



**N** NOROFERT GROUP



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# 2023 FINANCIAL REPORT

As of 30.09.2023

NOROFERT S.A  
Company listed on the Bucharest Stock  
Exchange  
Symbol: NRF / NRF25

**NOROFERT SA**

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The financial figures presented in the descriptive part of the report, expressed in millions of lei, are rounded to the nearest whole number and may lead to small differences in regularization.

The group's financial statements as of September 30, 2023 were drawn up both on the basis of the **Romanian accounting regulations (RAS) and in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS-EU")**, in accordance with the requirements of the Order of the Ministry of Finance Public no. 2844/2016, with subsequent amendments for the approval of accounting regulations in accordance with the International Financial Reporting Standards adopted by the EU.

The financial statements for the period between **January 1st, 2023 and September 30, 2023** presented on the following pages **are not audited**.



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# MESSAGE FROM THE PRESIDENT

Dear shareholders,

In the first 9 months of this year, we made every effort to prudently manage the realities of the agribusiness market, financially strengthen the company, in a healthy way, and at the same time continue the investment strategy, with medium and long-term development perspectives.

This year we invested in the microorganism multiplication laboratory, designed to increase the quantities of raw materials needed for the manufacture of liquid fertilizers and bioprotection, as well as in the factory in Filipeștii de Pădure, to expand and automate the production capacity of liquid fertilizers.

In the same period, we repaid credit facilities in the amount of 15 million lei in advance, in order to reduce the impact on financial expenses. The repayment proves the solid financial position and our ability to use borrowed capital in order to increase fixed assets for the development of the company. Compared to the time of the private placement in 2019, fixed assets increased from 0.6 million lei to 25 million lei.

The prolonged drought this year, the drop in prices for Romanian cereals in the situation of imports from Ukraine, as well as the high costs of establishing the previous crops, which farmers have not been able to recover this year, have affected the industry in which we operate, putting pressure on the price of inputs, to which is added the rising general inflation, which reduces the margins in the field.

In terms of our relationship with farmers, we are aware of their fear of making crop investments this fall amid a prolonged drought with considerable risks to future harvests. We understand the challenges facing farmers and agriculture as a whole and are cautious about identifying solutions and positioning ourselves.

However, we have had to adapt to the circumstances and learn from the lessons of the past. Thus, we have taken a series of management decisions that include a stricter risk management policy related to receivables.

Although this has limited our sales, with an impact on this year's profit, we have managed to achieve a debt recovery rate of over 95%, significantly exceeding the market average. We also focused on cost optimization and debt reduction. We already see that this thinking has brought good results: we have a collection rate above the field average, in a year in which the main

problem faced by agribusiness distributors is the recovery of receivables.

In addition to producers, we are also farmers and have directly felt the impact of the drought and low grain prices in the activity of the Zimnicea farm. Thus, we proposed to irrigate a larger area than originally estimated, in order to bring stability and efficiency to the farm's activity.

Our objective is to increase productivity and achieve predictability through irrigation systems, and the digitization solutions we implement help reduce expenses related to water and fertilizer consumption.

Beyond the current context, Norofert remains the main producer of organic inputs in Romania, with a solid position to expand production, as well as to develop new products to cope with climate change, optimize plant metabolic processes and offer a viable alternative to traditional fertilizers, both by their method of application and by their competitive price.

We are preparing the development of the company for the coming years. Innovation investments made over the past 4 years, including the completion of the microorganism multiplication laboratory and the launch of the new liquid fertilizer production line, are key pillars of our growth and climate change adaptation strategy. In a difficult year, we did not stop investing and we believe that this strategy will bear fruit.

We are already seeing demand for the newly launched product line and we estimate that in the spring of 2024 sales will increase for all product categories. We also have an internationalization strategy focused on products in our portfolio with high added value.

In this regard, in the third quarter we signed a memorandum with Manaseer Fertilizers & Chemicals, the largest distributor of inputs in the Hashemite Kingdom of Jordan. This agreement opens up new markets for distribution and procurement of raw materials for new products.

I further invite you to go through the detailed report on the financial results obtained for the first nine months of 2023 and join the video conference of their presentation, which will take place on November 7, 2023, at 17:00 local time.

In case of questions, you can contact us at [investitori@norofert.ro](mailto:investitori@norofert.ro).

**Vlad Andrei Popescu**



# 9M 2023 KEY FIGURES



## CONSOLIDATED

### According to RAS

Operating revenue	<b>38.36</b> mn. lei  -33.47% vs. 9M 2022
Turnover	<b>32.37</b> mn. lei  -40.10% vs. 9M 2022
EBITDA	<b>5.84</b> mn. lei  -44.35% vs. 9M 2022
Operating results	<b>4.64</b> mn. lei  -56.10% vs. 9M 2022
Net profit	<b>1.10</b> mn. lei  -85.42 % vs. 9M 2022
Investments	<b>1.74</b> mn. lei  -45.11% vs. 9M 2022
Gross margin on sales	<b>15.62%</b>  vs. 18.79% 9M 2022
EBITDA margin	<b>15.23%</b>  vs. 18.21% 9M 2022



### According to IFRS

Operating revenue	<b>35.47</b> mn. lei  -37.46 % vs. 9M 2022
Turnover	<b>30.93</b> mn. lei  -42.06 % vs. 9M 2022
EBITDA	<b>4.72</b> mn. lei  -42.58 % vs. 9M 2022
Operating results	<b>4.18</b> mn. lei  -60.51 % vs. 9M 2022
Net profit	<b>1.13</b> mn. lei  -85.04 % vs. 9M 2022
Investments	<b>1.74</b> mn. lei  -45.11 % vs. 9M 2022
Gross margin on sales	<b>13.52 %</b>  vs. 19.84 % 9M 2022
EBITDA margin	<b>13.30 %</b>  vs. 19.57 % 9M 2022



# ABOUT THE COMPANY

## SHORT HISTORY

**2000**

Norofert SRL is established as a company specialized in the import and distribution in Romania of fertilizers created with the help of advanced technology. Until 2010, Norofert was the first company to import and distribute organic fertilizers in Romania.

**2015**

After identifying an extremely attractive niche, that of organic farming, Norofert starts producing its own organic fertilizers and selling them to local farmers.

**2018**

Norofert introduces the BioChain product line, which offers farmers a full spectrum of products that help them grow 100% organic, from seed to harvest.

**2019**

The company raises 7.125 million lei by selling its shares in the fastest private placement in the history of the BVB at that time that closed in 6 hours. The raised capital was used to equip the factory and expand production.

**2020**

In January 2020, the company successfully closed the first private placement for corporate bonds and attracted 11.5 million lei from investors on the Bucharest Stock Exchange.

**2020**

On March 3rd, 2020, the company's shares debuted on the Bucharest Stock Exchange, on the AeRO market under the symbol "NRF", and on June 5, 2020, the company's bonds debuted on the AeRO under the symbol "NRF25".

**2021**

In 2021, the company carries out an operation to increase the social capital by which it attracts 7.2 million lei from investors, funds used to purchase a line of high-capacity soil fertilizers.

**2022**

The company carries out its first M&A by acquiring a 1000ha farm in Zimnicea, Teleorman county, puts into operation a new line of granulated fertilizers for soil application and acquires the production facility from Filipestii de Padure.

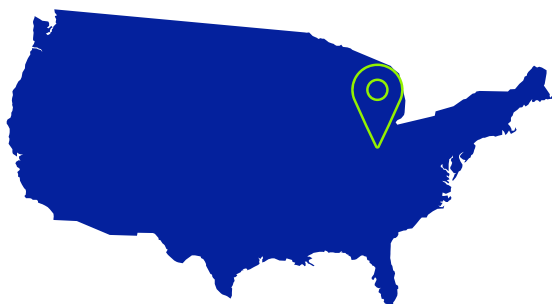
**2023**

In 2023, the Norofert Group consists of 3 entities, with Norofert SA being the parent company and 2 subsidiaries AGROPROD CEV SRL and NOROFERT USA, LLC.



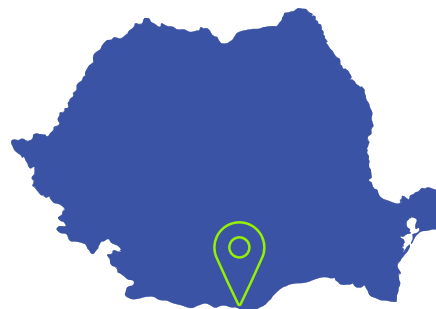
# GROUP STRUCTURE

The Norofert Group consists of 3 entities, with Norofert SA being the parent company and the following 2 subsidiaries:



## NOROFERT USA, LLC

Limited liability company from Ohio, established in April 2020 as part of Norofert's expansion strategy in the USA, in which Norofert SA owns 99% and Vlad Popescu, President of the Board, 1%.



## AGROPROD CEV SRL

1,000 ha organic farm, acquired by Norofert SA in proportion of 100% at the end of 2021, being integrated into the group starting from 2022.

The unaudited financial results for the first nine months of 2023 presented below include the consolidated results of Norofert SA and Agroprod CEV SRL and were prepared both on the basis of the Romanian accounting regulations (RAS) and in accordance with the International Financial Reporting Standards adopted by the European Union ("IFRS-EU"), in accordance with the requirements of the Order of the Ministry of Public Finance no. 2844/2016, with subsequent amendments for the approval of accounting regulations in accordance with the International Financial Reporting Standards adopted by the EU.

