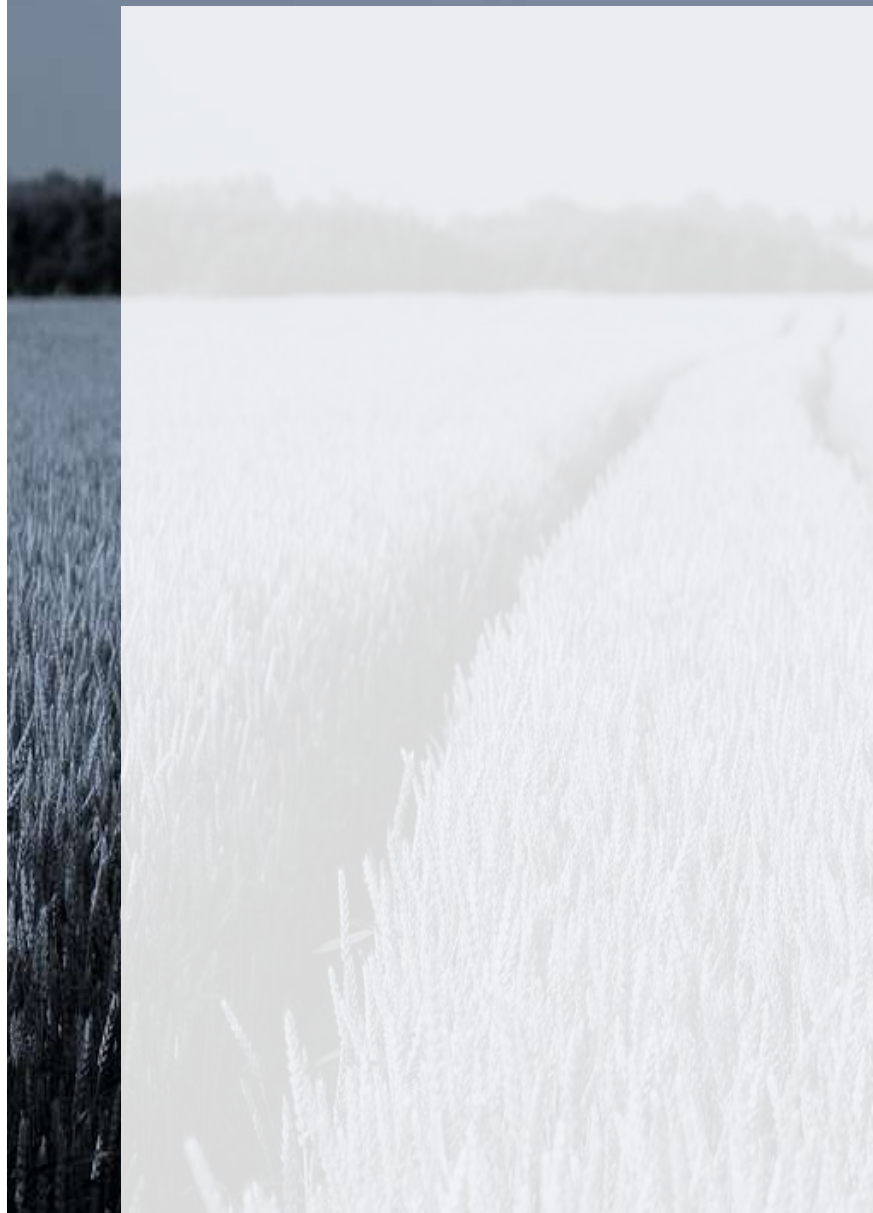


# INTERIM INDIVIDUAL ACTIVITY REPORT

**3Q 2023**

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## **INTERIM REPORT**

### **ON THE OPERATIONS ON A NON-CONSOLIDATED BASIS FOR THE THIRD QUARTER OF 2023, IN ACCORDANCE WITH ARTICLE 100N (4), ITEM. 2 OF POSA**

The Board of Directors of Agria Group Holding AD, Varna, announces to all current and future investors that the information presented in this document has been prepared according to the requirements of Ordinance No. 2 of the FSC and POSA. The document contains information on the operations of the company on a non-consolidated basis for the period 01.01.2023 – 30.09.2023. It is in the best interest of investors to review the provided non-consolidated financial statements before deciding to invest in securities of the Company.

The persons liable for damages caused by false, misleading or incomplete data in the information herein as at 30.09.2023 are:

Emil Veselinov Raykov – Chairman of the Board of Directors and Executive Director

Stanimir Rusev Buzhev – Member of the Board of Directors

Deyan Rosenov Ovcharov – Member of the Board of Directors

Daniela Dimitrova Taneva – Member of the Board of Directors

Anna Dimitrova Belchinska – Member of the Board of Directors

**1. IMPORTANT EVENTS FOR AGRIA GROUP HOLDING AD OCCURRING IN THE THIRD QUARTER OF 2022 (01.07.2023 – 30.09.2023)**

DATE	EVENT
<b>30.09.2023</b>	<p>1. Based on inconclusive data, Agria Group Holding AD has generated non-consolidated income for the third quarter of 2023 in the amount of BGN 256 thousand.</p> <p>2. The company generated revenues on a non-consolidated basis for the third quarter of 2023 amounting to BGN 10,420 thousand.</p> <p>3. The company's equity on non-consolidated basis as at 30.09.2023 is BGN 102,070 thousand.</p>
<b>28.09.2023</b>	<p>Agria Group Holding AD has presented to the Financial Supervision Commission (FSC), the Bulgarian Stock Exchange AD (BSE) and the public information in accordance with Paragraph 6, Article 19 of Regulation (EU) №596/2014 of the European Parliament and of the Council dated 16<sup>th</sup> April 2014.</p>
<b>28.09.2023</b>	<p>Agria Group Holding AD has presented to the Financial Supervision Commission (FSC), the Bulgarian Stock Exchange AD (BSE) and the public information in accordance with Art. 148b of POSA, presented to the company with a notice in accordance with Art.145 of POSA regarding circumstances related to disclosure of shareholding.</p>
<b>28.08.2023</b>	<p>Agria Group Holding AD has presented to the Financial Supervision Commission (FSC), the Bulgarian Stock Exchange AD (BSE) and the public information in accordance with Art. 148b of POSA, presented to the company with a notice in accordance with Art.145 of POSA regarding circumstances related to disclosure of shareholding.</p>
<b>17.08.2023</b>	<p>The company presented a half-yearly consolidated report for the first half of 2023 to the FSC, BSE-Sofia AD and the public.</p>
<b>24.07.2023</b>	<p>The company presented a half-yearly non-consolidated report for the first half of 2023 to the FSC, BSE-Sofia AD and the public.</p>
<b>13.07.2023</b>	<p>On 13<sup>th</sup> July 2023 a Construction Permit was issued to Agria Group Holding AD's subsidiary Kristera AD, for building of the first stage (Oil plant) of the Production plant for processing and storage of oilseed crops and crude oil, within the area of the warehouse facility of Kristera AD in Popovo. The Construction Permit came into effect on 1<sup>st</sup> August 2023.</p>
<b>11.07.2023</b>	<p>On 11<sup>th</sup> July 2023, Agria Group Holding AD has reported dividend income from Agria Group Holding AD's subsidiaries Aris Agro EOOD, Kehlibar EOOD, Diasvet EOOD and BD Farm EOOD in the total amount of BGN 7 007 658.11.</p>
<b>01.07.2023-30.09.2023</b>	<p>Pursuant to the Investment Program of the companies in the holding group, during the third quarter of 2023, the subsidiaries of Agria Group Holding AD continued the process of expanding their own agricultural land through purchase agreements. The lands purchased are located in the regions where the companies are already cultivating agricultural lands. Due to the usual trading activity of the companies in the holding group, specializing in agricultural production, the fulfilment of the Investment Program of the holding for expanding its agricultural lands leads to consolidation of the total agricultural lands cultivated by the companies in the Group.</p>

