

## Agroserv Mariuta posts sales of 72.9 million lei in 2022

**Bucharest, March 24, 2023** – Agroserv Mariuta (BVB: MILK), a Romanian agricultural company and owner of the Laptaria cu Caimac brand, posts sales of 72.9 million lei in 2022, a 7% increase compared to 2021, and a net loss of 1.9 million lei in comparison to a net profit of 1.8 million lei in the previous year, in the context of the challenges brought by rising energy and fuel prices and inflation.

*"The year 2022 was a particularly challenging period for our company, in which we had to address several crises caused by rising energy and fuel prices, as well as inflation. On top of all these negative factors, the drought in the spring of 2022 added to them, severely affecting our business and decreasing agricultural production in general. Thus, despite an increase in revenue, expenses have grown faster than revenues, causing a financial loss in 2022. Our strategy in 2023 will focus primarily on growing the Laptaria cu Caimac brand nationally by strengthening our position and increasing the number of products on the shelf in each store, as well as diversifying the portfolio. We also aim to control costs concerning inflation strictly,"* stated Madalina Cocan, CEO of Laptaria cu Caimac.

The turnover generated by the sale of dairy products, semi-finished products, and goods reached 42.8 million lei, a 14% increase compared to the previous year, making the largest contribution to total turnover in 2022. Revenues from vegetal activity amounted to 15.4 million lei in 2022, following farming an area of just over 2,500 ha. These revenues were 14% lower compared to 2021 in the context of a lower production per hectare due to drought. By the end of 2022, the Company recorded a total crop production of 27,958 tonnes, of which silage corn crop represented 50%, wheat - 16%, corn - 14%, and silage rye 9%.

Income from livestock farming activity recorded a value of 14.6 million lei, up 13% compared to 2021, mainly due to the sale of raw milk, 9.3 million lei, followed by the sale of animals, 2 million lei. In 2022, total milk production was 13 million liters, similar to 2021. Therefore, the average production in 2022 was over 37 tons/day, the same as the previous year. The factory used 56% of the farm's milk production, similar to 2021, with lower sales on certain product types offset by the butter launch.

According to the company's data on the segments in which it operates, in 2022, fresh milk sales decreased by 3%, butter by 9.5%, yogurt by 6.5%, and cream sales by 7%, compared to 2021.

*"Looking forward, our focus for 2023 is to return the company to profitability. To achieve this goal, we will continue diversifying our product offering, mainly by increasing the number of products in the cheese category and launching a whole new range. We also want to continue this year the investments we have delayed in 2022, which include a bottle and jar recovery, a washing and reuse system, and a biogas station. These projects will improve the overall profitability of the business in the medium term and will be an innovative aspect of our business and the sector as a whole,"* added Madalina Cocan.

The bottle and jar recovery, washing, and reuse system planned for this year, depending on the timing of the award of various European funds, will reduce packaging costs and reliance on packaging suppliers, save on environmental fund taxes and contribute to increased revenue by offering packaging washing services to other businesses. The biogas plant will use the waste from the cow farm to produce energy and cover the energy needs of the farm and factory without the need to use polluting sources. This project is aligned with EU directives, particularly the European Green Pact, and will help the company become climate neutral by 2030.

In the context of this year's development and investment plans, the company's proposed revenue and expense budget for 2023 targets a total turnover of 79.6 million lei, with a gross margin of 23.4 million lei, EBITDA of 17.9 million lei, and a net result of 2.1 million lei.

Agroserv Mariuța is listed on the AeRO market as of May 21, 2021, and currently has a market capitalization of approximately 65 million lei.

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#### **About Agroserv Mariuța**

*Agroserv Mariuța is a company listed on the AeRO market of the Bucharest Stock Exchange (MILK symbol), which carries out a mixed agricultural activity of crop farming combined with livestock farming. Starting with 2018, the company has a new business line, namely the processing of cow's milk, respectively obtaining dairy products - whole milk packaged in glass, matured cheeses, acidophilic products. With a desire to expand the family business and identify a market need to find quality dairy products, safe, nutritious, and without additives on the store shelves, the company launched the brand "Lăptăria cu Caimac". For more than three years, Lăptăria cu Caimac has been delivering natural milk on the market, without unnecessary additives and powdered milk, and with special care to process milk. These unique products challenge the industry and increase quality standards. Also, Agroserv Mariuța is among the very few companies in Romania with 100% traceability for the raw material, up to the level of treatment of the plants that make up the food.*