## DESCRIPTION OF THE ISSUER'S BUSINESS LINES

Norofert is operating on **three main business lines**:

### Research, production and marketing of organic inputs



### Organic farming



### Grain trading









# KEY EVENTS

## NOTE 10 ON THE VECTOR INDICATOR MADE BY ARIR

In January 2023, ARIR (Romanian Association for Investor Relations), the promoter of the Investor Relations (IR) concept, published the results of VEKTOR, the investor communication indicator for listed companies. For the first time, for companies in BET AeRO, 2 companies out of 31 evaluated, obtained VEKTOR 10 for communication with investors, and Norofert is one of these companies.

## CONTRACTING CREDIT FACILITY

On February 2, 2023, the company informed about the contracting, based on the decision of the Extraordinary General Meeting of Shareholders (art. 3) no. 1/16.05.2022, a loan for Multi-Product Ceiling - Monocompany from Exim Banca Românească.

The amount of the loan is 2,000,000 euros intended for use as working capital for the purchase of raw materials for the production of soil fertilizers as well as the purchase of granulated fertilizers from import, which will turn into assets of the company, thus maintaining a reasonable degree of indebtedness. The loan was granted with a variable interest rate composed of the 6-month EURIBOR reference rate and the interest margin of 2.50% p.a.

## ORDINARY GENERAL MEETING OF SHAREHOLDERS

On April 21, 2023, the Ordinary General Meeting of Norofert SA Shareholders took place. The most important issues voted by the shareholders were the approval of the method of allocation of the net profit for the year 2022, the approval of the company's income and expenditure budget for the financial year 2023, approval of the registration date (03.10.2023), ex-date date (02.10.2023) and dividend payment date (20.10.2023) for the shareholders who will benefit from the right to the dividend. The full text of the decisions can be consulted [HERE](#).

## CONTRACTING CREDIT IMM INVEST PLUS

On June 7, 2023, the company informed the investors about the contracting, based on the decision of the Extraordinary General Meeting of Shareholders (art. 3) no. 1/16.05.2022, a credit facility from CEC Bank SA in the amount of 5,000,000 lei for the financing of equipment for production and factory automation.

The period of validity of the ceiling is 36 months from the date of signing the contract with a 2.5 pp interest rate + 3M ROBOR, subsidized in proportion to 100% of the budget of the Ministry of Finance with a grant granting period for its payment of a maximum of 12 months from the date of granting the credit.

## SIGNING PARTNERSHIP DISTRIBUTION KAUF LAND ROMANIA

On June 8, 2023, the company informed investors about the signing of a distribution contract with Kaufland Romania. Kaufland is one of the largest retail companies in Europe, with 1,500 stores in 8 countries and a network of 168 stores in Romania.



The contract involves the distribution, at national level, in an initial number of 40 locations, of the ranges of hobby gardening produced by the Company - Norofert FITO and Norofert Ready to Use. Both ranges are 100% ecological and include fertilizers and phytosanitary products aimed at small growers or lovers of apartment plants and gardening in Romania.

The Norofert FITO range contains 10 products and includes biostimulators with a fungicidal and insecticidal role, calcium for plant health, fertilizers based on phosphorus or nitrogen.

The products are recommended throughout the vegetation cycle of the plants, to ensure their complete health, and are effective, both in the case of green plants, and in the case of plants with flowers, fruits or vegetables.

The Norofert Ready to Use range consists of 6 products and contains biostimulators, fertilizers and fertilizers that contribute to the healthy development of plants. The range is sold in 500 ml bottles with direct spraying on the plant, without the need for additional dilution for application.



The 40 Kaufland locations initially chosen for the distribution of Norofert products are located in cities such as Bucharest, Cluj, Craiova, Iași, Timișoara, Botoșani, Sibiu, Miercurea Ciuc. Thus, through this partnership, the company expands its distribution area in national hypermarket networks of FITO and Ready to Use products under its own brand.

#### **SIGNING OF NOROFERT PRODUCT DISTRIBUTION MEMORANDUM IN JORDAN AND THE ARABIAN PENINSULA**

On August 7, 2023, the company informed the market about the signing of a memorandum with Manaseer Fertilizers & Chemicals, the largest distributor of inputs in the Hashemite Kingdom of Jordan and producer of conventional fertilizers.

The object of the memorandum is, on the one hand, the distribution by Manaseer Fertilizers & Chemicals of the agricultural inputs produced by Norofert in all markets to which it has access, and, on the other hand, the purchase of raw materials produced by Manaseer Fertilizers & Chemicals by Norofert.

#### **EARLY CLOSING OF CREDIT FACILITY**

On September 6, 2023, the company informed the market about the early closing of a loan for Plafon Multiproduș - Monocompanie from Exim Banca Românească in the amount of 2,000,000 euros with 10% cash collateral as a guarantee.

The loan was contracted by the company on 01.02.2023 for a period of 24 months from the date of signing the contract, respectively until 31.01.2025, in order to be used as working capital for the purchase of raw materials for the production of fertilizers soil and the purchase of granulated fertilizers from imports. The capital was used directly for purchases that will go towards the production of inputs for the Fall 2023 and Spring 2024 sales campaign.

The one-and-a-half-year early closing of the credit facility is part of the company's strategy to reduce global leverage in order to reduce pressure on cash flow.

Also, in addition to the early closing of this loan, the company has also paid, up to the date of this financial report, the amount of 5,775,421 million lei to the banks for the closing and/or reduction of other short- and long-term lending facilities.

#### **DISTRIBUTION OF DIVIDENDS RELATING TO THE YEAR 2022**

On October 20, 2023, in accordance with the Decision of the Ordinary General Meeting of Shareholders No. 1. from 21.04.2023, the company distributed dividends from the net profit achieved in 2022, in the amount of 1,200,000 gross lei, the gross dividend granted for one (1) share being 0.0699 lei.

The shareholders entitled to receive dividends were those registered in the Consolidated Register of Shareholders held by the Central Depository on the registration date 03.10.2023.

### CONSOLIDATED REVENUE AND EXPENDITURE BUDGET ADJUSTMENT 2023

On October 23, 2023, the company informed the market about the revision of the Consolidated Revenue and Expenditure Budget for the fiscal year 2023, approved by the Annual Ordinary General Meeting of Shareholders on April 21, 2023.

The revision came following a detailed analysis carried out by the company's management regarding several factors that have influenced the agricultural sector since May 2023, generating a difficult situation that exceeded any prediction based on historical data from the Romanian agribusiness.

The Revised Revenue and Expenditure Budget for 2023, as well as a comparison with the one approved in the Ordinary General Meeting of Shareholders in April of this year, is presented below:

Profit & Loss Account Indicators	INITIAL The amount [RON]	REVISED The amount [RON]
Turnover	82,500,000	52,000,000
Operating expenses	66,000,000	44,720,000
Operating profit	16,500,000	7,280,000
Financial expenses	3,642,857	4,358,418
Gross result	12,857,143	2,921,582
Net result	10,800,000	2,454,129
Number of shares	17,147,880	17,147,880
Net earnings per shares	0.62	0.14
EBITDA	17,926,253	8,546,904

As previously communicated, the company's policy to manage the risks related to receivables led to a limitation of sales and, implicitly, to a decrease in profit for the year 2023.

The financial situation of Romanian farms worsened in 2022. This trend continued in 2023 due to the succession of dry years and the impact of imports on grain prices in the absence of adequate measures to protect local agricultural production. Also, high temperatures and prolonged drought adversely affected crops sown at high costs in the fall of 2022 and spring of this year. This situation generated significant losses for farmers who obtained small and poor quality crops that could not cover the high costs of establishing crops.

Throughout the year, the company's management adopted a cautious policy in granting credit limits and kept the risk exposure for each farmer at acceptable levels, depending on each farmer's payment history. This is reflected in the debt recovery rate of over 95%, a level well above that recorded in the market. In addition, no loans were rescheduled, and the company's financial situation was improved by repaying some loan facilities in the amount of 15 million lei.

The company continued to strengthen its position in the market and maintained its commitment to invest in the year 2023, even in a difficult context. Investments focused on three major directions:

1. Regarding the factory in Filipeștii de Pădure, investments were made in improvements to the production flow, through additional automation and expansion of production capacities for special products based on microorganisms. These investments, worth 150,000 euros, have been completed. Invested in significantly increasing the production of the current laboratory by adding additional equipment, improving the technical parameters of operation and storage. This investment becomes operational in Q4 2023. Additionally, the investment of approximately 450,000 euros, in the construction of the large laboratory for research and multiplication of bacteria, equipped with state-of-the-art equipment for the commercial multiplication and research of bacterial strains in order to develop new products is in progress. At the time of writing this Financial Report, the company has an

already functional laboratory and, under construction, is the second section of this laboratory, which will represent a reference location in the field for South-Eastern Europe.

2. Investments in the implementation of an irrigation system for 150 hectares at the farm in Zimnicea, worth 250,000 euros, are being contracted.
3. Ongoing investment in production capacity for state-of-the-art line of soil-applied liquid fertilizers for conventional agriculture. The new ranges - Power Tek and Power Mix - will be the subject of intense promotion for the spring of 2024.

The Company also maintains its announced dividend policy.

### **ORGANIZATION OF A VIDEO CONFERENCE TO PRESENT THE FINANCIAL RESULTS RELATING TO THE 3RD QUARTER OF 2023**

On November 7, 2023, starting at 5:00 p.m. (Romanian time), the Company will organize the video conference to present the financial results related to the 3rd quarter of 2023.