**2. IMPORTANT EVENTS FOR AGRIA GROUP HOLDING AD OCCURRING FROM THE BEGINNING OF THE FINANCIAL 2023 TO THE END OF THE THIRD QUARTER OF 2023 (01.01.2023 -30.09.2023) WITH ACCUMULATION**

DATE	EVENT
<b>30.09.2023</b>	<p>1. Based on inconclusive data, Agria Group Holding AD has generated non-consolidated income for the third quarter of 2023 in the amount of BGN 256 thousand.</p> <p>2. The company generated revenues on a non-consolidated basis for the third quarter of 2023 amounting to BGN 10,420 thousand.</p> <p>3. The company's equity on non-consolidated basis as at 30.09.2023 is BGN 102,070 thousand.</p>
<b>28.09.2023</b>	<p>Agria Group Holding AD has presented to the Financial Supervision Commission (FSC), the Bulgarian Stock Exchange AD (BSE) and the public information in accordance with Paragraph 6, Article 19 of Regulation (EU) №596/2014 of the European Parliament and of the Council dated 16<sup>th</sup> April 2014.</p>
<b>28.09.2023</b>	<p>Agria Group Holding AD has presented to the Financial Supervision Commission (FSC), the Bulgarian Stock Exchange AD (BSE) and the public information in accordance with Art. 148b of POSA, presented to the company with a notice in accordance with Art.145 of POSA regarding circumstances related to disclosure of shareholding.</p>
<b>28.08.2023</b>	<p>Agria Group Holding AD has presented to the Financial Supervision Commission (FSC), the Bulgarian Stock Exchange AD (BSE) and the public information in accordance with Art. 148b of POSA, presented to the company with a notice in accordance with Art.145 of POSA regarding circumstances related to disclosure of shareholding.</p>
<b>17.08.2023</b>	<p>The company presented a half-yearly consolidated report for the first half of 2023 to the FSC, BSE-Sofia AD and the public.</p>
<b>24.07.2023</b>	<p>The company presented a half-yearly non-consolidated report for the first half of 2023 to the FSC, BSE-Sofia AD and the public.</p>
<b>13.07.2023</b>	<p>On 13<sup>th</sup> July 2023 a Construction Permit was issued to Agria Group Holding AD's subsidiary Kristera AD, for building of the first stage (Oil plant) of the Production plant for processing and storage of oilseed crops and crude oil, within the area of the warehouse facility of Kristera AD in Popovo. The Construction Permit came into effect on 1<sup>st</sup> August 2023.</p>
<b>11.07.2023</b>	<p>On 11<sup>th</sup> July 2023, Agria Group Holding AD declared dividend income from Agria Group Holding AD's subsidiaries Aris Agro EOOD, Kehlibar EOOD, Diasvet EOOD and BD Farm EOOD in the total amount of BGN 7 007 658.11.</p>
<b>01.07.2023-30.09.2023</b>	<p>Pursuant to the Investment Program of the companies in the holding group, during the third quarter of 2023, the subsidiaries of Agria Group Holding AD continued the process of expanding their own agricultural land through purchase agreements. The lands purchased are located in the regions where the companies are already cultivating agricultural lands. Due to the usual trading activity of the companies in the holding group, specializing in agricultural production, the fulfilment of the Investment Program of the holding for expanding its agricultural lands leads to consolidation of the total agricultural lands cultivated by the companies in the Group.</p>

<p><b>28.06.2023</b></p>	<p>“Agria Group Holding” AD has disclosed a dividend notice containing the terms and conditions for payment of dividend as follows: The General Meeting of Shareholders of Agria Group holding AD, held on 26 June 2023, adopts a resolution to distribute part of the Company's generated net profit for 2022 amounting to BGN 42 181 441.46 as a cash dividend to the shareholders, as the total amount of the dividend amounts to BGN 6 800 000.00. The persons entitled to receive dividend should be entered in the registers of the Central Depository as holders of dividend rights as of the 14th day following the General Meeting – namely 10 July 2023. Gross amount of dividend per share - BGN 1. Net dividend per share for individual shareholders after deduction of 5% tax - BGN 0.95. Selected commercial bank for dividend payment - UniCredit Bulbank AD. Start date for dividend payment - 21 August 2023. End date for dividend payment - 29 December 2023. The dividend will be paid as follows: for shareholders with customer accounts with investment intermediaries - through the respective investment intermediary; for shareholders without accounts with investment intermediaries - through the branches of UniCredit Bulbank AD in the country until 29 December 2023.</p>
<p><b>28.06.2023</b></p>	<p>The Company has presented the minutes of the Ordinary General Meeting of Shareholders of Agria Group Holding AD Varna held on 26 June 2023 to the FSC, BSE-Sofia and the public.</p>
<p><b>26.06.2023</b></p>	<p>Ordinary General Meeting of shareholders of Agria Group Holding AD, Varna was held and the following resolutions were passed: 1. The General Meeting approves the audited annual financial statement of the Company for 2022, prepared in accordance with Delegated Regulation (EU) 2019/815 and submitted to the Financial Supervision Commission (FSC), Bulgarian Stock Exchange AD (BSE) and the public; 2. The General Meeting approves the Audited annual consolidated activity report of the Company for 2021, prepared in accordance with Delegated Regulation (EU) 2019/815 and submitted to the Financial Supervision Commission (FSC), Bulgarian Stock Exchange AD (BSE) and the public; 3. The General Meeting of Shareholders adopts a resolution to distribute the Company's generated net profit for 2022 amounting to BGN 42 181 441.46 as a cash dividend to the shareholders, as the total amount of the dividend amounts to BGN 6 800 000.00. The persons entitled to receive dividend should be entered in the registers of the Central Depository as holders of dividend rights as of the 14th day following the General Meeting at which the Annual Financial Statements and the resolution on the distribution of profits are adopted. The General Meeting of Shareholders authorizes the Board of Directors of the Company to take all necessary factual and legal actions regarding the dividend pay-off, including selection of servicing bank, the initial and final date for the payment of the dividend; 4. The General Meeting discharges from liability the members of the Board of Directors of the Company with regard to their activity in 2022; 5. The General Meeting approves the report of the Investor Relations Director of the Company for 2022; 6. The General Meeting approves the report on the activity of the Auditing Committee of the Company for 2022; 7. The General Meeting passes a resolution for election of the Audit Committee of Agria Group Holding AD in the following composition: Simeon Parvanov Milev, Svetla Valentinova Gancheva and Milena Ivanova Gigova; 8. The General Meeting determines a mandate of 1 year for the Audit Committee of Agria Group Holding AD and remuneration of its</p>

