. We are committed to operating a net-zero business by 2050 and promoting sustainable agricultural practices that help reduce sector emissions, supporting the global goal of limiting warming to 1.5°C, in line with the Paris Agreement. Our ambition is to offer and finance innovative, climate-smart solutions that help Romanian farmers anticipate, adapt to, and mitigate the effects of climate change.

As a major player in the agricultural sector, we support Romania's strategic objectives under the Common Agricultural Policy (2023–2027), which align with the European Green Deal. These include enhancing farm viability, reducing income disparities, supporting environmental protection, and strengthening the resilience and competitiveness of the agricultural sector to ensure long-term food security.

We maintain strong access to capital markets and work closely with a broad network of international financial institutions and commercial banks. During the origination phase of most financing projects (particularly those involving impact investors), we assess and discuss the relevance of climate-related risks—both physical and transitional. These discussions also address how we manage such risks, as well as the potential opportunities associated with the transition to a low-carbon economy. These risk management practices, along with additional measures, are reflected throughout this Statement.

In addition, our double materiality assessment, further detailed in the General Disclosures chapter of this Statement, evaluates the climate-related impacts, risks, and opportunities that are material to our business.

Several actions and measures aimed at addressing climate-related physical risks are also discussed across this Statement. These include, for example, our continuous engagement with industry and professional associations, our compliance with relevant environmental and agricultural regulations (including monitoring changes in EU and global rules on chemical substances), and our efforts to strengthen corporate governance structures. In addition, we

closely monitor official reports on soil moisture deficits and weather forecasts, and proactively reach out to significant clients in potentially impacted regions. We are also working to embed environmental, social, and governance risk considerations into credit scoring, loan origination, and monitoring processes within Agricover Credit.

i. Adaptation and Mitigation

Despite our continuing efforts, including our holistic product and service offering, aimed at assisting farmers to adopt sustainable agricultural practices, climate change and related risks and factors may have an adverse impact on the financial strength of the farmers, which in turn may adversely affect our business, operating results, and financial standing. For this reason, we recognize physical risks from climate change, including extreme weather events such as draughts, as material to our business, and to the value chain in its entirety.

The following table presents the identified IROs related to climate change adaptation. It provides an overview of these IROs and identifies policies addressing them.

IRO	IRO description	Policies
Actual positive impact	Facilitating farmers' access to financing of investments in equipment that increases resilience to climate change, such as irrigation systems.	<ul style="list-style-type: none"> ● Policy for the Management of Environmental and Social Responsibility Aspects ● Risk Management Framework
Actual positive impact	Educating the agricultural community about the impact of climate change and adaptation solutions.	
Risk	Extreme weather events, including draughts, that may affect farmers' yields, which in turn may adversely impact our business and operating results	

Similarly, the following table presents the identified IROs related to climate change mitigation. It provides an overview of these IROs and identifies policies addressing them.

IRO	IRO description	Policies
Actual negative impact	The use of fossil fuels for transportation in own distribution operations, as well as downstream, by agricultural equipment and machinery working the land, leads to emissions of CO ₂ , CH ₄ , and N ₂ O, contributing to the greenhouse effect and global warming.	<ul style="list-style-type: none"> ● Policy for the Management of Environmental and Social Responsibility Aspects ● Risk Management Framework
Actual negative impact	High value chain GHG emissions: upstream, from the production of fertilizers and other chemicals and downstream through the use of nitrogen-based fertilizers, which can release nitrous oxide, a potent greenhouse gas.	

Related policies

We believe that our **Policy for the Management of Environmental and Social Responsibility Aspects** contributes to reducing GHG emissions by promoting the financing of "climate-friendly" projects that prioritize energy efficiency and renewable energy deployment. Moreover, clients seeking financing must not engage in activities listed on our Exclusion List, and must comply with regulatory requirements related to environmental protection, and human and labour rights. This policy, together with the broader **Risk Management Framework**, are highlighted in Appendix A – *Policies* to this Statement.

Actions

We recognize the pressing need to enhance farmers' resilience to the changing climate conditions by facilitating access to financing for investments in equipment that supports climate adaptation, by distributing agricultural inputs, including certified seeds, that enhance crop resilience to adverse weather conditions, as well as by raising awareness among the agricultural community about the implications of climate change and viable adaptation solutions. On the mitigation front, we recognize our responsibility to address the root causes of climate change, particularly the greenhouse gas (GHG) emissions throughout our value chain, stemming from the production and application of crop protection and nutrition products that we distribute. In this respect, while we do not have a formally approved plan, it is our ambition to operate a net-zero business by 2050 and promote sustainable agriculture practices that help reduce carbon emissions downstream in line with the goal of limiting the global warming to 1.5°C, in line with the Paris Agreement.

Other key initiatives towards climate risk adaptation and mitigation include (related CapEx and OpEx, where material, are discussed in the *Analysis of the Consolidated Financial Statements* chapter of the Report as well as in the *Taxonomy Disclosures* in this Statement):

1. **Reducing Scope 1 and Scope 2 GHG emissions** by optimizing energy use, integrating renewable energy sources, and adopting low-emission transportation.

We have installed solar panels and implemented heat pumps at our central warehouse in Bolintin Deal to optimize energy consumption. Additionally, we are gradually transitioning our fleet to hybrid or electric vehicles as part of an ongoing informal initiative, replacing conventional combustion engine vehicles as lease agreements mature. Additionally, we encourage public transportation use by reimbursing related costs and providing shuttle services for employees.

2. **Promoting irrigation and low-carbon agricultural solutions**

We facilitate access to financing for irrigation systems, renewable energy projects, or energy-efficient equipment. This contributes to the resilience of their operations in the face of increasing climate variability by ensuring more reliable water access, reducing energy costs, and enhancing overall farm efficiency.

3. Innovative financial solutions

Designed to support farmers during challenging agricultural seasons, including droughts, these solutions help ease cash flow pressures when conditions are tough. Additionally, we promote the adoption of precision farming techniques to optimize input use and encourage the use of drought-resilient certified seed varieties, helping farmers sustain yields even in adverse conditions.

4. Education

We educate the farming community about climate change and practical adaptation strategies. In addition to regular interactions with our sales and risk management teams, we collaborate with Clubul to host regional meetings and training sessions. These sessions provide farmers with insights into climate change impacts and solutions, covering topics such as sustainable farming, resource efficiency, water management, and climate-resilient crop varieties.

Metrics

Energy consumption

The main sources of energy consumption in our operations are mobile equipment and electricity. Energy use from mobile equipment comes from the combustion of petrol and diesel in vehicles such as cars and forklifts, covering the total fuel purchased for our vehicle fleet. Additionally, electricity represents a significant part of our energy consumption, primarily used in our rented office buildings and warehouses to support daily operations, including lighting, cooling, and powering essential office equipment.

The table below provides a detailed overview of our primary energy consumption.

indicator	2024
Total energy consumption (MWh)	6,981.0
Total fossil energy consumption (MWh)	6,668.7
Fuel consumption from coal and coal products (MWh)	n/a
Fuel consumption from crude oil and petroleum products (MWh)	6,538.7
Fuel consumption from natural gas	n/a
Fuel consumption from other fossil sources	n/a
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	155.5
Share of fossil sources in total energy consumption (%)	95.9
Consumption from nuclear sources (MWh)	88.2
Share of consumption from nuclear sources in total energy consumption (%)	1.3
Total renewable energy consumption (MWh)	189.7
Fuel consumption from renewable sources	n/a
Consumption of acquired electricity, heat, steam, and cooling from renewable sources (MWh)	210.5
Consumption of self-generated non-fuel renewable energy	n/a
Share of renewable sources in total energy consumption (%)	3.0
Non-renewable energy production	n/a
Renewable energy production	n/a

Total energy consumption is calculated by aggregating the amounts of diesel, petrol, and purchased electricity, all expressed in megawatt-hours (MWh). Purchased electricity is calculated by dividing the total electricity costs incurred by the Group during 2024 by the average electricity price for Romania, as published by Eurostat for 2024. Diesel and petrol volumes used are converted from litres using the conversion factors published by CDP, an international non-profit organization. Electricity consumption from fossil, nuclear, and renewable sources is estimated based on Romania's electricity mix for 2023. Data on Agricover's own renewable energy generation and consumption will become available starting with the financial year 2025.

Agricover does not use coal, coal products, or other fossil fuels as direct energy sources. Regarding natural gas, since the Group operates in rented spaces, emissions related to heating are classified as indirect emissions under the GHG Protocol and have not been included in the reporting period. As tenants, we do not have direct control over the quantity of natural gas consumed, as heating costs are invoiced by the property owner based on pre-negotiated rates per square meter of rented space, rather than actual consumption.

GHG emissions

The table below provides an overview of our greenhouse gas (GHG) emissions, categorized into Scope 1 and Scope 2. Scope 1 includes direct emissions from fuel consumption in our vehicle fleet and mobile equipment, while Scope 2 covers indirect emissions from purchased electricity used in our office buildings and warehouses.

	Base year (2024)
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions (tCO ₂ eq)	1,505.9
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	n/a
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	76.2
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	100.3
Total GHG emissions	
Total GHG emissions location-based (tCO ₂ eq)	1,582.1
Total GHG emissions market-based (tCO ₂ eq)	1,606.2

GHG emissions calculation follow the *GHG Protocol: A Corporate Accounting and Reporting Standard*, ensuring adherence to its five principles: relevance, completeness, consistency, transparency, and accuracy. We apply the operational control approach, meaning we account for 100% of emissions from operations where Agricover Group has the authority to establish and enforce operating policies. Emissions were calculated at the subsidiary level and then consolidated to provide a comprehensive total for the Group.

Scope 1 emissions include direct emissions from fuel combustion in mobile equipment such as cars and forklifts. These emissions are calculated based on total diesel and petrol consumption, using emission factors from the 2024 DEFRA UK open database. The global warming potential

(GWP) values align with the IPCC Fifth Assessment Report (AR5), as referenced in the latest publicly available data. Our Scope 1 emissions originate exclusively from fossil fuels; no biomass or biofuels are used, and we do not account for biogenic CO₂ emissions, carbon credits, or removals. Additionally, Agricovert is not subject to EU ETS reporting requirements and does not apply its methodology.

Scope 2 emissions cover indirect emissions from purchased electricity, which occur at external sources such as utility plants. Given the involvement of multiple suppliers with varying energy mixes, we use Romania's national electricity emission factor for 2023 to ensure consistency and comparability across business operations. We operate in rented properties and do not have direct contracts with electricity providers or power purchase agreements. Energy costs are re-billed either based on actual consumption or proportional to the rented area.

Scope 2 emissions are calculated using both location-based and market-based approaches. The location-based method applies the national emission factor for electricity consumption. For the market-based approach, we used the specific emission factor for the supplier of electricity procured for our headquarters, as electricity consumption in our headquarters accounts for 46% of our total electricity use. For the remaining 54%, we applied the national emission factor.

Intensity

Finally, the table below presents the intensity values for GHG emissions and energy consumption related to our agricultural inputs distribution segment. GHG intensity is calculated by dividing the segment's total market-based GHG emissions (measured in tonnes of CO₂ equivalent) by its overall net revenue (1,352.3 million lei, as detailed in Note 5 of the consolidated financial statements).

intensity per net revenue	2024
Total GHG emissions per net revenue (tCO ₂ eq/million RON)	0.8
Total energy consumption per net revenue (MWh/million RON)	3.5
Net revenue (million RON)	1,352.3

i. Taxonomy Disclosures

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It is an important step towards achieving carbon neutrality by 2050 in line with the EU's objectives, as the Taxonomy is a classification system for sustainable economic activities.

The EU Taxonomy Regulation (EU 2020/852) that entered into force on 12 July 2020 is a classification system establishing a list of environmentally sustainable economic activities. The aim is to scale up sustainable investments by providing a common European definition of what is a 'sustainable activity'.

The applicable Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (“Climate Delegated Act”) covers sustainable activities for climate change mitigation ('CCM') and climate change adaptation ('CCA') objectives of the EU Taxonomy. This Climate Delegated Act was modified by the Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 to include new activities. In addition, the Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 (“Environmental Delegated Act”) covers sustainable activities for the remaining four environmental objectives of the EU Taxonomy which are sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

In 2024, entities falling under the scope of the EU Non-financial Reporting Directive (Directive 2014/95/EU), which is the case for the Company, shall report the eligible share of activities for all 6 environmental objectives, as well as the aligned share of activities for the 6 climate objectives (climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, pollution prevention and control, transition to a circular economy including waste prevention and recycling, protection and restoration of biodiversity and ecosystems) to the EU Taxonomy. An activity is ‘Taxonomy-aligned’ when it makes a substantial contribution to at least one environmental objective, meets the technical screening criteria and the 'do no significant harm' principle (DNSH).

In Appendix C – *EU Taxonomy* to this Statement, we present the share of turnover, capital expenditure (CAPEX) and operational expenditure (OPEX) for the financial year 2024, which are associated with the taxonomy-aligned or eligible economic activities, in accordance with Art. 8 of the Taxonomy Regulation and Art. 10 para. (2) of Art. 8 of the Delegated Act.

Pollution

Strategy

We recognize that the plant nutrition and protection products we distribute can pose hazard risks to human health and the environment, especially if improperly handled. However, it is essential to acknowledge that crop protection and crop nutrition products are necessary for enhancing crop yields, controlling pests, and ensuring food security. They contribute to the efficiency and productivity of farming practices, ultimately one of the food security pillars. In our operations, we aim to balance agricultural productivity with environmental stewardship.

i. Substances of Concern and Pollution of Soil and Water

The risk to people and the environment resulting from the exploitation and disposal of hazardous or polluting substances is a major concern for us. These risks can have a significant negative impact on human health, biodiversity, and the quality of the surrounding environment. Additionally, they can affect the Group's ability to fulfil its mission and strategy in the long term. Improper exploitation and disposal of hazardous substances can lead to the contamination of soil, water, and air, which can cause health problems for local communities, including respiratory diseases, cancer, and other serious conditions. Pollution can also destroy natural habitats, affecting flora and fauna and reducing biodiversity. The negative impact of these risks on the Group can be substantial. Firstly, there may be high financial costs associated with environmental cleanup and compensation for damages caused. Secondly, the Group's reputation can be severely damaged, leading to a loss of trust from customers, investors, and other stakeholders. Thirdly, there may be legal and regulatory consequences, including fines and sanctions. To manage these risks, it is essential for us to implement rigorous prevention and control measures. These include constant monitoring of activities involving hazardous substances, strict compliance with environmental regulations, and the adoption of sustainable practices. Additionally, we developed and integrate a solid ESG (Environmental, Social, and Governance) strategy within our overall business strategy to ensure a responsible and sustainable approach in all its operations.

Subsidiaries of the Group are affected differently by the risk of incidents and emergency situations. Agricover Credit is primarily impacted through financing and associations with clients who do not comply with ESG standards. As part of the approval process for initiating and continuing client relationships, Agricover Credit assesses clients' ability to properly manage hazardous substances and protect the environment. Agricover Distribution is affected both directly, through the management of hazardous substances, and indirectly, through associations with non-compliant clients or suppliers. To mitigate these risks, we periodically renew relevant environmental authorizations and approvals for all its locations, collaborates with third parties for the removal of hazardous substances in case of accidental spills, and works with partners to

recover product packaging. Moreover, before relevant transactions, we ensure that our business partners are authorized to deal with regulated chemicals.

The following table presents the identified IROs associated with substances of concern or of high concern and related pollution of soil and water. It includes descriptions of these IROs and identifies the policies that address them.

IRO	IRO description	Policies
Potential positive impact	Providing access to tailored financing solutions enables farmers to invest in advanced technologies that reduce environmental impact and improve worker safety. This can lead to more precise application of pesticides and fertilizers, minimizing soil and water contamination, while also supporting the adoption of biological alternatives that protect biodiversity.	<ul style="list-style-type: none"> • Policy for the Management of Environmental and Social Responsibility Aspects • Risk Management Framework
Potential negative impact	Farmers may face exposure to residues from pesticides and fertilisers application. This could lead to health issues, if proper protective equipment is not used. Moreover, chemicals distributed by the Group pose risks to human health and the environment, including of pollution of soil and water.	

Related policies

The **Policy for the Management of Environmental and Social Responsibility Aspects** implemented within Agricover Credit ensures compliance with legal requirements and best practices related to environmental protection, workplace health and safety, social protection, and anti-discrimination. While not formalised in internal policies, similar practices are established across the Group. Our policies addressing the pollution, compliance, and the environment at large are highlighted in Appendix A – *Policies* to this Statement.

In addition to our existing policies, we are finalising the approval of our Group Environmental & Social Management System (ESMS) by the Board of Directors. This framework provides a comprehensive approach to pollution prevention and control. A strong ESMS is already fully operational within Agricover Credit and is regularly reviewed by large international financial institutions and impact investors that finance our operations, whenever significant new loans are approved or existing ones are extended.

Actions

We carry out storage, distribution and sale of chemical products and other substances, including substances of concern and of high concern, that have the potential to pollute the soil, air and waters, and may have a material impact on human health. For this reason, compliance with the

laws on environmental protection and human health, among which the Law no. 265/2006 approving the Government Emergency Ordinance no. 195/2005 on environmental protection and the Government Emergency Ordinance 164/2008 amending and supplementing the Government Emergency Ordinance 195/2005, is one of the Group's priorities.

We are subject to strict environmental protection obligations, among which to:

- (a) timely apply for necessary permits and meet the conditions provided in the permits obtained;
- (b) allow access of qualified persons to check, inspect and control the technological installations impacting on the environment, as well as the related areas;
- (c) carry out in full and in due time the measures imposed in the documents/decisions issued by the persons qualified to perform checks, inspections and controls;
- (d) bear the costs of pollution including the cost of measures taken to prevent, control and remedy pollution and the costs it imposes on society, based on the "polluter pays" principle;
- (e) inform the competent authorities in case of accidental discharges of substances polluting the environment or in case of major accidents.

We have a zero-tolerance approach to health, safety, and environmental risks. Our compliance team actively monitors industry best practices and ensures adherence to all relevant laws and regulations. Any feedback from regulatory authorities is promptly addressed to drive continuous improvement. We fully comply with all legal requirements and all authorised procedures.

To maintain high standards, we have implemented internationally recognized management systems, including ISO 14001 for environmental management and ISO 9001 for quality management. These certifications demonstrate our commitment to sustainability, regulatory compliance, and operational excellence. ISO 14001 ensures that we systematically manage our environmental responsibilities, reduce our impact, and continuously improve our performance. Similarly, ISO 9001 reflects our dedication to delivering high-quality services and maintaining efficient processes.

We operate in full compliance with applicable European Union regulations and conventions, including those of the European Chemicals Agency, as transposed into Romanian legislation, particularly with respect to the classification of substances of concern or high concern. While we acknowledge that the PAN International List of Highly Hazardous Pesticides aligns in scope with the European Union Regulation on the classification, labelling and packaging of substances and mixtures (Regulation (EC) No 1272/2008), which defines criteria for the classification of chemical hazards across the European Union, we do not currently conduct a direct correlation or mapping between these lists. However, we are exploring digital tools, including artificial intelligence-based solutions, to support future cross-referencing where relevant.

We are authorised by the relevant national authorities to distribute certain substances subject to controlled circulation, including products whose active substances are classified under the

European Union Regulation on classification, labelling and packaging of substances and mixtures as having acute toxicity, Category 1 or 2. In strict accordance with legal requirements, these products are sold exclusively to authorised entities, and we ensure that all customers undergo a rigorous authorisation and verification process prior to any such sale. In 2024, we distributed a limited quantity (186 kilograms) of active substances classified under the same EU regulation as having acute toxicity, Category 1 or 2.

SEVESO Authorization

During 2024, Agricover Distribution operated a warehouse in Chiajna commune, Ilfov county, which was in the process of being classified as a SEVESO lower-level site. Due to planned increases in the quantities of hazardous substances, estimated to exceed the limits laid down in the applicable legislation, a new CO₂-neutral warehouse for crop protection products and seeds, located in Bolintin Deal commune, Ilfov county, with an area of 10,000 m² and classified as a high-level SEVESO site, became operational at the end of 2024. The new warehouse features solar panels to provide renewable energy and heat pumps operating instead of the conventional gas heating system for most of the time. Only if temperatures fall below -15°C will gas take over, as heat pumps don't work at such temperatures.

The SEVESO Directive aims to prevent and control major accident hazards involving dangerous substances, ensuring the safety of both the environment and the surrounding communities.

To meet the requirements of the high-level SEVESO authorization, we have implemented robust risk management practices, including regular risk assessments, safety audits, and emergency response planning (none conducted during the 2024 reporting period given that the new warehouse was barely in operation, with two safety audits and two emergency drills planned for 2025). In line with our commitment to regulatory compliance, we have prepared a Safety Report and an Internal Emergency Plan, both developed by an authorized evaluator and submitted to the Emergency Situations Inspectorate (ISU). These documents were a prerequisite for obtaining the high-level SEVESO authorization, and must be updated every three years or whenever there are changes in operations, construction, or new related legal requirements.

Biodiversity and Ecosystems

Strategy

Our strategy emphasizes farmer education, the promotion of sustainable agricultural practices, and the introduction of environmentally friendly inputs such as controlled-release fertilisers and bio-stimulants.

i. Biodiversity Loss and Impacts on the State of Species

We see agriculture as a powerful catalyst for progress, one that not only sustains local economies but also holds promise for greater global food security. To help realize this potential,

we are committed to equipping farmers with the resources, training, and support they need to implement farming practices that are both resilient and ecologically responsible. At the same time, we acknowledge that certain agricultural approaches, such as those centred on monoculture or excessive use of chemicals, can place undue pressure on ecosystems, accelerate biodiversity loss, and heighten environmental risks.

The following table presents the identified IROs associated with biodiversity loss across the value chain. It includes descriptions of these IROs and identifies the policies that address them.

IRO	IRO Description	Policy
Potential negative impact	Funding agricultural projects which lead to monoculture farming, deforestation or destruction of natural habitats.	The Management Policy for Environmental and Social Responsibility
Potential negative impact	Reduction of biodiversity (loss of species diversity of birds, reptiles, amphibians, insects) caused by excessive use of chemicals (such as pesticides, insecticides, etc.) in downstream value chain (farmers' agricultural practices)	

Similarly, IROs associated with species populations, and policies related to them, are identified in the table below.

IRO	IRO Description	Policy
Potential positive impact	Providing access to tailored financing solutions enables farmers to invest in advanced technologies that reduce environmental impact and improve worker safety. This can lead to more precise application of pesticides and fertilizers, minimizing soil and water contamination, while also supporting the adoption of biological alternatives that protect biodiversity.	The Management Policy for Environmental and Social Responsibility

Related policies

We believe that healthy ecosystems are vital for sustainable agriculture and the stability of our supply chain. Our policies addressing the environment and compliance are highlighted in Appendix A – *Policies* to this Statement.

Actions

To safeguard the environment, we adhere to strict regulatory requirements, and ensuring compliance with these obligations remains a core priority across all our business segments and operations. Furthermore, we have established clear criteria to prevent the financing of activities that contribute to environment degradation, such as deforestation. All exclusion criteria are formally stated by our "Policy for Environmental and Social Responsibility".

We note that several key environmental and technological factors have driven the reduction in the volume of crop protection products used across the globe over the past decade. We actively promote and support technological factors driving such reduction, which include:

- (f) manufacturers increasingly creating innovative and advanced products requiring reduced application levels;
- (g) farmers increasingly adopting precision agriculture equipment (such as GPS and sensor technology) to enable precision targeted application;
- (h) the development and use of more environmentally friendly chemicals (e.g., biopesticides, derived from natural materials); and
- (i) increasing use of certified seed with improved genetic resistance to pest and disease.

For a more comprehensive understanding of our impacts on the environment and of our related actions, please further refer to chapters *Pollution* and *Consumers and end-users*, which include details about our initiatives aimed at financing advanced agricultural practices and at promoting diversity across the value chain, among others.

Own Workforce

For the purpose of this section of the Report, our workforce is defined as encompassing all individuals employed under active employment contracts or mandate agreements, namely all employees of the Group.

Strategy

Employee morale, participation and engagement are key to our success. Therefore, we place particular importance on retention of performing employees and on the competitive selection of new employees. To this end, we aim to offer attractive compensation packages and career development opportunities.

Our strategy integrates commitment to effective working conditions, indefinite contracts, reasonable hours, adequate wages, a grievance mechanism, union rights, work-life balance, and a safe environment. This strategic alignment, implemented in practice through policies and procedures such as the Group's Human Resources Policy, Physical Security, Work Environment Policy and Remuneration Policy, enhances job security, productivity, satisfaction, and overall well-being of the workforce. Furthermore, occupational health and safety remain a core

performance metric, ensuring a safe working environment for all employees and contractors on Agricovert premises.

i. Working conditions

We implement formal and informal standardised processes to positively impact our workforce and combat the risk of shortage of skilled labour. Such processes can be based on, among other the Code of Conduct, labour laws, whistleblower policies, other internal regulations or practices. In all our practices we strive to ensure equal and fair treatment, promoting a competitive advantage in the local labour market while enhancing employee satisfaction and engagement.

The following table presents the identified IROs associated with Agricovert Group’s working conditions. It includes descriptions of these IROs and the corresponding policies that address them.

IRO	IRO Description	Policy
Risk	Shortage of skilled labour	<ul style="list-style-type: none"> ● Human Resources Policy ● Physical Security and Work Environment Policy ● Remuneration Policy ● Policy for registering and handling reports (Whistleblower Policy)
Actual positive impact	Promoting secure employment, fair wages, and safe working conditions—along with flexible working hours, diversity, inclusion, and employee engagement in decision-making—helps in the creation of a supportive work environment that ensures equal opportunities and a sustainable work-life balance for all employees.	

Related policies

At Agricovert, we actively engage with our workforce to ensure their perspectives are heard and integrated into our decision-making processes. Through engagement surveys and culture surveys, we gather insights into employee satisfaction, concerns, and expectations, helping us manage workforce-related impacts effectively. Engagement occurs both directly with employees and indirectly through annual negotiations with workers’ representatives, as outlined in our internal regulations.

Our approach to engagement is embedded within our Group procedures, including the Code of Conduct. Employees are consulted during the initiation and implementation of projects through structured interactions such as consultations, status meetings, and performance discussions. The frequency of engagement varies depending on the project, ranging from weekly to monthly.

The HR Director and direct managers are responsible for ensuring that these engagement activities are conducted effectively and that their outcomes inform the Group's workforce management strategies. We continuously assess the effectiveness of engagement through feedback analysis from surveys and by leveraging the SAP technical guide for performance management. Additionally, one-on-one discussions between employees and their direct managers play a crucial role in fostering open communication, ensuring that concerns are addressed, and supporting a culture of continuous improvement.

The **Policy for Registering and Handling Reports (Whistleblower Policy)** supports a safe working environment by providing a secure mechanism for reporting workplace issues, ensuring accountability and fairness. Protection against retaliation is a fundamental principle of our whistleblower process. We take strict measures to safeguard employees who report concerns, ensuring that they can do so without fear of adverse consequences. Through these efforts, we uphold our ethical standards and maintain a culture of integrity, trust, and respect within our organization. These and similar processes allow us to log all concerns, oversee their progress, and evaluate outcomes to maintain the efficiency of our reporting channels. A detailed description of this policy as well as other working conditions related policies are highlighted in Appendix A – *Policies* to this Statement.

Actions

At Agricover, we are committed to providing a safe and transparent environment where employees can raise concerns without fear of retaliation. Our approach to addressing and remedying any negative impacts on our workforce is embedded in the Policy for Registering and Handling Reports, supported by the NAVEX platform. Concerns can be raised at any time to direct managers, HR or Compliance teams, head of divisions, or to chief officers. Moreover, employees can report concerns confidentially through this platform or via dedicated email addresses, allowing us to promptly identify, assess, and resolve issues.

To ensure accessibility and effectiveness, we make these reporting channels widely available, providing clear communication about their use. Employees and their representatives can access the NAVEX platform at any time to submit concerns, ensuring direct and secure communication with our organization. All grievances raised through this system are managed by HR and Compliance departments, with strict confidentiality to ensure fair and impartial resolution and to protect the whistleblower from any negative impact.

We have established a robust Occupational Health and Safety (OHS) Management System to ensure compliance with Romanian, EU, and international regulatory requirements, aligning with best practices. To further support workplace safety, we conduct health and safety training sessions to raise awareness and improve workplace safety compliance. We also carry out internal audits and assessments of work conditions to identify and mitigate potential risks. In 2023 and 2024, we recorded zero fatalities among employees and other workers on our sites, no reported workplace accidents, and no reported cases of work-related illnesses.

Furthermore, we understand that fair working conditions play a significant role in promoting productivity and job satisfaction. We offer reasonable working hours, and overtime is either paid or compensated with time off, ensuring fair treatment and compliance with labour laws. Additionally, our commitment to providing adequate wages ensures that employees maintain a decent standard of living while minimizing risks related to compensation inequities.

Workforce turnover

Human capital is at the heart of our ability to successfully develop and implement our strategy. Our success depends to a large extent on the skills, experience, and performance of our team members. As our strategy encompasses expansion into complementary new segments and markets, we must be able to continue to attract, retain and train specialists and staff. We place particular importance on competitive selection of new employees by advertising all open roles on the job market, on integration of the new employees by providing induction programmes during the first three months of employment, and on offering an attractive compensation package and providing development opportunities.

In 2024, the Group attracted 98 new employees (2023: 110 employees). 87 employees left the Group in 2024 (2023: 79 employees), resulting in a turnover rate¹ of 16% (2023: 12%).

Adequate Wages and Social Protection

The Group guarantees employees an appropriate income in compliance with relevant legal provisions and aligned with best market practices. Prior to employment, persons who are to start their work shall be explicitly provided with information on the role and related contractual conditions.

Generally, within the Group compensation packages include fixed and variable components. The variable remuneration is set as percentage of the annual salary for back offices and as a percentage of the contribution to the performance of each subsidiary for sales functions. At Group level, there is a unified approach related to variable remuneration based on the level/the role held in the company, as well as the contribution made by each employee to achieving the Group's business objectives. Our focus is to maintain a balance between the alignment with the employment conditions offered by other employers and the need for fair differentiation between employees by recognizing the individual contribution to the objectives of the Group.

When determining compensation packages, we focus on three primary elements together with certain additional employee benefits and perks, all of which are described in more detail below:

- **base salary** - provides a regular source of income for our employees and acts as a foundation for other compensation components (e.g., sales, margins and risk

¹ the ratio of the number of leavers during the period to the average number of employees during the period

management incentives, short term and long terms incentives etc. are generally expressed as percentage of base salary);

- annual or **short-term incentives** - designed to reward employees for achieving critical financial, risk management and/or operational goals;
- multi-year or **long-term incentives** - designed with a dual purpose: i) to align the interests of executives and specific top and middle management layers with shareholders by linking pay and performance, with the goal of accelerating growth, profitability and shareholder return; and ii) to contribute to the retention of key employees and/or top performers;
- **benefits and perks** - including benefits and perks aligned to market best practices, such as health insurance, company car etc.

Work-Life Balance

At Agricover, we promote work-life balance and shared responsibility in meeting family obligations, providing family and childcare arrangements and parental leave benefits. The Group ensures that 100% of its employees are entitled to take family-related leave in line with special event days outlined in the internal regulations.

In 2024, at Group level, a total of 30 employees went on maternity or childcare leave (2023: 27 employees). After the end of parental leave, all our employees return to the same position with the same compensation package, as also guaranteed by Romanian law. Under Romanian law, parental leave can last up to 2 years, depending on the employee's choice.

Parental leave	2024			2023		
	Women	Men	Total	Women	Men	Total
employees entitled to parental leave	26	4	30	23	4	27
employees taking parental leave	26	4	30	23	4	27
employees returned to work in the period, after parental leave	14	2	16	5	2	7
employees returned to work after parental leave and still employed after 12 months	12	2	14	4	-	4

ii. Equal treatment and opportunities for all

A diverse workforce and an inclusive work environment are factors that facilitate our mission to be a generator of innovative solutions that transform farmers' businesses and lives for the long term, being a driver of change while creating progress and prosperity at societal scale. One of the priorities of our human resources strategy is to provide equal opportunities to all, both in terms of access to promotion to a management role and in terms of remuneration.

The following table presents the identified IROs related to Agricover Group’s commitment to equal treatment and opportunities for all. It provides an overview of these IROs along with the policies that support fairness, inclusion, and non-discrimination across the organization.

IRO	IRO Description	Policy
Potential positive impact	Providing training, mentorship, and a safe, respectful workplace fosters a diverse, inclusive, and innovative industry. Investing in talent development, internships, and equal opportunities enhances career prospects, promotes social mobility, and strengthens the future workforce.	<ul style="list-style-type: none"> • Code of ethics and professional conduct • Human Resources Policy

Related policies

By implementing policies and practices that ensure fairness and inclusivity, the Group promotes a safer and more equitable workplace. This includes providing transparent compensation structures, fostering diversity through targeted employment initiatives for persons with disabilities, and offering skill development programs to enhance employee potential. Furthermore, as mentioned above, the Group has established anonymous grievance mechanisms to address workplace concerns promptly and fairly. The **Code of Ethics and Professional Conduct** reinforces inclusivity and fairness by establishing clear principles for ethical behaviour, equal treatment, and respect across the workforce. This and other policies addressing the equal treatment and opportunities for all are highlighted in Appendix A – *Policies* to this Statement.

Actions

As part of our commitment to diversity, we focus on fair and transparent compensation that reflects individual roles and skills, aiming to maintain equitable pay structures. The ratio of men's to women's salary was of 1.3 in 2024, considering average gross annual salaries paid for each gender. Moreover, we have a balanced gender distribution of employees:

Employees by gender	2024		2023	
	Number	%	Number	%
Women	280	51%	292	52%
Men	264	49%	274	48%
Total	544	100%	566	100%

In terms of contract type, all our workforce is employed based on full-time indefinite-term contracts. In terms of age, the majority of employees are between 30 and 50 years old (70%).

The second largest group of employees is represented by those which are over 50 years old (15%).

Employees by age	2024			2023		
	Women	Men	Total	Women	Men	Total
<30 years old	52	26	78	60	29	89
30-50 years old	194	189	383	195	195	390
>50 years old	34	49	83	37	50	87
Total	280	264	544	292	274	566

We actively promote the inclusion of individuals with disabilities, creating a more diverse and accessible workplace. Throughout 2023 and 2024, we employed one person with disabilities.

All employees are employed solely based on skills and compatibility. Any discriminatory treatment of persons due to their race, religion, nationality or origin, political choices or affiliation to a union or because of gender or age must be forbidden. Having a professional working environment also means that the Group does not tolerate any form of harassment.

We monitor our progress in fostering an inclusive and fair workplace mainly by benchmarking our practices against industry standards. This ongoing evaluation helps us ensure that our actions effectively promote equal opportunities, diversity, and non-discrimination within the workforce. We track the key diversity metrics presented above, and assess these metrics semi-annually to identify trends and make necessary adjustments.

It is our belief that these and similar efforts contribute to job satisfaction, employee retention, and overall organizational performance while mitigating the risks of discrimination and inequality.

Diversity in top management

We define top management as individuals occupying positions with strategic decision-making authority and responsibility for the Group's operational and financial performance. These roles typically include senior executives such as the Chief Executive Officer, Chief Financial Officer, and Deputy Chief Executive Officers. The Group's key management personnel includes the members of the Board of Directors. This definition is aligned with the organization's hierarchical structure and strategic oversight framework.

The Group's top management is made up of both men and women, with different professional backgrounds, also taking into account the profile of the sector in which they operate.

Top management by age and gender	2024			2023		
	Women	Men	Total	Women	Men	Total
<30 years old	0	0	0	0	0	0
30-50 years old	3	5	8	2	4	6
>50 years old	2	0	2	2	0	2
Total	5	5	10	4	4	8

Training and Skills Development

To enhance career development, we offer a variety of training programs and education opportunities, empowering employees to grow professionally. We believe that well-trained, informed and involved staff help improve performance. For all this, we have developed an employee development plan that is based on a series of training modules on process improvement, professional certifications, efficiency in solving tasks, development of presentation, technology, or negotiation skills, etc.

Affected communities

Strategy

Romania's farming communities are central to our business strategy. We strive to facilitate farmers' access to a wide range of technological innovations. As strategic enablers and integrators, we believe we can improve farmers' lives by providing them with the means to run economically viable, productive, and sustainable farming operations.

A key focus area of our strategy is increasing the social and political representativeness of farmers, as well as making agriculture more appealing to young talent and future generations. We are committed to fostering the development of future agricultural leaders and entrepreneurs, thereby enhancing the sector's attractiveness.

Our business model has evolved to meet the changing needs of farmers and anticipate major sector shifts. By providing combined access to high-performance technological inputs and specialised financing, we facilitate the adoption of new technologies, which has strengthened our presence in the local farming community and built strong relationships with farmers. A key factor in our success is our focus on identifying and anticipating farmers' critical needs, followed by the impact we have on their transformation efforts to generate strong, competitive and sustainable business models.

The Romanian agriculture sector faces a significant challenge: it struggles to attract younger generations, leading many farmers to lack viable succession plans. This reluctance of younger generations to take over or develop new agricultural business stems from various factors, including lower perceived social recognition vs. other sectors, lower income levels, or perceived difficult living conditions, all of this and other similar factors painting a bleak picture of life for an agricultural entrepreneur or worker. In response to this pressing issue, we have set an ambitious goal: to enhance farmers' social and political representation while preparing the next generation of agricultural leaders and entrepreneurs. Our vision is to make the agriculture sector more appealing to young talent, ensuring a vibrant future for agriculture in Romania.

i. Communities' rights

We aim to enhance community engagement and expression by promoting effective dialogue and transparency with stakeholders, including farmers. We foster trust and collaboration within the farming community, creating a platform for exchanging diverse ideas and addressing farmers' specific needs.

The following table presents the identified IROs related to Agricover Group's commitment to give back to communities we serve, as well as to promote their rights. It provides an overview of these IROs and identifies policies addressing them.

IRO	IRO Description	Policy
Actual positive impact	By sponsoring professional farmer associations, we help foster open communication, cultural expression, and transparency, enabling the exchange of diverse ideas within the community.	<ul style="list-style-type: none"> • External Communication Policy within Agricover Group • Policy for Registering and Handling Reports

Related policies

We recognise the vital importance of engaging with communities that may be directly or indirectly impacted by our operations. This engagement is essential not only for understanding the concerns and needs of these communities but also for fostering trust and collaboration. We conduct our business in the field, where our teams are meeting face-to-face with thousands of farmers. Our combined field teams of 186 commercial representatives, are identifying first-hand the emerging needs of the farmers, whether related to financing, technological inputs, or digitalisation. Our offerings are based on a deep understanding of the farmers' needs. Therefore, we believe, we offer effective problem-solving solutions, in ways difficult to be replicated by other providers. The policies addressing our engagement with the communities are highlighted in Appendix A – *Policies* to this Statement.

Actions

Our initiatives are primarily centred on generational renewal and succession planning within local farms, recognizing that most of farmers' children are inclined to pursue careers outside of agriculture. To address this challenge, our strategic objective is to draw-up plans and sponsorship programs aimed at the professional development of future agri-food entrepreneurs and managers. We are actively providing financial support to farming communities, focusing on educational programs and other initiatives specifically designed to meet the needs of young farmers, thereby facilitating generational change in family-owned farms, and generally increased professionalism within the sector. In developing and operating meaningful initiatives, we work closely with Clubul Fermierilor Români pentru Agricultură Performantă ("Clubul").

Clubul Fermierilor Români pentru Agricultură Performantă

Clubul is a local not-for-profit farmers association which acts as a strong advocate for farmers' interests at both national and European levels, actively engaging in representation efforts and offering programs focused on consulting, training, and development for farmers and youth, including in collaboration and financed by Agricover. Since 2018, Agricover has been a founding member of Clubul, providing both organizational and financial support to meaningful initiatives of the association.

Part of Clubul's mission and one of our social impact objectives is to educate young farmers about opportunities to apply their knowledge from their chosen professions – i.e. law, information technology, economics, etc. – in roles that can accelerate the transformation of agriculture to meet the demands and challenges of the future, including social and environmental imperatives. Together, Agricover and Clubul have developed and are operating the flagship training program "Young Leaders for Agriculture" („Tineri lideri pentru agricultură”). By 2028 we aim at training 1,000 farmers' children and preparing them for taking over leading roles in their family business or other opportunities within, or adjacent to, the sector. As part of this initiative, during 2024 we granted 70 scholarships (2023: 100), with the total number of trained individuals reaching 385 since the launch of the program.

Alumni and students of Young Leaders for Agriculture have driven and supported the creation of Agrinnovator, a think-tank in the field of bio-renewable agriculture and digitalisation. The think-tank, also sponsored by Agricover, is aimed at assisting farmers and agricultural communities to adapt to the agriculture of the future through:

- **Technological Innovation**, which can reduce the negative environmental impact of traditional agricultural practices and contribute to improving yields and efficiency.
- **Education and Training**, which helps farmers understand and adopt modern technologies and enhance the sustainability of their operations.
- **Promotion of a More Sustainable Agricultural Model**, which could mitigate risks associated with climate change and its impact on natural resources, such as water.

We remain committed to enhance our efforts and resources allocated towards developing synergistic, innovative, and highly differentiated programmes for Romanian farmers and their families, with financial commitments of RON 3.6 million in 2024 and RON 3.5 million in 2023. We take pride in regularly sponsoring such initiatives, reflecting our commitment to giving back to the agricultural community through financial support for educational programs.

Expanding Access to Impact Financing

In addition to our social initiatives in collaboration with Clubul, we are committed to fostering sustainable economic growth by partnering with financial institutions, particularly impact investment funds, to promote and facilitate impact financing within the sector.

To achieve this, we have launched several key programs aimed at supporting small agricultural businesses and promoting sustainable investments:

- **social financing** – issued in partnership with Symbiotics in two tranches, this program is designed to provide financing for micro, small, and medium enterprises.
- **green financing** – developed in collaboration with the European Investment Fund, the program supports investments in heating solutions that reduce CO₂ emissions from buildings and promote the use of renewable energy or waste heat.
- **social financing** – issued jointly with the European Investment Bank, the program targets mostly the financing of micro and small enterprises, with a significant portion allocated to enterprises owned and controlled by farmers under the age of 41.

These initiatives reflect our long-term commitment to sustainable development in Romania by improving access to financing of young farmers and of micro, small, or medium enterprises active within the sector. By enabling investment in sustainable agricultural technologies and business expansion, we aim to enhance productivity, support economic resilience, and create employment opportunities within the sector, further strengthening the local economy.

Engaging with communities

We engaged with the agricultural community by consulting Romanian farmers through questionnaires, as part of our stakeholder engagement exercise designed to better integrate the perspectives of affected stakeholders into our decisions and business model and to inform the development of our Sustainability Strategy and Double Materiality Assessment. The topics covered included environmental issues such as climate change adaptation, pollution of air, water, and soil, and biodiversity, as well as social aspects like health and safety, training and skills development, and the civil and political rights of communities. We also addressed various challenges facing the agricultural sector and regulatory compliance.

Furthermore, we engage with local communities through the programs developed jointly with the Clubul, as highlighted above.

Consumers and end-users

Strategy

In an era marked by rapid transformation in the agricultural sector, we are dedicated to fostering a sustainable and responsible approach that not only meets the evolving needs of farmers but also prioritizes the safety and satisfaction of consumers and end-users.

By leveraging a robust network of 186 sales representatives who engage directly with farmers, we gain insights into the challenges and pain points faced by our customers. This deep understanding enables us to deliver innovative solutions, such as digital tools and financing options, that empower farmers to sustainably enhance productivity. As farmers adopt such

solutions, they contribute to a more reliable and safer food production process, which positively impacts consumers who rely on these products for their daily nutrition.

As consumer preferences increasingly lean toward organic and responsibly sourced products, our commitment to educating and supporting farmers ensures that the end products reaching consumers are not only safe and high-quality but also contribute to a resilient food supply chain. While our products and services can influence agricultural practices and, consequently, the quality of food produced, it’s important to note that the ultimate impact on consumers and end-users lies primarily downstream in our value chain.

Furthermore, in our collaboration with Clubul, we actively engage with a network that represents the interests of farmers across the country. This partnership is crucial as it allows us to incorporate the voices of those who are directly impacted by our products and services into our decision-making processes. By working closely with this association, we gain valuable insights into the challenges and expectations of farmers as well as that of end users and consumers, which in turn informs our strategies and initiatives.

This engagement goes beyond consultation as it fosters a genuine dialogue where we can discuss pressing issues, share knowledge, and explore innovative solutions together. We recognize that farmers are not just our customers but also key stakeholders in the agricultural ecosystem. Their feedback helps us refine our offerings, ensuring that we address their needs effectively while also considering the broader implications for consumers and end-users.

ii. Access to quality information

At Agricovert, we recognize the importance of educating our workforce and customers alike. This educational approach not only supports our workforce but also helps us achieve increased client retention and satisfaction while promoting awareness of the latest best practices that are vital for the long-term success of local agriculture.

The following table presents the identified IROs related to Agricovert Group’s commitment to provide quality information to its customers and end-users. It provides an overview of these IROs and identifies policies addressing them.

IRO	IRO Description	Policy
Opportunity	Increased client retention and satisfaction through education, including on sustainable agriculture-related topics	<ul style="list-style-type: none"> <li data-bbox="1015 1545 1390 1619">External Communication Policy

Related policies

We are dedicated to ensuring that our customers receive accurate, reliable, and clear information at every interaction. Our commitment is reflected through robust labelling practices, comprehensive staff training, and continuous efforts to refine our communication processes. By investing in quality information delivery, we empower our customers to make informed decisions and build lasting trust. The policies addressing our commitment to providing quality information to customers and end-user are highlighted in Appendix A – *Policies* to this Statement.

Actions

We understand the importance of providing our clients with accurate and accessible information about our offering, including products and services. Our commitment to transparency is reflected in the following initiatives:

1. **Following strict labelling and packaging guidelines**

A key part of our commitment to safety and transparency is our strict adherence to requirements included in Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on the classification, labelling, and packaging of substances. This ensures that the substances and mixtures we supply are clearly labelled, providing vital information on their composition, handling, and safety precautions. Furthermore, we work with our suppliers and partners to ensure that the packaging materials we use meet quality and environmental standards. By ensuring accurate labelling and safe packaging, we safeguard the overall safety of workers handling these substances and provide assurance to our clients and end-users that the products they use meet the highest safety standards.

During 2024 we identified or were made aware of no incidents of non-compliance with the provisions of voluntary legislation and regulations regarding information and labelling or the health and safety impacts of our products.

2. **Implementing training programs and communication on best-practices**

We conduct training programs and technical presentation for our commercial team and portfolio clients on the responsible and efficient use of products such as seeds, pesticides, and fertilizers. Additionally, we develop and offer catalogues and presentation materials to promote the sustainable use of agricultural inputs. Our communication efforts also include promoting the use of new technologies, farming techniques, and sustainable practices to improve productivity and environmental outcomes. More information on our skills development programs for farmers can be found in the chapter *Affected Communities* of this Statement.

iii. Personal safety

We finance and promote the adoption of precision agriculture machinery, tools, and implements that empower farmers to apply inputs with greater accuracy—using fewer resources and only where necessary. This approach reduces the risk of residues from substances of concern in food products, directly enhancing end-user safety. By supporting the integration of advanced agricultural technologies through tailored financing solutions, we help farmers optimise their practices, contributing to a safer, more sustainable, and more reliable food supply chain.

The following table presents the identified IROs related to the personal safety of customers and end-users. It provides an overview of these IROs and identifies policies addressing them.

IRO	IRO Description	Policy
Potential positive impact	Providing access to tailored financing solutions enables farmers to invest in advanced technologies that reduce environmental impact and improve worker safety. This can lead to more precise application of pesticides and fertilizers, minimizing soil and water contamination, while also supporting the adoption of biological alternatives that protect biodiversity.	<ul style="list-style-type: none"> • Procurement Policy • Commercial Policy of Agricover IFN
Potential negative impact	Farmers may face exposure to residues from pesticides and fertilizers application. This could lead to health issues, if proper protective equipment is not used. Moreover, chemicals distributed by the company pose risks to human health and the environment, including of pollution of soil and water.	<ul style="list-style-type: none"> • Policy for the Management of Environmental and Social Responsibility Aspects • Risk Management Framework

Related policies

Enhancing the personal safety of farmers and end-users is a fundamental priority for our organization. We recognise that agricultural work involves inherent risks, from physical hazards in the field to the potential exposure to harmful chemicals. By facilitating access to financing, we enable farmers to invest in advanced technologies and safer agricultural practices, reducing the likelihood of work-related injuries and minimizing chemical residues in food, soil, and water. This approach, we believe, not only improves the well-being of farmers but also enhances the safety and quality of the food supply for consumers. The policies addressing the safety of our customers and of consumers highlighted in Appendix A – *Policies* to this Statement. Further details around the interaction between the safety aspects of our financing solutions and the

environmental impacts associated with the use of chemicals in agriculture are included in chapters *Pollution* and *Biodiversity* of this Statement.

Actions

We are mindful of the potential risks associated with the distribution and sale of chemical products. We recognize that these products carry inherent risks which, if not managed properly, could potentially lead to food safety issues. To mitigate such risks, we have implemented the following initiatives:

- 1. Work with suppliers which give OHS and compliance performance the same value we do**

We recognize that effective compliance and OHS management is crucial for both our workforce and the broader agricultural community, including the end-users who ultimately benefit from the products we help bring to market. By ensuring that potential partners meet our standards before entering into any agreements, we mitigate quality and compliance risks and establish a foundation for a safer supply chain. To further understand our approach on supplier management please refer to chapter *Business conduct* of this Statement.

- 2. Support our customers in understanding and managing the potential compliance and OHS risks associated with the use of the products we distribute**

Alongside supplier management practices, we are dedicated to raising awareness about compliance and OHS within the farming community. We sponsor and deliver compliance and OHS awareness campaigns that provide valuable resources, training sessions, and workshops for farmers. These initiatives educate farmers about safe practices and help them recognize potential hazards in their work environments. Moreover, we sell regulated substances of concern or of high concern exclusively to farmers certified for the use of such chemicals, ensuring they follow relevant safety protocols when handling and using potentially hazardous substances.

- 3. Finance the adoption of precision agriculture machinery, tools, and implements for a more efficient and safer use of chemicals, including crop nutrition and crop protection products**

At the core of our commitment to sustainable agriculture is the promotion and financing of precision farming technologies that enhance efficiency while ensuring food safety. Traditional farming methods often involve applying inputs, such as fertilisers and crop protection products, uniformly across fields, leading to unnecessary usage and potential environmental and food safety risks. Precision agriculture, enabled by advanced machinery and digital tools, allows farmers to optimize input application—delivering exactly what is needed, exactly where it is needed. This not only maximizes efficiency and reduces waste but also minimizes the presence of residues in harvested crops, directly contributing to safer food products for consumers.

Through tailored financial solutions, we empower farmers to integrate these cutting-edge technologies into their operations, lowering the barriers to adoption and accelerating the transition to smarter, more sustainable farming. This ensures that consumers receive products with a lower risk of contamination, reinforcing trust in the agricultural supply chain. By supporting the adoption of precision agriculture, we contribute to a resilient and responsible food production system—one that safeguards both the environment and consumer well-being while strengthening long-term food security.

iv. Access to products and services, responsible marketing practices

As a distributor of agricultural inputs and a provider of financing, we play a crucial role in facilitating farmers’ access to essential products and services. By ensuring the availability of high-quality inputs and offering financing solutions, we empower farmers to invest in the resources they need to enhance productivity and sustainability. Additionally, by making products accessible and providing educational resources on the safe use of agricultural inputs, we believe we contribute to better farm management, safer food production, and a more resilient agricultural supply chain. This holistic approach supports farmers in optimizing their operations while promoting long-term agricultural sustainability.

The following table presents the identified IROs related to the responsible marketing practices and access to products and services. It provides an overview of these IROs and identifies policies addressing them.

Topics	IRO	IRO Description	Policy
Non-discrimination, Access to products and services	Potential positive impact	Ensuring products are accessible to a diverse client base fosters an inclusive environment.	<ul style="list-style-type: none"> Commercial Policy of Agricover IFN External Communication Policy
Responsible marketing practices	Actual positive impact	Transparent communication about the benefits and risks of pesticide use	

Related policies

Our **External Communication Policy** is essential for ensuring responsible marketing practices, as it promotes transparency, accuracy, and ethical messaging. By setting clear guidelines on how information is shared with customers and stakeholders, it helps prevent misleading claims, supports informed decision-making, and reinforces trust in our brand. This commitment to responsible communication aligns with our broader sustainability and business integrity goals. This and similar policies addressing access to products and services as well as responsible marketing practises are highlighted in Appendix A – *Policies to this Statement*.

Actions

Non-discrimination

We actively ensure that our products are available to a diverse client base, aiming to foster an inclusive environment where all commercially viable farmers, regardless of their size, gender, age, or location, can access the information, products, and financing necessary for the success of their businesses. By prioritising diversity and accessibility, we empower various types of farmers to benefit from our offerings. Further details on our financing products specifically designed to address accessibility and diversity are included in chapter "*Affected Communities*".

By offering tailored financing products, we improve accessibility and enable farmers to improve their quality of life through the integration of technological advancements into their daily operations, leading to better-managed farms and more efficient food supply chains. As a result, farmers are better positioned to produce high-quality food, benefiting consumers both in the short and long term.

Our approach in improving accessibility to products and services, including financing, has enabled a continuous increase in the number of farmers we served over the last years. Our customer base has increased at a compound annual growth rate (CAGR) of 10.8% since 2017, reaching 9,797 farmers as of December 31, 2024 (10,475 farmers on December 31, 2023), reflecting the quality of our services and their effectiveness in addressing client needs.

Responsible marketing practices

We focus on transparent communication regarding the benefits and risks associated with our products, including substances of concern or of high concern, and financing. This approach helps farmers make informed decisions, minimizing the risks of misuse, and promotes better farming practices. In turn, this mitigates the risk profile of our portfolios of assets.

Workers in the value chain

Value chain workers that are or can be impacted by our operations include suppliers' workforce, including contractors or subcontractors working directly or indirectly with us, on their own operational site or at our premises, clients' workforce, including day labourers, and the workforce of other service providers or assets suppliers.

Strategy

We are committed to upholding and promoting ethical labour standards, respect for human rights, and voluntary work practices within the value chain. Our business model and strategy emphasize sustainability, responsibility, and alignment with international human rights principles across the value chain.

v. Working conditions and other work-related rights

We acknowledge that agriculture is a hazardous economic sector, including in terms of occupational accidents and health issues. We are committed to providing a safe working environment for all employees and contractors on our premises and collaborate with suppliers to ensure they apply the same high standards we do, when it comes to Occupational Health and Safety (OHS) performance.

The following table presents the identified IROs associated with working conditions across the value chain. It includes descriptions of these IROs and identifies the policies that address them.

IRO	IRO Description	Policy
Potential negative impact	Potential health and safety effects related to the use of chemicals (such as pesticides, insecticides, etc.), for example as a result of inhalation, accidental poisoning, etc.	<ul style="list-style-type: none"> • Procurement Policy • External Partners Management Policy
Risk	Health and safety risks related to improper handling of inputs by value chain workers, due to low control regarding the working conditions in the farmers workplaces	

Similarly, IROs associated with other work related rights across the value chain, and policies related to them, are identified in the table below.

IRO	IRO Description	Policy
Potential negative impact	Without clear mechanisms for identifying and addressing human rights violations in the value chain, workers may suffer from a lack of recourse when their rights are infringed upon	<ul style="list-style-type: none"> • Procurement Policy • External Partners Management Policy
Risk	Lack of clear mechanisms for identifying and addressing human rights violations in the value chain	

Related policies

Our **Procurement Policy** and **External Partners Management Policy** establish clear expectations for suppliers and clients to uphold high standards of workplace safety. These policies aim to foster a culture of responsibility and continuous improvement across our value chain, contributing to safer working environments and better health outcomes for all workers involved. These policies are highlighted in Appendix A – *Policies* to this Statement.

Actions

We are committed to the UN Guiding Principles on Business and Human Rights and, as part of that commitment, we are promoting better working conditions throughout the value chain. Moreover, when deemed necessary, we may require our suppliers or clients to adhere to similar standards, including as part of our contractual agreements with them. We trust that our commitment to voluntary employment and the prohibition of forced labour promotes fair labour practices among suppliers, contractors, and clients.

A key focus for us is adhering to legal working hours and overtime regulations. By setting an example for our suppliers and customers, we aim to promote adequate work-life balance and fair compensation across the value chain, including overtime compensation.

We are mindful of security requirements and best practices with respect to handling and using chemical substances. Before relevant transactions, we ensure that our business partners are authorized to deal with regulated chemicals, thus mitigating risks associated with chemical exposure and unsafe working conditions. Our actions include high-quality packaging and appropriate labelling, enhancing safety and ensuring compliance with applicable rules and regulations as well as with best market practices. Safety data sheets are made available to farmers when purchasing products. These sheets include contact information for the Bucharest Toxicology Hospital, where workers can call, provide the product code, and receive detailed instructions for handling or remedying potential issues.

Concerns can be raised to Agricover through various channels, including NAVEX platform, dedicated email and telephone, ensuring that value chain workers have accessible means to report and address their needs. These channels are clearly outlined on the Group's website. Issues raised are monitored and tracked according to our internal whistleblowing policy.

Finally, we engage with value chain workers during procurement and distribution activities, interactions supervised by the CEO of each subsidiary. We run client satisfaction surveys, under the oversight of the Chief Marketing Officer (CMO). Feedbacks gathered are assessed and, when appropriate, incorporated into operational improvements.

Corporate Governance

The administrative, management, and supervisory bodies of Agricover (as highlighted in the Report of the Board of Directors, *Corporate Governance* chapter) play a key role in overseeing ethical business conduct across the organization. Their related responsibilities include:

- **Strategic Oversight:** The Board of Directors supervises the alignment of Agricover's operations with its ethical and sustainability goals, ensuring adherence to national and European legal frameworks, including corporate governance and compliance policies.
- **Management Implementation:** The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for the day-to-day implementation of these strategies, ensuring that business conduct policies are integrated into operational practices and that compliance with internal regulations is upheld.
- **Internal Audits and Monitoring:** Periodic internal compliance audits are conducted to ensure adherence to the Code of Conduct and identify areas requiring improvement. These audits are overseen by compliance officers, by the internal audit team, and, where necessary, by the Board of Directors.
- **Accountability and Reporting:** The supervisory bodies receive regular updates and reports on compliance, business ethics, and the outcomes of any investigations into unethical behaviour. These bodies have the authority to make decisions and recommendations to further strengthen governance practices.

The members of Agricover's administrative, management, and supervisory bodies possess significant expertise in areas relevant to business conduct. Their backgrounds reflect a strong focus on governance, finance, risk management, and compliance.

Members of the executive management, such as the CEO and CFO have extensive experience in financial management and governance, having previously held leadership roles in multinational corporations and financial institutions. Their knowledge is critical in ensuring adherence to anti-corruption and compliance standards.

The Audit Committee, chaired by a member with over 30 years of experience in audit and risk management, oversees the implementation of ethical business practices and ensures compliance with national and international regulations.

Members of the Board of Directors as well as executive managers engage with external experts and participate in training programs and / or are members of relevant professional bodies with an objective to enhance their understanding of emerging governance and compliance challenges, among others.

Detailed CVs of the members of the Board of Directors and of the executive managers are available on the Company's website.

vi. Business Conduct and Corporate Culture

Business conduct and corporate culture are essential for fostering trust, ensuring ethical practices, and guiding consistent, value-driven decision-making within an organization. We are committed to conducting business with honesty and integrity, adhering to the highest standards of ethics and fairness.

Our corporate culture is built on a foundation of transparency, performance, and continuous development. We emphasize a competitive selection process for new employees by publicly advertising open roles and ensuring a structured onboarding experience through induction programs during the first three months of employment. An attractive compensation package further supports employee engagement and retention. To drive performance and growth, we have a robust performance management system in place, where employees are evaluated periodically based on individual KPIs linked to both qualitative and quantitative metrics. This system fosters skill development and goal alignment, complemented by training programs and internships designed for students entering the workforce. Internal communication is strengthened through regular assessments and dedicated interaction channels, ensuring an open and collaborative work environment. Additionally, employee achievements are directly linked to variable compensation based on KPI results, creating a transparent and motivating workplace where contributions are recognized and rewarded.

The following table presents the identified IROs associated with Agricover Group's business conduct and corporate culture. It includes descriptions of these IROs and the corresponding policies that address them.

IRO	IRO Description	Policy
Potential positive impact	An ethical corporate culture based on fair practices and respect can lead to positive outcomes for employees, clients, and suppliers by creating a stable, fair, and trustworthy business environment.	<ul style="list-style-type: none"> • Code of ethics and professional conduct • Policy for registering and handling reports • Anti-fraud policy • General policy on information security • Remuneration policy
Actual positive impact	The principles of ethical conduct serve as a guide for managers and employees, which can create a culture of ethical decision-making and improve the overall governance of the Group.	

Related policies

Our commitment to conducting business with honesty and integrity, adhering to the highest standards of ethics and fairness is reflected in the **Code of Ethics and professional Conduct**, which guide the duties and responsibilities of the Group's managers and employees in relation

to stakeholders, including colleagues, customers, business partners, public authorities, and the civil society as a whole. It establishes ethical standards for all employees, with the primary goal of maintaining integrity, responsibility, transparency, and respect in business practices. It covers areas such as conflict of interest, anti-corruption, anti-bribery, data protection, and respect for employees' rights.

The code is complemented by the **Policy for Registering and Handling Reports**, which aims to provide a safe and confidential means for employees, suppliers, and other stakeholders to report concerns without fear of retaliation. It also ensures that reports are handled with due diligence and in a timely manner, contributing to the prevention of fraud, corruption, and other risks that could harm the company's reputation and legal standing. The main objectives are to promote a culture of transparency and integrity, enhance accountability, and mitigate risks by addressing any reported issues promptly and effectively.

These and other policies dealing with our business conduct and corporate culture are highlighted in Appendix A – *Policies* to this Statement.

Monitoring the implementation of the code is overseen by the Audit Committee, including:

- **Identification:** Regular risk assessments are conducted to ensure the identification of any unlawful behaviour or breaches of internal policies.
- **Reporting Channels:** The Group has established internal mechanisms, such as direct reporting lines to the Audit Committee and whistleblowing channels. These allow both internal and external stakeholders to raise concerns in a secure and confidential manner.
- **Investigation:** All reported issues are promptly reviewed by a dedicated team, ensuring that investigations are conducted independently and objectively. The outcomes of these reviews are reported back to the Board of Directors for further action if needed.
- **Protection for Whistleblowers:** Measures are in place to protect whistleblowers from retaliation, including confidentiality safeguards and anonymous reporting options.

Actions

Our key initiatives for fostering an ethical corporate culture within the Group focus on fair business practices, mutual respect, and collaboration, creating a stable and trustworthy environment for employees, clients, and suppliers. Given the level of decision-making authority and access to sensitive business operations, executive management is inherently at a higher risk of misconduct, including fraud, corruption, and bribery. To address these risks, the internal audit function regularly updates its fraud risk assessment to stay aligned with evolving threats and business dynamics. Targeted actions are then developed and implemented to mitigate risks in high-exposure areas, reinforcing our commitment to ethical business conduct, transparency, and strong internal controls.

Establishment of Internal Whistleblower Reporting Channels

Sound internal mechanisms are in place to ensure employees as well as other stakeholders can securely and confidentially report concerns. These mechanisms include safe channels such as a whistleblower hotline and a dedicated reporting mailbox. Staff managing reports receive specialized training to ensure the effective handling of whistleblower disclosures.

Key reporting channels include:

- A 24/7 whistleblower hotline managed by Navex: 0808.03.42.88
- A dedicated email address: sesizari@agricover.ro
- Direct access to compliance officers via secure postal mail

We abide by applicable laws transposing Directive (EU) 2019/1937, ensuring robust protection for whistleblowers and their families. The identity of whistleblowers remains strictly confidential to prevent any form of retaliation. Measures are in place to guarantee anonymity and safeguard whistleblowers throughout the process.

All reported cases of misconduct are reviewed without delay to determine the facts and initiate a timely investigation. Investigations are conducted by a dedicated compliance team that operates independently from the management and from those involved in the matter, ensuring unbiased outcomes. Investigative processes are guided by predefined protocols that prioritize transparency and impartiality. The results of these investigations are reported directly to the Audit Committee for review and further action as required.

Other key actions we currently undertake for instilling an ethical corporate culture within the Group include:

- **Employee Training:** Conducting mandatory training sessions, followed by tests which have to be passed by exceeding a minimum threshold of correct answers to related questions, on ethical business conduct and adherence to the Code of Conduct and Ethics.
- **Monitoring:** Ongoing assessment of reported or otherwise identified cases of unethical behavior, including fraud and corruption.
- **Supplier Evaluation:** Screening suppliers and business partners for confirmed cases of corruption and anti-competitive behavior, namely for inclusion on any international sanctions lists.
- **Whistleblowing Channels:** Maintaining 24/7 whistleblowing channels for confidential reporting by employees or other stakeholder.

Regarding the costs associated with the actions mentioned above, most efforts related to the enhancement, enforcement, and implementation of relevant policies and procedures, as well as related training and communication, were carried out in-house. Annual subscription fees are primarily paid to software-as-a-service providers that support online platforms for training,

reporting, whistleblowing, and related follow-ups (e.g., NAVEX, Microsoft Success Factors, etc.). These expenditures are categorized under “Administrative Expenses” in Agricover’s financial disclosures.

Our strategic ambition of promoting ethical business practices within our own operations and across the value chain is reflected in the following informal key performance indicators (KPIs), in line with the objectives of our Code of Ethics and Professional Conduct:

1. 100% Employees Trained Annually

Our ambition is to ensure that all Agricover employees complete annual training on business conduct and ethics, reinforcing our commitment to integrity and ethical practices across the organization. This initiative applies to every employee and aims for full compliance by the end of each financial year. Progress is measured by the percentage of employees trained annually, whereby 79% of our employees have been trained on business conduct and ethics during 2024 (99% of employees trained during 2023).

Tailored trainings encompass an overview of the Code of Ethics and professional Conduct, focusing on ethical business practices, recognising and reporting violations, and understanding the repercussions for failing to report or comply. Topics such as fraud prevention, anti-corruption measures, and compliance with internal policies are also covered in detail. Trainings emphasize practical examples and real-life scenarios to ensure employees can apply these principles effectively in their roles.

2. Zero Unethical Business Incidents Confirmed Annually

We aim to maintain zero confirmed incidents of unethical business conduct, including fraud or corruption, within the Group. This applies to all operations and employees, reflecting our commitment to maintaining the highest ethical standards across the Group. This goal is measured by the absence of confirmed unethical incidents reported or validated through internal investigations by the time of our annual review.

Two fraudulent activities were assessed and confirmed as such during 2023. All employees confirmed to be involved in these activities are no longer with the Group. No unethical business incidents, fraud or otherwise, were confirmed during 2024.

There were no confirmed or alleged cases of corruption or bribery reported in 2023 or in 2024.

vii. Management of relationships with suppliers

Our most significant suppliers are large multinational agricultural inputs producers or providers of funds. Managing relationships with all suppliers is a cornerstone of our business strategy. We aim to develop and maintain close, long-term commercial relationships with our suppliers, who are primarily large multinational agricultural inputs producers or providers of funds. These solid partnerships enable us to provide Romanian farmers with essential inputs such as crop nutrition

and protection products, seeds, and fuel as well as with the funds required to finance the acquisition of those inputs or the development of their businesses. By fostering these strong supplier relationships, we ensure delivery of high-quality products and services.

External factors such as market disruptions, geopolitical issues, regulatory changes, or strategic decisions by our key suppliers could significantly impact our ability to secure essential inputs and services. These challenges might result in the termination of contracts by several major suppliers of our Agribusiness segment, which would affect our capacity to consistently deliver high-quality products and services to Romanian farmers.

The following table presents the identified IROs associated with our suppliers. It includes descriptions of these IROs and the corresponding policies that address them.

IRO	IRO Description	Policy
Risk	Several major suppliers of our Agribusiness segment may terminate their supply contracts for reasons outside our control	<ul style="list-style-type: none"> <li data-bbox="1040 743 1349 772">• Procurement policy

Related policies

The **Procurement Policy** establishes the procedures for supplier selection, procurement processes, and contract management, fostering fair and transparent relationships with suppliers, ensuring mutual trust and alignment in our shared objectives. It is further detailed in Appendix A – *Policies* to this Statement.

Actions

To mitigate supply chain risks, we promote and implement fair acquisition practices that, we believe, contribute to a healthy business environment and enhance our long-term resilience. We treat suppliers fairly and ensure timely payments, which are fundamental to maintaining long-standing business relationships. These efforts help us navigate potential challenges and reduce the likelihood of service discontinuation from key suppliers.

We also emphasize sustainability in our supplier relationships. We aim to work with suppliers that invest in the research and development of new plant nutrition and protection products that are safer and more environmentally friendly, and bring such products to the market, together with the financing needed for their acquisition. Additionally, we are committed to promoting products that enable farmers to reduce their carbon emissions, including related digital and precision agriculture tools, and engaging with our key suppliers to reduce their greenhouse gas emissions. Furthermore, we assess suppliers for confirmed cases of corruption, anti-competitive behaviour, and their inclusion on any international sanctions list, as part of our commitment to good business conduct.

We place strong emphasis on timely payment and settlement, ensuring that our commitments to suppliers are met in an efficient and transparent manner. To contribute to the value chain

financial stability and match our clients' agricultural cycles, we negotiate supplier payment terms mostly as follows:

- **Seeds** and **Crop protection products** are acquired with payment terms typically aligned with the harvesting period.
- **Crop nutrition products** generally require advance payments based on proforma invoices. However, for specific products or customers, we may receive payment terms extending to the harvesting period.
- **Fuel** is primarily purchased with advance payments collected based on proforma invoices, or with payments due at delivery.

By structuring our supplier payment terms in this way, we ensure that our financial commitments are met while maintaining a balance between operational efficiency and customer financing needs.

Payment terms with lenders are determined on a case-by-case basis, tailored to the specific terms of each lending agreement and negotiated to align with the financial structure and requirements of the parties.

In 2023 and 2024, we had no confirmed instances of delayed payments due to errors in tracking payment terms or liquidity issues, aligned with our policy to settle all debt, commercial and financial, as due. Any payment delays were solely related to the need for further clarifications from suppliers, in accordance with our internal policies and procedures, or to compliance with applicable international sanctions. This approach reflects our commitment to responsible financial management and maintaining strong, trust-based relationships with our suppliers.

Overall, we believe that our focus on sustainability, ethical conduct, and compliance with regulations supports a healthy business environment and prepares a good ground for long-term business resilience.

viii. Corruption and bribery

Corruption and bribery are significant challenges that can undermine the integrity, reputation, and performance of any organization. Agricover has a zero-tolerance policy towards fraudulent and corrupt practices, emphasizing the importance of conducting business with honesty, integrity, and in accordance with the highest standards of ethics and fairness.

The following table presents the identified IROs associated with corruption and bribery. It includes descriptions of these IROs and the corresponding policies that address them.

IROs Type	IROs Description	Policy
Potential positive impact	A fair approach and transparent structures will increase the trust along the value chain and build a sound reputation	<ul style="list-style-type: none"> • Code of ethics and professional conduct • Anti-fraud policy • Policy on the management and mitigation of the risk of money laundering and terrorist financing
Risk	Fraudulent activities of employees or third parties	

Related policies

Our commitment to conducting business with honesty and integrity, adhering to the highest standards of ethics and fairness is reflected in the **Code of Ethics and professional Conduct**, as complemented by the **Policy for Registering and Handling Reports**. Both are highlighted in the *Business Conduct and Corporate Culture* sub-section above, and in Appendix A – *Policies* to this Statement.

Moreover, the **Policy on the Management and Mitigation of the Risk of Money Laundering and Terrorist Financing** establishes practices and procedures to ensure that customers, transactions, and own operations comply with anti-money laundering (AML) and counter-terrorist financing (CFT) regulations. The policy includes supplier and customer due diligence, transaction monitoring, and regular risk assessments to identify and mitigate financial crimes, including bribery and corruption. It is as well further highlighted in Appendix A – *Policies* to this Statement.

Actions

We have a zero-tolerance policy toward corruption and bribery, implementing strict controls, continuous monitoring, and clear reporting mechanisms to prevent unethical practices across our operations and business relationships. These efforts ensure compliance with anti-corruption regulations and reinforce stakeholder trust:

- **Continuous Risk Monitoring:** we systematically screen all suppliers and clients using a globally recognized risk intelligence platform to detect risks related to corruption, bribery, terrorism, money laundering, and international sanctions. Such screening is performed at the start of a business relationship and continues throughout its duration. As a result of these measures, no confirmed cases of corruption or bribery were reported in 2023 or 2024.

- **Strict Internal Audits:** The internal audit function plays a key role in identifying and mitigating corruption and bribery risks. We conduct periodic fraud risk assessments to detect vulnerabilities and ensure compliance with anti-bribery regulations.
- **Whistleblowing and Incident Reporting:** A dedicated whistleblowing system allows employees, suppliers, and other stakeholders to report suspected corruption or bribery anonymously. This system includes a 24/7 hotline and a secure email channel monitored by compliance officers. All reports are investigated following a structured protocol, with outcomes reviewed by senior management. No suspected or confirmed cases of corruption or bribery were reported in 2023 or 2024.
- **Prevention Through Policy and Training:** We enforce strict anti-corruption policies and integrate them into mandatory employee training programs (further refer to the *Business Conduct and Corporate Culture* sub-section above).
- **Enforcement and Accountability:** All allegations of corruption and bribery are investigated independently by compliance officers, with findings reported to management and supervisory bodies.

When a corruption or bribery concern is identified or brought to the attention of compliance officers or other individuals within the Group, it is reported to and reviewed by the Audit Committee and Group Risk Committee. If necessary, the matter is escalated to the Board of Directors, which oversees corrective actions and ensures compliance with Agricover's anti-corruption policies and regulatory obligations. The structure of the Board of Directors and its advisory committees, including identification of independent members as well as roles and responsibilities, are further details in the *Corporate Governance* section of the Report.

By maintaining rigorous monitoring, strong enforcement measures, transparent reporting systems, and clear oversight mechanisms, we ensure compliance with anti-corruption laws while upholding the integrity of its business practices. Through independent supervisory bodies and Board-level accountability, all corruption and bribery-related risks are managed with transparency, ethical responsibility, and strict adherence to legal standards.

Finally, we provide structured training sessions aimed at ensuring employees understand and comply with ethical standards and anti-corruption measures. These sessions include detailed explanations of the Group's Code of Conduct, examples of unethical behaviours, and guidelines on reporting violations. The training also includes real-life case studies to enhance practical understanding. Such training programs target all employees and tackle, at a minimum, the following topics:

- An overview of the **Code of Conduct**.
- Procedures for identifying and **reporting corruption or bribery** incidents.
- Explanation of potential legal and organizational consequences for non-compliance.
- Specific **anti-corruption policies** aligned with national and EU regulations

Our strategic ambition uphold the highest standards of integrity is reflected in the following informal key performance indicators:

1. **Zero Cases of Corruption:** we aim to maintain zero confirmed cases of corruption, including bribery, across all operations. Compliance and Internal Audit teams monitor and report incidents annually, with no confirmed or alleged cases during 2024 or 2023.
2. **Zero Legal Cases Related to Anti-Competitive Behaviour:** we are committed to fair competition, including anti-trust violations. The Compliance team tracks and reports cases annually, with no related legal actions initiated or ongoing or convictions or fines imposed during 2024 or 2023.

[Appendix A - Policies](#)

[Appendix B – Material IROs](#)

[Appendix C – EU Taxonomy](#)

[Appendix D – ESRS disclosure requirements covered in the Statement](#)

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Appendix A to the Sustainability Statement – Policies

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Physical Security and Work Environment Policy

Key Contents: The Physical Security and Work Environment Policy ensures the safety, health, and well-being of Agricover employees, contractors, and visitors. It provides guidelines for workplace safety, emergency response, and risk prevention. The policy aims to reduce accidents, improve safety standards, and foster a secure work environment. Monitoring is carried out through safety audits, risk assessments, and training programs.

Scope: This policy applies to all Agricover sites, including offices, warehouses, and field operations. It covers all employees, contractors, and visitors, promoting a safe working environment.

Senior Accountability: The Head of Health and Safety is accountable for implementing the policy and reports directly to the CHRO and the CEO.

Third-Party Standards: The policy aligns with Occupational Health and Safety (OHS) standards and national workplace safety regulations.

Consideration of Stakeholder Interests: Input from employees, safety experts, and legal advisors was incorporated to ensure the policy addresses relevant safety concerns. Regular employee feedback is used to improve safety practices continuously.

Policy Availability: The policy is shared with all employees through training programs, workplace notices, and the company intranet. It is also included in onboarding sessions.

Code of Ethics and Professional Conduct

Key Contents: The **Code of Ethics and Professional Conduct** aims to foster a corporate culture grounded in ethical conduct. The main objectives are to promote fair business practices, prevent fraud and corruption, and ensure a positive working environment through adherence to ethical standards. This policy addresses potential risks like unethical behavior, fraud, corruption, and reputational damage. The policy is monitored through regular audits, employee training, and whistleblowing channels. Compliance is assessed by the HR and Compliance departments, with periodic evaluations to ensure adherence and to identify potential violations.

Scope: The code applies to all Agricover employees, managers, and affiliates. It extends to suppliers and clients, particularly those who engage in business activities with Agricover or are part of its value chain. The policy does not explicitly exclude any specific activities, geographies, or stakeholder groups, but it may not directly apply to individuals or organizations not involved in the core business or value chain.

Senior Accountability: The CEO is ultimately accountable for the implementation and enforcement of the code within the organization. The policy is overseen by the Compliance Officer, with support from HR and other management levels.

Third-Party Standards: The policy references several standards, including compliance with local and international anti-corruption laws, the EU Anti-Money Laundering Regulations, and the United Nations Global Compact principles. The implementation of the code aligns with these standards to ensure ethical operations.

Policy Availability: The code is made available to all employees and stakeholders through internal communication channels. It is also available on the Company's website and can be accessed by suppliers and clients upon request. In addition to requiring new employees to read and acknowledge the policy during their onboarding process, existing employees participate in regular online training sessions and periodic tests to ensure they remain up-to-date with the Code of Ethics and Professional Conduct. These sessions also cover related topics such as whistleblowing mechanisms and anti-corruption practices.

