

2023

Q1 FINANCIAL

REPORT

NOROFERT S.A.
Bucharest Stock Exchange listed company
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.

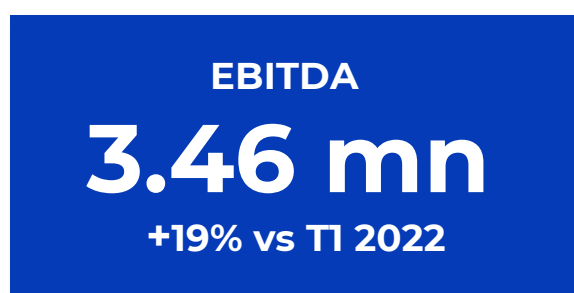
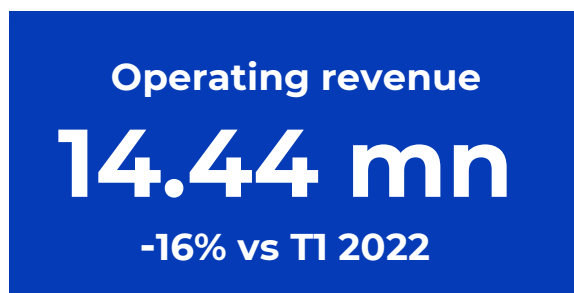
The financial statements as of March 31, 2023 presented on the following pages are **unaudited**.



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KEY FIGURES Q1 2023 VS Q1 2022



Note 1: The consolidated results presented in this report include only the results of the parent company Norofert SA and Agroprod CEV SRL, without including Norofert USA, LLC, the subsidiary having no sales activity, therefore no expenses or losses were recorded with it.

Note 2: The results reported in Q1 2022 are expressed at the individual level, and those reported in Q1 2023 are consolidated, due to the fact that in Q1 2022 Agroprod Cev SRL was still in the process of integration into the group.

Note 3: The numbers are expressed in millions of lei (RON).

MESSAGE FROM THE PRESIDENT

Dear shareholders,

We went through one of the most difficult quarters in recent years for Romanian agriculture.

We are in a period of transition between high prices of inputs (fertilizers and pesticides) and cereals and their normalization, gradually returning to the level of 2021. The difficulty of 2023 comes precisely from this transition: when the autumn crops were established in 2022, these were done with very high prices for fertilizers (urea, ammonium nitrate, NPK) and with the prospect of grain prices that would make these investments profitable.

Unfortunately, starting from November 2022, grain prices experienced an accelerated decline, reaching today even a half price compared to summer-autumn 2022. However, it remains to be seen what will be the evolution of the grain market in the coming months, but the sentiment in the market is pessimistic about an improvement, especially when, in regards to the cheap grains from Ukraine, no conclusion was reached to protect Romanian farmers.

As a result, Norofert decided for the first half of 2023 to invest in expanding the customer base, which we already have achieved from Q1, managing to bring over 180 new customers to our portfolio. Dispersion of risk based on customers is very important in a year that can prove difficult and the exposure to each customer must be very well studied and in many cases limited when the data from the field and from the farmers' financials show us that there is potential for difficulties at cashing in. I want to mention here the remarkable performance of the Norofert team which managed to generate increases in the own products segment in a very difficult season and as I described above, managed to credit the farmers prudently.

Moving on to an optimistic note, we are happy that we managed to generate 90% of revenues

on the core business, the production of inputs (fertilizers and bioprotection) and thanks to the optimizations of the production flow and our own production of raw materials, we managed to increase the gross margin from 16.37% to 25.11%. The investments we have in progress at the factory in Filipestii de Padure are intended to help us keep good margins in the future, even in the conditions of increasing depreciations, related to the investments made and those that will be completed in 2023.

We also have a new liquid production line in the working that will be fully operational from July 2023 and will generate significant volumes helping us strengthening our position in the large crop specialty market.

I am very happy that we have a growing research team, which has already proven that it is capable of coming up with innovative products, complex technologies and the know-how for production in Romania.

Zimnicea Farm had a very good Q1 from all points of view: the treatments of the autumn crops (wheat and barley) were also done with a new machinery, a self-propelled foliar treatment machine, which allows treatments on larger areas in shorter times and when the crops are in a more developed stage of vegetation. The rainfall regime was very good and the drip irrigation installation that we purchased for implementation on 100 ha of soybeans will show its efficiency in the quality and quantity of the harvests. Again, I would like to mention here the quality of the entire Norofert team that managed to turn the farm into a profit generator for the Group in one year since integration.

I further invite you to read more details about Norofert's financial results registered in the first quarter of 2023. In case of any questions, you can contact us at investitori@norofert.ro.

