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***Don Agro records 91.6% yoy increase in revenue to S\$18.1 million largely due to higher volumes of winter wheat and sunflower sold in HY2022***

- Crops harvested in 2021 were sold in the beginning of 2022 when wheat prices were near a 14-years peak<sup>1</sup> and sunflower prices were also favourable<sup>2</sup>
- Current unharvested crops as at 30 June 2022 are valued at S\$41.7 million, which is 72.6% higher as compared to 30 June 2021
- Net asset value of S\$129.0 million as at 30 June 2022 is 44.9% higher than as at 31 December 2021

**Singapore, 12 August 2022** – Don Agro International Limited (the “**Company**” or “**Don Agro**”) and its subsidiaries (collectively the “**Group**”), has announced its financial results for the half year ended 30 June 2022 (“**HY2022**”).

Financial Highlights (S\$'000)	HY2022	HY2021	Change (%)
<b>Revenue</b>	18,059	9,427	91.6
<b>Cost of Sales</b>	(17,091)	(8,087)	111.3
<b>Gain from change in fair value of biological assets and agricultural produce</b>	3,588	4,910	(26.9)
<b>Gross Profit</b>	4,556	6,250	(27.1)
<b>Gross Profit Margin (%)</b>	25.2	66.3	(41.1) ppts
<b>Net Profit</b>	3,834	4,767	(19.6)

For HY2022, the Group recorded a 91.6% year-on-year (“yoy”) increase in revenue by S\$8.7 million to S\$18.1 million. This is largely due to an increase in sales of winter wheat and sunflower harvested in 2021 and sold in early 2022 when the prices of agricultural produce were higher. The increase in cost of sales of these crops was also accounted for in HY2022, contributing S\$9.0 million to an increase in cost of sales for HY2022.

The gain from change in fair value of biological assets and agricultural produce lowered to S\$3.6 million from S\$4.9 million for HY2021. This is mainly due a decrease in the gain from change in fair value of crops by S\$1.0 million due to decrease in prices of agricultural produce as a result of higher harvest in Russia and agreement reached on Ukrainian grain shipments.

<sup>1</sup> <https://www.cnbc.com/2022/03/02/wheat-prices-trade-limit-up-again-hit-highest-in-nearly-14-years.html>

<sup>2</sup> [https://www.agupdate.com/farmandranchguide/markets/crop/sunflower-prices-continue-to-move-higher/article\\_16e62bae-d0b0-11ec-8dac-7f341b671df2.html](https://www.agupdate.com/farmandranchguide/markets/crop/sunflower-prices-continue-to-move-higher/article_16e62bae-d0b0-11ec-8dac-7f341b671df2.html)

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As a result, gross profit decreased to S\$4.6 million from S\$6.3 million for HY2021 with the higher cost of sales compared to revenue and a lower gain from change in fair value of biological assets and agricultural produce. Gross profit margin decreased to 25.2% from 66.3% for HY2021 with the lower gross profit and higher revenue experienced in HY2022.

The Group reported a net profit of S\$3.8 million which is down from S\$4.8 million for HY2021. The result comparable to last year was achieved despite the increased costs incurred for HY2022 on growing crops which were S\$14.8 million as compared to S\$7.5 million for HY2021.

Speaking on the Group's HY2022 financial results, **Mr. Evgeny Tugolukov, Executive Chairman** said, *“Food security is in the focus of attention of the international community, as food is not only a commodity, but a basic human right. Therefore, there is an unconditional consensus that agricultural production will never be affected by the conjuncture of relations between countries. Even though the Food Price Index from United Nations in July 2022 decreased 8.6% from June 2022, it remained 13.1% above its value in the corresponding month last year.*

*The performance of Don Agro this year is the result of the creative approach and hard work of the entire large team of our company, as well as the implementation of the most advanced innovative technologies. We will do our best to find new solutions to make our business operations more efficient and sustainable, providing more qualitative food for the world”.*

Livestock business is stable as it is servicing the domestic market with daily deliveries. Price fluctuations for raw milk are less common and the demand is steady. The Group does not expect further increases in milk prices or feed prices.

The Chicago Board of Trade wheat futures experienced a fall in prices in August 2022 from a 12 year high in March 2022 at US\$12.94 per bushel to US\$7.76 per bushel.<sup>3</sup> Grain prices are traditionally lower during the summer season, and start increasing in autumn and winter.

The Group is contributing to food security by increasing planted acreage of winter wheat by 4.7% from 24,032 hectares for 2021 to 25,157 hectares for 2022. The planted acreage for sunflower had also increased by 7.8% yoy from 10,168 hectares to 10,958 hectares. The harvesting of sunflower would start in autumn.

Moving forward, the Group would continue to explore opportunities in mergers and acquisitions, joint ventures and strategic alliances. By leveraging on its expertise and experience, the Group seeks out new and feasible opportunities to expand into other high growth regional markets within its operational areas and also to initiate new technologies to improve the sustainability and yield of its crops.

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<sup>3</sup> <https://www.nasdaq.com/market-activity/commodities/zw>

**– The End –**

**About Don Agro International Limited**

Don Agro is a Singaporean agricultural company with assets in the CIS countries. It is principally engaged in the cultivation of agricultural crops and production of raw milk. The Group has a total controlled land bank of 67,340 hectares, of which more than 54,420 hectares are arable land. The Group owns approximately 17,200 hectares of its controlled land bank.

The Group is a Singaporean company listed on the Catalist of SGX on 14 February 2020. Within the crop production segment, the Group is primarily engaged in the farming of commercial crops such as winter wheat, sunflower, and corn. The crops are sold to key international and local traders in the operational regions and the Group also has a grain storage capacity of 105,000 tonnes.

In addition, the Group is the largest milk producer its operating region and owns more than 4,000 heads of dairy cattle which includes approximately 2,200 milking cows.

**Issued for and on behalf Don Agro by Financial PR**

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