Policy for registering and handling reports

Key Contents: The **Policy for Registering and Handling Reports** outlines the procedures for receiving, registering, and addressing reports related to unethical behavior, legal violations, or non-compliance with internal regulations. This policy helps in the creation of a stable, ethical, and trustworthy environment for employees, clients, and business partners. The process is monitored through the NAVEX platform, which tracks all received reports, and internal audits ensure adherence to the policy.

Scope: The policy applies to all Agricovert employees, suppliers, contractors, and business partners. It covers all activities related to reporting and handling issues such as fraud, corruption, abuse of power, legal violations, and any breaches of internal regulations or ethical standards.

Senior Accountability: The policy is overseen by the Compliance Officer, with support from the HR and Internal Audit departments to ensure full adherence to ethical standards and legal requirements.

Third-Party Standards: The policy aligns with national and international standards, including Directive 1937/2019 on the protection of whistleblowers and Regulation 679/2016 (GDPR) on personal data protection.

Consideration of Stakeholder Interests: The policy was developed with input from senior management, legal advisors, and compliance teams to ensure that the interests of employees, suppliers, and clients are adequately addressed. The protection of whistleblowers and ensuring a fair, transparent, and responsive reporting process were key considerations in the policy's creation.

Policy Availability: The policy is made available to all employees, contractors, suppliers, and other stakeholders through internal communication channels, including the company intranet, and through the Company's website. New employees are required to read and acknowledge the policy during their onboarding process.

Human Resources Policy

Key Contents: The Human Resources Policy ensures fair treatment, equal opportunities, and professional development for all employees. It focuses on recruitment, career advancement, performance evaluation, and employee engagement. The policy addresses risks such as discrimination, unequal treatment, and lack of development opportunities, while promoting a diverse and inclusive work environment. Monitoring mechanisms include regular employee feedback, performance reviews, and internal audits.

Scope: This policy applies to all Agricover employees, managers, and affiliates across all operational sites. It encompasses all activities related to hiring, training, and career development and has no explicit exclusions.

Senior Accountability: The Chief Human Resources Officer (CHRO) is responsible for the implementation and oversight of this policy. The CHRO works closely with the CEO, the Remuneration Committee, and the Board of Directors to ensure alignment with Agricover's strategic goals.

Third-Party Standards: The policy aligns with international labour standards, including the UN Global Compact Principles, ILO Conventions, and relevant national labour laws to ensure ethical employment practices.

Consideration of Stakeholder Interests: The policy incorporates input from employees and regulatory bodies, through regular feedback and consultations.

Policy Availability: The Human Resources Policy is communicated to all employees via internal channels, including the company intranet and onboarding materials.

Anti-Fraud Policy

Key Contents: The **Anti-Fraud Policy** outlines Agricover's approach to preventing and addressing fraud within its operations. The policy aims to maintain a culture of honesty and integrity while establishing a zero-tolerance stance toward fraud. It focuses on preventing, detecting, and investigating fraudulent activities, including internal and external fraud, such as corruption and bribery. The policy provides a framework for reporting and addressing suspected fraud and establishes clear procedures for internal controls to mitigate fraud risks.

General Objectives: The primary objective is to eliminate fraud risks within the company, particularly through the implementation of preventive controls and an ethical corporate culture.

Material Impacts, Risks, and Opportunities: The policy addresses risks such as internal fraud, bribery, and corruption. By enforcing a zero-tolerance policy, it also aims to mitigate reputational damage and legal consequences.

Scope: All activities across Agricover's operations are covered by this policy, including procurement, HR, and financial management. All employees, suppliers, contractors, business partners and other stakeholders, with no exceptions, are impacted by this policy.

Senior Accountability: The CEO of Agricover is ultimately accountable for the implementation of the policy, with support from the Compliance Officer and relevant departmental heads.

Third-Party Standards: The policy aligns with national and international anti-corruption regulations, such as the EU Anti-Money Laundering Directive and other relevant legislation on fraud prevention.

Policy Availability: The policy is accessible to all employees through internal communication channels and is published on Agricover's website.

Risk Management Framework

Key contents: The Risk Management Framework provides a structured approach to identifying, assessing, and managing risks across all business segments, integrating risk management into core activities to balance risk control with business opportunities.

It aims to:

- establish a risk taxonomy ensuring a clear and consistent definition of risks;
- define a risk appetite framework to align risk-taking with business objectives;
- ensure effective risk control mechanisms at all levels of the organization;
- provide a clear reporting structure for risk-based decision-making;
- maintain a balance between risk mitigation and business growth strategies.

The framework is built on a three-lines-of-defense model:

- first line of defense:** business and operational managers own and manage risks, ensuring alignment with policies and procedures;
- second line of defense:** risk management and compliance functions provide oversight, develop risk policies, and ensure that risk exposure remains within the defined appetite;
- third line of defense:** internal audit provides independent assurance on risk controls and governance.

The framework formalizes risk appetite through a Risk Appetite Statement, which defines the types and levels of risk the Group is willing to accept. Risk appetite is monitored using key risk indicators and a traffic-light escalation system (green, yellow, orange, red) that dictates reporting and escalation requirements. It also includes a risk registry, categorizing significant risks under strategic, operational, financial, compliance, or reputational risks.

The framework directly supports sustainability reporting by assessing and managing environmental, social, and governance risks.

Scope: The framework applies across all Agricover entities, covering financial and non-financial risks inherent to the Group's business operations.

Senior accountability: risk management responsibilities are distributed across several governance bodies, each with distinct roles:

- Board of Directors: provides strategic oversight of risk management, approves the Risk Appetite Statement, and ensures that risk management is integrated into business strategy.
- Group Risk Committee: Monitors the Group's risk profile, oversees risk mitigation efforts, and ensures alignment with the approved Risk Management Framework.
- Group Audit Committee: Provides independent review of the risk governance framework, internal controls, and compliance with regulatory requirements.
- Group Credit Risk Committee: Oversees credit exposures, counterparty risks, and alignment with the Group's credit risk strategy.
- Significant Risk Management Committees (at subsidiaries level): manage and oversee subsidiary-specific risks, ensuring compliance with group-wide risk policies.

The Board of Directors has final oversight of the risk management framework, including of its alignment with the Group's sustainability and strategic objectives.

Policy on the Management and Mitigation of the Risk of Money Laundering and Terrorist Financing

Key Contents: The **Policy on the Management and Mitigation of the Risk of Money Laundering and Terrorist Financing** focuses on managing risks related to money laundering and terrorist financing within the Group. The policy establishes procedures to ensure that customers, transactions, and operations comply with anti-money laundering (AML) and counter-terrorist financing (CFT) regulations. The policy includes customer due diligence, transaction monitoring, and regular risk assessments to identify and mitigate financial crimes, including bribery and corruption.

General Objectives: To minimize exposure to money laundering and terrorist financing risks by ensuring rigorous compliance with the relevant legal frameworks.

Process for Monitoring: Ongoing monitoring of clients, transactions, and risks is performed via automated systems and periodic internal audits.

Scope: The policy covers all activities related to financial transactions, supplier and client onboarding, and ongoing monitoring of clients and suppliers.

Senior Accountability: The Board of Directors is accountable for the implementation of this policy, with operational oversight from the Compliance Officers.

Third-Party Standards: The policy complies with national legislation, including Law 129/2019 for the prevention and combat of money laundering and terrorist financing. It also aligns with European Union regulations and guidelines from international financial bodies.

Stakeholder Consideration: The policy was developed considering the feedback of relevant regulatory authorities.

Policy Availability: This policy is available to employees through the Company's internal communication channels. Relevant employees are trained on the policy during onboarding and through periodic training sessions.

Policy for the Management of Environmental and Social Responsibility Aspects

Key Contents: Withing Agricover Credit, we have formally established the **Policy for the Management of Environmental and Social Responsibility Aspects**, a comprehensive policy to manage environmental and social responsibility aspects. It aims to ensure compliance with national and international legal frameworks related to environmental protection, health and safety at work, social protection, and anti-discrimination.

Policy Availability: The policy is periodically reviewed and updated to meet evolving needs and is communicated to all employees on the Group's intranet, and through targeted communications on an ad-hoc basis, when the need is identified.

Scope: The policy covers all financing activities and applies to all products and services offered to customers. It encourages farmers, we believe, to comply with legal requirements related to environmental protection, labour rights, and social responsibility throughout their operations.

Senior Accountability: The CEO of Agricover Credit IFN S.A. is accountable for the policy's implementation, with oversight by the Compliance team. The policy commits to respecting third-party standards and initiatives, including those issued by the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC), as well as international conventions like the Universal Declaration of Human Rights.

While not formalised in internal policies, similar practices are established across the Group.

Commercial Policy of Agricover IFN

Key Contents: The Commercial Policy delineates Agricover Credit IFN's strategic commitment to financing the agricultural sector, with a particular emphasis on agricultural production. It establishes clear criteria for eligible clients, specifically targeting legal entities such as limited liability companies and cooperatives. It sets the context for the development of tailored financing solutions that meet the specific needs of different types of farmers. The policy outlines a range of credit products, including lines of credit, working capital loans, and investment financing, designed to provide farmers with the necessary financial resources to adopt innovative technologies, to support their daily operating activities, and improve their production processes to enhance productivity and efficiency. All financings offered are designed (be it standardized or customized) with payment schedules aligned to the agriculture season. A structured delegation matrix for decision-making regarding product features and discounts guides a transparent approach to policy implementation

Scope: This policy specifies the types of clients eligible for being financed by the Group, targeting legal entities, including micro, small, medium, or large enterprises or cooperatives.

Senior Accountability: The implementation of the policy is overseen by the Commercial Department, which is responsible for sales processes, credit file management, and customer relationship strategies. Senior management is accountable for ensuring that the policy aligns with our strategic objectives and regulatory requirements.

Third-Party Standards: The policy aligns with applicable regulations set forth by the National Bank of Romania.

Policy Availability: The policy is communicated to all relevant employees and partners through training sessions, internal communication channels, and the Group intranet.

Remuneration Policy

Key Contents: The **Remuneration Policy** outlines Agricover's approach to fair and competitive employee compensation. It covers base salaries, bonuses, benefits, and performance-based incentives. The policy ensures that remuneration practices are equitable and aligned with industry standards, addressing risks such as employee turnover and dissatisfaction while supporting talent retention and motivation. Remuneration practices are designed to reward employees for their contributions and promote a fair and inclusive work environment. By linking remuneration to both individual and organizational performance, the policy contributes to enhancing motivation, ethical conduct, and overall governance. Monitoring is conducted through annual salary reviews and benchmarking studies.

Scope: This policy applies to all employees within Agricover, across all locations and operational levels. Adjustments are made based on local market conditions and performance evaluations to maintain fairness and competitiveness.

Senior Accountability: The CHRO oversees the policy's implementation, with strategic oversight by the CEO and approval from the Board of Directors. The Board of Directors ensures alignment with strategic goals and fairness. The Nomination and Remuneration Committee assists the Board of Directors in fulfilling its duties of:

- iv) maintaining an adequate structure of the Board of Directors and of the executive management team, both in terms of size as well as competences and skills necessary to achieve the Group's strategic objectives and to uphold its values; as well as of
- v) implementing efficient remuneration policies and human resources management systems.

Third-Party Standards: The policy is aligned with ILO standards and national labour laws to ensure fair and ethical compensation practices.

Consideration of Stakeholder Interests: Stakeholder input, including employee feedback and consultation with compensation experts, was considered to create a policy that meets employees' needs and aligns with Agricover's strategic objectives.

Policy Availability: The policy is made available to all employees via the company intranet and employee handbook. It is also communicated during onboarding and through regular updates during performance evaluations.

Procurement Policy

Key Contents: Agricover's **Procurement Policy** establishes principles and processes for the effective and ethical management of contractual relationships. It outlines clear guidelines for supplier selection, contract approval, and ongoing evaluation. The policy emphasizes transparency, accountability, and adherence to legal and ethical practices in all contracting processes. Monitoring is conducted through annual supplier evaluations, internal audits, and the review of contract performance metrics.

Scope: This policy applies to all contracts with suppliers and vendors. It encompasses all contracting activities, including supplier selection, contract approval, and performance evaluation.

Senior Accountability: The Compliance team and the CEO of each entity within the Group are responsible for the implementation and oversight of this policy.

Consideration of Stakeholder Interests: Input from suppliers, compliance team, and legal advisors was incorporated to address concerns about transparency, fairness, and compliance. Feedback from stakeholders informs updates to the policy.

Policy Availability: The policy is communicated to all relevant employees and partners through training sessions, internal communication channels, and the Group intranet.

External Partners Management Policy

Key Contents: The External Partners Management Policy defines the framework for managing relationships with third-party suppliers, service providers, and other business partners. It establishes requirements for compliance with security, operational, and sustainability standards throughout the collaboration. The policy focuses on ensuring the security of information and IT systems, aligning with Agricover's operational and ethical objectives, and addressing the health and safety standards within the value chain. This includes ensuring that relevant business partners are authorized to deal with regulated chemicals, thus mitigating risks associated with chemical exposure and unsafe working conditions. Monitoring is conducted through periodic evaluations and audits.

Scope: This policy applies to all external partners, including IT service providers, consultants, subcontractors, and other collaborators with access to Agricover's infrastructure and resources. It covers all stages of collaboration, from partner selection to contract termination.

Senior Accountability: The IT Director and the compliance team are responsible for enforcing the policy and ensuring its proper implementation.

Consideration of Stakeholder Interests: The policy incorporates feedback from key stakeholders, including IT teams, suppliers, or external auditors, to ensure it addresses relevant security and operational concerns.

Policy Availability: This policy is available through internal channels for employees managing these partnerships, including on the Group's intranet.

General Policy on Information Security

Key Contents: The **General Information Security Policy** sets a comprehensive framework for managing information security within Agricover. Its primary goal is to ensure the confidentiality, integrity, and availability of all information managed by the company, minimizing risks associated with cyber threats and unauthorized access. This policy addresses key concerns such as secure data handling, access controls, risk management, and incident response. The policy promotes a secure environment where business operations can continue without compromise, ensuring a safe and trustworthy framework for employees, clients, and suppliers. It aligns with legal and regulatory obligations, emphasizing the Group's commitment to safeguarding its digital and physical resources.

Scope: The policy applies to all entities within Agricover Holding, covering all employees, external collaborators, suppliers, and clients who have access to the Group's information and communication resources. It includes the handling of both digital and physical information, as well as the Group's network infrastructure, systems, and physical security measures. This policy is valid for all markets where Agricover operates, including Romania and international locations.

Senior Accountability: The most senior level accountable for the implementation and enforcement of the General Information Security Policy is the Chief Information Security Officer (CISO), who oversees compliance with this policy across the organization. The CISO role is currently assigned to the IT Director of Agricover.

Policy Availability: The General Information Security Policy is made available to all affected stakeholders through internal communication channels, including the company intranet. Employees must acknowledge the policy as part of their onboarding process, ensuring they understand the security measures in place.

External Communication Policy

Our External Communication Policy outlines the general rules for external communication within Agricover Group, aiming to shape public perception and convey our core values, product offerings, performance, and relevant business developments. Its primary objectives include increasing awareness among diverse audiences, generating sales, building client relationships, keeping shareholders informed about key events, and attracting investors, among others.

It emphasizes transparency and fosters clear, consistent communication with various stakeholders such as shareholders, customers, other business partners, regulatory bodies, among others. The policy includes guidelines for how communications should be handled, emphasizing that only authorised spokespeople may speak on behalf of the Group, ensuring that any messages shared are aligned with the Group's values, policies, and the appropriate legal framework.

This policy is essential to maintaining trust and clarity in communications, particularly regarding the Group's products and services, which directly affect consumers and end-users.

The policy applies to all employees and encompasses all forms of external communication, including verbal and written interactions with stakeholders such as shareholders, investors, analysts, media, clients, suppliers, business partners, and public authorities. It is subject to annual reviews or adjustments as necessary, and adherence to its guidelines is mandatory for all employees, ensuring that external communications align with Agricover Group's objectives and reflect its commitment to transparency and effective stakeholder engagement.

Appendix B to the Sustainability Statement – Material IROs

The 2024 materiality assessment identified 33 material IROs with significant environmental, social, and/or financial impacts on our operations, as detailed in the following table. These IROs were then mapped across the value chain (categorised as affecting Own Operations – Core, Upstream, Downstream, or Multiple areas) along with their reasonably expected time horizons for impact realisation.

Topic	Sub-topic	IRO	IRO Description	Value chain	Time horizon
E1 Climate Change	Climate change adaptation	Actual positive impact	Facilitating farmers' access to financing of investments in equipment that increases resilience to climate change, such as irrigation systems.	Downstream	Short-term
	Climate change adaptation	Actual positive impact	Educating the agricultural community about the impact of climate change and adaptation solutions.	Downstream	Short-term
	Climate change adaptation	Risk	Extreme weather events, including draughts, that may affect farmers' yields, which in turn may adversely impact our business, operating results, and financial standing.	Downstream	Long-term
	Climate change mitigation	Actual negative impact	The use of fossil fuels for transportation in own distribution operations, as well as downstream, through working the land, leads to emissions of CO ₂ , CH ₄ , and N ₂ O, contributing to the greenhouse effect and global warming.	Core & Downstream	Short-term
	Climate change mitigation	Actual negative impact	High value chain GHG emissions: upstream, from the production of fertilizers and other chemicals and downstream through the use of nitrogen-based fertilizers, which can release nitrous oxide, a potent greenhouse gas.	Upstream & Downstream	Short-term

Topic	Sub-topic	IRO	IRO Description	Value chain	Time horizon
E2 Pollution	Pollution of soil and water, Impacts on the state of species, Personal safety of consumers and/or end-users	Potential positive impact	Providing access to tailored financing solutions enables farmers to invest in advanced technologies that reduce environmental impact and improve worker safety. This can lead to more precise application of pesticides and fertilizers, minimizing soil and water contamination, while also supporting the adoption of biological alternatives that protect biodiversity.	Downstream	Medium and long-term
	E4 Biodiversity, ecosystems	Pollution of soil and water, Substances of concern, Personal safety of consumers	Potential negative impact	Farmers may face exposure to residues from pesticides and fertilizers application. This could lead to health issues, if proper protective equipment is not used. Moreover, chemicals distributed by the company pose risks to human health and the environment, including of pollution of soil and water.	Core & Downstream
E4 Biodiversity, ecosystems	Direct impact drivers of biodiversity loss	Potential negative impact	Reduction of biodiversity (loss of species diversity of birds, reptiles, amphibians, insects) caused by excessive use of chemicals in downstream value chain (farmers' agricultural practices).	Downstream	Long-term
	Direct impact drivers of biodiversity loss	Potential negative impact	Funding agricultural projects which lead to monoculture farming, deforestation or destruction of natural habitats.	Core & Downstream	Long-term
S1 Own workforce	Working conditions	Risk	Shortage of skilled labour.	Core	Short-term
	Working conditions	Actual positive impact	Promoting secure employment, fair wages, and safe working conditions—along with flexible working hours, diversity, inclusion, and employee engagement in decision-making—helps in the creation of a supportive work environment that ensures equal opportunities and a sustainable work-life balance for all employees.	Core	Short-term
	Equal treatment and opportunities for all	Potential positive impact	Providing training, mentorship, and a safe, respectful workplace fosters a diverse, inclusive, and innovative industry. Investing in talent development, internships, and equal opportunities enhances career prospects, promotes social mobility, and strengthens the future workforce.	Core	Medium-term

Topic	Sub-topic	IRO	IRO Description	Value chain	Time horizon
S2 Workers in the value chain	Working conditions	Potential negative impact	Potential health and safety effects related to the use of chemicals (such as pesticides, insecticides, etc.), for example as a result of inhalation, accidental poisoning, etc.	Upstream & Downstream	Medium-term
	Working conditions	Risk	Health and safety risks related to improper handling of inputs by value chain workers, due to low control regarding the working conditions in the farmers workplaces	Upstream & Downstream	Medium-term
	Other work-related rights	Potential negative impact	Without clear mechanisms for identifying and addressing human rights violations in the value chain, workers may suffer from a lack of recourse when their rights are infringed upon.	Upstream & Downstream	Medium-term
	Other work-related rights	Risk	Lack of clear mechanisms for identifying and addressing human rights violations in the value chain	Upstream & Downstream	Medium-term
S3 Affected communities	Communities' civil and political rights	Actual positive impact	By sponsoring professional farmer associations, we help foster open communication, cultural expression, and transparency, enabling the exchange of diverse ideas within the community.	Core & Downstream	Short-term
S4 Consumers, End Users	Information related impacts for consumers and/or end-users	Opportunity	Increased client retention and satisfaction through education, including sustainable agriculture-related topics.	Core & Downstream	Short-term
	Social inclusion of consumers and/or end-users	Potential positive impact	Ensuring products are accessible to a diverse client base fosters an inclusive environment.	Core & Downstream	Short-term
	Social inclusion of consumers and/or end-users	Actual positive impact	Transparent communication about the benefits and risks of pesticide use	Core & Downstream	Short-term

Topic	Sub-topic	IRO	IRO Description	Value chain	Time horizon
G1 Business Conduct	Corporate Culture	Potential positive impact	An ethical corporate culture based on fair practices and respect can lead to positive outcomes for employees, clients, and suppliers by creating a stable, fair, and trustworthy business environment.	Core	Long-term
	Corporate Culture	Actual positive impact	The principles of ethical conduct serve as a guide for managers and employees, which can create a culture of ethical decision-making and improve the overall governance of the company.	Core	Short-term
	Corruption and bribery	Potential positive impact	A fair approach and transparent structures will increase the trust along the value chain and build a sound reputation.	Upstream, Core & Downstream	Medium-term
	Corruption and bribery	Risk	Fraudulent activities of employees or third parties	Upstream & Core	Medium-term
	Management of relationships with suppliers including payment practices	Risk	Several major suppliers of our Agribusiness segment may terminate their supply contracts for reasons outside our control	Upstream	Medium-term

Appendix C to the Sustainability Statement – EU Taxonomy

Process for identifying and assessing EU Taxonomy activities

An economic activity is considered EU Taxonomy-eligible if it matches the descriptions provided in the EU Taxonomy Delegated Acts. To determine eligibility at Agricover Group, we conducted a comprehensive review of our business activities, comparing them against the criteria in Annex I and II of the EU Taxonomy Climate Delegated Act and Annex I-IV of the EU Taxonomy Environmental Delegated Act.

As at the end of 2024, the principal activities of the Group were the following:

- distribution of agricultural inputs (i.e. crop nutrition and crop protection products, certified seeds, and fuel) to farmers;
- financing farmers;
- intermediation of insurance.

A dedicated project team conducted the eligibility assessment, using both a bottom-up (micro) and top-down (macro) approach. Internal meetings and workshops were held with management and experts to ensure alignment with EU Taxonomy requirements. Business segments and corporate entities participated in detailed reviews for effective bottom-up identification of eligible activities, assets, projects, and related capital (CapEX), operational (OpEx), and turnover expenditures.

The identified Taxonomy-eligible activities relate to the environmental objective of climate change mitigation:

- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles, and
- 6.6 Freight transport services by road

Total CAPEX linked to these activities in 2024 represents 11% of the Group's total CAPEX. However, we did not identify any eligible turnover related to the six EU Taxonomy environmental objectives.

The Group also assessed whether the eligible activities met the alignment criteria, including:

- Substantial contribution to climate change mitigation,
- Do-no-significant-harm (DNSH) criteria,
- Minimum social safeguards.

No Taxonomy-aligned economic activity was identified.

Agricover does not have a formally approved CAPEX plan for expanding Taxonomy-aligned activities. However, its procurement strategy focuses on sustainability, particularly through the transition to a greener vehicle fleet. The Group prioritizes leasing hybrid and electric vehicles

and prohibits diesel vehicles. As of the end of 2024, Agricover had leased 80 hybrid vehicles, representing 25% of its total fleet.

The analysis of all the economic activities is done on an annual basis and includes an update of the previous year's assessment.

Definition of financial KPIs

Values for Agricover Group's Key Performance Indicators (KPIs) are obtained from the numbers reported in the Agricover Group's consolidated financial statements prepared in accordance with Order of the Ministry of Public Finance no. 2844/2016 for the approval of the accounting regulations compliant with the International Financial Reporting Standards, as adopted by the European Union (further referred in this Appendix as "the Consolidated Financial Statements"). KPIs are computed based on the consolidated sales revenues, CAPEX, and OPEX of Agricover Holding SA and its subsidiaries. The definitions follow Delegated Regulation (EU) 2021/2178 (Disclosures Delegated Act).

The proportion of taxonomy-aligned economic activities in the sales revenues, CAPEX, and OPEX (the "alignment ratio") has been calculated as the part of sales revenues, CAPEX, and OPEX derived from products, services and projects associated with taxonomy aligned economic activities (numerator) divided by the total sales revenues, CAPEX, and OPEX (denominator). The same logic applies to the calculation of the "eligibility ratio."

The denominators for the financial KPIs were defined as follows:

- The denominator of the **turnover KPI** is based on the consolidated revenues (see the Consolidated Financial Statements, sum of the following lines: Revenues, Interest income, Fee and commission income and Other operating income). For further details on our accounting policies regarding consolidated revenues, see the Consolidated Financial Statements, Notes 5 and 6.
- The denominator for the **CapEx KPI** consists of additions to intangible assets (see the Consolidated Financial Statements, Note 22), tangible assets, and right-of-use assets.
- Total OpEx consists of direct expenditure related to day-to-day servicing of assets, as follows:
 - **research and development (R&D) expenses** include the research and development expenses recognized in line "Research and development" in the income statement (see the Consolidated Financial Statements, Note 7);
 - **maintenance and repair** costs and other direct expenditure related to day-to-day servicing of assets mainly include costs for external services, personnel expenses, and material costs related to regular and unplanned maintenance, repairs, and servicing measures. The related cost items presented in "Repairs and maintenance" in the Consolidated Financial Statements, see Note 7;
 - **short term lease** related expenses.

CapEx Plan

The CapEx plan is intended to outline taxonomy-eligible activities and planned investments to enhance sustainability over the next five years. It is based on the most recent business plan approved by management, in line with the five-year period set out in Commission Delegated Regulation (EU) 2020/852. Planned CapEx may be subject to revisions and adjustments. For 2024, we did not prepare a CapEx plan to align identified eligible activities.

Overview of EU Taxonomy KPIs for 2024

<i>RON thousand</i>	Turnover	CapEx	OpEx
Environmentally sustainable (taxonomy-aligned) activities	-	-	-
Taxonomy-eligible, but not taxonomy-aligned activities	-	4,901	-
Taxonomy non-eligible activities	1,799,268	39,522	9,511
Total	1,799,268	44,423	9,511

i. Taxonomy-eligible and aligned turnover

Of the activities that generate turnover for the Group, none was identified as meeting the definition set out in Annex II of the Delegated Act.

ii. Taxonomy-eligible and aligned CAPEX

In 2024, 11% Agricover Group's CapEx qualified as taxonomy eligible (2023: 0%), from which 0% was deemed taxonomy aligned (2023: 0%).

Taxonomy-eligible CAPEX can be broken down into additions to different asset classes, which can be found in the table below.

<i>RON thousand</i>	Eligible not aligned
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	4,657
6.6 Freight transport services by road	244
Total	4,901

iii. Taxonomy-eligible and aligned OPEX

In 2024, Agricover Group's operating expenses (OpEx) did not qualify as taxonomy eligible (2023: 0%).

Further details around EU Taxonomy KPIs are included in the tables below.

Turnover

Financial year	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Absolute turnover (3)	Proportion of Turnover (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total turnover, year 2023 (18)**	Category (enabling activity) (19)	Category (transitional activity) (20)
<i>Text</i>		<i>Ron thousand</i>	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0%														0%	-	-
Of which enabling		0.00	0%														0%	E	
Of which transitional		0.00	0%														0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.00	0%														0%		
Total (A.1+A.2)		0.00	0%														0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		1,799,268	100%																
Total (A+B)		1,799,268	100%																

CapEx

Financial year	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total CapEx, 2023 (18)**	Category (enabling activity) (19)	Category (transitional activity) (20)
<i>Text</i>		<i>Ron thousand</i>	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																			
																	0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0%	0%													0%		
Of which enabling		0.00	0%														0%	E	
Of which transitional		0.00	0%														0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles		4,657	10%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Freight transport services by road		244	1%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		4,901	10%														0%		
Total (A.1+A.2)		4,901	10%														0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities		39,522	90%																
Total (A+B)		44,423	100%																

OpEx

Financial year	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards (17)	Taxonomy aligned proportion of total OpEx, 2023 (18)**	Category (enabling activity) (19)	Category (transitional activity) (20)
Economic Activities (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
Text		Ron thousand	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			0%																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0%														0%		
Of which enabling		0.00	0%														0%	E	
Of which transitional		0.00	0%														0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.00	0%														0%		
Total (A.1+A.2)		0.00	0%														0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		9,511	100%																
Total (A+B)		9,511	100%																

Appendix D to the Sustainability Statement – ESRS disclosure requirements covered in the Statement

ESRS Disclosure Requirement	Reference to page within the Statement
E1 Climate Change	
Disclosure requirement related to ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	7
Disclosure Requirement E1-1 – Transition plan for climate change mitigation	14-15
Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	16
Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	7 - 14
Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation	17
Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies	17
Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation	18 - 20
Disclosure Requirement E1-5 – Energy consumption and mix	18 - 20
Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	19 - 20
E2 Pollution	
Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	7 - 14
Disclosure Requirement E2-1 – Policies related to pollution & MDR-P – Policies adopted to manage material sustainability matters	23
Disclosure Requirement E2-2 – Actions and resources related to pollution & MDR-A – Actions and resources in relation to material sustainability matters	23 – 25
Disclosure Requirement E2-3 – Targets related to pollution & MDR-T – Tracking effectiveness of policies and actions through targets	23 – 25
Disclosure Requirement E2-5 – Substances of concern and substances of very high concern & MDR-M – Metrics in relation to material sustainability matters	23 – 25
E4 Biodiversity and Ecosystems	
Disclosure Requirement BP-2 – Disclosures in relation to specific circumstances	25 – 27
S1 Own Workforce	
Disclosure Requirement BP-2 – Disclosures in relation to specific circumstances	27 – 34
S2 Workers in the value chain	
Disclosure Requirement BP-2 – Disclosures in relation to specific circumstances	43 - 45
S3 Affected communities	
Disclosure Requirement BP-2 – Disclosures in relation to specific circumstances	34 – 37
S4 Consumers and End Users	
Disclosure Requirement BP-2 – Disclosures in relation to specific circumstances	37 – 43
G1 Business Conduct	
Disclosure Requirement related to ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies	46
Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	7 – 12
Disclosure Requirement G1-1– Corporate culture and Business conduct policies and corporate culture	47 – 50
Disclosure Requirement G1-2 – Management of relationships with suppliers	50 – 52
Disclosure Requirement G1-3 – Prevention and detection of corruption and bribery	52 – 55
Disclosure Requirement G1-4 – Confirmed incidents of corruption or bribery	55
Disclosure Requirement G1-5 – Political influence and lobbying activities	n/a
Disclosure Requirement G1-6 – Payment practices	51 – 52

Appendix E to the Sustainability Statement – Datapoints

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reference to page within the Declaration
ESRS 2 GOV-1 Board's gender diversity 21 (d)	x		x		46
ESRS 2 GOV-1 Percentage of board members who are independent 21 (e)			x		46
ESRS 2 GOV-4 Statement on due diligence 30	x				3
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities 40 (d) i	x	x	x		18
ESRS 2 SBM-1 Involvement in activities related to chemical production 40 (d) ii	x		x		23
ESRS 2 SBM-1 Involvement in activities related to controversial weapons 40 (d) iii	x		x		n/a
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco 40 (d) iv			x		n/a
ESRS E1-1 Transition plan to reach climate neutrality by 2050 14				x	17
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks 16 (g)		x	x		17
ESRS E1-4 GHG emission reduction targets 34	x	x	x		17
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) 38	x				18
ESRS E1-5 Energy consumption and mix 37	x				18
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors 40 to 43	x				20
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions 44	x	x	x		19
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	x	x	x		20
ESRS E1-7 GHG removals and carbon credits 56				x	n/a
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks 66			x		14

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reference to page within the Declaration
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk 66 (a) ESRS E1-9 Location of significant assets at material physical risk 66 (c).		x			n/a
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes 67 (c).		x			n/a
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities 69			x		15
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, 28	x				n/a
ESRS E3-1 Water and marine resources 9	x				n/a
ESRS E3-1 Dedicated policy 13	x				n/a
ESRS E3-1 Sustainable oceans and seas 14	x				n/a
ESRS E3-4 Total water recycled and reused 28 (c)	x				n/a
ESRS E3-4 Total water consumption in m3 per net revenue on own operations 29	x				n/a
ESRS 2-SBM 3 - E4 16 (a) i	x				n/a
ESRS 2-SBM 3 - E4 16 (b)	x				n/a
ESRS 2- SBM 3 - E4 16 (c)	x				n/a
ESRS E4-2 Sustainable land / agriculture practices or policies 24 (b)	x				26
ESRS E4-2 Sustainable oceans / seas practices or policies 24 (c)	x				n/a
ESRS E4-2 Policies to address deforestation 24 (d)	x				27
ESRS E5-5 Non-recycled waste 37 (d)	x				n/a

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reference to page within the Declaration
ESRS E5-5 Hazardous waste and radioactive waste 39	x				n/a
ESRS 2- SBM3 - S1 Risk of incidents of forced labour 14 (f)	x				n/a
ESRS 2- SBM3 - S1 Risk of incidents of child labour 14 (g)	x				n/a
ESRS S1-1 Human rights policy commitments 20	x				43-45
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, 21			x		n/a
ESRS S1-1 processes and measures for preventing trafficking in human beings 22	x				n/a
ESRS S1-1 workplace accident prevention policy or management system 23	x				44
ESRS S1-3 grievance/complaints handling mechanisms 32 (c)	x				29
ESRS S1-14 Number of fatalities and number and rate of work-related accidents 88 (b) and (c)	x		x		29
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness 88 (e)	x				n/a
ESRS S1-16 Unadjusted gender pay gap 97 (a)	x		x		n/a
ESRS S1-16 Excessive CEO pay ratio 97 (b)	x				n/a
ESRS S1-17 Incidents of discrimination 103 (a)	x				n/a
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines 104 (a)	x		x		n/a
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain 11 (b)	x				n/a

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reference to page within the Declaration
ESRS S2-1 Human rights policy commitments 17	x				45
ESRS S2-1 Policies related to value chain workers 18	x				45
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines 19	x		x		n/a
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, 19			x		45
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain 36	x				n/a
ESRS S3-1 Human rights policy commitments 16	x				45
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles and OECD guidelines 17	x		x		n/a
ESRS S3-4 Human rights issues and incidents 36	x				n/a
ESRS S4-1 Policies related to consumers and end-users 16	x				41 - 47
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines 17	x		x		n/a
ESRS S4-4 Human rights issues and incidents 35	x				n/a
ESRS G1-1 United Nations Convention against Corruption 10 (b)	x				n/a
ESRS G1-1 Protection of whistle-blowers 10 (d)	x				52 – 55
ESRS G1-4 Fines for violation of anti- corruption and anti-bribery laws 24 (a)	x		x		55
ESRS G1-4 Standards of anti-corruption and anti- bribery 24 (b)	x				52 – 55



Independent practitioner's limited assurance report on Agricover Holding S.A.'s consolidated Sustainability Statement

To: The Shareholders of Agricover Holding S.A.

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Agricover Holding S.A. (the "Company"), included in the Annex A -Sustainability Statement of the Report of the Board of Directors (the "consolidated Sustainability Statement"), as at 31 December 2024 and for the year then ended.

The Company's registered office is in Romania, Voluntari, 1B Pipera Avenue, 8th floor, Office Building Cubic Center and Unique Registration Code: 36036986.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated Sustainability Statement is not prepared, in all material respects, in accordance with the provisions of section 7[^]1.3 of the Order of Minister of Public Finance No. 2844/2016 for approval of accounting regulations in accordance with International Financial Reporting Standards, with subsequent amendments ("OMPF 2844/2016"), implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the consolidated Sustainability Statement (the "Process") is in accordance with the description set out in subsection Stakeholder Engagement And Materiality Assessment; and
- compliance of the taxonomy disclosures in subsection Taxonomy Disclosures within the Climate Change section and in Appendix C - EU Taxonomy of the consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and of the requirements relevant in Romania, including Law 162/2017 regarding statutory audit of annual financial statements and annual consolidated financial statements and regarding changes to other regulations and subsequent amendments ("Law 162/2017").

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This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the consolidated Sustainability Statement

The Board of Directors of the Company is responsible for designing, implementing and maintaining a process to identify the information reported in the consolidated Sustainability Statement in accordance with the ESRS and for disclosing this Process in subsection Stakeholder Engagement And Materiality Assessment of the consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The Board of Directors of the Company is further responsible for the preparation of the consolidated Sustainability Statement, in accordance with the provisions of section 7^{1.3} of OMPF 2844/2016 implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in subsection Taxonomy Disclosures within the Climate Change section and in Appendix C- EU Taxonomy of the consolidated Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that the Board of Directors of the Company determine is necessary to enable the preparation of the consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Inherent limitations in preparing the consolidated Sustainability Statement

In reporting forward-looking information in accordance with ESRS, the Board of Directors of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the consolidated Sustainability Statement as a whole.



As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the consolidated Sustainability Statement, in relation to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in subsection Stakeholder Engagement And Materiality Assessment.

Our other responsibilities in respect of the consolidated Sustainability Statement include:

- identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the consolidated Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated Sustainability Statement.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the consolidated Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by the Board of Directors of the Company (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Company's internal documentation of its Process; and
- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in subsection Stakeholder Engagement And Materiality Assessment.

In conducting our limited assurance engagement, with respect to the consolidated Sustainability Statement, we:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its consolidated Sustainability Statement by obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the consolidated



Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control;

- evaluated whether the information identified by the Process is included in the consolidated Sustainability Statement;
- evaluated whether the structure and the presentation of the consolidated Sustainability Statement is in accordance with the ESRS;
- performed inquiries of relevant personnel and analytical procedures on selected information in the consolidated Sustainability Statement;
- performed substantive assurance procedures on selected information in the consolidated Sustainability Statement;
- where applicable, compared disclosures in the consolidated Sustainability Statement with the corresponding disclosures in the financial statements and the Report of the Board of Directors;
- obtained an understanding, and where applicable, evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied; and
- obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the consolidated Sustainability Statement.

Other matter – information related to earlier periods

The comparative information included in the consolidated Sustainability Statement of the Company for the periods prior to 1 January 2024 was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

On behalf of

PricewaterhouseCoopers Audit SRL

Audit firm

registered with the Public Electronic Register of financial auditors and audit firms under no. FA6

**Refer to the original signed
Romanian version**

Kenneth Spiteri

Financial auditor registered with the Public Electronic Register of financial auditors and audit firms under no. AF417

Bucharest, 27 March 2025

APPENDIX B

AGRICOVER HOLDING S.A.

CONSOLIDATED FINANCIAL STATEMENTS





Independent Auditor's Report

To the Shareholders of Agricover Holding SA

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Agricover Holding SA ("the Company") and its subsidiaries (together – the "Group") as at 31 December 2024, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with the Order of Minister of Public Finance No. 2844/2016 for approval of accounting regulations in accordance with International Financial Reporting Standards and subsequent amendments ("OMPF 2844/2016") and with International Financial Reporting Standards as adopted by the European Union ("IFRS EU").

Our opinion is consistent with our additional report to the Audit Committee dated 27 March 2025.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statements of financial position as at 31 December 2024;
- the consolidated statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated statements of changes in equity for the year then ended;
- the consolidated statements of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

The consolidated financial statements as at 31 December 2024 are identified as follows:

- Total consolidated equity: lei 720,678 thousand;
- Consolidated net profit for the year: lei 74,825 thousand.

The Company's registered office is in Romania, Ilfov, Voluntari, 1B Pipera Boulevard, Cubic Center Office Building, 8th Floor, and the Company's unique fiscal registration code is 36036986.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation EU No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the "Regulation 537/2014") and Law 162/2017 regarding statutory audit of annual financial statements and annual consolidated financial statements and regarding changes to other regulations and subsequent amendments (the "Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers Audit S.R.L.

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Independence


We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Regulation 537/2014 and the Law 162/2017 that are relevant to our audit of the consolidated financial statements in Romania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Regulation 537/2014 and the Law 162/2017.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Group are in accordance with the applicable law and regulations in Romania and that we have not provided non-audit services that are prohibited under Article 5(1) of the Regulation 537/2014.

The non-audit services that we have provided to the Group in the period from 1 January 2024 to the date of issuing this report, are disclosed in Note 7 “Presentation of expenses by nature” to the consolidated financial statements.

Our audit approach

Overview

	<ul style="list-style-type: none"> • Overall materiality for the consolidated financial statements: lei 14,400 thousand, which represents 0.8 % of the combined total of revenue from contracts with customers and interest income • We conducted a full scope audit of the most significant components and performed audit procedures on certain account balances of other components. • Expected credit losses related to loans and advances granted to customers (“ECL”) - Agrifinance segment. • Expected credit losses related to trade and other receivables (“ECL”) – Agribusiness segment.
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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.



Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	lei 14,400 thousand
How we determined it	0.8 % of the combined total of revenue from contracts with customers and interest income
Rationale for the materiality benchmark applied	We chose the combined total of revenue from contracts with customers and interest income as the benchmark because in our view, it is the benchmark against which the performance of the Group is most commonly measured by its stakeholders given the Group's business model and its operating segments, Agrifinance and Agribusiness. This is detailed in the consolidated financial statements under note 4, "Segment Information". We chose 0.8 %, which in our experience is an acceptable quantitative materiality threshold for this benchmark.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matter	How our audit addressed the key audit matter
<p>Application of IFRS 9 “Financial instruments” (“IFRS 9”) in the calculation of expected credit losses for loans and advances to customers—Agrifinance segment</p> <p>IFRS 9, “Financial Instruments”, requires recognition of expected credit losses (“ECL”) allowances for all exposures from the time a loan or contract is originated, based on the deterioration of credit risk since initial recognition. If the credit risk has not increased significantly (Stage 1), IFRS 9 requires allowances based on 12-month expected credit losses. If the credit risk has increased significantly since initial recognition (Stage 2) or if the loan contract is “credit impaired” (Stage 3), IFRS 9 requires allowances based on lifetime expected credit losses.</p> <p>ECL allowance recognition for Stage 1, Stage 2 and Stage 3 loans and advances to customers is performed on the portfolio basis. The management uses key estimates and assumptions such as: the default definition, probability of a loan falling into arrears and subsequently entering into default (“PD”), criteria for significant increase in credit risk (“SICR”), exposure at the moment of default (“EAD”), the loss given default (“LGD”), future macroeconomic scenarios and weighting their probability and the discount factor.</p> <p>The complexity of the management’ estimation process is affected by the most recent developments in the agriculture sector such as declining crop prices, extreme weather events, and high-interest-rate environment.</p> <p>Considering the (i) significant judgements to be applied by the management in selecting and developing ECL models, (ii) a high degree of uncertainty, complexity and change related to the ECL models and assumptions and (iii) taking into account that “Loans and advances to customers” is the most significant financial statement line item in the total assets, we identified this area to be a key audit matter.</p> <p>Note 2 “Basis of preparation”, Note 8 “Other expenses and income”, Note 11 “Financial risk management” and Note 14 “Overview of financial instruments ” to the consolidated financial statements provide detailed information on ECL for loans and advances to customers.</p>	<p>Our audit approach to address the key audit matter involved the following main procedures:</p> <ul style="list-style-type: none"> • Performing detailed risk assessment analytics over the Group’s loans portfolio, in order to identify possible areas of risk. • Assessing and tested, on a sample basis, the design and operational effectiveness of key controls, especially in relation to loan origination, disbursements and repayments, restructurings, collaterals. • Assessing the compliance of the Group’s methodologies and models with the IFRS 9 requirements. We engaged our credit risk technical experts to assist us in undertaking this assessment. • Testing the application of SICR criteria and default definition used for stage allocation of loans and advances to customers. • Performing substantive testing over the data input (e.g. days past due, default status, valuation of collateral) used in the ECL calculation as at 31 December 2024; • Recomputing the PD using the historical data and verifying whether PD resulting from the statistical estimation models were the same as the ones effectively implemented in the ECL calculation. • Assessing the reasonableness of selecting and using multiple macroeconomic scenarios, including the latest macroeconomic forecasts. • Verifying the disclosures in the notes to the consolidated financial statements regarding the calculation of ECL and the significant assumptions and estimation uncertainties for the year ended 31 December 2024.

This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Application of IFRS 9 “Financial instruments” (“IFRS 9”) in the calculation of expected credit losses for trade and other receivables – Agribusiness segment

The Group’s trade and other receivables represent a significant balance in the consolidated financial statements. The determination of the expected credit loss allowance is a complex and judgmental process, requiring management to make significant estimates and assumptions in applying the simplified approach in accordance with IFRS 9.

The Group applies a provision matrix based on historical credit loss experience, adjusted for forward-looking information. Additionally, trade receivables from customers in insolvency proceedings and those past due more than 270 days are assessed individually. Key areas of judgment include:

- Assessing the appropriateness of the historical default rates used in the provision matrix;
- Identifying and applying forward-looking macroeconomic adjustments, including factors such as the agriculture commodities price index, the evolution of agricultural gross domestic product, and market interest rates, as disclosed in the financial statements;
- Assessing the recoverability assessment of individually significant exposures, particularly in the case of customers facing financial distress.

Given the judgmental nature of these estimates and the potential impact on the consolidated financial statements, this was considered a key audit matter.

Note 2 “Basis of preparation”, Note 8 “Other expenses and income”, Note 11 “Financial risk management” and Note 14 “Overview of financial instruments” to the consolidated financial statements provide detailed information on ECL for trade and other receivables.

Our audit approach to address the key audit matter involved the following main procedures:

- Obtaining an understanding of management’s process for estimating expected credit losses (ECL), including the methodology applied in the provision matrix, the segmentation criteria used, and the assumptions applied for forward-looking adjustments. While we assessed the design of management’s approach, our procedures primarily focused on substantive testing.
- Testing the completeness and accuracy of trade receivables aging analysis, including reconciling to the general ledger and testing a sample of invoices.
- Assessing the appropriateness of the historical default rates used in the provision matrix, including testing the relevance and reliability of the historical experience data used by management and we have evaluated the application of forward-looking macroeconomic adjustments by performing inquiries with the Agribusiness segment Chief Financial Officer and inspecting publicly available macroeconomic data considered by management.
- Individually assessing expected credit losses (ECL), we reviewed supporting documentation, including customers’ financial information, payment history, and post-balance sheet collections, to evaluate the reasonableness of management’s recoverability assumptions.
- Testing the mathematical accuracy of the ECL calculation, including recalculating the expected credit losses by verifying the historical default rates applied in the provision matrix and ensuring that forward-looking adjustments were correctly incorporated. We have also verified the accuracy of the segmentation of trade receivables and the corresponding application of the provision matrix.
- Evaluating the adequacy of financial statement disclosures, ensuring that key judgments, estimation uncertainties, and sensitivities were appropriately disclosed.



How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We performed audit procedures for both Company and subsidiaries in order to obtain sufficient audit evidence considering the materiality level, the Group's size and structure.

Other matters

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another firm of auditors whose report, dated 28 March 2024, expressed an unmodified opinion on those consolidated financial statements.

Reporting on other information including the Board of Directors' Report

The Board of Directors is responsible for the other information. The other information comprises the Board of Directors' Report and the Consolidated Sustainability Statement which is part of the Board of Directors' Report and information included in the Annual Report (the "Annual Report") prepared in accordance with Financial Supervisory Authority ("FSA") Regulation 5/2018 on issuers of financial instruments and market operations with subsequent amendments (the "FSA Regulation 5/2018"), but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information, including the Board of Directors' Report and the Consolidated Sustainability Statement which is part of the Board of Directors' Report, and the information included in the Annual Report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Board of Directors' Report, we considered whether it is consistent with the consolidated financial statements and whether the Board of Directors' Report, excluding the requirements for the information on the sustainability reporting on which the separate limited assurance report on Consolidated Sustainability Statement has been issued by us on 27 March 2025, was prepared in accordance with OMPF 2844/2016, articles 26-28.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Board of Directors' Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements;
- the Board of Directors' Report, excluding the requirements for the information on sustainability reporting, has been prepared in accordance with OMPF 2844/2016, articles 26-28.

In addition, in light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report and the information included in the Annual Report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements, that give a true and fair view in accordance with OMPF 2844/2016 and IFRS EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements



that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's consolidated financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in



internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Report on the compliance of the format of consolidated financial statements with the requirements of the European Single Electronic Format ("ESEF")

We have been engaged as part of our audit engagement letter by the Management of the Group to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the consolidated financial statements of the Group for the year ended 31 December 2024 included in the digital file ZqyNS86yhF+THY= (the "Presentation of the Consolidated Financial Statements").

Description of a subject matter and applicable criteria

The Presentation of the Consolidated Financial Statements has been applied by the Management of the Group to comply with the requirements of art. 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). The applicable requirements regarding the Presentation of the Consolidated Financial Statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the Presentation of the Consolidated Financial Statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the Management and those charged with governance

The Management of the Group is responsible for the Presentation of the Consolidated Financial Statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Consolidated Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process, which should also be understood as the preparation of consolidated financial statements in accordance with the format resulting from the ESEF Regulation.

Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

We conducted our engagement in accordance with the International Standard on Assurance



Engagements 3000 (R) – “Assurance Engagements other than Audits and Reviews of Historical Financial Information” (“ISAE 3000(R)”). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000(R) will always detect the existing material misstatement (significant non-compliance with the requirements).

Quality control requirements

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Consolidated Financial Statements complies, in all material aspects, with the applicable requirements and such compliance is free from material errors or omissions. Our procedures included in particular:

- Obtaining an understanding of the internal control system and processes relevant to the application of the Electronic Reporting Format of the Consolidated Financial Statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- Verification whether the XHTML format was applied properly;
- Evaluating the completeness of marking up the consolidated financial statements using the iXBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;
- Evaluating the appropriateness of the Group’ use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- Evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed, the Presentation of the Consolidated Financial Statements complies, in all material respects, with the ESEF Regulation.

Reporting on report regarding information related to income tax

In accordance with OMPF 2844/2016, article 60¹², in connection with the audit of the consolidated financial statements for the financial year ended as at 31 December 2024, our responsibility is to state if, for the previous financial year ended as at 31 December 2023, the Company had the obligation, in accordance with articles 60²-60^{6.8} of OMPF 2844/2016, to publish a report regarding information



related to income tax for the financial year ended 31 December 2023 and if this is the case, whether such report was published in accordance with 60¹⁰ of OMPF 2844/2016.

The Company did not have the obligation to publish the report regarding information related to income tax.

Appointment

We were appointed by the Ordinary General Shareholders Meeting as auditors of Agricover Holding SA on 8 July 2024. This is the first year of our appointment as auditors.

The financial auditor responsible for carrying out the audit resulting in this independent auditor's report is Francesca Postolache.

On behalf of

PricewaterhouseCoopers Audit SRL

Audit firm

registered with the Public Electronic Register of financial auditors and audit firms under no FA6

Refer to the original

signed Romanian version

Francesca Postolache

Financial auditor

registered with the Public Electronic Register of financial auditors and audit firms under no AF1716

Bucharest, 27 March 2025

AGRICOVER HOLDING SA

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2024

Prepared in accordance with the Order of the Ministry of Public Finance no. 2844/2016 for the approval of the accounting regulations compliant with the **International Financial Reporting Standards**, as adopted by the European Union

** The original version of the consolidated financial statements was written in Romanian. This document is an English translation of the original document. In case of any discrepancy between the English text and the Romanian text, the latter will prevail.*

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Consolidated Statements of Financial Position
 as at 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Notes	2024	2023 restated
ASSETS			
Non-current assets			
Property, plant and equipment		11,058	11,134
Right of use assets	17	38,917	19,509
Intangible assets	22	21,675	31,058
Trade and other receivables	15	1,388	953
Loans and advances to customers	11	1,187,246	927,308
Finance lease receivable	25	51	66
Deferred income tax assets	10	11,313	7,461
		1,271,648	997,489
Current assets			
Inventories	20	59,994	65,023
Current income tax receivable		684	1,234
Loans and advances to customers	11	1,867,779	1,724,338
Finance lease receivable	25	70	62
Trade and other receivables	15	343,190	489,270
Other current assets	21	42,516	35,087
Cash and cash equivalents	16	406,804	477,529
		2,721,037	2,792,543
Total assets		3,992,685	3,790,032
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital and share premium	12	192,501	194,900
Treasury shares		(33)	(2,542)
Revaluation reserves	12	892	894
Other reserves	12	72,936	66,146
Retained earnings		439,875	403,049
		706,171	662,447
Non-controlling interests	23	14,507	13,301
Total equity		720,678	675,748
Non-current liabilities			
Borrowings	17	1,162,966	1,314,277
Lease liabilities	17	27,925	11,223
Other payables		368	84
		1,191,259	1,325,584
Current liabilities			
Trade and other payables	18	276,025	308,344
Contract liabilities		12,266	11,843
Current income tax liability		2,107	3,510
Borrowings	17	1,773,743	1,449,793
Lease liabilities	17	11,669	8,378
Derivative liabilities for risk management	14	4,334	4,983
Allowance for loan commitments		604	1,849
		2,080,748	1,788,700
Total liabilities		3,272,007	3,114,284
Total equity and liabilities		3,992,685	3,790,032

Consolidated Statements of Profit or Loss and Other Comprehensive Income
for the year ended 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Notes	2024	2023
Revenue from contracts with customers	5	1,352,251	1,844,761
Interest income	6	425,965	398,588
Fee and commission income	8	13,292	11,389
Cost of sales	7	(1,343,910)	(1,839,419)
Interest and similar expenses	6	(205,988)	(192,503)
Fee and commission expenses	8	(2,747)	(994)
Net credit losses on financial assets	8	(54,269)	(77,224)
Gross profit		184,594	144,598
Administrative expenses	7	(84,612)	(77,185)
Research and development	7	(503)	-
Other operating income		7,760	7,232
Other operating expenses	8	(6,656)	(7,495)
Operating profit		100,583	67,150
Finance income	6	15,760	20,324
Exchange differences gain / (loss)		(753)	1,355
Finance costs	6	(7,923)	(16,389)
Profit before tax		107,667	72,440
Income tax expense	10	(15,221)	(16,906)
Profit for the year from continuing operations		92,446	55,534
Loss for the year from discontinued operations, net of tax	24	(17,621)	(11,343)
Profit for the year		74,825	44,191
Total comprehensive income for the year		74,825	44,191
Profit for the year attributable to:			
Owners of the company		73,770	45,216
Non-controlling interests	23	1,055	(1,025)
Profit for the year		74,825	44,191
Total comprehensive income attributable to:			
Owners of the company		73,770	45,216
Non-controlling interests	23	1,055	(1,025)
Total comprehensive income for the year		74,825	44,191
Earnings per share			
Basic and diluted earnings per share	9	0.039	0.024
Earnings per share from continuing operations	9	0.048	0.030

Approved for issue and signed on behalf of the Board of Directors on 27 March 2025.

Liviu Dobre
General Manager

Stelian Ioan Vezentan
Chief Financial Officer

Consolidated Statements of Changes in Equity
 for the year ended 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Note	Attributable to owners of Agricover Holding					Total	Non-controlling interests	Total equity
		Share capital and share premium	Treasury shares	Revaluation reserves	Other reserves	Retained earnings			
at 1 January 2024		194,900	(2,542)	894	66,146	403,049	662,447	13,301	675,748
Profit/ (loss) for the year		-	-	-	-	73,770	73,770	1,055	74,825
Total comprehensive income for the year		-	-	-	-	73,770	73,770	1,055	74,825
Distributed dividends	13	-	-	-	-	(30,005)	(30,005)	-	(30,005)
Increase in treasury shares	7	-	2,543	-	-	-	2,542	-	2,542
Decrease in treasury shares	7	-	(33)	-	-	-	(33)	-	(33)
Increase in share capital	7	79	-	-	-	-	79	-	79
Realised revaluation reserve		-	-	(2)	-	2	-	-	-
Movement in share premium (SOP related)	7	(2,478)	-	-	-	-	(2,478)	-	(2,478)
Transfers	12	-	-	-	6,790	(6,941)	(151)	151	-
Total transactions with owners		(2,399)	2,509	(2)	6,790	(36,944)	(30,046)	151	(29,895)
at 31 December 2024		192,501	(33)	892	72,936	439,875	706,171	14,507	720,678

	Note	Attributable to owners of Agricover Holding					Total	Non-controlling interests	Total equity
		Share capital and share premium	Treasury shares	Revaluation reserves	Other reserves	Retained earnings			
at 1 January 2023		193,418	-	1,265	60,283	363,117	618,083	19,444	637,527
Profit/ (loss) for the year		-	-	-	-	45,216	45,216	(1,025)	44,191
Total comprehensive income for the year		-	-	-	-	45,216	45,216	(1,025)	44,191
Distributed dividends		-	-	-	-	-	-	(5,014)	(5,014)
Treasury shares acquired	7	-	(2,542)	-	-	-	(2,542)	-	(2,542)
Increase in share capital and share premium	7	1,482	-	-	-	-	1,482	-	1,482
Transfers and other changes in equity	12	-	-	(371)	5,863	(5,284)	208	(104)	104
Total transactions with owners		1,482	(2,542)	(371)	5,863	(5,284)	(852)	(5,118)	(5,970)
at 31 December 2023		194,900	(2,542)	894	66,146	403,049	662,447	13,301	675,748

Consolidated Statements of Cash Flows
 for the year ended 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Notes	2024	2023
Cash flows from operating activities			
Profit for the year from continuing operations		92,446	55,534
Loss for the year from discontinued operations		(17,621)	(11,343)
Adjustments for:			
Net credit loss allowance	8	55,514	76,093
Depreciation and amortization	7	27,100	21,167
Gain from write down of inventory		(607)	(3,046)
Intangible assets write-off	22	5,326	-
Net (loss) from derivative financial instruments		1,098	5,847
Loss from the sale of fixed assets		31	25
Unrealized FX differences		485	59
Income tax expense	10	15,221	16,906
Interest income	6	(441,725)	(418,691)
Interest expense	6	213,982	208,849
Changes in working capital:			
Decrease in trade and other receivables	15	122,828	20,835
(Increase)/ decrease in loans and advances to customers	14	(439,960)	11,777
Decrease in inventories	20	5,636	105,093
(Decrease) in trade and other payables		(27,161)	(112,566)
		(387,407)	(23,461)
Interest paid		(208,443)	(201,961)
Interest received		434,540	437,753
Payments for settlement of derivative financial instruments		-	(2,476)
Proceeds from settlement of derivative financial instruments		850	-
Income tax paid		(19,926)	(11,311)
Net cash (used in)/ generated from operating activities		(180,386)	198,544
Cash flows from investing activities			
Payments for acquisitions of intangible and fixed assets	22	(16,667)	(14,572)
Proceeds from sale of intangible and fixed assets	22	910	5,950
Proceeds from sale of investments		2,240	-
Net cash (used in) investing activities		(13,517)	(8,622)
Cash flows from financing activities			
Proceeds from borrowings	17	4,970,666	2,935,462
Repayment of borrowings	17	(4,805,788)	(2,748,311)
Payments for lease liabilities	17	(11,230)	(9,762)
Repurchase of own shares		(9)	(2,542)
Proceeds from increase of share capital		79	339
Dividends paid		(30,008)	(6,863)
Net cash generated from financing activities		123,710	168,323
Unrealized FX differences on cash and cash equivalents		(532)	(317)
Cash and cash equivalents at the beginning of the year	16	477,529	119,601
Net (decrease) / increase in cash and cash equivalents		(70,725)	357,928
Cash and cash equivalents at the end of the year		406,804	477,529

Notes to the Consolidated Financial Statements
General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides general information about the Group and its structure, along with material accounting policy information relevant to the consolidated financial statements as a whole. Accounting policies, estimates, judgments, and assumptions specific to particular items are disclosed in the respective notes. Policies related to non-material items are not included in these consolidated financial statements.

1 GENERAL INFORMATION

Agricover Holding SA (“the Company”, “the Parent”) and its subsidiaries (together referred to as “the Group”) are incorporated and are domiciled in Romania. The Company’s headquarter is located at 1B Pipera Blvd, Voluntari, Ilfov, Romania.

The Company’s material subsidiaries as of 31 December 2024 and 31 December 2023 are presented below. Each subsidiary has share capital consisting solely of ordinary shares, held directly or indirectly by the Company. The proportion of ownership interests held reflects the corresponding voting rights.

Entity	Operating Segment	Activity	% owned @ 31 December 2024	% owned @ 31 December 2023
Agricover Distribution SA	Agribusiness	Distribution of agriculture inputs	86.62	86.62
Agricover Commodities SRL (former Agricover Technology SRL)	Agribusiness	Distribution of agriculture inputs	100	100
Agricover Credit IFN SA	Agrifinance	Financing businesses in agriculture	99.99	99.99
Clubul Fermierilor Romani Broker de Asigurare SRL	Agrifinance	Intermediation of insurance products	51.02	51.02
Agricover Payments SA	Agrifinance	Payment institution, under authorisation	100	n/a

Group business model

The Group, through its subsidiaries, carries out activities in the agricultural sector. The Company is an investment vehicle that controls the four entities of the Group, namely:

- Agricover Distribution SA and Agricover Commodities SRL, (jointly representing the Agribusiness segment), specialised in the distribution of agricultural inputs – seeds, crop protection products, crop nutrition products, and fuel;
- Agricover Credit IFN SA, non-banking financial institution specialized in financing farmers; currently with a portfolio of three main categories of products: investment loans, credit lines and factoring; all designed with the needs of the farmers in mind, having tailored maturities which are usually correlated with the harvesting and sale of crops seasons. All factoring agreements of Agricover Credit IFN SA are with Agricover Distribution SA and as such their effect is eliminated at consolidation (please refer to note 4);
- Clubul Fermierilor Români Broker de Asigurare SRL, specialized in intermediation of agricultural insurance;

Notes to the Consolidated Financial Statements
General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

- Agricover Payments S.A, established during 2024 as a company that aims to become an authorised payment institution, with the purpose of providing modern and efficient financial services to the agricultural sector in Romania.

2 BASIS OF PREPARATION

Compliance statement

These consolidated financial statements as at and for the year ended 31 December 2024 have been prepared in accordance with Order no. 2844 for the approval of accounting regulations in accordance with the International Financial Reporting Standards issued by the Romanian Ministry of Finance on 12th of December 2016, with subsequent amendments and modifications ("Order 2844/2016") and are in compliance with the International Financial Reporting Standards as adopted by the European Union ("IFRS").

Historical cost convention

These consolidated financial statements have been prepared under the historical cost convention, except for land and buildings, for which the Group applied the revaluation model, and derivative financial instruments, which are carried at fair value.

Consistent application of accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below in the relevant Notes to these consolidated financial statements and have been consistently applied to all the periods presented, unless otherwise stated. The preparation of financial statements in accordance with IFRS and Order 2844 requires the use of judgements and estimates. The areas involving a higher degree of judgment or complexity, or areas where estimates are significant, are disclosed in the relevant Notes to these consolidated financial statements, as follows:

- judgement to determine whether transfer of control has occurred in 'bill and hold' arrangements – note 5;
- estimation regarding the determination of discount rate used for calculating the financing component for trade and other receivables with maturity over 1 year – note 5;
- estimation of refund liability and of the right to receive goods for implied return rights from sales – note 5;
- expected credit losses on loans and advances to customers and trade and other receivables – note 11;
- consideration regarding the modified time value of money element included in the Group's revolving credit lines – note 14;
- estimation regarding expected commercial discounts receivable from suppliers not granted on a calendar year basis and with payment patterns dependent on collection patterns and resources availability, accounted and presented for as part of cost of inventories or cost of sales – note 18;
- estimation of net realisable value of inventories – note 20;

Notes to the Consolidated Financial Statements
General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Functional and presentation currency

These consolidated financial statements are presented in Romanian New Lei ("RON"), which is the functional currency of the Company and all its subsidiaries. All amounts are presented in thousands RON and rounded to the nearest unit, unless otherwise stated.

Going concern

After considering liquidity, gearing, budgeted cash flows and related assumptions, management believes that the Group has adequate resources to continue in business for the foreseeable future and these consolidated financial statements are prepared on that basis.

Standards and amendments newly applicable for periods starting January 1st, 2024

The following new and amended standards effective for periods starting January 1st, 2024, have been implemented by the Group and do not have a significant impact on the Group's consolidated financial statements.

Amendments to IFRS 16 "Leases" on lease liability in a sale and leaseback

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains.

Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial instruments: Disclosures", on supplier finance arrangements

The amendments apply to supplier finance arrangements and introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk.

Standards and amendments effective for annual periods beginning on or after 1 January 2025, not early adopted by the Group

A number of new IFRS and amendments to IFRS are required to be applied for annual periods beginning on or after January 1st, 2025, and that are available for early adoption in annual periods beginning on or after January 1st, 2024. As at 31 December 2024 these new IFRS and amendments to IFRS have not been endorsed by the European Union.

IFRS 18: Presentation and Disclosure in Financial Statements

IFRS 18, the new standard on presentation and disclosure in financial statements, will replace IAS 1. Many of the other existing principles in IAS 1 are retained, with limited changes mainly focused on updates to the statement of comprehensive income. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and

Notes to the Consolidated Financial Statements
General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Group is in the process of analysing the impact of IFRS 18 to its consolidated financial statements.

Effective date: annual periods beginning on or after 1 January 2027, with early application permitted.

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates', relating to the lack of foreign exchange ability

The amendments require disclosures that enable users of financial statements to understand the impact of the fact that a currency is not interchangeable. No significant impact is expected from the implementation of this amendment.

Effective date: annual periods beginning on or after 1 January 2025.

Amendments to IFRS 9 and IFRS 7, relating to the classification and measurement of financial instruments

These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows;
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

No significant impact is expected from the implementation of this amendment.

Effective date: annual periods beginning on or after 1 January 2026, with early application permitted.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in associates and Joint Ventures', on sale or contribution of assets between an investor and its associate or joint venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

No significant impact is expected from the implementation of these amendments.

The effective date of the amendments was deferred indefinitely, however, early application of the amendments is permitted.

Notes to the Consolidated Financial Statements
General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Consolidation

Subsidiaries are those investees that the Group controls because it has:

- power to direct their activities that significantly affect their returns,
- exposure, or rights, to variable returns from its involvement with the investees, and
- the ability to use its power over the investees to affect the amount of the investor's returns.

Consolidated subsidiaries are presented in Note 1.

Subsidiaries are consolidated from the date on which control obtained by the Group and are deconsolidated from the date on which control ceases. The Company and all of its subsidiaries use uniform accounting policies.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Agricovert Holding.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3 CORRECTION OF ERRORS

In the prior period consolidated financial statements, the Group presented 1,866 million RON as non-current and 785 million RON as current within loans and advances to customers as at 31 December 2023. Of the amount classified as non-current, 939 million RON should have been presented as current. The Group has corrected this classification error in these consolidated financial statements by restating the comparative amounts. As a result, loans and advances to customers are now correctly presented as 927 million RON non-current and 1,724 million RON current as at 31 December 2023.

This correction had no impact on the Group's prior period statements of comprehensive income, changes in equity, or cash flows.

Notes to the Consolidated Financial Statements
Segment information

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information on the Group's financial performance, including earnings per share ("EPS") and its significant operating segments. It includes material accounting policy information, particularly where IFRS permits a choice or does not specifically address a transaction, as well as significant judgments and estimates related to specific items. The section concludes with details on the Group's tax result for the year and the current and deferred tax assets and liabilities as of the year-end.

4 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and reports operating segments as follows:

- **Agrifinance segment:** financing agricultural businesses and intermediation of insurance products mainly carried out by Agricover Credit IFN and its subsidiaries Clubul Fermierilor Români Broker de Asigurare and Agricover Payments;
- **Agribusiness segment:** distribution of agricultural inputs carried out by Agricover Distribution and Agricover Commodities;

Other segments which are not separately reportable include Group services and investments management costs. The results of these activities are included in the 'Other segments' column in the analysis below.

Operating segments are reported in these consolidated financial statements in a manner consistent with the internal reporting provided to the chief operating decisionmakers. The chief operating decisionmaker who is responsible for allocating resources and assessing the performance of the operating segments is the Board of Directors of the Group. They primarily use Operating Profit to assess the performance of the operating segments. However, on a monthly basis, the Board of Directors also receives information about the segments' revenue, gross margin, EBITDA, finance costs and trade and other receivables, borrowings and loans and advances granted to customers.

The Group earns revenue and holds assets exclusively in Romania, the geographical area of its operations.

The Group earns revenues and interest from a large number of customers and no single customer or group of related customers contributes with more than 5% in the total revenue or interest income of the Group (further concentration risk related details are included in Note 11).

Operating profit, revenue and interest income as periodically reported to the executive directors are disclosed below, together with their reconciliation with the consolidated net profit for the years ended 31 December 2024 and 31 December 2023 respectively:

Notes to the Consolidated Financial Statements

Segment information

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

2024	Agrifinance	Agribusiness	Total reportable segments	Other segments	Total segments	Adjustments and Eliminations	Consolidated
External revenue	-	1,352,251	1,352,251	-	1,352,251	-	1,352,251
Intersegment-revenue	-	1,118	1,118	-	1,118	(1,118)	-
Revenue from contracts with customers	-	1,353,369	1,353,369	-	1,353,369	(1,118)	1,352,251
Cost of sales	(50,624)	(1,293,083)	(1,343,707)	-	(1,343,707)	(203)	(1,343,910)
Interest income	438,026	-	438,026	-	438,026	(12,061)	425,965
Interest and similar expenses	(205,995)	-	(205,995)	-	(205,995)	7	(205,988)
Net fee and commission income	10,545	-	10,545	-	10,545	-	10,545
Net credit losses on financial assets	(34,329)	(19,940)	(54,269)	-	(54,269)	-	(54,269)
Gross profit	157,623	40,346	197,969	-	197,969	(13,375)	184,594
Dividend income	-	-	-	19,309	19,309	(19,309)	-
Administrative expenses, out of which:	(41,230)	(36,887)	(78,117)	(6,852)	(84,969)	357	(84,612)
<i>Depreciation and amortisation</i>	(12,169)	(11,422)	(23,591)	(12)	(23,603)	-	(23,603)
<i>Tax on turnover</i>	-	(4,763)	(4,763)	-	(4,763)	-	(4,763)
Research and development	-	(503)	(503)	-	(503)	-	(503)
Other gains and losses, net	(1,793)	1,174	(619)	2,247	1,628	(524)	1,104
Operating Profit	114,600	4,130	118,730	14,704	133,434	(32,851)	100,583
EBITDA¹	n/a	20,315	n/a	n/a	n/a	n/a	n/a
Finance costs – net	1,065	2,626	3,691	152	3,843	3,241	7,084
Profit/(loss) before tax	115,665	6,756	122,421	14,856	137,277	(29,610)	107,667
Income tax expense	(15,343)	(933)	(16,276)	-	(16,276)	1,055	(15,221)
Profit/(loss) for the year	100,322	5,823	106,145	14,856	121,001	(28,555)	92,446

¹ EBITDA = Operating profit/(loss) + Depreciation and amortisation + Tax on turnover

Notes to the Consolidated Financial Statements

Segment information

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

2023	Agrifinance	Agribusiness	Total reportable segments	Other segments	Total segments	Adjustments and Eliminations	Consolidated
External revenue	-	1,844,761	1,844,761	-	1,844,761	-	1,844,761
Intersegment-revenue	-	6,335	6,335	-	6,335	(6,335)	-
Revenue from contracts with customers	-	1,851,096	1,851,096	-	1,851,096	(6,335)	1,844,761
Cost of sales	(42,316)	(1,797,428)	(1,839,744)	-	(1,839,744)	325	(1,839,419)
Interest income	405,734	-	405,734	-	405,734	(7,146)	398,588
Interest and similar expenses	(192,503)	-	(192,503)	-	(192,503)	-	(192,503)
Net fee and commission income	10,395	-	10,395	-	10,395	-	10,395
Net credit losses on financial assets	(50,482)	(26,742)	(77,224)	-	(77,224)	-	(77,224)
Gross profit/ (loss)	130,828	26,926	157,754	-	157,754	(13,156)	144,598
Dividend income	-	-	-	20,847	20,847	(20,847)	-
Administrative expenses, out of which:	(35,347)	(36,237)	(71,584)	(8,375)	(79,959)	2,774	(77,185)
<i>Depreciation and amortisation</i>	<i>(7,858)</i>	<i>(10,399)</i>	<i>(18,257)</i>	<i>(2,910)</i>	<i>(21,167)</i>	-	<i>(21,167)</i>
Research and development	-	-	-	-	-	-	-
Other gains and losses, net	(5,709)	5,399	(310)	4	(306)	43	(263)
Operating Profit	89,772	(3,912)	85,860	12,476	98,336	(31,186)	67,150
EBITDA²	n/a	6,487	n/a	n/a	n/a	n/a	n/a
Finance costs – net	1,359	(9,783)	(8,424)	(1,211)	(9,635)	14,925	5,290
Profit/(loss) before tax	91,131	(13,695)	77,436	11,265	88,701	(16,261)	72,440
Income tax expense	(13,089)	(3,423)	(16,512)	-	(16,512)	(394)	(16,906)
Profit/(loss) for the year	78,042	(17,118)	60,924	11,265	72,189	(16,655)	55,534

² EBITDA = Operating profit/(loss) + Depreciation and amortisation

Notes to the Consolidated Financial Statements
Segment information

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Agricover Credit purchases trade receivables from Agricover Distribution under non-recourse factoring agreements. Factoring commissions paid by Agricover Distribution are recognised as expense on the date of each trade receivables sale transaction, while income is recognised by Agricover Credit during the term of the respective trade receivables, using the effective interest rate method. The different methods in recognising the expense, on one hand, and the income, on the other hand, results in an elimination impact upon consolidation of 8.5 million RON loss, net of tax, during 2024 (2023: 4.7 million RON gain, net of tax).

Notes to the Consolidated Financial Statements
Segment information

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

When reported to the executive directors, segment assets and liabilities are measured in the same way as in the consolidated financial statements. Their allocation on operating segments as at 31 December 2024 and 31 December 2023 is presented below:

31 December 2024	Agrifinance	Agribusiness	Total reportable segments	Other segments	Total segments	Adjustments and Eliminations	Consolidated
Non-current assets, of which:	1,215,858	55,708	1,271,566	198,862	1,470,428	(198,780)	1,271,648
Loans and advances to customers	1,187,246	-	1,187,246	198,496	1,385,742	(198,496)	1,187,246
Trade and other receivables	-	1,070	1,070	318	1,388	-	1,388
Current assets, of which	2,299,835	425,995	2,725,830	8,983	2,734,813	(13,776)	2,721,037
Loans and advances to customers	1,869,206	-	1,869,206	6,333	1,875,539	(7,760)	1,867,779
Trade and other receivables	1,088	346,362	347,450	1,260	348,710	(5,520)	343,190
Inventories	-	59,994	59,994	-	59,994	-	59,994
Cash and cash equivalents	404,356	1,123	405,479	1,325	406,804	-	406,804
Total assets	3,515,693	481,703	3,997,396	207,845	4,205,241	(212,556)	3,992,685
Non-current liabilities, of which:	1,365,758	24,304	1,390,061	368	1,390,429	(199,170)	1,191,259
Borrowings	1,361,630	-	1,361,630	-	1,361,630	(198,664)	1,162,966
Current liabilities, of which:	1,509,506	372,003	1,881,508	212,499	2,094,007	(13,259)	2,080,748
Trade and other payables	16,549	259,764	276,313	5,263	281,576	(5,551)	276,025
Borrowings	1,482,906	90,943	1,573,849	207,234	1,781,083	(7,340)	1,773,743
Total Liabilities	2,875,264	396,307	3,271,569	212,867	3,484,436	(212,429)	3,272,007

Notes to the Consolidated Financial Statements

Segment information

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

31 December 2023	Agrifinance (restated)	Agribusiness	Total reportable segments (restated)	Other segments	Total Segments (restated)	Adjustments and Eliminations	Consolidated (restated)
Non-current assets, of which:	956,138	32,587	988,725	208,733	1,197,458	(199,969)	997,489
Loans and advances to customers	927,308	-	927,308	198,130	1,125,438	(198,130)	927,308
Trade and other receivables	-	953	953	-	953	-	953
							-
Current assets, of which	2,349,681	448,110	2,797,791	40,005	2,837,796	(45,253)	2,792,543
Loans and advances to customers	1,866,332	-	1,866,332	6,316	1,872,648	(148,310)	1,724,338
Trade and other receivables	944	350,319	351,263	32,790	384,053	105,217	489,270
Inventories	-	64,685	64,685	338	65,023	-	65,023
Cash and cash equivalents	470,227	7,089	477,316	213	477,529	-	477,529
Total assets	3,305,819	480,697	3,786,516	248,738	4,035,254	(245,222)	3,790,032
							-
Non-current liabilities, of which:	1,320,659	5,745	1,326,404	198,521	1,524,925	(199,341)	1,325,584
Borrowings	1,314,284	-	1,314,284	198,437	1,512,721	(198,444)	1,314,277
							-
Current liabilities, of which:	1,427,113	386,603	1,813,716	26,838	1,840,554	(51,854)	1,788,700
Trade and other payables	18,717	314,240	332,957	5,006	337,963	(29,619)	308,344
Borrowings	1,398,704	51,088	1,449,792	21,834	1,471,626	(21,833)	1,449,793
Total Liabilities	2,747,772	392,348	3,140,120	225,359	3,365,480	(251,196)	3,114,284

Notes to the Consolidated Financial Statements
Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information about the financial performance of the Group. The section ends with details of the Group's tax result for the period and the deferred tax assets and liabilities existing at the end of the year.

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group generates sales revenue mainly through its Agribusiness segment, which distributes advanced technological solutions (i.e. certified seeds, crop nutrition products, crop protection products and fuel) to farmers.

Sales with normal delivery

Revenue from sales with normal delivery is recognised when control of goods sold has transferred to the buyer, being when the goods leave the warehouses we operate or rent, when invoices are also issued. Revenue is measured at the fair value of the consideration received or receivable, net of commercial discounts, returns and value added taxes. Depending on the customer's financial situation and existing relationships with the Group, and on specific market conditions, the Group may request total or partial advance payments collected based on pro-forma or advance invoices.