Vlad Popescu
President of the Board of Directors

ABOUT NOROFERT GROUP

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 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.

DESCRIPTION OF THE ISSUER'S BUSINESS LINES

Norofert works on **three main business lines**: research and production of inputs for organic agriculture, organic farming and grain trading.

Norofert's philosophy is to be with the partner farmers throughout the plant cycle, from the provision of ecological inputs, to the monitoring of the crops and to the taking over of the grains at the harvest from the farmers to be exported to the final processors, with whom contracts are concluded preset trading.

1. Research, production and marketing of ecological inputs

Norofert's main activity is the development and production of its own input recipes for organic and conventional agriculture (since August 2019).

In addition to the range of 65 different products, grouped into 3 main lines, the company designs customized crop preparation and optimization schemes that allow the adaptation of organic inputs to the specific needs of the crop depending on the soil, atmospheric conditions and the particularities of each crop.



2. Farm of 1,000 ha cultivated in ecological mode

A new business line for Norofert, introduced to the group in 2022, is ecological farming, with the company operating a 1,000 ha farm in Zimnicea, Teleorman county.

The company aims for the farm to also become a platform for best practices for organic farming. The farm is also a tool for presenting the operational and financial viability of organic farming to potential customers. At the same time on the farm, Norofert produces the ecological seed, included in the technological packages that it sells in the following season to farmers.



3. Grain trading

The third line of business of the company is trading with ecological grains. The challenge specific to the agricultural sector, and even greater in the area of organic agriculture, is that of the long terms of recovery of claims on farmers who, in turn, often face difficulties in capitalizing on the harvest. Payment terms, in agriculture, are between 270-330 days and many farmers request the possibility to pay the invoices issued by Norofert prior to the harvest by compensation with the actual product.

In response to this liquidity and cash-flow problem specific to agriculture as a sales market, Norofert started trading operations with organic grains. This activity contributes to the increase in turnover, the improvement of liquidity, cash flows, the speed of rotation of receivables, but also to opportunities for new strategic partnerships. Also, if for Norofert this activity represents a lever to ensure the collection of receivables, for its customers, grain trading completes the range of services offered, Norofert support covering the entire production cycle, from sowing to crop utilization.

This strategy helps the company to increase its customer base by offering them, in addition to technology packages, subsidy consultancy, product traceability and a direct market to the final processor at a better price than a conventional trader.



PRODUCT PORTFOLIO

Norofert products can be used in organic farming because they contain NON GMO active substances allowed to be used in organic farming, in accordance with Reg. (CE) 1165/2021 Annex II, implementing Reg. (EC) 848/2018. Norofert ecological products are certified by the ecological certification body EcoCert France.

Norofert Organics – inputs for organic farming (large crops)

Norofert markets a complete range of products developed in its own laboratories, which comply with all European standards for organic farming and can cover all the needs of an organic crop, such as seed treatments, foliar fertilizers, fungicides, insecticides, biostimulators and soil fertilizers, as well as limiting absorption of heavy metals in vulnerable plants:

The products from the Norofert Organics line can be purchased [HERE](#).



Norofert ORGANICS Horticulture

The Organics Horticulture range of products covers all the needs of farmers active in the field of viticulture and fruit growing. The line takes into account all European norms regarding eco-conditionality and environmental protection, as well as the revolutionary decision prohibiting the use of neonicotinoids in agriculture. The entire range can be used in both organic and conventional farming, as the products are made from the best quality raw material and superior NON-GMO genetic material.

The products from the Norofert Horticulture line can be purchased [HERE](#).



Norofert FITO – hobby gardening line

Starting from 2019, Norofert also addressed the market niche of households concerned with the consumption of organic products from their own production of vegetables and fruits, respectively of people interested in gardening as a hobby (land under 1 ha) - a convenient segment through the terms of much lower payout and more frequent seasonal cycles. Norofert's management has identified an important level of demand in this niche, which it responds to by offering its own products through phytopharmaceutical chains or online sales.

The products from the Norofert Fito line can be purchased [HERE](#).



Norofert Ready to USE

In 2021, the Company developed the Hobby Gardening product line by adding the Ready-to-Use Line, 500 ml bottles with direct plant spray, targeting home consumers who own decorative plants, who no longer need additional dilution for application.

Products from the Ready-to-Use line can be purchased [HERE](#).



Norofert KARISMA – inputs for conventional agriculture (large crops)

In August 2019, Norofert introduced Karisma, a new product line for conventional agriculture, which has a current size of 9.3 million hectares of arable land in Romania. The introduction of the Karisma line was a crucial strategic move for Norofert as it helps the company build relationships with important farmers who currently farm conventionally but who, in the medium term, may convert to organic farming and become customers for the Norofert Organics line.

