

To:

BURSA DE VALORI BUCUREȘTI S.A.
AUTORITATEA DE SUPRAVEGHERE FINANCIARĂ

CURRENT REPORT 06/2021

According to Law nr. 24/2017 regarding issuers of financial instruments and market operations, ASF regulation nr. 5/2018 regarding the issuers of financial instruments and market operations and/or the Bucharest Stock Exchange Rulebook for Multilateral Trading System.

Date of report	22.02.2021
Name of the Company	NOROFERT S.A.
Registered Office	Bucharest str. Petrache Poenaru nr. 26, cam. 8, sector 5
Phone	0312253373, 0785087780
Email	investitori@norofert.ro
Registration nr. with Trade Registry	J40/4222/2000
Fiscal Code	12972762
Subscribed and paid share capital	3,209,576 lei
Total number of shares	8,023,940
Market where securities are traded	SMT AeRO Premium, symbol NRF for shares Bonds-SMT, symbol NRF25 for bonds

Important events to be reported: Signing non-binding agreement for an acquisition of an LLC

The management of Norofert SA, hereinafter referred to as “the Company”, informs the market about signing, on February 20th, 2021, of a non-binding agreement to acquire a limited liability company (“the LLC”) that operates 1,000 hectares of leased agricultural land in Zimnicea, Teleorman county. The LLC was established in 2006 and the farm operated by it is 84% compact, with 400 hectares already irrigable and an attractive lease price. All 1,000 hectares of land will be introduced in organic farming as of 2021.

The farm is located within a 5 km distance from the Zimnicea Port on the Danube. The Danube is the cheapest logistics route to Central Europe. In Zimnicea Port, Norofert plans to develop loading barges capacity for its trading organic cereals business. This loading capacity presents an excellent logistic hub for Norofert's main business. Any bio crops, either produced or received in exchange for the organic inputs, can be sold for export by the Danube. Part of the farm will also be used as a testing facility for Norofert's products.

The farm comes with 22,000 sqm of the concrete yard and building land as well as approx. 3,000 sqm of warehouses and a full range of farm equipment sufficient to operate 1,800+ hectares of land, thus allowing scalability. All the farm equipment is 3 years old at most and is in excellent condition. After the acquisition is finalized, in between Q4 2021 and Q2 2022, Norofert expects to carry out investment in silos and extra warehousing space. Moreover, Norofert intends to reach 2,000 hectares of operated land in the next 2 years. The investment will be financed through capital markets financing mechanisms and European funds.

Apart from the business synergies, the acquisition of the LLC is expected to bring significant financial benefits. The management expects that the farm will start to produce economic effects beginning from

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2022. Based on the initial forecasts, management expects the total revenues from wheat and sunflower crops as well as subsidies to reach 7.5 million lei in 2022. The annual expenses, including the costs of land lease, leasing costs for the machinery, salaries, fertilizer costs, and costs of financing, are forecasted at 4 million lei. Consequently, the gross profit is estimated at 3.5 million lei per year.

Norofert SA intends to acquire a 100% stake in the LLC and integrate it into the Group structure. The purchasing price is approximately 9.5 million lei, payable in 4 tranches. The acquisition will be financed through a mix of a credit facility provided by the bank and the Company's funds. The Company has already carried out all the necessary due diligence processes.

The transaction will be put on the agenda of the nearest General Meeting of Shareholders of the Company, scheduled to take place on April 20th, 2021.

PRESIDENT OF THE BOARD OF DIRECTORS
Popescu Vlad Andrei