Payment terms depend on type of goods acquired and financing options selected by the client (e.g. own funds, loans from the Group or commercial credit). Generally, the Group negotiates payment terms that match its clients' operating cycle, as follows:

- seeds are sold with payment terms around the harvesting period;
- crop nutrition products are generally sold with advance payments collected based on proforma invoices, but for specific products or customers the Group may grant payment terms around harvesting period;
- crop protection products are sold with payment terms around the harvesting period; however, during certain marketing campaigns or following negotiations with clients such payment terms could be extended up to the following harvesting period (such extended payment terms might exceed one year).
- fuel is generally sold with advance payments collected based on proforma invoices, or with payment at delivery or no later than 7 days after delivery.

Payment terms are extended to clients exclusively following a credit risk assessment and considering limits approved under the risk management practices of the Group. Depending on the results of such credit risk assessments, payment terms offered to specific clients might differ from the general terms highlighted above (further refer to Note 11 for details around risk practices and exposures).

Notes to the Consolidated Financial Statements
Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Significant judgement – ‘bill and hold’ arrangements

At the buyer’s request, the Group may enter into ‘bill and hold’ arrangements, in which delivery is delayed but the buyer takes legal title of goods and accepts billing. Revenue on such arrangements is recognised when control is transferred to the buyer, provided that:

- the reason for the ‘bill and hold’ arrangements is substantive (e.g. the farmer intends to secure the price and / or quantity of goods – seeds, crop nutrition products, crop protection products – as needed at specific stages of the agricultural season, but has limited storage capacity for immediate delivery);
- the product is identified separately as belonging to the customer;
- the product is ready for physical transfer to the customer; and
- the Group does not have the ability to use the product or to direct it to another customer

As part of ‘bill and hold’ arrangements, the Group concludes a custody contract with the buyer, who accepts legal ownership of the goods sold. The Group’s management is satisfied that control of the goods sold is transferred to the farmer (and related revenue is recognized) when the warehouse certificates are issued, confirming separate storage and availability for delivery.

Value of inventories held by the Group on behalf of third parties as part of bill and hold arrangements were as follows:

	31 December 2024	31 December 2023
Crop protection products	254,855	163,088
Crop nutrition products	1,177	331
Certified Seeds	6,182	6,182
	262,214	169,601

Sale with a right of return

The Group does not grant explicit rights of return for the products it sells. Implied return rights can arise from statements or promises made to customers during the sales process, statutory requirements, or our desire to mitigate the risk of customer dissatisfaction.

A right of return is not a separate performance obligation for the purpose of revenue recognition, but it affects the estimated transaction price for transferred goods. Revenue is only recognized for those goods that are not expected to be returned.

In accounting for its implicit rights of return, a refund liability (with a corresponding adjustment to revenue) and an asset (with a corresponding adjustment to cost of sales) representing its right to recover the products from the customer are recognized.

The refund liability represents the amount of consideration that the Group expects to refund to its customers. The refund liability is remeasured at each reporting date to reflect changes in the estimate of returns, with a corresponding adjustment to revenue (refer to note 18).

The asset represents the Group’s right to receive goods (inventory) back from the customers when it settles the refund obligation. The asset is initially measured at the carrying amount of the goods at the time of sale, less any expected costs to recover the goods and any expected reduction in value. The returns asset is presented separately from the refund liability (refer to note 18). The amount recorded

Notes to the Consolidated Financial Statements
Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

as an asset is updated for changes in the refund liability and for other changes in circumstances that might suggest an impairment of the asset.

The Group estimates the amount it expects to credit customers using the expected value method, by considering the returns accepted in the previous two financial years and the respective turnover in the reporting period. Specific conditions related to certain customers, products, promotional campaigns or similar are considered separately in assessing the right of return liability. Following this estimation process the Group assessed that it is highly probable that there will not be a significant reversal of revenue if the estimate of expected returns changes.

Other revenue

Other revenue relates mainly to transportation services and storage services in 'bill and hold' arrangements. Allocation of the consideration between sold goods, transportation services and storage services is based on their standalone selling prices.

Revenue from storage and transportation services is recognized over time when the respective services are rendered. Progress is determined based on the duration elapsed out of the total storage or transportation period agreed between the Group and its clients or an estimation thereof.

Financing component

Revenue related to sales whereby the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year is adjusted to account for the time value of money. Interest income resulting from this financing component is recognized over the expected maturity of the receivables using the effective interest rate method and is presented as "Finance Income" in the consolidated statement of profit or loss and other comprehensive income.

Significant estimate – discount rate

The contract consideration is adjusted to reflect the significant financing component using a discount rate that reflects the rate that would be used in a separate financing transaction between the Group and its customers. For invoices financed through intra-group factoring arrangements the financing component is approximated by the factoring costs as the invoices are passed over to the factor without significant delays after their initial recognition.

For other invoices the discount rate was determined by averaging interest rates offered by local banks to commercial companies for loans with similar characteristics (source: monthly reports issued by the National Bank of Romania) and interest rates offered by Agricover Credit IFN SA to its customers, in the month in which the sale is recognised.

Management considers that the discount rate reflects the credit risk of the relevant receivables portfolio as this is related to a mix of customers that have financing agreements with Agricover Credit IFN SA and others that do not. After contract inception, the Group does not update the discount rate – interest income is recognised based on the effective interest rate method, using the original discount rate. A discount rate 100 basis points higher or lower would have decreased or increased revenue by 0.9 million RON and would have increased or decreased interest income by 0.8 million RON for the year ended 31 December 2024.

Notes to the Consolidated Financial Statements
Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Significant estimate - variable consideration

A variable amount that is promised within a contract is included as consideration when measuring revenue. To this end, the Group estimates the amount of the consideration to which it will be entitled in exchange for transferring the promised goods to the customers. Recognition of such consideration is estimated at contract inception and is constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur or when the associated uncertainty with the variable consideration is subsequently resolved.

Variable consideration includes “*commercial discounts*”, namely discounts granted by the Group for compliance with contractual payment terms, based on the agricultural season and not on the calendar year. Commercial discounts result in the reduction of sales revenue earned during the period, and are booked at the time of sale according to an estimation. In making this estimation the management considers past collection patterns as well as information available to the commercial and risk teams of the Group, which are in close contact with significant customers. Granted commercial discounts 5% higher or lower would result in revenue recognised during 2024 lower or higher by 7.0 million RON (2023: lower or higher by 8.9 million RON).

Disaggregation of revenue from contracts with customers by product type is presented below.

	2024	2023
Revenue from goods sold		
Crop protection products	421,226	552,563
Fuel	436,720	540,130
Crop nutrition products	269,966	497,226
Seeds	220,854	249,947
	1,348,766	1,839,866
Revenue from transportation services	2,436	3,095
Revenue from storage services	936	972
Other revenue	113	828
Total	1,352,251	1,844,761

Notes to the Consolidated Financial Statements
 Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

6 NET INTEREST INCOME AND NET FINANCE INCOME

Through its Agrifinance division, the Group offers a range of financing products, including working capital and investment loans tailored to the needs of the farmers. To finance its loans granting activity, the Group has access to a diverse range of capital sources, including listed bonds and debt agreements with international financial institutions, investments funds and local banks.

Interest income earned on loans and advances granted as well as interest expense on debt contracted by the Agrifinance division, due to the nature of its activity, are presented within Operating profit as “Interest income” and “Interest and similar expenses” respectively.

Other interest income and expense, as gained or incurred by other operating segments of the Group in the course of their normal activity, are included in the statement of profit or loss within “Finance income” and “Finance costs”.

All interest income and expenses are measured and recognised using the effective interest method, as prescribed by IFRS 9 *Financial Instruments*.

Significant components of interest income and expense and finance income and expenses as included in the profit or loss of 2024 and 2023 are presented below:

	2024	2023
Interest Income – Agrifinance	425,965	398,588
<i>Credit lines</i>	400,822	369,796
<i>Investment loans</i>	22,363	28,477
<i>Deposits and current accounts</i>	2,781	315
Interest Expense – Agrifinance	(205,988)	(192,503)
Net Interest Income – Agrifinance	219,977	206,085
Interest Income – Agribusiness	15,760	20,100
Other finance revenue	63	221
Finance Income	15,823	20,321
Interest Expense – Agribusiness	(7,994)	(16,346)
Other finance gain / (losses)	8	(40)
Finance Cost	(7,986)	(16,386)
Net Finance Income	7,837	3,935

During 2024, interest income recognised on impaired financial assets amounts to 8.3 million RON (2023: 12.1 million RON).

7 PRESENTATION OF EXPENSES BY NATURE

In the statement of profit or loss and other comprehensive income, the Group presents its expenses by function.

All operating expenses of the Group are allocated to cost centres. Separate cost centres exist for regional working points and warehouses and headquarters for all operating segments of the Group. Expenses related to sales, acquisition and distribution process, including those related to the origination of loans and advances granted, as allocated to regional working points and warehouses (e.g.: inbound and outbound transportation related expenses, salaries of personnel, rent or depreciation, third party storage cots, consumables, etc.) are allocated to Cost of sales. Expenses

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related to headquarters cost centres incurred to support the functioning of the business and which are not directly related to the distribution process or to the loan origination process (e.g. support functions including finance or human resources, headquarters rent etc.) are allocated to Administrative expenses. Those expenses related to headquarters cost centres which are directly related to the loan origination, sales, or distribution processes (e.g. expenses incurred with or related to purchases, logistics and sales teams) are allocated to Cost of sales. Headquarters rent is allocated between cost of sales and administrative expenses based on the area occupied by respective teams.

The table below presents the breakdown of expenses by their nature:

	2024	2023
Merchandise	1,228,141	1,729,556
Employees costs	116,104	97,507
Transportation expenses	7,978	14,803
Third party services	11,554	17,784
Depreciation and amortisation	23,604	18,257
Consumables	3,670	3,978
Communication and marketing	3,251	4,851
Repairs and maintenance	6,080	5,829
Taxes except income tax	10,373	5,485
Other	18,270	18,554
Total, of which	1,429,025	1,916,604
Cost of sales	1,343,910	1,839,419
Administrative expenses	84,612	77,185
Research and development	503	-

The contractual fee for the audit of the statutory financial statements of the Group for the financial year ended 31 December 2024 was 168,000 EUR in total, out of which for the Company 50,000 EUR (2023: 193,400 EUR for the Group, 47,700 EUR for the Company). The contractual fee for the Group's review services provided by the statutory auditor for the financial year 2024 was 37,000 EUR, out of which for the Company 14,000 EUR (2023: 41,600 EUR for the Group; 15,300 EUR for the Company). The contractual fee for other services for the financial year 2024 was 102,009 EUR for the Group (2023: 2,000 EUR).

During 2024 the Group paid 1 million RON (2023: 2.2 million RON) to the statutory financial auditor. At 31 December 2024 expenses accrued in relation to audit and assurance services provided by the statutory financial auditor amounted to 0.2 million RON (31 December 2023: 0.6 million RON).

Defined Contribution Plan

The Group paid 26.4 million RON to defined contribution retirement plans during 2024 (2023: 26.6 million RON). Beyond the settlement of monthly contributions, the Group has no other obligations towards its employees in relation to their defined contribution retirement plans.

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Share Option Plan

Employees costs include expenses related to a share-based compensation program, implemented by the Company starting 2022, whereby eligible personnel within the Group receive conditional rights to acquire shares in the Company under a Share Option Plan (“the SOP”). Under the SOP, options on the Company’s shares are granted to senior managers (including executive officers) of the Group, with more than 12 months’ service for the Group, at the discretion of the Board of Directors of the Company (no individual has a contractual right to participate in the plan or to receive any guaranteed benefits).

The SOP is designed to provide short-term and long-term incentives for the participants to deliver long-term shareholder returns. It includes two components:

- a) short-term component, with options that vest after twelve months depending on the participants’ achievements with respect to their individually assigned KPIs (non-market performance condition), and
- b) long-term component, with options that vest over a three-year period (graded vesting, one third of the total number of granted options vesting each year) depending on the Group’s yearly consolidated net profits over the vesting period (non-market performance condition).

Vesting under both components of the SOP is conditioned upon the participant remaining employed with the Group on such vesting date, and on the achievement of the relevant performance indicators (whereby the maximum number of options that can vest is for a performance level of 130% versus the assigned levels of the performance indicators). The share options granted will not vest if the performance conditions are not met or if the participant leaves the Group before vesting date.

Options are granted under the SOP for no consideration and carry no dividend or voting rights. The share options are exercisable at 0.1 RON/share.

The service cost is determined with reference to the fair value of the underlying shares. The fair value of the share options is estimated at the grant date and, respectively, reporting dates by considering the Group’s consolidated net profit (as reported in its most recent annual consolidated financial statements) and average market multiples as published by the Bucharest Stock Exchange and / or other third-party data providers. Such multiples include the price-to-earnings ratio, which measures the share price in relation to the net profits of entities listed on the Bucharest Stock Exchange.

The performance conditions are only considered in determining the number of instruments that will ultimately vest and have no impact on the value of the options granted.

The Group provides a redemption mechanism of the SOP-acquired shares as follows:

- anytime during the holding period, the new shareholder has the right to ask the Company to buy his/her shares and the Company has the right to accept or deny the acquisition. Identical acquisition options can be initiated by the Company as well, without the holder having the obligation to exercise. In practice, except as stated below, there is no obligation on either side to buy or sell as a result of the other party's sell or buy initiative.
- the shares are mandatorily redeemable by the Company upon employment termination of the participants to the program.

An expense is recognized over the vesting period, which corresponds to the period during which the service and performance conditions are satisfied, for all employees and executives under the SOP who

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are directly employed by the Company. For beneficiaries of the SOP employed by other entities within the Group, an increase in investments in subsidiaries is recognized. The cost of services is determined based on the fair value of the share options, measured initially at the grant date and subsequently at each reporting date until the vesting date. A liability is recognized for all SOP beneficiaries, with the cumulative liability at each reporting date reflecting the proportion of the vesting period that has elapsed and the Company's best estimate of the number of options expected to vest.

Set out below are summaries of options granted, exercised or expired under the plan:

Number of options	2024	2023
1 January	22,091,584	7,488,122
Granted during the year	44,496,885	18,271,590
Exercised during the year	(4,176,019)	(3,389,216)
Expired during the year	(16,005,568)	(278,912)
31 December	46,406,882	22,091,584

As of 31 December 2024, all outstanding options have an exercise price of 0.1 RON/share. Weighted average remaining contractual life of options outstanding is 0.93 years (31 December 2023: 0.93 years). A liability related to the SOP recognized as at 31 December 2024, amounting to 3.2 million RON (0.2 million RON as at 31 December 2023), was presented in the consolidated statement of financial position as follows: 0.4 million RON as "Other payables" in non-current liabilities (0.1 million as at 31 December 2023) and 2.8 million RON as "Trade and other payables" in current liabilities (0.1 million RON as at 31 December 2023).

For 2024 the Group recognised an expense of 5.8 million RON in relation to the SOP (revenue of 0.7 million RON for 2023) presented in the consolidated statement of profit or loss and other comprehensive income as follows: 0.6 million RON recognized as expense in "Cost of sales" (revenue of 0.2 million RON for 2023) and 5.2 million RON recognized as expense in "Administrative expenses" (revenue of 0.5 million RON for 2023).

8 OTHER EXPENSES AND INCOME

Net credit losses on financial assets

Credit losses on financial assets are represented by the movements in expected credit losses calculated for existing and new loans and advances to customers as well as for trade and other receivables (such movements are detailed in Note 11). Net credit losses on financial assets include expected credit losses on off balance sheet commitments granted by the Group (refer to Note 26), as follows:

	2024	2023
Net credit losses on loans and advances to customers	37,029	46,497
Net credit losses on commitments	(1,245)	1,131
Net credit losses on trade and other receivables	18,485	29,596
Total net credit losses	54,269	77,224

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Fee and commission income

Fee and commission income mainly represents commission income for brokerage of insurance products. Brokerage fees are generally recognised on an accrual basis when the service has been provided, i.e. when the policy is written and the premium is cashed.

The table below presents the breakdown of fee and commission income and expenses:

	2024	2023
Insurance broker commission income	10,905	10,336
Loan collaterals management commission income	2,387	1,053
Fee and commission income	13,292	11,389
Loan collaterals management commission expense	(2,747)	(994)
Fee and commission expense	(2,747)	(994)

Other operating expenses

	2024	2023
Net loss from derivatives (Note 11)	(2,343)	(4,716)
Donations and sponsorships	(3,997)	(2,779)
Other losses	(316)	-
Total other operating expenses	(6,656)	(7,495)

Sponsorship costs are realised as the Group provides financial support to the farming community for educational and other programmes developed by Clubul Fermierilor Români pentru Agricultură Performantă, a non-profit association of Romanian farmers (3.3 million RON in 2024, 1.3 million RON in 2023) and Fundația Leaders (0.3 million RON in 2024, 1.2 million RON in 2023). Such programs are tailored to the needs of young farmers and support the generational change within family-owned farms.

9 EARNINGS PER SHARE ("EPS")

The following table reflects the data used in the calculation of basic and diluted earnings per share:

	2024	2023
Profit attributable to owners of the Parent	73,770	45,216
from continuing operations	91,391	56,559
from discontinued operations	(17,621)	(11,343)
Issued ordinary shares as 1 January	1,894,060,303	1,890,671,063
Issued ordinary shares during the year	786,779	3,389,240
Number of ordinary shares in issue at 31 December	1,894,847,082	1,894,060,303
Weighted-average number of ordinary shares	1,892,619,905	1,885,625,733
Basic and Diluted EPS	0.039	0.024
Basic and Diluted EPS from continuing operations	0.048	0.030
Basic and Diluted EPS from discontinued operations	(0.009)	(0.006)

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10 CURRENT AND DEFERRED INCOME TAX

Current and deferred income tax charges are calculated on the basis of tax rates and tax laws enacted or substantively enacted in Romania at the balance sheet date.

Frequent modification of the tax laws applicable in Romania give rise to significant tax uncertainties including but not limited to the tax authorities interpretation of complex tax issues. Differences arising between the results of such interpretations and the assumptions made by the Group's management, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded, together with late payment interest and penalties. In Romania, tax periods remain open for 5 years.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and recognises related liabilities where appropriate on the basis of amounts expected to be paid to the tax authorities. The Group's management considers that the tax liabilities included in these consolidated financial statements are fairly stated, and is not aware of any circumstances which may give rise to a potential material liability in this respect.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Significant components of the income tax expense are presented below.

	2024	2023
(Current) income tax	(19,073)	(15,851)
Deferred tax (expense) / income	3,852	(1,055)
Income tax expense	(15,221)	(16,906)

The income tax rate applicable to the Group's taxable income in 2024 and 2023 is 16%.

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The reconciliations between the tax expense and the product of accounting profit multiplied by the statutory tax rate for the years ended 31 December 2024 and 31 December 2023 are as follows:

	2024	2023
Accounting profit before tax	107,667	72,440
Tax charge at the statutory tax rate of 16%	17,227	11,590
Tax effect of non-taxable income	(879)	(1,209)
Tax effect of non-deductible expense	2,658	9,155
Other tax deductions, <i>of which:</i>	(4,836)	(4,164)
<i>Tax credit related to sponsorship³</i>	(3,820)	(2,787)
<i>Other fiscal facilities</i>	(1,016)	(1,377)
Deferred tax not recognised on fiscal losses	1,051	1,534
Income tax expense	15,221	16,906
Effective tax rate	14.14%	23.34%

Significant components of deferred tax assets and liabilities as at 31 December 2024, including their movements during the year then ended, are presented below:

	1 January 2024		(Charged) / Credited to profit or loss	31 December 2024	
	Deferred tax assets	Deferred tax liabilities		Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	-	(156)	-	-	(156)
Allowance for loans granted	59	-	-	59	-
Allowance for trade and other receivables	6,758	-	2,928	9,686	-
Other timing differences	800	-	924	1,724	-
	7,617	(156)	3,852	11,469	(156)

Significant components of deferred tax assets and liabilities as at 31 December 2023, including their movements during the year then ended, are presented below:

	1 January 2023		(Charged) / Credited to profit or loss	31 December 2023	
	Deferred tax assets	Deferred tax liabilities		Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	-	(176)	20	-	(156)
Allowance for loans granted	2,503	-	(2,444)	59	-
Allowance for trade and other receivables	3,851	-	2,907	6,758	-
Other timing differences	2,338	-	(1,538)	800	-
	8,692	(176)	(1,055)	7,617	(156)

³ Companies liable for corporate income tax that make sponsorships (in compliance with the Sponsorship Law 32/1994) for the support of non-profit organisations deduct the related amounts from the corporate income tax due. The available deductions are capped at the minimum of:

- 0.75% of revenue; or
- 20% of the corporation tax due.

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As of 31 December 2024, Agricover Holding SA and Agricover Commodities SRL have cumulative fiscal losses amounting to 45 million RON (31 December 2023: 32 million RON) for which no deferred tax asset has been recognised. The expiration dates for the fiscal losses are presented below:

		Expiring date (31 December)						
		2025	2026	2027	2028	2029	2030	2031
Fiscal losses as at 31 Dec 2024	45,481	206	1,513	2,454	2,822	23,350	15,136	-

		Expiring date (31 December)						
		2024	2025	2026	2027	2028	2029	2030
Fiscal losses as at 31 Dec 2023	32,073	1,348	206	1,513	2,454	2,822	8,594	15,136

During both 2024 and 2023 financial years, the Parent received dividends from its subsidiaries. While the Parent expects to continue to receive dividends in the future, dividend income is non-taxable. Similar fiscal treatment applies to capital gains that might be obtained by the Parent when selling all or part of its investments. Moreover, interest income related to loans granted by the Parent to other entities within Group was and is expected to be in the future substantially similar to the Parent's interest expense (main objective of the Parent in attracting funds from the capital markets is to finance its subsidiaries and it does so generally by offering loans with similar characteristics or through share capital increases).

In this context and considering that the Parent did not and does not plan to engage in other significant revenue generating activities, as of 31 December 2024 and 31 December 2023 no deferred tax is recognised for fiscal losses carried forward of the Parent.

Starting from the fiscal year 2024, *Law 296 regarding certain fiscal and budgetary measures for ensuring the long term financial sustainability of Romania, issued on 26 October 2023, with subsequent amendments and modifications* ("Law 296") introduced a tax on revenue for entities operating in the oil and gas sector with a turnover exceeding 50 million EUR in the previous fiscal year. This tax applies in addition to corporate income tax and is calculated based on total revenue, with only certain types of revenue being excluded. In these consolidated financial statements, the Group recognized a liability of 0.5 million RON under "Trade and other payables" as of 31 December 2024, and an expense of 4.8 million RON under "Administrative expenses" in the condensed consolidated statement of profit or loss and other comprehensive income.

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This section discusses the Group’s exposure to various risks, explains how these risks are managed and shows how these could affect the Group’s financial position and performance.

11 FINANCIAL RISKS MANAGEMENT

The Group’s strategy for growth and development has the farmers and their needs at its core. The Group’s aim is to support its clients in achieving their potential and, in the process, to support the Romanian agriculture in its important role in the European and global food chain. With this in mind, the Group has developed a business model which follows the seasonality of the agricultural year and offers a wide range of inputs and technologies, including financing of both working capital and investment needs of the farmers.

In this context the trade receivables peak in June and are collected in the second part of the financial year (as main crops are harvested and sold). Trade receivables are financed through similar agreements with suppliers (trade payables are also peaking around this period) and, where not possible or more costly for the Company, through bank loans (which follow the same seasonality). Bank loans, loans from international financial institutions, investment funds and capital markets are the main source of financing for the loans and advances to customers granted within the Agrifinance sector.

This business model involves taking on and managing financial risks in a targeted manner. The core functions of the Group's risk management are to identify all key risks for the Group, measure these risks, manage the risk positions and determine related capital allocations.

The Company’s board of directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and with consideration of best market practice.

The Group’s internal audit function, including the audit committee, is responsible for the independent review of the risk management and the internal control environment.

i. CREDIT RISK

Credit risk is the risk of suffering financial loss should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group.

Credit risk arises mainly from loans and advances to customers, but may also arise from other sources such as loans commitments and other transactions giving rise to financial assets, including trade receivables.

Credit risk is the largest financial risk to the Group's business. The Group's maximum exposure to credit risk is reflected by the carrying amounts of financial assets recognised in the consolidated statement of financial position. The Group is active exclusively on the Romanian market, it sells goods and provides services and financing exclusively to farmers. As at 31 December 2024 the Group is not exposed to significant concentrations of credit risk, details are included in the table below:

	Loans and advances		Trade receivables	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Top client	1.9%	1.4%	1.9%	5.0%
Top 10 clients	9.2%	9.3%	12.1%	15.6%

The biggest bank accounts for 62.7% of our cash and cash equivalents as at 31 December 2024 (31 December 2023: 44.2%).

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i.1. Credit risk on loans and advances, including loan commitments granted

Market context and farmers' ability to service debt

In 2024, the ability of farmers to service their financial obligations was significantly affected by a combination of declining crop prices, extreme weather events, and high production costs. The continued decrease in grain prices, with the European Union grain price index down 15% in 2024, following a 26% drop in 2023, reduced farmers' revenues, directly impacting their debt repayment capacity. Additionally, the severe drought in Romania, particularly in the southern and eastern regions, resulted in substantial crop losses, further weakening farmers' financial resilience. Many producers faced lower cash flow, increased reliance on credit, and delayed investments in quality inputs, affecting both short-term operations and long-term productivity.

At the same time, the high-interest-rate environment continued to put pressure on farmers carrying debt, increasing financing costs for both working capital and investment loans. While input prices remained relatively stable in 2024, they were still above pre-2022 levels, preventing significant cost relief. Additionally, delays in payments from certain farmers further signalled financial stress within the sector.

To help offset these challenges, the Romanian government introduced a 400 million EUR aid program to compensate farmers for drought-related losses and an emergency ordinance allowing affected farmers (conditions apply) to postpone debt repayments until August 2025. While the latter provided temporary liquidity relief, it also deferred financial pressure into the medium term. As a result, many farmers will face a stacked debt burden starting in August 2025, having to simultaneously service both their postponed obligations and new seasonal financing needs. This raises the risk of defaults, particularly for highly leveraged farmers. However, from our perspective, we did not incur significant eligible financial debt postponement requests (32 clients with a total exposure of 9.3 million RON, of which 4.8 million RON was postponed) or commercial debt postponement requests (14 clients with a total exposure of 1.8 million RON), and the overall financial impact of these measures on our portfolios remain limited.

Furthermore, as part of our risk mitigation strategy, we have increased collateral coverage across our loans and advances to customers portfolio, reaching 66% as of 31 December 2024, compared to 45% at the end of 2023. This approach enhances credit security and reduces potential losses, reinforcing our resilience against increased financial stress in the sector.

Looking forward, while government support has temporarily eased immediate pressures, the sector remains vulnerable to further price volatility, geopolitical shifts, and adverse weather conditions. Any deterioration in overall market conditions or financing accessibility could increase credit risk, posing challenges for both farmers and agricultural lenders.

i.1.1. Risk Management Policies and Procedures

The Group uses internal risk gradings that reflect its assessment of the probability of default of individual counterparties. Borrower and loan specific information collected by the relationship managers is fed into this risk grading model. Relationship managers have clear responsibilities concerning health checks and monitoring of farmers' business, as one of their KPIs refers to the collection of instalments as due. In practice Agricover teams visit each farmer at least twice a year (when financing autumn main crops, respectively spring main crops). This is supplemented with

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external data such as credit bureau or payment incidents information or COFACE reports on individual borrowers. In addition, the model enables judgement from the Risk Director to be fed into the final internal grading. This allows for considerations which may not be captured as part of the other data inputs into the model.

Specific monitoring strategies are applied depending on risk information and value of exposure, as follows:

- 1) **Standard exposure monitoring** – automatic collection process applied to all credit risk exposures. Risk indicators monitored:
 - ✓ Insolvency – based on the public insolvency register;
 - ✓ Breaches of payment terms with third parties – based on information available from the Central Credit Register (“CRC”);
 - ✓ Level of debts to state budget – these should not exceed 20% of the exposure of Agrifinance to the respective client.
- 2) **Intensive exposure monitoring** – process applied for clients with exposure over 2 million RON or for “orange” or “red” graded exposures; whereby in intensive monitoring the following risk indicators are observed in addition to the standard:
 - ✓ debtor's status at the National Trade Register Office;
 - ✓ information from the Office of Payment Incidents for Romanian Companies;
 - ✓ significant increase of client’s debt to other financial institutions (sensitive threshold: 50% year-on-year increase).

As a result, the early understanding of potential problems that customers may face during the agriculture year allows preventive intervention and, in most cases, Agrifinance team together with the customers identify solutions to resume or potentially restructure payment schedules. At the same time, in situations where the farmers cannot meet their obligations, early identification of default risk allows timely initiation of collateral liquidation procedures. Usually the forced execution team identifies potential buyers even among the existing clients with whom the Group has long-lasting business relationships, especially in the case of agricultural land, silos, or agricultural equipment brought as collateral. As a consequence, access to an extended customer base enables a fast and efficient collateral liquidation process, at or close to market prices.

The internal risk grades as monitored by the Risk Director and periodically reported to the Credit Risk Committee are detailed below:

- 1) **green** – exposures less than 30 days overdue and with no other risk indicators identified based on the standard or intensive monitoring processes (for clients with exposure over 2 million RON);
- 2) **orange** – exposures past due by 31 to 90 days as well as customers with restructured loans and less than 30 days overdue during the probation period.
- 3) **red** – exposures with more than 90 days past due where solutions for amiable collection have been identified, or exposure to clients whose financial situation or other risk indicators may lead to the opening of foreclosure procedures; customers with this risk grade are monitored by the legal collection team who accompany the commercial team during the site visits with the objective to identify solutions for collection, such as amicable payment, or existing collateral execution or consolidation of existing collaterals etc.
- 4) **legal** – exposures for which legal proceedings for foreclosure and collateral execution have

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been initiated via a bailiff. They are monitored by the legal collection team.

For clients under intensive monitoring the relevant indicators are assessed by the risk analyst, the commercial team may be involved in data gathering when relevant, and submitted to the attention of the Collection Committee when indicators of significant increase in credit risk are identified. Based on this analysis the Collection Committee updates or keeps the risk grade of the respective client.

The Group manages limits and controls the concentrations of credit risk both to individual counterparties and to group of related counterparties exposures. Such limits are subject to an annual review process but can be updated more frequently if necessary. Limit updates are initiated in the light of changing market and economic conditions and periodic credit reviews and assessments of probability of default.

i.1.2. Expected credit loss measurement

IFRS 9 outlines a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired at initial recognition is classified in ‘Stage 1’ and has its credit risk
- continuously monitored by the Group as detailed above.
- If a significant increase in credit risk since initial recognition (‘SICR’) is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be impaired. Refer to note i.1.2.1 for details around SICR identification.
- If the financial instrument is impaired, it is then moved to ‘Stage 3’. Refer to note i.1.2.2 for details around impairment identification and default definition.
- Financial instruments in Stage 1 have their expected credit losses (“ECL”) measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Refer to note i.1.2.4 for details around key inputs, assumptions and estimates used by the Group in the measurement of ECL.
- Measuring ECL in accordance with IFRS 9 considers forward-looking information. Refer to note i.1.2.5 for details around forward looking information and its impact on the ECL measured by the Group.
- Financial assets impaired at acquisition or inception (“POCI”) are those financial assets that are impaired on initial recognition. Subsequent to initial recognition at fair value, interest income on POCI financial assets is recognized based on a credit-adjusted effective interest rate while their ECL is always measured on a lifetime basis irrespective of whether they are impaired at the reporting date.
- Further explanation is also provided of how the Group determines appropriate groupings when ECL is measured on a collective basis. Refer to note i.1.2.3 for details around segmentation of loans and advances as used by the Group for the purposes of measuring ECL.

Significant estimate – expected credit losses

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) and makes certain post-model adjustments to account for existing or expected risks which are not addressed by the statistical model employed. Key judgements, assumptions and techniques used for estimating expected credit losses on loans and advances and loan commitments granted by the Group are presented below, together with sensitivities of the ECL to relevant inputs.

i.1.2.1. Significant increase in credit risk (“SICR”)

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes information and analysis done based on the Group’s historical experience and expert credit assessment and including forward-looking information. The Group concludes that there has been a significant increase in credit risk whenever one of the following circumstances occurs:

- the asset is more than 30 days past due (backstop),
- different triggers are signalled by the Credit Risk Committee, such as: payment incidents, significant increase in customer debt to other financial institutions, year-on-year increase of indebtedness by 50% or more etc.,
- the debtor exhibits significant financial degradation based on the analysis of its financial reports (i.e. it is classified as “orange” based on the internal risk grades identified above), or
- first restructuring if no amounts are overdue by more than 30 days during the probation period of 24 months.

i.1.2.2. Default and credit-impaired loans and advances

For the purpose of determining the risk of a default occurring, the Group applies a default definition that is consistent with the definition used for internal credit risk management purposes for the relevant financial instrument and considers both quantitative and qualitative indicators, as appropriate. An asset is marked as in default whenever one of the following circumstances occurs:

- the asset is more than 90 days past due (backstop), or
- the asset was more than 90 days past due anytime in the three months prior to the reporting date,
- the Group concludes that the borrower is unlikely to pay, considering:
 - Initiation of legal procedures against the borrower,
 - Decisions of the Collection Committee based on public information, information available within the Group (i.e. it is classified as “red” based on the internal risk grades identified above), or
 - Repeated restructuring.

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An exposure is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria identified above, subject to a probation period of 12 months in case of borrowers with repeated restructurings, respectively of 3 months in the rest of the cases, depending on applicable default criteria. Subsequent to the probation period, the exposure is classified as "Stage 1" or "Stage 2" based on the criteria for identifying a significant increase in credit risk discussed above.

i.1.2.3. Grouping of instruments for expected losses measured on a collective basis

For expected credit losses modelled on a collective basis, a grouping of exposures is performed on the basis of shared credit risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the group to be statistically relevant.

The risk drivers applied by the Group refer to:

- Type of client, referring to:
 - the surface of agriculture land worked by the client, i.e. above, respectively below 400 hectares; and to
 - clients that perform other agriculture activities than work of land
- Type of product

i.1.2.4. Key inputs, assumptions and estimation techniques

The Expected Credit Loss ("ECL") is measured:

- on a 12-month (12M) basis for Stage 1 classified exposures, or
- on a Lifetime basis for Stage 2 or Stage 3 classified exposures as well as for exposures purchased or originated credit-impaired.

Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per the definition of Default above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation;
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. The Group estimates LGD parameters based on the estimated recoverable value of collaterals, allocated at each loan ID, calculated on a discounted cash flow basis using the effective interest rate as the discounting factor. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

The ECL is determined by projecting and multiplying the 12M or Lifetime PD, LGD and EAD for each individual exposure or collective segment.

12M PD is calculated considering historical default data, namely following the behaviour of each vintage of performing portfolios, whereby its behaviour is followed to identify default at any time during the next 12 month period. In this analysis the default state is non-absorbing, meaning that if a client is marked as default say n times during the 12 month period of observation, n events of default will be

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counted. As at 31 December 2024, 12M PDs were estimated using quarterly vintages from the second quarter of 2014 to the third quarter of 2024 including.

The Lifetime PD is calculated based on the PD term structure developed by: i) analysing historical migration to default by vintage of performing portfolios, but default is identified at any time during the lifetime of the analysed assets; and ii) extrapolating from the last data available to the longest remaining maturity in the analysed portfolio. In practice, this historical PD term structure looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans and is assumed to be the same across all assets within a group with shared credit risk characteristics.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. For revolving products, the exposure at default is predicted by taking current undrawn balance and adding a “credit conversion factor” which allows for the expected drawdown of the remaining limit by the time of default. For loans without a reimbursement schedule or for bullet loans, the EAD is considered constant up to “expected maturity”. For instalment loans EAD is estimated considering the contractual reimbursement schedule. The prepayment effect was assessed as not significant and not considered in the estimation of EAD.

The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a quarterly basis.

i.1.2.5. Forward-looking information incorporated in the ECL model

The Group incorporates forward-looking information into the measurement of ECL. In practice, this translates in the determination of a link between the historical PD term structure determined as details at i.1.2.4. above and the relevant macroeconomic factors. Then, based on the forecasts of such macroeconomic factors, the historical PD term structure is adjusted to determine the final PD term structure. External information considered includes the following economic data and forecasts:

- agriculture commodities price index, namely the ratio between the price index of outputs (i.e. grains) and of inputs (i.e. fertilisers; with a two quarters lag to account for time need for changes in the costs of inputs to be transmitted to the price of outputs), as based on Word Bank published quarterly data;
- the evolution of agriculture gross domestic product, as based on quarterly data published by the National Institute of Statistics;
- market interest rates (i.e. ROBOR), as based on quarterly data published by the National Bank of Romania.

As part of a risk parameters recalibration process performed during the fourth quarter of 2024, the Group has identified the above macro-economic key drivers of credit risk using an analysis of most recent nine years historical default data, up to and including the third quarter of 2024. The correlation of default data with a wider range of macro-economic variables was analysed before selecting the best model in terms of several statistical significance tests performed, as well as in terms of empirical or economic causation.

Forward looking scenarios were built considering outlooks published by several economists based in Romania and incorporating the management’s expectations. The table below includes a summary of the forward-looking scenarios used in the calculation of expected credit losses as at 31 December 2024. The forecasted values represent the weighted average of three scenarios used: base scenario

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with a probability of 45%, optimistic scenario with a probability of 20%, pessimistic scenario with a probability of 35%.

	Q4 2024	Q4 2025	Q3 2026
agriculture commodities price index	+6.98%	+7.44%	+7.44%
yearly agriculture gross domestic product	+7.32%	-1.49%	+5.72%
market interest rates (as at year-end)	+5.04%	+4.49%	+4.18%

The table below includes a summary of the forward-looking scenarios used in the calculation of expected credit losses as at 31 December 2023. The forecasted values represent the weighted average of three scenarios used: base scenario with a probability of 60%, optimistic scenario with a probability of 20% and pesimistic scenario with a probability of 20%.

	Q4 2024	Q4 2025	Q3 2026
agriculture commodities price index	-10.34%	-2.53%	+2.75%
yearly agriculture gross domestic product	+5.51%	+11.29%	+4.92%
market interest rates (as at year-end)	4.95%	4.43%	3.96%

Significant estimate – forward looking scenarios

The incorporation of forward-looking information reflects the expectations of the Management and involves the creation of scenarios (base case, optimist and pessimist), including the assignment of probability weights for each scenario as presented below. Scenarios used in the calculation of expected credit losses as at 31 December 2024 and, respectively, as at 31 December 2023 are presented in this section above.

The following sensitivities of the results to reasonably possible alternatives to the management's best estimates were performed:

1. as at 31 December 2024:
 - if the pessimistic scenario was assigned a probability of 100%, the allowance account would have increased by 0.1 million RON.
 - if the optimistic scenario was assigned a probability of 100%, the allowance account would have decreased by 0.3 million RON.
 - if the base scenario was assigned a probability of 100%, the allowance account would decrease by 0.1 million RON.
2. as at 31 December 2023:
 - if the pessimistic scenario was assigned a probability of 100%, the allowance account would have increased by 3.3 million RON.
 - if the optimistic scenario was assigned a probability of 100%, the allowance account would have decreased by 1.1 million RON.
 - if the base scenario was assigned a probability of 100%, the allowance account would decrease by 0.5 million RON.

The Group constantly monitors the local, regional and global macroeconomic developments and assesses possible impacts of recent or foreseen developments on its business. In the context of the risk parameters recalibration during 2024, following which the ECL calculation model incorporates the impact of three macroeconomic factors (namely: agriculture commodities price index, agriculture gross domestic product, and market interest rates), and in consideration of the comparatively stable macroeconomic environment during the second half of 2024 and the beginning of 2024, no significant

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post model adjustments were deemed necessary by the management as at 31 December 2024.

i.1.3. Collateral and other methods of risk reduction

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The main collateral types for loans and advances are:

- Mortgages over agricultural land (arable land);
- Other mortgages over residential and commercial, respectively agricultural properties; and
- Pledge over business assets such as premises, inventories and accounts receivable.

The valuation methodologies for collaterals considered in the estimation of expected credit losses is presented below:

- Mortgages: fair value of the collateral is yearly appraised by a certified external independent appraisal;
- Pledge on equipment: based on fair value of the collateral at the origination, updated yearly with an internal depreciation rate.
- Pledge on inventories: based on fair value of the collateral estimated and periodically updated by the CARS Committee of the Agrifinance segment. Pledged inventories are inspected monthly by a certified external independent expert;

Significant estimate – value of collateral

For the purpose of ECL measurement the fair values of collaterals as included in the valuation reports are adjusted with haircuts specific to each type of collateral to reflect the management estimated recoverable amounts in forced sales scenarios and to account for the forward looking macroeconomic scenarios considered within the ECL measurement exercise.

A 10% decrease or increase in the value of collateral estimates would impact total expected credit loss allowances as follows:

- increase of RON 7.3 million or decrease of RON 4.2 million at 31 December 2024.
- increase of RON 3.5 million or decrease of RON 3.0 million at 31 December 2023.

The table below includes information about the fair value of the collaterals considered in the ECL measurement. The values presented represent the fair values of the collaterals as included in the valuation reports (i.e. before haircuts discussed above), capped at level of the exposure (i.e. if the fair value of the collateral is higher than the exposure to which it relates, then the value of the exposure is included in the table), as at 31 December 2024 is as follows:

Collateral \ Loan type	total, of which:		Stage 3	
	Investment loans	Credit Line	Investment loans	Credit Line
Loans collateralized by:				
Mortgage	76,037	1,537,462	784	52,918
Pledge on equipment	29,583	131,887	844	7,411
Pledge on stock	1,567	57,264	-	-
Total value of collaterals	107,187	1,726,613	1,628	60,329
Gross loans and advances granted	146,325	3,020,447	4,761	101,988

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Comparative information as at 31 December 2023 is as follows:

Collateral \ Loan type	total, of which:		Stage 3	
	Investment loans	Credit Line	Investment loans	Credit Line
Loans collateralized by:				
Mortgage	37,961	898,613	1,366	46,732
Pledge on equipment	47,234	47,691	431	2,067
Pledge on stock	-	125,630	-	450
Total value of collaterals	85,195	1,071,934	1,797	49,249
Gross loans and advances granted	188,220	2,570,367	4,612	105,757

As at 31 December 2024, the Group has asset (land or other) obtained by taking possession of collateral held as security in total amount of 19,7 million RON, included in other assets (31 December 2023: nil) as a result of foreclosure procedures. Repossessed assets (generally represented by inventories – agricultural products) are sold as soon as practicable.

i.1.4. Loss Allowance

The decrease in the allowance as of 31 December 2024, compared to 31 December 2023, reflects the Group's focus on managing credit risk. This reduction is primarily driven by lower probabilities of default as well as an increased collateral coverage ratio, while maintaining the historical healing rates.

The following tables explain the changes in the loss allowance between the beginning and the end of the financial year, whereby the impact of migration to a different stage is included in the "increase of existing assets" line item:

	Stage 1	Stage 2	Stage 3	POCI ⁴	Total
ECL at 1 Jan 2024	42,341	6,580	56,279	1,741	106,941
New assets originated	41,915	-	-	-	41,915
Increase of existing assets	32,405	28,728	100,534	-	161,667
Changes in risk parameters	5,520	1,172	(2)	-	6,690
Assets derecognized or repaid (excluding write off)	(76,369)	(29,235)	(68,322)	(566)	(174,492)
Transfers from Stage 1	758	503	(1,261)	-	-
Transfers from Stage 2	-	(516)	516	-	-
Transfers from Stage 3	-	280	(280)	-	-
Amounts written off	-	-	(30,969)	-	(30,969)
ECL at 31 Dec 2024	46,565	7,512	56,495	1,175	111,747

⁴ POCI - financial assets impaired at acquisition or origination date

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Comparative information for the year ended 31 December 2023 is included below:

	Stage 1	Stage 2	Stage 3	POCI	Total
ECL at 1 Jan 2023	18,679	6,763	48,950	3,398	77,790
New assets originated	35,927	(25)	-	1,741	37,643
Increase of existing assets	45,588	22,805	111,688	-	180,081
Changes in risk parameters	(5,157)	(619)	-	-	(5,776)
Assets derecognized or repaid (excluding write off)	(52,375)	(20,433)	(89,115)	(3,398)	(165,321)
Transfers from Stage 1	(573)	353	264	-	44
Transfers from Stage 2	252	(3,373)	3,121	-	-
Transfers from Stage 3	-	1,109	(1,109)	-	-
Amounts written off	-	-	(17,520)	-	(17,520)
ECL at 31 Dec 2023	42,341	6,580	56,279	1,741	106,941

Significant changes in the gross carrying amount (“GCA”) of loans and advances that contributed to changes in the respective loss allowance were as follows:

	Stage 1	Stage 2	Stage 3	POCI	Total
GCA at 1 Jan 2024	2,398,594	249,617	108,233	2,144	2,758,588
New assets originated	1,934,363	-	-	-	1,934,363
Increase of existing assets	1,052,756	248,792	20,713	-	1,322,261
Assets derecognized or repaid (excluding write off)	(2,557,463)	(206,631)	(52,832)	(545)	(2,817,471)
Transfers from Stage 1	(49,324)	31,971	17,353	-	-
Transfers from Stage 2	2,360	(46,987)	44,627	-	-
Transfers from Stage 3	-	1,976	(1,976)	-	-
Amounts written off	-	-	(30,969)	-	(30,969)
GCA at 31 Dec 2024	2,781,286	278,738	105,149	1,599	3,166,772

Comparative information for the year ended 31 December 2023 is included below:

	Stage 1	Stage 2	Stage 3	POCI	Total
GCA at 1 Jan 2023	2,534,867	193,013	68,040	12,639	2,808,559
New assets originated	714,266	60,153	12,119	2,144	788,682
Increase of existing assets	1,657,954	157,371	35,640	-	1,850,962
Assets derecognized or repaid (excluding write off)	(2,457,018)	(158,481)	(43,961)	(12,639)	(2,672,096)
Transfers from Stage 1	(65,159)	42,150	23,009	-	-
Transfers from Stage 2	13,684	(47,669)	33,985	-	-
Transfers from Stage 3	-	3,080	(3,080)	-	-
Amounts written off	-	-	(17,520)	-	(17,520)
GCA at 31 Dec 2023	2,398,594	249,617	108,233	2,144	2,758,587

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Loans and advances by type of product, stage classification and type of credit risk assessment are detailed below:

31 Dec 2024	Investment loans		Credit line	
	GCA	ECL	GCA	ECL
<i>Collective analysis</i>	138,622	2,271	2,642,664	44,294
Stage 1	2,942	103	275,795	7,409
Stage 2	4,342	3,504	85,001	48,253
Stage 3	-	-	1,599	1,175
Purchased Credit Impaired	138,622	2,271	2,642,664	44,294
<i>Individual analysis</i>				
Stage 3	419	392	15,388	4,346
Total	146,325	6,270	3,020,447	105,477

Comparative information for the year ended 31 December 2023 is included below:

31 Dec 2023	Investment loans		Credit line	
	GCA	ECL	GCA	ECL
<i>Collective analysis</i>				
Stage 1	173,496	1,808	2,225,105	40,533
Stage 2	10,111	157	239,505	6,423
Stage 3	1,238	1,035	82,217	51,516
Purchased Credit Impaired	-	-	2,144	1,741
<i>Individual analysis</i>				
Stage 3	3,375	785	21,396	2,943
Total	188,220	3,785	2,570,367	103,156

Sections below include a presentation of loans and advances to customers, separately for each significant class of products and type of customers, by credit quality, whereby credit quality is defined as:

- Low risk – loans and advances to customers included in Stage 1;
- Medium risk – loans and advances to customers included in Stage 2;
- Substandard – loans and advances to customers included in Stage 3 with 0-180 days past due;
- Doubtful – loans and advances to customers included in Stage 3 with 181-360 days past due;
- Loss – loans and advances included in Stage 3 with more than 360 days past due.

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i.1.4.1. Credit lines

The table below shows the credit quality and the exposure to credit risk from Credit lines type of loans granted, by probability of default, as at 31 December 2024.

Internal classification / Stage	Credit quality	Stage 1	Stage 2	Stage 3	Purchased Credit Impaired	Total
Performing						
<i>below 400HA</i>						
	Low risk	712,132	-	-	-	712,132
	Medium risk	-	83,549	-	-	83,549
<i>above 400HA</i>						
	Low risk	1,876,739	-	-	-	1,876,739
	Medium risk	-	190,404	-	-	190,404
<i>others</i>						
	Low risk	53,793	-	-	-	53,793
	Medium risk	-	1,842	-	-	1,842
Non-performing						
<i>below 400HA</i>						
	Substandard	-	-	30,404	-	30,404
	Doubtful	-	-	1,313	-	1,313
	Loss	-	-	7,948	-	7,948
<i>above 400HA</i>						
	Substandard	-	-	33,940	1,599	35,539
	Doubtful	-	-	3,490	-	3,490
	Loss	-	-	23,294	-	23,294
Total GCA		2,642,664	275,795	100,389	1,599	3,020,447
ECL		44,294	7,409	52,599	1,175	105,477

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Comparative information for 31 December 2023 is presented below:

Internal classification / Stage	Credit quality	Stage 1	Stage 2	Stage 3	Purchased Credit Impaired	Total
Performing						
<i>below 400HA</i>						
	Low risk	488,812	-	-	-	488,813
	Medium risk	-	65,918	-	-	65,918
<i>above 400HA</i>						
	Low risk	1,699,092	-	-	-	1,699,092
	Medium risk	-	173,425	-	-	173,425
<i>others</i>						
	Low risk	37,200	-	-	-	37,200
	Medium risk	-	162	-	-	162
Non-performing						
<i>below 400HA</i>						
	Substandard	-	-	29,085	-	29,085
	Doubtful	-	-	1,493	-	1,493
	Loss	-	-	5,166	-	5,166
<i>above 400HA</i>						
	Substandard	-	-	43,105	2,144	45,248
	Doubtful	-	-	1,898	-	1,898
	Loss	-	-	22,862	-	22,862
<i>others</i>						
	Loss	-	-	5	-	5
Total GCA		2,225,104	239,505	103,614	2,144	2,570,367
ECL		40,533	6,423	54,459	1,741	103,156

The tables below summarise the ageing of Stage 2 and Stage 3 Credit lines granted, as follows:

- Stage 2 – loans less than 30 days past due (“dpd”) irrespective of the criteria that triggered their classification in Stage 2 (see note 11.i.1.2.1).
- Stage 3 – loans less than 90 dpd, thus presenting the loans classified as Stage 3 due to criteria other than aging (see note 11.i.1.2.2).

31 Dec 2024	Stage 2		Stage 3	
	GCA	ECL	GCA	ECL
<i>Less than</i>				
Collective analysis				
30 dpd (for Stage 2)	264,567	7,003	-	-
90 dpd (for Stage 3)	-	-	17,762	10,231
Individual analysis				
30 dpd (for Stage 2)	-	-	-	-
90 dpd (for Stage 3)	-	-	14,171	3,648
Total	264,567	7,003	31,933	13,879

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Comparative information for the year ended 31 December 2023 is included below:

31 Dec 2023	Stage 2		Stage 3	
	GCA	ECL	GCA	ECL
<i>Less than</i>				
Collective analysis				
30 dpd (for Stage 2)	223,085	5,800	-	-
90 dpd (for Stage 3)	-	-	25,060	12,921
Individual analysis				
30 dpd (for Stage 2)	-	-	-	-
90 dpd (for Stage 3)	-	-	16,470	2,003
Total	223,085	5,800	41,530	14,924

i.1.4.2. Investment loans

The table below shows the credit quality and the exposure to credit risk from Investment loans granted, by probability of default, as at 31 December 2024.

Internal classification / Stage	Credit quality	Stage 1	Stage 2	Stage 3	Total
Performing					
<i>below 400HA</i>	Low risk	40,344	-	-	40,344
	Medium risk	-	1,455	-	1,455
<i>above 400HA</i>	Low risk	98,277	-	-	98,277
	Medium risk	-	1,488	-	1,488
Non-performing					
<i>below 400HA</i>	Substandard	-	-	676	676
	Doubtful	-	-	354	354
	Loss	-	-	306	306
<i>above 400HA</i>	Substandard	-	-	2,687	2,687
	Doubtful	-	-	663	663
	Loss	-	-	75	75
Total GCA		138,621	2,943	4,761	146,325
Total ECL		2,271	103	3,896	6,270

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Comparative information for 31 December 2023 is presented below:

Internal classification / Stage	Credit quality	Stage 1	Stage 2	Stage 3	Total
Performing					
<i>below 400HA</i>					
	Low risk	29,082	-	-	29,082
	Medium risk	-	2,626	-	2,626
<i>above 400HA</i>					
	Low risk	139,165	-	-	139,165
	Medium risk	-	7,469	-	7,469
<i>others</i>					
	Low risk	5,250	-	-	5,250
	Medium risk	-	15	-	15
Non-performing					
<i>below 400HA</i>					
	Substandard	-	-	701	701
	Loss	-	-	111	111
<i>above 400HA</i>					
	Substandard	-	-	3,295	3,295
	Doubtful	-	-	133	133
	Loss	-	-	354	354
<i>others</i>					
	Loss	-	-	19	19
Total GCA		173,497	10,110	4,613	188,220
Total ECL		1,808	157	1,820	3,785

The tables below summarise the ageing of Stage 2 and Stage 3 Investment loans granted, as follows:

- Stage 2 – loans less than 30 dpd irrespective of the criteria that triggered their classification in Stage 2 (see note 11 i.1.2.1).
- Stage 3 – loans less than 90 dpd, thus presenting the loans classified as Stage 3 due to criteria other than aging (see note 11 i.1.2.2).

31 December 2024	Stage 2		Stage 3	
	GCA	ECL	GCA	ECL
<i>Less than</i>				
Collective analysis				
30 dpd (for Stage 2)	2,252	75	-	-
90 dpd (for Stage 3)	-	-	563	506
Individual analysis				
30 dpd (for Stage 2)	-	-	-	-
90 dpd (for Stage 3)	-	-	419	392
Total	2,252	75	982	898

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Comparative information for the year ended 31 December 2023 is included below:

31 December 2023	Stage 2		Stage 3	
	GCA	ECL	GCA	ECL
<i>Less than</i>				
Collective analysis				
30 dpd (for Stage 2)	9,653	145	-	-
90 dpd (for Stage 3)	-	-	252	239
Individual analysis				
30 dpd (for Stage 2)	-	-	-	-
90 dpd (for Stage 3)	-	-	465	48
Total	9,653	145	717	287

i.1.5. Modified loans and advances to customers

Restructuring activities include extended payment arrangements, modification and deferral of payments. Restructuring policies and practices are based on indicators or criteria that, in the judgment of management, indicate that collection will most likely continue. These policies are kept under continuous review. Repeated restructuring is one of the Group's impairment indicators. As at 31 December 2024, the modified net exposure was of 84.9 millions RON (31 December 2023: 88.4 millions RON).

An analysis of the restructured loans and advances to customers outstanding as at 31 December 2024 and 31 December 2023, per types of loans, is presented in the table below. The analysis presents the stage where the modified exposure is classified as at the reporting date, irrespective of its initial classification as at the modification date.

	31 December 2024		31 December 2023	
	Investment loans	Credit lines	Investment loans	Credit lines
Collective analysis				
Gross Carrying Amount, of which:	1,147	92,038	633	94,524
Stage 2	465	73,261	633	77,490
Stage 3	682	18,777	-	17,034
Expected Credit Losses, of which:	565	12,628	14	11,770
Stage 2	7	1,985	14	2,330
Stage 3	558	10,643	-	9,440
Individual analysis				
Gross Carrying Amount, of which:	-	8,087	-	5,350
Stage 3	-	8,087	-	5,350
Expected Credit Losses, of which:	-	3,164	-	313
Stage 3	-	3,164	-	313
Totals				
Total gross exposure	1,147	100,125	633	99,874
Total expected credit losses	565	15,792	14	12,083
Total net exposure	582	84,333	619	87,791

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

The Group monitors the subsequent performance of modified assets. The Group may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for minimum twelve consecutive months or more.

i.2. Credit risk on financial assets other than loans and advances

Other financial assets which potentially subject the Group to credit risk consist mainly of cash equivalents, trade and other current and non-current receivables. Each subsidiary of the Group has policies in place to ensure that sales of goods and services are made to customers with an appropriate credit standing. Risk control assesses the credit quality of new customers before standard payment and delivery terms and conditions are offered and periodically for existing customers. Such assessments consider the financial position of the customer, the Group's past experience with that customer, external credit risk information where available and other relevant factors as the case may be. Individual risk limits are set based on internal analysis in accordance with limits set by the Board of Directors. The compliance with credit limits by wholesale customers is regularly monitored according to responsibility grids.

i.2.1. Individually significant exposures

Significant exposures are analysed individually for the purpose of identification of any impairment indicators and / or of measuring the related expected credit losses. Such analyses are based on the age of the receivable balances, external evidence of the credit status of the counterparty and any disputed amounts.

Cash and cash equivalents are analysed individually. The credit risk on cash and cash equivalents is very small, since cash and cash equivalents are placed on short term with financial institutions which are considered at time of deposit to have low risk of default.

i.2.2. Trade and other receivables

Significant estimate – expected credit losses

The Group applies the IFRS 9 simplified approach to measuring expected credit losses on trade and other receivables which requires a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, the Group uses a provision matrix whereby trade receivables and contract assets have been grouped based on the days past due.

The Group also analyses individually the trade receivables from companies within insolvency processes and the trade receivables past due for more than 270 days. This analysis may result in additional allowance related to subject receivables.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 or 1 January 2024 respectively and the corresponding historical credit losses experienced within this period. Where material, the historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

If loss rates were 20% higher, the allowance account would have been 4.6 million RON higher. If loss rates were 10% lower, the allowance account would have been 7.2 million RON lower.

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(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

On that basis, the loss allowance as at 31 December 2024 was determined as follows for trade receivables:

DPD	Not due	1-30	31-60	61-90	91-180	181-365	> 365	Total
ECL rate (%)	2%	6%	14%	27%	42%	11%	100%	
Trade receivables	287,775	940	20,791	16,108	35,102	2,098	48,916	411,730
ECL	4,537	56	2,875	4,377	14,750	237	48,916	75,748

Comparative information as at 31 December 2023 is included below:

DPD	Not due	1-30	31-60	61-90	91-180	181-365	> 365	Total
ECL rate (%)	2%	1%	9%	24%	49%	70%	100%	
Trade receivables	398,871	11,224	31,437	34,525	38,292	5,256	18,665	538,270
ECL	6,590	72	2,944	8,197	18,874	3,683	18,665	59,025

The loss allowances for trade and other receivables as at 31 December reconcile to the opening loss allowances as follows:

	2024		2023	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Opening Balance	(59,025)	(104)	(29,715)	(640)
Amounts written off	1,765	-	822	-
Reversal	242	5	-	-
Net Impairment charge	(18,730)	(2)	(30,132)	536
Closing Balance	(75,748)	(101)	(59,025)	(104)

Expected credit losses on trade and other receivables are presented as net credit losses, within gross profit. Collateral is not normally obtained, and the maximum exposure to credit risk arising from trade and other receivables is equal to their respective carrying amounts.

ii. MARKET RISK

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates.

The Group is exposed to market risks arising from its open positions in interest rate and currency products. Quantitative and qualitative information about the Group's exposure to these risks as well as related risk management policies and practices within the Group are discussed in this note.

ii.1. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Board has set limits on the net positions the Group can hold in foreign currencies, including foreign exchange positions of subsidiaries and both accounting and economic hedges. Such limits are especially relevant for the Agrifinance division, where part of borrowings from international financial institutions, other debt agreements and proceeds from issued bonds are EUR denominated. According to the limits set by the Group and to certain financial covenants imposed by borrowing agreements, the open currency position within Agrifinance should not exceed 10% of its Total Capital.

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The Group's strategy is to monitor open positions on a daily basis and apply risk management strategies to ensure it manages itself against currency risk. Positions are maintained within established limits by either balancing the assets and liabilities in the relevant currencies, or taking out foreign currency swaps or forwards and converting the exposures into RON.

The Group's exposure to foreign currency risk at the end of the reporting period, showing the Group's monetary financial assets and financial liabilities, at their carrying amounts, by denomination currency, was as follows:

	31 December 2024		31 December 2023	
	EUR	USD	EUR	USD
<i>Assets</i>				
Cash and cash equivalents	98,773	62	13,130	57
Loans and advances to customers	345,564	-	324,702	-
Derivatives for risk management	1,996	-	1,994	-
Trade and other receivables	988	-	128	-
Total assets	447,321	62	339,954	57
<i>Liabilities</i>				
Borrowings	512,872	29,466	264,696	17,362
Issued bonds	206,228	-	204,753	-
Trade and other payables	42,409	1,280	44,182	11,641
Lease liabilities	39,594	-	19,601	-
Total Liabilities	801,103	30,746	533,232	29,003
Derivative liabilities for risk management (notional)	272,431	-	87,802	-
Net financial position	(81,351)	(30,684)	(105,476)	(28,946)

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in EUR and USD exchange rates relative to the functional currency. The rate used are based on the market estimation and the year-end rates. The sensitivities are calculated by applying the changes in the exchange rates to the above net financial position, in case of gain / (loss) before tax, respectively by considering tax effect in case of equity impact.

	2024	2023
	EUR strengthening by 1.5%	EUR strengthening by 1.5%
Gain / (loss) before tax	(1,132)	(1,581)
Equity	(927)	(1,296)

	2024	2023
	USD strengthening by 3.65%	USD weakening by 2.3%
Gain / (loss) before tax:	(1,119)	673
Equity	(949)	565

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

ii.2. Interest rate risk

The Group's main interest rate risk arises from the mismatch between the repricing frequency of loans and advances granted with variable rates, on the asset side, and the repricing frequency of borrowings together with the fixed rate bonds issued on the liabilities side. As at 31 December 2024, fixed rate borrowings amounted to 316 million RON (31 December 2023: 331 million RON), representing 10% of total financial liabilities (31 December 2023: 11%). Such mismatches expose the Group to cash flow interest rate risk. All other financial assets and liabilities of the Group, including cash and cash equivalents, trade and other receivables and payables, finance lease receivables, and lease liabilities, do not bear interest and to that extent expose the Company to fair value interest rate risk.

The Group's strategy is to monitor and, depending on the market conditions and anticipated trends, partially manage the risk of open repricing gap using floating-to-fixed interest rate swaps.

Borrowings contracted by the Group bear fixed or floating interest rate and are measured at amortised cost. During 2021, the Group contracted a 5 year maturity 40 million EUR fixed rate bond. The proceeds were used to finance the loans granting activity of the Agrifinance division.

The following table provides an analysis of the Group's interest rate risk exposure on financial assets and liabilities as at 31 December 2024. The Group's assets and liabilities are included at carrying amount and categorised by the earlier of contractual repricing or maturity dates.

asset / liability class	up to 1 month	1 to 3 months	3 to 12 months	1 year and above	Total
Loans and advances to customers	1,252,678	5,434	1,761,311	35,602	3,055,025
Trade and other receivables	37,239	20,631	285,346	1,362	344,578
Finance lease receivable	-	-	-	121	121
Cash and cash equivalents	406,804	-	-	-	406,804
Total financial assets	1,696,721	26,065	2,046,657	37,085	3,806,528
Bonds issued	1,213	6,336	-	198,678	206,227
Borrowings	725,128	1,464,321	469,823	71,210	2,730,482
Lease liabilities	983	1,917	8,941	27,753	39,594
Trade and other payables	34,655	22,034	183,013	-	239,702
Derivative financial instruments	2,552	142	262	1,378	4,334
Total financial liabilities	764,531	1,494,750	662,039	299,019	3,220,339
Interest repricing gap	932,190	(1,468,685)	1,384,618	(261,934)	586,189

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Comparative information as at 31 December 2023 is included below:

asset / liability class	up to 1 month	1 to 3 months	3 to 12 months	1 year and above	Total
Loans and advances to customers	1,079,609	4,698	1,527,983	39,356	2,651,646
Trade and other receivables	61,882	17,506	409,882	953	490,223
Finance lease receivable	-	-	-	128	128
Cash and cash equivalents	477,529	-	-	-	477,529
Total financial assets	1,619,020	22,204	1,937,865	40,437	3,619,526
Bonds issued	-	6,316	-	198,437	204,753
Borrowings	724,287	1,320,980	205,306	308,744	2,559,317
Lease liabilities	748	1,544	6,174	11,135	19,601
Trade and other payables	19,529	30,526	227,624	-	277,679
Derivative financial instruments	2,249	21	41	2,672	4,983
Total financial liabilities	746,813	1,359,387	439,145	520,988	3,066,333
Interest repricing gap	872,207	(1,337,183)	1,498,720	(480,551)	553,193

The gaps in up to one year risk bands are explained by the fact that 50% of the Group's granted loans and advances to the customers bear floating interest with 6M tenor base rates and monthly repricing frequency. Remaining portfolio is either priced at a six months frequency or bears fixed interest rates. The Group's borrowings bear floating interest with 6M, 1M or 3M tenor base rates with repricing frequencies that match the tenor of the respective base rates. Such risk exposure is in the normal course of business for the Group.

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in interest rates. The sensitivities are calculated by applying the changes in the floating rates to the floating rate financial assets and liabilities outstanding at the reporting date.

	2024	2023
	Interest rate lower by 0.47%	Interest rate lower by 1.47%
Gain / (loss) before tax:	(1,274)	2,224
Equity	(1,066)	1,869

iii. LIQUIDITY RISK

Liquidity risk is defined as the risk that the Group does not have sufficient liquid financial resources to meet obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group on acceptable terms. To limit this risk, management has arranged for diversified funding sources in addition to its core capital base, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis.

The treasury departments of the subsidiaries of the Company are responsible for working with other departments within the respective subsidiaries to ensure the liquidity risk strategy is executed. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

could be used to secure additional funding, if required.

Prudent liquidity risk management also implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed borrowing facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under credit lines. The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 December 2024	31 December 2023
Undrawn Committed facilities	424,683	171,033
expiring within one year	424,683	171,033
Undrawn Uncommitted facilities	514,364	655,961
expiring within one year	286,170	413,041
expiring beyond one year	228,194	242,920
Total available undrawn facilities, of which:	939,047	826,993
expiring within one year	710,853	584,073
expiring beyond one year	228,194	242,920
 Unencumbered eligible assets	 1,619,908	 1,460,075

Unencumbered eligible assets are financial assets, including loans and advances to customers or trade receivables, and non-financial assets, including inventories, eligible for use as collateral under the Group's funding commitments.

The Group uses the Current Ratio (i.e. the ratio of current assets to current liabilities) to monitor and promote a robust liquidity profile. The Group calculates the Current Ratio, which shall not be less than 1, on a monthly basis. The Current Ratio for the Group at 31 December 2024 is 1.31 (31 December 2023: 1.56).

Analysis of financial assets and liabilities

The Group manages its exposure to the liquidity risk using a maturity structure of its monetary assets and liabilities based on remaining contractual maturities of assets and liabilities with set payment terms and on expected cash flows for those assets or liabilities without specific maturities. The table below shows how the Group manages its liquidity risk by presenting the undiscounted cash flows of monetary assets and liabilities on time bands based on their remaining contractual maturities. Some of the Group's borrowings and most of its loans and advances granted (except commitments under credit card facilities) are uncommitted, including unconditional early repayment options in favour of the lender. Based on its history and relationships developed with its business partners, the Group concluded that exercising such options is highly unlikely, thus the early repayment options are not considered in the analysis below. Derivatives held for risk management purposes are shown based on their remaining contractual maturity at their expected cash flows estimated based on the market conditions at the end of the periods presented. Credit card commitments related outflows are estimated based on the Group's historical credit conversion factor on similar products, and allocated on the earliest time band.

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Analysis as at 31 December 2024 is presented below:

31 December 2024	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	more than 5 years	total
Loans and advances to customers	608,037	1,705,057	513,902	864,980	191,889	3,883,865
Other non-current receivables	1,088	-	-	-	-	1,088
Trade and other receivables	57,859	289,654	2,415	-	-	349,928
Finance lease receivables	283	251	437	362	-	1,333
Cash and cash equivalents	406,804	-	-	-	-	406,804
Expected inflows on assets	1,074,071	1,994,962	516,754	865,342	191,889	4,643,018
Borrowings	976,054	936,879	642,776	621,740	40,607	3,218,057
Lease liabilities	6,521	5,747	10,144	22,874	-	45,287
Trade and other payables	123,867	151,642	-	-	-	275,509
Other payables, non-current	-	-	369	-	-	369
Expected outflows on liabilities	1,106,442	1,094,268	653,289	644,614	40,607	3,539,222
Off balance sheet items						
Derivative notional amount (inflow)	68,726	69,221	88,580	-	-	226,527
Derivative notional amount (outflow)	(71,388)	(69,221)	(91,019)	-	-	(231,628)
Credit cards commitments	10,214	-	-	-	-	10,214
Total expected outflows	1,113,994	1,094,268	650,850	644,614	40,607	3,544,335
Net gap	(39,923)	900,694	(134,096)	220,728	151,282	1,098,683

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(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Comparative analysis as at 31 December 2023 is presented below:

31 December 2023	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	more than 5 years	total
Loans and advances to customers	655,086	1,474,054	432,852	716,941	49,244	3,328,177
Other non-current receivables	944	-	-	-	-	944
Trade and other receivables	76,738	418,404	1,011	-	-	496,153
Finance lease receivables	97	27	35	14	-	173
Cash and cash equivalents	477,529	-	-	-	-	477,529
Expected inflows on assets	1,210,394	1,892,485	433,898	716,955	49,244	4,302,976
Borrowings	821,629	792,123	607,227	815,625	60,701	3,097,306
Lease liabilities	4,411	4,082	5,531	5,952	-	19,977
Trade and other payables	119,369	173,201	-	-	-	292,570
Other payables, non-current	-	-	83	-	-	83
Expected outflows on liabilities	945,409	969,406	612,841	821,577	60,701	3,409,936
Off balance sheet items						
Derivative notional amount(inflow)	18,900	-	2,124	65,099	-	86,123
Derivative notional amount(outflow)	(19,124)	-	(4,562)	(68,248)	-	(91,934)
Financial guarantees granted	4,000	-	-	-	-	4,000
Credit cards commitments	13,200	-	-	-	-	13,200
Total expected outflows	962,385	969,406	610,403	818,428	60,701	3,421,325
Net gap	248,009	923,079	(176,505)	(101,473)	(11,457)	881,651

Except for the credit card related, the Group does not grant any other irrevocable commitments. However, the Group does grant uncommitted, revocable credit line facilities. Any withdrawals from such facilities are based on formal requests forwarded by the Group's customers, whereby the Group has the unconditional right to deny, in full or in part, any such request received. As at 31 December 2024 the undrawn balance of the credit line facilities granted by the Group amounts to 381 million RON (31 December 2023: 354 million RON) – further refer to Note 27. No undrawn balances are outstanding as at 31 December 2024 (31 December 2023: zero) related to investment loans.

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(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

The table below shows the undiscounted cash flows of its financial liabilities as at 31 December 2024. Repayments on borrowings which include the early repayment option in favour of the lender are treated as if the options were exercised immediately (i.e. as if the Group was required to fully reimburse immediately all such borrowings).

31 December 2024	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	more than 5 years	total
Borrowings	1,254,402	634,813	623,973	621,740	40,607	3,175,535
Lease liabilities	6,521	5,747	10,144	22,874	-	45,286
Trade and other payables	93,097	146,605	-	-	-	239,702
Other payables, non-current	264	-	369	-	-	633
Derivative notional amount (inflow)	68,726	69,221	88,580	-	-	226,527
Derivative notional amount (outflow)	(71,388)	(69,221)	(91,019)	-	-	(231,628)
Credit card commitments	60,981	-	-	-	-	60,981
Total	1,412,603	787,165	632,047	644,614	40,607	3,517,036

Comparative analysis as at 31 December 2023 is presented below:

31 December 2023	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	more than 5 years	total
Borrowings	1,178,755	477,776	532,609	815,625	60,701	3,065,466
Lease liabilities	4,411	4,082	5,531	5,952	-	19,976
Trade and other payables	104,478	173,201	-	-	-	277,679
Other payables, non-current	-	-	83	-	-	83
Derivative notional amount (inflow)	18,900	-	2,124	65,099	-	86,123
Derivative notional amount (outflow)	(19,124)	-	(4,562)	(68,248)	-	(91,934)
Financial guarantees granted	4,000	-	-	-	-	4,000
Credit card commitments	105,827	-	-	-	-	105,827
Total	1,397,247	655,059	535,785	818,428	60,701	3,467,220

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section includes information about the Company's share capital, the Group's equity, what it manages as capital and capital management practices.

12 EQUITY

Issued share capital

	31 December 2024	31 December 2023
Authorised		
ordinary shares of 0,1RON each	1,894,847,082	1,894,060,303

Issued and paid ordinary shares as well as the shareholding structure of the Company are detailed below:

	2024		2023	
	#	RON'000	#	RON'000
Ordinary shares issued and fully paid:				
at 1 January	1,894,060,303	189,406	1,890,671,063	189,067
shares issued during the year	786,779	79	3,389,240	339
at 31 December, of which owned by:	1,894,847,082	189,485	1,894,060,303	189,406
Mr. Kanani Jabbar	1,649,966,127	164,997	1,649,966,127	164,997
EBRD	240,630,848	24,063	240,630,848	24,063
Others	4,165,981	417	74,088	7
Treasury shares	84,126	8	3,389,240	339
Share Premium		3,016		5,494
Total Share capital and share premium		192,501		194,900

Ordinary shares have a par value of 0,1RON. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of the shares held. There are no other classes of equity instruments issued by the Company.

Other reserves

'Other reserves' comprises of legal and other reserves.

Legal provisions require that the Company should, at the end of each financial year, transfer at least 5% of its accounting profit to non-distributable legal reserves until the balance reaches 20% of the Company's share capital. As of 31 December 2024, the balance of non-distributable legal reserve of the Company represented 4.4% of its share capital (31 December 2023: 4.0%).

Revaluation reserves

The property, plant and equipment revaluation reserves is used to record increments and decrements on the revaluation of non-current assets carried measured under the revaluation model. In the event of a sale or disposal of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

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(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

13 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to manage its capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The shareholders approved by their decision dated 28 April 2024 the distribution of dividends amounting to 11.8 million RON from the net profit for the financial year ended 31 December 2023 and 18.2 million RON from the undistributed profits of previous financial years.

The Company monitors capital on the basis of the Net Debt Ratio, which shall be equal to or lower than 6.00. The Net Debt Ratio or gearing ratio is computed based on these consolidated financial statements and represents Total borrowings (including lease liabilities) less Cash and cash equivalents over Total equity, as follows:

#	item description	Reference/ Note	31 December 2024	31 December 2023
=(A+B-C)/D	Net Debt Ratio		3.57	3.41
A	Borrowings	17	2,936,709	2,764,070
B	Lease liabilities	17	39,594	19,601
C	Cash and cash equivalents	16	406,804	477,529
D	Total equity		720,678	675,748

Regulatory capital is monitored by Agricover Credit IFN SA, employing techniques based on the guidelines developed by the National Bank of Romania ("NBR") for supervisory purposes. The required information is filed with the NBR on a quarterly basis at individual Agricover Credit IFN level. Agricover Credit IFN and the Group complied with all externally imposed capital requirements throughout 2024 and 2023, as described above and in Note 17.

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information about the Group’s financial assets and liabilities, including specific information about each type of financial instrument held, related accounting policies for recognising and measuring financial instruments as well as their fair values.

14 OVERVIEW OF FINANCIAL INSTRUMENTS

An overview of the financial instruments held by the Group is presented below:

	Note	31 December 2024	31 December 2023
Financial assets at amortised cost:		3,806,407	3,619,398
Loans and advances to customers	11	3,055,025	2,651,646
Trade and other receivables	15	344,578	490,223
Cash and cash equivalents	16	406,804	477,529
Financial liabilities at amortised cost:		3,176,409	3,041,750
Borrowings and lease liabilities	17	2,936,709	2,764,070
Trade and other payables	18	239,700	277,680
Financial liabilities at fair value:		4,334	4,983
Derivatives held for risk management purposes		4,334	4,983

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

With the exception of trade receivables, at initial recognition the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Some trade receivables may have maturities higher than twelve months and include a significant financing component. Those are initially recognised at their fair value, estimated by discounting expected cash flows using a discount rate that reflects the rate that would be used in a separate financing transaction between the Group and its customers. Interest income resulting from the financing component is recognised over the expected maturity of the receivables using the effective interest rate method and is presented as “Finance Income” in the consolidated statement of comprehensive income.

Trade receivables that do not include a financing component are recognised initially at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or performing the promised services.

Immediately after initial recognition, an expected credit loss allowance (“ECL”) is recognised for financial assets measured at amortised cost, as described in note 11.i, which results in an accounting loss being recognised when an asset is newly originated.

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Classification and subsequent measurement

The Group applies IFRS 9 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL); and
- Amortised cost.

Classification and subsequent measurement depend on:

- i. the Group's business model for managing the asset – it reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of asset; and
- ii. the cash flow characteristics of the asset – namely whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

Based on these factors, the Group classifies its financial assets as follows:

- amortised cost – cash and cash equivalents, trade and other receivables and loans and advances granted are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and are measured at amortised cost;
- fair value through profit or loss – derivatives held for risk management purposes which are not designated as part of hedging relationships are measured at fair value through profit or loss. Gain or losses on derivatives held for risk management purposes are presented as net loss from derivative financial instruments, within line item "Other operating expenses" in the consolidated statement of profit or loss and other comprehensive income.

Significant judgement – modified time value of money element

Revolving credit lines granted by the Agrifinance division of the Group include a modified time value of money element by which the benchmark rate tenor is different from the repricing period. The management used judgement in classifying such loans as at amortised cost. In applying this judgement, the management has considered the results of a benchmark test which analysed the spread and correlation between the contractual benchmark rate and the benchmark rate with a tenor that matches the repricing period.

The amortised cost is the amount at which the financial instrument (asset or liability) is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination and/ or administration fees for loans granted. When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Expected credit losses

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its financial assets carried at amortised cost and with the exposure arising from loan commitments. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money whereby expected shortfalls are discounted using the original effective interest rate of the financial asset or an approximation thereof; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 11 i.1.2 provides more details of how the expected credit loss allowance is measured.

Classification of financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost, except for derivatives held for risk management purposes which are not designated as part of a hedging relationship and which are measured at fair value through profit or loss.