Following the very good results obtained by farmers in conventional agriculture, Norofert decided to create a hybrid technology that combines the organic/ecological part with the chemical part, materialized in a new range of products, starting from the classic formulas requested by the market.

Products from the Karisma line can be purchased [HERE](#).



KEY EVENTS

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 credit for Multi-Product Ceiling - Monocompany from the Export-Import Bank of Romania EximBank SA.

The amount of the loan is 2,000,000 euro and will be used 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 degree of reasonable debt. 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.

NOTE 10 ON THE VECTOR INDICATOR BY ARIR

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



ESTIMATED CONSOLIDATED REVENUE AND EXPENDITURE BUDGET 2023

On March 13, 2023, the company informed the market about the availability of the Consolidated Revenue and Expenditure Budget for the fiscal year 2023. The budget was approved by the Annual Ordinary General Meeting of Shareholders, which took place on April 21, 2023.

Profit & Loss Account Indicators	The amount [RON]
Turnover	82,500,000
Operating expenses	66,000,000
Operating profit	16,500,000
Financial expenses	3,642,857
Gross result	12,857,143
Net result	10,800,000
Number of shares	17,147,880
Net earnings per shares	0.62
EBITDA	17,926,253

The BVC of 2023 is a prudent one, which continues to allocate resources to development and investment but does not take the risks of growth that, in the reality of 2023, could be considered irresponsible.

The investments that the company's management is targeting for 2023 are channeled into three major directions:

- The investment in the factory in Filipestii de Padure, where improvements will be made to the flow of liquid production, through additional automation and increased production capacities for special products based on microorganisms. The financing for this investment will be made from own funds. The budget is estimated at 150,000 euro.
- Completion of the bacteria research and multiplication laboratory, on an area of approximately 400 square meters, with state-of-the-art equipment and instruments for commercial multiplication and research of bacterial strains in order to develop new products. The financing for this investment will be made from own funds. The budget is estimated at 450,000 euro.
- Implementation of an irrigation system for at least 150 ha, at the farm in Zimnicea. The financing will be secured from a bank loan and own funds, as an advance on the financing contract. The budget is estimated at 250,000 euro.

ORDINARY GENERAL MEETING OF SHAREHOLDERS

On April 21, 2023, the Ordinary General Meeting of Norofert SA Shareholders took place. The most important aspects voted by the shareholders were the approval of the method of allocating the net profit for the year 2022, the approval of the company's income and expenditure budget for the financial year 2023, the approval of the registration date (03.10.2023), ex-date (02.10) .2023) and the 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](#).

ANALYSIS OF Q1 2023 FINANCIAL RESULTS

CONSOLIDATED FINANCIAL PERFORMANCE

*The comparison for 2023 consolidated results (Norofert S.A. + Agroprod CEV SRL) vs. 2022 individual results (Norofert S.A.) is done in this way due to the fact that in Q1 2022 Agroprod CEV SRL was still in the process of integration into the group.

Profit & Loss Account Indicators (RON)	31.03.2022	31.03.2023	Evolution
	Individual	Consolidated	(%) yoy
Operating revenue, out of which:	17,286,605	14,441,578	-16.46%
Turnover	16,238,996	13,109,890	-19.27%
Change in inventories	1,013,440	752,091	-25.79%
Other operating revenues	34,169	579,597	1596.27%
Operating expenses, out of which:	14,627,708	11,186,810	-23.52%
Cost of materials	9,379,499	6,477,904	-30.94%
Personnel expenses	1,182,719	1,155,155	-2.33%
Depreciation expenses and value adjustments	259,654	504,079	94.13%
Other operating expenses	3,805,836	3,049,672	-19.87%
Operating result	2,658,897	3,254,768	22.41%
Financial income	21,543	22,803	5.85%
Financial expenses	466,363	1,251,164	168.28%
Financial result	-444,820	-1,228,361	176.15%
Total revenues	17,308,148	14,464,381	-16.43%
Total expenses	15,094,071	12,437,974	-17.60%
Gross result	2,214,077	2,026,407	-8.48%
Profit tax/other taxes	332,392	372,507	12.07%
Net result	1,881,685	1,653,900	-12.11%

Consolidated turnover and context for Q1 2023 - the consolidated turnover decreased by 19.27% compared to Q1 2022. Compared to last year, in Q1 2023 Norofert chose not to trade organic cereals due to the volatility and, in some places, the blockage of the organic cereal market. Farmers are expecting higher prices after massive declines in recent months for all grain prices, organic or conventional.

As we mentioned before, we are confident that our prudent lending policy will be a winner this year, and the spread of risk across a larger customer base is thought to manage the period of volatility in the coming months.