	<p>members as follows: monthly remuneration for The Chairman of the Audit Committee amounting to BGN 1300 and monthly remuneration for all the members of Audit committee amounting to BGN 500; 9. The General Meeting passes a resolution for election of a registered auditor of the Company for 2023 in accordance with the proposal presented by the Auditing Committee; 10. The General Meeting approves the report on the implementation of the Policy for remuneration of the members of the Board of Directors of Agria Group Holding AD for 2022; 11. The General Meeting of Shareholders passes a resolution for buy-back of Company's own shares under the following conditions:</p> <ul style="list-style-type: none"> <li>– Number of shares subject to buy-back – up to 3% of the total voting shares, issued by the company or up to 204 000 shares.</li> <li>– Minimum buy-back price – BGN 28.00</li> <li>– Maximum buy-back price – BGN 30.00</li> <li>– Initial date of buy-back – 30th June 2023</li> <li>– Final date of buy-back – not later than 30th June 2024</li> <li>– Payment term of buy-back shares – according to the legislation in force.</li> </ul> <p>The General Meeting of Shareholders authorizes the Board of Directors to conduct unlimited procedures for buy-back during the buy-back period; in the term of each procedure, depending on the market conditions, to change under their discretion the buy-back price within the price limits set by the General Meeting of shareholders; to determine an investment broker who shall be assigned to proceed the buy-back order; to determine all remaining parameters of the buy-back and take all necessary factual and legal actions pursuant to the resolution of the General Meeting.</p> <p>Buy-back goal – increase in the liquidity of the Company's shares; 12. The General Meeting of Shareholders passes a resolution to determine the amount of fixed monthly remuneration of the members of the Board of Directors and the Executive Director as it follows: fixed monthly remuneration of the members of the Board of Directors at the amount of BGN 7 000; fixed monthly remuneration of the Executive Director at the amount of BGN 20 000; 13. The General Meeting of Shareholders passes a resolution on amendments to the Remuneration Policy for the Members of the Board of Directors of Agria Group Holding AD; 14. The General Meeting of Shareholders determines an additional remuneration for 2022 for the members of the Board of Directors in the total amount of up to BGN 1 000 000.00, distributed among the members of the Board of Directors, in accordance with the adopted Remuneration Policy for the members of the Board of Directors of Agria Group Holding AD, together with any adopted amendments thereto, as follows: an additional remuneration for the Chairman of the Board of Directors and CEO Emil Veselinov Raykov, amounting to a maximum amount of BGN 600 000. Additional remuneration to the member of the Board of Directors Stanimir Rusev Buzhev, amounting to a maximum amount of BGN 200 000.00; Additional remuneration to the member of the Board of Directors Anna Dimitrova Belchinska, amounting to a maximum amount of BGN 200 000.00.</p>
<p><b>12.06.2023</b></p>	<p>The Company determined the circle of members with voting rights in The Ordinary General Meeting of Shareholders, scheduled for 26 June 2023 based on a list / book of shareholders of the Company, presented by the Central Depository.</p>

<b>23.05.2023</b>	The company presented an invitation for the Ordinary General Meeting of shareholders of Agria Group Holding AD on 26 June 2023 to the FSC, BSE-Sofia AD and the public.
<b>23.05.2023</b>	The company presented an invitation for the Ordinary General Meeting of shareholders of Agria Group Holding AD on 26 June 2023 and the General Meeting materials to the FSC, BSE-Sofia AD and the public.
<b>22.05.2023</b>	The company presented a quarterly consolidated report on the first quarter of 2023 to the FSC, BSE-Sofia AD and the public.
<b>02.05.2023</b>	The Company presented an annual consolidated report for 2022 prepared in accordance with Delegated Regulation (EU) 2019/815 of the Financial Supervision Commission (FSC), the Bulgarian Stock Exchange AD (BSE) and the public.
<b>24.04.2023</b>	The company presented a quarterly non-consolidated report for the first quarter of 2023 to the FSC, BSE-Sofia AD and the public.
<b>11.04.2023</b>	The Company presented an annual non-consolidated activity report for 2022 prepared in accordance in ESEF form prepared in accordance with Delegated Regulation (EU) 2019/815 to the Bulgarian Stock Exchange AD (BSE) and the public.
<b>27.03.2023</b>	The Company presented an annual non-consolidated report for 2022 in format ESEF to the FSC, BSE-Sofia AD and the public.
<b>27.02.2023</b>	The company presented quarterly consolidated report for the fourth quarter of 2022 to the FSC, BSE-Sofia AD and the public.
<b>08.02.2023</b>	<p>On 8th of February 2023 Agria Group Holding AD concluded final sale-purchase contract of 441,866 ordinary registered dematerialised shares with voting rights from Almagest AD trading company capital, entered in the Commercial Register and in the Register of Legal Entities at the Registry Agency with UIC 175340142, with a nominal value of 80 each, representing 100% of the capital of Almagest AD. On that date, the shares were transferred from the sellers to the buyer by registering the transfer transaction with the Central Depository AD, in accordance with the requirements of the current legislation, and Agria Group Holding AD acquired the ownership of 100% of the shares of the capital of Almagest AD. The shares have been transferred to the buyer, Agria Group Holding AD, free of any third party liabilities, encumbrances, rights and claims, together with all rights arising from or related to them.</p> <p>The transaction supports the implementation of part of the investment program of the holding in the direction of strengthening Agria Group Holding's presence in the renewable energy market, which is within the scope of the holding's business lines, in accordance with the long-term development strategy. Combining the business potential of Agria Group Holding AD and Almagest AD, would be representing a sustainable foundation for future successful growth and diversification of the business lines developed by the company.</p> <p>There are no related and/or interested parties involved in the future transaction. The transaction does not fall within the scope of Article 114(1) of the Securities Act, as this type of transaction, in accordance with the scope of activity of Agria Group Holding AD, in line with the provision of Article 114(10) of the Securities Act, is in the ordinary commercial activity, representing the sum of actions and transactions performed by the company within the scope of its business activity and in</p>

	accordance with the ordinary commercial practice.
<b>25.01.2023</b>	The company presented quarterly non-consolidated report for the fourth quarter of 2022 to the FSC, BSE-Sofia AD and the public.
<b>12.01.2023</b>	With resolution of 12.01.2023 the Commission for Protection of Competition adopted the following decisions: 1. APPROVES the concentration between companies to be implemented by acquisition by Agria Group Holding AD (UIC 148135254) of sole control over Almagest AD (UIC 175340142). 2. Immediate implementation of the decision under item 1.
<b>01.01.2023 – 31.06.2023</b>	For the period covering the first half of 2023, Agria Group Holding AD has reported dividend income from its subsidiary Kehlibar EOOD in the amount of BGN 7 800 000.
<b>01.01.2023 – 30.06.2023</b>	Pursuant to the Investment Program of the companies in the holding group, during the first half of 2023, the subsidiaries of Agria Group Holding AD continued the process of expanding their own agricultural land through purchase agreements. The lands purchased are located in the regions where the companies are already cultivating agricultural lands. Due to the usual trading activity of the companies in the holding group, specializing in agricultural production, the fulfilment of the Investment Program of the holding for expanding its agricultural lands leads to consolidation of the total agricultural lands cultivated by the companies in the Group.