Gains or losses on derivatives held for risk management purposes are presented as "Other operating expenses" in the consolidated statement of profit or loss and other comprehensive income.

Modifications

If the terms of a financial instrument are modified, then the Group evaluates whether the cash flows of the modified instrument are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial instrument (asset or liability) are deemed to have expired. In this case, the original financial instrument is derecognised and a new financial instrument is recognised. Any fees received or paid as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset or liability and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset or liability; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

If cash flows on a financial asset are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In all other cases a gain or loss on the modification of a financial asset is presented as interest income. Gains or losses on the modification of a financial liability are presented as interest expense.

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Loans and advances to customers are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of forced execution and a failure to make contractual payments. Any subsequent recoveries of amounts previously written off are credited to net credit losses on financial assets, in profit or loss for the year.

Loan commitments

Loan commitments provided by the Group are measured at the amount of the loss allowance (calculated as described in note 11.i). The related loss allowance is recognised as a provision.

Notes to the Consolidated Financial Statements
 Financial assets and liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

15 TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Refer to Note 5 for details around the payment terms and the measurement of the variable consideration represented by “commercial discounts”.

	31 December 2024	31 December 2023
Trade receivables	551,809	716,925
Expected commercial discounts (note 5)	(140,079)	(178,655)
Trade receivables net of expected discounts	411,730	538,270
Less: allowance for trade receivables	(75,748)	(59,025)
Trade receivables – net	335,982	479,245
Receivables from related parties	7,703	6,411
Less: allowance for receivables from related parties	(498)	(503)
Receivables from related parties	7,205	5,908
Other receivables	1,491	5,173
Less: allowance for other receivables	(99)	(103)
Other receivables	1,392	5,070
Total other receivables, net	8,597	10,978
Total, of which:	344,579	490,223
current portion	343,190	489,270
non-current portion, of which:	1,388	953
Trade receivables	1,070	953
Receivables from related parties	318	-

16 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits held with financial institutions, with original maturities of 3 months or less. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. As allowed by IAS 7: *Statement of Cash Flows*, the Group presents receipts and payments of interest, and income taxes paid within cash flows from operating activities, while payments of dividends are presented within cash flows from financing activities.

As at 31 December 2024 and 31 December 2023 Cash and cash equivalents presented in the Statement of financial position and in the Statement of cash flows are represented by placements held with highly reputable local banks, as follows:

	31 December 2024	31 December 2023
Investment grade	19,705	90,998
Non-investment grade	50,023	135,709
Parent investment grade	336,336	211,131
Unrated	740	39,691
Total	406,804	477,529
<i>out of which:</i>		
Current account	366,759	442,528
Overnight deposits	10,045	17,180
Deposits with banks	30,000	17,821
Total	406,804	477,529

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

The investment-grade and parent investment grade categories include exposures to banks with the following Fitch ratings, or their equivalent: AA, A+, A, A-, A1, BBB+, BBB-, BBB. Where the banks are unrated but their parent is rated, the parent rating was used in the above analysis. The non-investment-grade category includes exposures to banks with the following Fitch ratings, or their equivalent: BB+, BB and BB-. The unrated category includes exposures to bank with no rating assigned, to those banks or to their parent, by the any of the biggest three global credit rating agencies.

17 BORROWINGS

	31 December 2024	31 December 2023
Non-current		
Borrowings	1,162,966	1,115,840
Issued bonds	-	198,437
Total non-current borrowings	1,162,966	1,314,277
Current		
Borrowings	1,567,515	1,443,477
Issued bonds	206,228	6,316
Total current borrowings	1,773,743	1,449,793
Total borrowings	2,936,709	2,764,070

Borrowings from banks and international financial institutions

Borrowings from local banks bear floating interest rate and can be denominated in RON or EUR. Some are secured by assignment of loans granted to customers, by pledges on inventories, by pledges on current accounts opened at respective banks, and / or by assignment of receivables.

Borrowings from international financial institutions and investments funds bear floating interest rates or fixed interest rates, can be denominated in RON or EUR and are uncollateralised.

The carrying amounts of assets pledged as security are disclosed in note 26.

Geographical concentration is as follows:

Borrowings from:	31 December 2024	31 December 2023
Local banks	1,400,216	1,553,625
International financial institutions within European Union	1,259,546	937,923
International Investment Bank	70,719	65,217
International Finance Corporation	-	2,552
Issued bonds	206,228	204,753
Total borrowings	2,936,709	2,764,070

Issued bonds

During 2021, the Group issued a 40 million EUR fixed rate bond with 5 years maturity. The proceeds were used to finance the loans granting activity of the Agrifinance division. The bond is unsecured and includes certain financial covenants with which the Group or its subsidiaries must comply, and which are monitored on the basis of the Group's annual consolidated financial statements, or the annual financial statements of the relevant subsidiaries, as appropriate.

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Compliance with financial covenants

Under the terms of their respective major borrowing facilities, the Group and its subsidiaries are required to comply with financial covenants such as: capital adequacy ratios, non-performing loans ratios, large exposure ratios, related party exposure ratios or currency risk ratios, among others.

Non-compliance with financial covenants imposed by the Group's borrowings or other contractual breaches, including breach of payment terms, would result in the creditors having the right to early call the related facilities. Moreover, some of the Group's funding agreements include customary cross default provisions, including provisions that puts Agricover Distribution or Agricover Credit in default if the other defaults on its funding agreements.

Except as discussed below in this note, as at 31 December 2024 and 31 December 2023 the Group and its subsidiaries have complied with all applicable financial covenants imposed by their respective borrowing facilities or, where covenant thresholds have been breached, relevant waivers have been obtained from the lenders.

OFAC Sanctions

In April 2023, the U.S Treasury Department's Office of Foreign Assets Control ("OFAC") has included one of the Group's lenders ("Sanctioned Lender") on the specially designated nationals and blocked persons list ("OFAC Sanctions").

The Group is borrower under two facility agreements ("Facility Agreement") concluded with the Sanctioned Lender, with a total current outstanding principal amount of RON 60.8 million RON. Similarly, Agricover Holding SA, upon receiving the list of bondholders from Depozitarul Central, for the reference dates 12th January 2024, and 12th January 2025, became aware that some of the corporate bonds it had issued were and continue to be held by the Sanctioned Lender.

Unlike sanctions imposed by European Union or by Romanian authorities, OFAC Sanctions are not applicable directly in Romania. Furthermore, to the best of the management's knowledge, there are no legal provisions in the primary and/or secondary legislation related to the Romanian capital market, and/or in Depozitarul Central's Code, and/or in the service agreement concluded by Agricover Holding SA with Depozitarul Central regarding the treatment of payment obligations to investors subject to international sanctions. To the best of the management's knowledge, up to the date of these consolidated financial statements, the applicable Romanian legislation or regulations do not include any specific guidelines on dealing with the OFAC Sanctions.

Notwithstanding the OFAC Sanctions not being directly applicable under Romanian law, the Group does not wish its lenders to become directly or indirectly subject to international sanctions or to be exposed in any way to international sanctions.

In view of the above, at its own initiative, the Group:

- a) Stopped making any payments to the Sanctioned Lender and placed and blocked into one of its bank accounts the funds corresponding to the amounts outstanding under the Facility Agreement.

The Sanctioned Lender, at their own initiative, issued temporary waivers to the Group for the payments due in 2023 and 2024 under the Facility Agreement to be postponed for payment until 19 March 2025.

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

We have explored and continue to evaluate options to terminate the relationship with the Sanctioned Lender, including by way of voluntary prepayment of the amounts owed under the Facility Agreement, however, only in a manner complying with the international sanctions.

- b) Placed and blocked into one of its bank accounts the funds corresponding to the part of the interest on the issued corporate bonds that was due, under the prospectus, on 5th February 2024 and on 5th of February 2025, to the Sanctioned Lender.

The Sanctioned Lender was informed by our decision to withhold the interest owed until such payment becomes possible with the observance of the international sanctions. However, in the unlikely scenario that, for whatever reasons and with the observance of the international sanctions, the Group will have to early repay the outstanding principal on its issued corporate bonds, the management considers that this will not significantly impact the Group's ongoing business.

Bond Financial Covenants

The Company's listed bonds' prospectus, approved by the Financial Supervisory Authority (FSA) Decision no. 400 of 26.03.2021, provides for certain financial covenants to be observed by the Company and its Main Subsidiaries (Agricover Credit IFN SA, and Agricover Distribution SA) for each year during the existence of the bonds which have not been redeemed or cancelled, until the maturity of the bonds, respectively until 3 February 2026.

The financial covenants are tested and calculated annually, upon the approval of, and by reference to, the IFRS compliant audited consolidated financial statements of the Company, the IFRS compliant audited financial statements of Agricover Distribution SA, and the IFRS compliant audited consolidated financial statements of Agricover Credit IFN SA.

Non-compliance with financial covenants imposed by the bonds allows bondholders the right to early call the bond, at its nominal value plus any accrued interest, provided, however, that at least 25% of the bondholders are in favour of exercising this contingent option. Nevertheless, if any infringement is remedied within 90 calendar days from its occurrence date, and bondholders conclude that the respective obligation was observed, it shall be deemed that the Company and/or its main subsidiaries observed the respective financial covenant on the relevant calculation date as if there had been no failure to fulfil the relevant financial covenant, and the infringement shall be deemed remedied.

As at and for the year ended 31 December 2024 the calculated value for the Net Financial Debt to EBITDA indicator was 8.4 (2023: 8.6) vs. a maximum threshold of 4.0; and the calculated value for the EBITDA Interest Coverage Ratio was 2.0 (2023: 0.4) vs. a minimum threshold of 4.0. The liabilities related to the bonds are therefore classified as current in these consolidated financial statements as at 31 December 2024.

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Changes in liabilities arising from financing activities

Significant changes in the Group's liabilities as arising from its financing activities are presented here:

	2024		2023	
	Borrowings	Lease liability	Borrowings	Lease liability
at 1 January	2,764,070	19,601	2,572,345	20,314
Withdrawals from borrowings	4,899,103	-	2,935,462	-
New lease agreement	71,563	30,906	-	9,387
Interest accrued during the period	212,538	1,541	208,452	397
Interest paid	(207,099)	(1,344)	(201,208)	(753)
Repayments	(4,805,788)	(11,230)	(2,748,311)	(9,762)
Foreign exchange rate effect	2,322	120	(2,670)	18
at 31 December	2,936,709	39,594	2,764,070	19,601

The increase in *Lease liabilities* during the year is primarily due to the commencement of a lease for a new CO₂-neutral warehouse for crop protection products and seeds. This 10,000 m² facility, classified as a high-level SEVESO site, became operational at the end of 2024 to accommodate planned increases in hazardous substance quantities. The warehouse incorporates sustainability features, including solar panels for renewable energy and heat pumps replacing conventional gas heating, except in extreme temperatures below -15°C. Accordingly, *Right of use assets* increased in line with the recognition of the new lease.

18 TRADE AND OTHER PAYABLES

	31 December 2024	31 December 2023
Trade payables	230,690	267,288
Expected commercial discounts	(24,482)	(14,766)
Trade payables, net of expected discounts	206,208	252,522
Payables to related parties (note 25)	29,892	21,522
Fixed assets suppliers	9	41
Dividends payable	3,591	3,595
Total other payables	33,492	25,158
Total financial liabilities	239,700	277,680
Other non-financial liabilities		
Refund liability	5,925	7,494
Personnel and related taxes	26,388	18,180
VAT payable	543	1,684
Tax on turnover	491	-
Other current liabilities	3,346	3,390
Total non-financial liabilities	36,693	30,748
Total trade and other payables, of which	276,393	308,428
<i>Current</i>	276,025	308,344
<i>Non-current</i>	368	84

Trade and other payables are unsecured and their carrying amounts are considered to be the same as their fair values, due to their short-term nature.

Significant estimate – expected commercial discounts

The Group receives from its suppliers discounts for compliance with contractual payment terms, not granted on a calendar year basis and with payment patterns dependent on collection patterns and resources availability (similar discounts are offered by the Group to its customers – refer to Note 5 for details). Such commercial or settlement discounts received are deducted from the cost of inventories to the extent that it is probable that they will take effect. In its estimation of the such probabilities the management considers past patterns as well as new information available to the treasury and risk teams of the Group. Considering the solid financial position and liquidity of the Group, substantially all commercial invoices in 2024 and 2023 were settled within the payment terms agreed with the suppliers.

Refund liability

The refund liability represents the amount of consideration that the Group expects to refund to its customers. For more details regarding measurement and recognition refer to note 5.

Minimum tax on turnover

In these consolidated financial statements, the Group recognized a liability of 0.5 million RON for the payment of the tax imposed by Law 296 (please see Note 10).

19 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

i. Financial instruments measured at fair value

The level in the fair value hierarchy into which the recurring fair value measurements are categorized is presented in the table below. Recurring fair value measurements are those that the accounting standards require or permit in the consolidated statement of financial position at the end of each reporting period.

	31 December 2024		31 December 2023	
	Level 2	Total	Level 2	Total
<i>Financial liabilities at fair value:</i>				
Derivatives held for risk management	4,334	4,334	4,983	4,983

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(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

As at 31 December 2024 the Group had FX Forward contracts outstanding with a total negative fair value of 4 million RON (31 December 2023: 5 million RON). The fair value was estimated based on discounted cash flows model, using directly observable inputs (i.e.: market FX and interest rates). As such, the fair value of the derivative is classified as Level 2 in the fair value hierarchy.

Foreign exchange derivative financial instruments entered into by the Group are generally traded in an over-the-counter market with professional market counterparties on standardized contractual terms and conditions. Derivatives have potentially favorable (assets) or unfavorable (liabilities) conditions as a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time. The Group does not take trading or speculative positions when entering into derivative transactions. All such transactions are initiated for risk management purposes.

ii. Financial instruments not measured at fair value but for which fair value is disclosed

The level in the fair value hierarchy into which the fair value measurements of financial assets and liabilities not measured at fair value but for which fair value is disclosed is categorized and presented in the table below. Fair value is disclosed for all financial assets and liabilities not measured at fair value and for which fair value is significantly different than the carrying amount.

31 December 2024	Fair value			Total	Carrying value
	Level 1	Level 2	Level 3		
Loans and advances to customers					
<i>Investment loans</i>	-	-	131,698	131,698	140,056
<i>Credit lines</i>	-	-	2,859,715	2,859,715	2,914,969
	-	-	2,991,413	2,991,413	3,055,025
Trade and other receivables	-	-	1,388	1,388	1,388
Total assets	-	-	2,992,801	2,992,801	3,056,413
Borrowings					
<i>From local banks</i>	-	-	1,400,216	1,400,216	1,400,216
<i>From international financial institutions</i>	-	-	1,322,597	1,322,597	1,330,265
<i>Issued bonds</i>	-	190,237	-	190,237	206,228
Total liabilities	-	190,237	2,722,813	2,913,050	2,936,709

Comparative information as at 31 December 2023 is presented below:

31 December 2023	Fair value			Total	Carrying value
	Level 1	Level 2	Level 3		
Loans and advances to customers					
<i>Investment loans</i>	-	-	183,986	183,986	184,433
<i>Credit lines</i>	-	-	2,454,913	2,454,913	2,467,213
	-	-	2,638,899	2,638,899	2,651,646
Trade and other receivables	-	-	953	953	953
Total assets	-	-	2,639,852	2,639,852	2,652,599
Borrowings					
<i>From local banks</i>	-	-	1,553,624	1,553,624	1,553,624
<i>From international financial institutions</i>	-	-	990,050	990,050	1,005,693
<i>Issued bonds</i>	-	191,533	-	191,533	204,753
Total liabilities	-	191,533	2,543,674	2,735,207	2,764,070

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

All other financial assets and liabilities in the Group's statement of financial position, those that are not included in the table above and for which the fair value is not disclosed, have their fair values approximated by the carrying value.

Techniques and inputs used to determine level 2 and level 3 fair values

Fair value of **loans and advances to customers** was estimated as follows:

- fair value of floating rate loans and advances was approximated by their gross carrying amount less their lifetimes expected credit losses calculated based on the methodology detailed in Note 19 i;
- in estimating the fair value of fixed rate loans and advances the Group has discounted contractual cash flows. The discount rate was estimated for each exposure individually by adjusting the contractual fixed rate with the change in the relevant floating rate benchmarks (e.g. 3M or 6M ROBOR) between the grant date of each respective loans and the valuation date. The net present value was adjusted with the credit loss allowance in case of assets impaired at the valuation date.

Fair value of **borrowings** contracted was estimated as follows:

- fair value of floating rate loans and advances was approximated by their net carrying amount;
- in estimating the fair value of fixed rate borrowings, the Group has discounted contractual cash flows. The discount rate was estimated for each borrowing individually by considering: i) the yields on contracted floating rate borrowings with similar risk characteristics (e.g. currency), or firm financing offers received thereof, close to the valuation date; and ii) the interest rate swap curve to convert the floating rates determined at i) above to fixed rates for relevant maturities.

The **issued bonds** were not actively traded close to the end of the reporting period. For disclosure purposes the Company estimated their fair value by:

- ✓ calculating the yield spread over EUR denominated Romanian sovereign bonds with similar maturities and annual coupon, as of the origination date (i.e. February 2021);
- ✓ estimating the yield on the Company issued corporate bonds as of 31 December 2024 by considering:
 - i. the evolution of the yield of the respective sovereign bonds between February 2021 and December 2024, and
 - ii. constant yield spread between the Company issued corporate bonds and the government bonds with otherwise similar characteristics.

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information about the Group's non-financial assets and liabilities, including specific information about:

- Inventories (note 20);
- Other current assets (note 21);
- Intangible assets (note 22);

and related material accounting information, judgements and estimates.

20 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts (refer to Note 18). Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Significant estimate – net realisable value

The Group analyses the net realisable value for those inventories that are damaged, or if their selling prices have declined. Inventories are written down to net realisable value item by item.

Estimates of net realisable value are based on the most reliable evidence available at the time the estimate is made. This estimate takes into consideration fluctuations of price or cost directly relating to events occurring after the end of the period only to the extent that such events confirm conditions existing at the end of the period.

In estimating the net realisable value of inventories as at 31 December 2024, the Group considered sale prices for transactions incurred during December 2024 and January 2025, as well as discount campaigns contemplated and approved during those months. Changes in the value of inventories outside this window, if not specifically linked to conditions existing at or before 31 December 2024, do not impact the carrying amount of inventories presented in these consolidated financial statements.

The net realisable value adjustment is reversed when the inventories are sold or when the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances.

	31 December 2024	31 December 2023
Seeds	7,011	2,188
Crop nutrition products	1,795	2,544
Crop protection products	50,468	59,074
Drones	19	339
Total carrying amount of goods purchased for resale	59,293	64,145
Packaging, spare parts and other consumables	701	878
	59,994	65,023

During 2024 was recognised no expense for inventories carried at net realisable value (2023: 0.6 million RON, which was presented in cost of sales).

21 OTHER CURRENT ASSETS

	31 December 2024	31 December 2023
Advances for inventories	4,072	11,213
Right to returned goods	4,793	6,096
Prepayments	1,972	4,097
Advances to suppliers	2,655	3,883
Land held for sale	19,733	-
Other current assets	9,291	9,798
Total other current assets	42,516	35,087

Right to returned goods

In accounting for the implicit right of return for products sold to customers, the Group recognises the “Right to returned goods” asset (with a corresponding adjustment to cost of sales) representing its right to recover the products when it settles the refund obligation (refer to Note 5 which includes detailed accounting policy for recognizing and measuring the right of return).

Land held for sale

Land held for sale is represented by asset obtained by taking possession of collateral held as security for loans and advances to customers, as a result of foreclosure procedures. Repossessed assets are sold as soon as practicable.

22 INTANGIBLES

Intangibles of the Group are represented mainly by software licences acquired and by internally generated software. The Group has no intangibles with indefinite useful life. Licenses and internally generated software are recognised at historical cost less amortisation and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Amortisation for software licences and for internally generated software is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives of 3 to 5 years.

The reconciliation of the carrying amount of each significant class of intangibles is presented below:

	Software licences	Internally generated software	Software in progress	Total
Gross book value	43,211	11,872	2,082	57,165
Accumulated amortisation	(21,762)	(4,345)	-	(26,107)
Net book value at 1 January	21,449	7,527	2,082	31,058
Additions	6,242	-	3,369	9,611
Transfers	-	5,435	(5,435)	-
Disposals	(58)	(1)	-	(59)
Write-off	-	(5,326)	-	(5,326)
Amortisation charge	(10,472)	(3,137)	-	(13,609)
Net book value at 31 December	17,161	4,498	16	21,675
Gross book value	49,395	4,498	16	53,909
Accumulated amortisation	(32,234)	-	-	(32,234)

Notes to the Consolidated Financial Statements

Non-financial assets and liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

All costs related to crop360 capitalised during 2024 or prior periods have been written off or disposed, as further in Note 24. Main additions of software in progress are related to SAP licences and support.

Comparative information for 2023 is included below:

	Software licences	Internally generated software	Software in progress	Total
Gross book value	33,414	11,070	223	44,707
Accumulated amortisation	(14,950)	(1,835)	-	(16,785)
Net book value at 1 January	18,464	9,235	223	27,922
Additions	9,797	-	2,661	12,458
Transfers	-	802	(802)	-
Amortisation charge	(6,812)	(2,510)	-	(9,322)
Net book value at 31 December	21,449	7,527	2,082	31,058
Gross book value	43,211	11,872	2,082	57,165
Accumulated amortisation	(21,762)	(4,345)	-	(26,107)

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information on how the Group structure affects the financial position and performance of the Group as a whole.

23 NON-CONTROLLING INTERESTS

Material subsidiaries of the Company are presented in Note 1. All the subsidiaries of the Company are incorporated in Romania, which is also their principal place of business.

The following table summarises the information relating to accumulated NCI for each of the Group's subsidiaries:

	31 December 2024	31 December 2023
NCI accumulated in Agricover Distribution SA	12,834	11,954
NCI accumulated in Clubul Fermierilor Romani Broker de Asigurare SRL	1,673	1,347
Total	14,507	13,301

Set out below is summarised financial information for Agricover Distribution SA, which is the only subsidiary of the Company which has non-controlling interests that are material to the Group. The amounts disclosed are before inter-company eliminations.

Summarised statement of financial position	31 December 2024	31 December 2023
Current assets	413,505	448,110
Current liabilities	348,786	386,601
Current net assets	64,719	61,509
Non-current assets	53,879	32,587
Non-current liabilities	23,953	5,745
Non-current net assets	29,926	26,842
Equity	94,646	88,351
Accumulated NCI (13.38%)	12,834	11,954

Summarised statement of comprehensive income	2024	2023
Revenue	941,719	1,851,096
Operating profit/ (loss)	3,228	(3,912)
Profit/ (loss) for the year	5,445	(17,117)
Total comprehensive income for the year	5,445	(17,117)
Total comprehensive income allocated to NCI	729	(2,290)
Dividends paid to NCI	3	6,863

Summarised statement of cash flows	2024	2023
Cash flows from/ (used in) operating activities	(6,853)	142,696
Cash flows from/ (used in) investing activities	(2,292)	4,586
Cash flows from/ (used in) financing activities	2,551	(142,484)
Net increase / (decrease) in cash and cash equivalents	(6,594)	4,798

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides details regarding the Company's discontinued operations, including the nature and financial impact of business activities that have been discontinued during the reporting period. It outlines the rationale behind the discontinuation, the financial performance of these operations, and their classification in the consolidated financial statements.

24 DISCONTINUED OPERATIONS

During the second half of 2024, in response to challenges related to the slow adoption of advanced precision agriculture software and tools by farmers, the Group undertook a strategic reorganization of its digital business operations. As part of the reorganization of its subsidiary, Agricover Commodities SRL (former Agricover Technology SRL), the Company decided to discontinue the crop360 platform. Originally developed to provide farmers with access to digital agricultural innovations, the platform was designed to support decision-making and automate various farming activities. The decision was primarily driven by the limited readiness of local farmers to adopt advanced digital tools, particularly in a challenging market environment impacted by severe droughts and geopolitical disruptions.

The Group assessed these operations as representing a major line of business and classified all directly attributable income and expenses as part of the "Profit/(loss) for the year from discontinued operations" line item in the consolidated statement of comprehensive income. Indirect costs (e.g. management, back office etc.) which are not directly attributable to the discontinued operations were not allocated to the result from discontinued operations as respective employees continued their activity with the Group as at the date of these consolidated financial statements, and are expected to continue in the foreseeable future. Moreover, when an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

As a consequence of the above, the consolidated statement of comprehensive income for both the financial year ended 31 December 2024 and the financial year ended 31 December 2023 presents the result of the Crop360 related operations, including related research and development costs, on a separate single line related to discontinued operations under "Profit/(loss) for the period from discontinued operations".

The statement of profit or loss and other comprehensive income (loss) related to discontinued operations is detailed below:

	2024	2023
Revenue	8,477	289
Cost of sales	(6,905)	(222)
Gross profit	1,572	67
Administrative expenses	(5,489)	(3,770)
Research and development	(8,484)	(7,640)
Other operating expenses, net	(5,220)	2
Operating loss	(17,621)	(11,341)
Finance income	-	4
Exchange differences gain / (loss)	-	(4)
Finance costs	-	(2)
Loss before tax	(17,621)	(11,343)
Income tax expense	-	-
Loss for the year from discontinued operations	(17,621)	(11,343)

Notes to the Consolidated Financial Statements

Other information

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Net other operating expenses include the write-off of intangible assets related to the discontinued operations, amounting to 5.3 million RON during financial year 2024 (no impairment was recognised during the financial year 2023).

The breakdown of other expenses from discontinued operations by nature is detailed in the table below.

	2024	2023
Merchandise	(6,905)	(222)
Employee costs	(5,184)	(3,616)
Transportation expenses	(121)	(79)
Third party services	(3,997)	(4,424)
Depreciation and amortisation	(3,496)	(2,910)
Consumables expenses	(188)	(85)
Communication and marketing	-	(234)
Repairs and maintenance	(110)	(40)
Other	(877)	(23)
Total, of which	(20,878)	(11,633)
<i>Cost of sales</i>	(6,905)	(222)
<i>Administrative expenses</i>	(5,489)	(3,770)
<i>Research and development</i>	(8,484)	(7,640)

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section includes other information that must be disclosed to comply with the IFRS and other pronouncements, but that is not immediately related to the Group's financial performance, its risk management or to individual line items in the consolidated financial statements.

25 RELATED PARTIES TRANSACTIONS

Significant related party transactions of the Group were conducted on terms judged by management to be equivalent to those prevailing in an arm's length transaction. The Group discloses below its significant transactions, related income, expenses and balances in respect of each of the following categories of related parties:

Ultimate controlling party

The ultimate beneficial owner of the Group is Mr. Kanani Jabbar, who owns 87.080% of the share capital of the Company (31 December 2023: 87.113%). EBRD is the other major shareholder of the Company, owning 12.700% of its share capital (31 December 2023: 12.704%).

Key management compensation

Expense recognised during 2024 related to short term benefits, including monthly salaries and performance bonuses, granted to key management personnel amounts 8.3 million RON (2023: 7.7 million RON). Additional expense of 1.2 million RON was recognised during 2024 related to share-based compensation granted to key management personnel. There are no other types of benefits or commitments granted by the Group to key management.

Transactions with other related parties

The following transactions were carried out with other related parties during 2024 and 2023:

	Note	2024	2023
Sales to other related parties:		15,660	11,341
Sale of services		24	754
Sale of goods	5	15,636	10,587
Acquisitions from other related parties:		32,659	34,915
Purchase of services		478	82
Purchase of goods	7	32,181	34,833
Loans granted to other related parties:		2,181	829
Interest income		2,181	829

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Outstanding balances arising from transactions with other related parties

The following balances are outstanding at the end of the year in relation to transactions with other related parties:

	Note	31 December 2024	31 December 2023
Receivables from other related parties:		29,507	8,607
Trade receivables	15	2,262	710
Other receivables		4,942	5,198
Finance lease receivable		122	128
Loans and advances to customers		22,181	2,571
Payables to other related parties:		29,894	21,521
Trade payables	18	29,894	21,456
Other payables		-	65
Commitments to other related parties			
Letters of guarantees issued		-	4,500

26 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings related to continued operations are:

	31 December 2024	31 December 2023
Current Assets:	1,919,391	1,915,381
Loans and advances to customers	1,632,817	1,689,177
Trade and other receivables	227,282	162,059
Inventories	59,292	64,145
Non-current assets:	291,011	328,174
Loans and advances to customers	291,011	328,174

Pledges on inventories are periodically renewed to include the value of all inventories as at each specific renewal date. In the table above the Group includes the lower of the value of pledged inventories as per the latest renewal agreement and the value of inventories as at the reporting date, as there are no restrictions on the Group's access to such inventories or its right to sell pledged inventories in the normal course of the business.

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

27 COMMITMENTS AND CONTINGENCIES

Revocable commitments

To meet the financial needs of customers, the Group enters into various revocable and irrevocable commitments to lend and similar contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they contain credit risk and, therefore, form part of the overall risk of the Group (qualitative and quantitative details regarding risk management practices of the Group are detailed in note 11.i).

The Group designs for and offers to farmers a product range consisting of loans with a Mastercard credit card attached, addressed to legal entities active in the agricultural sector. As at 31 December 2024 total irrevocable commitments under the credit cards amounted to 122 million RON, of which 61 million RON were utilised (31 December 2023: 168 million RON, of which 62 million RON were utilised).

Except for the credit card related limits detailed above, the Group does not grant irrevocable commitments. Under uncommitted credit lines it is the Group's policy to approve any withdrawals, based on an analysis of the applicant, including of developments after the initial approval of the limit. The analysis done by the Group for withdrawal purposes is more simplified in extent and nature as compared to the initial granting of the credit line. As at 31 December 2024 the undrawn balance of the credit lines granted by the Group amounts to 381 million RON (31 December 2023: 354 million RON).

Contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its general operations and specifically to its investing activity. As a result, it is involved in various litigations and legal proceedings arising in the ordinary course of its business. The management of the Group considers that these litigations will not have a significant impact on the operations or on the financial position of the Group.

28 EVENTS AFTER THE REPORTING PERIOD

A change in the shareholding structure of the Company was recorded in the shareholder registry on 6 February 2025. As a result of this change, CCI CARDINAL EQUITY SRL, a wholly owned entity of Mr. Kanani Jabbar, has become the majority shareholder of Agricover Holding SA, succeeding him in this role.

This change follows a corporate restructuring transaction in which Mr. Kanani Jabbar contributed his shareholding in Agricover Holding SA as an in-kind contribution to increase the share capital of CCI CARDINAL EQUITY S.R.L. Specifically, 1,649,966,127 nominative shares, representing 87.08% of the total share capital of Agricover Holding SA, were transferred to CCI CARDINAL EQUITY SRL. Mr. Kanani Jabbar maintains full control over Agricover Holding SA via his exclusive ownership of CCI CARDINAL EQUITY SRL.

This event does not impact the financial position or results of Agricover Holding SA as of the reporting date, nor is it expected to have any significant impact in the future.

APPENDIX C

AGRICOVER CREDIT IFN S.A.

**CONSOLIDATED
FINANCIAL
STATEMENTS**





Independent Auditor's Report

To the Shareholders of Agricover Credit IFN SA

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Agricover Credit IFN SA (the "Company") and its subsidiaries (together – the "Group") as at 31 December 2024, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the National Bank of Romania (NBR) Order no. 27/2010 for approving accounting Regulations in accordance with International Financial Reporting Standards, republished, and subsequent amendments (the "NBR Order 27/2010").

Our opinion is consistent with our additional report to the Audit Committee dated 27 March 2025.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

The consolidated financial statements as at 31 December 2024 are identified as follows:

- Total consolidated equity: Ron 640,429 thousand;
- Consolidated net profit for the year: Ron 100,322 thousand.

The Company's registered office is in Romania, Ilfov, Voluntari, 1B Pipera Boulevard, Cubic Center Office Building, 8th Floor, and the Company's unique fiscal registration code is 22940237.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation EU No 537/2014 of the European Parliament and of the Council and subsequent amendments (the "Regulation 537/2014") and Law 162/2017 regarding statutory audit of annual financial statements and annual consolidated financial statements and regarding changes to other regulations and subsequent amendments (the "Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers Audit S.R.L.

Ana Tower, 24/3 floor, 1A Poligrafiei Blvd, District 1, 013704 Bucharest, Romania

EUID ROONRC.J40/17223/1993, fiscal registration code RO4282940, share capital RON 7,630

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This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Regulation 537/2014 and the Law 162/2017 that are relevant to our audit of the consolidated financial statements in Romania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Regulation 537/2014 and the Law 162/2017.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Group are in accordance with the applicable law and regulations in Romania and that we have not provided non-audit services that are prohibited under Article 5(1) of the Regulation 537/2014.

The non-audit services that we have provided to the Group in the period from 1 January 2024 to the date of issuing this report are disclosed in Note 6 “General and administrative expenses” to the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Application of IFRS 9 “Financial instruments” (“IFRS 9”) in the calculation of expected credit losses for loans and advances to customers.</p> <p>IFRS 9, “Financial Instruments”, requires recognition of expected credit losses (“ECL”) allowances for all exposures from the time a loan or contract is originated, based on the deterioration of credit risk since initial recognition. If the credit risk has not increased significantly (Stage 1), IFRS 9 requires allowances based on 12-month expected credit losses. If the credit risk has increased significantly since initial recognition (Stage 2) or if the loan contract is “credit impaired” (Stage 3), IFRS 9 requires allowances based on lifetime expected credit losses.</p>	<p>Our audit approach to address the key audit matter involved the following main procedures</p> <ul style="list-style-type: none"> • Performing detailed risk assessment analytics over the Group’s loans portfolio, in order to identify possible areas of risk; • Assessing and testing, on a sample basis, the design and operational effectiveness of key controls, especially in relation to loan origination, disbursements and repayments, restructurings, collaterals; • Assessing the compliance of the Group’s methodologies and models with the IFRS 9 requirements. We engaged our credit risk technical experts to assist us in undertaking this assessment;

This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Key audit matter	How our audit addressed the key audit matter
<p>ECL allowance recognition for Stage 1, Stage 2 and Stage 3 loans and advances to customers is performed on the portfolio basis. The management is using key estimates and assumptions such as: the default definition, probability of a loan falling into arrears and subsequently entering into default (“PD”), criteria for significant increase in credit risk (“SICR”), exposure at the moment of default (“EAD”), the loss given default (“LGD”), future macroeconomic scenarios and weighting their probability and the discount factor.</p> <p>The complexity of the management’ estimation process is affected by the most recent developments in the agriculture sector such as declining crop prices, extreme weather events, and high-interest-rate environment.</p> <p>Considering the (i) significant judgements to be applied by the management in selecting and developing ECL models, (ii) a high degree of uncertainty, complexity and change related to the ECL models and assumptions and (iii) taking into account that “Loans and advances to customers” is the most significant financial statement line item in the total assets, we identified this area to be a key audit matter.</p> <p>Note 2 “Basis of preparation”, Note 4 “Net credit losses”, Note 8 “Financial risk management” and Note 11 “Overview of financial instruments” to the consolidated financial statements provide detailed information on ECL for loans and advances to customers.</p>	<ul style="list-style-type: none"> • Testing the application of SICR criteria and default definition used for stage allocation of loans and advances to customers; • Performing substantive testing over the data input (e.g. days past due, default status, valuation of collateral) used in the ECL calculation as at 31 December 2024; • Recomputing the PD using the historical data and verifying whether PD resulting from the statistical estimation models were the same as the ones effectively implemented in the ECL calculation; • Assessing the reasonableness of selecting and using multiple macroeconomic scenarios, including the latest macroeconomic forecasts; • Verifying the disclosures in the notes to the consolidated financial statements regarding the calculation of ECL and the significant assumptions and estimation uncertainties for the year ended 31 December 2024.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.



We planned and scoped our audit for the year 2024 reflecting the Group's current structure whereby the Company represents the vast majority of the Group's assets, liabilities, operating income and profit before income tax. Hence, we defined the Company as the sole significant component within the Group and so the Company was subject to an audit of its complete financial information. We also applied analytical and other audit procedures to the financial information of the subsidiaries of the Group (Clubul Fermierilor Romani Broker de Asigurare SRL and Agricover Payments S.A).

Other matters

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another firm of auditors whose report, dated 28 March 2024, expressed an unmodified opinion on those consolidated financial statements.

Reporting on other information including the Administrators' Report

Administrators are responsible for the other information. The other information comprises the Administrators' Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information, including the Administrators' Report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Administrators' Report, we considered whether it is consistent with the consolidated financial statements and whether the Administrators' Report was prepared in accordance with NBR Order 27/2010 articles 32-34.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Administrators' Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements;
- the Administrators' Report has been prepared in accordance with NBR Order 27/2010 articles 32-34.

In addition, in light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Administrators' Report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements, that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the NBR Order 27/2010, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and



where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Reporting on report regarding information related to income tax

In accordance with NBR Order 27/2010, article 57¹⁶, in connection with the audit of the consolidated and separate financial statements for the financial year ended as at 31 December 2024, our responsibility is to state if, for the previous financial year ended as at 31 December 2023, the Company had the obligation, in accordance with articles 57⁴ – 57¹⁰ of NBR Order 27/2010, to publish a report regarding information related to income tax for the financial year ended 31 December 2023 and if this is the case, whether such report was published in accordance with article 57¹⁴ of NBR Order 27/2010.

The Company did not have the obligation to publish the report regarding information related to income tax.

Appointment

We were appointed by Ordinary General Shareholders Meeting as auditors of Agricover Credit IFN SA on 8 July 2024. This is the first year of our appointment as auditors.

The financial auditor responsible for carrying out the audit resulting in this independent auditor's report is Andreea Negruțiu.

On behalf of

PricewaterhouseCoopers Audit SRL

Audit firm

registered with the Public Electronic Register of financial auditors and audit firms under no. FA6

**Refer to the original signed
Romanian version**

Andreea Negruțiu

Financial Auditor

registered with the Public Electronic Register of financial auditors and audit firms under no. AF4000

Bucharest, 27 March 2025

AGRICOVER CREDIT IFN SA

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2024

Prepared in accordance with the National Bank of Romania Order No. 27/2010 for the approval of accounting regulations in accordance with the European Directives, and are in compliance with the

International Financial Reporting Standards, as adopted by European Union

** The original version of the consolidated financial statements was written in Romanian. This document is an English translation of the original document. In case of any discrepancy between the English text and the Romanian text, the latter will prevail.*

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Consolidated Statement of Profit or Loss and Other Comprehensive Income
as at 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Note	2024	2023
Interest income	3	438,026	405,734
Interest and similar expenses	3	(205,995)	(192,503)
Net interest income	3	232,032	213,230
Net credit loss allowance	4,8	(34,329)	(50,482)
Net interest income after credit loss allowance		197,702	162,749
Fee and commission income	5	13,292	11,389
Fee and commission expense	5	(2,747)	(994)
Net fee and commission income	5	10,545	10,395
Other operating income		3,852	1,689
General and administrative expenses	6	(85,920)	(71,651)
Other operating expenses	5	(9,235)	(8,694)
Net loss from derivative financial instruments		(2,342)	(4,716)
Net foreign exchange translation gain		1,065	1,359
Profit before tax		115,666	91,130
Income tax expense	7	(15,343)	(13,089)
Profit for the year		100,322	78,040
Other comprehensive income for the year		-	-
Total comprehensive income for the year		100,322	78,040
Profit attributable to:			
- Owners of the Company		99,996	76,839
- Non controlling interest		326	1,202
Profit for the year		100,322	78,040
Total comprehensive income attributable to:			
- Owners of the Company		99,996	76,838
- Non controlling interest		326	1,202
Total comprehensive income for the year		100,322	78,040

Consolidated Statement of Financial Position
as at 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Note	2024	2023
Assets			
Cash and cash equivalents	12	404,356	470,227
Loans and advances to customers	8	3,056,452	2,793,640
Other financial assets		1,088	944
Other assets		25,185	10,943
Current tax assets		40	1,342
Deferred tax assets	7	769	640
Intangible assets	18	19,416	17,806
Property, plant and equipment	17	1,600	1,376
Right of used assets	16	6,826	9,009
Total Assets		3,515,732	3,305,927
Liabilities			
Derivative financial instruments	11	4,334	4,983
Borrowings	13	2,844,536	2,712,988
Other liabilities	14	16,549	18,717
Leases liabilities	16	7,133	9,235
Current tax liabilities		2,147	108
Credit loss allowance for loan commitments		604	1,849
Total Liabilities		2,875,303	2,747,880
Equity			
Share capital		187,925	137,925
Retained earnings		416,764	391,859
Legal and other reserves	9	34,067	26,916
Total equity attributable to owners		638,756	556,700
Non-controlling interests		1,673	1,347
Total equity		640,429	558,047
Total liabilities and equity		3,515,732	3,305,927

Approved for issue and signed on behalf of the Board of Directors on 27 March 2025.

Serhan Hacisuleyman
Chief Executive Officer

Denisa Manoliu
Deputy Chief Executive Officer
(Financial Director)

Consolidated Statement of Changes in Equity
for the year ended 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Note	Attributable to owners of the Company				Total	Non-controlling interest	Total equity
		Share capital	Legal reserves	Other reserves	Retained earnings			
Balance at 1 January 2024		137,925	25,357	1,559	391,859	556,700	1,347	558,047
Profit for the period		-	-	-	99,996	99,996	326	100,322
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the period					99,996	99,996	326	100,322
Share capital increase	9	50,000	-	-	(50,000)	-	-	-
Transfer to legal reserves		-	5,769	-	(5,769)	-	-	-
Share option plan reserve		-	-	1,382	-	1,382	-	1,382
Distributed dividends		-	-	-	(19,309)	(19,309)	-	(19,309)
Other changes in equity		-	-	-	(13)	(13)	-	(13)
Total transactions with owners in their capacity as owners		50,000	5,769	1,382	(75,091)	(17,940)	-	(17,940)
Balance at 31 December 2024		187,925	31,126	2,941	416,764	638,756	1,673	640,429

Consolidated Statement of Changes in Equity
for the year ended 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Attributable to owners of Agricover Credit				Total	Non-controlling interest	Total equity
	Share capital	Legal reserves	Other reserves	Retained earnings			
at 1 January 2023	137,925	20,832	1,981	319,273	480,011	1,990	482,000
Profit for the period				76,838	76,838	1,202	78,040
Total comprehensive income for the period				76,838	76,838	1,202	78,040
Share capital increase	-	-	-	-	-	-	-
Transfer to legal reserves	-	4,525	-	(4,525)	-	-	-
Share option plan	-	-	(421)	295	(126)	-	(126)
Distributed dividends	-	-	-	-	-	(1,845)	(1,845)
Other changes in equity				(23)	(23)	-	(23)
Total transactions with owners in their capacity as owners	-	4,525	(421)	(4,253)	(149)	(1,845)	(1,994)
Balance at 31 December 2023	137,925	25,357	1,560	391,858	556,700	1,347	558,047

Consolidated Statements of Cash Flows
 for the year ended 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Notes	2024	2023 restated
Cash flows from operating activities			
Profit for the year		100,322	78,041
Adjustments for:			
Net credit loss allowance	4,8	34,329	50,482
Depreciation and amortization	6	12,169	7,858
Net loss from derivative financial instruments		2,342	4,716
Unrealized FX differences		(1,065)	(1,359)
Other non-monetary adjustments		483	(856)
Income tax expense	7	15,343	13,089
Interest income	3	(438,027)	(405,733)
Interest expense	3	205,995	192,503
Changes in working capital:			
(Increase)/decrease in other and financial assets		4,555	(3,061)
(Increase)/ decrease in loans and advances to customers		(306,241)	(101,552)
Increase/ (decrease) in other and financial liabilities		4,221	(2,700)
		(365,573)	(168,571)
Settlement under the SOP		(259)	816
Interest paid		(202,209)	(185,914)
Interest received		427,600	419,436
Payments from settlements of derivative financial instruments		-	(2,476)
Proceeds from settlements of derivative financial instruments		850	-
Income tax paid		(12,131)	(10,262)
Net cash (used in)/ generated from operating activities		(151,722)	53,029
Cash flows from investing activities			
Payments for acquisitions of intangible and fixed assets		(14,004)	(11,727)
Increase of investment in subsidiary		(4,000)	
Net cash (used in) investing activities		(18,004)	(11,727)
Cash flows from financing activities			
Withdrawals from borrowings	13	4,824,900	2,913,717
Repayment of borrowings	13	(4,698,213)	(2,598,236)
Payments for lease liabilities	16	(2,991)	(2,484)
Dividends paid		(19,309)	-
Net cash generated from financing activities		104,387	312,998
Unrealized FX differences on cash and cash equivalents		(531)	(317)
Cash and cash equivalents at the beginning of the year	12	470,227	116,245
Net increase (decrease) in cash and cash equivalents		(65,871)	353,983
Cash and cash equivalents at the end of the year	12	404,356	470,227

Notes to the Financial Statements

General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section includes general information about the Group and its structure as well as material accounting policy information that relate to the consolidated financial statements as a whole. Material accounting policy information and related estimates, judgements and assumptions in the application of those policies specific to a particular item are included within the note referring to that specific item. Accounting policies relating to non-material items are not included in these financial statements.

1 GENERAL INFORMATION

Agricover Credit IFN SA (hereinafter referred to as “the Company”) provides lending services to agricultural customers and, through its Subsidiary Clubul Fermierilor Romani Broker de Asigurare SRL (“the Subsidiary “), brokerage services in the field of agricultural insurance intermediation and Agricover Payments S.A (“the Subsidiary”) , as a company that aims to become an authorized payment institution, with the purpose of providing modern and efficient financial services to the agricultural sector in Romania.

Agricover Credit IFN SA Group (hereinafter referred to as „the Group” or “Agricover”) comprises of Agricover Credit IFN SA , Clubul Fermierilor Romani Broker de Asigurare SRL(set up by the Company during 2011) and Agricover Payments (set up by the Company during 2024) . Agricover Credit IFN SA is the parent company of the Group and is subject to consolidation as a subsidiary of Agricover Holding SA Group.

These consolidated financial statements comprise the Company and its subsidiaries. The Company prepares its separate statutory financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the Order of the National Bank of Romania no. 27/2010 for the approval of Accounting Regulations in compliance with International Financial Reporting Standards. The Subsidiary Clubul Fermierilor Romani Broker de Asigurare SRL prepares its statutory financial statements in accordance with the provisions of the Financial Supervisory Authority Norm no. 36/2015 regarding accounting regulation referring to annual individual financial statements and annual consolidated financial statements applicable to the insurance and / or reinsurance brokers and the Subsidiary Agricover Payments S.A prepares its statutory financial statements in accordance with Order no 1802/2014. The statutory accounting policies of the Subsidiaries have been modified where necessary to ensure compliance with IFRS and consistency with the policies adopted by the Group.

The Company is a joint stock entity and is incorporated and domiciled in Romania, having its registered office at 1B Pipera Blvd, Voluntari, Ilfov, Romania. The Group’s shareholders are AGRICOVER HOLDING SA (99.99999%) and AGRICOVER DISTRIBUTION SA (0.00001 %). The ultimate controlling party of the Group is Mr. Jabbar Kanani.

The Group offers four main categories of financial products: short term credit lines for working capital, discounting operations (denominated in RON), medium- or long-term loans for financing investment projects (investment loans products denominated in RON or EUR), and medium- or long-term loans for working capital. These financing facilities are designed for farmers and have various tailored maturities which are usually correlated with the harvesting and sale of crops periods. Working capital is for the most part short term but another product with extended maturity of up to 10 years has been launched in March 2017. Factoring operations generally have maturities of less than 12 months while most

Notes to the Financial Statements

General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Investment loans products have 2 to 5 years maturities with two yearly annuity payments and bear floating interest rate (interest is either payable monthly or capitalized monthly and payable with the principal instalments – usually two instalments per year).

2 BASIS OF PREPARATION

Compliance statement

These consolidated financial statements as at and for the year ended 31 December 2024 have been prepared in accordance with Order No. 27/2010 issued by the National Bank of Romania for the approval of accounting regulations in accordance with the European Directives, with subsequent amendments and modifications (“Order 27/2010”) and are in compliance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”).

Historical cost convention

These consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments, which are carried at fair value.

Consistent application of accounting policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below in the relevant Notes to these consolidated financial statements and have been consistently applied to all the periods presented, unless otherwise stated. The preparation of financial statements in accordance with IFRS requires the use of judgements and estimates. The areas involving a higher degree of judgment or complexity, or areas where estimates are significant, are disclosed in the relevant Notes to these consolidated financial statements, as follows:

- expected credit losses on loans and advances to customers– note 8;
- forward looking scenarios considered in the Group’s calculation of expected credit losses on loans and advances to customers – note 8.i.7;

Functional and presentation currency

These consolidated financial statements are presented in Romanian New Lei (“RON”), which is the functional currency of the Group. All amounts are presented in thousands RON and rounded to the nearest unit, unless otherwise stated.

Going concern

After taking into account the Group's liquidity, capital adequacy, budgeted cash flows and related assumptions, management believes that the Group has adequate resources to continue in operation for the foreseeable future and these consolidated financial statements are prepared on that basis.

Standards and amendments newly applicable for periods starting January 1st, 2024

The following new and amended standards effective for periods starting January 1st, 2024, have been implemented by the Group and do not have a significant impact on the Group’s consolidated financial statements.

- ✓ **Amendments to IFRS 16 “Leases” on lease liability in a sale and leaseback transaction**

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback,

Notes to the Financial Statements

General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains.

✓ ***Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial instruments: Disclosures", on supplier finance arrangements***

The amendments apply to supplier finance arrangements and introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk.

Standards and amendments effective for annual periods beginning on or after January 1st, 2025, not early adopted by the Company

A number of new IFRS and amendments to IFRS are required to be applied for annual periods beginning on or after January 1st, 2025, and are available for early adoption in periods beginning on or after January 1st, 2024. As at 31 December 2024 these new IFRS and amendments to IFRS have not been endorsed by the European Union.

The Company has not early adopted any of the forthcoming new and amended standards in preparing these separate financial statements. Once adopted, the new and amended standards are:

✓ ***Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates", on lack of exchangeability***

The amendments require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments are not expected to have a significant impact on the Company's separate financial statements.

Effective date: annual periods beginning on or after January 1st, 2025.

✓ ***Amendments to IFRS 9 and IFRS 7, relating to the classification and measurement of financial instruments***

These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (SPPI) criterion.
- add new disclosures for certain instruments with contractual terms that can change cash flows;
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

No significant impact is expected from the implementation of this amendment.

Effective date: annual periods beginning on or after 1 January 2026, with early application permitted.

✓ ***IFRS 18: Presentation and Disclosure in Financial Statements***

Notes to the Financial Statements

General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

IFRS 18, the new standard on presentation and disclosure in financial statements, will replace IAS 1. Many of the other existing principles in IAS 1 are retained, with limited changes mainly focused on updates to the statement of comprehensive income. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is in the process of analysing the impact of IFRS 18 to its consolidated financial statements.

Effective date: annual periods beginning on or after 1 January 2027, with early application permitted.

✓ **IFRS 19: Subsidiaries without Public Accountability: Disclosures**

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.

The Company does not expect this standard to have an impact on its operations or financial statements.

Effective date: annual periods beginning on or after 1 January 2027, with early application permitted.

Consolidation

Subsidiaries are those investees that the Group controls because it has:

- power to direct their activities that significantly affect their returns,
- exposure, or rights, to variable returns from its involvement with the investees, and
- the ability to use its power over the investees to affect the amount of the investor's returns.

Subsidiaries are consolidated from the date on which control obtained by the Group and are deconsolidated from the date on which control ceases. The Company and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Notes to the Financial Statements

General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Agricover Credit IFN SA.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Notes to the Financial Statements

Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information about the financial performance of the Group. The section covers material accounting policy information, with a focus on those areas where IFRS either allow a choice or do not deal with a particular type of transaction, and significant judgements and estimates made in relation to particular items. The section concludes with details about the Group's tax result in the year and current and deferred tax assets and liabilities held at the end of the period.

3 NET INTEREST INCOME

The Group offers a range of financing products, including working capital and investment loans tailored to the needs of the farmers. To finance its loans granting activity, the Group has access to a diverse range of capital sources, including debt agreements with international financial institutions, local banks, and related parties.

All interest income and expenses are measured and recognised using the effective interest method, as prescribed by IFRS 9 *Financial Instruments*.

Significant components of interest income and expense as included in the profit or loss of 2024 and 2023 are presented below:

	2024	2023
Interest Income		
Credit lines	402,386	373,703
Investment loans	22,363	28,477
Factoring	10,497	3,238
	435,246	405,418
Deposits and current accounts	2,781	315
Total Interest Income	438,026	405,734
Interest Expense	(205,995)	(192,503)
Net interest income	232,032	213,230

During 2024 interest income recognised on impaired financial assets amounts to RON 8,3 million (2023: RON 12,1 million).

4 NET CREDIT LOSSES

Credit losses on financial assets are represented by the movements in expected credit losses calculated for existing and new loans, advances to customers (such movements are detailed in Note 8). Net credit losses on financial assets include expected credit losses on off balance sheet commitments and guarantees granted by the Group (refer to Note 21), as follows:

	2024	2023
Net credit loss allowance (note 8)	(35,574)	(49,351)
Credit loss allowance for loan commitments	1,244	(1,131)
Total net credit losses	(34,329)	(50,482)

Notes to the Financial Statements

Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

5 OTHER SIGNIFICANT EXPENSES AND INCOME

Net fee and commission income

Fee and commission income mainly represents commission income for brokerage of insurance products. Brokerage fees are generally recognised on an accrual basis when the service has been provided, i.e. when the policy is written, and the premium is cashed.

	2024	2023
Insurance brokerage commission	13,292	11,389
Fee and commission expense	(2,747)	(994)
Net fee and commission income	10,545	10,395

Other operating expenses

	2024	2023
Other operating expenses	(322)	(519)
Sponsorship expenses	(3,303)	(2,682)
Other taxes except income tax	(5,610)	(5,494)
Other operating expenses	(9,235)	(8,694)

Other taxes except income tax refer mainly to VAT which is not recoverable as the Group recovers VAT on a pro-rata basis, where the recoverable rate is calculated as a percentage of taxable income divided by total income.

6 GENERAL AND ADMINISTRATIVE EXPENSES

Breakdown of significant general and administrative expenses is included below:

	2024	2023
Employees' cost	(54,626)	(45,840)
Depreciation	(12,169)	(7,858)
Protocol expenses	(1,670)	(1,285)
Consulting and audit expenses	(2,213)	(3,779)
Fuel expenses and maintenance	(1,406)	(1,244)
Software expenses	(2,468)	(2,144)
Advertising expenses	(1,925)	(952)
Other administrative expenses	(9,443)	(8,550)
Total	(85,920)	(71,651)

Defined contribution plan

The Group paid 12.5 million RON to defined contribution retirement plans during the year ended 31 December 2024 (2023: 11.3 million RON). Beyond the settlement of monthly contributions, the Group has no other obligations towards its employees in relation to their defined contribution retirement plans.

Notes to the Financial Statements

Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Audit fees

The fee for the audit of the statutory financial statements for the year ended 31 December 2024 has been 49,000 EUR, equivalent plus VAT (2023: 84,000 EUR, equivalent plus VAT). The fee for the non-audit services rendered by the statutory auditor for financial year 2024 has been 11,000. EUR, equivalent plus VAT (2023: 11,000 EUR equivalent, plus VAT). The contractual fee for other agreed procedures relating to the financial year 2024 was EUR 48,389 (2023: EUR 2,000).

During 2024 the Group paid 276,084 RON (2023: 604,585 RON) to the statutory financial auditor. At 31 December 2024 expenses accrued in relation to audit and non-audit services provided by the statutory financial auditor amounted to 73,119 RON (31 December 2023: 249,480 RON).

Share Option Plan

Employee costs include expenses related to a share-based compensation program, implemented by the parent company starting 2022, whereby eligible personnel receive conditional rights to acquire shares in the parent company under a Share Option Plan (“the SOP”). Under the SOP, options on the parent company’s shares are granted to senior managers (including executive officers) of the Company, with more than 12 months’ service for the Agricovert group, at the discretion of the Board of Directors of the parent company (no individual has a contractual right to participate in the plan or to receive any guaranteed benefits).

The SOP is designed to provide short-term and long-term incentives to the participants to deliver appropriate long-term shareholders returns. It includes two components:

- short-term component, with options that vest after twelve months, depending on participants' achievements with respect to their individually assigned KPIs (non-market performance condition); and
- long-term component, with options that vest over a three-year period (graded vesting, one-third of the total number of granted options vesting each year) based on the Parent company's consolidated net profit over the vesting period (non-market performance condition).

Vesting under both components of the SOP is conditioned upon the participant remaining employed within the Group on such vesting date, and on the achievement of the relevant performance indicators (whereby the maximum number of options that can vest is for a performance level of 130% versus the assigned levels of the performance indicators). The share options granted will not vest if the performance conditions are not met or if the participant leaves the Group before the vesting date.

Options are granted under SOP for no consideration and carry no dividend or voting rights. The share options are exercisable at 0.1 RON/share.

The service cost is determined with reference to the fair value of the underlying shares. The fair value of the parent company's share is estimated at the grant date by considering the its consolidated net profit (as reported in the most recent annual consolidated financial statements) and average market multiples published by the Bucharest Stock Exchange and/or other third-party data providers. Such multiples include the price-to-earnings ratio, which measures the share price in relation to the net profits of entities listed on the Bucharest Stock Exchange.

The performance conditions are only considered in determining the number of instruments that will ultimately vest and have no impact on the value of options granted.

Notes to the Financial Statements

Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

The parent company provides an optional redemption mechanism of the SOP-acquired shares as follows:

- anytime during the holding period, the new shareholder has the right to ask the parent company to buy her shares and the parent company has the right to accept or deny the acquisition. Identical acquisition options can be initiated by the parent company as well, without the holder having the obligation to exercise. In practice, except as stated below, there is no obligation on either side to buy or sell as a result of the other party's sell or buy initiative.
- the shares are mandatorily redeemable by the parent company upon termination of the participants to the program.

An expense is recognized over the period in which the service and performance conditions are fulfilled (the vesting period) with recognition of an equity reserve, for all employees or executives under the SOP. The cost of services is determined with reference to the fair value of the share options at grant date. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of options that will ultimately vest.

Set out below are details regarding the number of options granted, exercised or expired under the plan:

	2024	2023
Outstanding beginning of year	8,233,041	3,956,691
Granted during the period	23,592,718	6,794,271
Exercised during the period	(2,595,445)	(1,098,597)
Expired during the period	(5,438,519)	(1,419,324)
Outstanding end of the year	23,791,795	8,233,041

All outstanding instruments are unvested at 31 December 2024 and have an exercise price of 0.1RON/share. The weighted average remaining contractual life of these options is 0.93 (31 December 2023:0.94 years). As at 31 December 2024 and for the year then ended the Company recognized an expense of million RON 0.8 in relation to the SOP (2023: million RON 0.8).

7 CURRENT AND DEFERRED INCOME TAX

Current and deferred income tax charges are calculated on the basis of tax rates and the tax laws enacted or substantively enacted at the balance sheet date in Romania.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the Financial Statements

Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Income tax

Frequent modification of the tax laws applicable in Romania give rise to significant tax uncertainties including but not limited to the tax authorities interpretation of complex tax issues. Differences arising between the results of such interpretations and the assumptions made by the Group's management, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded, together with late payment interest and penalties. In Romania, tax periods remain open for 5 years.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and recognises related liabilities where appropriate on the basis of amounts expected to be paid to the tax authorities. The Group's management considers that the tax liabilities included in these consolidated financial statements are fairly stated, and is not aware of any circumstances which may give rise to a potential material liability in this respect.

Significant components of the income tax expense are presented below.

	2024	2023
Current tax expense	(15,472)	(10,998)
Deferred tax expense	129	(2,091)
Income tax expense	(15,343)	(13,089)

The income tax rate applicable to the Group's taxable income in 2024 and 2023 is 16%. The reconciliations between the tax expense and the product of accounting profit multiplied by the statutory tax rate for the years ended 31 December 2024 and 31 December 2023 are as follows:

	2024	2023
Accounting profit before tax	115,665	91,130
Tax charge at the statutory tax rate of 16%	18,506	14,581
Tax effect of non-taxable income	(879)	(857)
Tax effect of non-deductible expense	1,691	2,771
Other tax deductions, of which:	(4,043)	(3,406)
- legal reserves	(923)	(724)
- income tax facilities (sponsorship related) (*)	(3,120)	(2,682)
Deferred tax not recognized on other losses	68	-
Income tax expense	(15,343)	(13,089)
<i>Effective tax rate</i>	13.27%	14.36%

(*) Companies liable for corporate income tax that make sponsorships (in compliance with the Sponsorship Law 32/1994) for the support of non-profit organisations deduct the related amounts from the corporate income tax due. The available deductions are capped at the minimum of:

- 0.75% of revenue; or

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- 20% of the corporation tax due.

Significant components of deferred tax assets and liabilities as at 31 December 2024, including their movements during the year then ended, are presented below:

	1 January 24	(Charged) / Credited to	31 December 24
	Deferred tax assets/liabilities	profit or loss	Deferred tax assets/liabilities
Allowance for off balance sheet	296	(199)	97
Share option plan	124	321	445
Untaken holiday	220	7	227
Total	640	129	769

Significant components of deferred tax assets and liabilities as at 31 December 2023, including their movements during the year then ended, are presented below:

	1 January 23	(Charged) / Credited to	31 December 23
	Deferred tax assets/liabilities	profit or loss	Deferred tax assets/liabilities
Allowance for loans granted	2,443	(2,443)	-
Allowance for off balance sheet	114	182	296
Leases	(20)	20	-
Share option plan	194	(69)	124
Untaken holiday	-	220	220
Total	2,731	(2,091)	640

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This section discusses the Group's exposure to various financial risks, explains how these risks are managed and shows how these could affect the Group's financial position and performance.

8 FINANCIAL RISKS MANAGEMENT

The Group's strategy for growth and development has the farmers and their needs at its core. The Group's aim is to support its clients in achieving their potential and, in the process, to support the Romanian agriculture in its important role in the European and global food chain. With this in mind, the Group has build a business model which follows the seasonality of the agricultural year and offers a wide range of inputs and technologies, including financing of both working capital and investment needs of the farmers.

This business model involves taking on and managing financial risks in a targeted manner. The core functions of the Group's risk management are to identify all key risks for the Group, measure these risks, manage the risk positions and determine related capital allocations.

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group regularly reviews its risk management policies and systems to reflect changes in markets and products and with consideration of best market practice.

Under policies approved by the Board of Directors and in collaboration with the Risk and Finance departments, the risk management is carried out by the following committees:

- Credit Risk Committee;
- Management Committee;
- Assets Liabilities Committee;
- Collection Committee;
- Monthly Analysis of the Results Committee;
- Audit Committee;
- Management of Significant Risks Committee ("CARS")

The Group's internal audit function, including the audit committee, is responsible for the independent review of the risk management and the internal control environment.

i. CREDIT RISK

Credit risk is the risk of suffering financial loss should any of the Group's customers, clients or market counterparties fail to fulfill their contractual obligations to the Group.

Credit risk arises mainly from loans and advances and loan commitments granted by the Group, but may also arise from other sources such as financial guarantees and other transactions giving rise to financial assets.

Credit risk is the largest financial risk for the Group's business. The Group's maximum exposure to credit risk is reflected by the carrying amounts of financial assets on the consolidated statement of financial position. The Group is active exclusively on the Romanian market, and provides financing exclusively to farmers. Apart from that, there are no significant concentration of credit risk, the biggest client representing 1.88 % of the total exposure as of December 2024 (31 December 2023: 1.3%), with the top 10 clients representing as of December 2024, 9.19% of the total exposure (31 December

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2023: 8.9%). The biggest bank accounts for 63.1% of Group's cash and cash equivalents as at 31 December 2024 (31 December 2023: 44.89%).

Market context and farmers' ability to service debt

In 2024, the ability of farmers to service their financial obligations was significantly affected by a combination of declining crop prices, extreme weather events, and high production costs. The continued decrease in grain prices, with the European Union grain price index down 15% in 2024, following a 26% drop in 2023, reduced farmers' revenues, directly impacting their debt repayment capacity. Additionally, the severe drought in Romania, particularly in the southern and eastern regions, resulted in substantial crop losses, further weakening farmers' financial resilience. Many producers faced lower cash flow, increased reliance on credit, and delayed investments in quality inputs, affecting both short-term operations and long-term productivity.

At the same time, the high-interest-rate environment continued to put pressure on farmers carrying debt, increasing financing costs for both working capital and investment loans. While input prices remained relatively stable in 2024, they were still above pre-2022 levels, preventing significant cost relief. Additionally, delays in payments from certain farmers further signaled financial stress within the sector.

To help offset these challenges, the Romanian government introduced a 400 million EUR aid program to compensate farmers for drought-related losses and an emergency ordinance allowing affected farmers (conditions apply) to postpone debt repayments until August 2025. While the latter provided temporary liquidity relief, it also deferred financial pressure into the medium term. As a result, many farmers will face a stacked debt burden starting in August 2025, having to simultaneously service both their postponed obligations and new seasonal financing needs. This raises the risk of defaults, particularly for highly leveraged farmers. However, the Group did not incur significant eligible debt postponement requests (32 clients with a total exposure of 9.3 million RON, of which 4.8 million RON was postponed), and the overall financial impact of these measures on the loans and advances portfolio remains limited.

Furthermore, as part of the risk mitigation strategy, the Group has increased collateral coverage across the loans and advances portfolio, reaching 58 % as of 31 December 2024, compared to 42% at the end of 2023. This approach enhances credit security and reduces potential losses, reinforcing resilience against increased financial stress in the sector.

Looking forward, while government support has temporarily eased immediate pressures, the sector remains vulnerable to further price volatility, geopolitical shifts, and adverse weather conditions. Any deterioration in overall market conditions or financing accessibility could increase credit risk, posing challenges for both farmers and agricultural lenders.

i.1. Risk Management Policies and Procedures

The Group uses internal risk gradings that reflect its assessment of the probability of default of individual counterparties. Borrower and loan specific information collected by the relationship managers is fed into this risk grading model. Relationship managers have clear responsibilities concerning health checks and monitoring of farmers' business, as one of their KPIs refers to the collection of installments as due. In practice Agricover teams visit each farmer at least twice a year

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(when financing autumn main crops, respectively spring main crops). This is supplemented with external data such as credit bureau or payment incidents information or COFACE reports on individual borrowers. In addition, the model enables judgement from the Risk Director to be fed into the final internal grading. This allows for considerations which may not be captured as part of the other data inputs into the model.

Specific monitoring strategies are applied depending on risk information and value of exposure, as follows:

- 1) **Standard exposure monitoring** –automatic collection process applied to all credit risk exposures. Risk indicators monitored:
 - ✓ Insolvency – based on the public insolvency register;
 - ✓ Breaches of payment terms with third parties – based on information available from the Central Credit Register (“CRC”);
 - ✓ Level of debts to state budget – these should not exceed 20% of the Group’s exposure to the respective client
- 2) **Intensive exposure monitoring** – process applied for clients with exposure over 2 million RON or for “orange” or “red” graded exposures; whereby in intensive monitoring the following risk indicators are observed in addition to the standard:
 - ✓ debtor's status at the National Trade Register Office
 - ✓ information from the Office of Payment Incidents for Romanian Companies
 - ✓ significant increase of client’s debt to other financial institutions (sensitive threshold: 50% year-on-year increase)

As a result, the early understanding of potential problems that customers may face during the agriculture year allows preventive intervention and, in most cases, the Group team together with the customers identify solutions to resume or potentially restructure payment schedules. At the same time, in situations where the farmers cannot meet their obligations, early identification default risk allows timely initiation of collateral liquidation procedures. Usually the forced execution team identifies potential buyers even among the existing clients with whom the Group has long-lasting business relationships, especially in the case of agricultural land, silos, or agricultural equipment brought as collateral. As a consequence, access to an extended customer base enables a fast and efficient collateral liquidation process, at or close to market prices.

The internal risk grades as monitored by the Risk Director and periodically reported to the Credit Risk Committee are detailed below:

- 1) **green** – exposures less than 30 days overdue and with no other risk indicators identified based on the standard or intensive monitoring processes (for clients with exposure over 2 million RON);
- 2) **orange** – exposures past due by 31 to 90 days as well as customers with restructured loans and less than 30 days overdue during the probation period.
- 3) **red** – exposures with more than 90 days past due where solutions for amiable collection have been identified, or exposure to clients whose financial situation or other risk indicators may lead to the opening of foreclosure procedures; customers with this risk grade are monitored by the legal collection team who accompany the commercial team during the site visits with the objective to identify solutions for collection, such as amicable payment, or existing

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collateral execution, or consolidation of existing guarantees etc.;

- 4) **legal** – exposures for which legal proceedings for foreclosure and collateral execution have been initiated via a bailiff. They are monitored by the legal collection team.

For clients under intensive monitoring the relevant indicators are assessed by the risk analyst, the commercial team may be involved in data gathering when relevant, and submitted to the attention of the Collection Committee when indicators of significant increase in credit risk are identified. Based on this analysis the Collection Committee updates or keeps the risk grade of the respective client.

The Group manages limits and controls the concentrations of credit risk both to individual counterparties and to group of related counterparties exposures. Such limits are subject to an annual review process but can be updated more frequently if necessary. Limit updates are initiated in the light of changing market and economic conditions and periodic credit reviews and assessments of probability of default.

i.2. Expected credit loss measurement

IFRS 9 outlines a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in ‘Stage 1’ and has its credit risk continuously monitored by the Group as detailed above.
- If a significant increase in credit risk since initial recognition (‘SICR’) is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be impaired. Refer to note i.3 for details around SICR identification.
- If the financial instrument is impaired, it is then moved to ‘Stage 3’. Refer to note i.4 for details around impairment identification and default definition.
- Financial instruments in Stage 1 have their expected credit losses (“ECL”) measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Refer to note i.6 for details around key inputs, assumptions and estimates used by the Group in the measurement of ECL.
- Measuring ECL in accordance with IFRS 9 considers forward-looking information. Refer to note i.7 for details around forward looking information and its impact on the ECL measured by the Group.
- Financial assets impaired at acquisition or inception (“POCI”) are those financial assets that are impaired on initial recognition. Subsequent to initial recognition at fair value, interest income on POCI financial assets is recognized based on a credit- adjusted effective interest rate while their ECL is always measured on a lifetime basis irrespective of whether they are impaired at the reporting date.
- Further explanation is also provided of how the Group determines appropriate groupings when ECL is measured on a collective basis. Refer to note i.5 or details around segmentation of loans and advances as used by the Group for the purposes of measuring ECL.

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Significant estimate – expected credit losses

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) and makes certain post-model adjustments to account for existing or expected risks which are not addressed by the statistical model employed. Key judgements, assumptions and techniques used for estimating expected credit losses on loans and advances, loan commitments, as well as financial guarantees issued by the Group are presented below, together with sensitivities of the ECL to relevant inputs..

i.3. Significant increase in credit risk (“SICR”)

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes information and analysis done based on the Group’s historical experience and expert credit assessment information and including forward looking information. The Group concludes that there has been a significant increase in credit risk whenever one of the following circumstances occurs:

- the asset is more than 30 days past due (backstop),
- different triggers are signaled by the Credit Risk Committee, such as: payment incidents, significant increase in customer debt to other financial institutions, year-on-year increase of indebtedness by 50% or more etc.,
- the debtor exhibits significant financial degradation based on the analysis of its financial reports (i.e. it is classified as “orange” based on the internal risk grades identified above), or
- first restructuring if no amounts are overdue by more than 30 days during the probation period of 24 months.

i.4. Default and credit-impaired loans and advances

For the purpose of determining the risk of a default occurring, the Group applies a default definition that is consistent with the definition used for internal credit risk management purposes for the relevant financial instrument and considers both quantitative and qualitative indicators as appropriate. An asset is marked as in default whenever one of the following circumstances occurs:

- the asset is more than 90 days past due (backstop), or
- the asset was more than 90 days past due anytime in the three months prior to the reporting date,
- the Group concludes that the borrower is unlikely to pay, considering:
 - Initiation of legal procedures against the borrower,
 - Decisions of the Collection Committee based on public information, information available within the Group but also from other entities within the Agricover Holding SA Group (i.e. it is classified as “red” based on the internal risk grades identified above),
 or

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- Repeated restructuring.

An exposure is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria identified above, subject to a probation period of 12 months in case of borrowers with repeated restructurings, respectively of 3 months in the rest of the cases, depending on applicable default criteria. Subsequent to the probation period, the exposure is classified as 'Stage 1' or 'Stage 2' based on the criteria for identifying a significant increase in credit risk discussed above.

i.5. Grouping of instruments for expected losses measured on a collective basis

For expected credit losses modelled on a collective basis, a grouping of exposures is performed on the basis of shared credit risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the group to be statistically relevant.

The risk drivers applied by the Group refer to:

- Type of client, referring to:
 - the surface of agriculture land worked by the client, i.e. above, respectively below 400 hectares; and to
 - clients that perform other agriculture activities than work of land
- Type of product

i.6. Key inputs, assumptions and estimation techniques

The Expected Credit Loss (“ECL”) is measured:

- on a 12-month (12M) basis for Stage 1 classified exposures, or
- on a Lifetime basis for Stage 2 or Stage 3 classified exposures as well as for exposures purchased or originated credit-impaired.

Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per definition of Default above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation;
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- Loss Given Default (LGD) represents the Group’s expectation of the extent of loss on a defaulted exposure. The Group estimates LGD parameters based on the estimated recoverable value of collaterals, allocated at each loan ID, calculated on a discounted cash flow basis using the effective interest rate as the discounting factor. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

The ECL is determined by projecting and multiplying the 12M or Lifetime PD, LGD and EAD for each individual exposure or collective segment.

12M PD is calculated considering historical default data, namely following the behaviour of each vintage of performing portfolios, whereby its behavior is followed to identify default at any time during

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the next 12 month period. In this analysis the default state is non-absorbing, meaning that if a client is marked as default say n times during the 12 month period of observation, n events of default will be counted. As at 31 December 2024, 12M PDs were estimated using quarterly vintages from the second quarter of 2014 to the third quarter of 2023 including.

The Lifetime PD is calculated based on the PD term structure developed by: i) analysing historical migration to default by vintage of performing portfolios, but default is identified at any time during the lifetime of the analysed assets; and ii) extrapolating from the last data available to the longest remaining maturity in the analysed portfolio. In practice, this historical PD term structure looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans and is assumed to be the same across all assets within a group with shared credit risk characteristics.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. For revolving products, the exposure at default is predicted by taking current undrawn balance and adding a “credit conversion factor” which allows for the expected drawdown of the remaining limit by the time of default. For loans without a reimbursement schedule or for bullet loans, the EAD is considered constant up to “expected maturity”. For installment loans EAD is estimated considering the contractual reimbursement schedule. The prepayment effect was assessed as not significant and not considered in the estimation of EAD.

The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a quarterly basis.

i.7. Forward-looking information incorporated in the ECL model

The Group incorporates forward-looking information into the measurement of ECL. In practice, this translates in the determination of a link between the historical PD term structure determined as details at i.6 above and the relevant macroeconomic factors. Then, based on the forecasts of such macroeconomic factors, the historical PD term structure is adjusted to determine the final PD term structure. External information considered includes the following economic data and forecasts:

- agriculture commodities price index, namely the ratio between the price index of outputs (i.e. grains) and of inputs (i.e. fertilisers, ; with a two quarters lag to account for time need for changes in the costs of inputs to be transmitted to the price of outputs), as based on World Bank published quarterly data;
- the evolution of agriculture gross domestic product, as based on quarterly data published by the National Institute of Statistics;
- market interest rates (i.e. ROBOR), as based on quarterly data published by the National Bank of Romania.

As part of a risk parameters recalibration process performed during the fourth quarter of 2024, the Group has identified the above macro-economic key drivers of credit risk using an analysis of most recent nine years historical default data, up to and including the third quarter of 2024. The correlation of default data with a wider range of macro-economic variables was analysed before selecting the best model in terms of several statistical significance tests performed, as well as in terms of empirical or economic causation.

Forward looking scenarios were built considering outlooks published by several economists based in

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Romania and incorporating the management’s expectations. The table below includes a summary of the forward-looking scenarios used in the calculation of expected credit losses as at 31 December 2024. The forecasted values represent the weighted average of three scenarios used: base scenario with a probability of 45%, optimistic scenario with a probability of 20%, pessimistic scenario with a probability of 35%.

	Q4 2024	Q4 2025	Q3 2026
agriculture commodities price index	+6.98%	+7.44%	+7.44%
yearly agriculture gross domestic product	+7.32%	-1.49%	+5.72%
market interest rates (as at year-end)	+5.04%	+4.49%	+4.18%

The table below includes a summary of the forward looking scenarios used in the calculation of expected credit losses as at 31 December 2023. The forecasted values represent the weighted average of three scenarios used: base scenario with a probability of 60%, optimistic scenario with a probability of 20% and pesimistic scenario with a probability of 20%.

	Q4 2024	Q4 2025	Q3 2026
agriculture commodities price index	-10.34%	-2.53%	+2.75%
yearly agriculture gross domestic product	+5.51%	+11.29%	+4.92%
market interest rates (as at year-end)	4.95%	4.43%	3.96%

Significant estimate – forward looking scenarios

The incorporation of forward-looking information reflects the expectations of the Management and involves the creation of scenarios (base case, optimist and pessimist), including the assignment of probability weights for each scenario as presented below. Scenarios used in the calculation of expected credit losses as at 31 December 2024 and, respectively, as at 31 December 2023 are presented in this section above.

The following sensitivities of the results to reasonably possible alternatives to the management’s best estimates were performed:

1. as at 31 December 2024:
 - if the pessimistic scenario was assigned a probability of 100%, the allowance account would have increased by 0.1 million RON.
 - if the optimistic scenario was assigned a probability of 100%, the allowance account would have decreased by 0.3 million RON.
 - if the base scenario was assigned a probability of 100%, the allowance account would decrease by 0.1 million RON.

2. as at 31 December 2023:
 - if the pessimistic scenario was assigned a probability of 100%, the allowance account would have increased by 3.3 million RON.
 - if the optimistic scenario was assigned a probability of 100%, the allowance account would have decreased by 1.1 million RON.
 - if the base scenario was assigned a probability of 100%, the allowance account would decrease by 0.5 million RON.