Also, after contracting a loan of 2 million euro, Norofert purchased raw material for the granulate line and goods (granulated fertilizers), but their delivery was made at the end of April 2023, so Q1 2023 finds us with long-term debts growing but not with receivables to match, as the goods arrived late, being prepared for sale in Q2 and Q3 2023.

The company's **cash position** has seen a 110.58% increase compared to Q1 2022, which proves that in a difficult period in agribusiness, with low liquidity, the cash position is a safety net and proof of good receivables management.

The consolidated net result slightly decreased compared to Q1 2022, which occurred as a result of the non-trading of grains. In the field in which the company operates, in general, the first quarter of the year is a period of high expenses and low profitability. We note that in Q1 2022, as a result of the shock of the outbreak of the war in Ukraine, grain prices experienced an accelerated growth in a short time and Norofert managed to sell a batch of sunflowers with an unusually high profit for trading, marking a profit in Q1.

In our opinion, in a year that calls for caution, it is more responsible not to over-credit (although in the market the demand for our products is growing) and to avoid trading, which brings additional risk due to the volatility of this market in the reported period. However, if we refer to the core business, the production of fertilizers and bioprotection, the gross margin increased from 16.37% to 25.11%.

Materials expenses decreased by 30.94% compared to the same period of the previous year due to the purchase in the fall of most of the milestones required for production.

Expenses with depreciation and value adjustments registered a strong growth thanks to the investments made in 2022, the acquisition of the farm in Zimnicea and the factory in Filipestii de Padure.

Investments, although coming with amortizations that impact P/L, they are necessary to increase our competitiveness and agility in the market.

Other operating expenses decreased by approximately 20% compared to Q1 2022, among others, as a result of lower transportation costs, logistics optimizations and reduced expenses for some services contracted by the company.

Financial expenses registered a 168.28% increase due to the interest on contracted loans, including the 2 million euro loan (Euribor 6M + 2.5%). Loans have a leverage effect that maximizes the company's return on capital.

INDIVIDUAL FINANCIAL PERFORMANCE NOROFERT SA

Profit & Loss Account Indicators (RON)	31.03.2022	31.03.2023	Evolution (%) yoy
Operating revenue, out of which:	17,286,605	13,848,634	-19.89%
Turnover	16,238,996	13,003,640	-19.92%
Change in inventories	1,013,440	825,230	-18.57%
Other operating revenues	34,169	19,764	-42.16%
Operating expenses, out of which:	14,627,708	10,583,633	-27.65%
Cost of materials	9,379,499	6,477,793	-30.94%
Personnel expenses	1,182,719	1,086,674	-8.12%
Depreciation expenses and value adjustments	259,654	427,387	64.60%
Other operating expenses	3,805,836	2,591,779	-31.90%
Operating result	2,658,897	3,265,001	22.80%
Financial income	21,543	22,803	5.85%
Financial expenses	466,363	1,184,453	153.98%
Financial result	-444,820	-1,161,650	161.15%
Total revenues	17,308,148	13,871,437	-19.86%
Total expenses	15,094,071	11,768,086	-22.04%
Gross result	2,214,077	2,103,351	-5.00%
Profit tax/other taxes	332,392	365,916	10.09%
Net result	1,881,685	1,737,435	-7.67%

INDIVIDUAL FINANCIAL PERFORMANCE AGROPROD CEV SRL

Profit & Loss Account Indicators (RON)	31.03.2022	31.03.2023	Evolution (%) yoy
Operating revenue, out of which:	4,200	592,944	14017.71%
Turnover	4,200	106,250	2429.76%
Change in inventories	0	-73,139	-100.00%
Other operating revenues	0	559,833	100.00%
Operating expenses, out of which:	130,882	603,177	360.86%
Cost of materials	53,955	111	-99.79%
Personnel expenses	19,234	68,481	256.04%
Depreciation expenses and value adjustments	39,249	76,692	95.40%
Other operating expenses	18,444	457,893	2382.61%
Operating result	-126,682	-10,233	-91.92%
Financial income	0	0	0.00%
Financial expenses	6,264	66,711	964.99%
Financial result	-6,264	-66,711	964.99%
Total revenues	4,200	592,944	14017.71%
Total expenses	137,146	669,888	388.45%
Gross result	-132,946	-76,944	-42.12%
Profit tax/other taxes	42	6,591	15592.86%
Net result	-132,988	-83,535	-37.19%

As is normal in agriculture, Q1 represents a period when the establishment of spring crops begins, in the case of our farm it is corn, sunflower and soybeans. Obviously, these agricultural works, together with the spring treatments for wheat and barley, generate expenses, there being no income for this period, apart from subsidies for the area and for fuel.