The videoconference will be held in Romanian through the ZOOM application and will be hosted by:

- ☐ Vlad Popescu, President of the Board of Directors
- ☐ Marius Alexe, Member of the Board of Directors
- ☐ Alex Cristescu, Member of the Board of Directors

People interested in participating in the videoconference are invited to register at the following link: [https://us06web.zoom.us/webinar/register/WN\\_HKBFMLf0TNKAPcDqBnjb5w#/registration](https://us06web.zoom.us/webinar/register/WN_HKBFMLf0TNKAPcDqBnjb5w#/registration).

For a good organization of the event, the participants have the opportunity to submit questions in advance, either through the registration form available at the link above, or to the email address [investitori@norofert.ro](mailto:investitori@norofert.ro).

The poster features a blue geometric background. At the top center is the Norofert logo, consisting of a stylized 'N' and the word 'NOROFERT'. Below the logo, the word 'VIDEOCONFERENCE' is written in large, bold, white capital letters. Underneath that, in smaller white capital letters, is 'PRESENTATION OF THE FINANCIAL RESULTS FOR Q3 2023'. In the center, there are three circular portraits of men, each with a blue ring around it. Below each portrait is a row of six white dots. Under the first portrait is a white box with the name 'Vlad Popescu' and 'President of the BoD' below it. Under the second portrait is a white box with the name 'Marius Alexe' and 'Member of the BoD' below it. Under the third portrait is a white box with the name 'Alex Cristescu' and 'Member of the BoD' below it. At the bottom left, the date '07 NOVEMBER' is displayed in large green and white numbers. At the bottom right, the time 'Hour: 17:00' and the 'ZOOM' logo are shown.

**NOROFERT**

# VIDEOCONFERENCE

PRESENTATION OF THE FINANCIAL RESULTS FOR Q3 2023

**Vlad Popescu**  
President of the BoD

**Marius Alexe**  
Member of the BoD

**Alex Cristescu**  
Member of the BoD

**07 NOVEMBER**  
Hour: 17:00  
**ZOOM**



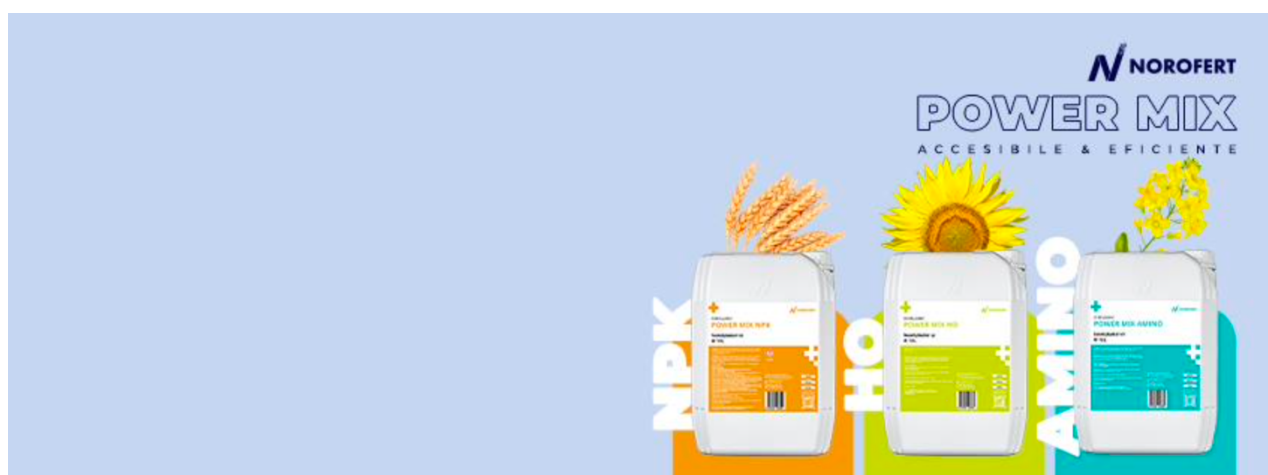
## LAUNCHING THE NEW RANGE OF FERTILIZERS: POWER MIX - AFFORDABLE & EFFICIENT

Power Mix is a range of conventional fertilizers with an innovative approach to improving production at low cost in a time of uncertainty.

The idea behind this range is to provide effective and affordable solutions to meet the nutritional needs of plants while promoting healthy and sustainable crop growth.

Why was this conventional range of fertilizers needed?

- **Nutritional Efficiency:** Power Mix has been developed to provide crops with the essential nutrients they need to grow and develop optimally. Its formulas have been designed to ensure a controlled release of nutrients so that plants have access to quality nutrition throughout the growing season.
- **Sustainable Growth:** The Power Mix range promotes sustainable agriculture by providing fertilizers that help minimize soil nutrient losses
- **Maximizing Yield:** By using Power Mix, farmers can achieve higher and higher quality yields. The fertilizers in this range are based on a balanced formula of nutrients, which helps to maximize crop yield.
- **Save Time and Money:** Using Power Mix fertilizers can reduce the need for repeated application and increase resource efficiency. This means less time and money spent on fertilizer management.



## LAUNCHING THE NEW RANGE OF FERTILIZERS: POWER TEK

Power Tek is a range of innovative conventional liquid fertilizers developed by Norofert, designed to revolutionize plant nutrition.

Produced in Romania, this range is adapted to local needs and the specifics of the local soil and climate.

- ❑ **Nutrition at the Root of the Problem** : Power Tek delivers nutrients directly to plant roots, ensuring precise and efficient feeding. This supports healthy and robust plant growth.
- ❑ **Uniform Distribution**: The application of liquid fertilizers by injection into the soil guarantees the uniform distribution of nutrients, eliminating areas of under-feeding or over-feeding.
- ❑ **Ease of Application**: Power Tek is easy to apply and allows precise regulation of the amount, thus reducing wastage and saving resources.
- ❑ **Fast Absorption** : Liquid fertilizers are absorbed faster by plants compared to solid ones, ensuring immediate effective nutrition.
- ❑ **Flexibility in Application** : These fertilizers can be used before, during or after sowing, adapting to the specific needs of the crops.
- ❑ **Saving money and time** : But without compromises! Liquid fertilizers allow for an even distribution of nutrients in the soil, ensuring that each plant gets what it needs.



## NOMINATION TOP 10 AGRICULTURAL BIOTECHNOLOGY COMPANIES IN EUROPE IN 2023

In 2023, Norofert was nominated by Life Sciences Review Europe as one of the "**Top 10 Agricultural Biotechnology Companies in Europe in 2023**".

The list includes leading companies from Europe, specialized in providing biotechnological solutions in agriculture of the last generation for the efficiency of agricultural harvests.

# Life Sciences Review

## — Agrona agronagroup.com

Agrona was started in 2010 to transform conventional methods of stimulating agricultural growth. Its remarkable set of solutions enhances water quality by increasing oxygen content and improving plant health and resilience through stimulants that grow beneficial bacteria and fungi.

## — FertiGlobal fertiglobal.com

FertiGlobal is highly committed to advanced research and development for innovative plant nutrition solutions ensuring healthy plant growth and yield increase at the highest standards. It's cutting-edge crop nutrition Technologies, bioactivating solutions, and special foliar fertilizers provide highly efficient applications for the entire lifecycle of the most diverse crops worldwide.

## — Norofert Group norofert.ro

Norofert Group is a leading provider of organic fertilisers and phytosanitary products. The company has unrivalled research and innovation competencies, which resulted in its proprietary BioChain technology, automated packaging capabilities, and ability to tailor fertilisers based on the specific needs of a producer. The company is listed on the Bucharest Stock Exchange under NRF thicker.

## — Rokosan rokosan.com

Rokosan is a company that has revolutionized the use of animal by-products in waste utilization. It has found a unique way to process materials like poultry, feathers, hoofs, horns, and sheep wool, to create fertilizers that are organic, nutrient-rich, and highly efficient.

## — Agronutrition agronutrition.com

Specialist in plant nutrition, Agronutrition designs, manufactures and markets a full range of specialties, biostimulants, biofertilizers, anti-deficiency and associated services to support changes in crop management, induced by societal expectations and the climate change, while improving the quality of production for healthy, safe and sustainable food and preserving farmers' income.

## — Andermatt Group anderstatt.com

Andermatt's goal is to replace chemical pesticides with good biological alternatives, such as microbial products, natural substances, beneficial insects and traps. More than 30 years ago, Andermatt started its first production of plant protection products based on baculoviruses. Today, it has been widely recognized that the use of biological control measures offers not only a solution in organic agriculture, but also a highly effective tool within integrated or conventional pest management programs for environmental friendly and residue-free food production.

## — Humintech humintech.com

Humintech is a biotech company based in Grevenbroich, Germany. They are primarily focused on the research, development and industrial production of humic matter and humic acids for the agricultural sector. Their products find further use in the feed, pharmaceutical and construction industry, in veterinary medicine and for ecological purposes such as water purification and soil decontamination.

## TOP 10 AGRICULTURAL BIOTECH COMPANIES IN EUROPE - 2023

## — Kimitec kimitec.com

Kimitec is a Biotechnological company that offers alternatives and radically innovative natural solutions with the same efficiency as those obtained through chemical synthesis. Their completely natural products take care of the farmer's needs, achieving a balance between productivity/profitability, sustainability and health preservation.

## — Seipasa seipasa.com

Seipasa is a pioneering Spanish company in the formulation and development of treatments of botanical and microbiological origin for the protection, biostimulation and nutrition of crops. For more than 20 years, the company has formulated and registered solutions of high technological value that are applied in the most demanding agriculture on the planet. Its products are exported to more than 25 countries around the world.