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The Group constantly monitors the local, regional and global macroeconomic developments and assesses possible impacts of recent or foreseen developments on its business. In the context of the risk parameters recalibration during 2024, following which the ECL calculation model incorporates the impact of three macroeconomic factors (namely: agriculture commodities price index, agriculture gross domestic product, and market interest rate), and in consideration of the comparatively stable macroeconomic environment during the second half of 2024 and the beginning of 2025, no significant post model adjustments were deemed necesecary by the management as at 31 December 2024.

i.8. Collateral and other credit enhancements

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The main collateral types for loans and advances are:

- Mortgages over agricultural land (arable land);
- Other mortgages over residential and commercial, respectively agricultural properties; and
- Pledge over business assets such as premises, inventories and accounts receivable.

The valuation methodologies for collaterals, considered in the estimation of expected credit losses is presented below:

- Mortgages: fair value of the collateral is yearly appraised by a certified external independent appraisal;
- Pledge on equipment: based on fair value of the collateral at the origination, updated yearly with an internal depreciation rate.
- Pledge on inventories: based on fair value of the collateral estimated and periodically updated by the CARS Committee. Pledged inventories are inspected monthly by a certified external independent expert;

Significant estimate – value of collateral

For the purpose of ECL measurment the fair values of collaterals as included in the valuation reports are adjusted with haircuts specific to each type of collateral to reflect the management estimated recoverable amounts in forced sales scenarios and to account for the forward looking macroeconomic scenarios considered within the ECL measurement exercise.

A 10% decrease or increase in the value of collateral estimates would impact total expected credit loss allowances as follows:

- increase of RON 7.3 million or decrease of RON 4.2 million at 31 December 2024.
- increase of RON 3.5 million or decrease of RON 3 million at 31 December 2023.

The table below includes information about the fair value of the collaterals considered in the ECL measurement. The values presented represent the fair values of the collaterals as included in the valuation reports (i.e. before haircuts discussed above), capped at level of the exposure (i.e. if the fair value of the collateral is higher than the exposure to which it relates, then the value of the exposure is included in the table), as at 31 December 2024 is as follows:

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Collateral \ Loan type	total, of which:		Stage 3	
	Investment loans	Credit Line	Investment loans	Credit Line
Loans collateralized by:				
Mortgage	76,037	1,537,462	784	52,918
Pledge on equipment	29,583	131,887	844	7,411
Pledge on stock	1,567	57,264	-	-
Total value of collaterals	107,187	1,726,613	1,628	60,329
Gross loans and advances granted	146,325	3,021,451	4,761	101,988

Comparative information as at 31 December 2023 is as follows:

Collateral \ Loan type	total, of which:		Stage 3	
	Investment loans	Credit Line	Investment loans	Credit Line
Loans collateralized by:				
Mortgage	37,961	898,613	1,366	46,732
Pledge on equipment	47,234	47,691	431	2,067
Pledge on stock	-	125,630	-	450
Total value of collaterals	85,195	1,071,934	1,797	49,249
Gross loans and advances granted	188,219	2,585,883	4,612	105,757

As at 31 December 2024, the Group has asset (land or other) obtained by taking possession of collateral held as security in total amount of 19,7 million RON, included in other assets (31 December 2023 nil) as a result of foreclosure procedures. Repossessed assets (generally represented by arable land and inventories – agricultural products) are sold as soon as practicable.

The increase in collaterals reflects the company's strategic focus on risk mitigation by securing guarantees, while also maintaining flexibility to better accommodate clients' needs

Mention the value plus the value of assets taken to offset loans reflects our approach to managing credit risk, in line with our internal limits set for such transactions.

i.9. Loss Allowance

The decrease in the allowance as of 31 December 2024, compared to 31 December 2023, reflects the Group's focus on managing credit risk. This reduction is primarily driven by lower probabilities of default as well as an increased collateral coverage ratio, while maintaining the historical healing rates.

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The following tables explain the changes in the loss allowance between the beginning and the end of the financial year, whereby the impact of migration to a different stage is included in the "increase of existing assets" line item:

	Stage 1	Stage 2	Stage 3	POCI	Total
ECL at 1 Jan 2024	45,287	6,608	58,434	1,741	112,069
New assets originated	41,915	-	-	-	41,915
Increase of existing assets	34,179	29,228	100,552	-	163,960
Changes in risk parameters	5,520	1,170	-	-	6,689
Assets derecognized or repaid (excluding write off)	(79,829)	(29,423)	(68,322)	(565)	(178,139)
Transfers from Stage 1	(502)	502	-	-	-
Transfers from Stage 2	-	(848)	848	-	-
Transfers from Stage 3	-	280	(280)	-	-
Amounts written off	-	-	(31,076)	-	(31,076)
ECL at 31 Dec 2024	46,570	7,516	60,157	1,175	115,418

Comparative information for the year ended 31 December 2023 is included below:

	Stage 1	Stage 2	Stage 3	POCI	Total
ECL at 1 Jan 2023	18,735	6,763	51,169	3,398	80,066
New assets originated	38,917	-	-	1,741	40,657
Increase of existing assets	45,587	22,807	111,685	-	180,079
Changes in risk parameters	(5,157)	(619)	-	-	(5,776)
Assets derecognized or repaid (excluding write off)	(52,431)	(20,433)	(89,175)	(3,398)	(165,437)
Transfers from Stage 1	(617)	353	264	-	-
Transfers from Stage 2	252	(3,373)	3,121	-	-
Transfers from Stage 3	-	1,109	(1,109)	-	-
Amounts written off	-	-	(17,520)	-	(17,520)
ECL at 31 Dec 2023	45,287	6,608	58,434	1,741	112,069

Significant changes in the gross carrying amount ("GCA") of loans and advances that contributed to changes in the respective loss allowance were as follows:

	Stage 1	Stage 2	Stage 3	POCI	Total
GCA at 1 Jan 2024	2,542,573	250,607	110,384	2,144	2,905,709
New assets originated	1,935,182	-	-	-	1,935,182
Increase of existing assets	1,066,655	248,924	20,731	-	1,336,310
Assets derecognized or repaid (excluding write off)	(2,713,470)	(207,416)	(52,823)	(545)	(2,974,255)
Transfers from Stage 1	(50,777)	32,170	18,608	-	-
Transfers from Stage 2	2,360	(47,325)	44,965	-	-
Transfers from Stage 3	-	1,976	(1,976)	-	-
Amounts written off	-	-	(31,076)	-	(31,076)
GCA at 31 Dec 2024	2,782,523	278,936	108,812	1,599	3,171,870

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Comparative information for the year ended 31 December 2023 is included below:

	Stage 1	Stage 2	Stage 3	POCI	Total
GCA at 1 Jan 2023	2,563,020	193,126	70,252	12,639	2,839,037
New assets originated	849,606	-	-	2,144	851,750
Increase of existing assets	1,657,782	217,524	47,759	-	1,923,065
Assets derecognized or repaid (excluding write off)	(2,475,319)	(158,645)	(44,021)	(12,639)	(2,690,623)
Transfers from Stage 1	(66,200)	43,191	23,009	-	-
Transfers from Stage 2	13,684	(47,669)	33,986	-	-
Transfers from Stage 3	-	3,080	(3,080)	-	-
Amounts written off	-	-	(17,520)	-	(17,520)
GCA at 31 Dec 2023	2,542,573	250,607	110,384	2,144	2,905,709

Loans and advances by type of product, stage classification and type of credit risk assessment are detailed below:

31 Dec 2024	Investment loans		Credit lines		Factoring	
	GCA	ECL	GCA	ECL	GCA	ECL
<i>Collective analysis</i>						
Stage 1	138,622	2,271	2,643,669	44,294	232	6
Stage 2	2,942	103	275,795	7,408	198	5
Stage 3	4,342	3,504	85,001	48,252	3,663	3,663
POCI	-	-	1,599	1,175	-	-
<i>Individual analysis</i>						
Stage 3	419	392	15,388	4,346	-	-
Total	146,325	6,270	3,021,451	105,475	4,093	3,673

Comparative information for the year ended 31 December 2023 is included below:

31 Dec 2023	Investment loans		Credit lines		Factoring	
	GCA	ECL	GCA	ECL	GCA	ECL
<i>Collective analysis</i>						
Stage 1	173,496	1,808	2,240,621	40,534	128,457	2,946
Stage 2	10,111	157	239,505	6,424	991	25
Stage 3	1,238	1,035	80,640	51,510	2,159	2,159
POCI	-	-	2,144	1,741	-	-
<i>Individual analysis</i>						
Stage 3	3,375	785	22,974	2,945	-	-
Total	188,219	3,786	2,585,883	103,154	131,607	5,129

Sections below include a presentation of loans and advances to customers, separately for each significant class of products and type of customers, by credit quality, whereby credit quality is defined as:

- Low risk – loans and advances to customers included in Stage 1;
- Medium risk – loans and advances to customers included in Stage 2;
- Substandard – loans and advances to customers included in Stage 3 with 0-180 days past due;
- Doubtful – loans and advances to customers included in Stage 3 with 181-360 days past due;

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- Loss – loans and advances included in Stage 3 with more than 360 days past due.

i.9.1. Credit lines

The table below shows the credit quality and the exposure to credit risk from Credit lines type of loans granted, by the Group's probability of default, as at 31 December 2024.

Internal classification / Stage	Credit quality	Stage 1	Stage 2	Stage 3	POCI	Total
Performing						
<i>below 400HA</i>						
	Low risk	712,132	-	-	-	712,132
	Medium risk	-	83,549	-	-	83,549
<i>above 400HA</i>						
	Low risk	1,877,744	-	-	-	1,877,744
	Medium risk	-	190,404	-	-	190,404
<i>others</i>						
	Low risk	53,793	-	-	-	53,793
	Medium risk	-	1,842	-	-	1,842
Non-performing						
<i>below 400HA</i>						
	Substandard	-	-	30,404	-	30,404
	Doubtful	-	-	1,313	-	1,313
	Loss	-	-	7,948	-	7,948
<i>above 400HA</i>						
	Substandard	-	-	33,940	-	33,940
	Doubtful	-	-	3,490	-	3,490
	Loss	-	-	23,294	1,599	24,892
Total GCA		2,643,669	275,795	100,389	1,599	3,021,451
ECL		44,294	7,408	48,252	5,522	105,475

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Comparative information for 31 December 2023 is presented below:

Internal classification / Stage	Credit quality	Stage 1	Stage 2	Stage 3	POCI	Total
Performing						
<i>below 400HA</i>						
	Low risk	488,812	-	-	-	488,812
	Medium risk	-	65,918	-	-	65,918
<i>above 400HA</i>						
	Low risk	1,714,609	-	-	-	1,714,609
	Medium risk	-	173,425	-	-	173,425
<i>others</i>						
	Low risk	37,200	-	-	-	37,200
	Medium risk	-	162	-	-	162
Non-performing						
<i>below 400HA</i>						
	Substandard	-	-	29,085	-	29,085
	Doubtful	-	-	1,493	-	1,493
	Loss	-	-	5,166	-	5,166
<i>above 400HA</i>						
	Substandard	-	-	43,104	2,144	45,248
	Doubtful	-	-	1,898	-	1,898
	Loss	-	-	22,862	-	22,862
<i>others</i>						
	Loss	-	-	5	-	5
Total GCA		2,240,621	239,505	103,613	2,144	2,585,883
ECL		40,569	6,419	54,425	1,741	103,154

The tables below summarise the ageing of Stage 2 and Stage 3 Credit lines granted, as follows:

- Stage 2 – loans less than 30 days past due (dpd) irrespective of the criteria that triggered their classification in Stage 2 (see note 8.i.3).
- Stage 3 – loans less than 90 dpd, thus presenting the loans classified as Stage 3 due to criteria other than aging (see note 8 i.4).

31 Dec 2024	Stage 2		Stage 3	
	GCA	ECL	GCA	ECL
<i>Less than</i>				
Collective analysis				
30 dpd (for Stage 2)	264,567	7,003	-	-
90 dpd (for Stage 3)	-	-	17,762	10,231
Individual analysis				
90 dpd (for Stage 3)	-	-	14,171	3,648
Total	264,567	7,003	31,933	13,879

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Comparative information for the year ended 31 December 2023 is included below:

31 Dec 2023	Stage 2		Stage 3	
	GCA	ECL	GCA	ECL
Less than				
Collective analysis				
30 dpd (for Stage 2)	223,085	5,800	-	-
90 dpd (for Stage 3)	-	-	24,220	12,918
Individual analysis				
90 dpd (for Stage 3)	-	-	17,310	2,005
Total	223,085	5,800	41,530	14,923

i.9.2. Factoring

The table below shows the credit quality and the exposure to credit risk from Factoring type of loans granted, by the Group's probability of default, as at 31 December 2024.

Internal classification / Stage	Credit quality	Stage 1	Stage 2	Stage 3	Total
Performing					
<i>below 400HA</i>	Low risk	113	-	-	113
	Medium risk	-	88	-	88
<i>above 400HA</i>	Low risk	119	-	-	119
	Medium risk	-	110	-	110
Non-performing					
<i>Below 400 HA</i>	Substandard			61	61
<i>above 400HA</i>	Substandard	-	-	1,379	1,379
	Doubtful	-	-	424	424
	Loss	-	-	1,798	1,798
Total GCA		232	198	3,663	4,093
ECL		6	5	3,663	3,673

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Comparative information for 31 December 2023 is presented below:

Internal classification / Stage	Credit quality	Stage 1	Stage 2	Stage 3	Total
Performing					
<i>below 400HA</i>					
	Low risk	24,230	-	-	24,230
	Medium risk	-	393	-	393
<i>above 400HA</i>					
	Low risk	94,651	-	-	94,651
	Medium risk	-	598	-	598
<i>others</i>					
	Low risk	9,576	-	-	9,576
Non-performing					
<i>above 400HA</i>					
	Substandard	-	-	254	254
	Loss	-	-	1,905	1,905
Total GCA		128,457	991	2,159	131,607
ECL		2,946	25	2,159	5,129

The tables below summarise the ageing of Stage 2 and Stage 3 Factoring loans granted, as follows:

- Stage 2 – loans less than 30 days past due (dpd) irrespective of the criteria that triggered their classification in Stage 2 (see note 9.i.3).
- Stage 3 – loans less than 90 dpd, thus, presenting the loans classified as Stage 3 due to criteria other than aging (see note 9.0).

31 Dec 2024	Stage 2		Stage 3	
	GCA	ECL	GCA	ECL
Less than				
Individual analysis				
90 dpd (for Stage 3)	-	-	2	2
Total	-	-	2	2

Comparative information for the year ended 31 December 2023 is included below:

31 Dec 2023	Stage 2		Stage 3	
	GCA	ECL	GCA	ECL
Less than				
Collective analysis				
30 dpd (for Stage 2)	991	25	-	-
90 dpd (for Stage 3)	-	-	254	254
Total	991	25	254	254

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i.9.3. Investment loans

The table below shows the credit quality and the exposure to credit risk from Investment loans type of loans granted, by the Group's probability of default, as at 31 December 2024.

Internal classification / Stage	Credit quality	Stage 1	Stage 2	Stage 3	Total
Performing					
<i>below 400HA</i>					
	Low risk	40,344	-	-	40,344
	Medium risk	-	1,455	-	1,455
<i>above 400HA</i>					
	Low risk	98,278	-	-	98,278
	Medium risk	-	1,488	-	1,488
Non-performing					
<i>below 400HA</i>					
	Substandard	-	-	676	676
	Doubtful	-	-	354	354
	Loss	-	-	306	306
<i>above 400HA</i>					
	Substandard	-	-	2,687	2,687
	Doubtful	-	-	663	663
	Loss	-	-	75	75
Total GCA		138,622	2,943	4,761	146,326
Total ECL		2,271	103	3,896	6,270

Comparative information for 31 December 2023 is presented below:

Internal classification / Stage	Credit quality	Stage 1	Stage 2	Stage 3	Total
Performing					
<i>below 400HA</i>					
	Low risk	29,082	-	-	29,082
	Medium risk	-	2,626	-	2,626
<i>above 400HA</i>					
	Low risk	139,164	-	-	139,164
	Medium risk	-	7,469	-	7,469
<i>others</i>					
	Low risk	5,250	-	-	5,250
	Medium risk	-	15	-	15
Non-performing					
<i>below 400HA</i>					
	Substandard	-	-	701	701
	Doubtful	-	-	111	111
<i>above 400HA</i>					
	Substandard	-	-	3,295	3,295
	Doubtful	-	-	133	133
	Loss	-	-	354	354
<i>others</i>					
	Loss	-	-	19	19
Total GCA		173,496	10,110	4,613	188,219
Total ECL		1,808	157	1,821	3,786

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The tables below summarise the ageing of Stage 2 and Stage 3 investment loans granted, as follows:

- Stage 2 – loans less than 30 days past due (dpd) irrespective of the criteria that triggered their classification in Stage 2 (see note 8.i.3).
- Stage 3 – loans less than 90 dpd, thus presenting the loans classified as Stage 3 due to criteria other than aging (see note 8.i.4).

31 Dec 2024	Stage 2		Stage 3	
	GCA	ECL	GCA	ECL
Less than				
Collective analysis				
30 dpd (for Stage 2)	2,252	75	-	-
90 dpd (for Stage 3)	-	-	563	506
Individual analysis				
90 dpd (for Stage 3)	-	-	419	392
Total	2,252	75	982	898

Comparative information for the year ended 31 December 2023 is included below:

31 Dec 2023	Stage 2		Stage 3	
	GCA	ECL	GCA	ECL
Less than				
Collective analysis				
30 dpd (for Stage 2)	9,653	145	-	-
90 dpd (for Stage 3)	-	-	252	239
Individual analysis				
90 dpd (for Stage 3)	-	-	465	48
Total	9,653	145	717	287

i.10. Modified loans and advances to customers

Restructuring activities include extended payment arrangements, modification and deferral of payments. Restructuring policies and practices are based on indicators or criteria that, in the judgment of management, indicate that collection will most likely continue. These policies are kept under continuous review. Repeated restructuring is one of the Group's impairment indicators. As at 31 December 2024, the modified net exposure was of RON 84.9 million (31 December 2023: RON 88.4 million).

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An analysis of the restructured loans and advances to customers outstanding as at 31 December 2024 and 31 December 2023, per types of loans, is presented in the table below. The analysis presents the stage where the modified exposure is classified as at the reporting date, irrespective of its initial classification as at the modification date.

	31 December 2024		31 December 2023	
	Investment loans	Credit lines	Investment loans	Credit lines
Collective analysis				
Gross Carrying Amount, of which:	1,147	92,038	633	94,524
Stage 2	465	73,261	633	77,490
Stage 3	682	18,777	-	17,034
Expected Credit Losses, of which:	565	12,628	14	11,770
Stage 2	7	1,985	14	2,330
Stage 3	558	10,643	-	9,440
Individual analysis				
Gross Carrying Amount, of which:	-	8,087	-	5,350
Stage 3	-	8,087	-	5,350
Expected Credit Losses, of which:	-	3,164	-	313
Stage 3	-	3,164	-	313
Totals				
Total gross exposure	1,147	100,126	633	99,874
Total expected credit losses	565	15,792	14	12,083
Total net exposure	582	84,334	619	87,791

The Group monitors the subsequent performance of modified assets. The Group may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for twelve consecutive months or more.

i.11. Credit risk on financial assets other than loans and advances

Other financial assets which potentially subject the Group to credit risk consist mainly of cash equivalents and other financial assets.

Significant exposures are analysed individually for the purpose of identification of any impairment indicators and / or of measuring the related expected credit losses. Such analyses are based on the age of the receivable balances, external evidence of the credit status of the counterparty and any disputed amounts.

Cash and cash equivalents are analysed individually. The credit risk on cash and cash equivalents is very small, since cash and cash equivalents are placed on short term with financial institutions which are considered at time of deposit and at each reporting period to have low risk of default.

ii. Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due

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to changes in market variables such as interest rates and foreign exchange rates.

The Group is exposed market risks arising from its open positions in interest rate and currency products. Quantitative and qualitative information about the Group's exposure to these risks as well as related risk management policies and practices within the Group are discussed in this note.

ii.1. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Board has set limits on the net positions the Group can hold in foreign currencies, including foreign exchange positions of subsidiaries and both accounting and economic hedges. Such limits are especially relevant for the Group, where part of borrowings from international financial institutions and other debt agreements are EUR denominated. According to the limits set by the Group and to certain financial covenants imposed by borrowing agreements, the open currency position of the Group should not exceed 10% of its Total Capital (see note 10).

The Group's strategy is to monitor open positions on a daily basis and apply risk management strategies to ensure it manages itself against currency risk. Positions are maintained within established limits by either balancing the assets and liabilities in the relevant currencies, or taking out foreign currency swaps or forwards and converting the exposures into RON.

The Group's exposure to foreign currency risk at the end of the reporting period, showing the Group's monetary financial assets and financial liabilities, at their carrying amounts, by denomination currency, was as follows:

	31 December 2024 EUR	31 December 2023 EUR
Financial Assets		
Cash and bank balances	97,399	13,112
Loans and advances to customers	345,564	324,702
Derivatives for risk management	1,996	1,994
Total financial assets	444,959	339,808
Financial Liabilities		
Borrowings	705,353	438,540
Other financial liabilities	1,681	-
Lease liabilities	7,133	9,235
Total Financial Liabilities	714,167	447,775
Derivative financial instruments (notional)	272,431	87,802
Net position	3,223	(20,166)

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The following table presents sensitivities of profit or loss and equity to reasonably possible changes in EUR exchange rates relative to the functional currency. The rate used are based on the market estimation and the year end rates. The sensitivities are calculated by applying the changes in the exchange rates to the above net financial position, in case of *gain / (loss) before tax of, respectively by considering tax effect in case of equity impact.*

	2024 EUR strengthening by 1.53%	2023 EUR strengthening by 2%
<i>Gain / (loss) before tax of:</i>	153	(258)
<i>Equity</i>	129	(217)

ii.2. Interest rate risk

The Group's main interest rate risk arises from the mismatch between the repricing frequency of loans and advances granted with variable rates, on the asset side, and the repricing frequency of borrowings together with the fixed rate borrowings on the liabilities side. As at 31 December 2024 fixed rate borrowings amounted to 316 million RON (31 December 2023: 331 million RON), representing 11% of total financial liabilities (31 December 2023: 12 %). Such mismatches expose the Group to cash flow interest rate risk. All other financial assets and liabilities of the Group, including cash and cash equivalents, trade and other receivables and payables, and lease liabilities, do not bear interest and to that extent expose the Company to fair value interest rate risk.

The Group's strategy is to monitor and, depending on the market conditions and anticipated trends, partly manage the risk of open repricing gap using floating-to-fixed interest rate swaps.

Borrowings contracted by the Group bear fixed or floating interest rate and are measured at amortised cost.

During 2021 the Group contracted a 40 million EUR fixed rate loan with 5 years maturity from Agricover Holding SA, the Company's parent. The loan increases the Group's exposure to both currency and interest rate risks. The following table provides an analysis of the Group's interest rate risk exposure on financial assets and liabilities as at 31 December 2024. The Group's financial assets and liabilities are included at carrying amount and categorised by the earlier of contractual repricing or remaining maturity dates.

asset / liability class	up to 1 month	1 to 3 months	3 to 12 months	1 year and above	Total
Financial Assets					
Cash and cash equivalents	404,356	-	-	-	404,356
Loans and advances to customers	1,254,106	5,434	1,761,311	35,602	3,056,452
Other financial assets	1,088	-	-	-	1,088
Total financial assets	1,659,550	5,434	1,761,311	35,602	3,461,896
Financial Liabilities					
Derivative financial instruments	2,552	142	262	1,378	4,334
Borrowings	693,868	1,442,723	438,123	269,822	2,844,536
Lease liabilities	261	521	2,224	4,128	7,133
Other financial liabilities	2,673	-	-	-	2,673
Total financial liabilities	699,353	1,443,385	440,610	273,950	2,588,854
Interest repricing gap	960,197	(1,437,951)	1,320,701	(239,726)	603,221

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Comparative information as at 31 December 2023 is included below:

asset / liability class	up to 1 month	1 to 3 months	3 to 12 months	1 year and above	Total
Financial Assets					
Cash and cash equivalents	470,227	-	-	-	470,227
Loans and advances to customers	1,095,125	4,698	1,654,461	39,356	2,793,640
Other financial assets	944	-	-	-	944
Total financial assets	1,566,296	4,698	1,654,461	39,356	3,264,811
Financial Liabilities					
Derivative financial instruments	2,249	21	41	2,672	4,983
Borrowings	926,157	1,310,324	167,762	308,744	2,712,988
Lease liabilities	195	396	2,269	6,375	9,235
Other financial liabilities	3,233	-	-	-	3,233
Total financial liabilities	931,834	1,310,742	170,072	317,791	2,730,439
Interest repricing gap	634,461	(1,306,043)	1,484,389	(278,435)	534,372

The gaps in up to one year risk bands are explained by the fact that 50% of the the Group's granted loans and advances to the customers bear floating interest with 6M tenor base rates and monthly repricing frequency. Remaining portfolio is either priced at a six months frequency or bears fixed interest rates. The Group's borrowings bear floating interest with 6M, 1M or 3M tenor base rates with repricing frequencies that match the tenor of the respective base rates. Such risk exposure is in the normal course of business for the Group.

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in interest rates. The sensitivities are calculated by applying the changes in the floating rates to the floating rate financial assets and liabilities outstanding at the reporting date.

	2024 Interest rate lower by 0.47%	2023 Interest rate lower by 1.47%
Gain / (loss) before tax of:	(1,791)	(1,446)
Equity	(1,504)	(1,214)

iii. Liquidity Risk

Liquidity risk is defined as the risk that the Group does not have sufficient liquid financial resources to meet obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group on acceptable terms. To limit this risk, management has arranged for diversified funding sources in addition to its core capital base, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis.

The treasury departments of the Group are responsible for working with other departments to ensure the liquidity risk strategy is executed. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure additional funding, if required.

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Prudent liquidity risk management also implies maintaining sufficient cash and the availability of funding through an adequate amount of committed borrowing facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under credit lines.

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 December 2024	31 December 2023
Undrawn Committed facilities, of which:		
expiring within one year	424,683	171,033
expiring beyond one year	-	-
Undrawn Uncommitted facilities, of which:		
expiring within one year	168,667	251,121
expiring beyond one year	-	-
Total available undrawn facilities, of which:	593,350	422,153
expiring within one year	593,350	422,153
expiring beyond one year	-	-
Unencumbered eligible assets	1,272,000	919,004

Unencumbered eligible assets are financial assets, including loans and advances to customers or trade receivables, and non-financial assets, including inventories, eligible for use as collateral under the Group's funding commitments.

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Analysis of financial assets and liabilities

The Group manages its exposure to the liquidity risk using a maturity structure of its monetary assets and liabilities based on remaining contractual maturities of assets and liabilities with set payment terms and on expected cash flows for those assets or liabilities without specific maturities. The table below shows how the Group manages its liquidity risk by presenting the undiscounted cash flows of monetary assets and liabilities on time bands based on their remaining contractual maturities. Some of the Group's borrowings and most of its loans and advances granted (except commitments under credit card facilities) are uncommitted, including unconditional early repayment options in favour of the lender. Based on its history and relationships developed with its business partners, the Group concluded that exercising such options is highly unlikely, thus the early repayment options are not considered in the analysis below. Derivatives held for risk management purposes are shown remaining contractual maturity at their expected cash flows estimated based on the market conditions at the end of the periods presented. Credit card commitments related outflows are estimated based on the Group's historical credit conversion factor on similar products, and allocated on the earliest timeband.

31 December 2024	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	more than 5 years	Total
Cash and cash equivalents	404,356	-	-	-	-	404,356
Loans and advances to customers	612,810	1,705,388	513,902	864,980	191,889	3,888,969
Other financial assets	1,088	-	-	-	-	1,088
Expected inflows on assets	1,018,255	1,705,388	513,902	864,980	191,889	4,294,413
Borrowings	687,768	924,859	849,295	621,740	40,607	3,124,268
Lease liabilities	1,541	1,464	2,733	1,395	-	7,133
Other liabilities	16,549	-	-	-	-	16,549
Net settled derivative liabilities held for risk management	264	-	-	-	-	264
Expected outflows on liabilities	706,121	926,323	852,027	623,135	40,607	3,148,214
Off balance sheet items						
Derivative contracts (inflow)	68,726	69,221	88,580	-	-	226,528
Derivative contracts (outflow)	(71,388)	(69,221)	(91,019)	-	-	(231,628)
Credit cards commitment	10,214	-	-	-	-	10,214
Expected inflows on off balance sheet items	7,553	-	(2,438)	-	-	5,114
Net gap	304,582	779,065	(335,687)	241,845	151,282	1,141,084

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Comparative analysis as at 31 December 2023 is presented below:

31 December 2023	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	more than 5 years	Total
Cash and cash equivalents	470,227	-	-	-	-	470,227
Loans and advances to customers	655,086	1,607,239	432,852	716,941	49,244	3,461,361
Other financial assets	944	-	-	-	-	944
Expected inflows on assets	1,126,257	1,607,239	432,852	716,941	49,244	3,932,532
Borrowings	801,015	759,820	607,227	815,625	60,701	3,044,388
Lease liabilities	1,290	1,570	2,487	3,888	-	9,235
Other liabilities	18,717	-	-	-	-	18,717
Net settled derivative liabilities held for risk management	-	-	-	-	-	-
Expected outflows on liabilities	821,021	761,390	609,714	819,513	60,701	3,072,340
Off balance sheet items						
Derivative contracts (inflow)	18,900	-	2,124	65,099	-	86,124
Derivative contracts (outflow)	(19,124)	-	(4,562)	(68,248)	-	(91,935)
Financial guarantee	4,000	-	-	-	-	4,000
Credit cards commitment	13,200	-	-	-	-	13,200
Expected inflows on off balance sheet items	16,976	-	(2,438)	(3,149)	-	11,389
Net gap	288,260	845,849	(174,424)	(99,423)	(11,457)	848,802

Except for the credit card related, the Group does not grant any other irrevocable commitments. However, the Group does grant uncommitted, revocable credit line facilities. Any withdrawals from such facilities are based on formal requests forwarded by the Group's customers, whereby the Group has the unconditional right to deny, in full or in part, any such request received.

As at 31 December 2024 the undrawn balance of the credit line facilities granted by the Group amounts to 381 million RON (31 December 2023: 354 million RON) – further refer to Note 21. No undrawn balances are outstanding as at 31 December 2024 (31 December 2023: zero) related to Investment loans.

Notes to the Financial Statements

Financial risk management

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

The table below shows the undiscounted cash flows of its financial liabilities as at 31 December 2024. Repayments on borrowings which include the early repayment option in favour of the lender are treated as if the options was exercised immediately (i.e. as if the Group was required to fully reimburse immediately all such borrowings).

12/31/2024	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	more than 5 years	Total
Borrowings	955,687	634,813	830,492	621,740	40,607	3,083,339
Lease liabilities	1,541	1,464	2,733	1,395	-	7,133
Other financial liabilities	2,673	-	-	-	-	2,673
Net settled derivative liabilities held for management	264	-	-	-	-	264
Off balance sheet items						
Derivative contracts (inflow)	68,726	69,221	88,580	-	-	226,528
Derivative contracts (outflow)	(71,388)	(69,221)	(91,019)	-	-	(231,628)
Credit card commitments	60,981	-	-	-	-	60,981
Total	1,018,483	636,277	830,787	623,135	40,607	3,149,289

Comparative analysis as at 31 December 2023 is presented below:

12/31/2023	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	more than 5 years	total
Borrowings	1,125,838	477,776	532,609	815,625	60,701	3,012,549
Lease liabilities	1,290	1,570	2,487	3,888	-	9,235
Other financial liabilities	3,233	-	-	-	-	3,233
Off balance sheet items						
Derivative contracts (inflow)	18,900	-	2,124	65,099	-	86,124
Derivative contracts (outflow)	(19,124)	-	(4,562)	(68,248)	-	(91,935)
Financial guarantees granted	4,000	-	-	-	-	4,000
Credit card commitments	105,827	-	-	-	-	105,827
Total	1,239,964	479,346	532,657	816,364	60,701	3,129,033

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section includes information about the Group's share capital, the Group's equity, what is managing as capital and capital management practices within the Group.

9 EQUITY

Issued share capital

	31 December 2024	31 December 2023
Authorised		
ordinary shares of 0.01RON each, <i>owned by</i> :	18,792,497	13,792,497
Agricover Holding	18,792,496	13,792,496
Agricover Distribution S.A	1	1

Issued and paid ordinary shares as well as the shareholding structure of the Company are detailed below:

Ordinary shared, issued and fully paid:	#	2024		2023	
		RON'000	#	RON'000	#
at 1 January	13,792,497	137,925	13,792,497	137,925	
issued during the period	5,000,000	50,000	-	-	
at 31 December, of which owned by:	18,792,497	187,925	13,792,497	137,925	
Agricover Holding SA	18,792,496	187,925	13,792,496	137,925	
Agricover SA	1	0	1	0	

Ordinary shares have a par value of 0.1 RON. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of the shares held. There are no other classes of equity instruments issued by the Company.

During the period, the Group transferred RON 50 million from undistributed reserves to increase shareholder capital.

Legal and other reserves

As of 31 December 2024, the Group's legal reserves are constituted within the legal limit of 5% from gross profit.

10 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to:

- comply with the capital requirements set by the National Bank of Romania ("NBR");
- safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain a strong capital base to support the development of its business.

Regulatory capital is monitored by the Company's management, employing techniques based on the guidelines developed by the National Bank of Romania for supervisory purposes. The required information is filed with the NBR on a monthly basis by the Company at individual Agricover Credit IFN level. The Company has complied with all externally imposed capital requirements throughout 2024 and 2023.

The table below shows regulatory capital measures of Agricover Credit IFN SA as reported to the NBR and in line with the requirements of the Regulation No 20 issued in 2009 by the National Bank of

Notes to the Consolidated Financial Statements
Capital Management and Equity

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Romania Regulation regarding non-banking financial institutions, with subsequent amendments and modifications (“Regulation 20”). Regulation 20 requires non-banking financial institutions to comply to keep the solvency ratio up to 8% from own funds.

Capital management	2024	2023
Capital and aggregate exposure		
Share capital	187,925	137,925
Legal reserve	31,063	25,297
Other reserves	1,233	1,233
Retained earnings	334,310	330,648
Net profit	100,082	77,509
1. Available capital	654,614	572,613
Distribution of profit	5,786	3,395
Intangibles	18,866	12,981
2. Deductions from available capital	24,632	16,376
I. Total capital	629,982	550,421
II. Investment capital	4,140	150
III. Other elements deducted (difference between regulatory credit risk provisions and IFRS 9 expected credit losses)	13,491	13,491
IV. Own funds	612,340	536,780
Weighted risk	2,235,997	2,231,842
Solvency: Own Funds to weighted risk exposure	27.39%	24.05%

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information about the Group's financial assets and liabilities, including specific information about each type of financial instrument held, related accounting policies for recognising and measuring financial instruments as well as their fair values.

11 OVERVIEW OF FINANCIAL INSTRUMENTS

An overview of the financial instruments held by the Group is presented below:

	Note	31 December 2024	31 December 2023
Financial assets at amortised cost:		3,461,896	3,264,811
Cash and cash equivalents	12	404,356	470,227
Loans and advances to customers	8	3,056,452	2,793,640
Other financial assets		1,088	944
Financial liabilities at amortised cost:		2,847,209	2,716,221
Borrowings	13	2,844,536	2,712,988
Other financial liabilities		2,673	3,233
Financial liabilities at fair value:			
Derivatives held for risk management purposes	15	4,334	4,983

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Immediately after initial recognition, an expected credit loss allowance is recognised for financial assets measured at amortised cost, as described in note 8.i, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

Classification and subsequent measurement

The Group applies IFRS 9 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL); and
- Amortised cost.

Classification and subsequent measurement depend on:

- i. the Group's business model for managing the asset – it reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of asset; and
- ii. the cash flow characteristics of the asset – namely whether the financial instruments' cash

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flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

Based on these factors, the Group classifies its financial assets as follows:

- amortised cost – cash and cash equivalents, trade and other receivables, loans and advances granted and other financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI') and are measured at amortised cost;
- fair value through profit or loss – derivatives held for risk management purposes which are not designated as part of hedging relationships are measured at fair value through profit or loss. Gain or losses on derivatives held for risk management purposes are presented as net loss from derivative financial instruments in the Statement of Profit or loss and other comprehensive income.

Significant judgement – modified time value of money element

Revolving credit lines granted by the Group include a modified time value of money element by which the benchmark rate tenor is different from the repricing period. The management used judgement in classifying such loans at amortised cost. In applying this judgement the management has considered the results of a benchmark test which analysed the spread and correlation between the contractual benchmark rate and the benchmark rate with a tenor that matches the repricing period.

The amortised cost is the amount at which the financial instrument (asset or liability) is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination and/ or administration fees for loans granted. When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Expected credit losses

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its financial assets carried at amortised cost and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

possible outcomes;

- The time value of money whereby expected shortfalls are discounted using the original effective interest rate of the financial asset or an approximation thereof; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 8 provides more detail of how the expected credit loss allowance is measured.

Classification of financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost, except for derivatives held for risk management purposes which are not designated as part of a hedging relationship and which are measured at fair value through profit or loss.

Gain or losses on derivatives held for risk management purposes are presented as net loss from derivative financial instruments in the Statement of Profit or loss and other comprehensive income.

Modifications

If the terms of a financial instrument are modified, then the Group evaluates whether the cash flows of the modified instrument are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial instrument (asset or liability) are deemed to have expired. In this case, the original financial instrument is derecognised and a new financial instrument is recognised. Any fees received or paid as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset or liability and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset or liability; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows on a financial asset are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In all other cases a gain or loss on the modification of a financial asset is presented as interest income. Gains or losses on the modification of a financial liability are presented as interest expense.

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in

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the contract is discharged, cancelled or expires).

Loans and advances to customers are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of forced execution and a failure to make contractual payments. Any subsequent recoveries of amounts previously written off are credited to net credit losses on financial assets, in profit or loss for the year.

Loan commitments provided by the Group are measured at the amount of the loss allowance (calculated as described in note 8.i).

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision.

12 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held with financial institutions, with original maturities of 3 months or less. Bank overdrafts are shown within borrowings in the statement of financial position.

The Group re-assessed its accounting policy for reporting cash flows from operating activities.

The Group has previously reported cash flows from operating activities under the direct method, whereby major classes of gross cash receipts and gross cash payments were disclosed.

On 1 January 2024, the Group elected to change the method of reporting cash flows from operating activities, as the Group believes that the indirect method provides more relevant information to the users of its financial statements as it is more aligned to practices of its competitors and the market in general, including to practices of its parent.

In these Consolidated Financial Statements, the Group applied retrospectively the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals or past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. The change in accounting policy has no impact on the value of cash flows from operations, investing, or financing activities of the Group. Moreover, the Statement of Financial Position or the Statement of Comprehensive Income were not impacted by this policy change.

As at 31 December 2024 and 31 December 2023 Cash and cash equivalents presented in the Statement of financial position and in the Statement of cash flows are represented by placements held with highly reputable local banks, as follows:

	31 December 2024	31 December 2023
Investment grade	17,646	84,090
Non-investment grade	49,635	135,316
Parent investment grade	336,336	211,131
Unrated	739	39,690
Total	404,356	470,227
<i>out of which</i>		
Current account	366,238	441,910
Overnight deposits	8,118	10,497
Deposits with banks	30,000	17,820
Total	404,356	470,227

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

The investment-grade and parent investment grade categories include exposures to banks with the following Fitch ratings, or their equivalent: AA, A+, A, A-, A1, BBB+, BBB, BBB-. Where the banks are unrated but their parent is rated, the parent rating was used in the above analysis.

The non-investment-grade category includes exposures to banks with the following Fitch ratings, or their equivalent: BB+, BB and BB-.

The unrated category includes exposures to bank with no rating assigned, to those banks or to their parent, by the any of the biggest three global credit rating agencies.

13 BORROWINGS

Borrowings from banks and international financial institutions

Borrowings from local banks bear floating interest rate and can be denominated in RON or EUR. Some are secured by assignment of loans granted to customers. The carrying amounts of assets pledged as security are disclosed in note 20.

Borrowings from international financial institutions bear floating or fixed interest rates, can be denominated in RON or EUR and are uncollateralised. Geographical concentration is as follows:

<i>Borrowings from:</i>	31 December 2024	31 December 2023
local banks	1,309,273	1,502,536
international financial institutions within European Union	1,259,597	938,014
International Investment Bank	70,719	65,217
International Finance Corporation	-	2,552
related parties (note 19)	204,946	204,669
Total borrowings	2,844,536	2,712,988

Compliance with financial covenants

Under the terms of its borrowing facilities, the Company is required to comply with financial covenants such as: capital adequacy ratios, non-performing loans ratios, large exposure ratios, related party exposure ratios or currency risk ratios, among others.

Non-compliance with financial covenants imposed by the Company's borrowings or other contractual breaches, including breach of payment terms, would result in the creditors having the right to early call the related facilities. Moreover, some of the Company's funding agreements include customary cross default provisions, which could trigger a default for the Group if other entities within the Agricovert group fail to meet their obligations.

Except as discussed below in this note, as at 31 December 2024 and 31 December 2023 the Company has complied with all applicable financial covenants imposed by their respective borrowing facilities or, where breaches have occurred, relevant waivers have been obtained from the lenders.

OFAC Sanctions

In April 2023, the U.S Treasury Department's Office of Foreign Assets Control ("OFAC") has included one of the Company's lenders ("Sanctioned Lender") on the specially designated nationals and blocked persons list ("OFAC Sanctions").

The Company is borrower under two facility agreements ("Facility Agreement") concluded with the

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Sanctioned Lender, with a total current outstanding principal amount of RON 60.8 million RON.

Unlike sanctions imposed by European Union or by Romanian authorities, OFAC Sanctions are not applicable directly in Romania. Furthermore, to the best of the management's knowledge, there are no legal provisions regarding the treatment of payment obligations to lenders subject to international sanctions. To the best of the management's knowledge, up to the date of these consolidated financial statements, the applicable Romanian legislation or regulations do not include any specific guidelines on dealing with the OFAC Sanctions.

Notwithstanding the OFAC Sanctions not being directly applicable under Romanian law, the Company does not wish its lenders to become directly or indirectly subject to international sanctions or to be exposed in any way to international sanctions.

In view of the above, at its own initiative, the Company stopped making any payments to the Sanctioned Lender and placed and blocked into one of its bank accounts the funds corresponding to the amounts outstanding under the Facility Agreement. The Sanctioned Lender, at their own initiative, issued temporary waivers to the Group for the payments due in 2023 and 2024 under the Facility Agreement to be postponed for payment until June 2025. Although we expect that the Sanctioned Lender will continue to grant such temporary waivers, if, for whatever reasons and with the observance of international sanctions, the Company will early repay the loans, the management considers that this will not significantly impact the Company's ongoing business.

Moreover, the Company has explored and continues to evaluate options to terminate the relationship with the Sanctioned Lender, including by way of voluntary prepayment of the amounts owed under the Facility Agreement, however, only in a manner complying with the international sanctions.

Borrowings from related parties

During 2021, the Company's parent (Agricover Holding SA) issued an unsecured 40 million EUR fixed rate bond with 5 years maturity. The proceeds were used to finance the loans granting activity of the Group through a loan with similar terms and conditions.

Changes in liabilities arising from financing activities

Significant changes in the Group's liabilities as arising from its financing activities are presented here:

	31 December 2024		31 December 2023	
	Borrowings	Lease Liabilities	Borrowings	Lease Liabilities
at 1 January	2,712,988	9,235	2,394,920	7,563
withdrawals	4,824,900	-	2,913,717	-
new contracts	-	2,478	-	4,565
repayments	(4,698,213)	(2,991)	(2,598,236)	(2,484)
Disposal/termination	-	(1,170)	-	-
interest accrued	205,995	-	192,503	-
interest paid	(201,793)	(416)	(185,678)	(356)
foreign exchange rate effect	659	(4)	4,238	(53)
at 31 December	2,844,536	7,133	2,712,988	9,235

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

14 OTHER LIABILITIES

Breakdown of other liabilities is included below:

	31 December 2024	31 December 2023
Suppliers	2,673	3,233
Total financial liabilities	2,673	3,233
Payables to employees	10,256	9,068
Taxes and social contributions	1,430	1,480
Other	1,647	3,252
VAT	543	1,684
Total non-financial liabilities	13,876	15,484
Total financial and other liabilities	16,549	18,717

15 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

i. Financial instruments measured at fair value

The level in the fair value hierarchy into which the recurring fair value measurements are categorized is presented in the table below. Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period.

	31 December 2024		31 December 2023	
	Level 2	Total	Level 2	Total
<i>Financial liabilities at fair value:</i>				
Derivatives held for risk management	(4,334)	(4,334)	(4,983)	(4,983)

As at 31 December 2024 the Group had FX Forward contracts outstanding with a total negative fair value of RON 4,3 milion (31 December 2023: RON 4,9 milion The fair value was estimated based on discounted cash flows model, using directly observable inputs (i.e.: market FX and interest rates). As such, the fair value of the derivative is classified as Level 2 in the fair value hierarchy.

Foreign exchange derivative financial instruments entered into by the Group are generally traded in an over-the-counter market with professional market counterparties on standardized contractual terms and conditions. Derivatives have potentially favorable (assets) or unfavorable (liabilities) conditions as

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a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time. The Group does not take trading or speculative positions when entering into derivative transactions. All such transactions are initiated for risk management purposes.

ii. Financial instruments not measured at fair value but for which fair value is disclosed

The level in the fair value hierarchy into which the fair value measurements of financial assets and liabilities not measured at fair value but for which fair value is disclosed are categorized and presented in the table below. Fair value is disclosed for all financial assets and liabilities not measured at fair value and for which fair value is significantly different than the carrying amount.

31 December 2024	Level 1	Level 2	Level 3	Total	Carrying value
<i>Loans and advances to customers:</i>					
Investment loans	-	-	131,698	131,698	140,056
Credit lines	-	-	2,860,720	2,860,720	2,915,976
Factoring	-	-	420	420	420
Total	-	-	2,992,838	2,992,838	3,056,452

Comparative information as at 31 December 2023 is presented below:

31 December 2023	Level 1	Level 2	Level 3	Total	Carrying value
<i>Loans and advances to customers:</i>					
Investment loans	-	-	183,986	183,986	184,433
Credit lines	-	-	2,470,429	2,470,429	2,482,898
Factoring	-	-	127,099	127,099	126,478
Total	-	-	2,781,514	2,781,514	2,793,809

31 December 2024	Level 1	Level 2	Level 3	Total	Carrying value
<i>Borrowings:</i>					
from local banks	-	-	1,309,273	1,309,273	1,309,273
from international financial institutions	-	-	1,322,597	1,322,597	1,330,317
from related parties	-	189,023	-	189,023	204,946
Total	-	189,023	2,631,870	2,820,893	2,844,536

Comparative information as at 31 December 2023 is presented below:

31 December 2023	Level 1	Level 2	Level 3	Total	Carrying value
<i>Borrowings:</i>					
from local banks	-	-	1,502,536	1,502,536	1,502,536
from international financial institutions	-	-	990,051	990,051	1,005,783
from related parties	-	191,533	-	191,533	204,669
Total	-	191,533	2,492,586	2,684,119	2,712,988

All other financial assets and liabilities in the Group's statement of financial position, those that are not included in the table above and for which the fair value is not disclosed, have their fair values

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

approximated by the carrying value.

Techniques and inputs used to determine level 2 and level 3 fair values

Fair value of loans and advances to customers was estimated as follows:

- fair value of floating rate loans and advances was approximated by their gross carrying amount less their lifetimes expected credit losses calculated based on the methodology detailed in Note 8.i;
- in estimating the fair value of fixed rate loans and advances the Group has discounted contractual cash flows. The discount rate was estimated for each exposure individually by adjusting the contractual fixed rate with the change in the relevant floating rate benchmarks (e.g. 3M or 6M ROBOR) between the grant date of each respective loans and the valuation date. The net present value was adjusted with the credit loss allowance in case of assets impaired at the valuation date.

Fair value of borrowings contracted was estimated as follows:

- fair value of floating rate loans and advances was approximated by their net carrying amount;
- in estimating the fair value of fixed rate borrowings, the Group has discounted contractual cash flows. The discount rate was estimated for each borrowing individually by considering: i) the yields on contracted floating rate borrowings with similar risk characteristics (e.g. currency), or firm financing offers received thereof, close to the valuation date; and ii) the interest rate swap curve to convert the floating rates determined at i) above to fixed rates for relevant maturities.

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information about the Group's non-financial assets and liabilities, including specific information about:

- Leases (note 16);
- Property, plant and equipment (note 17);
- Intangible assets (note 18);

and related key accounting policies, judgement and estimates.

16 LEASES LIABILITIES

The Group leases various offices, working points and vehicles. The Group acts as a lessee in all its significant leasing agreements. This note details the accounting policy applied by the Group as a lessee, related significant estimates and impact of leases on the Group's financial position, performance and cash flows.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date and subsequently updated based on the index or rate valid at each reporting period;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option,
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option; and
- payments to be made under reasonably certain extension options.

Contracts to lease buildings and vehicles include non-lease components, such as repair and maintenance, security or management services. Prices of non-lease components are clearly stated in all significant lease agreements of the Group and the management is satisfied that such prices are representative of the standalone selling prices for similar services. The Group separates lease and non-lease components.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

the Group's operations. The majority of extension and termination options held are exercisable only by the lessee and not by the respective lessor. Lease contracts of the Group do not include purchase options.

Right of use assets are depreciated over the shortest of the asset's useful life or the lease term (which is impacted by reasonably certain prolongation or early termination options available to the Group).

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses as a starting point:

- where possible, recent third-party financing received by the individual lessee; or
- interest rates obtained by the lessee from various external financing sources.

Management then makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The Group has elected not to recognise right of use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The balance sheet shows the following amounts relating to leases:

	31 December 2024	31 December 2023
Right of use assets		
Buildings	4,283	6,174
Vehicles	2,543	2,833
Total	6,826	9,006
Lease liabilities		
<1 year	3,005	2,860
> 1 year	4,128	6,375
Total	7,133	9,235

Lease liabilities

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Right of use assets

The reconciliation of opening and closing right of use assets for 2024 is presented below:

	Buildings	Vehicles	Total
As at 01 January	6,174	2,832	9,006
Additions	961	1,518	2,478
Depreciation	(1,794)	(1,350)	(3,144)
Disposal/termination	(1,056)	(458)	(1,514)
As at 31 December	4,284	2,543	6,826

Comparative information for 2023 is presented below:

	Buildings	Vehicles	Total
--	------------------	-----------------	--------------

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

As at 01 January	4,931	2,632	7,563
Additions	2,729	1,364	4,093
Depreciation	(1,486)	(1,164)	(2,650)
As at 31 December	6,174	2,832	9,006

The statement of profit or loss shows the following amounts relating to leases:

	Note	31 December 2024	31 December 2023
Depreciation charge for right of use assets:			
Buildings		(1,794)	(1,486)
Vehicles		(1,350)	(1,164)
Total		(3,144)	(2,650)
Interest expense (Included in interest cost)	3	416	356

17 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recognised at historical cost less accumulated depreciation and impairment losses, if any. Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. No such impairment indicators were identified during the reporting period.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

- Motor vehicles 4 years;
- Buildings (improvements) 5 years

The reconciliation of the carrying amount of each significant class of property plant and equipment is presented below:

	Equipment	Buildings improvement	Total
Gross book value	3,552	2,107	5,659
Accumulated depreciation	(2,655)	(1,628)	(4,283)
Net book value at 1 January 2024	897	479	1,376
Additions	703	159	862
Depreciation charge	(487)	(151)	(638)
Net book value at 31 December 2024	1,113	487	1,600
Gross book value	4,255	2,266	6,521
Accumulated depreciation	(3,142)	(1,779)	(4,921)

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Comparative information for 2023 is included below:

	Equipment	Buildings improvement	Total
Gross book value	2,904	1,886	4,790
Accumulated depreciation	(2,084)	(1,493)	(3,577)
Net book value at 1 January 2023	820	393	1,213
Additions	648	221	869
Depreciation charge	(571)	(136)	(707)
Net book value at 31 December 2023	897	479	1,376
Gross book value	3,552	2,107	5,659
Accumulated depreciation	(2,655)	(1,628)	(4,283)

18 INTANGIBLES

Intangibles of the Group are represented mainly by software licences acquired and by internally generated software. The Group has no intangibles with indefinite useful life. Licenses and internally generated software are recognised at historical cost less amortisation and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. No such impairment indicators were identified during the reporting period.

Amortisation for software licences is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives of 1 to 6 years.

The reconciliation of the carrying amount of each significant class of intangibles is presented below:

	31 December 2024 Software licensees	31 December 2023 Software licensees
Gross book value	26,985	17,700
Accumulated amortization	(9,180)	(4,518)
Net book value at 1 January	17,805	13,182
Additions	9,972	9,285
Amortisation charge	(8,362)	(4,662)
Gross book value	36,958	26,985
Accumulated amortization	(17,542)	(9,180)
Net book value at 31 December	19,416	17,805
Gross book value	36,958	26,985
Accumulated amortization	(17,542)	(9,180)

Main additions of licenses are represented by the acquisition of application “ My Agrirover” through related party, Agricover Commodity and licences and support for SAP

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to the Group's financial performance, its risk management or to individual line items in the financial statements.

19 RELATED PARTIES TRANSACTIONS

Significant related party transactions of the Group were conducted on terms equivalent to those prevailing in an arm's length transaction. The Group discloses below its significant transactions, related income, expenses and balances in respect of each of the following categories of related parties:

Category	Definition	Impact on the consolidated financial statements
Parent	entity that controls the Group	the main shareholder of the Company is Agricover Holding SA.
Subsidiaries	entities controlled by the Company (refer to Note 1)	intragroup transactions and outstanding balances are eliminated, they do not form part of the consolidated financial statements; consequently, such related party transactions and outstanding balances between group members are not disclosed under IAS 24 in the consolidated financial statements. They are however disclosed in the separate financial statements of the Company.
Associates	entity over which the Company has significant influence	there are no significant transaction between the Group and its associates.
Joint ventures	joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement	not relevant for the consolidated or separate financial statements as the Group has no joint arrangements outstanding.
Key management	persons having authority and responsibility for planning, directing and controlling the activities of the Group and its subsidiaries,	there are no significant transactions between the Group and key management. key management compensation is disclosed below in this note.
Other related parties	related parties that do not fall under any of the above categories	significant transactions with other related parties are disclosed below in this note.

Ultimate controlling party

The ultimate beneficial owner of the Company is Mr. Kanani Jabbar, who owns 87,269% of the share capital of the Company's Parent (31 December 2023: 87,269%).

Key management personnel

Expense recognised during 2024 related to short term benefits, including monthly salaries and performance bonuses, granted to key management personnel amounts RON 2,057 thousands (2023: RON 1,750 thousands). Additional expense of RON 455 thousand was recognised during 2024 related to share-based compensation granted to key management personnel. There are no other types of benefits or commitments granted by the Group to key management.

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Transactions with related parties

The following transactions were carried out during 2024 and 2023:

	2024	2023
Transactions with parent		
Interest expense	6,985	6,875
Transactions with other relates parties		
Interest income	16,175	8,556

During 2024 Agricover Distribution SA, wholly owned by the Company's Parent, acted as an agent for the Group in relation to marketing, communication and other service with a total cost of thousand RON 2,101 (2023: thousand RON 1,697).

Outstanding balances arising from transactions with related parties

The following balances are outstanding at the end of each the reporting periods in relation to transactions detailed above:

	2024	2023
Balances with parent		
Borrowings received	204,997	204,760
Balances with other relates parties		
Other financial assets	100	3,122
Other financial liabilities	83	1,605
Loans and advances to customers	23,187	18,752
Commitments to other related parties		
Letters of guarantees issued	-	4,500

20 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	31-Dec-24	31-Dec-23
Pledge Assets with residual maturity lower than 1 year:		
Loans and receivables	1,632,817	1,689,177
Pledge Assets with residual maturity greater than 1 year:		
Loans and receivables	291,011	328,174

21 COMMITMENTS AND CONTINGENCIES

Letters of credit and guarantees

Letters of credit and guarantees (including standby letters of credit) commit the Group to make payments on behalf of customers in the event that the customer cannot meets its contractual payment obligations. Guarantees and standby letters of credit carry a similar credit risk to loans.

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Revocable commitments

To meet the financial needs of customers, the Group enters into various revocable and irrevocable commitments to lend and similar contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they contain credit risk and, therefore, form part of the overall risk of the Group (qualitative and quantitative details regarding risk management practices of the Group are detailed in note 9.i)

The Group designed for and offers to farmers a new product range consisting of loans with a Mastercard credit card attached, addressed to legal entities active in the agricultural sector. As at 31 December 2024 total irrevocable commitments under the credit cards amounted to 122 million RON, of which 61 million RON were utilised.

Except for the credit card related limits detailed above, the Group does not grant irrevocable commitments. Under uncommitted credit lines it is the Group's policy to approve any withdrawals, based on an analysis of the applicant, including of developments after the initial approval of the limit. The analysis done by the Group for withdrawal purposes is more simplified in extent and nature as compared to the initial granting of the credit line. As at 31 December 2024 the undrawn balance of the credit lines granted by the Group amounts to 381 million RON (31 December 2023: 354 million RON).

Contingencies

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its general operations and specifically to its financing activity. As a result, it is involved in various litigations and legal proceedings arising in the ordinary course of the its business. Management of the Group considers that these litigations will not have a significant impact on the operations or on the financial position of the Group

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section includes certain performance measures that are monitored by its management, the regulator or its creditors. The section then concludes with significant events which have occurred after the yearend and have not impacted these consolidated financial statements but which have or might impact the financial performance of the Group in subsequent periods.

22 ALTERNATIVE PERFORMANCE MEASURES

The performance measures presented below, together with details of their calculation, are considered key performance indicators monitored by the Group.

Capital Ratio

The capital ratio refers exclusively to Agricover Credit IFN SA and is derived from the regulatory capital measures (i.e. Own Funds and Total Aggregated Exposure) of the Company. Such regulatory capital measures are based on the provisions of Regulation 20. These measure are then used to calculate the capital ratio, as detailed in the table below.

#	performance indicator	Reference/ Note	31 December 2024	31 December 2023
=A/B*100%	Capital ratio*		27.39%	24.06%
A	Own funds	10	612,340	537,085
B	Total aggregate exposure	10	2,235,997	2,231,842

Other performance indicators

#	performance indicator	Reference/ Note	31 December 2024	31 December 2023
=C/D*100%	Non-Performing Loan ratio		3.48%	3.87%
C	Gross carrying amount "GCA" Stage 3	8	110,411	112,528
D	Total gross carrying amount "GCA"	8	3,171,870	2,905,709
=F/E*100%	Risk to earnings ratio		14.80%	23.67%
E	Net interest income	SOCI*	232,032	213,231
F	Net expense from impairment losses on loans and advances to customers	SOCI	34,329	50,482
=(G+H)/(E+I+J)*100%	Cost income ratio		38.64%	35.66%
E	Net interest income	SOCI	232,032	213,231
G	General and administrative expenses	SOCI	85,920	71,651
H	Other operating expenses	SOCI	9,236	8,694
I	Net fee and commission income	SOCI	10,545	10,396
J	Other operating income	SOCI	3,852	1,689

* SOCI – Consolidated Statement of Profit or Loss and Other Comprehensive Income

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

23 EVENTS AFTER THE REPORTING PERIOD

No significant events after the reporting period.



Independent Auditor's Report

To the Shareholders of Agricover Distribution SA

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Agricover Distribution SA (the "Company") as at 31 December 2024, and the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by European Union (IFRS EU).

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Romania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements that are relevant to our audit of the financial statements in Romania.

Other matters

The financial statements of the Company for the year ended 31 December 2023 were audited by another firm of auditors whose report, dated 28 March 2024, expressed an unmodified opinion on those financial statements.

PricewaterhouseCoopers Audit S.R.L.
Ana Tower, 24/3 floor, 1A Poligrafiei Blvd, District 1, 013704 Bucharest, Romania
EUID ROONRC.J40/17223/1993, fiscal registration code RO4282940, share capital RON 7,630
T: +40 21 225 3000, www.pwc.ro

This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned



scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For and on behalf of

PricewaterhouseCoopers Audit SRL

Audit firm

registered in the electronic public register of the financial auditors and audit firms under no FA6

**Refer to the original signed
Romanian version**

Francesca Postolache

Financial auditor

registered in the electronic public register of the financial auditors and audit firms under no AF1716

Bucharest, 27 March 2025

AGRICOVER DISTRIBUTION SA

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 December 2024

Prepared in accordance with the
International Financial Reporting Standards
as adopted by European Union

** The original version of the financial statements was written in Romanian. This document is an English translation of the original document. In case of any discrepancy between the English text and the Romanian text, the latter will prevail.*

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Statement of Financial Position
as at 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Notes	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment		9,109	9,592
Right of use assets	19	31,304	10,285
Intangible assets	20	1,189	2,765
Trade and other receivables	11	1,070	953
Deferred income tax assets	6	10,547	7,879
Lease receivable		659	1,113
		53,878	32,587
Current assets			
Inventories	17	59,946	64,685
Trade and other receivables	11	338,569	350,319
Lease receivable		514	529
Other current assets	12	13,298	25,488
Income tax receivable		684	-
Cash and cash equivalents	13	495	7,089
		413,506	448,110
Total assets		467,384	480,697
EQUITY AND LIABILITIES			
Equity			
Share capital	8	10,464	10,464
Revaluation reserves	8	1,030	1,033
Other reserves	8	9,515	8,405
Retained earnings		73,638	68,449
Total equity		94,647	88,351
Non-current liabilities			
Lease liabilities	19	23,953	5,745
		23,953	5,745
Current liabilities			
Trade and other payables	16	244,882	314,239
Borrowings	14	89,372	51,088
Contract liabilities	15	5,761	11,843
Lease liabilities	19	8,769	5,921
Current income tax liability		-	3,510
		348,784	386,601
Total liabilities		372,737	392,346
Total equity and liabilities		467,384	480,697

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Notes	2024	2023
Revenue	3	694,332	855,128
Cost of sales	5	(641,337)	(783,573)
Net credit losses on trade receivables	11	(19,380)	(25,548)
Gross profit		33,615	46,007
Administrative expenses	5	(34,971)	(33,062)
Other operating income		783	2,117
Other operating expenses		(782)	(96)
Operating profit/ (loss)		(1,355)	14,966
Finance income	4	11,702	17,406
Finance costs	4	(6,701)	(24,941)
Foreign exchange loss/gain	4	(1,751)	235
Net financial result		3,251	(7,300)
Profit/ (loss) before tax		1,896	7,666
Income tax benefit/(expense)	6	112	(3,423)
Profit/ (loss) for the year from:			
Continued operations		2,008	4,243
Discontinued operations		3,439	(21,360)
Total comprehensive income/(loss) for the period		5,447	(17,117)

Approved for issue and signed on behalf of the Board of Directors on 27 March 2025.

Bogdan Dimcea
Deputy Chief Executive Officer

Daniela Dumitrache
Chief Financial Officer

Statement of Changes in Equity
for the year ended 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Share capital	Revaluation reserves	Other reserves	Retained earnings	Total Equity
Balance as at 1 January 2024	10,464	1,033	8,404	68,449	88,351
Profit for the period	-	-	-	5,447	5,447
Total comprehensive income for the period	-	-	-	5,447	5,447
Realised revaluation reserve	-	(3)	-	3	-
Other changes in equity	-	-	1,111	(261)	850
Total transactions with owners in their capacity as owners	-	(3)	1,111	(258)	850
Balance at 31 December 2024	10,464	1,030	9,515	73,638	94,647

	Share capital	Revaluation reserves	Other reserves	Retained earnings	Total Equity
Balance as at 1 January 2023	10,464	1,033	9,012	109,749	133,218
Loss for the period	-	-	-	(17,117)	(17,117)
Total comprehensive income for the period	-	-	-	(17,117)	(17,117)
Dividends distribution	-	-	-	(24,016)	(24,016)
Other changes in equity	-	-	(607)	(167)	(774)
Total transactions with owners in their capacity as owners	-	-	(607)	(24,183)	(24,790)
Balance at 31 December 2023	10,464	1,033	8,405	68,449	88,351

Statement of Cash Flows
 for the year ended 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Notes	2024	2023
Cash flows from operating activities			
Profit/ (loss) for the year, out of which			
Continued operations		2,008	4,243
Discontinued operations		3,439	(21,360)
Adjustments for:			
Depreciation and amortization	5	11,240	10,399
Unrealized net foreign exchange differences		1,670	(442)
Net credit losses on trade receivables	11	19,896	26,742
Recovery of inventories provision		(607)	(3,046)
Loss from the sale of tangible assets		31	25
Income tax expense	6	933	3,423
Interest income	4	(11,702)	(17,406)
Factoring expenses	4	(342)	11,497
Interest expense	4	7,206	15,925
Other non-monetary adjustments		861	645
Changes in working capital:			
Decrease in trade and other receivables and other assets	11	8,098	125,566
Decrease in inventories	17	5,346	105,431
(Decrease) in trade and other payables	16	(45,409)	(106,352)
		2,667	155,290
SOP payments		(9)	(1,243)
Interest paid		(7,206)	(15,925)
Interest received		6,939	18,317
Factoring expenses paid		(1,449)	(10,962)
Income tax paid		(7,795)	(2,781)
Net (used in)/ generated by operating activities		(6,853)	142,696
Cash flows from investing activities			
Payments for acquisitions of property, plant and equipment and intangible assets		(2,965)	(2,429)
Proceeds from sale of Property, plant and equipment and Assets held for sale		55	5,950
Receipts from lease receivable		618	1,065
Cash (used in)/generated by investing activities		(2,292)	4,586
Cash flows used in financing activities			
Proceeds from borrowings	14	74,203	26,166
Repayment of borrowings	14	(37,582)	(150,075)
Payments for the reduction of the lease liabilities	19	(7,070)	(7,278)
Dividends paid		(27,001)	(11,297)
Cash generated by/ (used in) financing activities		2,550	(142,484)
Cash and cash equivalents at the beginning of the period	13	7,089	2,291
(Decrease)/Increase in cash and cash equivalents		(6,594)	4,798
Cash and cash equivalents at the end of the period	13	495	7,089

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section includes general information about the Company and its structure as well as material accounting policy information that relate to the financial statements as a whole. Material accounting policy information and related estimates, judgements and assumptions in the application of those policies specific to a particular item are included within the note referring to that specific item. Accounting policies relating to non-material items are not included in these financial statements.

1 GENERAL INFORMATION

AGRICOVER DISTRIBUTION SA (“the Company”, formerly named Agricover SA) is a Romanian company established in the year 2000, specialised in the distribution of advanced technological solutions (i.e. crop protection products, certified seeds, crop nutrition products and fuel) to farmers. The Company’s head-office is located at 1B Pipera Blvd, Voluntari, Ilfov.

All the Company’s sales are made in Romania and all the clients are local.

2 BASIS OF PREPARATION

Compliance statement

These financial statements as at and for the year ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”).

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for land and buildings, which are carried at revalued amounts, and derivative financial instruments, which are carried at fair value.

Consistent application of accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below in the relevant Notes to these financial statements and have been consistently applied to all the periods presented, unless otherwise stated. The preparation of financial statements in accordance with IFRS requires the use of judgements and estimates. The areas involving a higher degree of judgment or complexity, or areas where estimates are significant, are disclosed in the relevant Notes to these financial statements, as follows:

- Note 3 – judgement to determine whether transfer of control has occurred in ‘bill and hold’ arrangements;
- Note 3 – estimation regarding expected commercial discounts promised to customers not granted on a calendar year basis and subject to collection patterns not entirely under the company’s control;
- Note 3 – estimation regarding the determination of discount rate used for calculating the financing component for trade and other receivables with maturity over 1 year;
- Note 3 – estimation of refund liability and of the right to receive goods for implied return rights from sales;
- Note 7.i – key assumptions in the estimation of expected credit losses;
- Note 16 – estimation regarding expected commercial discounts receivable from suppliers, accounted and presented for as part of cost of inventories or cost of sales, not granted on a

Notes to the Financial Statements
General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

calendar year basis and with payment patterns dependant on collection patterns and resources availability;

- Note 17 – estimation of net realisable value of inventories.

Functional and presentation currency

These financial statements are presented in Romanian New Lei ("RON"), which is the functional currency of the Company. All amounts are presented in thousands RON and rounded to the nearest unit, unless otherwise stated.

Going concern

To fund its working capital needs, Agricovert Distribution has long standing relationships with some of the largest credit institutions active on the Romanian market. While most of the funding attracted is RON denominated, Agricovert Distribution has access to multicurrency facilities which allow us to actively manage currency exposures on trade payables. Currently, all ongoing funding contracts agreed by Agricovert Distribution are short term, including unconditional early call options in favour of the lenders. This allows the Company to manage financing costs, while its strong financial standing ensures continued access to funds required to cover its working capital needs. Moreover, based on its history and relationships developed with its business partners, the Company concluded that exercising such options is highly unlikely (further refer to Note 7 for details regarding liquidity risk, including available undrawn credit facilities). Under the terms of its major borrowing facilities, the Company is required to comply with certain financial covenants. As at 31 December 2024, the Company has complied with financial covenants imposed by its borrowing facilities or, where covenants thresholds were breached, the Company has obtained relevant waivers from its lenders.

After consideration of the Company's liquidity, gearing level, budgeted cash flows and related assumptions, management believes that the Company has adequate resources to continue as a going concern for the foreseeable future and these financial statements are prepared on this basis.

Standards and amendments newly applicable for periods starting 1st January 2024

The following new and amended standards effective for periods starting 1st January 2024, have been analysed by the Company and do not have a significant impact on the Company's financial statements.

Amendments to IFRS 16 "Leases" regarding lease liabilities in a sale and leaseback

The amendments specify that, in valuing the lease liability following the sale and leaseback, the seller-lessee determines "lease payments" and "revised lease payments" in a manner that does not result in the seller-lessee recognizing any amounts of the right-of-use gain or loss that it retains.

Amendments to IAS 7 "Statement of cash flows" and IFRS 7 "Financial instruments: Disclosures", regarding supplier financing agreements

The amendments apply to supplier financing arrangements and introduce two new disclosure objectives - one in IAS 7 and one in IFRS 7 - for a company to provide information about its supplier financing arrangements that enables users to assess the effects of these agreements on the company's debt and cash flows, as well as the company's exposure to liquidity risk.

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Standards and amendments effective for annual periods beginning on or after January 1st, 2025, not early adopted by the Company

A number of new amendments to the standards are required to be applied for annual periods beginning on or after 1st January 2025 and that are available for early adoption in annual periods beginning on 1st January 2024. As at 31 December 2024 these new IFRS and amendments to IFRS have not been endorsed by the European Union.

The Company has not early adopted any of the forthcoming new and amended standards in preparing these separate financial statements. Once adopted, the new and amended standards are:

Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”, on lack of exchangeability

The amendments require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments are not expected to have a significant impact on the Company’s separate financial statements.

Effective date: annual periods beginning on or after January 1st, 2025.

Amendments to IFRS 9 and IFRS 7, relating to the classification and measurement of financial instruments

These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows;
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

No significant impact is expected from the implementation of this amendment.

Effective date: annual periods beginning on or after 1 January 2026, with early application permitted.

IFRS 18: Presentation and Disclosure in Financial Statements

IFRS 18, the new standard on presentation and disclosure in financial statements, will replace IAS 1. Many of the other existing principles in IAS 1 are retained, with limited changes mainly focused on updates to the statement of comprehensive income. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its ‘operating profit or loss’.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and

Notes to the Financial Statements

General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is in the process of analysing the impact of IFRS 18 to its separate financial statements.

Effective date: annual periods beginning on or after 1 January 2027, with early application permitted.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.

The Company does not expect this standard to have an impact on its operations or financial statements.

Effective date: annual periods beginning on or after 1 January 2027, with early application permitted.

Notes to the Financial Statements
Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information about the financial performance of the Company. The section covers material accounting policy information, with a focus on those areas where IFRS either allow a choice or do not deal with a particular type of transaction, and significant judgements and estimates made in relation to particular items. The section concludes with details about the Company's tax result in the year and current and deferred tax assets and liabilities held at the end of the period.

3 REVENUE

The Company generates revenue mainly through distribution of advanced technological solutions (i.e. certified seeds, crop nutrition products and crop protection products) to farmers.

Sales with standard delivery

Revenue from sales with normal delivery is recognised when control of goods sold has transferred to the buyer, being when the goods leave the warehouses we operate or rent, when invoices are also issued. Revenue is measured at the fair value of the consideration received or receivable, net of commercial discounts, returns and value added taxes. Depending on the customer's financial situation and existing relationships with the group, and on specific market conditions, the Company may request total or partial advance payments collected based on proforma or advance invoices.

Significant judgement – 'bill and hold' arrangements

At the buyer's request, the Company may enter 'bill and hold' arrangements, whereby delivery is delayed but the buyer takes legal title and accepts billing. Revenue on such arrangements is recognised when control is transferred to the buyer, provided that:

- the reason for the 'bill and hold' arrangements is substantive (e.g. the farmer intends to secure the price and / or quantity of goods – seeds, crop nutrition products, crop protection products – as needed at specific stages of the agricultural season, but has limited storage capacity for immediate delivery);
- the product is identified separately as belonging to the customer;
- the product is ready for physical transfer to the customer; and
- the Company does not have the ability to use the product or to direct it to another customer

As part of 'bill and hold' arrangements, the Company concludes a custody contract with the buyer, who accepts legal ownership of the goods sold. The Company's management is satisfied that control of the goods sold is transferred to the customer (and related revenue is recognized) when the warehouse certificates are issued, confirming separate storage and availability for delivery.

Value of inventories held by the Company on behalf of third parties as part of bill and hold arrangements were as follows:

	31 December 2024	31 December 2023
Crop protection products	67,329	163,088
Crop nutrition products	-	331
Certified Seeds	2,547	6,182
TOTAL	69,876	169,601

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Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Sale with a right of return

The Company does not grant explicit rights of return for the products it sells. Implied return rights can arise from statements or promises made to customers during the sales process, statutory requirements, or our desire to mitigate the risk of customer dissatisfaction.

A right of return is not a separate performance obligation for the purpose of revenue recognition, but it affects the estimated transaction price for transferred goods. Revenue is only recognised for those goods that are not expected to be returned.

In accounting for its implicit rights of return, a refund liability (with a corresponding adjustment to revenue) and an asset (with a corresponding adjustment to cost of sales) representing its right to recover the products from the customer are recognised.

The refund liability represents the amount of consideration that the Company expects to refund to its customers. The refund liability is remeasured at each reporting date to reflect changes in the estimate of returns, with a corresponding adjustment to revenue (refer to Note 16).

The asset represents the Company's right to receive goods (inventory) back from the customers when it settles the refund obligation. The asset is initially measured at the carrying amount of the goods at the time of sale, less any expected costs to recover the goods and any expected reduction in value. The returns asset is presented separately from the refund liability (refer to Note 12). The amount recorded as an asset is updated for changes in the refund liability and for other changes in circumstances that might suggest an impairment of the asset.

Significant estimate – Sale with a right to return

The Company estimates the amount it expects to credit customers using the expected value method, by considering the returns accepted in the previous two financial years and the respective turnover in the reporting period. Specific conditions related to certain customers, products, promotional campaigns or similar are considered separately in assessing the right of return liability. Following this estimation process the Company assessed that it is highly probable that there will not be a significant reversal of revenue if the estimate of expected returns changes.

Other revenue

Other revenue relates mainly to transportation services and storage services in 'bill and hold' arrangements. Allocation of the consideration between sold goods, transportation services and storage services is based on their standalone selling prices.

Revenue from transportation services is recognized at the point in time when the delivery service is rendered and the goods have been accepted by the clients. Revenue from storage services is recognized over time.

Progress is determined based on the duration elapsed out of the total storage period agreed between the Company and its clients or an estimation thereof.

Financing component

Revenue related to sales whereby the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year is adjusted to account for the time

Notes to the Financial Statements
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(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

value of money. Interest income resulting from this financing component is recognised over the expected maturity of the receivables using the effective interest rate method and is presented as “Finance Income” in the statement of comprehensive income.

Significant estimate – discount rate

The contract consideration is adjusted to reflect the significant financing component using a discount rate that reflects the rate that would be used in a separate financing transaction between the Company and its customers. For invoices financed through intra-group factoring arrangements the financing component is approximated by the factoring costs as the invoices are passed over to the factor, without recourse, without significant delays after their initial recognition.

For other invoices the discount rate was determined by average interest rates offered by local banks to commercial companies for loans with similar characteristics (source: monthly reports issued by the National Bank of Romania) and interest rates offered by Agricover Credit IFN SA to its customers, in the month in which the sale is recognised.

Management considers that the discount rate reflects the credit risk of the relevant receivables portfolio as this is related to a mix of customers that have financing agreements with Agricover Credit IFN SA and others that do not. After contract inception, the Company does not update the discount rate – interest income is recognised based on the effective interest rate method, using the original discount rate. A discount rate higher by 100 basis points would have decreased revenue recognised during 2024 by 0.9 million Ron and would have increased interest income recognised during 2024 by 0.8 million Ron. A discount rate lower by 100 basis points would have increased revenue recognised during 2024 by 0.9 million Ron and would have decreased interest income recognised during 2024 by 0.8 million Ron.

Significant estimate - variable consideration

A variable amount that is promised within a contract is included as consideration when measuring revenue. To this end, the Company estimates the amount of the consideration to which it will be entitled in exchange for transferring the promised goods to the customers. Recognition of such consideration is estimated at contract inception and is constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur or when the associated uncertainty with the variable consideration is subsequently resolved.

Variable consideration includes “*commercial discounts*”, namely discounts granted by the Company for compliance with contractual payment terms, based on the agricultural seasons and not on the calendar year. Commercial discounts result in the reduction of sales revenue earned during the period, and are booked at the time of sale according to an estimation.

In making this estimation the management considers past collection patterns as well as information available to the commercial and risk teams of the Company, which are in close contact with significant customers. Granted commercial discounts 5% higher or lower would result in revenue recognised during 2024 lower or higher by 7.0 million Ron (2023: lower or higher by 8.9 million Ron).

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(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Disaggregation of revenue from contracts with customers by product type is presented below.

	2024	2023
Revenue from goods sold		
Crop protection products	421,226	558,016
Crop nutrition products	44,356	41,940
Seeds	220,854	249,947
	686,436	849,903
Revenue from transportation	1,344	2,093
Revenue from storage	242	670
Revenue from rent	1,231	1,711
Revenue from services	5,079	752
Revenue	694,332	855,128

4 NET FINANCIAL RESULT

All interest income and expenses are measured and recognised using the effective interest method, as prescribed by IFRS 9.