### Events that occurred after the end of the third quarter of 2023

On 5<sup>th</sup> October, 2023, in the Commercial Register and Register of Non-Profit Legal Entities at the Registry Agency, the conversion of the single-member joint-stock company "ALMAGEST" EAD with IUC 175340142 (converting company) has entered by change of the legal form in accordance with Article 264 and the following Articles from The Commercial Law, as it has become a commercial company of a different type - from a single-member joint-stock company to a single-member limited liability company (newly established company) "ALMAGEST" EOOD with UIC 207546986, which became the legal successor of the transforming company, which was terminated without liquidation. With the registration of the change of legal form, the rights and obligations of the converting company have passed entirely to the newly established company.

As a result of researches made and preliminary negotiations between "Agria Group Holding" AD and the owner of the capital of the company "Komers" EOOD with UIC 125044589, "Agria Group Holding" AD has made an indicative offer to acquire the ownership of 100% of the shares of the capital of "Komers" EOOD, which has been confirmed by the owner of the shares. "Komers" EOOD is a company developing agribusiness activity through the production of grains (grain and oilseed crops) and trades directly with end consumers (grain traders), representing potential buyers of grain crops. The production and trade of grain and oilseed crops are within the scope of the activities of "Agria Group Holding" AD, as part of the holding's business model. An investment in the acquisition of shares from the capital of "Komers" EOOD provides a potential for strengthening the market presence of "Agria Group Holding" AD within the main areas of the holding's activities, namely: the company's commercial and export activities, by securing grain crops as a raw material for domestic



and foreign trade. The expansion of the grain trading business is also beneficial for the supply of the main raw material for the processing part of the holding's activity (processing of oilseeds and other grain crops) for the production of crude and refined sunflower oil and ethanol. The expected positive effects of acquiring the shares of "Komers" EOOD's capital are in direction of increasing the holding's market presence in grain trade and grain processing, which would lead to a long-term security and sustainability of the company's business model, to better balance of cash flows and added value on a group level.

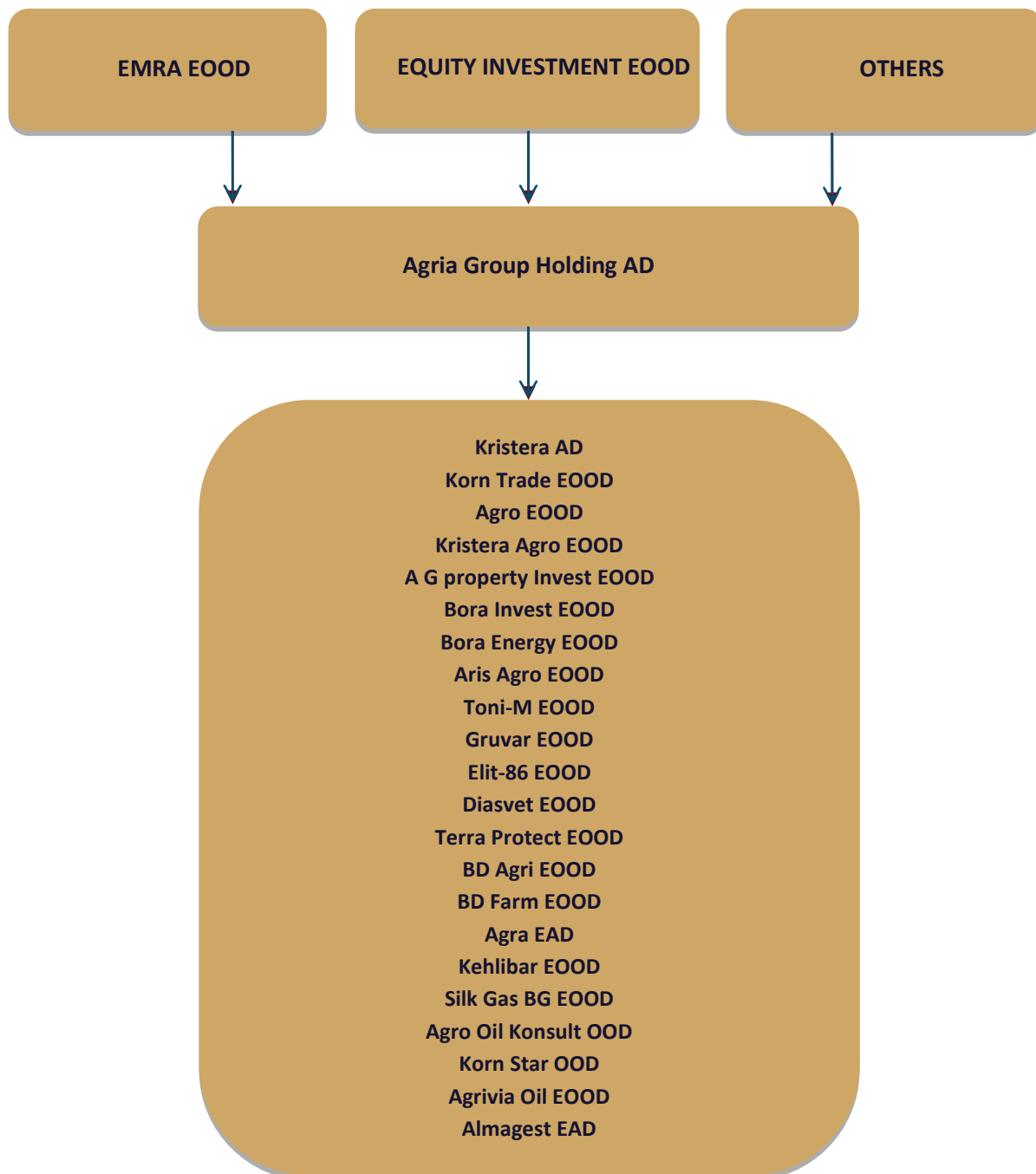
After the successful completion of negotiations, after receiving a resolution from the Commission for Protection of Competition, which allows the sale of shares from the seller to the buyer and after a future authorizing decision from the corporate management of "Agria Group Holding" AD, a possible transaction for acquisition of ownership of 100% of the capital shares of "Komers" EOOD is to be concluded. On 13.10.2023, a notification was submitted to the Commission for Protection of Competition to approve a concentration regarding the acquisition of shares of the capital of "Komers" EOOD.