## — Vegalab SA vegalab.com

Vegalab SA is a Swiss biotech company with headquarters in Geneva, Switzerland, and R&D and manufacturing facilities in Switzerland and South Korea. They manufacture natural agrochemical products, medical cleaning products, skincare products and a range of pharmaceutical supplements. Vegalab's biological pesticides are highly effective against targeted organisms, non-toxic to beneficial organisms, and safe for the environment.



# ANALYSIS OF FINANCIAL RESULTS

The detailed analysis of the financial results is carried out at the consolidated level and takes into account the financial results prepared **in accordance with the RAS regulations**. For comparison, investors can analyze the results of the period presented and in accordance with the International Financial Reporting Standards (IFRS), presented herewith.

Selected P&L positions (RON) – consolidated RAS	30.09.2022	30.09.2023	Evolution %
<b>Operating revenue, of which:</b>	57,666,499	38,367,854	-33.47%
Turnover	54,037,881	32,370,049	-40.10%
Change in inventories	1,116,615	2,307,476	106.65%
Other operating revenues	2,512,003	3,690,329	46.91%
<b>Operating expenses, of which:</b>	47,091,746	33,725,746	-28.38%
Material costs	30,336,740	20,238,646	-33.29%
Personnel expenses	3,451,266	3,859,498	11.83%
Depreciation expense and value adjustments	985,042	1,478,239	50.07%
Other operating expenses	12,318,698	8,149,363	-33.85%
<b>Operating result</b>	10,574,753	4,642,108	-56.10%
<b>Financial income</b>	267,167	209,470	-21.60%
<b>Financial expenses</b>	2,021,753	3,434,126	69.86%
<b>Financial results</b>	-1,754,586	-3,224,656	83.78%
Total income	57,933,666	38,577,324	-33.41%
Total expenses	49,113,499	37,159,872	-24.34%
<b>Gross result</b>	8,820,167	1,417,452	-83.93%
Income tax/other taxes	1,225,796	310,326	-74.68%
<b>Net result</b>	7,594,371	1,107,126	-85.42%

Selected P&L positions (RON) – consolidated IFRS	30.09.2022	30.09.2023	Evolution %
<b>Operating revenue, of which:</b>	56,732,361	35,478,461	-37.46%
Turnover	53,385,310	30,931,479	-42.06%
Change in inventories	1,113,076	2,232,326	100.55%
Other operating revenues	2,233,975	2,314,656	3.61%
<b>Operating expenses, of which:</b>	46,140,826	31,295,913	-32.17%
Material costs	29,490,617	17,912,896	-39.26%
Personnel expenses	3,451,266	3,859,498	11.83%
Depreciation expense and value adjustments	1,080,512	2,003,944	85.46%
Other operating expenses	12,118,431	7,519,575	-37.95%
<b>Operating result</b>	10,591,535	4,182,548	-60.51%
<b>Financial income</b>	135,886	209,472	54.15%
<b>Financial expenses</b>	1,896,824	2,950,408	55.54%
<b>Financial results</b>	-1,760,938	-2,740,936	55.65%
Total income	56,868,247	35,687,933	-37.24%
Total expenses	48,037,650	34,246,321	-28.71%
<b>Gross result</b>	8,830,597	1,441,612	-83.67%
Income tax/other taxes	1,225,796	303,461	-75.24%
Deferred income tax	75	348	364%
<b>Net result</b>	7,604,727	1,137,803	-85.04%



## Clarifications on RAS Situations

### Operating income

In the first nine months of 2023, operating revenues at the consolidated level reached the amount of 38.36 million lei, down 33.47% compared to 9L 2022.

### Consolidated turnover and context 9L 2023

The Norofert Group closed the first nine months of 2023 with a turnover of 32.37 million lei, down 40% compared to the same period of the previous year.

We are in a very difficult moment for the agribusiness market in Romania. The costs of setting up the big fall 2022 crops could not be covered by production in the quantity and price needed for farmers to recoup their expenses.

For example, there are farmers who established a hectare of wheat with 5,000 - 5,500 lei in the fall of 2022, and the income from July 2023, for the same hectare, did not exceed 2,500 - 3,000 lei, these are net losses that are very difficult to manage.

This whole situation was also created by the pressure that grain imports from Ukraine put on the Romanian market, which cannot cope with the low prices in the neighboring country.

Another key factor for the situation we are in is the drought, still persistent in much of the country, which has caused significant damage to crops and greatly reduced the quantity and quality of harvests.

We therefore face the prospect of many farms being insolvent, being put up for sale or severely

undercapitalised, creating significant difficulties for input suppliers as farmers are unable to pay their debts.

It is truly a year where the financial health and market strategy of agribusiness companies are put to the test. In this context, in 2023 Norofert chose a prudent approach, we opted for the security of receipts and financial consolidation at the expense of increasing turnover.

The 3rd Quarter is normally a time when sales are made for the fall campaign. In the fall of 2023, the farmers who were preparing to sow rapeseed, wheat and barley waited for rains to carry out the agricultural work, and the expectation they were in, doubled by the fear of repeating the experience of the fall of 2022, made them very reluctant to place orders.

Sales suffered declines and at the time of writing this Report, a large part of the farmers still failed to sow wheat due to lack of rainfall. Rapeseed crops are largely compromised due to the lack of rains, of the approximately 700,000 ha sown with canola it is estimated that 150,000 - 170,000 ha remain.

Sales maintained their slow pace throughout the fall months with slight improvements after mid-October, when the spring pre-sales campaign also began.

### Materials costs

At the Group level, material expenses were 20.24 million lei, down 33.29% compared to the corresponding period in 2022, as a result of the reduction in raw material purchase volumes influenced by the expansion of the capacities of the microorganism multiplication laboratory in

Filipestii de Padure, which manages to fully cover the need for raw material for current production.

According to the strategy we outlined, Norofert will operate two sections of the laboratory in Filipestii de Padure, a bacteria production section, for use as raw materials for its own production, and the second section, which will have as its object research- development of products and solutions for agriculture.

The company Agroprod CEV SRL recorded a 142% increase in material expenses compared to the previous period from 2022, this increase coming from the cost of inputs (diesel, fertilizers and other products) for the establishment of crops. The increased equipment park of the Zimnicea farm brought additional expenses with their maintenance.

### Personnel expenses

They are up about 11.83% from the first nine months of 2022. The increase was brought about by the increase in the average number of employees for both companies in the group as well as the increase in the value of meal vouchers, from 10 lei to 30 lei for group employees.

### Depreciation and amortization expenses

They increased by 50%, up to 1.47 million lei, this increase being caused by the increase in the value of fixed assets by 40%.

Depreciation expenses increased, along with the reduction of rent expenses, as a result of the acquisition of the production hall, the administrative building, the raw material warehouses, as well as the land related to them.

### Other operating expenses

They decreased by 33.85% and reached the amount of 8.14 million lei, and represent, in general terms, the decrease in transport expenses, rents and services provided by third parties.

- **Expenses with services performed by third parties** – 2.29 million lei, compared to 4.59 million lei, down 2.3 million lei compared to the previous period;
- **Transport expenses** – 0.85 million lei, compared to 3.13 million lei, down by 2.45 million lei compared to the same period in 2022, due in particular to the decrease in expenses for the transport of goods, as a result of the reduction in the delivered quantities of fertilizers solids;
- **Rent expenses** – 0.72 million lei, compared to 1.41 million lei, down 0.69% compared to the same period in 2022, this decrease being generated by the elimination of rent expenses for the production hall and adjacent buildings as a result of their purchase;
- **Advertising, publicity and protocol expenses** – 0.57 million lei;
- **Expenses with insurance premiums** – 0.28 million lei;
- **Energy and water expenses** – 0.12 million lei;
- **Machinery and car repairs** – 0.53 million lei;
- **Telecommunications** – 0.12 million lei;
- **Travel** – 0.064 million lei.

### Operating result

The group recorded in the period between 01.01.2023 and 30.09.2023 an operating result of 4.64 million lei, down 56.10% compared to 9L 2022, due to the increase in depreciation expenses and the decrease in turnover.

### Financial income

They decreased by 21.60% and reached the amount of 209,479 lei, this decrease being generated by the differences resulting from the exchange rate variation.

### Financial expenses

They increased by 69.86%, up to the amount of 3.43 million lei, as a result of the increase in bank interest costs, related to new loans contracted in 2023.

### Total income

The total revenues of the group reached the amount of 38.58 million lei, decreasing by 33.41% compared to the similar period in 2022 due to the significant reduction in the activity of the Trading division, which normally generates a considerable turnover with a very small margin.

As a result of the Russian-Ukrainian military conflict, the agricultural market in Romania was flooded with cheap agricultural products from Ukraine, the company taking the decision to avoid grain trading due to the unprecedented volatility of the grain market and the blockage in the market due to the sharp drop in price .

### Total expenses

They decreased by 24.34% and reached the amount of 37.16 million lei, this decrease being generated exclusively by the decrease in operating expenses, especially the expenses with raw materials and goods.

### The net result

The net profit recorded by the group in the first nine months of 2023 is 1.1 million lei, down 85.42% compared to the corresponding period in 2022. The decrease was mainly determined by the increase in financing costs, as a result of the increase in costs with bank interest related to newly contracted loans.

The situation of cereal prices combined with the high temperatures made 2023 bring a loss for the farming operation in Zimnicea. The loss from farming can be found both in the result of Norofert SA and in that of Agroprod CEV SRL

The lesson of 2023 is that irrigation becomes the number 1 strategic priority for our farm, and the plan for 2024 is to have the first autumn and spring crops irrigated at the Zimnicea location.