Significant components of interest income and expense as included in the profit or loss of 2024 and 2023 are presented below:

	2024	2023
Interest income	11,702	17,406
Finance Income	11,702	17,406
Interest expense	(7,206)	(15,925)
Factoring expense	256	(9,816)
Other finance expense	249	800
Finance Expense	(6,701)	(24,941)
Net FX (losses)/ gains	(1,751)	235
Net Finance Result	3,251	(7,300)

The turnover of the invoices to which these commissions refer, for the twelve months period ended 31 December 2024, are in amount of 0.8 million RON (2023: 135,2 million RON).

5 BREAKDOWN OF EXPENSES BY NATURE

In the Statement of profit or loss and other comprehensive income, the Company presents its expenses by function.

All operating expenses of the Company are allocated to cost centres. Separate cost centres exist for regional working points and warehouses and headquarters.

Expenses related to sales, acquisition and distribution process as allocated to regional working points and warehouses (e.g.: inbound and outbound transportation related expenses, salaries of personnel, rent or depreciation, third party storage cost, consumables, etc.) are allocated to Cost of sales. Expenses related to headquarters cost centres incurred to support the functioning of the business and which are not directly related to the distribution process (e.g. support functions including finance or human resources, headquarters rent etc.) are allocated to Administrative expenses. Those expenses

Notes to the Financial Statements
Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

related to headquarters cost centres which are directly related to the sales or distribution process (e.g. expenses incurred with or related to purchases, logistics and sales teams) are allocated to Cost of sales. Headquarters rent is allocated between cost of sales and administrative expenses based on the area occupied by respective teams.

The table below presents the breakdown of expenses by their nature:

	2024	2023
Merchandise	(582,933)	(729,741)
Transportation expenses	(5,004)	(6,209)
Employees costs	(54,130)	(48,938)
Third party services	(5,432)	(4,957)
Software expenses	(1,927)	(1,862)
Maintenance expense	(4,384)	(4,121)
Consumable expense	(3,452)	(3,500)
Protocol and publicity expenses	(1,760)	(3,760)
Tax on turnover	(3,524)	-
Depreciation	(11,132)	(10,284)
Other	(2,630)	(3,263)
Total, of which	(676,308)	(816,635)
Cost of sales	(641,337)	(783,573)
Administrative expenses	(34,971)	(33,062)

Defined Contribution Plan

The Company paid 12 million RON to defined contribution retirement plans during the year ended 31 December 2024 (2023: 13.9 million RON). Beyond the settlement of monthly contributions, the Company has no other obligations towards its employees in relation to their defined contribution retirement plans.

Share-based payments

Employee costs include expenses related to a share-based compensation program, implemented by the parent company starting 2022, whereby eligible personnel receive conditional rights to acquire shares in the parent company under a Share Option Plan (“the SOP”). Under the SOP, options on the parent company’s shares are granted to senior managers (including executive officers) of the Company, with more than 12 months’ service for the Agricovert group, at the discretion of the Board of Directors of the parent company (no individual has a contractual right to participate in the plan or to receive any guaranteed benefits).

The SOP is designed to provide short-term and long-term incentives for senior managers to deliver long-term shareholder returns. It includes two components:

- a) short-term component, with options that vest after twelve months depending on the participants’ achievements with respect to their individually assigned KPIs (non-market performance condition), and
- b) long-term component, with options that vest over a three-year period (graded vesting, one third of the total number of granted options vesting each year) depending on the Parent’s consolidated net profit (non-market performance condition).

Notes to the Financial Statements
Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Vesting under both components of the SOP is conditioned upon the participant remaining employed with the Group on such vesting date, and the realization of the relevant performance indicators. (whereby the maximum number of options that can vest is for a performance level of 130% versus the assigned levels of the performance indicators). The share options granted will not vest if the performance conditions are not met or if the participant leaves the Group before vesting date.

Options are granted under the SOP for no consideration and carry no dividend or voting rights. The share options are exercisable at 0.1 RON/share within five days after vesting.

The service cost is determined with reference to the fair value of the shares. The fair value of the share options is estimated at the grant and, respectively, reporting dates by considering the Group's consolidated net profit (as reported in its most recent annual consolidated financial statements) and average market multiples as published by the Bucharest Stock Exchange and / or other third-party data providers. Such multiples include the price-to-earnings ratio (P/E or PER), which measures the share prices relative to the net profits of entities listed on the Bucharest Stock Exchanges.

The performance conditions are only considered in determining the number of instruments that will ultimately vest and have no impact on the value of the options granted.

The Parent provides an optional redemption mechanism of the SOP-acquired shares as follows:

- anytime during the holding period, the new shareholder has the right to ask the parent company to buy her shares and the parent company has the right to accept or deny the acquisition. Identical acquisition options can be initiated by the parent company as well, without the holder having the obligation to exercise. In practice, except as stated below, there is no obligation on either side to buy or sell as a result of the other party's sell or buy initiative.
- The shares are mandatorily redeemable by the parent upon employment termination of the participants to the program.

An expense is recognized over the period in which the service and performance conditions are fulfilled (the vesting period) with recognition of an equity reserve, for all employees or executives under the SOP. The cost of services is determined with reference to the fair value of the share options at grant date. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of options that will ultimately vest.

Set out below are details regarding the number of options granted, exercised or expired under the plan:

	2024	2023
Beginning of the year	10,651,804	3,531,431
Granted during the period	15,090,236	8,821,508
Exercised during the period	(932,368)	(1,668,246)
Expired during the period	(8,449,565)	(32,889)
End of the year	16,360,107	10,651,804

All instruments outstanding are unvested at 31 December 2024 and have an exercise price of 0.1RON/share. The weighted average remaining contractual life of options outstanding is 0.93 years

Notes to the Financial Statements
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(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

at 31 December 2024. As at 31 December 2024 and for the year then ended the Company recognized an expense of 1.4 million RON in relation to the SOP (2023: 0.5 million RON).

6 CURRENT AND DEFERRED INCOME TAX

Current and deferred income tax charges are calculated on the basis of tax rates and tax laws enacted or substantively enacted in Romania at the balance sheet date.

Frequent modification of the tax laws applicable in Romania give rise to significant tax uncertainties including but not limited to the tax authorities interpretation of complex tax issues. Differences arising between the results of such interpretations and the assumptions made by the Company's management, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded, together with late payment interest and penalties. In Romania, tax periods remain open for 5 years.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and recognises related liabilities where appropriate on the basis of amounts expected to be paid to the tax authorities. The Company's management considers that the tax liabilities included in these financial statements are fairly stated, and is not aware of any circumstances which may give rise to a potential material liability in this respect.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Significant components of the income tax expense are presented below:

	2024	2023
Current tax – continued activities	(2,556)	(4,852)
Deferred tax	2,668	1,429
Income tax benefit/(expense)	112	(3,423)

Notes to the Financial Statements
Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

The income tax rate applicable to the Company's taxable income in 2024 and 2023 is 16%. The reconciliations between the tax expense and the product of accounting profit multiplied by the statutory tax rate for the years ended 31 December 2024 and 31 December 2023 are as follows:

	2024	2023
Accounting (loss)/ profit before tax	1,896	7,666
Tax charge at the statutory tax rate of 16%	303	1,227
Tax effect of non-deductible expenses and non-taxable income	401	2,966
Fiscal facilities	(816)	(770)
Sponsorship	(700)	(105)
Other	(116)	(665)
Income tax expense	(112)	3,423
<i>Effective tax rate</i>	<i>-5.91%</i>	<i>44.65%</i>

Other fiscal facilities include a tax credit for reinvested profit and a tax credit for achieving the equity targets set by the fiscal code.

Significant components of deferred tax assets and liabilities as at 31 December 2024, including their movements during the year then ended, are presented below:

	1 January 2024			31 December 2024	
	Deferred tax assets	Deferred tax liabilities	(Expense) / Income in the period	Deferred tax assets	Deferred tax liabilities
Expected credit losses	6,323	-	3,128	9,451	-
Other timing differences	1,556	-	(460)	1,096	-
	7,879	-	2,668	10,547	-

Significant components of deferred tax assets and liabilities as at 31 December 2023, including their movements during the year then ended, are presented below:

	1 January 2023			31 December 2023	
	Deferred tax assets	Deferred tax liabilities	(Expense) / Income in the period	Deferred tax assets	Deferred tax liabilities
Expected credit losses	3,598	-	2,725	6,323	-
Other timing differences	2,852	-	(1,296)	1,556	-
	6,450	-	1,429	7,879	-

Starting from the fiscal year 2024, Law 296 regarding certain fiscal and budgetary measures for ensuring the long term financial sustainability of Romania, issued on 26 October 2023, with subsequent amendments and modifications ("Law 296") introduced a tax on revenue for entities operating in the oil and gas sector with a turnover exceeding 50 million EUR in the previous fiscal year. This tax applies in addition to corporate income tax and is calculated based on total revenue, with only certain types of revenue being excluded. In these financial statements, the Company recognized a liability of 0.5 million RON under "Trade and other payables" as of 31 December 2024, and an expense of 3.5 million RON under "Administrative expenses" in the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements
Risk Management

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section discusses the Company's exposure to various risks, explains how these risks are managed and shows how these could affect the Company's financial position and performance.

7 FINANCIAL RISKS MANAGEMENT

The Company's strategy for growth and development has the farmers and their needs at its core. Our aim is to support our clients in achieving their potential and, in the process, to support the Romanian agriculture in its important role in the European and global food chain. With that in mind we have developed a business model which follows the seasonality of the agricultural year. The Company negotiates payment terms that match its clients' operating cycle.

In this context the trade receivables peak in June and are collected in the second part of the financial year (as the main crops are harvested and sold). Trade receivables are financed through similar agreements with suppliers (trade payables are also peaking around this period) and, where not possible or more costly for the Company, through bank loans (which follow the same seasonality).

This business model involves taking on and managing financial risks in a targeted manner. The core functions of the Company's risk management are to identify all key risks for the Company, measure these risks, manage the risk positions, and determine related capital allocations.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company regularly reviews its risk management policies and systems to reflect changes in markets and products with consideration of best market practice.

i. Credit risk

Credit risk is the risk of suffering financial loss should any of the Company's customers, clients or market counterparties fail to fulfill their contractual obligations to the Company.

Credit risk arises mainly from trade receivables but can also arise from other receivables from sales of non-current assets or from cash equivalents. Credit risk is the single largest financial risk for the Company's business. The Company's maximum exposure to credit risk is reflected by the carrying amounts of financial assets on the statement of financial position. The Company is active exclusively on the Romanian market, and sells products and services exclusively to farmers. Apart from that, there are no significant concentrations of risk. The biggest client represents 1.9% of the total trade receivables (31 December 2023: 5.0%), with the top 10 clients represent 11.85% of total trade receivables (31 December 2023: 15.6%).

Significant estimate – expected credit losses

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which requires a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, the Company uses a provision matrix whereby trade receivables and contract assets have been grouped based on the days past due.

The Company also analyses individually the trade receivables from companies within insolvency processes and the trade receivables past due for more than 270 days. This analysis may result in additional allowance related to subject receivables.

The expected loss rates are based on the payment profiles of sales over a period of 36 months

Notes to the Financial Statements
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(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

before 31 December 2024 or 31 December 2023 respectively and the corresponding historical credit losses experienced within this period. Where material, the historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The following sensitivities of the results to reasonably possible alternatives to the management's best estimates were performed:

- if loss rates were 20% higher, the allowance account would have been higher by 4.6 million RON;
- if loss rates were 10% lower, the allowance account would have been lower by 7.2 million RON.

On that basis, the expected credit loss allowance as at 31 December 2024, excluding related parties, was determined as follows for trade receivables:

DPD	Not due	1-30	31-60	61-90	91-180	181-365	> 365	Total
ECL rate (%)	0.31%	7.78%	13.88%	27.23%	42.04%	11.04%	100%	
Trade receivables	276,897	667	20,622	16,043	35,069	2,066	48,916	400,280
ECL	861	52	2,863	4,368	14,743	228	48,916	72,031

Comparative information as at 31 December 2023 is included below:

DPD	Not due	1-30	31-60	61-90	91-180	181-365	> 365	Total
ECL rate (%)	0.56%	0.64%	9.37%	23.74%	49.29%	70.08%	100%	
Trade receivables	260,487	11,224	31,437	34,525	38,292	5,256	18,665	399,886
ECL	1,461	72	2,944	8,197	18,874	3,683	18,665	53,896

The expected credit loss allowances for trade and other receivables as at 31 December reconcile to the loss allowances as at 1st January as follows:

	2024 Trade receivables	2024 Other receivables	2023 Trade receivables	2023 Other receivables
Opening Balance	(53,896)	(103)	(27,440)	(639)
Amounts written off	1,765	-	822	-
Net Impairment charge	(19,900)	4	(27,278)	536
Closing Balance	(72,031)	(99)	(53,896)	(103)

Expected credit losses on trade and other receivables are presented as net credit losses, within gross profit. Collateral is not obtained, and the maximum exposure to credit risk arising from trade and other receivables is equal to their respective carrying amounts.

Notes to the Financial Statements
Risk Management

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

ii. Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates.

The Company is exposed to market risks arising from its open positions in interest rate and currency products. Quantitative and qualitative information about the Company's exposure to these risks as well as related risk management policies and practices withing the Company are discussed in this note.

ii.1. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro ("EUR") and US dollar ("USD").

The Company's exposure to foreign currency risk at the end of the reporting period, showing the Company's monetary financial assets and financial liabilities, at their carrying amounts, by denomination currency, was as follows (amounts are expressed in RON thousand equivalent):

	31 December 2024		31 December 2023	
	EUR	USD	EUR	USD
<i>Assets</i>				
Cash and bank balances	106	60	11	57
Finance lease receivable from related parties	1,173	-	1,642	-
Trade and other receivables	61	-	61	-
Total assets	1,340	60	1,714	57
<i>Liabilities</i>				
Borrowings	12,516	27,895	30,602	17,362
Lease liabilities	32,722	-	11,666	-
Trade and other payables	38,495	1,196	44,182	11,641
Total Liabilities	83,733	29,091	86,450	29,003
Net financial position	(82,393)	(29,031)	(84,736)	(28,946)

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in EUR and USD exchange rates relative to the functional currency. The sensitivities are calculated by applying the changes in the exchange rates to the above net financial position.

	2024	2023
	EUR strengthening by 1.5%	EUR strengthening by 1.5%
<i>Gain / (loss) before tax of:</i>	(1,257)	(1,284)
<i>Equity</i>	(1,056)	(1,079)

	2024	2023
	USD strengthening by 3.65%	USD weakening by 2.3%
<i>Gain / (loss) before tax of:</i>	(1,059)	673
<i>Equity</i>	(889)	565

Notes to the Financial Statements
Risk Management

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

ii.2. Interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. The company's policy is to attract floating rate borrowings, and all its borrowings as at 31 December 2024 are floating rate.

The Company's borrowings and receivables are carried at amortised cost. The borrowings are periodically contractually repriced (see below) and to that extent are also exposed to the risk of future changes in market interest rates. The exposure of the Company to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows (assets and liabilities are included at carrying amount and categorized by the earlier of contractual repricing or maturity dates).

asset / liability class	up to 1 month	1 to 3 months	3 to 12 months	1 year and above	Total
Trade and other receivables	37,280	17,388	283,901	1,070	339,639
Lease receivable	74	149	291	659	1,172
Cash and cash equivalents	495	-	-	-	495
Total financial assets	37,849	17,537	284,192	1,729	341,306
Borrowings	37,650	20,027	31,696	-	89,373
Lease liabilities	703	1,357	6,710	23,952	32,722
Trade and other payables	27,554	18,466	183,002	-	229,022
Total financial liabilities	65,907	39,850	221,408	23,952	351,117
Interest repricing gap	(28,058)	(22,313)	62,784	(22,223)	(9,810)

Comparative information as at 31 December 2023 is included below:

Asset / liability class	up to 1 month	1 to 3 months	3 to 12 months	1 year and above	Total
Trade and other receivables	54,548	17,152	278,619	953	351,272
Lease receivable	50	100	379	1,113	1,642
Cash and cash equivalents	7,089	-	-	-	7,089
Total financial assets	61,687	17,252	278,998	2,066	360,003
Borrowings	7,114	10,656	33,318	-	51,088
Lease liabilities	553	1,084	4,284	5,745	11,666
Trade and other payables	17,982	54,995	227,624	-	300,601
Total financial liabilities	25,649	66,735	265,226	5,745	363,355
Interest repricing gap	36,038	(49,483)	13,772	(3,679)	(3,352)

Notes to the Financial Statements
Risk Management

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

The following table presents sensitivities of profit and loss and equity to reasonably possible changes in interest rates. The sensitivities are calculated by applying the changes in the floating rates to the floating rate financial assets and liabilities outstanding at the reporting date.

	2024	2023
	Interest lower by 045 b.p.	Interest lower by 151 b.p.
<i>Gain / (loss) before tax of:</i>	498	3,670
<i>Equity</i>	419	3,083

iii. Liquidity Risk

Liquidity risk is defined as the risk that the Company does not have sufficient liquid financial resources to meet obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due because of mismatches between the timing of the cash flows under normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources in addition to its core capital base and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis.

The treasury department of the Company is responsible for working with operational and financial departments to ensure the liquidity risk strategy is executed. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure additional funding, if required.

Prudent liquidity risk management also implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed borrowings facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under credit lines. The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 December 2024	31 December 2023
Undrawn uncommitted facilities , of which:	345,697	404,840
expiring within one year	117,503	161,920
expiring beyond one year	228,194	242,920
Total available undrawn facilities , of which:	345,697	404,840
expiring within one year	117,503	161,920
expiring beyond one year	228,194	242,920
Unencumbered eligible assets	347,908	541,071

Notes to the Financial Statements

Risk Management

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Analysis of financial assets and liabilities

The Company manages its exposure to the liquidity risk using a maturity structure of its monetary assets and liabilities based on remaining contractual maturities of assets and liabilities with set payment terms and on expected cash flows for those assets or liabilities without specific maturities. The table below shows how the Company manages its liquidity risk by presenting the undiscounted cash flows of monetary assets and liabilities on time bands on their contractual maturities. Some of the Company's borrowings are uncommitted, including unconditional early call options in favour of the lender. Based on its history and relationships developed with its business partners, the Company concluded that exercising such options is highly unlikely, thus the early call options are not considered in the analysis below.

31 December 2024	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Total
Trade and other receivables	53,036	290,919	2,123	-	346,078
Lease receivables	479	469	927	298	2,173
Cash and cash equivalents	495	-	-	-	495
Expected inflows on assets	54,010	291,389	3,050	298	348,746
Borrowings	77,807	12,706	-	-	90,513
Lease liabilities	4,847	4,345	7,833	21,359	38,384
Trade and other payables	97,763	146,604	-	-	244,367
Expected outflows on liabilities	180,417	163,655	7,833	21,359	373,264
Net gap	(126,407)	127,734	(4,783)	(21,061)	(24,518)

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Notes to the Financial Statements

Risk Management

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Comparative analysis as at 31 December 2023 is presented below:

31 December 2023	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Total
Trade and other receivables	72,522	284,613	1,011	-	358,146
Lease receivables	368	283	546	702	1,899
Cash and cash equivalents	7,089	-	-	-	7,089
Expected inflows on assets	79,979	284,896	1,557	702	367,134
Borrowings	20,614	32,303	-	-	52,917
Lease liabilities	3,384	2,760	3,540	2,732	12,416
Trade and other payables	141,038	173,201	-	-	314,239
Expected outflows on liabilities	165,036	208,264	3,540	2,732	379,572
Net gap	(85,057)	76,632	(1,983)	(2,030)	(12,438)

Notes to the Financial Statements

Risk Management

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

The table below shows the undiscounted cash flows of its financial liabilities as at 31 December 2024. Repayments on borrowings which include the early repayment option in favour of the lender are treated as if the options was exercised immediately (i.e. as if the Comapny was required to fully reimburse immediately all such borrowings). Such early repayment options may be imposed by several creditors, as a result of non-fulfillment of contractual clauses by companies within the group of which the Company is part of.

31 December 2024	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	total
Borrowings	89,373	-	-	-	89,373
Lease liabilities	4,847	4,345	7,833	21,359	38,384
Total financial liabilities	82,419	146,604	-	-	229,023
Total	176,639	150,949	7,833	21,359	356,263

Comparative analysis as at 31 December 2023 is presented below:

31 December 2023	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	total
Borrowings	51,088	-	-	-	51,088
Lease liabilities	3,384	2,760	3,540	2,732	12,416
Total financial liabilities	127,400	173,201	-	-	300,601
Total	181,872	175,961	3,540	2,732	364,105

Notes to the Financial Statements
Capital Management and Equity

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section includes information about the Company's share capital, the Company's equity, what is managing as capital and capital management practices within the Company.

8 EQUITY

Issued share capital

Issued and paid ordinary shares as well as the shareholding structure of the Company are detailed below:

Ordinary shares, issued and fully paid:	2024		2023	
	thousand	RON'000	thousand	RON'000
at 1 January	104,636	10,464	104,636	10,464
issued during the period	-	-	-	-
at 31 December, of which owned by:	104,636	10,464	104,636	10,464
Agricover Holding SA	90,641	9,064	90,641	9,064
Adama Agriculture B.V	10,464	1,046	10,464	1,046
Agricover Distribution SA (own shares)	216	22	216	22
Others	3,315	332	3,315	332

Ordinary shares have a par value of 0,1RON. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of the shares held. There are no other classes of equity instruments issued by the Company. The Company did not distribute dividends in 2024 (2023: 24 million).

Reserves breakdowns

The following table shows a breakdown of the balance sheet line item "Other reserves" and the movements in reserves during the year, including the revaluation reserve. A description of the nature and purpose of each reserve is provided below the table.

	Revaluation reserve	Other reserves
at 1 January 2023	1,033	9,012
Other changes in equity	-	(608)
at 31 December 2023	1,033	8,404
Revaluation reserve realised	(3)	-
Other changes in equity	-	1,111
at 31 December 2024	1,030	9,515

Revaluation reserves

The property, plant and equipment revaluation reserves is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale or disposal of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

Other reserves

Other reserves include legal reserve, share-based payments reserve, and reinvested profit reserve.

Notes to the Financial Statements
Capital Management and Equity

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

9 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In recent years it has been the Company's practice to distribute around 65% of its net profit as dividends. In order to manage its capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Notes to the Financial Statements
Financial assets and liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information about the Company’s financial assets and liabilities, including specific information about each type of financial instrument held, related accounting policies for recognising and measuring financial instruments as well as their fair values.

10 OVERVIEW OF FINANCIAL INSTRUMENTS

An overview of the financial instruments held by the Company is presented below:

	Note	31 December 2024	31 December 2023
Financial assets at amortised cost:		339,639	351,274
Trade and other receivables	11	339,639	351,274
Financial liabilities at amortised cost:		318,395	351,690
Borrowings	14	89,372	51,088
Trade and other payables	16	229,024	300,602

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Except for trade receivables, at initial recognition the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Some trade receivables may have maturities higher than twelve months and include a significant financing component. Those are initially recognised at their fair value, estimated by discounting expected cash flows using a discount rate that reflects the rate that would be used in a separate financing transaction between the Company and its customers. Interest income resulting from the financing component is recognised over the expected maturity of the receivables using the effective interest rate method and is presented as “Finance Income” in the statement of comprehensive income.

Trade receivables that do not include a financing component are recognised initially at the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or performing the promised services.

Immediately after initial recognition, an expected credit loss allowance is recognised for financial assets measured at amortised cost, as described in note 7.i, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

Classification and subsequent measurement

The Company applies IFRS 9 and classifies its financial assets at amortised cost.

Notes to the Financial Statements
Financial assets and liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Classification and subsequent measurement depend on:

- i. the Company's business model for managing the asset – it reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of asset; and
- ii. the cash flow characteristics of the asset – namely whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

Based on these factors, the Company the Company classifies its financial assets as follows:

- amortised cost – cash and cash equivalents, trade and other receivables and loans and advances granted are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI') and are measured at amortised cost;

Expected credit loss allowances

The Company assesses on a forward-looking basis the expected credit losses ('ECL') associated with its trade and other receivables and recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money where significant; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Details about the Company's impairment policies and the calculation of the expected credit loss allowance are provided in Note 7.i.

Classification of financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost.

Derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Notes to the Financial Statements
 Financial assets and liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

11 TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Payment terms depend on type of goods acquired and financing options selected by the client (e.g. own funds, loans from other entities within the Agricover group or commercial credit). Refer to Note 3 for details around the measurement of the variable consideration represented by “commercial discounts”.

	31 December 2024	31 December 2023
Trade receivables	540,359	578,541
Expected commercial discounts (note 3)	(140,079)	(178,655)
Trade receivables net of expected discounts	400,280	399,886
Less: allowance for trade receivables (note 7)	(72,031)	(53,896)
Trade receivables – net	328,249	345,990
Receivables from related parties (note 21)	11,366	5,036
Other receivables	123	349
Total other receivables	11,489	5,385
Less: allowance for other receivables (note 7)	(99)	(103)
Total other receivables	11,390	5,282
Total, of which:	339,639	351,272
current portion	338,569	350,319
non-current portion, of which:	1,070	953
<i>Trade receivables</i>	1,070	953
<i>Other receivables from related parties</i>	-	-

12 OTHER CURRENT ASSETS

	31 December 2024	31 December 2023
Advances for inventories	516	11,213
Right to returned goods	4,793	6,096
Prepayments	1,023	2,343
Advances to suppliers	2,655	3,883
Other current assets	4,311	1,953
Total other current assets	13,298	25,488

Right to returned goods

In accounting for the implicit right of return for products sold to customers, the Company recognises the “Right to returned goods” asset (with a corresponding adjustment to cost of sales) representing its right to recover the products when it settles the refund obligation refer to Note 3 which includes detailed accounting policy for recognising and measuring the right of return.

Notes to the Financial Statements
Financial assets and liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

13 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet. As allowed by IAS 7: *Statement of Cash Flows*, the Company presents receipts and payments of interest, receipts of dividends, and income taxes paid within cash flows from operating activities; while payments of dividends are presented within cash flows from financing activities.

As at 31 December 2024 and 31 December 2023 Cash and cash equivalents presented in the Statement of financial position and in the Statement of cash flows are represented by current accounts held with highly reputable local banks.

14 BORROWINGS

Bank borrowings

All bank borrowings bear floating interest rates and are secured by pledges on inventories and on current accounts opened at respective banks and by assignment of receivables. The carrying amounts of assets pledged as security are disclosed in note 22.

Changes in liabilities arising from financing activities

Significant changes in the Company's liabilities as arising from its financing activities are presented here:

	2024		2023	
	Borrowings	Lease liability (note 19)	Borrowings	Lease liability (note 19)
at 1 January	51,088	11,666	177,432	13,923
Withdrawals	74,203	-	26,166	-
new contracts	-	28,002	-	4,951
Repayments	(37,582)	(7,070)	(150,075)	(7,278)
interest accrued in the period	6,278	928	15,529	397
interest paid	(6,278)	(928)	(15,529)	(397)
foreign exchange rate variation effect	1,663	124	(2,435)	70
at 31 December	89,372	32,722	51,088	11,666

Compliance with covenants

Under the terms of its major borrowing facilities and of its engagements took under the prospectus of the bonds issued by its Parent, the Company is required to comply with certain financial covenants.

Notes to the Financial Statements
Financial assets and liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

The management closely monitors the levels of such covenants, as follows:

#	Covenant	Reference/ Note	31 December 2024	31 December 2023
=A/B	Current ratio		1.19	1.16
A	Current assets	SOFP*	413,506	448,110
B	Current liabilities	SOFP	348,784	386,601
=C+D)/E	Short-term borrowing ratio		10.42%	3.08%
C	Short Term Borrowing	14	89,372	51,088
D	Current lease liability	19	8,769	5,921
E	Net Turnover	3	941,719	1,851,096
=(F+G-H)/K	Debt ratio		8.40	8.58
F	Borrowings	14	89,372	51,088
G	Lease liability	19	32,722	11,666
H	Cash and cash equivalents	SOFP	495	7,089
K=I+J	EBITDA		14,468	6,487
I	Operating profit/ (loss)	SOCI*	3,228	(3,912)
J	Depreciation	5	11,240	10,399
=K/L	EBITDA Interest coverage		2.01	0.41
L	Interest expense	4	7,206	15,925
=M/N	Gearing ratio		1.29	0.71
M=F+G	Total Debt		122,094	62,754
F	Borrowings	14	89,372	51,088
G	Lease liability	19	32,722	11,666
N	Total equity	SOFP*	94,647	88,351

* SOFP – Statement of Financial Position as included in these financial statements.

* SOCI – Stamente of Profit or Loss and Other Comprehensive Income as included in these financial statements.

As at 31 December 2024, the Company has complied with all financial covenants imposed by its borrowing facilities or, where covenants thresholds were breached, the Company has obtained relevant waivers from its lenders.

15 CONTRACT LIABILITIES

A contract liability is recognised when a payment is received, or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e. transfers control of the related goods or services to the customer).

	31 December 2024	31 December 2023
Advances from customers	5,391	10,390
Deferred revenues	370	1,453
Total	5,761	11,843

To mitigate price and availability risk farmers chose to secure their acquisitions by placing firm orders backed by prepayments.

Notes to the Financial Statements
 Financial assets and liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

16 TRADE AND OTHER PAYABLES

	31 December 2024	31 December 2023
Trade payables	218,040	259,792
Expected commercial discounts	(23,453)	(14,769)
Trade payables net of expected discounts	194,587	245,023
Payables to related parties (note 21)	30,191	24,295
Dividends	4,241	31,242
Fixed assets suppliers	5	40
Total financial liabilities	229,024	300,600
Refund liability	5,925	7,494
Tax on turnover	491	-
Personnel and related taxes	9,362	6,008
Other current liabilities	80	138
Total non - financial liabilities	15,858	13,640
Total trade and other payables	244,882	314,240

Trade and other payables are unsecured and their carrying amounts are considered to be the same as their fair values, due to their short-term nature.

Significant estimate – expected commercial discounts

The Company receives from its suppliers discounts for compliance with contractual payment terms not granted on a calendar year basis and with payment patterns dependant on collection patterns and resources availability (similar discounts are offered by the Company to its customers – refer to Note 3 for details). Such commercial or settlement discounts received are deducted from the cost of inventories to the extent that it is probable that they will take effect. In its estimation of the such probabilities the management considers past patterns as well as new information available to the treasury and risk teams of the Company. Considering the solid financial position and liquidity of the Company, substantially all commercial invoices in 2024 and 2023 were settled within the payment terms agreed with the suppliers.

Refund liability

The refund liability represents the amount of consideration that the Company expects to refund to its customers. For more details regarding measurement and recognition refer to note 3.

Notes to the Financial Statements
Non-Financial Assets and Liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information about the Company's non-financial assets and liabilities, including specific information about:

- Inventories (note 17);
- Leases (note 19);
- Intangible assets (note 20);

and related material accounting information, judgement and estimates.

17 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts (refer to Note 16). Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Significant estimate – net realisable value

The company analyses the net realisable value for those inventories that are damaged, or if their selling prices have declined. Inventories are written down to net realisable value item by item.

Estimates of net realisable value are based on the most reliable evidence available at the time the estimate is made. This estimate takes into consideration fluctuations of price or cost directly relating to events occurring after the end of the period only to the extent that such events confirm conditions existing at the end of the period.

In estimating the net realisable value of inventories as at 31 December 2024, the Company considered sale prices for transactions incurred during December 2024 and January 2025, as well as discount campaigns contemplated and approved during those months. Changes in the value of inventories outside this window, if not specifically linked to conditions existing at or before 31 December 2024, do not impact the carrying value of the inventories presented in these financial statements.

The net realisable value adjustment is reversed when the inventories are sold or when the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances.

	31 December 2024	31 December 2023
Certified seeds	7,011	2,188
Crop nutrition products	1,766	2,544
Crop protection products	50,468	59,074
Total carrying amount of goods purchased for resale	59,244	63,806
Packaging, spare parts and other consumables	701	879
Total	59,946	64,685

During 2024, 0 million RON (2023: 0,6 million RON) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales, part of *Write-down and losses of inventories*.

Notes to the Financial Statements
Non-Financial Assets and Liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

18 DISCONTINUED OPERATIONS

During February 2024, as part of the measures taken to address the challenges incurred during 2023, the Company decided to reorganise its business by discontinuing the distribution of commodity-type products (mostly crop nutrition products and fuel), with lower margins and significant price volatility. The Company assessed these operations as representing a major line of business and classified all directly attributable income and expenses as part of the "Profit/(loss) for the period from discontinued operations" line item in the statement of comprehensive income. Indirect costs (e.g. management, back office etc.) which are not directly attributable to the discontinued operations were not allocated to the result from discontinued operations as the Company did not formally approved a restructuring plan and the related employees continued their activity with the Company as at the date of these financial statements.

Moreover, when an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

As a consequence of the above, the Statement of Profit or Loss for both periods presents the result of commodity-type products on separate single line related to discontinued operations under "Profit/(loss) for the period from discontinued operations".

The statement of profit or loss and other comprehensive income (loss) related to discontinued operations are detailed below:

Notes to the Financial Statements
 Non-Financial Assets and Liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Discontinued operations	31 December 2024	31 December 2023
Revenue	247,387	995,968
Cost of sales	(241,480)	(1,013,855)
Net credit losses on trade receivables	(516)	(1,193)
Gross profit/ (loss)	5,391	(19,080)
Administrative expenses	(1,183)	(130)
Other operating income	376	332
Operating profit/ (loss)	4,584	(18,878)
Finance costs	(100)	(2,482)
Net financial cost	(100)	(2,482)
Profit/ (loss) before tax	4,484	(21,360)
Income tax (expense)/revenue	(1,045)	-
Profit/ (loss) for the period from discontinued operations	3,439	(21,360)
Total comprehensive income/(loss) for the period	3,439	(21,360)

The breakdown of expenses by nature of discontinued operations is detailed below:

Discontinued operations	31 December 2024	31 December 2023
Merchandise	(234,483)	(997,248)
Transportation expenses	(2,965)	(8,594)
Employees costs	(2,171)	(2,734)
Third party services	(1,189)	(4,161)
Maintenance expense	(71)	(46)
Consumable expense	(218)	(477)
Protocol and publicity expenses	(28)	(130)
Tax on turnover	(1,239)	-
Depreciation and amortisation	(108)	(116)
Other	(190)	(479)
Total, of which	(242,663)	(1,013,985)
Cost of sales	(241,480)	(1,013,855)
Administrative expenses	(1,183)	(130)

Notes to the Financial Statements

Non-financial assets and liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

19 LEASES

The Company leases various offices, warehouses, equipment and vehicles. The Company acts as a lessee in all its significant leasing agreements. This note details the accounting policy applied by the Company as a lessee, related significant estimates and impact of leases on the Company's financial position, performance and cash flows.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date and subsequently updated based on the index or rate valid at each reporting period;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option,
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option; and
- payments to be made under reasonably certain extension options.

Contracts to lease buildings and vehicles include non-lease components, such as repair and maintenance, security or management services. Prices of non-lease components are clearly stated in all significant lease agreements of the Company and the management is satisfied that such prices are representative of the standalone selling prices for similar services. The Company separates lease and non-lease components.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs

Extension and termination options are included in a number of property and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the lessee and not by the respective lessor. Lease contracts of the Company do not include purchase options. Right of use assets are depreciated over the shortest of the asset's useful life or the lease term (which is impacted by reasonably certain prolongation or early termination options available to the Company).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable

Notes to the Financial Statements
Non-financial assets and liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

While the Company revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Company.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses as a starting point:

- where possible, recent third-party financing received by the individual lessee; or
- interest rates obtained by the lessee from various external financing sources.

Management then makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Significant inputs used by the Company in measuring lease liabilities and right of use assets are details below:

	Buildings		Vehicles	
	2024	2023	2024	2023
Weighted average incremental borrowing rate	5.56%	3.05%	4.16%	2.83%
Weighted average residual lease term	6.11	2.53	2.02	2.34
Weighted average lease term at recognition	6.45	3.68	3.39	3.37

The Company has elected not to recognise right of use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The balance sheet shows the following amounts relating to leases:

	31 December 2024	31 December 2023
Right of use assets		
Buildings	25,892	4,284
Vehicles	5,412	6,001
	31,304	10,285
Lease liabilities		
Current	8,769	5,921
Non-current	23,953	5,745
	32,722	11,666

Notes to the Financial Statements
Non-financial assets and liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Lease liabilities

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Right of use assets

The reconciliation of opening and closing right of use assets for 2024 is presented below:

	Buildings	Equipment	Vehicles	Total
As at 01 January	4,284	-	6,001	10,285
Additions	25,430	-	2,664	28,094
Derecognition	-	-	(202)	(202)
Depreciation	(3,822)	-	(3,051)	(6,873)
As at 31 December	25,892	-	5,412	31,304

Comparative information for 2023 is presented below:

	Buildings	Equipment	Vehicles	Total
As at 01 January	4,469	-	7,460	11,929
Additions	2,670	-	2,080	4,750
Derecognition	(75)	-	-	(75)
Depreciation	(2,780)	-	(3,539)	(6,319)
As at 31 December	4,284	-	6,001	10,285

The statement of profit or loss shows the following amounts relating to leases:

	Note	2024	2023
Depreciation expense for right of use assets:			
Buildings		(3,822)	(2,780)
Vehicles		(3,051)	(3,539)
	5	(6,873)	(6,319)
Interest expense (included in interest cost)	4	928	396

The total cash outflow for leases in 2024 was 7 million RON (2023: 7.3 million RON).

Notes to the Financial Statements
Non-financial assets and liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

20 INTANGIBLES

Intangibles of the Company are represented by software licences acquired. The Company has no intangibles with indefinite useful life. Licenses are recognised at historical cost less amortisation and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. No such impairment indicators were identified during the reporting period.

Amortisation for software licences is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives of 3 to 5 years.

The reconciliation of the carrying amount of each significant class of intangibles is presented below:

	2024	2023
	Software licences	Software licences
Gross book value	13,547	13,856
Accumulated amortisation	(10,783)	(9,747)
Net book value at 1 January	2,764	4,109
Additions	251	440
Disposals	(58)	(748)
Amortisation charge	(1,826)	(1,784)
Accumulated amortisation of disposals	58	748
Net book value at 31 December	1,189	2,765
Gross book value	13,740	13,547
Accumulated amortisation	(12,551)	(10,783)

Notes to the Financial Statements
Other information

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to the Company's financial performance, its risk management or to individual line items in the financial statements.

21 RELATED PARTIES TRANSACTIONS

Significant related party transactions of the Company were conducted on terms judged by management to be equivalent to those prevailing in an arm's length transaction. The Company discloses below its significant transactions, related income, expenses and balances in respect of each of the following categories of related parties:

Category	Definition	Impact on the financial statements
Parent	entity that controls the Company	the main shareholder of the Company is Agricover Holding SA.
Key management	persons having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiaries,	there are no significant transactions between the Company and key management. key management compensation is disclosed below in this note.
Other related parties	related parties that do not fall under any of the above categories, and are not subsidiaries, associates, or joint ventures of the Company	significant transactions with other related parties are disclosed below in this note.

Ultimate beneficial owner

The ultimate beneficial owner of the Company is Mr. Kanani Jabbar, who owns 87.269% of the share capital of the Company's Parent (31 December 2023: 87.269%).

Key management compensation

During 2024 compensation granted to key management personnel amounts to 1.7 million RON (2023: 2,3 million RON). It represents short term benefits, including monthly salaries, performance bonuses and share based payments. There are no other types of benefits or commitments granted by the Company to key management. Additional expense of RON 212 thousand was recognised during 2024 related to share-based compensation granted to key management personnel (for further detail please refer to note 5). There are no other types of benefits granted by the Company to key management.

Transactions with related parties

The following transactions were carried out with related parties during 2024 and 2023:

	2024	2023
Sales to Other related parties:	17,104	10,587
Sale of property plant and equipment	152	-
Sale of services	5,058	-
Sale of goods	11,894	10,587

Notes to the Financial Statements
Other information

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Rent revenue from other related parties	1,123	1,636
Acquisitions from other related parties:	32,399	34,947
Purchase of services	218	112
Purchase of goods	32,181	34,835
Financial expenses with other related parties	-	11,497

During 2024 AGV Technology SA, wholly owned by the Company's Parent, acted as an agent for the Company in relation to IT licenses and other service acquisitions with a total cost of 0.6 million RON (2023: 0.4 million RON).

Commissions paid by the Company to Agricover Credit IFN (wholly owned by the Company's Parent) for cross-sale transactions are deducted from Revenue and amount to 0.62 million RON in 2024 (2023: 2.9 million RON).

During 2024, the Company paid dividends to the Parent amounting 27 million RON (2023: 11.3 million RON).

Outstanding balances arising from transactions with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	Note	2024	2023
Receivables from other related parties:			
Trade and other receivables	11	12,540	6,678
Payables to related parties:			
Trade and other payables	16	34,432	55,536

22 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Note	31 December 2024	31 December 2023
Current Assets:			
Trade and other receivables	11	227,282	162,059
Inventories	17	59,946	64,685

Pledges on inventories are periodically renewed to include the value of all inventories as at each specific renewal date. In the table above the Company includes the lower of the value of pledged inventories as per the latest renewal agreement and the value of inventories as at the reporting date, as there are no restrictions on the Company's access to such inventories or its right to sell pledged inventories in the normal course of the business.

Notes to the Financial Statements
Other information

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

23 COMMITMENTS AND CONTINGENCIES

Contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its general operations. As a result, it is involved in various litigations and legal and other proceedings arising in the ordinary course of the its business. Management of the Company considers that these litigations and legal and other proceedings will not have a significant impact on the operations or on the financial position of the Company.

24 EVENTS AFTER THE REPORTING PERIOD

Effective February 18, 2025, Agricover Distribution has implemented a leadership transition. Jaydeep Singh has been appointed as CEO, while Bogdan Dimcea has assumed the role of Deputy CEO, with responsibilities for category management and operations.

This transition is part of the Company's ongoing efforts to enhance leadership capabilities and support long-term business objectives.

APPENDIX E

AGRICOVER COMMODITIES S.R.L.

FINANCIAL STATEMENTS





Independent Auditor's Report

To the Sole Shareholder of Agricover Commodities SRL:

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Agricover Commodities SRL (the "Company") as at 31 December 2024, and the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by European Union (IFRS EU).

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Romania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements that are relevant to our audit of the financial statements in Romania.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers Audit S.R.L.
Ana Tower, 24/3 floor, 1A Poligrafiei Blvd, District 1, 013704 Bucharest, Romania
EUID ROONRC.J40/17223/1993, fiscal registration code RO4282940, share capital RON 7,630
T: +40 21 225 3000, www.pwc.ro

This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned



scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For and on behalf of

PricewaterhouseCoopers Audit SRL

Audit firm

registered in the electronic public register of the financial auditors and audit firms under no FA6

**Refer to the original signed
Romanian version**

Francesca Postolache

Financial auditor

registered in the electronic public register of the financial auditors and audit firms under no AF1716

Bucharest, 27 March 2025

AGRICOVER COMMODITIES SRL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2024

Prepared in accordance with **International Financial Reporting Standards**,
as adopted by the European Union

** The original version of the financial statements was written in Romanian. This document is an English translation of the original document. In case of any discrepancy between the English text and the Romanian text, the latter will prevail.*

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AGRICOVER COMMODITIES SRL | Financial Statements for the year ended 31 December 2024

Statement of Financial Position as at

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Notes	31 December 2024	31 December 2023	1 January 2023
ASSETS				
Non-current assets				
Property, plant and equipment		299	141	62
Right of use assets		371	-	-
Intangible assets	18	1,018	10,436	10,579
Finance lease receivable		141	-	-
		1,829	10,577	10,641
Current assets				
Inventories	15	48	339	-
Trade and other receivables	11	7,793	4,214	2,936
Other current assets	17	3,924	335	1,584
Finance lease receivable		97	-	-
Cash and cash equivalents	12	628	113	60
		12,490	5,001	4,580
Total assets		14,319	15,578	15,221
EQUITY AND LIABILITIES				
Equity				
Share capital	9	31,045	22,545	19,045
Other reserves		13	-	-
Retained earnings		(41,313)	(22,000)	(9,890)
Total equity		(10,255)	545	9,155
Non-current liabilities				
Lease liabilities		351	-	-
		351	-	-
Current liabilities				
Trade and other payables	14	14,880	3,738	2,616
Borrowings	13	2,577	11,295	3,450
Lease liabilities		261	-	-
Contract liabilities	15	6,505	-	-
		24,223	15,033	6,066
Total liabilities		24,574	15,033	6,066
Total equity and liabilities		14,319	15,578	15,221

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Notes	2024	2023
Revenue from contracts with customers	4	416,689	-
Cost of sales	6	(411,128)	-
Net credit losses on financial assets	8	(44)	-
Gross profit		5,517	-
Administrative expenses	6	(4,302)	(84)
Research and development	6	(503)	(297)
Other operating expenses, net		190	-
Operating profit/ (loss)		902	(381)
Finance income	5	25	-
Finance costs	5	(550)	(5)
Profit/ (Loss) before tax		377	(386)
Income tax expense	7	-	-
Profit/ (Loss) for the year from:			
Continued operations		377	(386)
Discontinued operations	19	(19,690)	(11,724)
Total comprehensive loss for the year		(19,313)	(12,110)

Approved for issue and signed on 25 March 2025.

Liviu Dobre

Administrator

AGRICOVER COMMODITIES SRL | Financial Statements for the year ended 31 December 2024

Statement of Changes in Equity

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Share capital	Other reserves	Retained earnings	Total equity
at 1 January 2024	22,545	-	(22,000)	545
Loss for the year	-	-	(19,313)	(19,313)
Total comprehensive loss for the year	-	-	(19,313)	(19,313)
Increase in share capital	8,500	-	-	8,500
Other changes in equity	-	13	-	13
Total transactions with owners	8,500	13	-	8,513
at 31 December 2024	31,045	13	(41,313)	(10,255)

	Share capital	Other reserves	Retained earnings	Total equity
at 1 January 2023	19,045	-	(9,890)	9,155
Loss for the year	-	-	(12,110)	(12,110)
Total comprehensive loss for the year	-	-	(12,110)	(12,110)
Increase in share capital	3,500	-	-	3,500
Total transactions with owners	3,500	-	-	3,500
at 31 December 2023	22,545	-	(22,000)	545

Statement of Cash Flows
 for the year ended 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Notes	2024	2023
Cash flows from operating activities			
Profit/ (Loss) for the year, out of which:		(19,313)	(12,110)
<i>Continued operations</i>		377	(386)
<i>Discontinued operations</i>	19	(19,690)	(11,724)
Adjustments for:			
Net credit loss allowance	8	44	-
Depreciation and amortization	6, 19	3,678	2,910
Write-off intangible assets	19	5,326	-
Unrealized FX differences		73	1
Interest income	5	(25)	(3)
Interest expense	5	2,545	1,180
Changes in working capital:			
(Increase) / Decrease in trade receivables and other current assets		(8,310)	(26)
(Increase)/ Decrease in inventories		291	(339)
Increase / (Decrease) in trade and other payables		17,834	(1,310)
		2,143	(9,697)
Interest paid		(1,892)	(902)
Net cash from / (used in) operating activities		251	(10,599)
Cash flows from investing activities			
Payments for acquisitions of intangible and fixed assets		(4,094)	(415)
Proceeds from sale of intangible and fixed assets		5,355	-
Proceeds from finance lease receivables		30	-
Net cash generated by/ (used in) investing activities		1,291	(415)
Cash flows from financing activities			
Proceeds from borrowings		126,461	16,370
Repayment of borrowings		(135,832)	(8,803)
Payments for lease liabilities		(156)	-
Proceeds from increase of share capital		8,500	3,500
Net cash flows generated by / (used in) financing activities		(1,027)	11,067
Cash and cash equivalents at the beginning of the year		113	60
Net increase in cash and cash equivalents	12	515	53
Cash and cash equivalents at the end of the year		628	113

Notes to the Financial Statements
General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section includes general information about the Company, as well as significant accounting policy information that relate to the financial statements as a whole. Material accounting policy information and the estimates, judgments and assumptions used in applying those policies that are specific to a particular item are included in the note referring to that item. Accounting policies relating to items that are not material are not included in these financial statements.

1 GENERAL INFORMATION

Agricover Commodities SRL ("the Company", formerly known as Agricover Technology SRL) is an entity established in 2020 and registered at the Trade Register under number J2020004637233. The Company is domiciled in Romania and is specialised in the distribution of agricultural inputs (mostly commodities).

The Company's headquarter is located in Blvd. Pipera nr. 1B, Voluntari, Ilfov, Romania.

The parent company is Agricover Holding SA, registered with the Trade Register under number J23/447/2018 and has its headquarters in Voluntari, Bld. Pipera, nr. 1B, Cubic Center, 8 floor, Ilfov county, Romania. Agricover Holding SA prepares consolidated financial statements of the Group which include Agricover Holding SA ("the Parent company") and its material subsidiaries Agricover Distribution SA, Agricover Credit IFN SA, Clubul Fermierilor Romani Broker de Asigurare SRL, Agricover Payments SRL and Agricover Commodities SRL. These consolidated annual financial statements are public and are available on the parent's website, at <https://relatii-investitori.agricover.ro/en/investor-relations>.

2 BASIS OF PREPARATION

i. Compliance statement

These financial statements as at and for the year ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

For all periods up to and including the year ended 31 December 2023, the Company has prepared its financial statements in accordance with local generally accepted accounting principles (Order No. 1802 for the approval of the accounting rules regarding annual consolidated and separate financial statements, issued by the Romanian Ministry of Public Finance on 29th of December 2014, with subsequent amendments and modification, referred to in these financial statements as "Local GAAP"). These financial statements as of and for the year ended 31 December 2024 are the first that the Company has prepared in accordance with IFRS. See Note 3 for information on how the Company has adopted IFRS.

ii. Historical cost convention

These financial statements have been prepared under the historical cost convention.

iii. Consistent application of accounting policies

The material accounting policies applied in the preparation of these financial statements are set out

Notes to the Financial Statements
General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

below in the Notes to these financial statements and have been consistently applied to all periods presented. The preparation of financial statements in accordance with IFRS requires the use of judgment and estimates. The areas involving a higher degree of judgment or complexity, or areas where estimates are significant, are disclosed in the notes referring to the line items impacted by those judgements or estimates.

iv. Functional and presentation currency

These financial statements are presented in Romanian New Lei ("RON"), which is the Company's functional currency. All amounts are presented in thousands RON and rounded to the nearest unit, unless otherwise stated.

v. Going concern

After consideration of the Company's liquidity, level of indebtedness, budgeted cash flows and related assumptions, management believes that the Company has adequate resources to continue in operation for the foreseeable future and these financial statements are prepared on this basis.

As a result of the losses recorded during the year ended 31 December 2024, the Company's net assets, determined as the difference between its total assets and total liabilities, decreased to less than half of the amount of its subscribed share capital. To align with the Companies Act 31/1990, as modified and amended, the sole shareholder approved the decrease of the share capital to cover historical losses accumulated in retained earnings, in amount of 21.8 million RON. As at the date of these financial statements, the decision has been registered with the trade registry and has been published in the official gazette no. 544 on the 5th of February 2025.

Furthermore, in the second half of 2024, in response to the challenges faced related to the slow adoption of advanced precision agriculture software and tools by farmers, the Company reorganized its operations, which included the discontinuation of its digital operations and the closure of the Crop360 platform. Simultaneously, the Company launched a new operation focused on the distribution of commodity-like agricultural inputs, primarily crop nutrition products and fuel. This new venture has already proven to be profitable and is expected to continue to generate positive results moving forward. As a result of these strategic changes, the management is confident in the Company's future outlook and believes that will be able to continue in operation for the foreseeable future and therefore the application of the going concern principle in the preparation of these financial statements is justified. Moreover, in view of the above and in line with approved budgets, the Group will continue to support the operation and development of the Company.

vi. New IFRS effective for periods beginning on or after 1 January 2025, not early adopted by the Company

A number of new IFRS and amendments to IFRS are required to be applied for annual periods beginning on and after 1 January 2025 and are available for early adoption in periods beginning on or after 1 January 2024. As at 31 December 2024 these new IFRS and amendments to IFRS have not been endorsed by the EU. The Company has not early adopted any of these amendments in the preparation of these financial statements.

Notes to the Financial Statements
General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

IFRS 18: Presentation and Disclosure in Financial Statements

IFRS 18, the new standard on presentation and disclosure in financial statements, will replace IAS 1. Many of the other existing principles in IAS 1 are retained, with limited changes mainly focused on updates to the statement of comprehensive income. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of comprehensive income;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is in the process of analysing the impact of IFRS 18 on its financial statements. Effective date: annual periods beginning on or after 1 January 2027, with early adoption permitted.

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates', relating to the lack of foreign exchange ability

The amendments require disclosures that enable users of financial statements to understand the impact of the fact that a currency is not interchangeable. No significant impact is expected from the implementation of this amendment. Effective date: annual periods beginning on or after 1 January 2025.

Amendments to IFRS 9 and IFRS 7, relating to the classification and measurement of financial instruments

These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows;
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

No significant impact is expected from the implementation of this amendment. Effective date: annual periods beginning on or after 1 January 2026, with early application permitted.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

The standard allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. The Company is in the process of analysing the impact of IFRS 19 on its financial statements. Effective date: annual periods beginning on or after 1 January 2027, with early application permitted.

Notes to the Financial Statements
First-time Adoption of IFRS

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information about the Company's first-time adoption of IFRS and the exemptions and exceptions applied by the Company as part of its transition.

3 FIRST-TIME ADOPTION OF IFRS

These financial statements as at and for the year ended 31 December 2024 are the first that the Company has prepared in accordance with IFRS. For the periods up to and including the year ended 31 December 2023, the Company has prepared its financial statements in accordance with local GAAP.

As such, the Company has prepared these financial statements in accordance with IFRS as at 31 December 2024, together with the comparative period for the year ended 31 December 2023. In preparing these financial statements, the opening statement of financial position has been prepared by the Company as at 1 January 2023, the Company's IFRS transition date. This note explains the principal adjustments made by the Company in restating its financial statements in accordance with local GAAP, including their impact on the equity as at 1 January 2023 and as at 31 December 2023, and their impact on the total comprehensive income for the year ended 31 December 2023.

IFRS 1 requires an entity to use the same accounting policies in its opening IFRS statement of financial position and throughout all periods presented in its first IFRS financial statements (the first annual financial statements in which an entity adopts IFRSs by an explicit and unreserved statement of compliance with IFRSs). Those accounting policies shall comply with each IFRS effective at the end of its first IFRS reporting period, except as specified in IFRS 1.

Reconciliation of local GAAP to IFRS

Reconciliation of the equity under local GAAP to IFRS as at 1 January 2023 (date of transition to IFRS) and 31 December 2023.

	Notes	1 January 2023	31 December 2023
Equity local GAAP		9,391	757
Employee costs	a)	(330)	(308)
Other accruals		94	96
Equity IFRS		9,155	545

Reconciliation of total comprehensive income under local GAAP to IFRS for the year ended 31 December 2023.

	Notes	31 December 2023
Loss local GAAP		(12,134)
Employee costs	a)	22
Other accruals		2
Loss IFRS		(12,110)

Under the local GAAP, the Company was not required to prepare Statements of Changes in Equity and Statements of Cash Flows.

Notes to the Financial Statements
First-time Adoption of IFRS

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Significant differences between equity under local GAAP and equity under IFRS, and between total comprehensive income under local GAAP and under IFRS are explained below.

a) Employee costs

Under local GAAP, bonuses granted to employees were expensed in the year when such bonuses were paid. Under IFRS such bonuses were expensed when incurred, namely when the related services were provided.

Notes to the Financial Statements
Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information about the Company's financial performance. The section covers significant disclosures about accounting policies and significant judgments and estimates made in relation to particular items. The section concludes with details about the Company's tax result in the year and current and deferred tax assets and liabilities at the end of the year.

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company generates revenue mainly through distribution of commodity-like agricultural inputs (i.e. crop nutrition products and fuel) to farmers. The breakdown of revenues by product type is shown below.

	2024	2023
Revenues from sale of		
Crop nutrition products	28,646	-
Fuel	388,043	-
Total	416,689	-

Most of the Company's sales involves goods being delivered directly from the supplier to the farmer. However, all associated risks and rewards, including credit risk, remain with the Company. Additionally, the Company retains the authority to determine pricing. Revenue is recognized upon receipt of the supplier's invoice, which typically coincides with the delivery of goods to the farmer (i.e. control of goods sold has transferred to the buyer). Revenue is measured at the fair value of the consideration received or receivable, net of commercial discounts, returns, and value-added taxes.

The Company's payment terms vary based on the financial standing of the customer, the nature of the business relationship, and prevailing market conditions. Depending on these factors, the Company may require full or partial advance payments, or it may negotiate payment upon delivery or within seven days thereafter. Payment terms are extended to customers only after a credit risk assessment, in line with the Company's risk management policies. As a result, specific clients may be offered different terms than those generally applied (refer to Note 8 for further details on risk management practices and exposures). The Company is not subject to any contractual or third-party-imposed restrictions regarding the payment terms it negotiates with its customers.

5 FINANCE INCOME AND FINANCE COSTS

Significant components of finance income and expenses included in the profit or loss are presented below:

	2024	2023
Interest income	25	-
Finance income	25	-
Interest expense	(476)	-
Net foreign exchange losses	(66)	(2)
Other finance losses	(8)	(3)
Finance expenses	(550)	(5)
Net finance expense	(525)	(5)

Notes to the Financial Statements
Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

6 PRESENTATION OF EXPENSES BY NATURE

In the statement of profit or loss and other comprehensive income, the Company presents its expenses by function.

All operating expenses of the Company are allocated to cost centres. Expenses related to the purchasing and distribution process (e.g. salaries of staff in: procurement or sales force, costs related to consumables, etc.) are allocated to cost of sales. Expenses incurred to support the operation of the business but not directly related to the distribution process (e.g. support functions including financial or human resources, rental expenses for headquarters, etc.) are allocated to administrative expenses.

The table below presents the breakdown of expenditure by nature:

	2024	2023
Merchandise	(410,266)	-
Employee costs	(371)	(259)
Transportation expenses	(9)	-
Third party services	(5,105)	(71)
Depreciation and amortisation	(182)	(5)
Consumables expenses	-	(4)
Repairs and maintenance	-	(10)
Other	-	(32)
Total, of which	(415,933)	(381)
<i>Cost of sales</i>	<i>(411,128)</i>	<i>-</i>
<i>Administrative expenses</i>	<i>(4,302)</i>	<i>(84)</i>
<i>Research and development</i>	<i>(503)</i>	<i>(297)</i>

Defined Contribution Plan

The Company paid 1.2 million RON to defined contribution retirement plans during the year ended 31 December 2024 (2023: 0.8 million RON). Beyond the settlement of monthly contributions, the Company has no other obligations towards its employees in relation to their defined contribution retirement plans.

Share Option Plan

Employee costs include expenses related to a share-based compensation program, implemented by the parent company starting 2022, whereby eligible personnel receive conditional rights to acquire shares in the parent company under a Share Option Plan (“the SOP”). Under the SOP, options on the parent company’s shares are granted to senior managers (including executive officers) of the Company, with more than 12 months’ service for the Agricover group, at the discretion of the Board of Directors of the parent company (no individual has a contractual right to participate in the plan or to receive any guaranteed benefits).

The SOP is designed to provide short-term and long-term incentives to the participants to deliver appropriate long-term shareholders returns. It includes two components:

- short-term component, with options that vest after twelve months, depending on participants' achievements with respect to their individually assigned KPIs (non-market performance condition); and

Notes to the Financial Statements
Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

- long-term component, with options that vest over a three-year period (graded vesting, one-third of the total number of granted options vesting each year) based on the Parent company's consolidated net profit over the vesting period (non-market performance condition).

Vesting under both components of the SOP is conditioned upon the participant remaining employed within the Group on such vesting date, and on the achievement of the relevant performance indicators (whereby the maximum number of options that can vest is for a performance level of 130% versus the assigned levels of the performance indicators). The share options granted will not vest if the performance conditions are not met or if the participant leaves the Group before the vesting date.

Options are granted under SOP for no consideration and carry no dividend or voting rights. The share options are exercisable at 0.1 RON/share.

The service cost is determined with reference to the fair value of the underlying shares. The fair value of the parent company's share is estimated at the grant date by considering the its consolidated net profit (as reported in the most recent annual consolidated financial statements) and average market multiples published by the Bucharest Stock Exchange and/or other third-party data providers. Such multiples include the price-to-earnings ratio, which measures the share price in relation to the net profits of entities listed on the Bucharest Stock Exchange.

The performance conditions are only considered in determining the number of instruments that will ultimately vest and have no impact on the value of options granted.

The parent company provides an optional redemption mechanism of the SOP-acquired shares as follows:

- anytime during the holding period, the new shareholder has the right to ask the parent company to buy her shares and the parent company has the right to accept or deny the acquisition. Identical acquisition options can be initiated by the parent company as well, without the holder having the obligation to exercise. In practice, except as stated below, there is no obligation on either side to buy or sell as a result of the other party's sell or buy initiative.
- the shares are mandatorily redeemable by the parent company upon termination of the participants to the program.

An expense is recognised over the period in which the service and performance conditions are fulfilled (the vesting period) with recognition of an equity reserve, for all employees or executives under the SOP. The cost of services is determined with reference to the fair value of the share options at grant date. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of options that will ultimately vest.

Set out below are summaries of options granted, exercised or expired under the plan:

Number of options	2024	2023
1 January	382,101	-
Granted during the year	860,294	382,101
Exercised during the year	-	-
Expired during the year	(382,101)	-
31 December	860,294	382,101

Notes to the Financial Statements
Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

All options outstanding at 31 December 2024 have an exercise price of 0.1 RON/share. The weighted average remaining contractual life of options outstanding is 1.33 years. For 2024 the Company recognized an expense of 26 thousand RON in relation to the SOP. During 2023, as the performance conditions were not met, the SOP related expense was nil.

7 CURRENT AND DEFERRED INCOME TAX

Current and deferred income tax expense is calculated based on tax rates and tax laws enacted or substantively enacted in Romania, at the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or on different taxable entities where there is an intention to settle the balances on a net basis.

As at 31 December 2024, the Company has cumulative fiscal losses amounting to RON 38,674 thousand (31 December 2023: RON 24,338 thousand; 1 January 2023: RON 9,560 thousand) for which no deferred tax has been recognized. The Company may recover carried forward losses of up to 70% of its taxable profits. Fiscal losses accumulated until 31 December 2023 may be recovered within a maximum of 7 years from the date of the loss. Fiscal losses incurred after 31 December 2023 may be recovered within a maximum of 5 years from the date of the loss.

The expiration dates for the cumulative fiscal losses as at 31 December 2024 are presented below:

		Expiring date (31 December...)						
		2025	2026	2027	2028	2029	2030	2031
Fiscal losses	38,674	-	-	753	1,748	21,395	14,778	-

The expiration dates for the cumulative fiscal losses as at 31 December 2023 are presented below:

		Expiring date (31 December...)						
		2024	2025	2026	2027	2028	2029	2030
Fiscal losses	24,338	-	-	-	753	1,748	7,059	14,778

The expiration dates for the cumulative fiscal losses as at 1 January 2023 are presented below:

		Expiring date (31 December...)						
		2023	2024	2025	2026	2027	2028	2029
Fiscal losses	9,560	-	-	-	-	753	1,748	7,059

Notes to the Financial Statements

Risk management

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section discusses the Company's exposure to various risks, explains how these risks are managed and indicates how they could affect the Company's financial position and performance.

8 FINANCIAL RISKS MANAGEMENT

The Company's strategy for growth and development has the farmers and their needs at its core. The Company's aim is to support its customers in reaching their potential and, in the process, to support Romanian agriculture in its important role in the European and global food chain.

This business model involves taking on and managing financial risks in a targeted manner. The core functions of the Company's risk management are to identify the key risks to the Company, measure these risks, manage the risk positions and determine related capital allocations.

The Company's Administrator has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and market best practice.

i. Credit risk

Credit risk is the risk of suffering financial loss if any of the Company's customers or market counterparties fail to fulfil their contractual obligations to the Company.

Credit risk arises primarily from trade receivables, but may also arise from other receivables, or cash equivalents. The Company's maximum exposure to credit risk is reflected by the carrying amounts of financial assets in the statement of financial position.

The Company applies IFRS 9 simplified approach for measuring expected credit losses, which requires a lifetime expected loss value adjustment for all trade receivables and contract assets. To measure expected credit losses, trade receivables have been grouped on buckets, according to the number of days past due.

The expected loss rates are based on the Group's payment profiles of sales observed over a period of 36 months before 31 December 2024, 31 December 2023 and 1 January 2023, respectively, and the corresponding historical credit losses experienced within this period. Where relevant, the historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the expected credit losses ("ECL") for trade receivables were not material for the years presented in these financial statements (as at 31 December 2024, total value of trade receivables amounted to 7.4 million RON, of which 6.9 million RON were not due).

ii. Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates.

The Company is exposed to market risks arising from its open interest rate and foreign exchange positions, as well as from its long position of commodity-like agricultural inputs (mostly crop nutrition products). Quantitative and qualitative information about the Company's exposure to these risks and the related risk management policies and practices within the Company are discussed in this note.

Notes to the Financial Statements

Risk management

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from future commercial transactions and recognised monetary assets and liabilities. The Company is exposed mainly to the euro ('EUR') and the US dollar ("USD").

The Company's exposure to foreign currency risk at the end of each reporting period, presenting the Company's monetary financial assets and monetary financial liabilities, at their carrying amounts, by denomination currency, was as follows (amounts are expressed in RON thousand equivalent):

	31 December 2024		31 December 2023	1 January 2023
	EUR	USD	EUR	EUR
Active				
Cash and balances with banks	11	2	3	0
Finance lease receivable	238	-	-	-
Trade and other receivables	-	-	0	0
Total assets	249	2	3	0
Liabilities				
Borrowings	-	(1,571)	-	-
Lease liabilities	(612)	-	-	-
Trade and other payables	(2,233)	(84)	-	(2)
Total liabilities	(2,845)	(1,655)	-	(2)
Net financial position	(2,596)	(1,653)	3	(2)

Sensitivities of profit or loss and equity to reasonably possible changes in EUR and USD exchange rates relative to the functional currency were insignificant as at 31 December 2024 and for all periods presented in these financial statements.

b) Interest rate risk

The Company's main interest rate risk arises from floating rate borrowings, which expose the Company to cash flow interest rate risk. The Company's policy is to attract floating rate borrowings, and all of its borrowings at 31 December 2024, 31 December 2023 and 1 January 2023, respectively, are floating rate.

The Company's borrowings and receivables are carried at amortised cost. The borrowings are periodically contractually repriced (see below) and to that extent expose the Company to cash flow interest rate risk. All other financial assets and financial liabilities of the Company, including trade and other receivables, cash and cash equivalents, and trade and other payables do not bear interest and to that extent expose the Company to fair value interest rate risk.

The exposure of the Company to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows (assets and liabilities are included at carrying amount and categorized by the earlier of contractual repricing or maturity dates).

Notes to the Financial Statements

Risk management

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Asset / liability class	up to 1 month	1 to 3 months	3 to 12 months	1 year and over	Total
Trade and other receivables	-	3,453	4,340	-	7,793
Finance lease receivable	7	15	75	141	238
Cash and cash equivalents	628	-	-	-	628
Total financial assets	635	3,468	4,415	141	8,659
Borrowings	-	(1,571)	(1,006)	-	(2,577)
Lease liabilities	(20)	(39)	(202)	(351)	(612)
Trade and other payables	(9,512)	(4,218)	(11)	-	(13,741)
Total financial liabilities	(9,532)	(5,828)	(1,219)	(351)	(16,930)
Interest repricing gap	(8,897)	(2,360)	3,196	(210)	(8,271)

The comparative information as at 31 December 2023 is presented below:

Asset / liability class	up to 1 month	1 to 3 months	3 to 12 months	1 year and over	Total
Trade and other receivables	-	353	3,861	-	4,214
Cash and cash equivalents	113	-	-	-	113
Total financial assets	113	353	3,861	-	4,327
Borrowings	-	-	(11,295)	-	(11,295)
Trade and other payables	-	(3,178)	-	-	(3,178)
Total financial liabilities	-	(3,178)	(11,295)	-	(14,473)
Interest repricing gap	113	(2,825)	(7,434)	-	(10,146)

The comparative information at 1 January 2023 is presented below:

Asset / liability class	up to 1 month	1 to 3 months	3 to 12 months	1 year and over	Total
Trade and other receivables	-	14	2,922	-	2,936
Cash and cash equivalents	60	-	-	-	60
Total financial assets	60	14	2,922	-	2,996
Borrowings	-	-	(3,450)	-	(3,450)
Trade and other payables	(1)	(2,087)	-	-	(2,088)
Total financial liabilities	(1)	(2,087)	(3,450)	-	(5,538)
Interest repricing gap	59	(2,073)	(528)	-	(2,542)

Sensitivities of profit or loss and equity to reasonably possible changes in interest rates were insignificant as at 31 December 2024 and for all periods presented in these financial statements.

Notes to the Financial Statements

Risk management

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

c) Liquidity risk

Liquidity risk is defined as the risk that the Company does not have sufficient liquid financial resources to meet obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources in addition to its core capital base, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis.

Prudent liquidity risk management also implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of unused borrowing facilities to meet obligations when due and to close out market positions. The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

	31 December 2024	31 December 2023	1 January 2023
Undrawn Uncommitted facilities	326,392	50	2,617
expiring within one year	99,392	50	2,617
expiring beyond one year	227,000	-	-
Total available undrawn facilities, of which:	326,392	50	2,617
expiring within one year	99,392	50	2,617
expiring beyond one year	227,000	-	-

Of the total amount, RON 197.8 million is available under facilities jointly agreed with Agricover Distribution, of which RON 70.8 million is set to expire within one year and RON 127 million beyond one year. These facilities can be utilized by either Agricover Distribution, Agricover Commodities, or both. The remaining facilities are exclusively allocated to the Company.

Notes to the Financial Statements

Risk management

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Analysis of monetary assets and liabilities

The Company manages its exposure to the liquidity risk using a maturity structure of its monetary assets and liabilities based on remaining contractual maturities of assets and liabilities with set payment terms and on expected cash flows for those assets or liabilities without specific maturities. All of the Company's borrowings are uncommitted, including unconditional early repayment options in favour of the lender. Based on its history and relationships developed with its business partners, the Company concluded that exercising such options is highly unlikely, thus the early repayment options are not considered in the analysis below. The table below shows how the Company manages its liquidity risk by presenting the undiscounted cash flows of monetary assets and liabilities on time bands based on their remaining contractual maturities.

Analysis as at 31 December 2024 is presented below:

31 December 2024	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	more than 5 years	Total
Trade and other receivables	6,165	1,628	-	-	-	7,793
Finance lease receivable	49	49	89	64	-	251
Cash and cash equivalents	628	-	-	-	-	628
Expected inflows on assets	6,842	1,677	89	64	-	8,672
Borrowings	(1,571)	(1,006)	-	-	-	(2,577)
Lease liabilities	(133)	(133)	(256)	(120)	-	(642)
Trade and other payables	(14,880)	-	-	-	-	(14,880)
Expected outflows on liabilities	(16,584)	(1,139)	(256)	(120)	-	(18,099)
Net gap	(9,742)	538	(167)	(56)	-	(9,427)

Notes to the Financial Statements

Risk management

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Comparative analysis as at 31 December 2023 is presented below:

31 December 2023	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	more than 5 years	Total
Trade and other receivables	4,214	-	-	-	-	4,214
Cash and cash equivalents	113	-	-	-	-	113
Expected inflows on assets	4,327	-	-	-	-	4,327
Borrowings	-	(11,295)	-	-	-	(11,295)
Trade and other payables	(3,738)	-	-	-	-	(3,738)
Expected outflows on liabilities	(3,738)	(11,295)	-	-	-	(15,033)
Net gap	589	(11,295)	-	-	-	(10,706)

Comparative analysis as at 1 January 2023 is presented below:

1 January 2023	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	more than 5 years	Total
Trade and other receivables	2,936	-	-	-	-	2,936
Cash and cash equivalents	60	-	-	-	-	60
Expected inflows on assets	2,996	-	-	-	-	2,996
Borrowings	-	(3,450)	-	-	-	(3,450)
Trade and other payables	(2,616)	-	-	-	-	(2,616)
Expected outflows on liabilities	(2,616)	(3,450)	-	-	-	(6,066)
Net gap	380	(3,450)	-	-	-	(3,070)

Notes to the Financial Statements

Risk management

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

The table below shows the undiscounted cash flows of its financial liabilities as at 31 December 2024. Repayments on borrowings which include the early repayment option in favour of the lender are treated as if the options was exercised immediately (i.e. as if the Company was required to fully reimburse immediately all such borrowings).

31 December 2024	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	more than 5 years	Total
Borrowings	(2,577)	-	-	-	-	(2,577)
Lease liabilities	(133)	(133)	(256)	(120)	-	(642)
Trade and other payables	(13,741)	-	-	-	-	(13,741)
Total	(16,451)	(133)	(256)	(120)	-	(16,960)

Comparative analysis as at 31 December 2023 is presented below:

31 December 2023	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	more than 5 years	Total
Borrowings	(11,295)	-	-	-	-	(11,295)
Trade and other payables	(3,178)	-	-	-	-	(3,178)
Total	(14,473)	-	-	-	-	(14,473)

Comparative analysis as at 1 January 2023 is presented below:

1 January 2023	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	more than 5 years	Total
Borrowings	(3,450)	-	-	-	-	(3,450)
Trade and other payables	(2,088)	-	-	-	-	(2,088)
Total	(5,538)	-	-	-	-	(5,538)

Notes to the Financial Statements
Capital Management and Equity

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section contains information about the Company's share capital, the Company's equity, what is managed as capital, and the Company's capital management practices.

9 **EQUITY AND CAPITAL MANAGEMENT**

The Company's shares and shareholding structure are detailed below:

Ordinary shares, issued and fully paid:	31 December 2024	31 December 2023	1 January 2023
at 1 January	2,254,500	1,904,500	1,904,500
issued during the year	850,000	350,000	
at 31 December,	3,104,500	2,254,500	
RON 10 each, 100% owned by:			
Agricover Holding SA	3,104,500	2,254,500	1,904,500

Issued share capital is detailed below:

	31 December 2024	31 December 2023	1 January 2023
Share capital	31,045	22,545	19,045

Capital management

The Company's objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for its stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

As a result of the losses recorded during the year ended 31 December 2024, the Company's net assets, determined as the difference between its total assets and total liabilities, decreased to less than half of the amount of its subscribed share capital. To align with the Companies Act 31/1990, as modified and amended, the sole shareholder approved the decrease of the share capital to cover historical losses accumulated in retained earnings, in amount of 21.8 million RON. As at the date of these financial statements, the decision has been registered with the trade registry and has been published in the official gazette no. 544 on the 5th of February 2025.

Other reserves

Other reserves include share-based payments reserve.

Notes to the Financial Statements
Financial Assets and Liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information about the Company's financial assets and liabilities, including specific information about each type of financial instrument held, related accounting policies for recognizing and measuring financial instruments as well as their fair values, when significantly different from their carrying amounts.

10 **OVERVIEW OF FINANCIAL INSTRUMENTS**

An overview of the financial instruments held by the Company is presented below:

	Note	31 December 2024	31 December 2023	1 January 2023
Financial assets at amortised cost:		8,421	4,327	2,996
Trade and other receivables	11	7,793	4,214	2,936
Cash and cash equivalents	12	628	113	60
Financial liabilities at amortised cost:		16,318	14,473	5,538
Borrowings	13	2,577	11,295	3,450
Trade and other payables	14	13,741	3,178	2,088

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

With the exception of trade receivables, at initial recognition the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not measured at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or performing the promised services.

Immediately after initial recognition, an expected credit loss allowance (“ECL”) is recognised for financial assets measured at amortised cost, as described in Note 8, which results in an accounting loss being recognised when an asset is newly originated.

Classification and subsequent measurement

Classification and subsequent measurement depend on:

- i. the Company's business model for managing the asset - it reflects how the Company manages assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets, or to collect both the contractual cash flows and the cash flows from the sale of the asset; and
- ii. the cash flow characteristics of the asset - namely whether the financial instruments' cash

Notes to the Financial Statements
Financial Assets and Liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

flows represent solely payments of principal and interest ('SPPI' test).

Based on these factors, the Company classifies its financial assets at amortized cost. Cash and cash equivalents, trade and other receivables are held for the collection of contractual cash flows, and those cash flows represent solely payments of principal and interest ('SPPI').

The amortized cost is the amount at which the financial instrument (asset or liability) is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation, using the effective interest method, of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

All financial assets of the Company are classified and measured at amortised cost.

Expected credit losses

The Company assesses on a forward-looking basis the expected credit losses ('ECL') associated with its trade and other receivables and recognises a loss allowance for such losses at each reporting date. Details about the Company's impairment policies and the calculation of the expected credit loss allowance are provided in Note 8.

Classification of financial liabilities

The Company's financial liabilities are classified and subsequently measured at amortised cost.

Derecognition

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Trade and other receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst other, the failure of forced execution and a failure to make contractual payments. Any subsequent recoveries of amounts previously written off are credited to net credit losses on financial assets in profit or loss for the year.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Financial assets and liabilities presented in the Company's statement of financial position and measured at amortized cost have their fair values approximated by their respective carrying amounts.

Notes to the Financial Statements
Financial Assets and Liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

11 TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Payment terms depend on type of goods acquired and the financing options selected by the customer (e.g. own funds, loans from other entities within the Agricover Group or commercial credit), and generally do not exceed 30 calendar days.

	31 December 2024	31 December 2023	1 January 2023
Trade receivables	7,434	332	-
Less: allowance for trade receivables	(44)	-	-
Trade receivables - net	7,390	332	-
Receivables from related parties (note 20)	123	2	-
Other receivables	280	3,880	2,936
Total other receivables	403	3,882	2,936
Less: allowance for other receivables	-	-	-
Total other receivables - net	403	3,882	2,936
Total trade and other receivables	7,793	4,214	2,936

Other receivables are represented mainly by VAT receivable from the state.

12 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits held with financial institutions, with original maturities of 3 months or less. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

As at 31 December 2024, 31 December 2023 and 1 January 2023 cash and cash equivalents presented in the statement of financial position are represented by placements held with highly reputable local banks.