### **3. OVERVIEW OF THE ACTIVITY AND CONDITION OF THE COMPANY**

As a holding company, AGRIA GROUP HOLDING AD depends on the activities and results of its subsidiaries. The main objective of the Company is to participate in any form in other commercial companies or in their management. The business policy of the Company, including investments, should be considered mainly in terms of the operations of its subsidiaries, because Agria Group Holding AD functions as a legal entity-holding company, carrying out investment activities as managing the stakes it holds in its subsidiaries.

### Structure of AGRIA GROUP HOLDING AD

“Agria Group Holding” AD is part of the following economic group



**Agria Group Holding AD holds shares in the following companies:**

- „Kristera“ AD, Popovo - 59,554 ordinary registered shares with a nominal value of BGN 100 each, representing 99.26% of the company's capital;

- „Korn Trade“ EOOD, Varna - 68 000 shares of BGN 100 each, representing 100% of the company's capital;
- „Agro“ EOOD Varna - 50 shares of BGN 100 each, representing 100% of the company's capital;
- „Kristera-Agro“ EOOD, Devnya - 76 000 shares of BGN 100 each, representing 100% of the company's capital;
- "AG Property Invest" EOOD Sofia - 122 050 shares of BGN 100 each, representing 100% of the company's capital;
- "Bora Invest EOOD" Varna - 11 000 shares of BGN 100 each, representing 100% of the company's capital;
- "Bora Energy" EOOD Varna - 622 000 shares of BGN 10 each, representing 100% of the company's capital;
- 'Aris Agro' EOOD Varna - 500 shares of BGN 10 each, representing 100% of the company's capital;
- 'Toni-M' EOOD Varna - 500 shares of BGN 10 each, representing 100% of the company's capital;
- "Elit-86" EOOD Varna - 500 shares of BGN 10 each, representing 100% of the company's capital;
- "Gruver" Ltd., Varna - 50 shares of BGN 100 each, representing 100% of the company's capital;
- 'BD Agri' EOOD Varna - 50 shares of BGN 100 000 each, representing 100% of the company's capital;
- 'BD Farm' EOOD Varna - 50 shares of BGN 100 000 each, representing 100% of the company's capital;
- 'Diasvet' EOOD village of Pisanets, Ruse region - 100 shares of BGN 50 each, representing 100% of the company's capital;
- "Terra Protect" EOOD Sofia - 90 000 shares of BGN 10 each, representing 100% of the company's capital.
- 'Agra' EAD Varna - 119 545 ordinary registered shares with a nominal value of BGN 100 each, representing 100% of the company's capital.
- "Kehlibar" EOOD town of Lyaskovets - 7 600 shares of BGN 1 000 each, representing 100% of the company's capital.
- 'Silk Gas BG' EOOD - 500 shares of BGN 10 each, representing 100% of the company's capital.
- 'Agro Oil Consult' OOD - 50 500 shares of BGN 10 each, representing 50% of the company's capital.
- 'Korn Star OOD' - 52 200 shares of BGN 10 each, representing 40% of the company's capital.
- 'AgriVia Oil' EOOD - 4 000 005 shares of BGN 1 each.
- 'Almagest' EAD – 441 866 ordinary registered shares with a par value of BGN 80 each, representing 100% of the Company's capital. On 5<sup>th</sup> October, 2023, in the Commercial Register and Register of Non-Profit Legal Entities at the Registry Agency, the conversion of the company from single-member joint-stock company to a single-member limited liability company in "ALMAGEST" EOOD with UIC 207546986 was entered.

### **Type of Operations of Agria Group Holding AD**

Agria Group Holding AD, through its subsidiaries, is engaged in the following types of business:

- **Agribusiness in North-Eastern Bulgaria.**

- **Processing industry (storage and processing of grain and oil-bearing cultures) centred in Lyaskovets.**

- **Trade/export operations near the Port of Varna. Main logistic centers – the towns of Popovo, Devnya and Varna.**



Besides these main activities, the holding also performs other auxiliary activities - trade in farming fertilisers, plant protection chemicals, fuels and lubricants, sowing seeds by world-renowned companies such as Korteve, Bayer, Syngenta, Lima Grain, BASF, etc.

The activity of part of the subsidiaries of Agria Group Holding AD is in the field of agribusiness. The Company's **agribusiness** activities include:

- Cultivation of agricultural land, production of grain and oil-bearing crops;
- Services related to various agronomic techniques.

Another type of business the holding is engaged in is **processing industry** and **trade in grain and grain derivatives**, including **export operations**.

The total capacity of the storage facilities of Agria Group Holding AD amounts to approx. 290,000 tonnes. The storage bases of the holding are concentrated in three main logistic centers located in the town of Popovo, town of Devnya and town of Lyaskovets. There also are auxiliary warehouse capacities in the main agribusiness centers of the Company in the town of Targovishte, the village of Yankovo, village of Belogradets, village of Osenets, the town of Kardam, village of Rositsa, town of Provadia and the villages of Pisanets and Slavyanovo.

### Main logistic centers

#### Devnya

- The most recent of all storage facilities of the holding is the one located in Devnya, Varna municipality, whose construction dates back to 2007 and currently consists of 12 metal silos and a flat warehouse. Its total storage capacity is 65 000 mt of grain, including wheat, corn, barley, rapeseed and sunflower seed. The storage facility has a key location and is in the immediate vicinity of Hemus Highway and very close to Port Varna West and Port Lesport. The base is equipped with modern laboratory in compliance with EU requirements.

#### Popovo

- The warehouse facility, which is a property of Kristera AD, with its storage capacity of 170,000 tons of grain forms the logistic center in the Industrial zone of the town Popovo. A modern laboratory guarantees the quality of the input and output of the traded grain and oil-bearing crops.

#### Lyaskovets

- An enterprise for sunflower seed production is based in the town of Lyaskovets, which is a property to the subsidiary Kehlibar EOOD, having a trade mark of the same name. The company's trading list includes crude and refined sunflower oil, sunflower husk pellets and sunflower meal. The oil-bearing cultures and grain storage capacity is 20 000 tonnes and the annual processing capacity is 50 000 tonnes. Kehlibar EOOD is certified under the requirements of ISO 22000:2005.

Approx 750 000- 800,000 tonnes of grain and oil-bearing crops are stored and traded in the holding's grain facilities annually.



The Company has built a mature and effective market structure to procure the incoming raw materials (grain crops), a flexible logistic structure and good positioning of the main locations where grain is stored (grain facilities) near cargo terminals (Port of Varna, Port of Bourgas, Port of Constanta). The closed production cycle, which minimizes the effect of outside factors with regard to purchasing prices and the quality of the main raw materials, and the large quantity of cultivated farmland, including land owned or rented by companies from the holding structure engaging in agribusiness, help to largely secure the foreign trade operations of the company as well.

The main clients for the export transactions of the of the Group’s companies are global leaders in grain trade, including Cofco International Romania S.R.L., Cofco International Bulgaria EOOD, ADM Bulgaria Trading EOOD, ADM – Razgrad EAD, Viterra Romania, Cargill Bulgaria, Lecureur France, Dimitriaki S.A. – Greece, Ameropa AG, SAIPOL France, Soya Hellas – Greece, Soya Mills- Greece, VAIT Austria, The Andersons INC USA etc.