CONSOLIDATED FINANCIAL POSITION

Balance sheet (RON) – at group level	31.03.2022	31.03.2023	Evolution
	Individual	Consolidated	(%) yoy
Fixed assets	10,084,833	22,535,689	123.46%
Current assets, out of which:	55,273,567	66,563,655	20.43%
Inventories	9,670,880	15,953,395	64.96%
Receivables	43,846,707	46,912,442	6.99%
Cash and cash equivalents	1,755,979	3,697,817	110.58%
Pre-paid expenses	352,399	138,875	-60.59%
Total assets	65,710,799	89,238,219	35.80%
Current liabilities	28,937,643	37,001,037	27.86%
Non-current liabilities	11,500,000	23,795,120	106.91%
Income in advance	2,734,184	1,758,671	-35.68%
Total liabilities	43,171,827	62,554,828	44.90%
Equity	22,391,589	26,539,518	18.52%
Provisions	147,383	143,872	-2.38%
Total equity and debt	65,710,799	89,238,219	35.80%

Fixed assets increased in Q1 2023 by 123.46% thanks to the base at the Zimnicea farm, the new production line for solid fertilizers and the acquisition of the factory in Filipestii de Padure. In essence, the company gathered the added value created over several years in lacking assets, thereby strengthening the balance sheet. These investments, although they bring depreciation, are essential to a manufacturer. These were partially financed with loans to be able to invest the available cash in the growth of the core business.

The increase in **receivables** by 6.99% comes from the increase in sales of liquid inputs, which represent 95% sales with term payment, and the decrease of 19.27% in turnover represents, as I detailed, a gap of the sale of fertilizers, from Q1 to Q2, as a result of the late arrival of raw materials and finished products from imports, as well as the absence of trading activity. Soil fertilizers are products that do not generate receivables as their payment is made upon delivery. Customers' needs for granular soil fertilizers were met with pre-sales deliveries in November 2022 and production in April 2023.

The goods mentioned above are missing from the **total assets** in Q1 2023, thus, the level of indebtedness at the time of writing this report is within the limits that we consider prudent.

The increase in **non-current liabilities** by 106.91% was due to the contracting of the 2 million euro loan that was used to purchase raw materials and granulated fertilizers that arrived in the country after the end of the T1 reporting period, so they are not included in the turnover for this period.

INDIVIDUAL FINANCIAL POSITION OF NOROFERT SA

Balance sheet (RON) – individual at group level	31.03.2022	31.03.2023	Evolution (%) yoy
Fixed assets	10,084,833	20,617,079	104.44%
Current assets, out of which:	55,273,567	60,636,776	9.70%
Inventories	9,670,880	11,336,972	17.23%
Receivables	43,846,707	45,824,505	4.51%
Cash and cash equivalents	1,755,979	3,475,298	97.91%
Pre-paid expenses	352,399	126,026	-64.24%
Total assets	65,710,799	81,379,881	23.85%
Current liabilities	28,937,643	31,615,574	9.25%
Non-current liabilities	11,500,000	23,059,940	100.52%
Income in advance	2,734,184	1,758,671	-35.68%
Total liabilities	43,171,827	56,434,186	30.72%
Equity	22,391,589	24,801,823	10.76%
Provisions	147,383	143,872	-2.38%
Total equity and debt	65,710,799	81,379,881	23.85%

INDIVIDUAL FINANCIAL POSITION OF AGROPROD CEV SRL

Balance sheet (RON) – individual	31.03.2022	31.03.2023	Evolution (%) yoy
Fixed assets	1,027,698	1,918,610	86.69%
Current assets, out of which:	3,204,005	5,926,879	84.98%
Inventories	2,959,933	4,616,423	55.96%
Receivables	303,204	1,087,937	258.81%
Cash and cash equivalents	-59,132	222,519	476.31%
Pre-paid expenses	9,754	12,849	24.09%
Total assets	4,241,457	7,858,338	85.27%

Current liabilities	3,330,752	5,385,463	61.69%
Non-current liabilities	392,867	735,180	87.13%
Income in advance	0	0	0.00%
Total liabilities	3,723,619	6,120,643	64.37%
Equity	517,838	1,737,695	235.57%
Total equity and debt	4,241,457	7,858,338	85.27%

OUTLOOK FOR 2023

We believe that the year 2023 will be comparable to the previous one in terms of the level of economic unpredictability. In agriculture, there are still price drops for the main crops (wheat, corn, sunflower, rapeseed, etc.), in the context of massive imports of cheap grains from Ukraine, which puts massive pressure on the price of domestic grains.

At the time of writing this financial report, crops are performing well, which brings some optimism regarding the amount to be harvested in the summer.