Starting from Q4 2023, a stabilization of bank interest rates is foreseen, the medium-term trend being, rather, one of maintaining around the current level, and not one of decreasing.

The detailed analysis of the financial results is carried out at the consolidated level and takes into account the financial results prepared **in accordance with the RAS regulations**. For comparison, investors can analyze the results of the period presented and in accordance with the International Financial Reporting Standards (IFRS), presented herewith.

Selected balance sheet positions (RON) – consolidated RAS	30.09.2022	30.09.2023	Evolution %
<b>Fixed assets</b>	15,694,181	21,956,675	39.90%
<b>Current assets, of which:</b>	60,527,328	51,967,913	-14.14%
Inventories	12,303,332	16,736,939	36.04%
Receivables	43,572,704	33,685,738	-22.69%
Cash and cash equivalents	4,651,293	1,545,237	-66.78%
<b>Prepayments</b>	183,894	150,822	-17.98%
<b>Total assets</b>	76,405,403	74,075,409	-3.05%
Current liabilities	23,048,637	29,917,596	29.80%
Long-term debt	22,410,973	17,753,213	-20.78%
Advance income	2,745,711	1,322,065	-51.85%
<b>Total debts</b>	48,205,321	48,992,873	1.63%
Equity	28,052,700	24,938,661	-11.10%
Provisions	147,382	143,872	-2.38%
<b>Total equity and liabilities</b>	76,405,403	74,075,406	-3.05%

Selected balance sheet positions (RON) – consolidated IFRS	30.09.2022	30.09.2023	Evolution %
<b>Fixed assets</b>	19,029,269	25,124,512	32.03%
<b>Current assets, of which:</b>	54,054,188	44,372,106	-17.91%
Inventories	12,299,793	16,737,719	36.08%
Receivables	37,089,286	26,089,150	-29.66%
Cash and cash equivalents	4,665,109	1,545,237	-66.88%
<b>Prepayments</b>	183,893	150,821	-17.98%
<b>Total assets</b>	73,267,350	69,647,439	-4.94%
Current liabilities	17,463,196	16,266,919	-6.85%
Long-term debt	25,649,048	27,805,532	8.41%
Advance income	2,702,235	1,301,000	-51.85%
<b>Total debts</b>	45,814,479	45,373,451	-0.96%
Equity	27,305,490	24,130,116	-11.63%
Provisions	147,381	143,872	-2.38%
<b>Total equity and liabilities</b>	73,267,350	69,647,439	-4.94%

## Clarifications on IFRS Statements

The main adjustment in the presentation of Norofert SA's activity and assets according to OMFO 2488/2016 [IFRS] (previously presented according to OMFP 1802/2016) is given by the application of IFRS 16, through the presentation of leased assets: operational leases, space leases, agricultural land leases.

Thus, on September 30, 2023, the Balance Sheet presented according to OMFP 20488/2016 [IFRS] shows capitalized assets under IFRS 16 in the net amount of 3,935,053 lei and a debt of 4,071,020 lei. Norofert's total capital (consolidated) has a negative impact of 135,966 lei.

At the level of the global result, the impact is 30,675 lei. EBITDA has a positive of 522,047 lei.

## Clarifications on RAS Situations

### Fixed assets

In the first nine months of 2023, the balance of the group's fixed assets increased by 39.90% and totals 21.95 million lei.

These assets are essential to the company's development strategy, to be able to produce the widest possible range of products, thus ensuring a better competitive position in the market.

Compared to the time of the private placement in 2019, fixed assets increased from 0.6 million lei to 25 million lei.

Although they generate amortization and depreciation, which affects the net profit, the company's management will not deviate from

investments, which help reduce production costs, strengthening the company's business model.

### Current assets

The value of current assets recorded 51.96 million lei, down 14.14% compared to 9L 2022, as a result of the decrease mainly in cash and cash equivalents.

Raw material expenses, investments in laboratory expansion, new conventional liquid production line and purchases of agricultural machinery decreased the cash position at the end of September 2023.

### Inventories

In Q3 2023 the group recorded stocks worth 16.74 million lei, plus 36.04% compared to the same period in 2022, due to the increase in the stock of finished products and goods for sale for the autumn campaign.

Also, a factor of the increase in stocks is the fact that the subsidiary Agroprod CEV SRL recorded an increase in production in progress in Q3 of 2023 by 342% compared to Q3 2022.

### Receivables

The level of receivables decreased by 22.69% compared to 9 months of 2022 and reached the amount of 33.68 million lei, this decrease coming as a result of the reduction in turnover.

### The degree of collection of receivables

In the period between 01.01.2023 and 30.09.2023, the receivables collection rate was approximately 95%. An aspect worthy of consideration, when we analyze the situation in

2023, is the degree of collection, which has suffered a significant decrease in Romanian agribusiness.

Distributors are facing major difficulties in recovering receivables due to the tough economic situation farmers are going through.

We are happy to state that we have a very good debt recovery rate, despite the difficult year, a signal that indicates that we have chosen a correct approach to the agricultural context of 2023, without taking large risks and remaining focused on financial health of the company.

Also, without a good collection rate, we would not have been able to return considerable amounts to the banking institutions we work with.

### Cash position

The group ended the first nine months of 2023 with a cash position of 1.54 million lei, down 66.78% compared to the corresponding period in 2022.

Investments required for the plant, the expansion of the microorganism multiplication laboratory as well as the construction of a new line of conventional liquid fertilizers led to cash outflows during the first nine months of 2023.

Also, the cash position experienced a decrease also as a result of investments in machinery from Ferma Zimnicea, mainly in self-propelled machinery and tractors. All ongoing investments will lead to the development of Norofert in the future, being part of the development strategy through the acquisition/construction of productive assets.



### **Total assets**

The group's total assets amounted to 74.07 million lei at the end of the reporting period, in a slight decrease compared to the similar period in 2022, by only 3.05%, influenced by the decrease in current assets, especially receivables.

### **Current liabilities**

The group had, on September 30, 2023, current liabilities in the total amount of 29.91 million lei, increasing by 29.8% compared to the same reporting period in 2022.

This increase comes as a result of the classification of debt to financial institutions in the category of short-term debt, compared to the classification of long-term debt in the similar period of 2022.

### **Long-term debt**

The group's long-term debts decreased by 20.78% compared to 9L 2022 and reached the amount of 17.75 million lei.

This decrease largely cancels out the increase in short-term debt, the negative development being due, as in the case of short-term debt, to the reclassification of long-term debt into short-term debt.

### **Accounts payable to suppliers**

Debts to traditional suppliers, fertilizers, seeds, various inputs that are not produced in-house, amounting to 7.15 million lei, experienced a decrease of 30.32% in the reported period of 2023 compared to the similar period of 2022.

### **Advance income**

The group recorded advance revenues in the amount of 1.32 million lei, down 51.85% compared to 9L 2022. These revenues represent advance revenues from the sale of biotechnological packages.

### **Total debts**

The group ended the first nine months of 2023 with total debts of 48.99 million lei, their value remaining at the same level compared to the similar period of the previous year.

The company's investments have a borrowed capital component, being the most efficient way of development for the company, although it generates interest and principal payments.

At the beginning of the year, the company contracted a loan for working capital, worth approximately 10 million lei. The loan was contracted at a time when the forecasts for the 2023 agricultural year were still unaffected by the context and challenges currently faced by Romanian farmers and agriculture and the management's intention was to ensure that the entire demand for products would be covered, which, at the time of Q1 2023, is expected to be a very large one.

This capital was used in the spring campaign but, during the year and following closely the evolution of the difficult context in the agribusiness market, the company's management decided to repay the loan of 10 million lei in advance, after the purchase of raw materials and goods necessary for the current activity.

It also paid, in advance, another 5.77 million lei to the banks for the closure and/or reduction of other short-and long-term lending facilities, cf. current report 27/2023 of 06.09.2023, in order to reduce the impact on financial expenses.

### **Equity**

Equity at the consolidated level amounted to 24.93 million lei on September 30, 2023, down 11.1% compared to the similar period in 2022, as a result of the reduction in profit from the current financial year.

### **Provisions**

Provisions were set up in the amount of 0.14 million lei, similar to the value from the corresponding period of 2022.

### **Retained earnings**

2.1 million lei is the positive carried forward result, at the consolidated level.

### **Net income**

The net profit recorded by the group in the first 9 months of 2023 is 1.1 million lei, down 85.42% compared to the corresponding period of 2022.

The decrease was mainly determined by the increase in financing costs but also by a decrease in turnover.

Also, due to the prolonged drought, farmers have delayed the start of sowing for the 2023-2024 campaign, leading to a reduction in orders for agricultural inputs.