#### 4. INVESTMENT PROGRAM FOR 2023

##### Sources of Financing

- The Company plans to finance about 40% of the investment program of Agria Group Holding for 2023 with its own funds.
- The remaining part of the investments will be financed with long-term debt financial instruments.
- In view of the specialisation of the Company mainly in agribusiness sectors, one source of grants is the European Union in the form of grant schemes for supporting the agricultural producers under the Single payment per area scheme, Payment scheme for agricultural practices beneficial

for the climate and environment / 'green' direct payments GDP /as well as subsidies under Measure 12 – Natura 2000.

## **Investments per Type of Operations of Agria Group Holding AD**

### **Agribusiness**

↳ Purchase of farmland in the areas where farming subsidiaries of the holding cultivate farmland. Due to the usual trading activity of the companies in the holding group, specializing in agricultural production, the effect of the land purchasing agreements meets the expectations of the Company referring to fulfilment of the Investment Program for expanding its agricultural lands. The lands purchased are located in regions where the companies are already cultivating agricultural lands, which will lead to the consolidation of the total lands cultivated by the companies of the Group. For 2023 the Holding plans investments amounting to EUR 1,500,000.

During the period from the beginning of the financial 2023 to the end of the third quarter of 2023, the subsidiaries of Agria Group Holding AD continued the process of expanding the own agricultural land as they purchased agricultural land in the regions of Veliki Preslav, Razgrad, Targovishte, Ruse, Provadia, and Popovo in the total amount according to inconclusive data of approximately EUR 1 401,000.

↳ Augmentation of capacity, reconstruction and modernization of existing storage facilities in the different agricultural bases of the company. For 2023, the Holding plans investments amounting to EUR 700,000.

The investments made at the end of the third quarter of 2023 in increasing storage capacity, reconstruction and modernization of already existing storage facilities in the different agricultural bases amounts to EUR 370,000.

↳ Investments in agricultural machinery. For 2023, the company plans investments amounting to EUR 1,500,000.

As the end of the third quarter of 2023 the investments in agricultural machinery amount to EUR 3,670,000.

### **Trade/export operations**

↳ The investments planned for 2023 in the field of transportation, specifically in expanding the fleet of the company and improving the logistic structure amount to EUR 1,000,000.

As at the end of the third quarter of 2023, the investments in the field of transportation, specifically in expanding the fleet of the company and improving the logistics, amount to approximately EUR 699 thousand.



↪ In view of increasing the market presence in North-Eastern Bulgaria as well as strengthening the trading and exporting of the company, in the period 2022-2024 the holding plans to establish a new logistic center in the area, which would have a storage capacity of 94 000m<sup>3</sup>. Based on inconclusive data the investment amounts to EUR 9,400,000, of which EUR 3,400,000 are planned to be invested in 2023.

By the end of the third quarter of 2023, the investments made in the construction of the logistics center in the region of Northeast Bulgaria amounts to approximately EUR 3,415,000.

↪ Investments in acquisition of assets and shares in legal entities, operating in the field of agricultural production and grain processing. The planned investments for 2023 in the indicated directions from the companies of the holding structure amounts to about EUR 26, 000 thousand.

Investments in the acquisition of assets and shareholdings in legal entities made at the end of the third quarter of 2023 amounted to approximately EUR 20,887,000.

### **Processing industry**

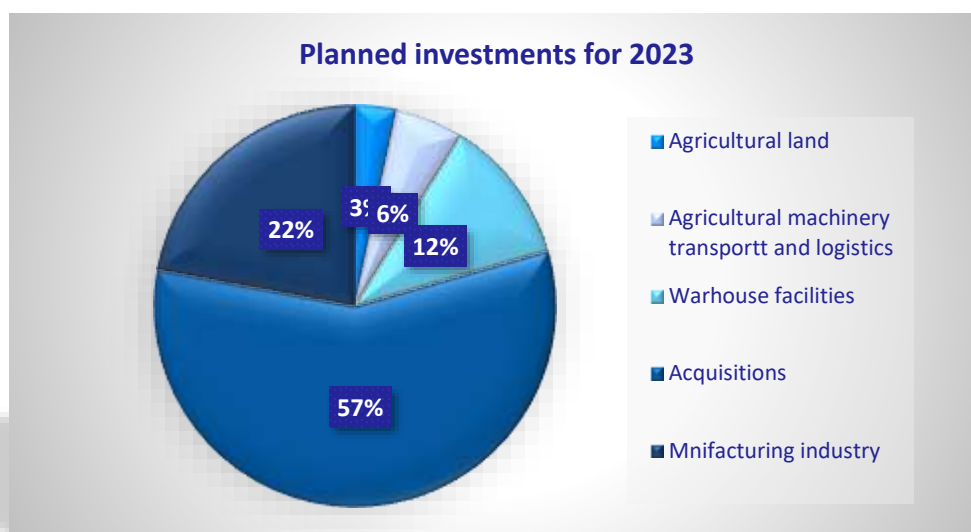
↪ Investment in an oilseed processing plant with service storage silos and oil storage tanks, located on the territory of Kristera AD Storage Facility, Popovo. The planned implementation of the investment project is within 2023-2026. According to preliminary data, its total cost amounts to about EUR 50 million, and it is planned to spend about EUR 10,000,000 on the investment in 2023.

The economic policy and business goals of the Company, incl. investments are oriented towards sustainable development and strategic investment planning, operational efficiency and corporate social responsibility, contributing to the stable and sustainable development of the Company and the holding group in economic, social and environmental aspects. The company uses the potential of various mechanisms that creates prerequisites for sustainable development of the holding group companies through diversification of the risk of adverse climate change and realization of savings of



scale in the direction of agricultural production, on one side and through efficiency and value of new business on the other.

Taking into account the parameters of the investment program of the companies in the holding structure as well as the conducted analyses and researches, we believe that the impact of the planned investment would cover the Company's expectations for optimization of the segment of own grain production, for strengthening the export orientation of the holding, and for making of added value through new business directions in the activity of the holding companies.



Agricultural land	1 500
Agricultural machinery, transport and logistics	2 500
Warehouse facilities	5 300
Aquisitions	26 000
Processing industry	10 000
<b>Total planned investments for 2023 (in EUR thousand)</b>	<b>45 300</b>

The parameters of the investment program of the companies in the holding structure have been developed in a situation of a stable market and in managing specific risks for the normal business environment and for the holding group.

In compliance with the recommendations of the European Securities and Markets Authority on the impact on financial market and considering the military conflict between Russia and Ukraine, and in compliance with the requirements of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, the Company undertakes to promptly disclose information on the actual or potential impact of the military conflict on its business, financial and economic position and on its planned investment

intentions, as it include a quantitative and qualitative assessment of this impact in its financial reporting information as well as in the form of incidental information.