The financial situation of farms in Romania deteriorated in the last quarter of 2022 and we expect this to persist in 2023 as well, if measures are not taken to protect crops of domestic origin against the low price of imported ones. Therefore, we remain cautious when it comes to granting credit limits and prefers that the exposure per customer remains at an acceptable rate. In this sense, the we will continue financing receivables through factoring and discounting, being permanently connected to the banking market to identify the best financing offers.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Profit & Loss Account Indicators (RON)	31.03.2022	31.03.2023	Evolution
	Individual	Consolidated	(%) yoy
Operating revenue, out of which:	17,286,605	14,441,578	-16.46%
Turnover	16,238,996	13,109,890	-19.27%
Change in inventories	1,013,440	752,091	-25.79%
Other operating revenues	34,169	579,597	1596.27%
Operating expenses, out of which:	14,627,708	11,186,810	-23.52%
Cost of materials, out of which:	9,379,499	6,477,904	-30.94%
Cost of raw materials	4,848,575	1,707,006	-64.79%
Cost of goods	4,495,335	4,531,518	0.80%
Other material expenses	35,589	239,380	572.62%
Personnel expenses	1,182,719	1,155,155	-2.33%
Depreciation expenses and value adjustments	259,654	504,079	94.13%
Other operating expenses	3,805,836	3,049,672	-19.87%
Operating result	2,658,897	3,254,768	22.41%
Financial income	21,543	22,803	5.85%
Financial expenses	466,363	1,251,164	168.28%
Financial result	-444,820	-1,228,361	176.15%
Total income	17,308,148	14,464,381	-16.43%
Total expenses	15,094,071	12,437,974	-17.60%
Gross result	2,214,077	2,026,407	-8.48%
Profit tax/other taxes	332,392	372,507	12.07%
Net result	1,881,685	1,653,900	-12.11%

NOROFERT SA INDIVIDUAL PROFIT AND LOSS ACCOUNT

Profit & Loss Account Indicators (RON)	31.03.2022	31.03.2023	Evolution (%) yoy
Operating revenue, out of which:	17,286,605	13,848,634	-19.89%
Turnover	16,238,996	13,003,640	-19.92%
Change in inventories	1,013,440	825,230	-18.57%
Other operating revenues	34,169	19,764	-42.16%
Operating expenses, out of which:	14,627,708	10,583,633	-27.65%
Cost of materials, out of which:	9,379,499	6,477,793	-30.94%
Cost of raw materials	4,848,575	1,706,895	-64.80%
Cost of goods	4,495,335	4,531,518	0.80%
Other material expenses	35,589	239,380	572.62%
Personnel expenses	1,182,719	1,086,674	-8.12%
Depreciation expenses and value adjustments	259,654	427,387	64.60%
Other operating expenses	3,805,836	2,591,779	-31.90%
Operating result	2,658,897	3,265,001	22.80%
Financial income	21,543	22,803	5.85%
Financial expenses	466,363	1,184,453	153.98%
Financial result	-444,820	-1,161,650	161.15%
Total income	17,308,148	13,871,437	-19.86%
Total expenses	15,094,071	11,768,086	-22.04%
Gross result	2,214,077	2,103,351	-5.00%
Profit tax/other taxes	332,392	365,916	10.09%
Net result	1,881,685	1,737,435	-7.67%

AGROPROD CEV SRL INDIVIDUAL PROFIT AND LOSS ACCOUNT

Profit & Loss Account Indicators (RON)	31.03.2022	31.03.2023	Evolution (%) yoy
Operating revenue, out of which:	4,200	592,944	14017.71%
Turnover	4,200	106,250	2429.76%
Change in inventories	0	-73,139	-100.00%
Other operating revenues	0	559,833	100.00%
Operating expenses, out of which:	130,882	603,177	360.86%
Cost of materials, out of which:	53,955	111	-99.79%
Cost of raw materials	52,380	111	-99.79%
Cost of goods	1,575	0	-100.00%
Other material expenses	0	0	0.00%
Personnel expenses	19,234	68,481	256.04%
Depreciation expenses and value adjustments	39,249	76,692	95.40%
Other operating expenses	18,444	457,893	2382.61%
Operating result	-126,682	-10,233	-91.92%
Financial income	0	0	0.00%
Financial expenses	6,264	66,711	964.99%
Financial result	-6,264	-66,711	964.99%
Total income	4,200	592,944	14017.71%
Total expenses	137,146	669,888	388.45%
Gross result	-132,946	-76,944	-42.12%
Profit tax/other taxes	42	6,591	15592.86%
Net result	-132,988	-83,535	-37.19%