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

Indicators of the profit and loss account (RON) – consolidated RAS	30.09.2022	30.09.2023	Evolution %
<b>Operating income, of which:</b>	57,666,499	38,367,854	-33.47%
Turnover	54,037,881	32,370,049	-40.10%
Change in inventories	1,116,615	2,307,476	106.65%
Other operating revenues	2,512,003	3,690,329	46.91%
<b>Operating expenses, of which:</b>	47,091,746	33,725,746	-28.38%
Materials expenses, of which:	30,336,740	20,238,646	-33.29%
Cost of raw materials	9,131,279	6,359,811	-30.35%
Cost of goods	20,845,841	13,252,448	-36.43%
Other material expenses	259,466	626,387	141.41%
Personnel expenses	3,451,266	3,859,498	11.83%
Depreciation expense and value adjustments	985,042	1,478,239	50.07%
Other operating expenses	12,318,698	8,149,363	-33.85%
<b>Operating result</b>	10,574,753	4,642,108	-56.10%
<b>Financial income</b>	267,167	209,470	-21.60%
<b>Financial expenses</b>	2,021,753	3,434,126	69.86%
<b>Financial result</b>	-1,754,586	-3,224,656	83.78%
Total income	57,933,666	38,577,324	-33.41%
Total expenses	49,113,499	37,159,872	-24.34%
Gross result	8,820,167	1,417,452	-83.93%
Income tax/other taxes	1,225,796	310,326	-74.68%
<b>Net result</b>	7,594,371	1,107,126	-85.42%

Indicators of the profit and loss account (RON) – consolidated IFRS	30.09.2022	30.09.2023	Evolution %
<b>Operating income, of which:</b>	56,732,361	35,478,461	-37.46%
Turnover	53,385,310	30,931,479	-42.06%
Change in inventories	1,113,076	2,232,326	100.55%
Other operating revenues	2,233,975	2,314,656	3.61%
<b>Operating expenses, of which:</b>	46,140,826	31,295,913	-32.17%
Materials expenses, of which:	29,490,617	17,912,896	-39.26%
Cost of raw materials	8,683,241	5,338,579	-38.52%
Cost of goods	20,668,362	12,458,801	-39.72%
Other material expenses	139,014	115,516	-16.90%
Personnel expenses	3,451,266	3,859,498	11.83%
Depreciation expense and value adjustments	1,080,512	2,003,944	85.46%
Other operating expenses	12,118,431	7,519,575	-37.95%
<b>Operating result</b>	10,591,535	4,182,548	-60.51%
<b>Financial income</b>	135,886	209,472	54.15%
<b>Financial expenses</b>	1,896,824	2,950,408	55.54%
<b>Financial result</b>	-1,760,938	-2,740,936	55.65%
Total income	56,868,247	35,687,933	-37.24%
Total expenses	48,037,650	34,246,322	-28.71%
Gross result	8,830,597	1,441,611	-83.67%
Income tax/other taxes	1,225,796	303,461	-75.24%
Deferred income tax	75	348	364%
<b>Net result</b>	7,604,727	1,137,803	-85.04%

# INDIVIDUAL PROFIT AND LOSS ACCOUNT NOROFERT S.A.

Indicators of the profit and loss account (RON) – Norofert RAS	30.09.2022	30.09.2023	Evolution %
<b>Operating income, of which:</b>	54,184,503	34,155,278	-36.96%
Turnover	51,092,450	31,625,289	-38.10%
Change in inventories	1,998,748	1,210,599	-39.43%
Other operating revenues	1,093,305	1,319,390	20.68%
<b>Operating expenses, of which:</b>	44,583,330	29,214,613	-34.47%
Materials expenses, of which:	29,459,624	18,117,181	-38.50%
Cost of raw materials	8,255,738	4,296,615	-47.96%
Cost of goods	20,844,266	13,194,179	-36.70%
Other material expenses	259,466	626,387	141.41%
Personnel expenses	3,365,337	3,627,244	7.78%
<b>Depreciation expense and value adjustments</b>	848,733	1,262,098	48.70%
Other operating expenses	10,909,636	6,208,090	-43.10%
<b>Operating result</b>	9,601,173	4,940,665	-48.54%
<b>Financial income</b>	267,167	209,470	-21.60%
<b>Financial expenses</b>	2,003,245	3,337,652	66.61%
<b>Financial result</b>	-1,736,078	-3,128,182	80.19%
Total income	54,451,670	34,364,748	-36.89%
Total expenses	46,586,575	32,552,265	-30.13%
Gross result	7,865,095	1,812,483	-76.96%
Income tax/other taxes	1,192,554	288,619	-75.80%
<b>Net result</b>	6,672,541	1,523,864	-77.16%

Indicators of the profit and loss account (RON) – Norofert IFRS	30.09.2022	30.09.2023	Evolution %
<b>Operating income, of which:</b>	53,665,506	33,560,348	-37.46%
Turnover	50,548,939	30,980,365	-38.71%
Change in inventories	1,998,748	1,210,599	-39.43%
Other operating revenues	1,117,819	1,369,384	22.50%
<b>Operating expenses, of which:</b>	44,064,226	29,114,986	-33.93%
Materials expenses, of which:	28,790,981	18,079,032	-37.21%
Cost of raw materials	7,939,101	4,769,337	-39.93%
Cost of goods	20,712,985	13,194,179	-36.30%
Other material expenses	138,895	115,516	-16.83%
Personnel expenses	3,365,337	3,627,244	7.78%
<b>Depreciation expense and value adjustments</b>	848,733	1,316,676	55.13%
Other operating expenses	11,059,175	6,092,034	-44.91%
<b>Operating result</b>	9,601,280	4,445,362	-53.70%
<b>Financial income</b>	135,886	209,473	54.15%
<b>Financial expenses</b>	1,872,072	2,842,351	51.83%
<b>Financial result</b>	-1,736,186	-2,632,878	51.65%
Total income	53,801,392	33,769,821	-37.23%
Total expenses	45,936,298	31,957,337	-30.43%
Gross result	7,865,094	1,812,484	-76.96%
Income tax/other taxes	1,192,554	-288,619	-124.20%
<b>Net result</b>	6,672,540	1,523,865	-77.16%

# INDIVIDUAL PROFIT AND LOSS ACCOUNT AGROPROD CEV SRL

Indicators of the profit and loss account (RON) – Agroprod RAS	30.09.2022	30.09.2023	Evolution %
<b>Operating income, of which:</b>	3,481,996	4,212,576	20.98%
Turnover	2,945,431	744,760	-74.71%
Change in inventories	-882,133	1,096,877	-224.34%
Other operating revenues	1,418,698	2,370,939	67.12%
<b>Operating expenses, of which:</b>	2,508,416	4,511,133	79.84%
Materials expenses, of which:	877,116	2,121,465	141.87%
Cost of raw materials	875,541	2,063,196	135.65%
Cost of goods	1,575	58,269	3599.62%
Other material expenses	0	0	0.00%
Personnel expenses	85,929	232,254	170.29%
<b>Depreciation expense and value adjustments</b>	136,309	216,141	58.57%
Other operating expenses	1,409,062	1,941,273	37.77%
<b>Operating result</b>	973,580	-298,557	-130.67%
<b>Financial income</b>	0	0	0.00%
<b>Financial expenses</b>	18,508	96,474	421.26%
<b>Financial result</b>	-18,508	-96,474	-421.26%
Total income	3,481,996	4,212,576	20.98%
Total expenses	2,526,924	4,607,607	82.34%
Gross result	955,072	-395,031	-141.36%
Income tax/other taxes	33,242	21,707	-34.70%
<b>Net result</b>	921,830	-416,738	-145.21%

Indicators of the profit and loss account (RON) – Agroprod IFRS	30.09.2022	30.09.2023	Evolution %
<b>Operating income, of which:</b>	3,175,914	2,711,760	-15%
Turnover	2,945,431	744,760	-75%
Change in inventories	-885,673	1,021,728	215%
Other operating revenues	1,116,156	945,272	-15%
<b>Operating expenses, of which:</b>	2,198,258	3,036,914	38%
Materials expenses, of which:	808,696	2,053,177	154%
Cost of raw materials	807,002	1,994,908	147%
Cost of goods	1,575	58,269	3600%
Other material expenses	119	-	-100%
Personnel expenses	85,929	232,254	170%
<b>Depreciation expense and value adjustments</b>	136,309	216,141	59%
Other operating expenses	1,167,324	535,342	54%
<b>Operating result</b>	977,656	-325,154	-133%
<b>Financial income</b>	0	0	0,00%
<b>Financial expenses</b>	18,335	76,742	319%
<b>Financial result</b>	-18,335	-76,742	-319%
Total income	3,175,914	2,711,760	-15%
Total expenses	2,216,593	3,113,656	40%
Gross result	959,321	-401,896	-142%
Income tax/other taxes	33,242	14,842	-55%
<b>Net result</b>	926,079	-416,738	-145%



# CONSOLIDATED BALANCE SHEET

Balance sheet indicators (lei) – at consolidated level - RAS	30.09.2022	30.09.2023	Evolution %
<b>Fixed assets, of which:</b>	15,694,181	21,956,675	39.90%
Intangible assets	548,788	706,916	28.81%
Tangible assets	10,572,103	16,787,723	58.79%
Financial assets	4,573,292	4,462,036	-2.43%
Fixed assets under investment	0	0	0.00%
<b>Current assets, of which:</b>	60,527,327	51,967,910	-14.14%
<b>Inventories</b>	12,303,332	16,736,937	36.04%
Raw materials and consumables	3,160,564	3,773,785	19.40%
Inventory items	14,520	14,520	0.00%
Finished product	597,294	1,583,720	165.15%
Agricultural products	38,089	318,598	736.46%
Production in progress	973,927	3,396,670	248.76%
Goods	4,035,830	3,294,154	-18.38%
Packaging	198,911	253,081	27.23%
Biological assets of the nature of stocks	0	0	0.00%
Stock purchase advances	3,284,199	4,102,410	24.91%
Receivables	43,572,703	33,685,736	-22.69%
Trade receivables	36,715,086	24,673,631	-32.80%
Receivables with affiliated companies	3,479,899	4,446,002	27.76%
Shareholder receivables	6	0	-100.00%
Other assets	3,377,712	4,566,103	35.18%
Short-term investments	0	0	0.00%
<b>Cash and cash equivalents</b>	4,651,292	1,545,237	-66.78%
<b>Expenses registered in advance</b>	183,894	150,822	-17.98%
<b>Total active</b>	76,405,403	74,075,409	-3.05%
Current liabilities, of which:	23,048,638	29,917,597	29.80%