As a consequence of the military conflict between Russia and Ukraine since the end of February of the previous year, normal trade relations with the two countries involved have been disrupted. The European Union and many countries around the world have imposed a number of economic sanctions on Russia. The restrictive economic and financial measures taken could lead to changes in the prices of energy sources and other goods and services that are important for the development of the Bulgarian economy. The corporate management analyses and monitors all developments in order to determine protective and stabilisation measures. With their implementation, it is expected that the negative consequences of the military conflict will be mitigated to the extent that they do not have a material adverse impact on the future viability and the Company's ability to continue as a going concern.

#### **5. EFFECT OF THE IMPORTANT EVENTS FOR AGRIA GROUP HOLDING AD OCCURRING DURING THE THIRD QUARTER OF 2023 ON THE RESULTS IN THE FINANCIAL STATEMENTS**

There is no information on important events for Agria Group Holding AD occurring during the third quarter of 2023, which had an effect on the financial statements.

#### **6. INFORMATION ABOUT THE MAJOR RELATED PARTY TRANSACTIONS**

During the period 01.01.2023 – 30.09.2023, there were no major related party transactions which can lead or reasonably expected to lead to a favourable or unfavourable change in the amount of 5 or more percent of the company's revenues or profit.

#### **INFORMATION ABOUT MAJOR RELATED PARTY TRANSACTIONS DURING THE THIRD QUARTER OF 2023**

During the period 01.01.2023 – 30.09.2023, Agria Group Holding AD has not entered into any major transactions with related parties, with the exception of ordinary business transactions.

#### **7. INFORMATION ABOUT THE PERSONS THAT DIRECTLY OR INDIRECTLY HOLD AT LEAST 5 PERCENT OF VOTES IN THE COMPANY'S GENERAL MEETING AS AT THE END OF THE THIRD QUARTER OF 2023. CHANGE IN THE PERSONS EXERCISING CONTROL OVER THE COMPANY.**

At the end of the third quarter of 2023, the following persons hold 5% or more of votes in the Company's General Meeting.

**Shareholding structure of Agria Group Holding AD as at 30 September 2023**

Name/Shareholder's name	Number of shares/votes in GM	Percent of capital
<i>Emra EOOD, Varna</i>	<b>2 955 500</b>	<b>43.46 % of capital</b>
<i>Equity Investment EOOD, Targovishte</i>	<b>1 695 639</b>	<b>24.94 % of capital</b>
<i>Svetlomir Iliev Todorov</i>	<b>697 355</b>	<b>10.26 % of capital</b>
<i>Other legal entities and natural persons</i>	<b>1 451 506</b>	<b>21.34 % of capital</b>

**8. INFORMATION REGARDING SHARES HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS DURING THE THIRD QUARTER OF 2023**

As at the end of the third quarter of 2023, there is information about shares held by members of the Board of Directors of the Company. The member of the Board of Directors Anna Dimitrova Belchinska owns 1,600 shares of the capital of "Agria Group Holding" AD.

**9. INFORMATION ON PENDING COURT, ADMINISTRATIVE OR ARBITRATION PROCEEDINGS CONCERNING LIABILITIES OR RECEIVABLES TO THE AMOUNT OF NO LESS THAN 10 PERCENT OF THE COMPANY'S EQUITY**

As at the end of the third quarter of 2023, there is no information on pending court, administrative, or arbitration proceedings concerning liabilities or receivables to the amount of no less than 10 per cent of the Company's equity.

**10. OPENING OF INSOLVENCY PROCEEDING FOR THE COMPANY OR ITS SUBSIDIARIES AND ALL SIGNIFICANT STAGES RELATED TO THE PROCEEDING**

No insolvency proceeding was opened for "Agria Group Holding" AD or its subsidiaries.

**11. RESOLUTION FOR CONCLUDING, TERMINATING AND BREACHING AN AGREEMENT FOR A JOINT VENTURE**

No resolution has been adopted for concluding, terminating or breaching an agreement for a joint venture.

**12. CHANGE OF THE COMPANY'S AUDITOR**

As at the end of the third quarter of 2023, there is no change of the auditor of "Agria Group Holding" AD.

### **13. PURCHASE, SALE OR PLEDGE ON SHARES IN COMMERCIAL ENTERPRISES BY THE ISSUER**

In the period covering the third quarter of 2023 no purchase of shares in trading companies were made by the issuer. Investments in the acquisition of assets and shareholdings in legal entities made at the end of the third quarter of 2023 amounted to approximately EUR 20,887,000. In the period covering the third quarter of 2023 no sale of shares in trading companies were made by the issuer. In the period covering the third quarter of 2023 no registered pledge of a shareholding in a trading company was made by the issuer.

### **14. RISKS FACING THE COMPANY. GOALS AND POLICY OF THE COMPANY ON RISK MANAGEMENT**

The operation of each company is exposed to certain risks affecting its performance. The operation of Agria Group Holding AD is exposed to the risks listed below. The risk factors are listed consequentially in accordance with their significance to the operations of the issuer.

#### **Specific risks**

##### **Market risks**

Market risk is related to the changes in market conditions. It includes income risks, profit risks, interest rate, liquidity and currency risks.

##### **Income risks**

The Company's future sales are subject to normal market risks. The main future income depends on the possibility for AGRIA GROUP HOLDING AD to perform its market and investment strategy, as well as on the current market situation. To reduce those risks considerably, the Company relies on an increased intra-company capability of effective forecasting and planning, as well as on maintaining stable customer relations.

##### **Profit risks**

The market risk can also influence the Company's expenses, particularly in cases when the rate of growth of expenses is faster than that of income.

##### **Interest rate risk**

The interest rate risk manifests itself in the possibility of a rise in the cost of financing the Company's activities. Regarding fixed rate loans, in the case of a potential drop in market interest rates, the issuer may not succeed in obtaining resources at the available lower interest rates. If such circumstances arise, the Issuer would be operating under less advantageous conditions than its competitors. Such development would lead to higher interest payments by the Issuer in comparison to other companies which would finance their activities at the current market rates; consequently, this would lead to lower net profit. Regarding floating rate loans, in the case of a potential drop in

market interest levels, the interest rate payable by the Company on its loans will also drop. An interest rate risk for floating rate loans exists in the case of a rise in market levels, when the resources used by the Issuer will become more expensive.

In order to minimise the interest rate risk, the Issuer diversifies the sources through which it ensures the financing of its activity.

### **Liquidity risk**

Liquidity risk is a risk related to the ability for the Issuer to cover its trade payables to suppliers and creditors within the negotiated term and amount of payments.

Agria Group Holding AD manages its assets and liabilities in such a way as to guarantee that it will cover its daily payments regularly and without delay. This risk component is minimised by accuracy and commitment in agreements with the trade counterparties with which cash revenue or payments are planned.

### **Currency risk**

Currency risk is the risk that the Issuer may suffer losses due to the fluctuation of market prices of the various currencies it uses. Agria Group Holding AD carries out its operations predominantly in Bulgarian leva (BGN) and Euro (EUR). The Euro is the main currency in which the Issuer settles its foreign trade relations – sales of goods/produce and purchase of materials necessary for its activity. Under the conditions of a currency board and a fixed rate of the BGN against the EUR, the management of the company consider that the Issuer is not exposed to a significant risk of changes in currency rates.