CONSOLIDATED BALANCE SHEET

Balance sheet indicators (lei)	31.03.2022	31.03.2023	Evolution
	Individual	Consolidated	(%) yoy
Fixed assets, out of which:	10,084,833	22,535,689	123.46%
Intangible assets	1,345,933	685,139	-49.10%
Tangible assets	8,699,290	16,311,148	87.50%
Financial assets	39,610	5,539,402	13884.86%
Fixed assets under investment	0	0	0.00%
Current assets, out of which:	55,273,567	66,563,655	20.43%
Inventories	9,670,880	15,953,396	64.96%
Raw materials and consumables	2,395,078	5,370,274	124.22%
Inventory items	3,780	14,520	284.14%
Finished product	376,101	1,678,141	346.19%
Agricultural products	0	318,781	100.00%
Production in progress	0	2,391,654	100.00%
Goods	2,491,835	1,895,127	-23.95%
Packaging	79,943	109,695	37.22%
Biological assets of the nature of stocks	0	0	0.00%
Advances for the stock acquisitions	4,324,144	4,175,204	-3.44%
Receivables	43,846,707	46,912,442	6.99%
Trade receivables	37,398,659	36,864,612	-1.43%
Receivables from affiliated companies	5,476,014	7,630,443	39.34%
Shareholder receivables	0	0	0.00%
Other assets	972,034	2,417,387	148.69%
Short-term investments	0	0	0.00%
Cash and cash equivalents	1,755,979	3,697,817	110.58%
Pre-paid expenses	352,399	138,875	-60.59%
Total assets	65,710,799	89,238,219	35.80%
Current liabilities, out of which:	28,937,643	37,001,037	27.86%
Third-party providers	5,866,707	9,462,803	61.30%
Debts with affiliated companies	851,868	903,698	6.08%
Bank debts	18,921,061	23,198,910	22.61%
Debts to shareholders	0	0	0.00%
Financial leasing	382,062	579,110	51.57%
Other short-term liabilities	2,915,946	2,856,517	-2.04%
Non-current liabilities, out of which:	11,500,001	23,795,120	106.91%
Bank debts	0	11,088,306	100.00%
Corporate bonds	11,500,000	11,500,000	0.00%
Financial leasing	0	1,206,814	100.00%
Provisions	147,383	143,872	-2.38%
Income in advance	2,734,184	1,758,671	-35.68%
Total liabilities	43,319,211	62,698,701	44.74%
Equity, out of which:	22,391,589	26,539,518	18.52%
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	1,382,333	58.60%
Other reserves	8,240	8,240	0.00%
Retained profit/loss	-258,805	3,183,196	1329.96%
Profit/loss for the financial year	1,881,685	1,653,900	-12.11%
Distribution of profit	-422,742	0	100.00%
Total equity and debt	65,710,799	89,238,219	35.80%

NOROFERT INDIVIDUAL BALANCE SHEET

Balance sheet indicators (lei)	31.03.2022	31.03.2023	Evolution (%) yoy
Fixed assets, out of which:	10,084,833	20,617,079	104.44%
Intangible assets	1,345,933	685,139	-49.10%
Tangible assets	8,699,290	14,392,538	65.44%
Financial assets	39,610	5,539,402	13884.86%
Fixed assets under investment	0	0	0.00%
Current assets, out of which:	55,273,567	60,636,776	9.70%
Inventories	9,670,880	11,336,973	17.23%
Raw materials and consumables	2,395,078	3,298,079	37.70%
Inventory items	3,780	0	-100.00%
Finished product	376,101	1,678,141	346.19%
Agricultural products	0	299,618	100.00%
Production in progress	0	931,384	100.00%
Goods	2,491,835	1,597,732	-35.88%
Packaging	79,943	109,695	37.22%
Biological assets of the nature of stocks	0	0	0.00%
Advances for the stock acquisitions	4,324,144	3,422,324	-20.86%
Receivables	43,846,707	45,824,505	4.51%
Trade receivables	37,398,659	36,114,146	-3.43%
Receivables from affiliated companies	5,476,014	7,630,443	39.34 %
Shareholder receivables	0	0	0.00%
Other assets	972,034	2,079,916	113.98%
Short-term investments	0	0	0.00%
Cash and cash equivalents	1,755,979	3,475,298	97.91%
Pre-paid expenses	352,399	126,026	-64.24%
Total assets	65,710,799	81,379,881	23.85%
Current liabilities, out of which:	28,937,643	31,615,574	9.25%
Third-party providers	5,866,707	5,652,747	-3.65%
Debts with affiliated companies	851,868	230,690	-72.92%
Bank debts	18,921,061	23,198,910	22.61%
Debts to shareholders	0	0	0.00%
Financial leasing	382,062	405,574	6.15%
Other short-term liabilities	2,915,946	2,127,654	-27.03%
Non-current liabilities, out of which:	11,500,001	23,059,940	100.52%
Bank debts	0	11,088,306	100.00%
Corporate bonds	11,500,000	11,500,000	0.00%
Financial leasing	0	471,634	100.00%
Provisions	147,383	143,872	-2.38%
Income in advance	2,734,184	1,758,671	-35.68%
Total liabilities	43,319,211	56,578,058	30.61%
Equity, out of which:	22,391,589	24,801,823	10.76%
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%
Retained profit/loss	-258,805	1,372,669	630.39%
Profit/loss for the financial year	1,881,685	1,737,435	-7.67%
Distribution of profit	-422,742	0	100.00%
Total equity and debt	65,710,799	81,379,881	23.85%