13 BORROWINGS

	31 December 2024	31 December 2023	1 January 2023
Current			
Borrowings from local banks	1,571	-	-
Borrowings from related parties	1,006	11,295	3,450
Total borrowings	2,577	11,295	3,450

Borrowings from related parties and from local banks are represented by working capital revolving credit lines, secured by promissory notes.

Notes to the Financial Statements
Financial Assets and Liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

14 **TRADE AND OTHER PAYABLES**

	31 December 2024	31 December 2023	1 January 2023
Trade payables	9,643	1,777	2,010
Expected commercial discounts	(1,028)	-	-
Trade payables, net	8,615	1,777	2,010
Payables to related parties (note 20)	5,122	1,401	41
Fixed assets suppliers	4	-	37
Total other payables	5,126	1,401	78
Total financial liabilities	13,741	3,178	2,088
Other non-financial liabilities			
Personnel and related taxes	1,136	560	520
Other current liabilities	3	-	8
Total non-financial liabilities	1,139	560	528
Total trade and other payables	14,880	3,738	2,616

Trade and other payables are all current and unsecured.

Notes to the Financial Statements
Non-Financial Assets and Liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information about the Company's non-financial assets, including specific information about:

- Contract liabilities (note 15);
- Inventories (note 16);
- Other current assets (note 17);
- Intangible assets (note 18);

and related material accounting information, judgements and estimates.

15 CONTRACT LIABILITIES

A contract liability is recognised when a payment is received, or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e. transfers control of the related goods or services to the customer).

16 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts, if the case. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Any net realisable value adjustment is reversed when the inventories are sold or when the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances.

Inventories of the Company are represented mainly by crop nutrition products.

17 OTHER CURRENT ASSETS

	31 December 2024	31 December 2023	1 January 2023
Advances for inventories	3,557	-	-
Prepayments	350	225	1,584
Advances for suppliers	-	44	-
Other current assets	17	66	-
Total	3,924	335	1,584

Advances for inventories represent amounts paid by the Company to its suppliers of fuel and crop nutrition products. Prepayments represent mainly advance payments for software as a service expensed over the period of subscriptions.

Notes to the Financial Statements
 Non-Financial Assets and Liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

18 INTANGIBLE ASSETS

Intangible assets of the Company are represented by software licences acquired and by internally generated software. The Company has no intangible assets with indefinite useful life. Licenses and internally generated software are recognised at historical cost less amortisation and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Amortisation for software licences and for internally generated software is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives of 3 to 5 years.

Movements in cost (gross book value) and in the accumulated amortisation are presented below for each significant class of intangible assets:

	Software licences	Internally generated software	Software in progress	Total
Gross book value	1,402	11,872	2,098	15,372
Accumulated amortisation	(594)	(4,342)	-	(4,936)
Net book value at 1 January 2024	808	7,530	2,098	10,436
Additions	520	-	3,369	3,889
Write-off and disposals	-	(9,827)	-	(9,827)
Transfers	-	5,435	(5,435)	-
Amortisation charge	(342)	(3,138)	-	(3,480)
Net book value at 31 December 2024	986	-	32	1,018
Gross book value	1,922	-	32	1,954
Accumulated amortisation	(936)	-	-	(936)

Comparative information for 2023 is included below:

	Software licences	Internally generated software	Software in progress	Total
Gross book value	1,330	11,070	239	12,639
Accumulated amortisation	(228)	(1,832)	-	(2,060)
Net book value at 1 January 2023	1,102	9,238	239	10,579
Additions	72	-	2,661	2,733
Transfers	-	802	(802)	-
Amortisation charge	(366)	(2,510)	-	(2,876)
Net book value at 31 December 2023	808	7,530	2,098	10,436
Gross book value	1,402	11,872	2,098	15,372
Accumulated amortisation	(594)	(4,342)	-	(4,936)

Notes to the Financial Statements
Non-Financial Assets and Liabilities

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Significant judgement – capitalisation of development costs

In accordance with IAS 38, the Company has capitalised software development costs and has expensed all other related costs when incurred. During development phases, all significant types of costs were reviewed and capitalised only to the extent that are specifically related to the design or development of the software. Costs with licences of tools and systems used as part of the development were capitalised during the development phase and expensed thereafter, if the case. After the initial launch of a software, the Company may continue to research and develop new functionalities to improve the existing version of that particular software. In such cases, related costs are capitalised only to the extent they refer to significant new functionalities, which were not included in prior versions of the software. Improvements capitalised after the initial launch of the software are amortised over its remaining useful life. All maintenance and bug fixing costs are expensed as incurred. All costs capitalised during 2024 or prior periods have been written off or disposed as part of the restructuring activities further detailed under Note 19.

Notes to the Financial Statements
Discontinued Operations

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides details regarding the Company's discontinued operations, including the nature and financial impact of business activities that have been discontinued during the reporting period. It outlines the rationale behind the discontinuation, the financial performance of these operations, and their classification in the financial statements.

19 DISCONTINUED OPERATIONS

During the second half of 2024, in response to challenges related to the slow adoption of advanced precision agriculture software and tools by farmers, the Company undertook a strategic reorganization of its business operations. As part of this reorganization, the Company decided to discontinue its digital operations, which included the closure of the Crop360 platform. The Crop360 platform, originally designed to provide farmers with access to innovations in digital agriculture, aimed to facilitate decision-making and automate a wide range of farming activities.

The Company assessed these operations as representing a major line of business and classified all directly attributable income and expenses as part of the "Profit/(loss) for the year from discontinued operations" line item in the statement of comprehensive income. Indirect costs (e.g. management, back office etc.) which are not directly attributable to the discontinued operations were not allocated to the result from discontinued operations as respective employees continued their activity with the Company as at the date of these financial statements, and are expected to continue in the foreseeable future. Moreover, when an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

As a consequence of the above, the statement of comprehensive income for both the financial year ended 31 December 2024 and the financial year ended 31 December 2023 presents the result of the Company's digital operations, including related research and development costs, on a separate single line related to discontinued operations under "Profit/(loss) for the period from discontinued operations".

Notes to the Financial Statements
 Discontinued Operations

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

The statement of profit or loss and other comprehensive income (loss) related to discontinued operations is detailed below:

	2024	2023
Revenue from contracts with customers	9,114	289
Cost of sales	(7,257)	(222)
Net credit losses on financial assets	-	-
Gross profit	1,857	67
Administrative expenses	(5,489)	(3,453)
Research and development	(8,484)	(6,930)
Other operating expenses, net	(5,505)	(232)
Operating loss	(17,621)	(10,548)
Finance income	-	3
Finance costs	(2,069)	(1,179)
Loss before tax	(19,690)	(11,724)
Income tax expense	-	-
Loss for the year from discontinued operations	(19,690)	(11,724)

Net other operating expenses include the write-off of intangible assets related to the discontinued operations, amounting to 5.3 million RON during financial year 2024 (no impairment was recognised during the financial year 2023). The breakdown of other expenses from discontinued operations by nature is detailed in the table below.

	2024	2023
Merchandise	(7,257)	(222)
Employee costs	(5,184)	(2,944)
Transportation expenses	(121)	(79)
Third party services	(3,997)	(4,353)
Depreciation and amortisation	(3,496)	(2,905)
Consumables expenses	(188)	(80)
Repairs and maintenance	(110)	(30)
Other	(877)	8
Total, of which	(21,230)	(10,605)
<i>Cost of sales</i>	(7,257)	(222)
<i>Administrative expenses</i>	(5,489)	(3,453)
<i>Research and development</i>	(8,484)	(6,930)

Notes to the Financial Statements
Other information

(all amounts are in thousands of RON, rounded to the nearest thousand unless otherwise stated)

This section of the notes includes other information that must be disclosed to comply with accounting standards and other pronouncements, but which is not immediately related to the Company's financial performance, its risk management or individual line items in the financial statements.

20 **RELATED PARTIES TRANSACTIONS**

Significant related parties transactions of the Company were conducted on terms judged by management to be equivalent to those prevailing in an arm's length transaction. The Company discloses below its significant transactions, related income, expenses and balances in respect of the following categories of related parties:

Parent company

The Company's sole shareholder is Agricovert Holding SA. Mr. Kanani Jabbar, the ultimate beneficial owner of the Company, owns 87.113% of the share capital of the parent company (31 December 2023: 87.269%, 1 January 2023: 87.269%). During the years 2024 and 2023 there were no significant transactions with the parent company.

Key management

For the year 2024, the compensation granted to key management personnel amounts is nil (2023: nil), as key management tasks were performed mainly by the sole administrator, who has no remuneration.

Other related parties

The following transactions were carried out with related parties during the year 2024 and 2023:

	Notes	2024	2023
Sales to other related parties:		8,895	2
Sale of services		285	-
Sale of goods		4,089	-
Sale of intangibles	18	4,500	-
Other operating income		21	2
Acquisitions from other related parties:		5,419	1,399
Purchase of services		5,419	1,399
Loans received from other related parties			
Interest expenses		2,256	1,180

Notes to the Financial Statements
Other information

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Outstanding balances arising from transactions with other related parties

The following balances are outstanding at the end of each reporting period in relation to transactions with other related parties:

	Notes	31 December 2024	31 December 2023	1 January 2023
Receivables from other related parties	11	123	2	-
Trade receivables		123	2	-
Payables to other related parties	14	5,122	1,401	41
Trade payables		5,084	1,345	41
Other payable		38	56	-
Borrowings	13	1,006	11,295	3,450

During the year ended 31 December 2024, the Company acted as agent for Agricover Distribution SA and Agricover Credit IFN SA, entities controlled by the Parent company, in relation to IT licenses and other IT service acquisitions with a total value of RON 778 thousand (2023: RON 444 thousand).

21 **EVENTS AFTER THE REPORTING PERIOD**

No significant events after the reporting period.

APPENDIX F

AGRICOVER HOLDING S.A.

SEPARATE FINANCIAL STATEMENTS





Independent Auditor's Report

To the Shareholders of Agricover Holding SA

Report on the audit of the separate financial statements

Our opinion

In our opinion, the separate financial statements give a true and fair view of the financial position of Agricover Holding SA ("the Company") as at 31 December 2024, and the Company's financial performance and cash flows for the year then ended in accordance with the Order of Minister of Public Finance No. 2844/2016 for approval of accounting regulations in accordance with International Financial Reporting Standards and subsequent amendments ("OMPF 2844/2016") and with International Financial Reporting Standards as adopted by the European Union ("IFRS EU").

Our opinion is consistent with our additional report to the Audit Committee dated 27 March 2025.

What we have audited

The Company's separate financial statements comprise:

- the separate statement of financial position as at 31 December 2024;
- the separate statement of profit or loss and other comprehensive income for the year then ended;
- the separate statement of changes in equity for the year then ended;
- the separate statement of cash flows for the year then ended; and
- the notes to the separate financial statements, comprising material accounting policy information and other explanatory information.

The separate financial statements as at 31 December 2024 are identified as follows:

- Total equity: lei 574,566 thousand;
- Net profit for the year: lei 14,856 thousand.

The Company's registered office is in Romania, Ilfov, Voluntari, 1B Pipera Boulevard, Cubic Center Office Building, 8th Floor, and the Company's unique fiscal registration code is 36036986.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation EU No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the "Regulation 537/2014") and Law 162/2017 regarding statutory audit of annual financial statements and annual consolidated financial statements and regarding changes to other regulations and subsequent amendments (the "Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers Audit S.R.L.

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EUID ROONRC.J40/17223/1993, fiscal registration code RO4282940, share capital RON 7,630

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Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Regulation 537/2014 and the Law 162/2017 that are relevant to our audit of the separate financial statements in Romania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Regulation 537/2014 and the Law 162/2017.

To the best of our knowledge and belief, we declare that no services other than audit were provided to the Company in the period from 1 January 2024 to the date of issuing this report.

Our audit approach

Overview

Materiality	Overall materiality for the separate financial statements of the Company: lei 3,600 thousand, which represents 1 % of net assets.
Key audit matter	Measurement of investments in subsidiaries.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the separate financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the separate financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Company materiality for the separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the separate financial statements as a whole.

Overall Company materiality	lei 3,600 thousand
How we determined it	1 % of net assets
Rationale for the materiality benchmark applied	We chose the net assets as the benchmark because, it is the most relevant measure of the Company's financial position, which is the primary focus of users of the separate financial statements given the Company's nature and circumstances. We chose 1 %, which in our experience is an acceptable quantitative materiality threshold for this benchmark.



Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>Measurement of investments in subsidiaries</p> <p>Refer to Note 2 “Basis of preparation” and Note 15 “Investments” to the separate financial statements.</p> <p>As at 31 December 2024, the Company held equity investments in subsidiaries with a total carrying value of RON 366,719 thousand (2023: RON 354,497 thousand), measured at cost in accordance with IAS 27 “Separate financial statements”.</p> <p>Management assesses at each reporting date whether there are indicators of impairment for these investments. As at 31 December 2024, such indicators were identified in relation to one of the loss-making subsidiaries. As a result, management performed an impairment assessment using a value-in-use approach based on discounted future cash flows. This process involves significant management judgement, particularly in relation to forecasts of future performance, discount rates, and terminal growth rate assumptions.</p> <p>Given the magnitude of the investments and the judgement involved in the impairment assessment, we considered this to be a key audit matter.</p>	<p>Our audit approach to address the key audit matter involved the following procedures:</p> <ul style="list-style-type: none"> • Obtaining management’s impairment assessment and evaluating the methodology applied, including the identification of any indicators of impairment as at year-end; • Assessing the reasonableness of the key assumptions used in the impairment models, such as forecasted cash flows, discount rates, and terminal cash flows growth rates; • Comparing forecasts used in the impairment models to the subsidiaries’ historical performance and business plans approved by the board of directors; • Assessing qualitative factors that could impact the carrying amount of the investments in subsidiaries, including but not limited to regulatory, operational or market developments; • Where applicable, involving our internal valuation specialists to assess the appropriateness of the models and discount rates used; • Testing the mathematical accuracy of the impairment model and agreed key inputs to supporting documentation; • Evaluating the adequacy of the disclosures in the separate financial statements, including those relating to key estimates and judgments made by management.

This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



Other matters

The separate financial statements of the Company for the year ended 31 December 2023 were audited by another firm of auditors whose report, dated 28 March 2024, expressed an unmodified opinion on those separate financial statements.

Reporting on other information including the Board of Directors' Report

The Board of Directors is responsible for the other information. The other information comprises the Board of Directors' Report and information included in the Annual Report (the "Annual Report") prepared in accordance with Financial Supervisory Authority ("FSA") Regulation 5/2018 on issuers of financial instruments and market operations with subsequent amendments (the "FSA Regulation 5/2018"), but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information, including the Board of Directors' Report and the information included in the Annual Report.

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Board of Directors' Report our responsibility is to consider whether the Board of Directors' Report was prepared in accordance with OMF 2844/2016, articles 15-19 and whether it is consistent with the separate financial statements.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Board of Directors' Report for the financial year for which the separate financial statements are prepared is consistent with the separate financial statements;
- the Board of Directors' Report has been prepared in accordance with OMF 2844/2016, articles 15-19.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the separate financial statements

Management is responsible for the preparation of the separate financial statements, that give a true and fair view in accordance with OMFP 2844/2016 and IFRS EU, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on other legal and regulatory requirements

Report on the compliance of the format of separate financial statements with the requirements of the European Single Electronic Format (“ESEF”)

We have been engaged as part of our audit engagement letter by the Management of the Company to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the separate financial statements of the Company for the year ended 31 December 2024 included in the digital file 452bd140c00f20c7b84a93c7abb912e743763a1df228f97d582a37c703c9c92c (the “Presentation of the Separate Financial Statements”).

Description of a subject matter and applicable criteria

The Presentation of the Separate Financial Statements has been applied by the Management of the Company to comply with the requirements of Law 24/2017, Financial Supervision Authority Regulation 7/2021 and art. 3 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the “ESEF Regulation”). The applicable requirements regarding the Presentation of the Separate Financial Statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the Presentation of the Separate Financial Statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the Management and those charged with governance

The Management of the Company is responsible for the Presentation of the Separate Financial Statements that complies with the requirements of the ESEF Regulation.

This responsibility includes implementing and maintaining internal controls relevant for the preparation of the Presentation of the Separate Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process, which should also be understood as the preparation of separate financial statements in accordance with the format resulting from the ESEF Regulation.

Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the Presentation of the Separate Financial Statements complies, in all material respects, with the ESEF Regulation.

We conducted our engagement in accordance with the International Standard on Assurance Engagements 3000 (R) – “Assurance Engagements other than Audits and Reviews of Historical Financial Information” (“ISAE 3000(R)"). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Separate Financial Statements complies, in all material aspects, with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000(R) will always detect the existing material misstatement (significant non-compliance with the requirements).



Quality control requirements

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Separate Financial Statements complies, in all material aspects, with the applicable requirements and such compliance is free from material errors or omissions. Our procedures included in particular:

- Obtaining an understanding of the internal control system and processes relevant to the application of the European Electronic Reporting Format of the Separate Financial Statements, including the preparation of the XHTML format;
- Verification whether the XHTML format was applied properly;
- Evaluating the appropriateness of the format of the separate financial statements and assessing the consistency between the XHTML electronic format of the separate financial statements and the signed and audited separate financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed, the Presentation of the Separate Financial Statements complies, in all material respects, with the ESEF Regulation.

Other matter - Reissuance of the Report on other legal and regulatory requirements

We issued our previous independent auditor's report dated 27 March 2025 on the Company's separate financial statements for the year ended 31 December 2024. That report, in section "Report on the compliance of the format of separate financial statements with the requirements of the European Single Electronic Format ("ESEF"), referred to the marking up of the separate financial statements in iXBRL format. The marking up is not required for separate financial statements and consequently no such work has been performed by us. To appropriately reflect these facts, we issue this new auditor's report containing our unmodified conclusion on the compliance of the Presentation of the Separate Financial Statements with the ESEF Regulation. Referring to mark-up procedures did not and does not affect our conclusion in this area, nor our auditor's report on the audit of the separate financial statements of the Company.

Reporting on report regarding information related to income tax

In accordance with OMFP 2844/2016, article 60¹², in connection with the audit of the separate financial statements for the financial year ended as at 31 December 2024, our responsibility is to state if, for the previous financial year ended as at 31 December 2023, the Company had the obligation, in accordance with 60²-60^{6.8} of OMPF 2844/2016, to publish a report regarding information related to income tax for the financial year ended 31 December 2023 and if this is the case, whether such report was published in accordance with 60¹⁰ of OMPF 2844/2016.



The Company did not have the obligation to publish the report regarding information related to income tax.

Appointment

We were appointed by Ordinary General Shareholders Meeting as auditors of Agricover Holding SA on 8 July 2024. This is the first year of our appointment as auditors.

The financial auditor responsible for carrying out the audit resulting in this independent auditor's report is Francesca Postolache.

On behalf of

PricewaterhouseCoopers Audit SRL

Audit firm

registered with the Public Electronic Register of financial auditors and audit firms under no FA6

Refer to the original

signed Romanian version

Francesca Postolache

Financial auditor

registered with the Public Electronic Register of financial auditors and audit firms under no AF1716

Bucharest, 11 April 2025

AGRICOVER HOLDING SA

SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2024

Prepared in accordance with the Order of the Ministry of Public Finance no. 2844/2016 approving the accounting regulations compliant with the **International Financial Reporting Standards, as adopted by the European Union**

** The original version of the separate financial statements was written in Romanian. This document is an English translation of the original document. In case of any discrepancy between the English text and the Romanian text, the latter will prevail.*

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	Notes	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment		50	25
Investments	15	366,719	354,497
Other receivables	0	318	-
Loans granted	13	198,496	198,130
		565,583	552,652
Current assets			
Other receivables	0	1,260	28,575
Other current assets		64	58
Loans granted	13	6,334	6,316
Cash and cash equivalents	12	1,325	100
		8,983	35,049
Total assets		574,566	587,701
EQUITY AND LIABILITIES			
Equity			
Share capital and share premium	8	192,501	194,900
Treasury shares	8	(33)	(2,542)
Other reserves	8	33,581	32,838
Retained earnings		136,656	152,548
		362,705	377,744
Non-current liabilities			
Borrowings	13	-	198,437
Other payables	5	369	83
		369	198,520
Current liabilities			
Trade and other payables	5	5,264	899
Borrowings	13	206,228	10,538
		211,492	11,437
Total liabilities		211,861	209,957
Total equity and liabilities		574,566	587,701

AGRICOVER HOLDING SA | Separate Financial Statements

Separate Statements of Profit or Loss and Other Comprehensive Income
for the year ended 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Notes	2024	2023
Dividend income	3	19,309	20,847
Administrative expenses	5	(6,852)	(8,375)
Other income	15	2,247	-
Operating profit		14,704	12,472
Finance income	4	7,433	7,310
Finance costs	4	(7,280)	(7,321)
Exchange differences (loss)		(1)	(17)
Profit before tax		14,856	12,444
Income tax expense	6	-	-
Profit for the year		14,856	12,444
Total comprehensive income for the year		14,856	12,444

Approved for issue and signed on behalf of the Board of Directors on 27 March 2025.

Liviu Dobre
Director General

Stelian Ioan Vezentan
Director Financiar

Separate Statements of Changes in Equity

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Note	Share capital and share premium	Treasury shares	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2024		194,900	(2,542)	32,838	152,548	377,744
Profit for the year		-	-	-	14,856	14,856
Total comprehensive income for the year		-	-	-	14,856	14,856
Increase in treasury shares	5	-	2,542	-	-	2,542
Decrease in treasury shares	5	-	(33)	-	-	(33)
Increase in share capital	8	79	-	-	-	79
Movement in share premium (SOP related)	5	(2,478)	-	-	-	(2,477)
Transfer to legal reserves	8	-	-	743	(743)	-
Dividend distribution	16	-	-	-	(30,005)	(30,005)
Total transactions with owners of the Company		(2,399)	2,509	743	(30,748)	(29,895)
Balance as at 31 December 2024		192,501	(33)	33,581	136,656	362,705

	Note	Share capital and share premium	Treasury shares	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2023		193,418	-	32,216	140,726	366,360
Profit for the year		-	-	-	12,444	12,444
Total comprehensive income for the year		-	-	-	12,444	12,444
Treasury shares acquired	5	-	(2,542)	-	-	(2,542)
Increase in share capital and share premium	5	1,482	-	-	-	1,482
Transfer to legal reserve	8	-	-	622	(622)	-
Total transactions with owners of the Company		1,482	(2,542)	622	(622)	(1,060)
Balance as at 31 December 2023		194,900	(2,542)	32,838	152,548	377,744

Separate Statements of Cash Flows
for the year ended 31st of December

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

	Notes	2024	2023
Cash flows from operating activities			
Profit for the year		14,856	12,444
Adjustments for:			
Unrealised FX differences		(120)	(26)
Dividend income	3	(19,309)	(20,847)
Interest income	4	(7,433)	(7,310)
Interest expense	4	7,280	7,335
Changes in working capital			
(Increase) / Decrease in other receivables and other current assets		(2,247)	2,300
Increase in the trade and other payables		647	162
		(6,325)	(5,942)
Dividends collected	3	46,307	4,435
Net cash generated from / (used in) operating activities		39,981	(1,507)
Cash flows from investing activities			
Payments for increase of investments in subsidiaries	15	(8,500)	(3,500)
Payments for acquisitions of fixed assets		(25)	(25)
Interest collected	13,16	6,967	6,840
Proceeds from sale of investments	15	2,240	-
Net cash generated from investing activities		682	3,315
Cash flows from financing activities			
Dividends paid	16	(30,005)	-
Proceeds from issue of share capital	8	79	339
Cash from subsidiaries on account of the SOP programme	5	339	2,078
Repurchase of treasury shares	8	(9)	(2,542)
Proceeds from borrowings	13	-	4,600
Repayment of borrowings	13	(4,291)	(500)
Interest paid	13	(5,550)	(6,688)
Net cash used in financing activities		(39,437)	(2,713)
Cash and cash equivalents at the beginning of the year		100	1,005
Net increase/ (decrease) in cash and cash equivalents		1,225	(905)
Cash and cash equivalents at the end of the year		1,325	100

Notes to the Separate Financial Statements
General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section includes general information about the Company and its structure as well as material accounting policy information that relate to the separate financial statements as a whole. Material accounting policy information and estimates, judgements and assumptions used in the application of those policies which are specific to a particular item are included within the note referring to that item. Accounting policies relating to items that are not material are not included in these separate financial statements.

1 GENERAL INFORMATION

Agricover Holding SA (“the Company”) is a holding entity, incorporated in 2018, registered at Trade Register with the fiscal number J23/447/2018. The Company and its subsidiaries detailed in Note 15 (together referred to as “the Group”) are incorporated and are domiciled in Romania.

The Company’s headquarter is located at 1B Pipera Blvd, Voluntari, Ilfov, Romania.

The Group carries out activities in the agricultural and financial sectors. The Company is an investment vehicle that directly owns:

- Agricover Distribution SA and Agricover Commodities SRL, formerly known as Agricover Technology SRL (jointly referred to as “the Agribusiness segment”), specialised in the distribution of agricultural inputs – certified seeds, crop protection products, crop nutrition products, and fuel;
- Agricover Credit IFN SA (“the Agrifinance segment”), non-banking financial institution specialised in financing farmers; currently with a portfolio of three main categories of products: investment loans, credit lines, and factoring, all designed around the needs of the farmers, including with tailored maturities and payment terms generally correlated with the harvesting and sale of crops seasons;

As of December 31st, 2024, the Group prepared consolidated financial statements which are available on the Company’s website: <https://relatii-investitori.agricover.ro/en/investor-relations>.

2 BASIS OF PREPARATION

Compliance statement

These separate financial statements as at and for the year ended 31 December 2024 have been prepared in accordance with Order no. 2844 for the approval of accounting regulations in accordance with the International Financial Reporting Standards issued by the Romanian Ministry of Finance on 12th of December 2016, with subsequent amendments and modifications (“Order 2844”) and are in compliance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”).

Notes to the Separate Financial Statements
General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Historical cost convention

These separate financial statements have been prepared under the historical cost convention.

Consistent application of accounting policies

The material accounting policies applied in the preparation of these separate financial statements are set out below in the relevant Notes to these separate financial statements and have been consistently applied to all the periods presented, unless otherwise stated. The preparation of financial statements in accordance with Order no. 2844 and with IFRS requires the use of judgements and estimates. The areas involving a higher degree of judgment or complexity, or areas where estimates are significant, are disclosed in the notes referring to the line items impacted by those judgements or estimates.

Functional and presentation currency

These separate financial statements are presented in Romanian New Lei ("RON"), which is the functional currency of the Company. All amounts are presented in thousands RON and rounded to the nearest unit, unless otherwise stated.

Going concern

After consideration of the Company's liquidity, gearing level, budgeted cash flows and related assumptions, management believes that the Company has adequate resources to continue as a going concern for the foreseeable future and these separate financial statements are prepared on this basis.

Standards and amendments newly applicable for periods starting January 1st, 2024

The following new and amended standards effective for periods starting January 1st, 2024, have been implemented by the Company and do not have a significant impact on the Company's separate financial statements.

✓ ***Amendments to IFRS 16 "Leases" on lease liability in a sale and leaseback transaction***

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains.

✓ ***Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial instruments: Disclosures", on supplier finance arrangements***

The amendments apply to supplier finance arrangements and introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk.

Standards and amendments effective for annual periods beginning on or after January 1st, 2025, not early adopted by the Company

A number of new IFRS and amendments to IFRS are required to be applied for annual periods beginning on or after January 1st, 2025, and are available for early adoption in periods beginning on or after January 1st, 2024. As at 31 December 2024 these new IFRS and amendments to IFRS have not been endorsed by the European Union.

Notes to the Separate Financial Statements
General Information and Basis of Preparation

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

The Company has not early adopted any of the forthcoming new and amended standards in preparing these separate financial statements. Once adopted, the new and amended standards are:

- ✓ ***Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”, on lack of exchangeability***

The amendments require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments are not expected to have a significant impact on the Company’s separate financial statements.

Effective date: annual periods beginning on or after January 1st, 2025.

- ✓ ***Amendments to IFRS 9 and IFRS 7, relating to the classification and measurement of financial instruments***

These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows;
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

No significant impact is expected from the implementation of this amendment.

Effective date: annual periods beginning on or after 1 January 2026, with early application permitted.

- ✓ ***IFRS 18: Presentation and Disclosure in Financial Statements***

IFRS 18, the new standard on presentation and disclosure in financial statements, will replace IAS 1. Many of the other existing principles in IAS 1 are retained, with limited changes mainly focused on updates to the statement of comprehensive income. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its ‘operating profit or loss’.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is in the process of analysing the impact of IFRS 18 to its separate financial statements.

Effective date: annual periods beginning on or after 1 January 2027, with early application permitted.

Notes to the Separate Financial Statements
Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information about the Company’s financial performance. The section covers material accounting policies and significant judgements and estimates made in relation to particular items of income or expense. The section concludes with details about the Company’s tax result in the year and current and deferred tax assets and liabilities at the end of the year.

3 DIVIDEND INCOME

Dividend income is recognised in profit or loss on the date on which the Company’s right to receive payment is established.

During 2024 the Company recognised dividends from its subsidiary Agricover Credit IFN SA in amount of RON 19.3 million (2023: dividends from Agricover Distribution SA in amount of RON 20.8 million).

4 FINANCE INCOME AND FINANCE COSTS

The Company offers loans to the other companies within the Group. To finance its loans granting activity, during 2021 the Company issued bonds – for more details please refer to Note 13.

Interest income and expenses are measured and recognised using the effective interest method, as prescribed by IFRS 9 Financial Instruments. Interest income and expense, as gained or incurred, are included in the statement of profit or loss within “Finance income” and “Finance costs”.

The table below presents the breakdown of finance income and finance costs:

	2024	2023
Interest income	7,433	7,310
Finance income	7,433	7,310
Interest costs	(7,296)	(7,283)
Exchange rate differences, net	(1)	(17)
Other financial gain / (losses)	16	(38)
Finance cost	(7,281)	(7,338)
Total, net	152	(28)

5 ADMINISTRATIVE EXPENSES

The table below presents the breakdown of administrative expenses:

	2024	2023
Commission and fees	(2,609)	(4,798)
Salaries and related contributions	(3,319)	(2,196)
Other expenses	(912)	(1,381)
Depreciation	(12)	-
Total	(6,852)	(8,375)

Notes to the Separate Financial Statements
Financial Performance

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Salaries and related contributions include the remuneration of the executive management and of the members of the Board of Directors. The Company paid 647 thousand RON to defined contribution retirement plans during the year ended 31 December 2024 (2023: 460 thousand RON). Beyond the settlement of monthly contributions, the Company has no other obligations towards its employees in relation to their defined contribution retirement plans.

Share Option Plan

Salaries and related contributions include expenses related to a share-based compensation program, implemented by the Company starting 2022, whereby eligible personnel within the Group receive conditional rights to acquire shares in the Company under a Share Option Plan (“the SOP”). Under the SOP, options on the Company’s shares are granted to senior managers (including executive officers) of the Group, with more than 12 months’ service for the Agricover group, at the discretion of the Board of Directors of the Company (no individual has a contractual right to participate in the plan or to receive any guaranteed benefits).

The SOP is designed to provide short-term and long-term incentives for the participants to deliver long-term shareholder returns. It includes two components:

- a) short-term component, with options that vest after twelve months depending on the participants’ achievements with respect to their individually assigned KPIs (non-market performance condition), and
- b) long-term component, with options that vest over a three-year period (graded vesting, one third of the total number of granted options vesting each year) depending on the Group’s yearly consolidated net profits over the vesting period (non-market performance condition).

Vesting under both components of the SOP is conditioned upon the participant remaining employed with the Group on such vesting date, and on the achievement of the relevant performance indicators (whereby the maximum number of options that can vest is for a performance level of 130% versus the assigned levels of the performance indicators). The share options granted will not vest if the performance conditions are not met or if the participant leaves the Group before vesting date.

Options are granted under the SOP for no consideration and carry no dividend or voting rights. The share options are exercisable at 0.1 RON/share.

The service cost is determined with reference to the fair value of the underlying shares. The fair value of the share options is estimated at the grant and, respectively, reporting dates by considering the Group’s consolidated net profit (as reported in its most recent annual consolidated financial statements) and average market multiples as published by the Bucharest Stock Exchange and / or other third-party data providers. Such multiples include the price-to-earnings ratio, which measures the share prices in relation to the net profits of entities listed on the Bucharest Stock Exchanges.

The performance conditions are only considered in determining the number of instruments that will ultimately vest and have no impact on the value of options granted.

The Group provides a redemption mechanism of the SOP-acquired shares as follows:

- anytime during the holding period, the new shareholder has the right to ask the Company to buy his/her shares and the Company has the right to accept or deny the acquisition. Identical acquisition options can be initiated by the Company as well, without the holder having the obligation to exercise. In practice, except as stated below, there is no obligation on either side

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to buy or sell as a result of the other party's sell or buy initiative.

- the shares are mandatorily redeemable by the Company upon employment termination of the participants to the program.

An expense is recognized over the vesting period, which corresponds to the period during which the service and performance conditions are satisfied, for all employees and executives under the SOP who are directly employed by the Company. For beneficiaries of the SOP employed by other entities within the Group, an increase in investments in subsidiaries is recognized. The cost of services is determined based on the fair value of the share options, measured initially at the grant date and subsequently at each reporting date until the vesting date. A liability is recognized for all SOP beneficiaries, with the cumulative liability at each reporting date reflecting the proportion of the vesting period that has elapsed and the Company's best estimate of the number of options expected to vest.

Set out below are summaries of the Group's options granted under the plan:

	2024	2023
In balance at the beginning of the financial year	22,091,584	7,488,122
Granted during the year	44,496,885	18,271,590
Exercised during the year	(4,176,019)	(3,389,216)
Expired during the year	(16,005,568)	(278,912)
In balance at the end of the financial year	46,406,882	22,091,584

As of 31 December 2024, all outstanding options have an exercise price of 0.1 RON per share. The weighted average remaining contractual life of these options is 0.93 years (31 December 2023: 0.93 years).

The liability related to the SOP, recognized as of 31 December 2024, amounts to RON 3.3 million (31 December 2023: RON 0.3 million) and is presented in the separate statement of financial position as follows: RON 0.4 million (31 December 2023: RON 0.1 million) under non-current liabilities, within "Other payables," and RON 2.9 million (31 December 2023: RON 0.2 million) under current liabilities, within "Trade and other payables."

6 CURRENT AND DEFERRED INCOME TAX

Current and deferred income tax charges are calculated on the basis of tax rates and tax laws enacted or substantively enacted in Romania at the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity

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or different taxable entities where there is an intention to settle the balances on a net basis.

As of 31 December 2024 the Company has cumulative fiscal losses amounting to RON 6.8 million (31 December 2023: RON 7.7 million) for which no deferred tax asset has been recognised.

The expiration dates for the cumulative fiscal losses as at 31 December 2024 are presented below:

		Expiring date (31 December...)						
		2025	2026	2027	2028	2029	2030	2031
Fiscal losses	6,807	206	1,513	1,701	1,074	1,955	358	-

The expiration dates for the cumulative fiscal losses as at 31 December 2023 are presented below:

		Expiring date (31 December...)						
		2024	2025	2026	2027	2028	2029	2030
Fiscal losses	7,735	1,348	206	1,513	1,701	1,074	1,535	358

The Company is an investment vehicle that controls three entities (refer to Note 15). In both 2024 and 2023 financial years, the Company received dividends from its subsidiaries. While the Company expects to continue to receive dividends in the future, dividend income is a non-taxable income. Similar fiscal treatment applies to capital gains that might be obtained by the Company when selling all or part of its investments. Moreover, interest income currently is and is expected to be in the future substantially similar to the related interest expense (main objective of the Company in attracting funds is to finance its subsidiaries and it does so generally by offering loans with similar characteristics or by share capital increases).

In this context and considering that the Company did not and does not plan to engage in other significant taxable revenue generating activities, as of 31 December 2024 no deferred tax asset is recognised for fiscal losses carried forward (31 December 2023: nil).

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(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section discusses the Company's exposure to various risks, explains how these risks are managed and shows how these could affect the Company's financial position and performance.

7 **FINANCIAL RISKS MANAGEMENT**

The Company's activity is restricted to managing its investments and accessing the capital markets to attract funds for the entities within the Group (for further details please refer to Note 13).

This business model involves taking on and managing financial risks in a targeted manner. The core functions of the Company's risk management are to identify key risks for the Group, measure these risks, manage the risk positions and determine related capital allocations.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company regularly reviews its risk management policies and systems to reflect changes in markets and products and with consideration of best market practice.

i. CREDIT RISK

Credit risk is the risk of suffering financial loss should any of the Company's debtors or market counterparties fail to fulfill their contractual obligations towards the Company.

Credit risk arises mainly from loans granted by the Company to its subsidiaries, but can also arise from cash equivalents and from other receivables.

Other receivables refer mainly to dividend receivables and receivables from the sale in 2019 of a 10% participation in Agricover Distribution SA, one of the Company's subsidiaries. Part of the consideration from this sale was collected at the transaction date, while the remaining amount is to be collected by the end of 2026.

The Company's maximum exposure to credit risk is reflected by the carrying amounts of financial assets on the statement of financial position.

As at 31 December 2024 the Company assesses the exposure to credit risk as minimal considering the credit quality of its subsidiaries and the financial standing of the banks where it holds current accounts or deposits. Expected credit losses under weighted average forward looking scenarios were assessed as immaterial and were not recognised in these separate financial statements.

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(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

ii. Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

The Company is exposed to market risks arising from its open positions in interest rate and currency products. Quantitative and qualitative information about the Company's exposure to these risks as well as related risk management policies and practices within the Company are discussed in this note.

a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company's exposure to foreign currency risk at the end of each reporting period, showing the Company's monetary financial assets and financial liabilities, at their carrying amounts, by denomination currency, was as follows (amounts are expressed in RON thousand equivalent):

	31 December 2024	31 December 2023
	EUR	EUR
Assets		
Cash and bank balances	1,257	4
Loans granted	204,830	204,446
Other receivables	927	926
Total assets	207,014	205,376
Liabilities		
Issued bonds	(206,228)	(204,753)
Total Liabilities	(206,228)	(204,753)
Net financial position	786	623

Sensitivities of profit or loss and equity to reasonably possible changes in EUR exchange rates relative to the functional currency were insignificant as at 31 December 2024 and for all periods presented in these financial statements.

b) Interest rate risk

The Company's primary exposure to interest rate risk stems from a 40 million EUR corporate bond with a five-year maturity, issued in 2021. The proceeds from this bond were utilised to fund Agricover Credit IFN's loan granting activities through a loan that carries similar risk characteristics to the corporate bond. All other financial assets and liabilities of the Company, including cash and cash equivalents, and trade and other receivables and payables, do not bear interest and to that extent expose the Company to fair value interest rate risk.

The following table provides an analysis of the Company's interest rate risk exposure on financial assets and liabilities. The Company's financial assets and liabilities are included at carrying amount and categorised by the earlier of contractual repricing or maturity dates.

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(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

asset / liability class	up to 1 month	1 to 3 months	3 to 12 months	1 year and above	Total
Loans granted	6,334	-	-	198,496	204,830
	-	-	-	318	318
Other receivables	651	-	609	-	1,260
Cash and cash equivalents	1,325	-	-	-	1,325
Total financial assets	8,310	-	609	198,814	207,733
Issued bonds	(1,214)	(6,336)	-	(198,678)	(206,228)
Trade payables	(226)	-	-	-	(226)
Total financial liabilities	(1,440)	(6,336)	-	(198,678)	(206,454)
Interest repricing gap	6,871	(6,336)	609	136	1,279

Comparative information as at 31 December 2023 is presented below:

asset / liability class	up to 1 month	1 to 3 months	3 to 12 months	1 year and above	Total
Loans granted	6,316	-	-	198,130	204,446
Other receivables	27,649	-	926	-	28,575
Cash and cash equivalents	100	-	-	-	100
Total financial assets	34,065	-	926	198,130	233,121
Issued bonds	-	(6,316)	-	(198,437)	(204,753)
Borrowings	-	-	(4,222)	-	(4,222)
Trade payables	(281)	-	-	-	(281)
Total financial liabilities	(281)	(6,316)	(4,222)	(198,437)	(209,256)
Interest repricing gap	33,784	(6,316)	(3,296)	(307)	23,865

Substantially all financial assets and liabilities of the Company bear fixed interest rate or are interest free. The Company's exposure to cash flow interest rate risk is minimal.

iii. Liquidity Risk

Liquidity risk is defined as the risk that the Company does not have sufficient liquid financial resources to meet obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To mitigate this risk, the terms of loans and advances granted are matched with those of the issued bonds. Moreover, management has arranged for funding sources in addition to its core capital base.

Prudent liquidity risk management also implies maintaining sufficient cash and the availability of funding through an adequate amount of unused borrowing facilities to meet obligations when due and to close out market positions.

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(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Analysis of financial assets and liabilities

The Company manages its liquidity risk exposure by structuring its monetary assets and liabilities based on their contractual maturities, considering both set payment terms and expected cash flows for assets and liabilities without specific maturities. However, as required by IFRS, the table below presents the liquidity risk by displaying the undiscounted cash flows of monetary assets and liabilities categorized into time bands based on their contractual maturities and considering any early repayment options in favor of the lender as if exercised immediately (i.e. monetary liabilities with early repayment options are assumed to be repaid immediately and presented on the first time band).

31 December 2024	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	more than 5 years	total
Other receivables, non-current	-	-	318	-	-	318
Other receivables	651	609	-	-	-	1,260
Loans granted	6,964	-	205,928	-	-	212,891
Cash and cash equivalents	1,325	-	-	-	-	1,325
Expected inflows on assets	8,940	609	206,246	-	-	215,795
Issued bonds	(214,105)	-	-	-	-	(214,105)
Other payables, non-current	-	-	(369)	-	-	(369)
Trade and other payables	(226)	(5,038)	-	-	-	(5,264)
Expected outflows on liabilities	(214,331)	(5,038)	(369)	-	-	(219,738)
Net gap	(205,391)	4,429	205,877	-	-	(3,933)

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(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Comparative analysis as at 31 December 2023 is presented below:

31 December 2023	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	more than 5 years	total
Other receivables	27,649	926	-	-	-	28,575
Loans granted	6,964	-	6,964	205,948	-	219,877
Cash and cash equivalents	100	-	-	-	-	100
Expected inflows on assets	34,713	926	6,964	205,948	-	248,552
Issued bonds	(6,964)	-	(6,964)	(205,948)	-	(219,877)
Other payables, non-current	-	-	(83)	-	-	(83)
Borrowings	-	(4,668)	-	-	-	(4,668)
Trade and other payables	(281)	(618)	-	-	-	(889)
Expected outflows on liabilities	(7,247)	(5,286)	(7,047)	(205,948)	-	(225,527)
Net gap	27,468	(4,360)	(83)	-	-	23,025

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section includes information about the Company's share capital, the Company's equity, what it manages as capital and capital management practices.

8 EQUITY

Issued and paid ordinary shares as well as the shareholding structure of the Company are detailed below:

	31 December 2024	31 December 2023
at 1 January	1,894,060,303	1,890,671,063
changes during the year	786,779	3,389,240
at 31 December, of which owned by:	1,894,847,082	1,894,060,303
ordinary shares of 0,1RON each, owned by:		
Mr. Kanani Jabbar	1,649,966,127	1,649,966,127
EBRD	240,630,848	240,630,848
Others	4,165,981	74,088
Treasury shares	84,126	3,389,240

Issued share capital amount, as well as the shareholding structure of the Company, and the share premium are detailed below:

	31 December 2024		31 December 2023	
	%	RON thousands	%	RON thousands
Mr. Kanani Jabbar	87.080	164,997	87.113	164,997
EBRD	12.700	24,063	12.704	24,063
Others	0.220	417	0.004	7
Treasury shares	0.004	8	0.179	339
Total	100	189,485	100	189,406
Share premium		3,017		5,494
Share capital and share premium		192,501		194,900

Other reserves

The following table shows a breakdown of the balance sheet line item 'other reserves' and the movements in reserves during the years.

	Total	Legal reserves	Other reserves
As of 1 January 2023	32,216	6,930	25,286
Transfer from accounting profit	622	622	-
As of 31 December 2023	32,838	7,552	25,286
Transfer from accounting profit	743	743	-
As of 31 December 2024	33,581	8,295	25,286

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Legal reserves: legal provisions require the Company that, at the end of each financial year, at least 5% of its accounting profit to be transferred to legal reserves until the balance of legal reserves reaches 20% of the Company's share capital. As of 31 December 2024, the balance of non-distributable legal reserve of the Company represented 4.4% of its share capital (31 December 2023: 4.0%).

Other reserves: profit carried forward by some of the Company's subsidiaries at the date when these were transferred to the Company through spin-offs from entities under common control with the Company.

9 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to manage its capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The shareholders approved by their decision dated 28 April 2024 the distribution of dividends amounting to 11.8 million RON from the net profit for the financial year ended 31 December 2023 and 18.2 million RON from the undistributed profits of previous financial years.

The Company monitors capital on the basis of the Net Debt Ratio, which shall be equal to or lower than 6.00. The Net Debt Ratio or gearing ratio is computed based on the consolidated financial statements and represents total borrowings (including lease liabilities) less cash and cash equivalents over total equity (refers to the consolidated financial statements as at and for the year ended 31 December 2024 for further details and calculation of the Net Debt Ratio).

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section provides information about the Company's financial assets and liabilities, including specific information about each type of financial instrument held, related accounting policies for recognising and measuring financial instruments as well as their fair values.

10 OVERVIEW OF FINANCIAL INSTRUMENTS

An overview of the financial instruments held by the Company is presented below:

	Note	31 December 2024	31 December 2023
Financial assets at amortised cost:			
Loans granted	13	204,830	204,446
Other receivables	0	1,578	28,575
Cash and cash equivalents	12	1,325	100
Financial liabilities at amortised cost:			
Borrowings	13	(206,228)	(208,975)
Trade payables		(226)	(281)

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not measured at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions.

Classification and subsequent measurement

Classification and subsequent measurement depend on:

- i. the Company's business model for managing the asset – it reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of asset; and
- ii. the cash flow characteristics of the asset – namely whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test').

Based on these factors, the Company classifies its financial assets as at amortised cost, cash and cash equivalents, receivables and loans and advances granted are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI').

The amortised cost is the amount at which the financial instrument (asset or liability) is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

All financial assets of the Company are classified and measured at amortised cost, with the exception

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

of investments in subsidiaries, which are measured at cost.

Classification of financial liabilities

Company's financial liabilities are classified and subsequently measured at amortised cost.

Derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Loans granted, investments and other receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of forced execution and a failure to make contractual payments for a period of greater than three years. Any subsequent recoveries of amounts previously written off are credited to net credit losses on financial assets, in profit or loss for the year.

11 OTHER RECEIVABLES

Other receivables are represented by receivables from related parties, namely dividends to be received from Agricovert Distribution SA and a remaining consideration to be received following the sale in 2019 of a 10% participation in Agricovert Distribution SA. Of total other receivables, RON 318 thousand are non-current as at 31 December 2024 (31 December 2023: nil). Further details on balances and transactions with related parties are included in Note 16.

12 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held with financial institutions, with original maturities of 3 months or less.

As at 31 December 2024 and 31 December 2023, Cash and cash equivalents presented in the Statement of financial position and in the Statement of cash flows are represented by placements held with highly reputable local banks.

13 BORROWINGS CONTRACTED AND LOANS GRANTED

	31 December 2024	31 December 2023
Non-current		
Issued bonds	-	198,437
Total non-current borrowings	-	198,437
Current		
Issued bonds	206,228	6,316
Borrowings	-	4,222
Total current borrowings	206,228	10,538
Total borrowings	206,228	208,975

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

Issued bonds

During 2021, the Company issued a EUR 40 million fixed rate bond with an original maturity of 5 years. The bond is unsecured and includes certain financial covenants with which the Group or its subsidiaries must comply, and which are monitored on the basis of the Group's annual consolidated financial statements, or the annual financial statements of the relevant subsidiaries, as appropriate.

Loan granted to a subsidiary

The proceeds from bonds were used to finance the operations of Agricover Credit IFN. An intra-group loan was granted by the Company in this respect, which mirrors the terms and conditions of the issued bonds. Namely, the Company granted to Agricover Credit IFN a credit facility of EUR 40 million to be repayed in full on 31 January 2026. The interest amounting to EUR 1.4 million is annually due on 31st of January. The Company paid fees and commissions directly related to the bond issued of EUR 241 thousands which were capitalized and will be expensed during the facility agreement period through the effective interest rate method.

Compliance with financial covenants

The Company's listed bonds' prospectus, approved by the Financial Supervisory Authority (FSA) Decision no. 400 of 26.03.2021, provides for certain financial covenants to be observed by the Company and its Main Subsidiaries (Agricover Credit IFN SA, and Agricover Distribution SA) for each year during the existence of the bonds which have not been redeemed or cancelled, until the maturity of the bonds, respectively until 3 February 2026.

The financial covenants are tested and calculated annually, upon the approval of, and by reference to, the IFRS compliant audited consolidated financial statements of the Company, the IFRS compliant audited financial statements of Agricover Distribution SA, and the IFRS compliant audited consolidated financial statements of Agricover Credit IFN SA.

Non-compliance with financial covenants imposed by the bonds allows bondholders the right to early call the bond, at its nominal value plus any accrued interest, provided, however, that at least 25% of the bondholders are in favour of exercising this contingent option. Nevertheless, if any infringement is remedied within 90 calendar days from its occurrence date, and bondholders conclude that the respective obligation was observed, it shall be deemed that the Company and/or its main subsidiaries observed the respective financial covenant on the relevant calculation date as if there had been no failure to fulfil the relevant financial covenant, and the infringement shall be deemed remedied.

The financial covenants are calculated and disclosed in the Group's consolidated financial statements as at and for the year ended 31 December 2024. As the computed values for two of these financial covenants do not meet the thresholds set by the bond prospectus, the related liabilities are classified as current in these separate financial statements as of 31 December 2024.

Furthermore, upon receiving the list of bondholders from Depozitarul Central, for the reference dates 12th January 2024, and 12th January 2025, the Company became aware that some of the corporate bonds it had issued were and continue to be held by an investor ("Sanctioned Investor") included by the US Treasury Department's Office of Foreign Assets Control ("OFAC"), starting April 2023, on the specially designated nationals and blocked persons list ("OFAC Sanctions").

Unlike sanctions imposed by European Union or by Romanian authorities, OFAC Sanctions are not applicable directly in Romania. Furthermore, to the best of the management's knowledge, there are

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

no legal provisions in the primary and/or secondary legislation related to the Romanian capital market, and/or in Depozitarul Central's Code, and/or in the service agreement concluded by the Company with Depozitarul Central regarding the treatment of payment obligations to investors subject to international sanctions. To the best of the management's knowledge, up to the date of these separate financial statements, the applicable Romanian legislation or regulations do not include any specific guidelines on dealing with the OFAC sanctions.

Notwithstanding the OFAC Sanctions not being directly applicable under Romanian law, the Company does not wish its lenders to become directly or indirectly subject to international sanctions or to be exposed in any way to international sanctions.

In view of the above, at its own initiative, the Company placed and blocked into one of its bank accounts the funds corresponding to the part of the interest on the issued corporate bonds that was due, under the prospectus, on 5th February 2024 and on 5th of February 2025, to the sanctioned investor.

The sanctioned investor was informed by our decision to withhold the interest owed until such payment becomes possible with the observance of the international sanctions. However, in the unlikely scenario that, for whatever reasons and with the observance of the international sanctions, the Company will have to early repay the outstanding principal on its issued corporate bonds, the management considers that this will not significantly impact the Company's ongoing business.

Changes in liabilities arising from financing activities

Significant changes in the Company's liabilities as arising from its financing activities are presented here:

	2024	2023
at 1 January	208,975	203,400
Withdrawals	-	4,600
Interest accrued during the year	7,296	7,283
Interest paid during the year	(5,550)	(6,688)
Repayments	(4,291)	(500)
Foreign exchange rate effect	(202)	880
at 31 December	206,228	208,975

14 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

(unobservable inputs).

Financial instruments not measured at fair value but for which fair value is disclosed

The level in the fair value hierarchy into which the fair value measurements of financial assets and liabilities not measured at fair value but for which fair value is disclosed are categorized is presented in the table below. Fair value is disclosed for all financial assets and liabilities not measured at fair value and for which fair value is significantly different than the carrying amount.

During 2021, the Company issued a EUR 40 million fixed rate bond with 5 years maturity. Starting with March 31st, 2021, the bonds are listed on the Stock Exchange Bucharest. The proceeds from bonds were used to finance the loans granting activity of Agricover Credit IFN.

The issued bonds were not actively traded during the financial year. For disclosure purposes the Company estimated their fair value by:

- ✓ calculating the yield spread over EUR denominated Romanian sovereign bonds with similar maturities and annual coupon, as of the origination date (i.e. February 2021);
- ✓ estimating the yield on the Company issued corporate bonds as of 31 December 2024 by considering:
 - i. the evolution of the yield of the respective sovereign bonds between February 2021 and December 2024, and
 - ii. constant yield spread between the Company issued corporate bonds and the government bonds with otherwise similar characteristics.

As the terms and conditions of the loan granted mirrors the terms and conditions of issued bonds, the fair value of the bonds was assessed as a reasonable approximation of the fair value of the loan.

The valuations were accordingly presented at level 2 in the fair value hierarchy as at 31 December 2024 and 31 December 2023.

The carrying amounts and fair values of the bonds and the loan are presented below:

31 December 2024	Level 1	Level 2	Level 3	Total	Carrying Value
Loans granted	-	189,023	-	189,023	204,830
Issued bonds	-	(190,237)	-	(190,237)	206,228

31 December 2023	Level 1	Level 2	Level 3	Total	Carrying Value
Loans granted	-	191,533	-	191,533	204,446
Issued bonds	-	(191,533)	-	(191,533)	204,753

All other financial assets and liabilities presented on the Company's statement of financial position and measure at amortised cost have their fair values approximated by the carrying value.

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section includes information about the Company's investments, including related accounting policies for recognising and measuring investments .

15 INVESTMENTS

Subsidiaries are those investees that the Company controls because it has:

- power to direct their activities that significantly affect their returns,
- exposure, or rights, to variable returns from its involvement with the investees, and
- the ability to use its power over the investees to affect the amount of the investor's returns.

Associates are entities over which the Company has significant influence.

In its separate financial statements, the Company measures its investments in subsidiaries and associates at cost less impairment.

As at 31 December 2024 the Company has no investments in associates. Its investment in Danube Grain Services SRL was sold during the year for a consideration of EUR 450 thousand (a gain of RON 2.2 million equivalent was recognised).

The Company's investments in subsidiaries are detailed in the below table.

AGRICOVER HOLDING SA | Separate Financial Statements

Notes to the Separate Financial Statements

Investments

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

The table below presents details of investments in subsidiaries:

Entity name	Country	Relationship	% participation as at		thousand RON as at	
			31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Agricover Credit IFN SA	Romania	Subsidiary	99.99%	99.99%	152,760	150,386
Agricover Distribution SA	Romania	Subsidiary	86.62%	86.62%	182,886	181,566
Agricover Commodities SRL (*)	Romania	Subsidiary	100%	100%	31,073	22,545
Agroadvice SRL	Romania	Subsidiary	50%	50%	0	0
Investments in subsidiaries					366,719	354,497

(*) On 23rd January 2024 the share capital of Agricover Commodities SRL was increased by RON 8.5 million.

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to the Company's financial performance, its risk management or to individual line items in the separate financial statements.

16 RELATED PARTIES TRANSACTIONS

Significant related party transactions of the Company were conducted on terms equivalent to those prevailing in an arm's length transaction. The Company discloses below its significant transactions, related income, expenses and balances in respect of each of the following categories of related parties:

Ultimate controlling party

Mr. Kanani Jabbar, the ultimate beneficial owner of the Company, owns 87.080% of the share capital of the Company (31 December 2023: 87.113%). EBRD is the other significant shareholder of the Company, owning 12.700% of its share capital (31 December 2023: 12.704%).

Key management

Expense recognised during 2024 related to short term benefits, including monthly salaries and performance bonuses, granted to key management personnel amounts to RON 4,512 thousands (2023: RON 3,584 thousands). Additional expense of RON 577 thousand was recognised during 2024 related to share-based compensation granted to key management personnel (for further detail please refer to note 5). There are no other types of benefits granted by the Company to key management.

Related parties

The following transactions with related parties were carried out during 2024 and 2023:

	Note	2024	2023
Transactions with parent			
Dividend distributed		(26,185)	-
Transactions with subsidiaries			
Dividend income	3	19,309	20,847
Interest income	4	6,984	7,310
Interest costs	3	(69)	(121)
Purchase of goods / services		(168)	(7)
Transactions with other related parties			
Purchase of goods/ services		(21)	-

(all amounts in thousands RON, rounded to the nearest unit, unless otherwise stated)

The following balances are outstanding at the end of each the reporting periods in relation to transactions above:

	Note	31 December 2024	31 December 2023
Balances with subsidiaries:		206,408	233,021
Other receivables	0	1,578	28,575
Loans granted	13	204,830	204,446
Borrowings	13	-	(4,222)
Trade and other payables		(62)	-

In 2023, the Company contracted a variable interest rate (ROBOR 6M plus 7%) facility from Agricover Credit IFN, amounting to RON 8 million, with an original maturity of one year. As at 31 December 2023 the outstanding balance of the borrowing was RON 4.2 million. During 2024 the loan was reimbursed.

Refer to note 13 for details regarding loans granted to subsidiaries.

17 COMMITMENTS AND CONTINGENCIES

Contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its general operations and specifically to its investing activity. As a result, it is involved in various litigations and legal proceedings arising in the ordinary course of the its business. Management of the Company considers that these litigations will not have a significant impact on the operations or on the financial position of the Company.

18 EVENTS AFTER THE REPORTING PERIOD

A change in the shareholding structure of Agricover Holding SA was recorded in the shareholder registry on 6 February 2025. As a result of this change, CCI CARDINAL EQUITY SRL, a wholly owned entity of Mr. Kanani Jabbar, has become the majority shareholder of Agricover Holding SA, succeeding him in this role.

This change follows a corporate restructuring transaction in which Mr. Kanani Jabbar contributed his shareholding in Agricover Holding SA as an in-kind contribution to increase the share capital of CCI CARDINAL EQUITY S.R.L. Specifically, 1,649,966,127 nominative shares, representing 87.08% of the total share capital of Agricover Holding SA, were transferred to CCI CARDINAL EQUITY SRL. Mr. Kanani Jabbar maintains full control over Agricover Holding SA via his exclusive ownership of CCI CARDINAL EQUITY SRL.

This event does not impact the financial position or results of Agricover Holding SA as of the reporting date, nor is it expected to have any significant impact in the future.

APPENDIX G

RELATED PARTIES LIST



Lista Părtilor Afiliate / Related Parties List

1. Abatorul Peris SA
2. Adama Agricultural Solutions SRL
3. Adama Agriculture B.V
4. Agricola Cornatelu SRL
5. Agricover Commodities SRL
6. Agricover Credit IFN SA
7. Agricover Distribution SA
8. Agricover Holding SA
9. Agricover Payments SA
10. Agriland Company SRL
11. Agriland Ferme SRL
12. Agroadvice SRL
13. Asociatia Skivirus
14. Asrom SRL
15. Bucataru Marilena
16. Bucataru Stefan Doru
17. Cam Gurhan
18. Carpatina Beverages SA
19. Casa Leia SRL
20. Cathedral Distribution SRL
21. CCI Cardinal Equity SRL
22. Vezentan Ioan Stelian
23. Deniz Asset Management A.S.
24. Dimcea Bogdan
25. Dimcea Ramona Nicoleta
26. Dobre Liviu
27. Dumitrache Constantin
28. Dumitrache Daniela Elena
29. Dumitrescu Aura Elena
30. Fedorovici Liliana
31. Fedorovici Mihail
32. Granddis SRL
33. Greenfield Ventures SRL
34. Hacisuleyman Serhan
35. Idealasig Asistent in Brokeraj SRL
36. Intermedicas Partners SRL
37. Intermedicas Worldwide SRL
38. Intertech A.S.
39. Insight HR Consulting SRL
40. Kanani Jabbar
41. KPMG Romania SRL
42. Lipomin SA
43. Madeline-Dalila Alexander
44. Manoliu Cosmin Paul
45. Manoliu Mihaela Denisa
46. Martens Ben
47. Moayed Valeria Arnaut
48. Moayed Vargha
49. Neo Electronik A.S
50. Neohub A.S.
51. Neohub Bulut A.S.
52. Net Farming SRL
53. Platinum Advisory Services SRL
54. Podgoreanu Simona Mirela
55. Policalita SRL
56. Popa Alexandru
57. Popa Maria Catalina
58. Prodal 94 SRL
59. Radian Business SRL
60. Rekkers Mariana Sabina
61. Rekkers Robert Cornelis
62. Tatar Oana Georgeta
63. Tatar Valentin Ionut
64. Unik Advisors SRL
65. Vasile Andrei Florin
66. Vasile Ioana Roxana
67. Veldtster Inc
68. Clubul Fermierilor Romani Broker de Asigurare SRL



APPENDIX H

AGRICOVER HOLDING S.A.

ARTICLES OF ASSOCIATION



ACT CONSTITUTIV al

Societatii AGRICOVER HOLDING S.A.

CAPITOLUL I. DENUMIREA, FORMA JURIDICA, SEDIUL SI DURATA DE FUNCTIONARE A SOCIETATII

Art. 1 Denumirea societatii

Denumirea societatii este AGRICOVER HOLDING S.A. („Societatea”).

Denumirea societatii va putea fi schimbata in baza hotararii Adunarii Generale a Actionarilor.

In toate inscrisurile, facturile, anunturile, publicatiile sau in alte documente utilizate in activitatea comerciala ce emana de la societate se va inscrie denumirea acesteia, care va fi urmata de initialele S.A. („societate pe actiuni”), cu sediul social in Romania, judetul Ilfov, Oras Voluntari, Bd. Pipera, nr. 1B, Clădirea de Birouri Cubic Center, etaj 8, cod unic de înregistrare **36036986**, numar de ordine in registrul comertului **J23/447/2018**, identificator unic la nivel european (EUID) **ROONRC.J23/447/2018**, naționalitate română, capital social subscris si varsat 189.484.708,20 lei.

Art. 2 Forma juridica

Societatea AGRICOVER HOLDING S.A. este persoana juridica, cu capital integral privat, care isi desfasoara activitatea in conformitate cu dispozitiile cuprinse in prezentul act constitutiv, cat si al legislatiei aplicabile.

Societatea AGRICOVER HOLDING S.A. este o societate pe actiuni de tip inchis.

Art. 3 Sediul social

Sediul social al societatii este in **Romania**,

ARTICLES OF ASSOCIATION of

AGRICOVER HOLDING S.A.

CHAPTER I COMPANY NAME, LEGAL FORM, REGISTERED OFFICE AND DURATION

Art. 1 Company Name

The name of the Company is AGRICOVER HOLDING S.A. (the "Company").

The Company's name can be changed by resolution of the General Meeting of Shareholders.

All deeds, invoices, adverts, publications, or other documents used in business, issued by the company, the name of the Company shall be followed by the initials S.A. („societate pe actiuni”) with its registered office at no. 1B, Pipera Blvd., 8th floor, Cubic Center Office Building, Voluntari, Ilfov County, Romania, sole registration number **36036986**, registered with the trade registry under no. **J23/447/2018**, European unique identifier (EUID) **ROONRC.J23/447/2018**, Romanian nationality, with a subscribed and paid-up share capital of RON 189,484,708.20.

Art. 2 Legal form of the Company

AGRICOVER HOLDING S.A. is a private legal entity, which carries out its activity in accordance with the applicable legislation and these Articles of Incorporation.

AGRICOVER HOLDING S.A. is set up as a private joint-stock company.

Art. 3 Registered head office of the Company

The registered head office of the Company is

Adunarea Generala a Actionarilor va hotari mutarea sediului social al societatii, infiintarea de sucursale, filiale, reprezentante, agentii, puncte de lucru sau alte asemenea unitati cu sau fara personalitate juridica, situate in tara sau strainatate. Societatea poate infiinta, de asemenea asociatii, fundatii sau alte persoane juridice.

Art. 4 Durata de functionare

Durata de functionare a societatii este nedeterminata.

CAPITOLUL II. SCOPUL SI OBIECTUL DE ACTIVITATE ALE SOCIETATII

Art. 5 Scopul societatii

Societatea este infiintata si organizata pentru organizarea si gestionarea participatiilor la capitalul social al tuturor societatilor membre ale Grupului Agricoover.

Art. 6 Obiectul de activitate

Domeniul principal de activitate „642 - Activitati ale holdingurilor”.

Obiectul principal de activitate „6420 - Activitati ale holdingurilor”;

CAPITOLUL III. CAPITALUL SOCIAL SI ACTIUNILE

Art. 7 Capitalul social

Capitalul social subscris si varsat al Societatii este de 189.484.708,20 lei, din care 24.488.095,50 lei aport in numerar si 164.996.612,70 lei aport in natura, împărțit în 1.894.847.082 acțiuni nominative, fiecare în valoare nominala de 0,10 lei.

The General Meeting of Shareholders shall decide upon changing the registered office to another address, set up branches, agencies, representative offices, work points, or any other such units with or without legal personality, both in the country, or abroad. The Company can set up associations, foundations, or any other legal entities.

Art. 4 Duration of the Company

The duration of the Company is indefinite.

CHAPTER II BUSINESS SCOPE AND OBJECT OF THE COMPANY

Art. 5 Purpose of the business

The Company is incorporated and organised to administer and manage participations to the share capital of all Agricoover Group member companies.

Art. 6 Object of the business

The main domain of activity is: „642 – Activities pertaining to holdings”

The main object activity is: „6420 – Activities pertaining to holdings”.

CHAPTER III SHARE CAPITAL AND SHARES

Art. 7 Share capital

The subscribed and paid-up share capital of the Company is RON 189,484,708.20, of which RON 24,488,095.50 as contribution in cash and RON 164,996,612.70 as contribution in kind, divided into 1,894,847,082 nominative shares, with a nominal value of RON 0.10 each.

ACT CONSTITUTIV SOCIETATEA AGRICOVER HOLDING S.A.
Aportul actionarilor la constituirea capitalului
subscris si varsat, numarul de actiuni,
participarea la profit si pierderi se prezinta dupa
cum urmeaza:

- domnul **KANANI JABBAR**, CNP 1620928400625, născut la data de 28.09.1962 în localitatea Mianeh, Iran, domiciliat în Municipiul București, sector 1, Bld. Agronomiei, nr. 1-5, vila N.2_2, sc. Corp B, et. 4. ap. 26, cetățean român, identificat cu CI seria RX nr. 559501, eliberat de SPCEP Sector 1 la data de 25.08.2014, valabila până la data de 28.09.2024 („**Actionarul Majoritar**”), detine un numar de 1.649.966.127 actiuni nominative, cu valoarea nominala de 0,10 lei fiecare, echivalentul a 164.996.612,70 lei, aport in natura, reprezentand **87,08%** din capitalul social al Societatii;

- **BANCA EUROPEANA PENTRU RECONSTRUCTIE SI DEZVOLTARE**, o organizatie internationala infiintata in baza unui tratat („**BERD**”), detine un numar de 240.630.848 actiuni nominative, cu valoarea nominala de 0,10 lei fiecare, echivalentul a 24.063.084,80 lei, aport in numerar, reprezentand **12,70%** din capitalul social al Societatii;

- **ALTI ACTIONARI** care detin 4.250.107 actiuni nominative, cu valoarea nominala de 0,10 lei fiecare, echivalentul a 425.010,70 lei, aport in numerar, reprezentand **0,22%** din capitalul social al Societatii.

Beneficiarul real al Societății este domnul **KANANI JABBAR**, CNP 1620928400625, născut la data de 28.09.1962 în localitatea Mianeh, Iran, domiciliat în Municipiul

ARTICLES OF ASSOCIATION OF AGRICOVER HOLDING S.A.

The shareholders' contribution to the creation of the subscribed and paid-up share capital, the number of shares, the profit and loss share are as follows:

- Mr. **KANANI JABBAR**, CNP (Personal Numeric Code) 1620928400625, born on 28.09.1962 in Mianeh, Iran, domiciled in Bucharest, 1st District, 1-5 Agronomiei Blvd., villa N.2_2, entrance B, 4th floor, apt. 26, a Romanian citizen, identified by identity document series RX no. 559501, issued by SPCEP 1st District on 25.08.2014, valid until the date of 28.09.2024 (the "**Main Shareholder**"), holds 1,649,966,127 nominal shares, with a nominal value of RON 0.10 each, amounting to RON 164,996,612.70 as contribution in kind, standing for **87.08%** of the share capital of the Company;

- **EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT**, an international organisation formed by treaty ("**EBRD**"), holds 240,630,848 nominal shares, with a nominal value of RON 0.10 each, amounting to RON 24,063,084.80 as contribution in cash, standing for **12.70%** of the share capital of the Company;

- **OTHER SHAREHOLDERS** that hold 4,250,107 nominal shares, with a nominal value of RON 0.10 each, amounting to RON 425,010.70 as contribution in cash, standing for **0.22%** of the share capital of the Company.

The ultimate beneficial owner of the Company is Mr. **KANANI JABBAR**, CNP (Personal Numeric Code) 1620928400625, born on 28.09.1962 in Mianeh, Iran, domiciled

ACT CONSTITUTIV SOCIETATEA AGRICOVER HOLDING S.A. București, sector 1, Bld. Agronomiei, nr. 1-5, vila N.2_2, sc. Corp B, et. 4. ap. 26, cetățean român, identificat cu CI seria RX nr. 559501, eliberat de SPCEP Sector 1 la data de 25.08.2014, valabila până la data de 28.09.2024, deținând un procent de 87,08% din capitalul social total al Societății. Modalitatea în care se exercită controlul Societății este modalitate directă.

Majorarea sau reducerea capitalului social va fi facuta cu aprobarea Adunarii Generale a Actionarilor.

Art. 8 Actiunile

Actiunile Societatii sunt nominative, indivizibile, dematerializate si vor fi evidentiata in registrul actionarilor Societatii („**Registrul Actionarilor**”) tinut de Registrul Miorita S.A. cu sediul social in Romania, Judetul Cluj, Mun. Cluj Napoca, Str. Onisifor Ghibu, nr. 20A, cod unic de inregistrare RO 9599222, numar de ordine in registrul comertului J12/1267/1997.

Art. 9 Drepturi si obligatii ce decurg din detinerea actiunilor

Fiecare actiune confera detinatorului un vot in Adunarea Generala a Actionarilor precum si dreptul de a alege si a fi ales in organele de conducere ale Societatii.

Fiecare actionar este proprietar pe actiunile pe care le detine la Societate, acestea sunt indivizibile. Cand o actiune nominativa devine proprietatea mai multor persoane, Societatea nu este obligata sa inscrie transmiterea atata timp cat nu va fi desemnat un reprezentant unic.

ARTICLES OF ASSOCIATION OF AGRICOVER HOLDING S.A. in Bucharest, 1st District, 1-5 Agronomiei Blvd., villa N.2_2, entrance B, 4th floor, apt. 26, a Romanian citizen, identified by identity document series RX no. 559501, issued by SPCEP 1st District on 25.08.2014, valid until the date of 28.09.2024, holding 87.08% of the total share capital of the Company. The control of the Company is exercised in a direct manner.

The share capital shall be increased or decreased subject to the approval of the General Meeting of Shareholders.

Art. 8 Shares

The shares of the Company are nominal, indivisible, dematerialized, and shall be recorded in the Company's register of shareholders (the "**Register of Shareholders**"), kept by Registrul Miorita S.A., with its registered office at no. 20A, Onisifor Ghibu, Cluj Napoca, Cluj County, sole registration number RO 9599222, registered with the trade registry under no. registered with the trade registry under no. J12/1267/1997.

Art. 9 Rights and obligations arising from holding shares

Each share grants its holder one vote at the General Meeting of Shareholders, as well as the right to elect and be elected in the management bodies of the Company.

Each shareholder is the owner of the shares it holds in the Company, and the shares are indivisible. If a nominal share is owned by several persons, the Company is not obliged to record the transfer, insofar as no sole representative is designated.

ACT CONSTITUTIV SOCIETATEA AGRICOVER HOLDING S.A.
Drepturile si obligatiile decurgand din detinerea
actiunilor il urmeaza pe titular.

Obligatiile Societatii sunt garantate cu capitalul
social al acesteia, iar actionarii raspund exclusiv
in limita valorii actiunilor pe care le detin.

Patrimoniul Societatii nu poate fi grevat de
datorii sau alte obligatii personale ale
actionarilor. Un creditor al unui actionar poate
formula pretentii asupra partii din profitul
Societatii ce i se va repartiza, ca dividende, de
catre Adunarea Generala a Actionarilor sau a
cotei parti convenite acestuia la lichidarea
Societatii, efectuate in conditiile prezentului
Act Constitutiv si legii aplicabile.

Art. 10 Transferul actiunilor

Dreptul de proprietate asupra actiunilor
Societatii se transmite prin declaratie facuta in
Registrul Actionarilor, semnata de vanzator si
de cumparator sau de mandatarii lor printr-un
contract de vanzare-cumparare de actiuni.

Constituirea de garantii reale mobiliare asupra
actiunilor Societatii se va face prin in scris sub
semnatura privata in care se va arata cuantumul
datoriei, valoarea si categoria actiunilor.
Garantia se inregistreaza in Registrul
Actionarilor. Creditorului in favoarea caruia s-a
constituit garantia reala mobiliara asupra
actiunilor i se elibereaza o dovada a inregistrarii
acesteia. Garantia devine opozabila tertilor de la
data inregistrarii ei la Registrul National de
Publicitate Mobiliara de catre creditor.

ARTICLES OF ASSOCIATION OF AGRICOVER HOLDING S.A.
The rights and obligations arising from
shareholding stay with the holder.

The obligations of the Company are secured
against its share capital, and shareholders are
solely liable within the limit of the value of the
shares they hold.

The property of the Company may not be
burdened by the shareholders' personal debts
or other obligations. A creditor of a shareholder
may raise claims against the share of the
Company's profit to be allotted to that
shareholder, by way of dividends, by the
General Meeting of Shareholders, or against
the shares due to that shareholder upon the
liquidation of the Company carried out under
the conditions of these Articles of
Incorporation and the applicable law.

Art. 10 Transfer of shares

The ownership title to the Company's shares
shall be passed under a statement made in the
Register of Shareholders, signed by the seller
and by the purchaser or by their proxies under
a share sale-purchase contract.

The creation of security interest on the
Company's shares shall be done under a private
deed, mentioning the debt amount and the
value and class of shares. The security interest
is to be recorded in the Register of
Shareholders. The creditor for the benefit of
whom the security interest was created shall be
issued a proof of its registration. The security
interest becomes binding on third parties
starting from the date of its registration with the
National Registry of Movable Property by the
creditor.

Art. 11 Organele de conducere ale societatii

Conducerea si administrarea societatii sunt asigurate de Adunarea Generala a Actionarilor, care este Ordinara si Extraordinara, si de Consiliul de Administratie, alcatuit dintr-un numar impar de cel putin 3 administratori.

Adunările Generale ale Actionarilor, atat cele Ordinare cat si cele Extraordinare, se vor tine la sediul Societatii sau in locul ce se va indica in convocator.

Art. 12 Atributiile Adunarii Generale Ordinare

Adunarea Generala Ordinara se intruneste cel putin o data pe an in cel mult 5 luni de la incheierea exercitiului financiar. In afara de dezbaterrea altor probleme inscrite pe ordinea de zi, Adunarea Generala Ordinara este obligata:

- Sa discute, sa aprobe sau sa modifice situatiile financiare anuale pe baza rapoartelor prezentate de Consiliul de Administratie si auditorii financiare si sa stabileasca dividendul;
- Sa desemneze, sa demita si sa stabileasca remuneratia membrilor Consiliului de Administratie;
- Sa se pronunte asupra gestiunii Consiliului de Administratie;
- Sa numeasca si sa demita auditorul financiar si sa fixeze durata minima a contractului de audit financiar;
- Sa stabileasca bugetul de venituri si cheltuieli si, dupa caz, programul de activitate,

Art. 11 The management bodies of the company

The management and administration of the company are provided by the General Meeting of Shareholders, Ordinary and Extraordinary, and by a Board of Directors, comprising an odd number of at least 3 directors.

The General Meeting of Shareholders, either Extraordinary or Ordinary, shall be held at the Company's registered head office, or at the location indicated in the convening notice.

Art. 12 Duties of the Ordinary General Meeting

The Ordinary General Meetings of Shareholders shall be convened at least once a year, within no later than 5 months after the end of the financial year. Besides debating other items on the agenda, the Ordinary General Meeting of Shareholders shall:

- Discuss, approve or modify the annual financial statements, based on reports submitted by the Board of Directors and the financial auditors and set the dividend;
- Appoint, dismiss and set the remuneration of the members of the Board of Directors;
- Assess the activity of the Board of Directors;
- Appoint and dismiss the financial auditor, as well as establish the minimum term of the financial audit contract;
- Establish the budget of revenue and expenses and, if applicable, the program of

ACT CONSTITUTIV SOCIETATEA AGRICOVER HOLDING S.A.
pe exercitiul financiar urmato;

- Sa hotarasca gajarea, inchirierea sau desfiintarea uneia sau a mai multor unitati ale Societatii.

Cu respectarea dispozitiilor Art. 14, pentru validitatea deliberarilor Adunarii Generale Ordinare este necesara prezenta actionarilor care sa detina cel putin o patrime din numarul total de drepturi de vot.

Cu respectarea dispozitiilor Art. 14, hotararile Adunarii Generale Ordinare se iau cu majoritate de voturi exprimate.

Cu respectarea dispozitiilor Art. 14, daca Adunarea Generala Ordinara nu poate lucra din cauza neindeplinirii conditiilor de cvorum, se va intruni la o a doua convocare care poate sa delibereze asupra punctelor de pe ordinea de zi a celei dintai adunari, indiferent de cvorumul intrunit, lunad hotarari cu majoritatea voturilor exprimate.

Art. 13 Atributiile Adunarii Generale Extraordinare

Adunarea Generala Extraordinara se intruneste ori de cate ori este necesar a se lua o hatarare asupra:

- Schimbarea formei juridice;
- Mutarea sediului Societatii;
- Schimbarea obiectului de activitate al Societatii;
- Infiintarea si desfiintarea unor sedii secundare;
- Majorarea capitalului social, reducerea capitalului social sau emiterea de noi actiuni;
- Fuziunea cu alte societati sau divizarea Societatii;

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activity for the following financial year;

- Decide on pledging, renting or removing one or several units of the Company.