### **Operational risks**

The chief operational risks and the measures taken to minimise those risks are to be considered in terms of the operations of the Issuer's subsidiaries, because Agria Group Holding AD functions as a legal entity which is a holding company carrying out investment activities, which aims to manage the stake it holds in its subsidiaries, and which does not directly carry out any other production and/or commercial activity of its own.

The operational risk is related to damage or loss suffered by the Company due to human error, technological imprecision, and impossibility for machines and equipment to perform a certain task, or to a mistake in the procedure or organisation. The probability that the Issuer may suffer damage or loss due to human error, technological imprecision, and impossibility for machines and equipment to perform a certain task, or to a mistake in the procedure or organisation via its subsidiaries is insignificant. Part of the chief operational risks is related to a potential load on capacities and to providing the necessary raw materials. Potential risks could arise in relation to the workforce available in the regions where the subsidiaries of the Issuer perform their commercial activities.

The main risk for the Issuer's subsidiaries which perform commercial activities related to growing and storing agricultural produce includes inclement weather conditions, diseases and other natural risks. In order to minimise those risks and any potential loss, the subsidiaries obtain insurance policies for all areas on the production in progress of all agro-technical activities against all main risks, together with storm, fire and hail, including insurance policies against freezing of all crops being grown.

Insurance policies are obtained for all general risks, including earthquake risk for all real estate and production capacities owned by the companies in the group.

Despite the tight competition, the Company considers that it has a competitive edge on the market owing to its experienced management staff and its established reputation. In this respect it should be noted that the management staff and the Company's employees are highly qualified and motivated specialists, organised in relatively independent active structural units which maintain a maximally complete and up-to-date data base of the development and trends of the respective markets.

### **Non-specific (systemic) risks**

The holding company and its subsidiaries are also exposed to systemic risks, mainly related to the macro environment in which they operate. These risks are not subject to supervision and under the control of Agria Group Holding's management.

The main systemic non-specific risk to the activity of the company and its subsidiaries can be identified as the military conflict between Russia and Ukraine, the main exporters of grain worldwide. The outbreak of war has complicated grain and oilseed exports, triggering fears of a food crisis and a high spike in commodity prices in 2022, as well as instability on international markets. Despite the establishment of export corridors from Ukraine and the current soothing of markets, the ongoing military situation threatens to deepen the conflict, which could lead to the restriction or hindrance of exports through the imposition of non-market administrative measures. The Company's management does not anticipate any adverse impact on the results of operations and business processes of the holding company as the Company has no direct exposure to related parties, and/or key customers or suppliers in Russia and Ukraine.

### **Effect on liquidity.**

The management concludes that there are no liquidity restrictions for the company and the group as a whole in short and medium term. To date, the holding group is supported by global financial institutions with which it works, such as European Investment Bank, DSK Bank, UniCredit Bulbank, UBB AD and etc.

## **15. CORPORATE SOCIAL RESPONSIBILITY**

The Company follows a consistent policy of Social Corporate Responsibility. Agria Group Holding AD is a public company and its social responsibility finds expression in all aspects of its corporate activities. The management of Agria Group Holding prioritizes environmental protection and people's health in its corporate policy through its products, services and working conditions. The company's social engagements in its capacity of employer toward workers and employees find expression in providing safe and healthy working conditions as well as following an environmental protection policy. Agria's senior management encourages following business standards and practices for public social responsibility regarding the environmental and employee policies.

The company assess regularly the impact of its activities on the environment and observe strictly the requirements and regulations for environmental protection, health and safety of the employees and the society in production of grains in the following aspects.

Agricultural production is highly dependent on climate change, and at the same time is an important factor, influencing natural and climate conditions. The company has taken the necessary measures and activities to adapt grain production to the changing environment and to have a positive impact on climate change and to promote the sustainable development of agricultural holdings in the holding group. An essential priority of corporate management is environment protection. The company combines social, economic and environmental approaches on the way to achieving sustainable agricultural practices and to the practice of reducing the carbon footprint in grain production.

### **Environmental protection**

The company develops practices in connection with soil nutrition and production of grains appropriate for particular soil type and adapted to the specifications of the soil.

Compliance with the following principles and rules is endorsed when using pesticides.

- Use of pesticides' alternatives; use of selective pesticides, keeping biodiversity and fighting particular wreckers in particular timeframes taking in account the biology life and development; harvest of alternative crops resistant to wreckers; crop rotations; mechanic weed control.
- Staff education for using pesticides, observing the quantities recommended by the producers. Pesticides declared by World Health Organization as dangerous are not used.
- Storage in original packages in cool and dry places with active ventilation, which can be isolated and marked with appropriate signs. Mixing and moving pesticide can only be performed by educated staff in places with good lightening and ventilation wearing protective clothing/apparel. The access to the premises where the pesticides are stores is strongly restricted.

Assessment of the necessity of crop nutrition is made, balancing utilization of food substances, rotating crop sowing, plowing organic waste in the soil; providing buffer zones around the water sources in order to diminish the loss of food substances.

In order to prevent loss of genetic resources and in view of providing biodiversity are used plant waste of previous crops for nutritious soil preparation; observation of keeping the eco systems; certified seeds are used.

Investments are being made in innovative agricultural machinery, equipped with smart farming software to reduce the use of pesticides and fertilizers.

Agricultural equipment for harvesting of cereals is provided with devices for uniform dispersion of the crop residues which are plowed into the soil and thus recovering part of the nutrients in the soil horizon.

Burning of vegetable waste is not performed, the use of nitrates is reduced.

### **Health and safety of the staff**

The company follows a consistent policy in order to minimize the risks of:

- Physical danger – by qualified and experienced staff for the use of machinery and motor vehicles.
- Work in closed spaces – silos, water basins, etc. The access to them is strongly restricted and it is allowed under the supervision of educated staff.
- Chemical danger in case of contact with pesticides – a training is conducted for work with pesticides; following the hygiene and safety practices.
- Fire and explosions risks – precautions are taken about minimizing the risk of fire in the warehouses for grain storage by using modern and quality production capacity and qualified and experienced staff.
- Risk of spread of viruses and infections – the corporate management take precautions and solutions to safeguard the health of the employees and to prevent and limit the spread of viruses and infections.

## **16. INSIDE INFORMATION**

As at the end of the third quarter of 2023, there are no facts or circumstances that can be considered inside information, except for the circumstances described in this activity report.

## **17. INFORMATION UNDER ART.12, PARAGRAPH 1, ITEM. 2 OF ORDINANCE No2 OF THE FSC**



Link to the place on the website of the public company where the internal information under Art. 7 of Regulation (EU) № 596/2014 on the circumstances that occurred during the respective three months, or link to the news agency or other media selected by the issuer, through which the company publicly discloses inside information.

The internal information under Art. 7 of Regulation (EU) № 596/2014 on the circumstances that occurred during the respective three months are available on the website of Extras ([www.x3news.com](http://www.x3news.com)), on the website of the Company ([www.agriabg.com](http://www.agriabg.com)), "For investors" section, in the "Financial Statements" submenu and in the "News" section.