AGROPROD CEV SRL INDIVIDUAL BALANCE SHEET

Balance sheet indicators (lei)	31.03.2022	31.03.2023	Evolution (%) yoy
Fixed assets, out of which:	1,027,698	1,918,610	86.69%
Intangible assets	0	0	0.00%
Tangible assets	1,027,698	1,918,610	86.69%
Financial assets	0	0	0.00%
Fixed assets under investment	0	0	0.00%
Current assets, out of which:	3,204,005	5,926,879	84.98%
Inventories	2,959,933	4,616,423	55.96%
Raw materials and consumables	1,233,436	2,072,195	68.00%
Inventory items	14,520	14,520	0.00%
Finished product	0	19,163	100.00%
Production in progress	1,496,877	1,460,270	-2.45%
Goods	0	297,395	100.00%
Packaging	0	0	0.00%
Biological assets of the nature of stocks	0	0	0.00%
Advances for the stock acquisitions	215,101	752,880	250.01%
Receivables	303,204	1,087,937	258.81%
Trade receivables	303,204	750,466	147.51%
Receivables from affiliated companies	0	0	0.00%
Shareholder receivables	0	0	0.00%
Other assets	0	337,471	100.00%
Short-term investments	0	0	0.00%
Cash and cash equivalents	-59,132	222,519	476.31%
Pre-paid expenses	9,754	12,849	31.73 %
Total assets	4,241,457	7,858,338	85.27%
Current liabilities, out of which:	3,434,170	5,385,463	56.82%
Third-party providers	2,905,458	3,810,056	31.13%
Debts with affiliated companies	38,085	673,008	1667.12%
Bank debts	0	0	0.00%
Debts to shareholders	11,367	0	-100.00%
Financial leasing	99,372	173,536	74.63%
Other short-term liabilities	379,888	728,863	91.86%
Non-current liabilities, out of which:	289,449	735,180	153.99%
Bank debts	0	0	0.00%
Corporate bonds	0	0	0.00%
Financial leasing	289,449	735,180	153.99%
Provisions	0	0	0.00%
Income in advance	0	0	0.00%
Total liabilities	3,723,619	6,120,643	64.37%
Equity, out of which:	517,838	1,737,695	235.57%
Subscribed and paid-up capital	200	200	0.00%
Share premium	0	0	0.00%
Legal reserves	10,503	10,503	0.00%
Other reserves	0	0	0.00%
Retained profit/loss	640,123	1,810,527	182.84%
Profit/loss for the financial year	-132,988	-83,535	- 37.19%
Distribution of profit	0	0	0.00%
Total equity and debt	4,241,457	7,858,338	85.27%

MAIN ECONOMIC-FINANCIAL INDICATORS NOROFERT SA

	March 31, 2022	March 31, 2023
1. Liquidity indicators		
a) Current liquidity indicator (Current assets / Short-term liabilities)	1.91	1.92
b) Immediate liquidity indicator (Current assets-inventories/Short-term liabilities)	1.58	1.56
2. Risk indicators		
c) General debt ratio (Total liabilities/Total assets)*100	65.69%	69.34%
d) The debt level indicator (Total liabilities/Equity)*100	51.36%	92.98 %
3. Activity indicators		
e) Rotation speed of fixed assets (Turnover/Fixed assets)	1.61	0.63
f) Rotation speed of total assets (Turnover/Total assets)	0.25	0.16
4. Profitability indicators		
g) Return on capital employed	0.07	0.06
g) Gross sales margin rate	16.37	25.11

MANAGEMENT STATEMENT

The undersigned, **Popescu Vlad Andrei**, as President of the Board of Directors of Norofert SA, confirm, according to the best available information, that the unaudited financial statements for the first three months of 2023 present 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 prepared for the period between January 1st, 2023 and March 31st, 2023 provides a correct and factual picture of the important events that took place during the first quarter of 2023 and their impact on the financial statements of the company.

President of the Board of Directors
Vlad Andrei Popescu