Balance sheet indicators (lei) – at consolidated level - IFRS	30.09.2022	30.09.2023	Evolution %
<b>Fixed assets, of which:</b>	19,029,270	25,124,513	32.03%
Intangible assets	4,359,169	4,518,126	3.65%
Tangible assets	14,558,845	20,517,841	40.93%
Financial assets	111,256	88,546	-20.41%
Fixed assets under investment	0	0	0.00%
<b>Current assets, of which:</b>	49,389,079	42,826,870	-13.29%
<b>Inventories</b>	12,299,794	16,737,720	36.08%
Raw materials and consumables	3,160,563	3,773,784	19.40%
Inventory items	14,520	14,520	0.00%
Finished product	574,979	1,583,720	175.44%
Agricultural products	56,865	318,599	460.27%
Production in progress	973,927	3,396,671	248.76%
Goods	3,235,325	3,294,935	1.84%
Packaging	198,911	253,081	27.23%
Biological assets of the nature of stocks	0	0	0.00%
Stock purchase advances	4,084,704	4,102,410	0.43%
Receivables	35,824,977	24,520,830	-31.55%
Trade receivables	33,355,238	23,506,820	-29.53%
Receivables with affiliated companies	2,469,739	1,014,010	-58.94%
Shareholder receivables	0	0	0.00%
Other assets	1,264,308	1,568,320	24.05%
Short-term investments	0	0	0.00%
<b>Cash and cash equivalents</b>	4,665,108	1,545,237	-66.88%
<b>Expenses registered in advance</b>	183,893	150,819	-17.99%
<b>Total active</b>	73,267,350	69,647,439	-4.94%
Current liabilities, of which:	17,463,195	16,266,920	-6.85%

Third party providers	10,274,384	7,158,774	-30.32%
Debts with affiliated companies	614,633	1,297,958	111.18%
Bank debts	9,502,336	16,759,073	76.37%
Debts to shareholders	11,367	0	-100.00%
Financial leasing	0	522,810	100.00%
<b>Other short-term liabilities</b>	2,645,918	4,178,981	57.94%
Long-term debts, of which:	22,410,973	17,753,212	-20.78%
Bank debts	9,602,410	5,272,467	-45.09%
Loans from the bond issue	11,500,000	11,500,000	0.00%
Financial leasing	1,308,563	980,745	-25.05%
Provisions	147,381	143,872	-2.38%
<b>Advance income</b>	2,745,711	1,322,065	-51.85%
<b>Total Debts</b>	48,352,703	49,136,746	1.62%
Equity, of which:	28,052,700	24,938,661	-11.10%
Subscribed and paid-up capital	6,859,352	6,859,352	0.00%
Share premium	13,452,497	13,452,497	0.00%
Legal reserves	882,065	1,382,333	56.72%
Other reserves	8,240	8,240	0.00%
The profit or loss carried forward	-743,824	2,129,111	386.24%
Profit or loss for the financial year	7,594,369	1,107,128	-85.42%
Distribution of profit	0	0	0.00%
<b>Total equity and liabilities</b>	76,405,403	74,075,409	-3.05%

Third party providers	8,481,559	7,699,488	-9.22%
Debts with affiliated companies	0	0	0%
Bank debts	9,259,459	10,449,194	12.85%
Debts to shareholders	0	0	0%
Financial leasing	1,310,225	1,503,555	14.76%
<b>Other short-term liabilities</b>	-1,588,048	-3,385,317	-113.17%
Long-term debts, of which:	25,629,048	27,805,532	8.49%
Bank debts	21,344,779	23,713,447	11.10%
Loans from the bond issue	11,500,000	11,500,000	0.00%
Financial leasing	4,260,793	4,071,020	-4.45%
Providers and other payables	23,476	21,065	-10.27%
Provisions	147,381	143,872	-2.38%
<b>Advance income</b>	2,702,236	1,301,000	-51.85%
<b>Total Debts</b>	45,941,860	45,517,324	-0.92%
Equity, of which:	27,305,490	24,130,115	-11.63%
Subscribed and paid-up capital	6,859,152	6,859,152	0.00%
Share premium	13,452,497	13,452,497	0.00%
Legal reserves	871,562	1,371,830	57.40%
Other reserves	8,240	8,240	0.00%
The profit or loss carried forward	-1,490,687	1,300,593	187.25%
Profit or loss for the financial year	7,604,726	1,137,803	-85.04%
Distribution of profit	0	0	0.00%
<b>Total equity and liabilities</b>	73,247,350	69,647,439	-4.91%

# INDIVIDUAL BALANCE SHEET NOROFERT S.A.

Balance sheet indicators (lei) - individual Norofert - RAS	30.09.2022	30.09.2023	Evolution %
<b>Fixed assets, of which:</b>	14,318,040	20,484,050	43.06%
Intangible assets	548,788	706,916	28.81%
Tangible assets	9,195,962	15,315,098	66.54%
Financial assets	4,573,292	4,462,036	-2.43%
Fixed assets under investment	0	0	0.00%
<b>Current assets, of which:</b>	55,570,201	45,676,268	-17.80%
<b>Inventories</b>	10,384,844	12,775,456	23.02%
Raw materials and consumables	2,675,587	3,543,170	32.43%
Inventory items	0	0	0.00%
Finished product	574,979	1,583,720	175.44%
Agricultural products	38,089	299,618	686.63%
Production in progress	377,755	762,460	101.84%
Goods	3,235,325	2,981,426	-7.85%
Packaging	198,911	253,081	27.23%
Biological assets of the nature of stocks	0	0	0.00%
Stock purchase advances	3,284,199	3,351,981	2.06%
Receivables	40,655,861	31,367,266	-22.85%
Trade receivables	35,299,113	23,581,472	-33.20%
Receivables with affiliated companies	3,479,899	4,446,002	27.76%
Shareholder receivables	6	0	-100.00%
Other assets	1,876,843	3,339,792	77.95%
Short-term investments	0	0	0.00%
<b>Cash and cash equivalents</b>	4,529,496	1,533,546	-66.14%
<b>Expenses registered in advance</b>	107,413	142,843	32.98%
<b>Total active</b>	69,995,654	66,303,161	-5.28%
Current liabilities, of which:	18,872,200	24,169,227	28.07%

Balance sheet indicators (lei) - individual Norofert – IFRS	30.09.2022	30.09.2023	Evolution %
<b>Fixed assets, of which:</b>	14,129,916	20,367,661	44.15%
Intangible assets	9,008,665	15,110,163	67.73%
Tangible assets	547,959	706,916	29.01%
Financial assets	4,573,292	4,550,582	-0.50%
Fixed assets under investment	0	0	0.00%
<b>Current assets, of which:</b>	54,546,279	43,694,322	-19.89%
<b>Inventories</b>	10,384,845	12,776,237	23.03%
Raw materials and consumables	2,675,587	3,543,170	32.43%
Inventory items	0	0	0.00%
Finished product	574,979	1,583,720	175.44%
Agricultural products	38,089	299,618	686.62%
Production in progress	377,755	762,460	101.84%
Goods	3,235,325	2,982,207	-7.82%
Packaging	198,911	253,081	27.23%
Biological assets of the nature of stocks	0	0	0.00%
Stock purchase advances	3,284,199	3,351,981	2.06%
Receivables	38,386,142	27,830,665	-27.50%
Trade receivables	35,290,403	26,143,647	-25.92%
Receivables with affiliated companies	3,095,739	1,687,018	-45.51%
Shareholder receivables	0	0	0.00%
Other assets	1,246,304	1,553,874	24.68%
Short-term investments	0	0	0.00%
<b>Cash and cash equivalents</b>	4,528,988	1,533,546	-66.14%
<b>Expenses registered in advance</b>	107,413	142,843	32.98%
<b>Total active</b>	68,783,607	64,204,826	-6.66%
Current liabilities, of which:	18,065,691	15,491,272	-14.25%

Third party providers	7,795,138	4,861,536	-37.63%
Debts with affiliated companies	0	624,949	100.00%
Bank debts	8,527,401	15,259,073	78.94%
Debts to shareholders	0	0	0.00%
Financial leasing	0	384,734	100.00%
<b>Other short-term liabilities</b>	2,549,661	3,038,934	19.19%
Long-term debts, of which:	21,750,317	17,133,826	-21.22%
Bank debts	9,602,410	5,272,467	-45.09%
Loans from the bond issue	11,500,000	11,500,000	0.00%
Financial leasing	647,907	361,359	-44.23%
Provisions	147,381	143,872	-2.38%
<b>Advance income</b>	2,745,711	1,322,065	-51.85%
<b>Total Debts</b>	43,515,609	42,768,990	-1.72%
Equity, of which:	26,480,045	23,534,169	-11.12%
Subscribed and paid-up capital	6,859,152	6,859,152	0.00%
Share premium	13,452,497	13,452,497	0.00%
Legal reserves	871,562	1,371,830	57.40%
Other reserves	8,240	8,240	0.00%
The profit or loss carried forward	-1,383,947	318,584	-123.02%
Profit or loss for the financial year	6,672,541	1,523,866	-77.16%
Distribution of profit	0	0	0.00%
<b>Total equity and liabilities</b>	69,995,654	66,303,161	-5.28%