Subject to Art. 14, for the decisions of the Ordinary General Meeting of Shareholders to be valid, the presence of the shareholders holding at least one fourth of the total number of voting rights is required.

Subject to Art. 14, the decisions of the Ordinary General Meeting are adopted with the majority of the votes cast.

Subject to Art. 14, if the Ordinary General Meeting may not work because the quorum conditions are not met, the Ordinary General Meeting shall reconvene upon a second call and debate on the items on the agenda of the first meeting, notwithstanding the quorum, taking decisions with the majority of the votes cast.

Art. 13 Duties of the Extraordinary General Meeting

The Extraordinary General Meeting meets whenever required to make a decision on:

- Changing the legal form;
- Relocating the registered office of the Company;
- Changing the object of activity of the Company;
- Setting up and discontinuing secondary offices;
- Increasing, decreasing the share capital, or issuing new shares;
- Merger with other entities or demerger of the Company;

- Dizolvarea anticipata a Societatii;
- Conversia actiunilor dintr-o categorie intr-alta;
- Emisiunea de obligatiuni;
- Orice alta modificare a Actului Constitutiv sau oricare alta hotarare pentru care este ceruta aprobarea Adunarii Generale;

Cu respectarea dispozitiilor Art. 14, pentru validitatea deliberarilor Adunarii Generale Extraordinare este necesara la prima convocare prezenta actionarilor detinand cel putin o patrime din numarul total al drepturilor de vot, iar la convocarile urmatoare, prezenta actionarilor detinand cel putin o cincime din numarul total al drepturilor de vot.

Cu respectarea dispozitiilor Art. 14, hotararile sunt luate cu majoritate de voturi detinute de actionarii prezenti sau reprezentati.

Art. 14 Drepturile de veto ale BERD in cadrul Adunarii Generale a Actionarilor

Independent de dispozitiile de mai sus, cat timp BERD detine actiuni reprezentand cinci procente (5%) sau mai mult din capitalul subscris si varsat al Societatii, nicio hotarare a Adunarii Generale Ordinare a Actionarilor sau a Adunarii Generale Extraordinare a Actionarilor, dupa caz, in legatura cu urmatoarele aspecte nu va putea produce efecte juridice fara votul „pentru” al BERD:

- orice hotarare de modificare sau completare semnificativa a Actului Constitutiv al Societatii, inclusiv in sa fara a se limita la sediul social al Societatii, denumirea Societatii, exercitiul financiar al Societatii, prerogativele Consiliului de Administratie, durata de

- The early dissolution of the Company;
- The conversion of shares from one class into another;
- The issuance of bonds;
- Any other amendment to the Articles of Incorporation or any other decision requiring the approval of the General Meeting;

Subject to Art. 14, for the decisions of the Extraordinary General Meeting to be valid, the presence upon the first call of the shareholders holding at least one fourth of the total voting rights is required, while upon the following calls, the presence of the shareholders holding at least one fifth of the total number of voting rights is required.

Subject to Art. 14, the decisions of the Extraordinary General Meeting are adopted with the majority of votes cast by the present or represented shareholders.

Art. 14 EBRD's veto rights in the General Meeting of Shareholders

Notwithstanding the above, for as long as EBRD holds shares representing five percent (5%) or more of the Company's subscribed and paid up share capital, no resolution of the Ordinary General Meeting of Shareholders or the Extraordinary General Meeting of Shareholders, as the case may be, in respect of the following shall become effective without the affirmative („in favour”) vote of EBRD:

- any resolution to materially amend or supplement the Company's Articles of Association, including without limitation with respect to the registered office of the Company, the Company's name, the financial year of the Company, the powers of the Board of

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functionare a Societatii, filiale care, pentru evitarea oricarui dubiu, nu vor include „puncte de lucru”, „agentii”, „reprezentante” sau “sucursale” si cotele de participare la profit si/sau pierderi;

ii. orice modificare survenita in activitatile Societatii fata de cele mentionate in obiectul principal de activitate si incluse in Actul Constitutiv al Societatii si care sunt declarate si autorizate la data inregistrarii prezentului Act la Registrul Comertului;

iii. orice hotarare de majorare sau de reducere a capitalului social al Societatii ori de conversie a actiunilor Societatii dintr-un tip, forma ori categorie in alta ori crearea de noi clase sau tipuri de actiuni ale Societatii si orice hotarare de aprobare a unei oferte publice initiale sau listarea la bursa a actiunilor Societatii;

iv. orice hotarare de a transforma, fuziona, consolida, diviza, dizolva sau lichida Societatea sau de a o reorganiza intr-o alta forma juridica;

v. orice hotarare de a aproba Situatiile Financiare anuale ale Societatii;

vi. orice hotarare de aprobare a dividendelor, rascumpararea actiunilor, divizarea actiunilor sau acordarea de dividende sub forma de actiuni de catre Societate;

vii. orice hotarare de a desemna, de a reinnoi sau demite auditorii sau (dupa caz, in situatia unei lichidari voluntare a Societatii) lichidatorii Societatii;

viii. orice hotarare referitoare la desemnarea, eliberarea din functie sau remunerarea membrilor Consiliului de Administratie sau

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Directors, the duration of the Company, branches (in Romanian “filiale”, which for the avoidance of doubt shall not include “puncte de lucru”, “agentii”, “reprezentante” or “sucursale”) and the participation quotas to benefits and/or losses;

ii. any change to the Company's activities from those set out in its main object of activity as set forth in the Company's Articles of Association and which are declared and authorised as of the date of registration of this Agreement with the Trade Registry;

iii. any resolution to increase or decrease the Company's share capital or to change the type, rights or form or any class of shares or create a new class or type of shares of the Company and any resolution to approve an initial public offering or listing of the Company's shares on a stock exchange;

iv. any resolution to transform, merge, amalgamate, demerge, wind up or liquidate the Company or to reorganise the Company into another corporate form;

v. any resolution to approve the annual Financial Statements of the Company;

vi. any resolution to approve a dividend, share redemption, share split or share dividend by the Company;

vii. any resolution to appoint, renew or dismiss the auditors or (as applicable, in the case of a voluntary liquidation of the Company) the liquidators of the Company;

viii. any resolution regarding the appointment, dismissal or remuneration of the members of the Board of Directors or any

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orice modificare cu privire la numarul membrilor Consiliului de Administratie sau cu privire la orice alte reguli care guverneaza aceste organisme (inclusive reguli privind procedura de vot);

ix. introducerea oricarei restrictii cu privire la posibilitatea de transmitere a actiunilor Societatii;

x. orice anulare sau limitare a drepturilor preferentiale de subscriere ale actionarilor;

xi. orice hotarare de anulare sau de modificare a Politicii privind Dividendele;

xii. orice hotarare necesara in conformitate cu art. 153²² din Legea 31/1990, fiind o hotarare cu privire la achizitia sau instrainarea de bunuri de catre Societate a caror valoare depaseste cincizeci de procente (50%) din valoarea contabila a tuturor bunurilor din portofoliul Societatii.

Art. 15 Delegarea unor atributii Consiliului de Administratie

Sunt delegate Consiliului de Administratie atributiile Adunarii Generale a Actionarilor cu privire la schimbarea obiectului de activitate, altul decat cel principal, infiintarea sau desfiintarea de sucursale, reprezentante, agentii, puncte de lucru si alte asemenea dezmembraminte ale societatii, cu sau fara personalitate juridica, situate in tara sau strainatate;

Art. 16 Convocarea Adunarilor Generale ale Actionarilor

Adunarea Generala a Actionarilor este convocata de Consiliul de Administratie ori de cate ori este necesar, dar cel putin o data pe an,

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change in the number of members of the Board of Directors or any other rules governing such bodies (including voting rules);

ix. the introduction of any restriction on the transferability of the Company's shares;

x. any cancellation or limitation on the shareholders' preferential rights of subscription;

xi. any resolution to void or amend the Dividend Policy;

xii. any resolution required in accordance with art. 153²² of Law 31/1990, being a resolution on an acquisition or disposal of assets by the Company which exceeds fifty per cent (50%) of the book value of all the Company's assets.

Art. 15 Delegation of some duties to the Board of Directors

The following duties of the General Meeting of Shareholders are delegated to the Board of Directors: changing the object of activity, other than the main object of activity, setting up or discontinuing branches (in Romanian "sucursale"), "puncte de lucru" "agentii", "reprezentante" or any other similar units of the company, with or without legal personality, located in the country of abroad;

Art. 16 Convening the General Meeting of Shareholders

The General Meeting of Shareholders is convened by the Board of Directors whenever necessary, but at least once a year, within at

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in cel mult 5 luni de la terminarea exercitiului
financiar.

Modul si termenul de convocare vor fi conform
prevederilor legale.

Au dreptul de a cere introducerea unor noi
puncte pe ordinea de zi unul sau mai multi
actionari reprezentand individual sau impreuna
cel putin 5,0% din capitalul social. Cererile se
inaintea Consiliului de Administratie in cel
mult 15 zile de la publicarea convocarii in
vederea publicarii si aducerii acestora la
cunostinta actionarilor. Ordinea de zi
completata cu punctele propuse de actionari va
fi publicata cu cel putin 10 zile inaintea
Adunarii Generale, la data mentionata in
convocator.

Art. 17 Organizarea Adunarii Generale a Actionarilor

Adunarea Generala a Actionarilor este prezidata
de Presedintele Consiliului de Administratie.

Presedintele Consiliului de Administratie
desemneaza dintre actionarii prezenti un
secretar care sa verifice lista de prezenta a
actionarilor, formalitatile de convocare si
intocmeste procesul verbal al sedintei.

Art. 18 Exercitarea Dreptului de vot in Adunarea Generala a Actionarilor

Hotararile se iau prin vot deschis.

Votul secret este obligatoriu pentru alegerea
membrilor Consiliului de Administratie si
desemnarea auditorului, pentru revocarea
acestora si pentru luarea hotararilor referitoare
la raspunderea administratorilor.

Hotararile Adunarii Generale luate in limitele

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most 5 months since the end of the financial
year.

This shall be convened in the manner and
within the term set forth by legal provisions.

One or several shareholders holding,
individually or collectively, at least 5% of the
share capital are entitled to request the
introduction of new items on the agenda. The
requests shall be submitted to the Board of
Directors, within at most 15 days since the
publication of the call, for their being published
and communicated to the shareholders. The
agenda supplemented with the items proposed
by shareholders shall be published within at
least 10 days before the general Meeting, on the
date mentioned in the call notice.

Art. 17 Organization of the General Meeting of Shareholders

The General Meeting of Shareholders is
chaired by the President of the Board of
Directors.

The president of the Board of Directors
designates from among the present
shareholders a secretary, to check the
shareholders' attendance list, the convening
formalities and draw up the minutes of the
meeting.

Art. 18 Exercising the right to vote at the General Meeting of Shareholders

Decisions are made by open vote.

Secret vote is mandatory for the election of the
members of the Board of Directors and for
designating the auditor, for revoking them and
for making decisions regarding the directors'
liability.

The decisions of the General Meeting made

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Art. 19 Reprezentarea in Adunările Generale

Actionarii pot fi reprezentati in Adunările Generale in baza unei imputerniciri, iar persoanele juridice vor fi reprezentate de imputernicitii acestora. In procesul verbal al Adunării Generale se va face mentiune despre reprezentare.

Art. 20 Consiliul de Administratie

Adunarea Generala a Actionarilor alege Consiliul de Administratie compus dintr-un numar impar de cel putin 3 membri, cu puteri exercitate impreuna, pentru o perioada de 4 ani. Membrii Consiliului de Administratie pot fi si actionari. Oricare dintre administratori poate fi si director.

BERD are dreptul sa nominalizeze o (1) persoana care sa actioneze in calitate de membru al Consiliului de Administratie („Administratorul BERD”).

Durata mandatului unui administrator nu poate fi mai mare de 4 ani, dar el este reeligibil de catre Adunarea Generala a Actionarilor.

Administratorii sunt solidar raspunzatori fata de societate pentru:

- Realitatea varsamintelor efectuate de actionari;
- Existenta reala a dividendelor platite;
- Existenta registrelor cerute de lege si corecta lor completare;
- Exacta indeplinire a hotararilor Adunării Generale a Actionarilor;

ARTICLES OF ASSOCIATION OF AGRICOVER HOLDING S.A. according to law and to the Articles of Incorporation are mandatory even for absent or not represented shareholders, or shareholders who voted against or abstained from voting.

Art. 19 Representation at the General Meeting

Shareholders may be represented at the General Meeting under a power of attorney, and the legal entities shall be represented by their proxies. The minutes of the General Meeting shall mention the representation.

Art. 20 The Board of Directors

The General Meeting of Shareholders elects the Board of Directors, comprising an odd number of at least 3 members, with powers exercised collectively, for a period of 4 years. The members of the Board of Directors can be shareholders. Any director can be a manager.

EBRD shall be entitled to nominate one (1) person to act as a member of the Board of Directors (the "EBRD Director").

The mandate of a director may not exceed 4 years and a director can be re-elected by the General Meeting of Shareholders.

The directors are jointly liable to the company for the:

- Reality of payments made by shareholders;
- Actual existence of the dividends paid;
- Existence of legal records and their correct completion;
- Accurate implementation of the General Meeting of Shareholders' decisions;

- Stricta indeplinire a indatoririlor pe care prevederile legale si actul constitutiv le impun.

Fiecare membru al Consiliului de Administrație își va accepta în mod expres mandatul și va încheia cu Societatea, reprezentată prin persoana desemnată de acționari, un contract de administrație pe durata mandatului, care prevede drepturile, obligațiile și sarcinile respectivului membru față de Societate și remunerația primită pentru respectiva funcție.

Prin semnarea contractului de mandat, fiecare Administrator declara pe proprie răspundere, cunoscând dispozițiile art. 326 Cod Penal Român privind falsul în declarații, ca:

- îndeplinește condițiile legale, prevăzute de legislația română în vigoare, pentru deținerea și exercitarea calității de Administrator al Societății;
- nu are fapte sau debite înscrise în cazierul fiscal, în țara de domiciliu sau reședință, neînregistrând niciun fel de datorii fiscale către bugetele de stat sau locale;
- nu a săvârșit fapte de natura celor care se trec în cazierul judiciar;
- acceptă în mod expres mandatul de Administrator încredințat.

Art. 21 Activitatea Consiliului de Administratie

Consiliul de Administratie se intruneste cel puțin o data la trei luni.

Presedintele convoaca Consiliul de Administratie, stabileste ordinea de zi, vegheaza asupra informarii adecvate a membrilor Consiliului de Administratie cu privire la punctele aflate pe ordinea de zi si prezideaza

- Strict fulfilment of their duties under the law and the Constitutive Act.

Each member of the Board of Directors shall expressly accept its mandate and enter into a mandate agreement with the Company (represented by the person designated by the shareholders), providing the duration of the mandate, setting out the rights, obligations and duties of such member towards the Company and the remuneration received for this position. By signing the Mandate Agreement, each Director, fully aware of the provisions of art. 326 of the Romanian Criminal Code in connection with false statements, hereby declares that:

- He's fully compliant with all legal conditions, as per applicable Romanian legislation, to hold and exercise the capacity of Director of the Company;
- He hasn't facts or debts recorded in its fiscal record in country of domicile or residence, not registering any fiscal debts to the state or local budgets;
- He hasn't committed deeds which fall among those to be recorded in criminal record;
- He expressly accepts the granted mandate of Director.

Art. 21 The activity of the Board of Directors

The Board of Directors meet at least once every three months.

The president convenes the board of directors, establishes the agenda, oversees the proper information of the Board members regarding the items on the agenda and chairs the meeting.

Participarea la intrunirile Consiliului de Administratie se poate face si prin corespondenta.

Consiliul de Administratie este convocat si la cererea motivata a cel putin 2 membrii ai Consiliului de Administratie. In acest caz, ordinea de zi este stabilita de acestia. Presedintele este obligat sa dea curs unei astfel de cereri. Asupra punctelor care nu sunt prevazute pe ordinea de zi se pot lua decizii numai in cazuri de urgenta. La fiecare sedinta se va intocmi un proces verbal, care va cuprinde numele participantilor, ordinea deliberarilor, deciziile luate, numarul de voturi intrunite si opiniile separate. Procesul verbal este semnat de presedinte si de cel putin un alt administrator.

Consiliul de Administratie este insarcinat cu indeplinirea tuturor actelor necesare si utile pentru realizarea obiectului de activitate al Societatii, cu exceptia celor rezervate pentru Adunarea Generala a Actionarilor.

Cu respectarea dispozitiilor Art. 23, deciziile Consiliului de Administratie se adopta cu majoritatea voturilor exprimate de membrii prezenti ai acestuia.

In absenta unei intruniri efective a Consiliului de Administratie, deciziile scrise ale acestuia pot fi aprobate prin semnarea lor, prin corespondenta, de catre toti membrii Consiliului de Administratie.

Art. 22 Atributiile Consiliului de Administratie

Consiliul de Administratie are urmatoarele competente care nu pot fi delegate directorilor:

- Stabilirea directiilor principale de

Members can participate to meetings of the Board of Directors by correspondence.

The Board of Directors is convened also upon the justified request of at least 2 members of the Board of Directors. In such a case, the agenda is established by them. The president is obliged to meet such a request. Only in emergencies, decisions may be made on items that are not on the agenda. Minutes shall be drawn up at each meeting, containing the names of attendants, sequence of debates, decisions made, number of votes cast and individual opinions. The minutes shall be signed by the president and by at least one other director.

The Board of Directors is responsible with the performance of any acts required and useful for achieving the object of activity of the Company, except for the ones reserved to the General Meeting of Shareholders.

Subject to Art. 23, the decisions of the Board of Directors are adopted with the majority of votes cast by the present members of the Board.

In the absence of an actual meeting, the written decisions of the Board of Directors shall be approved by their execution by all members of the Board of Directors, by correspondence.

Art. 22 Duties of the Board of Directors

The Board of Directors has the following duties which cannot be delegated to managers:

- Establishing the main directions of

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activitate si de dezvoltare a societatii;

- Stabilirea sistemului contabil si de control financiar si aprobarea planificarii financiare;
 - Numirea, revocarea, supravegherea activitatii si stabilirea remuneratiei directorilor;
 - Pregatirea raportului anual, organizarea Adunarii Generale a Actionarilor si implementarea hotararilor acesteia;
 - Aprobarea planului de afaceri;
- Nu pot fi delegate directorilor atributiile primite punctual de Consiliul de Administratie de la Adunarea Generala a Actionarilor.

Consiliul de Administratie reprezinta Societatea in relatia cu directorii societatii.

Consiliul de Administratie delegea conducerea Societatii unuia sau mai multor directori, numind pe unul dintre ei Director General. Directorii pot fi desemnati din randul administratorilor.

Directorii reprezintă societatea, atat in relatiile cu tertii, cat si in justitie, in limitele legii, ale Actului constitutiv si ale mandatului lor.

Modul de organizare a activitatii directorilor va fi stabilit de Consiliul de Administratie.

Directorii pot transmite dreptul de a reprezenta Societatea cu privire la aspecte punctuale catre salariatii/colaboratorii Societatii, in baza unei decizii, delegatii sau a unei procuri.

Prin semnarea contractului de mandat, fiecare Director declara pe proprie răspundere, cunoscând dispozițiile art. 326 Cod Penal Român privind falsul în declarații, ca:

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activity and development of the company;

- Setting up the accounting and financial control systems and the approval of financial planning;
- Appointing, dismissing, supervising the activity of the managers and establishing their remuneration;
- Drawing up the annual report, the organization of the General Meeting of Shareholders and implementing its decisions;
- Approval of the business plan;

The duties received separately by the Board of Directors from the General Meeting of Shareholders may not be delegated to the managers.

The Board of Directors represents the Company in relation to managers.

The Board of Directors may delegate the management of the Company to one or several managers, appointing one of them as General Manager. Managers can be appointed from among the directors.

Managers represent the company both in relation to third parties and in courts, within the limits set by law, the Articles of Association and their mandate.

The managers' activity shall be organised by the Board of Directors.

Managers can delegate the representation of the Company for individual matters to employees/third parties of the Company by way of powers of attorney or decisions.

By signing the Mandate Agreement, each Manager, fully aware of the provisions of art. 326 of the Romanian Criminal Code in connection with false statements, hereby

(a) îndeplinește condițiile legale, prevăzute de legislația română în vigoare, pentru deținerea și exercitarea calității de Director al Societății;

(b) nu are fapte sau debite înscrise în cazierul fiscal, în țara de domiciliu sau reședință, neînregistrând niciun fel de datorii fiscale către bugetele de stat sau locale;

(c) nu a săvârșit fapte de natura celor care se trec în cazierul judiciar;

(d) acceptă în mod expres mandatul de Director încredințat.

Art. 23 Drepturile de veto ale BERD in cadrul Consiliului de Administratie

Independent de dispozițiile de mai sus, cat timp BERD detine actiuni reprezentand cinci procente (5%) sau mai mult din capitalul social subscris si varsat al Societatii, nu se va adopta nicio decizie a Consiliului de Administratie cu privire la urmatoarele aspecte in cadrul niciunei sedinte a acestuia decat daca toti membrii Consiliului de Administratie sunt prezenti pe intreaga durata a sedintei si au votat toti in mod unanim in favoarea respectivei decizii, inclusiv Administratorul BERD:

- i. aprobarea Planului de Afaceri al Societatii;
- ii. majorarea sau reducerea capitalului social sau conversia actiunilor Filialelor Societatii dintr-un tip, forma ori categorie in alta ori crearea de noi clase sau tipuri de actiuni;
- iii. orice hotarare de a transforma, fuziona,

(a) He's fully compliant with all legal conditions, as per applicable Romanian legislation, to hold and exercise the capacity of Manager of the Company;

(b) He hasn't facts or debts recorded in its fiscal record in country of domicile or residence, not registering any fiscal debts to the state or local budgets;

(c) He hasn't committed deeds which fall among those to be recorded in criminal record;

(d) He expressly accepts the granted mandate of Manager.

Art. 23 EBRD's veto rights in the Board of Directors

Notwithstanding the above, for as long as EBRD holds shares representing five percent (5%) or more to the subscribed and paid up share capital of the Company, no resolution of the Board of Directors in respect of the following matters shall be adopted at any meeting of the Board of Directors unless all the members of the Board of Directors shall have been present throughout the entire meeting and not less than all members of the Board of Directors shall have voted unanimously in favour of such resolution including the EBRD Director:

- i. approval of the Company's Business Plan;
- ii. increasing or decreasing the share capital, or changing the type, rights or form or any class of shares or creating a new class or type of shares of any of of the Company's Subsidiaries;
- iii. any resolution to transform, merge,

ACT CONSTITUTIV SOCIETATEA AGRICOVER HOLDING S.A. consolida, diviza, dizolva sau lichida oricare dintre Filialele Societatii sau de a le reorganiza intr-o alta forma juridica sau cumpararea de actiuni de catre Societate sau de catre orice Filiala a Societatii in orice alta entitate juridica;

iv. anularea sau limitarea drepturilor preferentiale de subscriere ale actionarilor Filialelor Societatii;

v. crearea ori desfiintarea de noi Filiale ale Societatii sau crearea ori participarea in orice asocieri in participatiune;

vi. introducerea unor restrictii cu privire la posibilitatea de transfer a actiunilor oricarora dintre Filialele Societatii;

vii. mutarea sediului social al Filialelor Societatii;

viii. orice modificare survenita in activitatile Filialelor Societatii fata de (i) cele mentionate in obiectul principal de activitate si incluse in Actul Constitutiv al fiecareia dintre Filialele Societatii (inclusiv al Agricoover) si care sunt declarate si autorizate la data inregistrarii prezentului Act Constitutiv la Registrul Comertului; si (ii) doar in cazul Agricoover, fata de activitatea de procesare a carni mentionata in Actul Constitutiv al Agricoover (Coduri CAEN 1011, 1013, 4632 si 4722);

ix. desemnarea, demiterea sau remunerarea administratorilor Filialelor Societatii sau orice schimbare cu privire la numarul membrilor Consiliului de Administratie al Filialelor Societatii sau la orice alte reguli care guverneaza activitatea Consiliului de

ARTICLES OF ASSOCIATION OF AGRICOVER HOLDING S.A. amalgamate, demerge, wind up or liquidate any of the Company's Subsidiaries, or to reorganise any of the Company's Subsidiaries into another corporate form or the acquisition of shares by the Company or any of the Company's Subsidiaries in any other person;

iv. cancelling or limiting the Company's Subsidiaries' shareholders preferential rights of subscription;

v. the creation or discontinuation of any new Subsidiaries of the Company or the creation of, or participation in, any joint-venture;

vi. introducing any restriction on the transferability of the shares of any of the Company's Subsidiaries;

vii. relocating the registered office of the Company's Subsidiaries;

viii. any change to the Company's Subsidiaries activities from (i) those set out in its main object of activity as set forth in each of the Company's subsidiaries' Articles of Association (including Agricoover) and which are declared and authorised as of the date this present Articles of Association is registered with the Trade Registry, and (ii) in the case of Agricoover only, the activity of the abattoir business as set forth in Agricoover's Articles of Association (NACE codes 1011, 1013, 4632 and 4722);

ix. the appointment, dismissal or remuneration of the directors of the Company's Subsidiaries or any change in the number of directors of the Company's Subsidiaries or any other rules governing the board of directors of a Company's Subsidiary (including voting

x. formarea sau dizolvarea comitetelor
Consiliului de Administratie, cu exceptia celor
cerute de lege;

xi. aprobarea Situatiilor Financiare anuale
ale Filialelor Societatii;

xii. stabilirea dividendului, rascumpararea
actiunilor sau distribuirea unui dividend sub
forma de actiuni de catre oricare dintre Filialele
Societatii;

xiii. numirea, reinnoirea mandatelor sau
demiterea auditorilor sau a lichidatorilor (in
cazul lichidarii voluntare) oricareia dintre
Filialele Societatii;

xiv. schimbarea Politicii privind Dividendele
a Filialelor Societatii;

xv. numirea, revocarea sau remunerarea
Directorului General al Societatii sau al
oricaruia dintre Filialele Societatii;

xvi. aprobarea oricaror angajamente
financiare sau cheltuieli, precum si orice act de
dispozitie (vanzare, locatiune sau alt fel de
tranzactie) cu privire la orice activ al unei
Societati a Grupului (altul decat vanzarea
Activelor Excluse in termeni de buna-credinta si
la nivelul pietei), care, in fiecare caz, cumulat
sau individual depasesc 5 milioane euro (cinci
milioane) indiferent daca acest nivel de
angajamente financiare si cheltuieli a fost inclus
sau nu in Bugetul Anual, cu mentiunea ca nu va
mai fi necesara nicio alta aprobare cu privire la
nici un fel de angajamente financiare si
cheltuieli aprobate in mod special in Bugetul

x. Creation or dissolution of committees of
the Board of Directors, except for those
committees required by law;

xi. approving the annual Financial
Statements of any of the Company's
Subsidiaries;

xii. approving a dividend, share redemption
or a share dividend by any of the Company's
Subsidiaries;

xiii. appointing, renewing or dismissing the
auditors or the liquidators (in the case of a
voluntary liquidation), of any of the
Company's Subsidiaries;

xiv. amending the Dividend Policy of the
Company's Subsidiaries;

xv. the appointment, dismissal or
remuneration of the General Manager of the
Company, or any of the Company's
Subsidiaries;

xvi. approval of any financial commitment or
expenditure as well as approval of any disposal
(through sale, lease or other transaction) of any
asset of a Group Company (other than the sale
of the Excluded Assets on bona fide arm's
length terms), in each case in excess of EUR 5
million (five million) in one or a series of
related transactions, whether or not included
generally in the Annual Budget, provided,
however, that no further approval will be
required for any financial commitment or
expenditure specifically approved as a line
item of the Annual Budget;

xvii. aprobarea oricarui contract incheiat de Societate sau de catre oricare dintre Filialale sale cu Actionarul Majoritar, BERD sau oricare dintre Afiliatii sai cumulativ sau individual. Administratorul (Administratorii) nominalizati de respectivul actionar interesat nu va/vor participa la sedinta (daca se va considera necesar) si se va/vor abtine de la vot cu privire la respectiva hotarare;

xviii. aprobarea oricaror acte juridice cu privire la utilizarea proprietatii intelectuale/intangibile a oricarei Societati a Grupului (in alte scopuri decat pentru vanzarea de produse ale oricarei Societati a Grupului);

xix. aprobarea oricarui proiect de hotarare privind acordarea de dividende, rascumparare de actiuni sau orice alta forma de repartizare a profitului pentru a fi inaintat Adunarii Generale a Actionarilor;

xx. aprobarea oricaror proiecte de hotarari cu privire la majorarea capitalului social al Societatii sau conversia actiunilor Societatii dintr-un tip, forma ori categorie in alta ori crearea de noi clase sau tipuri de actiuni ale Societatii pentru a fi inaintate Adunarii Generale a Actionarilor;

xxi. aprobarea oricaror proiecte de hotarari pentru a fi inaintate Adunarii Generale a Actionarilor cu privire la modificarea Politicii privind Dividendele;

xxii. dobandirea sau instrainarea, in baza art. 153²² din Legea 31/1990, de bunuri ale Filialelor Societatii a caror valoare depaseste cincizeci de procente (50%) din valoarea neta contabila a tuturor bunurilor Filialei Principale;

xvii. approval of any agreement by the Company or any of its Subsidiaries with the Main Shareholder, EBRD or any of his/its Affiliates in one or more series of related transactions. The director(s) nominated by the relevant interested shareholder shall not participate in the meeting (if deemed necessary) and shall abstain from voting on such resolution;

xviii. approval of any agreement for the use of the intellectual/intangible property of any Group Company (other than for the sale of the products of any Group Company);

xix. approval of any draft resolution on a dividend, share redemption, share dividend or any other distribution of profit for submission to the General Meeting of Shareholders;

xx. approval of any draft resolution on increasing the Company's share capital or changing the type, rights or form of any class of shares or creating any new class or type of shares of the Company for submission to the General Meeting of Shareholders;

xxi. approval of any draft resolution amending the Dividend Policy for submission to the General Meeting of Shareholders;

xxii. acquiring or disposing of, in accordance with art. 153²² of Law 31/1990, assets of the Company's subsidiaries which exceed fifty per cent (50%) of the book value of all such Main Subsidiary's assets;

xxiii. aprobarea oricaror acte juridice de catre orice Societate a Grupului cu privire la imprumutarea, garantarea de Datorii ale oricarei alte persoane (in afara unei Societati a Grupului, intelegeri (conditionate sau altfel) de rascumparare sau de dobandire in alt mod de Datorii sau despagubire a creditorilor impotriva pierderilor, cu exceptia actelor juridice, imprumuturilor, garantiilor sau obligatiilor cu privire la o Societate a Grupului asumate in baza Bugetului Anual;

xxiv. aprobarea Bugetului Anual al oricareia dintre Principalele Filiale ale Societatii, intocmit cu privire la fiecare Exercițiu Financiar, in conformitate cu IFRS, trimis spre aprobare Consiliului de Administratie pana la data de 20 noiembrie a fiecarui an.

Art. 24 Membrii Consiliului de Administratie in Agricover si IFN

BERD va putea nominaliza o (1) persoana care sa actioneze in calitate de membru in consiliul de administratie al Agricover si o (1) persoana care sa actioneze in calitate de membru in consiliul de administratie al IFN. Calitatea de membru al consiliului de administratie al Agricover sau al IFN, poate fi exercitata de aceeași persoană fizică sau juridică, care indeplineste si calitatea de Administrator BERD, sau de persoane fizice sau juridice diferite, după cum decide BERD, la libera sa apreciere.

CAPITOLUL V. CONTROLUL SOCIETATII

Art. 25 Auditul Societatii

Societatea organizeaza auditul intern si extern in conditiile legii.

xxiii. approval of any agreement by any Group Company to make a loan to or guarantee any Debt of any other person (other than another Group Company) or agree (on a contingent basis or otherwise) to purchase or otherwise acquire such Debt or assume or agree to indemnify a creditor against loss, except for any such agreement, loan, guarantee or obligation with respect to a Group Company and undertaken in accordance with the Annual Budget;

xxiv. approval of the Annual Budget of any of the Company's Main Subsidiaries to be prepared for each Financial Year, in compliance with IFRS, for consideration by the Board of Directors no later than November 20 of each Financial Year.

Art. 24 Board members in Agricover and IFN

EBRD shall be entitled to nominate one (1) person to act as a member of the board of directors of Agricover and one (1) person to act as a member of the board of directors of IFN. The capacity of member of the board of directors of Agricover or of IFN can be exercised by the same individual or legal person or by different individuals or legal persons, exercising the capacity of EBRD director, as EBRD shall, in its sole discretion, decide.

CHAPTER V CONTROL OF THE COMPANY

Art. 25 Audit of the Company

The Company shall organise internal and external audit in accordance with the law.

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Prin semnarea contractului de audit financiar, fiecare Auditor declara pe proprie răspundere, cunoscând dispozițiile art. 326 Cod Penal Român privind falsul în declarații, ca:

- (a) îndeplinește condițiile legale, prevăzute de legislația română în vigoare, pentru deținerea și exercitarea calității de Auditor financiar al Societății;
- (b) nu are fapte sau debite înscrise în cazierul fiscal, în țara de domiciliu sau reședință, neînregistrând niciun fel de datorii fiscale către bugetele de stat sau locale;
- (c) nu a săvârșit fapte de natura celor care se trec în cazierul judiciar;
- (d) acceptă în mod expres mandatul de Auditor financiar încredințat.

CAPITOLUL VI. TRANSFERUL ACTIUNILOR

Art. 26 Restrictii privind Transferul Actiunilor

Pana la data la care toate obligatiile si pasivele prezente si viitoare (existente sau potentiale) ale Societatii fata de BERD in baza sau in legatura cu contractele incheiate intre BERD, Actionarul Majoritar si Societate nu vor fi platite in mod neconditionat si irevocabil si BERD nu mai detine actiuni in Societate si daca BERD nu decide in alt mod, Actionarul Majoritar:

- (i) va fi in continuare proprietarul real si efectiv al unui procent de saizeci la suta (60%) sau mai mult din capitalul social al Societatii;
- (ii) se va asigura ca Societatea va fi in continuare proprietarul real si efectiv al

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By signing the financial audit Agreement, each Auditor, fully aware of the provisions of art. 326 of the Romanian Criminal Code in connection with false statements, hereby declares that:

- (a) He's fully compliant with all legal conditions, as per applicable Romanian legislation, to hold and exercise the capacity of financial Auditor of the Company;
- (b) He hasn't facts or debts recorded in its fiscal record in country of domicile or residence, not registering any fiscal debts to the state or local budgets;
- (c) He hasn't committed deeds which fall among those to be recorded in criminal record;
- (d) He expressly accepts the granted mandate of financial Auditor.

CHAPTER VI TRANSFER OF SHARES

Art. 26 Share Transfer Restrictions

Until the date on which all present and future obligations and liabilities (whether actual or contingent) of the Company to EBRD under or in connection with the agreements concluded between EBRD, the Main Shareholder and the Company have been unconditionally and irrevocably paid and EBRD no longer owns any shares in the Company and unless otherwise agreed by EBRD, the Main Shareholder shall:

- (i) maintain and retain legal and beneficial ownership of sixty per cent (60%) or more of the Company's share capital;
- (ii) procure that the Company maintains and retains legal and beneficial ownership of the

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actiunilor detinute in Filialele sale conform
celor mentionate in dreptul numelui sau;

(iii) cu respectarea dispozitiilor de la alineatul
(a) de mai sus, va transfera exclusiv orice
actiuni in Societate sau participatii doar catre (i)
BERD, sau (ii) catre un cumparator sau un
cesionar cu integritate si reputatie acceptabile
pentru BERD si care sa aiba o pozitie financiara
solida pentru a putea sustine in continuare
dezvoltarea Societatii; si

(iv) va instraina sau va greva de sarcini orice
actiuni detinute in Filialele Societatii, in fiecare
caz, cele detinute in prezent sau pe care le poate
dobandi pe viitor.

Art. 27 Drept de Prima Oferta

(a) Daca in orice moment BERD
(„Ofertantul”) doreste sa transfere toate sau
doar o parte dintre actiunile sale in Societate,
acesta va oferi aceste actiuni prima data
Actionarului Majoritar („Destinatarul
Ofertei”). Ofertantul va notifica Destinatarul
Ofertei („Notificarea privind Oferta”) in care
va preciza (i) numarul de actiuni oferite
(„Actiunile Oferite”); (ii) termenii si conditiile
propane privind vanzarea, inclusiv pretul per
actiune; (iii) data pana la care Destinatarul
Ofertei trebuie sa accepte oferta, aceasta data
survenind in termen de minim treizeci (30) zile
de la data Notificarii privind Oferta („Data
Acceptarii”); si (iv) data inchiderii pentru
cumpararea actiunilor, aceasta data survenind in
termen de minim nouzeci (90) zile de la data
Notificarii privind Oferta.

(b) Destinatarul Ofertei va putea cumpara toate,
insa nu mai putin de toate Actiunile Oferite prin
transmiterea unei notificari irevocabile de

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shares in its Subsidiaries as stated against its
name;

(iii) subject to paragraph (a) above, only
transfer any shares in the Company or interest
therein only to (i) EBRD, or (ii) a purchaser or
transferee with integrity and reputation
acceptable to EBRD, and a solid financial
position to support further the development of
the Company; and

(iv) dispose of or encumber any shares in the
Company's Subsidiaries, in each case which he
now owns or which it may acquire in the future.

Art. 27 Right of First Offer

(a) If at any time EBRD (the "**Offeror**") desires
to transfer all or a portion of its shares in the
Company, it shall first offer such shares to the
Main Shareholder (the "**Offeree**"). The
Offeror shall give notice to the Offeree (the
"**Offer Notice**") setting forth (i) the number of
shares being offered (the "**Offered Shares**");
(ii) the proposed terms and conditions of the
sale including the price per share; (iii) the date
by which the Offeree must accept the offer,
such date being not less than thirty (30) days
from the date of the Offer Notice (the
"**Acceptance Date**"); and (iv) the closing date
for the purchase of the shares, such date being
not less than ninety (90) days from the date of
the Offer Notice.

(b) The Offeree shall be entitled to purchase all,
but not less than all, of the Offered Shares by
delivery of an irrevocable notice of acceptance

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acceptare („**Notificarea de Acceptare**”) catre
Ofertant la Data Acceptarii sau anterior acestei
date. Inchiderea procedurii de cumparare si
vanzare va avea loc la data specificata in
Notificarea privind Oferta.

(c) Daca se produce oricare dintre evenimentele
de mai jos (fiecare fiind denumit un
„**Eveniment de Renuntare la Dreptul de
Prima Oferta**”):

(i) destinatarul Ofertei refuza Notificarea
privind Oferta sau Ofertantul nu a primit o
Notificare de Acceptare pana la Data
Acceptarii;

(ii) Ofertantul a primit Notificarea de Acceptare
pentru o parte, inasa nu pentru toate Actiunile
Oferite;

(iii) in urma emiterii unei Notificari de
Acceptare, Destinatarul Ofertei nu cumpara si
nu plateste pentru Actiunile Oferite la data si in
locul mentionate in Notificarea privind Oferta
din orice considerent care nu este imputabil
Ofertantului,

in aceste conditii, Ofertantul va putea vinde
Actiunile Oferite unui tert in termeni si conditii
care sa nu fie mai favorabili cumparatorului
pentru o perioada de una suta optzeci (180) zile
calendaristice de la producerea Evenimentului
de Renuntare la Dreptul de Prima Oferta.
Dispozitiile acestui Art. 27 se vor aplica mutatis
mutandis cu privire la orice incercare de vanzare
de catre BERD ulterior datei care survine in
termen de una suta optzeci (180) zile
calendaristice de la producerea Evenimentului
de Renuntare la Dreptul de Prima Oferta.

Art. 28 Drept de Co-Vanzare

(a) In conditiile respectarii restrictiilor privind

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(the "**Acceptance Notice**") to the Offeror on or
prior to the Acceptance Date. The closing of
the purchase and sale shall take place on the
date specified in the Offer Notice.

(c) If any of the following occurs (each a
“**ROFO Waiver Event**”):

(i) the Offeree declines the Offer Notice or
the Offeror has not received an Acceptance
Notice by the Acceptance Date;

(ii) (ii) the Offeror has received Acceptance
Notice for a portion but not all of the Offered
Shares;

(iii) (iii) after issuing of Acceptance Notice,
the Offeree fails to purchase and pay for the
Offered Shares on the date and place specified
in the Offer Notice for any reason not due to
the fault of the Offeror,

then the Offeror shall be free to sell the Offered
Shares to a third party on terms and conditions
no more favourable to the purchaser for a
period of one hundred and eighty (180)
calendar days from the occurrence of the
ROFO Waiver Event. The provisions of this
Art. 27 shall apply mutatis mutandis for any
attempted sales of EBRD after the date falling
one hundred and eighty (180) calendar days
after the ROFO Waiver Event.

Art. 28 Tag Along Right

(a) Subject to the share transfer restrictions in

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transferul actiunilor din prezentul CAPITOLUL VI(Transferul Actiunilor) (inclusiv, inasa fara a se limita la Art. 26(i), daca Actionarul Majoritar propune transferul unui anumit numar dintre actiunile sale in Societate catre orice tert intr-o singura tranzactie sau in cadrul a mai multor tranzactii, Actionarul Majoritar ii va oferi BERD oportunitatea de a vinde toate sau doar o parte dintre Actiunile BERD, in conformitate cu prezentul Art. 28

(b) BERD va putea transfera, la acelasi pret per actiune si in aceiasi termeni si aceleasi conditii propuse si cu privire la transferul de catre Actionarul Majoritar, toate sau doar o parte dintre actiunile Societatii detinute de BERD, dupa caz. Cu cel putin nouazeci (90) zile inainte de orice astfel de propunere de transfer a Actionarului Majoritar, acesta va notifica BERD cu privire la intentia sa de a transfera Actiunile in temeiul respectivului document („**Notificarea privind Dreptul de Co-Vanzare**”), in care va preciza (i) cumparatorul propus; (ii) numarul de actiuni propus a fi transferate de catre Actionarul Majoritar, (iii) pretul de transfer agreeat; si (iv) orice alti termeni si alte conditii semnificative in legatura cu transferul propus. Notificarea privind Dreptul de Co-Vanzare va mai contine si o confirmare din partea Actionarului Majoritar care sa mentioneze ca toti termenii si toate conditiile semnificative ale transferului propus au fost dezvaluiti BERD in totalitate. Actionarul Majoritar va anexa o copie a ofertei scrise din partea cumparatorului propus.

(c) In termen de treizeci (30) zile de la transmiterea unei Notificari privind Dreptul de

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this Art. 25CHAPTER VI (Transfer of Shares)
(including, without limitation, Art. 26(i), if the Main Shareholder proposes to transfer some of his shares in the Company to any third party in any transaction or series of related transactions, the Main Shareholder shall afford EBRD the opportunity to sell all or a portion of EBRD’s Shares in accordance with this Art. 28.

(b) EBRD shall have the right to transfer, at the same price per share and upon identical terms and conditions as the proposed transfer by the Main Shareholder, all or part of the Company's shares held by EBRD, as the case may be. At least ninety (90) days prior to any such proposed transfer by the Main Shareholder, the Main Shareholder shall give notice to EBRD of his intention to transfer Shares hereunder (the "**Tag-along Notice**"), setting forth (i) the proposed purchaser; (ii) the number of shares proposed to be transferred by the Main Shareholder, (iii) the agreed consideration for transfer; and (iv) any other material terms and conditions of the proposed transfer. The Tag-along Notice shall also contain a certification by the Main Shareholder stating that all material terms and conditions of the proposed transfer have been fully disclosed to EBRD. The Main Shareholder shall attach a copy of the written offer from the proposed purchaser.

(c) Within thirty (30) days of the delivery of a Tag-along Notice, EBRD may elect to

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Co-Vanzare, BERD poate alege sa participe la acest transfer si sa vanda in termenii si conditiile inscrise in aceasta Notificare privind Dreptul de Co-Vanzare prin transmiterea unei notificari („**Notificarea de Acceptare a Dreptului de Co-Vanzare**”) catre Actionarul Majoritar, acel numar de actiuni dintre actiunile Societatii detinute de BERD egal cu produsul dintre (a) numarul total al actiunilor Societatii detinute de BERD inmultit cu (b) Procentul Relevant, unde termenul „**Procent Relevant**” va insemna acel numar egal cu (x) numarul total al actiunilor mentionate in Notificarea privind Dreptul de Co-Vanzare ca facand obiectul respectivei oferte, impartit la (y) numarul total al actiunilor Societatii detinute de Actionarul Majoritar la data Notificarii privind Dreptul de Co-Vanzare, in conditiile dispozitiilor Art. 28(d). Termenii si conditiile aplicabile BERD nu vor fi mai putin favorabile decat termenii si conditiile respectivei Notificari privind Dreptul de Co-Vanzare. BERD se angajeaza sa finalizeze aceasta vanzare a actiunilor Societatii detinute de BERD catre cumparatorul propus si mentionat in cuprinsul Notificarii privind Dreptul de Co-Vanzare in termen de saizeci (60) zile calendaristice de la data Notificarii de Acceptare a Dreptului de Co-Vanzare. BERD nu va avea nicio obligatie de a face niciun fel de declaratii sau de a acorda niciun fel de garantii niciunei persoane in legatura cu respectivul transfer, exceptie facand existenta titlului sau de proprietate asupra actiunilor si absenta garantiilor constituite de BERD asupra actiunilor care urmeaza a fi transferate de BERD, autoritatea si valabilitatea precum si

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participate in such transfer and sell pursuant to the terms and conditions of such Tag-along Notice by delivery of a notice (the "**Tag-along Acceptance Notice**") to the Main Shareholder such number of Company's shares held by EBRD equal to the product of (a) the total number of Company's shares held by EBRD multiplied by (b) the Relevant Proportion, where the term "**Relevant Proportion**" shall mean such number equal to (x) the total number of shares indicated in the Tag-along Notice as subject to the relevant offer divided by (y) the total number of Company's shares owned by the Main Shareholder at the time of the Tag-along Notice, subject to the provisions of Art. 288(d). The terms and conditions applicable EBRD shall be no less favourable than the terms and conditions of such Tag-along Notice. EBRD's undertakes to complete such sale of Company's shares held by EBRD to the proposed purchaser indicated in the Tag-along Notice within sixty (60) calendar days of the date of the Tag-along Acceptance Notice. EBRD will not be required to make any representations and warranties to any person in connection with such transfer except as to the existence of its legal title in, and the absence of security interests created by EBRD in the shares to be transferred by EBRD and the authority for and the validity and binding effect against EBRD of any normal and customary agreement entered into by EBRD in connection with such transfer. EBRD shall bear the legal fees and other customary transaction costs incurred by it in connection with its shares sold in such transaction.

efectul obligatoriu impotriva BERD al oricaror acorduri normale si uzuale incheiate de BERD in legatura cu respectivul transfer. BERD va suporta onorariile aferente serviciilor de asistenta juridica precum si alte costuri uzuale referitoare la tranzactie care ii revin cu privire la actiunile sale vandute in cadrul tranzactiei respective.

(d) Daca la data primirii unei Notificari privind Dreptul de Co-Vanzare, actiunile Societatii detinute de BERD reprezinta mai putin de opt procente (8%) din capitalul social al Societatii sau ar reprezenta mai putin de opt procente (8%) din capitalul social al Societatii dupa aplicarea dispozitiilor Art. 28(c), in aceasta situatie, BERD poate alege sa participe la acest transfer si sa vanda in termenii si conditiile mentionate in respectiva Notificare privind Dreptul de Co-Vanzare, un numar mai mare dintre actiunile Societatii detinute de BERD pana la numarul total de actiuni pe care il detine la acea data.

Art. 29 Optiune de Vanzare in vederea Retragerii

BERD va putea sa-si exercite („**Optiunea de Vanzare in vederea Retragerii**”), la libera sa alegere, in orice moment in Perioada Optiunii de Vanzare in vederea Retragerii, in baza transmiterii unei Notificari privind Optiunea de Vanzare in vederea Retragerii catre Actionarul Majoritar, dreptul de a vinde Actionarului Majoritar toate sau doar o parte dintre actiunile Societatii detinute de BERD la Data Decontarii („**Actiunile de Vanzare in vederea Retragerii**”) la un pret stabilit in conformitate cu prevederile unui acord separat incheiat de parti („**Pretul de Vanzare in vederea**

(d) If at the time of receipt of a Tag-along Notice, the Company's shares held by EBRD represent less than eight per cent (8%) of the Company's share capital or would represent less than eight per cent (8%) of the Company's share capital after applying the provisions of Art. 28(c), then EBRD may elect to participate in such transfer and sell pursuant to the terms and conditions of such Tag-along Notice such greater number of the Company's shares held by EBRD up to its total holding of shares at that time.

Art. 29 Exit Put Option

EBRD shall have the right (the "**Exit Put Option**"), exercisable in its sole discretion, at any time during the Exit Put Period, upon delivery to the Main Shareholder of an Exit Put Notice, to sell to the Main Shareholder all or part of the Company's shares held by EBRD on the Settlement Date (the "**Exit Put Shares**") at a price determined in accordance with the provisions of a separate agreement entered into by the parties (the "**Exit Put Price**"), and the Main Shareholder hereby agrees to purchase all the Exit Put Shares and pay for the Exit Put Shares in accordance with the provisions of a

ACT CONSTITUTIV SOCIETATEA AGRICOVER HOLDING S.A. **Retragerii**"), si Actionarul Majoritar este de acord sa cumpere toate Actiunile de Vanzare in vederea Retragerii si sa plateasca pentru acestea in conformitate cu prevederile unui acord separat incheiat de parti. Pentru evitarea oricarui dubiu, BERD va putea beneficia de orice dividende declarate, care insa nu au fost inca primite de BERD inainte de Data Decontarii, acordate in baza Actiunilor de Vanzare in vederea Retragerii sau in legatura cu acestea.

Pentru evitarea oricarui dubiu, prevederile referitoare la Optiunea de Vanzare in vederea Retragerii se vor aplica in continuare chiar daca se finalizeaza o OPI inainte de inceperea Perioadei de Vanzare in vederea Retragerii, mai putin in situatia in care aceasta ar fi interzisa prin legea aplicabila sau in conformitate cu reglementarile unei burse de valori sau in cazul in care BERD convine sa renunte la acest drept. Actionarul Majoritar va cumpara la Data Decontarii acel numar din actiunile Societatii mentionat in Notificarea privind Optiunea de Vanzare in vederea Retragerii si va plati Pretul de Vanzare in vederea Retragerii adecvat in euro sau lei in fonduri disponibile imediat prin transfer bancar catre BERD sau conform instructiunilor acesteia, iar BERD si Actionarul Majoritar vor lua toate masurile necesare pentru realizarea transferului Actiunilor de Vanzare in vederea Retragerii, inclusiv (i) semnarea unui act de transfer si (ii) semnarea Registrului Actionarilor Societati.

CAPITOLUL VII. ACTIVITATEA

ECONOMIC – FINANCIARA

Art. 30 Exercițiul economico-financiar

Exercițiul economico- financiar incepe la 1

ARTICLES OF ASSOCIATION OF AGRICOVER HOLDING S.A. separate agreement entered into by the parties.

For the avoidance of doubt, EBRD shall be entitled to any dividend declared, but not yet received by EBRD prior to the Settlement Date, on or with respect to the Exit Put Shares.

For avoidance of doubt, the Exit Put Option provisions shall remain applicable even if an IPO is completed before the commencement of the Exit Put Period, unless such would be prohibited by applicable law or stock exchange rules or unless EBRD agrees to waive such right.

The Main Shareholder, shall, on the relevant Settlement Date, purchase the number of Company's shares set forth in the Exit Put Notice and pay the appropriate Exit Put Price in EUR or in RON in immediately available funds by wire transfer to EBRD or as EBRD may direct, and EBRD and the Main Shareholder take all steps necessary to effect the transfer of the Exit Put Shares, including (i) execution of a transfer deed and (ii) signing in the Company's Register of Shareholders.

CHAPTER VII

ECONOMIC – FINANCIAL ACTIVITY

Art. 30 Economic-financial year

The economic-financial year starts on 1

ACT CONSTITUTIV SOCIETATEA AGRICOVER HOLDING S.A.
ianuarie si se termina la 31 decembrie ale
fiecarui an. Societatea va tine toate registrele
financiar - contabile in conformitate cu
prevederile legale in vigoare.

Art. 31 Personalul Societatii

Personalul Societatii este angajat si concediat de
catre Directori, care stabilesc si remuneratia
acestua.

Art. 32 Amortizarea mijloacelor fixe

Consiliul de Administratie stabileste in
conditiile legii, modalitatile de amortizare a
fondurilor fixe.

Art. 33 Evidenta contabila si bilantul contabil

Societatea va tine evidenta contabila, in lei, va
intocmi anual bilantul si contul de profit si
pierderi, in conformitate cu dispozitiile legale in
vigoare.

Bilantul se aproba de Adunarea Generala a
Actionarilor si se depune prin grija
administratorilor la Registrul Comertului in
termen de 30 de zile, pentru a fi mentionat in
Registrul Comertului si publicat in Monitorul
Oficial.

Aprobarea bilantului contabil de catre Adunarea
Generala a Actionarilor nu impiedica
exercitarea actiunilor de raspundere impotriva
administratorilor.

Art. 34 Calculul si repartizarea profitului

Adunarea Generala, pe baza bilantului, aproba
repartizarea sau reinvestirea profitului Societatii
in conditiile legii aplicabile.

Cel putin 5% din totalul profitului va fi afectat
in fiecare an fondului de rezerva pana ca acesta

ARTICLES OF ASSOCIATION OF AGRICOVER HOLDING S.A.
January and ends on 31 December every year.

The Company shall keep any financial-
accounting records according to the legal
provisions in force.

Art. 31 Personnel of the Company

The personnel of the Company are employed,
dismissed and have their remuneration
established by the Managers.

Art. 32 Depreciation of fixed assets

The Board of Directors establishes, according
to law, the modes of depreciation of fixed
assets.

Art. 33 The accounts and balance sheet

The Company shall keep the accounts in RON,
shall draw up the balance sheet and the profit
and loss account annually, according to the
legal provisions in force.

The balance sheet is approved by the General
Meeting of Shareholders and submitted by care
of the directors to the Trade Registry, within 30
days, for it to be mentioned in the Trade
Register and published in the Official Gazette.

The approval of the balance sheet by the
General Meeting of Shareholders does not
prevent taking actions for liability against the
directors.

Art. 34 Calculation and distribution of profit

The General Meeting, based on the balance
sheet, approves the reinvestment or distribution
of the Company's profit, observing the
applicable law.

At least 5% of the total profit shall be allocated
every year to the reserve fund, until it reaches

ACT CONSTITUTIV SOCIETATEA AGRICOVER HOLDING S.A.
din urma va atinge cel putin 20% din valoarea
capitalului social al Societatii.

In cazul inregistrarii de pierderi, Adunarea
Generala a Actionarilor va analiza cauzele si va
hotari in consecinta.

CAPITOLUL VIII. RETRAGEREA ACTIONARILOR

Art. 35 Retragera actionarilor

Actionarii care nu au votat in favoarea unei
hotarari a Adunarii Generale au dreptul de a se
retrage din Societate si de a solicita cumpararea
actiunilor lor de catre Societate, doar daca
respectiva hotarare a Adunarii Generale are ca
obiect:

- schimbarea obiectului principal de activitate;
- mutarea sediului social Societatii in strainatate;
- schimbarea formei juridice;
- fuziunea sau divizarea Societatii.

Dreptul de retragere poate fi exercitat intr-un
termen de 30 de zile de la data publicarii
hotararii Adunarii Generale in Monitorul
Oficial al Romaniei, Partea a IV-a avand ca
obiect schimbarea obiectului principal de
activitate, mutarea sediului in strainatate sau
schimbarea formei juridice.

In cazul in care s-a hotarat fuziunea sau
divizarea Societatii, termenul de 30 de zile
curge de la data adoptarii hotararii.

Actionarii vor depune la sediul Societatii
declaratia scrisa de retragere.

Pretul platit de Societate pentru actiunile
actionarului care exercita dreptul de retragere va
fi stabilit de un expert autorizat independent, ca

ARTICLES OF ASSOCIATION OF AGRICOVER HOLDING S.A.
at least 20% of the value of the Company's
share capital.

In the event of losses, the General Meeting of
Shareholders shall review the causes and
decide accordingly.

CHAPTER VIII WITHDRAWAL OF SHAREHOLDERS

Art. 35 Withdrawal of shareholders

The shareholders that did not vote in favour of
a decision of the General Meeting have the
right to withdraw from the Company and to
request the acquisition of their shares by the
Company, only if the relevant decision of the
General Meeting refers to:

- changing the main object of activity;
- the relocation of the registered office of the Company abroad;
- changing the legal form;
- the merger or demerger of the Company.

The right of withdrawal may be exercised
within 30 days since the date when the decision
of the General Meeting is published in the
Official Gazette of Romania, Part IV, with the
scope of changing the main object of activity,
the relocation of the registered office abroad, or
changing the legal form.

If the merger or demerger of the company was
decided, the term of 30 days starts from the date
when the decision is adopted.

The shareholders shall submit at the office of
the Company a written statement of
withdrawal.

The price paid by the Company for the shares
of the shareholder exercising its right to
withdraw shall be established by an

ACT CONSTITUTIV SOCIETATEA AGRICOVER HOLDING S.A.
valoarea medie ce rezulta din aplicarea a cel
putin doua metode de evaluare recunoscute de
legislatia in vigoare la data evaluarii. Expertul
este numit in conformitate cu legea aplicabila.

CAPITOLUL IX.
MODIFICAREA FORMEI JURIDICE,
FUZIUNEA, DIZOLVAREA,
LICHIDAREA, LITIGII

**Art. 36 Modificarea formei juridice si
fuziunea**

Societatea va putea fi transformata in alta forma
de societate prin hotararea Adunarii Generale a
Actionarilor. Noua societate va fi
continuatoarea in drepturi si obligatii a actualei
societati si va indeplini formalitatile legale de
inregistrare.

Prin hotararea Adunarii Generale a
Actionarilor, Societatea va putea fuziona cu alta
societate cu personalitate juridica sau straina.
Noua societate va fi continuatoarea in drepturi
si obligatii a actualei societati si va indeplini
formalitatile legale de inregistrare.

Art. 37 Dizolvarea Societatii

Urmatoarele situatii duc la dizolvarea societatii:

- imposibilitatea realizarii obiectului de
activitate;
- hotararea Adunarii Generale a
Actionarilor;
- faliment;
- hotararea tribunalului la cererea oricarui
actionar, pentru motive temeinice, precum
neintelegerile grave dintre asociati, care

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independent licensed expert, as the means
resulted from using at least two valuation
methods recognized by the legislation in force
as of the valuation date. The expert shall be
appointed in accordance with the applicable
law.

CHAPTER IX
CHANGING THE LEGAL FORM,
MERGER, DISSOLUTION,
LIQUIDATION, DISPUTES

Art. 36 Changing the legal form and merger

The Company may be transformed into another
form of company, by a decision of the General
Meeting of Shareholders. The new company
shall be the successor in rights and obligations
of the existing company, and shall fulfil the
legal registration formalities.

Pursuant to a decision of the General Meeting
of Shareholders, the Company shall be able to
merge with another legal entity or foreign
entity. The new company shall be the successor
in rights and obligations of the existing
company, and shall fulfil the legal registration
formalities.

Art. 37 Dissolution of the Company

The following situations result in the
dissolution of the Company:

- the impossibility of achieving the object
of activity;
- the decision of the General Meeting of
Shareholders;
- bankruptcy;
- the decision of the tribunal, upon the
request of any shareholder, for judicious
reasons, such as serious disagreements

- orice alte situatii prevazute de lege.

Dizolvarea societatii trebuie sa fie inregistrata in Registrul Comertului si apoi publicata in Monitorul Oficial.

Art. 38 Lichidarea Societatii

In caz de dizolvare, Societatea va fi lichidata.

Lichidarea Societatii si repartitia patrimoniului se fac in conditiile si cu respectarea procedurii prevazute de legea aplicabila.

Art. 39 Litigii

Litigiile Societatii cu persoane fizice si/sau juridice romane sunt de competenta instantelor judecatoresti din Romania.

Litigiile nascute din raporturi contractuale dintre societati si persoane juridice romane si/sau straine pot fi solutionate si prin arbitraj, potrivit legii.

CAPITOLUL X. DISPOZITII FINALE

Art. 40 Prevederile prezentului Act Constitutiv se completeaza cu dispozitiile legale referitoare la societati.

Art. 41 Ori de câte ori sunt utilizați în prezentul Act Constitutiv, dacă contextul nu necesită diferit, termenii următori au înțelesurile de mai jos:

„**Afiliat**” înseamnă, în legătura cu orice persoană, orice altă persoană care, în mod direct sau indirect, controlează, este controlată sau se află sub control comun împreună cu respectiva persoană și, în legătura cu orice persoană fizică, va însemna, de asemenea, sotul sau soția, copiii

- any other situations set forth by law.

The dissolution of the Company should be registered with the Trade Register and, afterwards, published in the Official Gazette.

Art. 38 Liquidation of the Company

In the event of dissolution, the Company shall be liquidated.

The liquidation of the Company and the distribution of its assets are performed under the conditions and following the procedure set forth by applicable law.

Art. 39 Disputes

The disputes between the Company and Romanian individuals and/or legal entities are within the jurisdiction of the Romanian courts of law.

The disputes arising from contractual relationships between Romanian and/or foreign companies and legal entities may be settled also through arbitration, according to law.

CHAPTER X FINAL PROVISIONS

Art. 40 The provisions of these Articles of Incorporation are supplemented by the legal provisions regarding the companies.

Art. 41 Wherever used in this Articles of Incorporation, unless the context otherwise requires, the following terms shall have the following meanings:

"**Affiliate**" means, with respect to any person, any other person directly or indirectly, controlling, controlled by, or under common control with, such person, and with respect to any physical person it shall also mean his/her spouse, children or siblings and any person

ACT CONSTITUTIV SOCIETATEA AGRICOVER HOLDING S.A. sau fratii ori surorile si orice persoana controlata de oricare dintre cele mentionate mai sus sau de mai multe persoane dintre cele mai sus mentionate;

„**Agricover**” inseamna AGRICOVER DISTRIBUTION SA, societate pe actiuni infiintata si care isi desfasoara activitatea in conformitate cu legile romane, cu sediul social la adresa Bd. Pipera nr. 1B, Cubic Center Office Building, Etaj 8, Voluntari, sectorul Ilfov, Romania, inregistrata la Registrul Comertului sub nr. J23/2344/2017, avand codul unic de inregistrare 13443360;

„**Bugetul Anual**” inseamna cu privire la orice an fiscal, bugetul anual aferent aceluia an intocmit de conducere si aprobat de Consiliul de Administratie al Societatii si de catre consiliile de administratie ale Principalelor Filiale care include, printre altele, indicatorii cheie de performanta, o descriere a principalelor ipoteze care au stat la baza proiectiilor si declaratiile estimative privind profitul si pierderile, declaratiile privind bilantul contabil si declaratiile de trezorerie ale Societatii si ale Principalelor Filiale, pe baza consolidata si neconsolidata, in conformitate cu standardele IFRS;

„**Planul de Afaceri**” inseamna planul de afaceri pe o perioada de cinci ani al Societatii astfel cum a fost agreeat intre Societate si BERD si care include, printre altele, indicatorii cheie de performanta, o descriere a principalelor ipoteze care au stat la baza proiectiilor si declaratiile estimative (anuale) privind profitul si pierderile, declaratiile privind bilantul contabil si declaratiile de trezorerie ale Societatii si ale

ARTICLES OF ASSOCIATION OF AGRICOVER HOLDING S.A. controlled by any of the foregoing or any group of the foregoing;

"**Agricover**" means AGRICOVER DISTRIBUTION SA, a joint stock company organised and existing under the laws of Romania, with its registered office at 1B Pipera Blvd., Cubic Center Office Building, 8th floor, Voluntari, Ilfov county, Romania, registered with the Trade Registry under no. J23/2344/2017, sole registration number 13443360;

"**Annual Budget**" means for any fiscal year, the annual budget for that year prepared by management and approved by the Board of Directors of the Company and by the board of directors of the Main Subsidiaries which annual budget includes, among others, key performance indicators, a description of the key assumptions behind the projections, and projected profit and loss statements, financial position and cash-flow statements of the Company and its Main Subsidiaries, on a consolidated and unconsolidated basis, in compliance with IFRS;

"**Business Plan**" means the five-year business plan of the Company as agreed between the Company and EBRD, which business plan includes, among others, key performance indicators, a description of the key assumptions behind the projections, and projected (on a yearly basis) profit and loss statements, financial position and cash-flow statements of the Company and its Main Subsidiaries on a

ACT CONSTITUTIV SOCIETATEA AGRICOVER HOLDING S.A.
Principalelor Filiale pe baza consolidata si
neconsolidata, in conformitate cu standardele
IFRS, astfel cum acest plan de afaceri poate fi
revizuit si/sau actualizat la o anumita data de
catre Consiliul de Administratie al Societatii si
de catre consiliile de administratie ale
Principalelor Filiale, in conformitate cu acordul
BERD si al Principalului Actionar;

„**Lichiditati**” inseamna, in legatura cu
Agricover, valoarea totala a lichiditatilor
detinute de Agricover si orice numerar aflat in
contul Agricover existent la banci sau la alte
institutiile financiare la data respectiva, exclusiv
orice numerar restrictionat (i.e. numerar care nu
este imediat disponibil Agricover si care
include, insa nu se limiteaza la numerarul depus
cu titlul de garantie pentru imprumuturi
bancare), numerar in tranzit de la clientii
Agricover si Creante Intra-Grup, in fiecare caz
astfel cum se prezinta la data respectiva.

„**Datoric**” inseamna, in legatura cu orice
persoana, toate obligatiile unei astfel de
persoane, inregistrate ca principal sau garantie,
prezente, viitoare sau potentiale, pentru plata
sau rambursarea unor sume de bani, inclusiv,
insa fara a se limita la:

- (a) orice sume datorate de o astfel de persoana
in baza unor contracte de inchiriere sau a unor
acorduri similare pentru respectivele perioade
de timp;
- (b) orice credit fata de persoana respectiva
datorat de un furnizor de bunuri sau rezultat in
baza oricarei achizitii in rate sau a unui alt
aranjament similar; si
- (c) orice pasive si obligatii ale unor terti in
masura in care sunt garantate de respectiva

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consolidated and unconsolidated basis, in
compliance with IFRS, as such business plan
may be revised and/or updated from time to
time by the Board of Directors of the Company
and by the board of directors of the Main
Subsidiaries, in accordance with the agreement
of EBRD and the Main Shareholder;

"**Cash**" means, in respect of Agricover, the
aggregate of all cash held by Agricover, and
any cash balances credited to the account of
Agricover with banks or other financial
institutions at the relevant time, excluding any
restricted cash (i.e. cash not freely available to
Agricover, which includes, but is not limited
to, cash collateral for bank loans), cash in
transit from the clients or customers of
Agricover and the Intra-Group Receivables, in
each case at the relevant time

"**Debt**" means, with respect to any person, all
obligations of such person, whether incurred as
principal or surety and whether present, future,
actual or contingent, for the payment or
repayment of money, including, without
limitation:

- (a) any amounts payable by such person under
leases or similar arrangements over their
respective periods;
- (b) any credit to such person from a supplier of
goods or under any instalment purchase or
other similar arrangement; and
- (c) any liabilities and obligations of third
parties to the extent that they are guaranteed by

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persoana sau aceasta si-a asumat raspunderea ori este tinuta raspunzatoare in alt mod pentru plata acestor pasive sau obligatii sau in masura in care acestea sunt garantate in baza oricarei Sarcini constituite asupra proprietatii respectivei persoane, indiferent daca aceasta si-a asumat raspunderea sau este tinuta raspunzatoare pentru plata respectivelor pasive sau obligatii.

„**Politica privind Dividendele**” inseamna politica cu privire la declararea si plata dividendelor care va fi adoptata in unanimitate de Consiliul de Administratie in termen de sase (6) luni de la data inregistrarii subscrierii BERD la Registrul Comertului;

„**Active Excluse**” inseamna acele active care nu sunt destinate a fi parte din activitatea continua a Grupului (terenuri cu destinatie Agricola);

„**Notificarea privind Optiunea de Vanzare in vederea Retragerii**” inseamna o notificare transmisa de BERD Actionarului Majoritar in conformitate cu dispozitiile Art. 29, care va contine cel putin urmatoarele informatii:

(a) numarul Actiunilor care urmeaza a fi vandute de BERD si cumparate de Actionarul Majoritar; si

(b) Data Decontarii.

„**Perioada de Vanzare in vederea Retragerii**” inseamna perioada care incepe la data de 1 ianuarie 2021 si se incheie la data la care BERD nu mai detine actiuni in Societate sau, daca aceasta survine anterior acestei date, la data de 30 septembrie 2027;

„**Situatiile Financiare**” inseamna situatiile financiare consolidate si neconsolidate (inclusiv bilantul, contul de profit si pierdere, situatia

ARTICLES OF ASSOCIATION OF AGRICOVER HOLDING S.A.
such person or such person has otherwise assumed or become liable for the payment of such liabilities or obligations or to the extent that they are secured by any Lien upon property owned by such person whether or not such person has assumed or become liable for the payment of such liabilities or obligations.

“**Dividend Policy**” means the policy regarding the declaration and payment of dividends to be unanimously adopted by the Board of Directors within six (6) months from the date the EBRD suscription is registered with the Trade Registry;

“**Excluded Assets**” means those assets which are not intended to form part of the ongoing business of the Group (agricultural land);

“**Exit Put Notice**” means a notice delivered by EBRD to the Main Shareholder pursuant to the provisions of Art. 29, which shall set forth as a minimum:

- (a) the number of Shares to be sold by EBRD and purchased by the Main Shareholder; and
- (b) the Settlement Date.

“**Exit Put Period**” means the period commencing on 1 January 2021 and ending on the date when EBRD ceases to hold any shares in the Company or, if earlier, 30 September 2027;

“**Financial Statements**” means the consolidated and unconsolidated financial statements (including a statement of financial

ACT CONSTITUTIV SOCIETATEA AGRICOVER HOLDING S.A. fluxurilor de trezorerie si situatia modificarilor capitalului propriu, precum si anexele la acestea) ale Societatii si ale Filialelor sale intocmite in conformitate cu standardele IFRS;

„**Exercitiul Financiar**” inseamna perioada care incepe in fiecare an la data de 1 ianuarie si se incheie la 31 decembrie sau o alta astfel de perioada pe care Societatea o poate stabili la o anumita data cu acordul BERD ca reprezentand anul contabil al Societatii;

„**Societate a Grupului**” inseamna oricare dintre Societate si Filialele acesteia;

„**IFN**” inseamna AGRICOVER CREDIT IFN SA, societate pe actiuni infiintata si care isi desfasoara activitatea in conformitate cu legile romane, cu sediul social in Bd. Pipera nr. 1B, Cubic Center Office Building, Etaj 8, Voluntari, sectorul Ilfov, Romania, inregistrata la Registrul Comertului sub nr. J23/3261/2011, avand codul unic de inregistrare 22940237;

„**Creantele Intra-Grup**” inseamna, in legatura cu Agricover, valoarea totala a sumelor datorate Agricover de alte Societati ale Grupului la data respectiva, excluzand Valoarea Tranzactiilor Intra-Group;

„**Valoarea Tranzactiilor Intra-Group**” inseamna in legatura cu Agricover, valoarea totala a sumelor datorate de Agricover sau care ii sunt datorate acesteia in cursul obisnuit al activitatii sale de care beneficiaza sau care sunt datorate de alte Societati ale Grupului la data respectiva inclusiv, insa fara a se limita la sumele datorate cu privire la salarii sau alte beneficii salariale, asigurari (inclusiv asigurari de sanatate si asigurari auto), plati privind

ARTICLES OF ASSOCIATION OF AGRICOVER HOLDING S.A. position, statement of profit and loss, statement of cash flows and statement of changes in equity, and notes thereon) of the Company and its Subsidiaries prepared in accordance with IFRS;

“**Financial Year**” means the period commencing each year on 1 January and ending on the following 31 December, or such other period as the Company may, with the EBRD's consent, from time to time designate as the accounting year of the Company;

“**Group Company**” means any of the Company and each of its Subsidiaries;

“**IFN**” means AGRICOVER CREDIT IFN SA, a joint stock company organised and existing under the laws of Romania, with its registered office at 1B Pipera Blvd., Cubic Center Office Building, 8th floor, Voluntari, Ilfov county, Romania, registered with the Trade Registry under no. J23/3261/2011, sole registration number 22940237;

“**Intra-Group Receivables**” means in respect of a Agricover, the aggregate of the amounts owing from other Group Companies to Agricover at the relevant time, excluding Intra-Group Trading Amounts;

“**Intra Group Trading Amounts**” means in respect of Agricover, the aggregate of the amounts owed by or to Agricover in the ordinary and normal course of business to or by other Group Companies at the relevant time including, without limitation, amounts owed in respect of salaries or other employee benefits, insurance (including health and motor insurance), pension or retirement benefit payments, management training and car rental

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pensiile sau beneficii in baza planului de pensii, cursuri de pregatire profesionala pentru angajatii cu rol executiv si plati cu inchirierea de autoturisme efectuate sau acordate de orice alta Societate a Grupului sau oferite acesteia precum si bunuri sau servicii furnizate oricarei alte Societati a Grupului in conditii standard;

„**Sarcina**” inseamna orice ipoteca, gaj, garantie, privilegiu, prioritate, gaj fara deposedare, sarcina, cesiune, sechestru, drept de compensare sau alt drept de garantie de orice fel sau orice alt contract sau aranjament al carui efect este de a garanta orice active, venituri sau drepturi, prezente sau viitoare, sau orice separare a celor mai sus mentionate ori un alt aranjament preferential in legatura cu acestea, inclusiv, inasa fara a se limita la orice desemnare a beneficiarilor sau la orice aranjament similar in baza oricarei polite de asigurare;

„**Data Decontarii**” inseamna o zi lucratoare care va surveni ultima dintre urmatoarele date: (i) data mentionata in Notificarea privind Optiunea de Vanzare in vederea Retragerii pentru plata si transferul Actiunilor de Vanzare in vederea Retragerii, care va surveni in termen de minim 30 zile consecutive si maxim 60 zile consecutive de la transmiterea unei astfel de Notificari privind Optiunea de Vanzare in vederea Retragerii; (ii) daca sunt necesare potrivit legii romane aprobari guvernamentale sau renuntari prelabile din partea organismelor guvernamentale sau a autoritatilor bursiere pentru realizarea vanzarii mentionate in Notificarea privind Optiunea de Vanzare in vederea Retragerii, aceasta data va fi data care va surveni in termen de minim 15 zile si maxim

ARTICLES OF ASSOCIATION OF AGRICOVER HOLDING S.A.
payments paid or provided by or to any other Group Company and goods or services supplied to any other Group Company on standard terms;

“**Lien**” means any mortgage, pledge, charge, privilege, priority, hypothecation, encumbrance, assignment, lien, attachment, set-off or other security interest of any kind or any other agreement or arrangement having the effect of conferring security upon or with respect to, or any segregation of or other preferential arrangement with respect to, any present or future assets, revenues or rights, including, without limitation, any designation of loss payees or beneficiaries or any similar arrangement under any insurance policy;

“**Settlement Date**” means a business day which shall be the latest of the following: (i) the date specified in the Exit Put Notice for paying for and transferring the Exit Put Shares, which shall be no less than 30 consecutive days nor more than 60 consecutive days after delivery of such Exit Put Notice; (ii) if prior governmental consents or waivers from governmental bodies or securities exchange authorities are required under the laws of Romania to effect the sale contemplated in the Exit Put Notice, it shall be the date that is no less than 15 days nor more than 30 days after such consents or waivers from governmental bodies or securities exchange authorities have been granted (as selected by EBRD); or (iii) such other date as may be agreed between

ACT CONSTITUTIV SOCIETATEA AGRICOVER HOLDING S.A.
sau renuntari din partea organismelor
guvernamentale sau a autoritatilor bursiere
(conform optiunii BERD); sau (iii) o alta astfel
de data care poate fi convenita intre BERD si
Actionarul Majoritar;

„**Filiala**” inseamna, cu privire la o entitate, orice
alta entitate al carei capital este detinut in
procent mai mare de 50%, in mod direct sau
indirect de respectiva entitate sau care este
controlata efectiv in alt mod de entitatea in
cauza. La data inregistrarii prezentului Act
Constitutiv la Registrul Comertului, Societatea
are urmatoarele Filiale: Societatea
AGRICOVER DISTRIBUTION S.A.
(J23/2344/2017; CUI RO 13443360),
Societatea AGRICOVER CREDIT IFN S.A.
(J23/3261/2011 ; CUI RO22940237),
Societatea AGRICOVER TECHNOLOGY
S.R.L. (J23/4637/2020; CUI RO43154623).

„**Principalele Filiale**” inseamna Agricover si
IFN;

Art. 42 Prezentul Act Constitutiv a fost redactat
si semnat astazi 12.07.2024, intr-un exemplar
original, in limbile engleza si romana; în caz de
neconcordanță textul în limba română va
prevala.

ARTICLES OF ASSOCIATION OF AGRICOVER HOLDING S.A.

"**Subsidiary**" means, with respect to any
entity, any other entity over 50% of whose
capital is owned, directly or indirectly by such
entity or which is otherwise effectively
controlled by such entity. As of the date of
registration of these Articles of Association
with the trade registry, the Company has the
following Subsidiaries: AGRICOVER
DISTRIBUTION S.A. (J23/2344/2017; CUI
RO 13443360), AGRICOVER CREDIT IFN
S.A. (J23/3261/2011; CUI RO22940237),
AGRICOVER TECHNOLOGY S.R.L.
(J23/4637/2020; CUI RO43154623).

“**Main Subsidiaries**” means Agricover and
IFN;

Art. 42 These Articles of Association have
been drawn up and signed this day, 12.07.2024,
in one original, in English and Romanian; in
case of discrepancy the Romanian version shall
prevail.

PRESEDINTELE CONSILIULUI DE ADMINISTRATIE/

CHAIRMAN OF THE BOARD OF DIRECTORS

KANANI JABBAR