Third party providers	8,993,722	7,332,277	-18.47%
Debts with affiliated companies	0	0	0.00%
Bank debts	8,284,524	8,949,194	8.02%
Debts to shareholders	0	0	0.00%
Financial leasing	647,907	746,093	15.15%
<b>Other short-term liabilities</b>	139,538	-1,536,292	-1200.98%
Long-term debts, of which:	21,388,255	23,734,512	10.97%
Bank debts	21,344,779	23,713,447	11.10%
Loans from the bond issue	0	0	0.00%
Financial leasing	0	0	0.00%
Providers and other payables	43,476	21,065	-51.55%
Provisions	147,381	143,872	-2.38%
<b>Advance income</b>	2,702,235	1,301,000	-51.85%
<b>Total Debts</b>	42,303,562	40,670,656	-3.86%
Equity, of which:	26,480,045	23,534,169	-11.12%
Subscribed and paid-up capital	6,859,152	6,859,152	0.00%
Share premium	13,452,497	13,452,497	0.00%
Legal reserves	871,562	1,371,830	57.40%
Other reserves	8,240	8,240	0.00%
The profit or loss carried forward	-1,383,947	318,584	123.02%
Profit or loss for the financial year	6,672,541	1,523,866	77.16%
Distribution of profit	0	0	0.00%
<b>Total equity and liabilities</b>	68,783,607	64,204,826	-6.66%



# INDIVIDUAL BALANCE SHEET AGROPROD CEV SRL

Balance sheet indicators (lei) – individual Agroprod CEV - RAS	30.09.2022	30.09.2023	Evolution %
<b>Fixed assets, of which:</b>	1,376,141	1,472,625	7.01%
Intangible assets	0	0	0.00%
Tangible assets	1,376,141	1,472,625	7.01%
Financial assets	0	0	0.00%
Fixed assets under investment	0	0	0.00%
<b>Current assets, of which:</b>	4,957,127	6,291,643	26.92%
<b>Inventories</b>	1,918,489	3,961,482	106.49%
Raw materials and consumables	484,977	230,614	-52.45%
Inventory items	14,520	14,520	0.00%
Finished product	22,315	0	-100.00%
Agricultural products	0	18,980	100.00%
Production in progress	596,172	2,634,211	341.85%
Goods	800,505	312,728	-60.93%
Packaging	0	0	0.00%
Biological assets of the nature of stocks	0	0	0.00%
Stock purchase advances	0	750,429	0.00%
Receivables	2,916,842	2,318,470	-20.51%
Trade receivables	1,415,973	1,092,159	-22.87%
Receivables with affiliated companies	0	0	0.00%
Shareholder receivables	0	0	0.00%
Other assets	1,500,869	1,226,311	-18.29%
Short-term investments	0	0	0.00%
<b>Cash and cash equivalents</b>	121,796	11,691	-90.40%
<b>Expenses registered in advance</b>	76,481	7,979	-89.57%
<b>Total active</b>	6,409,749	7,772,247	21.26%
Current liabilities, of which:	4,176,438	5,748,370	37.64%

Balance sheet indicators (lei) – individual Agroprod CEV - IFRS	30.09.2022	30.09.2023	Evolution %
<b>Fixed assets, of which:</b>	1,376,141	1,472,625	7%
Intangible assets	0	0	0.00%
Tangible assets	1,376,141	1,472,625	7%
Financial assets	0	0	0.00%
Fixed assets under investment	0	0	0.00%
<b>Current assets, of which:</b>	3,113,949	4,392,325	41%
<b>Inventories</b>	1,914,949	3,961,483	107%
Raw materials and consumables	484,976	230,614	-52%
Inventory items	14,520	14,520	0.00%
Finished product	0	0	0%
Agricultural products	18,776	18,981	1%
Production in progress	596,172	2,634,211	342%
Goods	0	312,728	100%
Packaging	0	0	0.00%
Biological assets of the nature of stocks	0	0	0.00%
Stock purchase advances	800,505	750,429	-6%
Receivables	1,062,880	419,151,00	-61%
Trade receivables	1,688,880	1,092,159,00	-35%
Receivables with affiliated companies	-626,000	(673,008,00)	8%
Shareholder receivables	0	0	0.00%
Other assets	0	0	0.00%
Short-term investments	0	0	0.00%
<b>Cash and cash equivalents</b>	136,120	11,691	-91%
<b>Expenses registered in advance</b>	76,480	7,977	-90%
<b>Total active</b>	4,566,570	5,872,927	29%
Current liabilities, of which:	2,989,664	4,468,435	49%

Third party providers	2,479,246	2,297,238	-7.34%
Debts with affiliated companies	614,633	673,009	9.50%
Bank debts	974,935	1,500,000	53.86%
Debts to shareholders	11,367	0	-100.00%
Financial leasing	0	138,076	100.00%
Other short-term liabilities	96,257	1,140,047	1084.38%
Long-term debts, of which:	660,656	619,386	-6.25%
Bank debts	0	0	0.00%
Loans from the bond issue	0	0	0.00%
Financial leasing	660,656	619,386	-6.25%
Provisions	0	0	0.00%
Advance income	0	0	0.00%
<b>Total Debts</b>	<b>4,837,094</b>	<b>6,367,756</b>	<b>31.64%</b>
<b>Equity, of which:</b>	<b>1,572,655</b>	<b>1,404,492</b>	<b>-10.69%</b>
Subscribed and paid-up capital	200	200	0.00%
Capital premiums	0	0	0.00%
Legal reserves	10,503	10,503	0.00%
Other reservations	0	0	0.00%
The profit or loss carried forward	640,123	1,810,527	182.84%
Profit or loss for the financial year	921,828	-416,738	-145.21%
Distribution of profit	0	0	0.00%
<b>Total equity and liabilities</b>	<b>6,409,749</b>	<b>7,772,247</b>	<b>21.26%</b>

Third party providers	2,479,244	3,376,238	36%
Debts with affiliated companies	0	0	0
Bank debts	974,935	1,500,000	54%
Debts to shareholders	0	0	0
Financial leasing	662,318	757,462	14%
Other short-term liabilities	-1,126,833	-1,165,265	3%
Long-term debts, of which:	0	0	0.00%
Bank debts	0	0	0.00%
Loans from the bond issue	0	0	0.00%
Financial leasing	0	0	0.00%
Provisions	0	0	0.00%
Advance income	0	0	0.00%
<b>Total Debts</b>	<b>2,989,664</b>	<b>4,468,435</b>	<b>49%</b>
<b>Equity, of which:</b>	<b>1,576,906</b>	<b>1,404,492</b>	<b>-11%</b>
Subscribed and paid-up capital	200	200	0.00%
Capital premiums	0	0	0.00%
Legal reserves	10,503	10,503	0.00%
Other reservations	0	0	0.00%
The profit or loss carried forward	640,123	1,810,527	183%
Profit or loss for the financial year	926,080	-416,738	-145%
Distribution of profit	0	0	0.00%
<b>Total equity and liabilities</b>	<b>4,566,570</b>	<b>5,872,927</b>	<b>29%</b>

# FINANCIAL INDICATORS NOROFERT S.A.

Indicators Norofert SA - RAS	September 30, 2022	September 30, 2023
<b>1. Liquidity indicators</b>		
a) Current liquidity indicator (Current assets / Short-term liabilities)	1.84	1.89
b) The immediate liquidity indicator (Current assets-inventories/Short-term liabilities)	2.39	1.36
<b>2. Risk indicators</b>		
c) General debt ratio (Total liabilities/Total assets)*100	61.96%	62.29%
d) The debt level indicator (Borrowed Capital/Equity)*100	82.14%	72.80%
e) The debt level indicator (Borrowed capital/Employed capital)*100	45.10%	42.13%
<b>3. Activity indicators</b>		
f) The speed of rotation of fixed assets Turnover/Fixed assets)	3.57	1.54
g) Turnover rate of total assets (Turnover/Total assets)	0.73	0.48
<b>4. Profitability indicators</b>		
h) Return on capital employed	0.18	0.11
i) Gross margin rate on sales	18.79	15.62

# INTRA-GROUP TRANSACTIONS

Intra-group transactions (lei)	30.09.2022	30.09.2023
<b>Balances with Norofert Fitofarma</b>		
Liability	744,168	0
Claims	70,287	0
Loans	153,250	0
<b>Transactions with Norofert Fitofarma</b>		
Income	0	0
Costs	0	6,361
<b>Balances with Norofert USA LLC</b>		
Liability	0	0
Claims	313,880	374,912
Loans	826,492	980,089
<b>Transactions with Norofert USA LLC</b>		
Income	0	8,659
Costs	0	0
<b>Balances with AGROPROD CEV</b>		
Liability	954,371	624,949
Claims	2,037,037	2,384,078
Loans	614,633	705,513
<b>Transactions with Agroprod CEV</b>		
Income	109,060	793,646
Costs	0	0
<b>Total according to the values presented above</b>		
Liability	1,698,539	624,949
Claims	2,421,204	2,758,990
Loans	1,594,375	1,685,602
Income	109,060	802,305
Costs	0	6,361



# MANAGEMENT STATEMENT

The undersigned, **Vlad Andrei Popescu**, as President of the Board of Directors of Norofert S.A., confirms, according to the best available information, that the unaudited financial statements for the first nine months of 2023 show a correct and factual picture of the assets, liabilities, the financial position and the situation of Norofert's income and expenses and that the Report drawn up for the period between January 1, 2023 and September 30, 2023 provides a correct and factual picture of the important events that took place during the first nine months of 2023 and their impact on the financial statements of the company.

**Vlad Andrei Popescu**  
President of the Board of Directors

