

## **Informative notes for the items on the agenda of the Extraordinary General Meeting of Shareholders called for 26/27 April 2021 (“EGMS”)**

### **1. Share capital increase**

In line with the dividend policy of Norofert SA (the „Company”), the Board of Directors proposes to capitalize part of the 2020 net profit of the Company through a share capital increase operation pursuant to which the shareholders shall be rewarded with shares, without contribution of money. By applying this mechanism, the profit will be kept by the Company and invested in its activity, for expenditures that are intended to increase the value of the business, while investors shall be rewarded for their contribution with Company’s shares.

The proposal of the Board of Directors is for each shareholder to receive one new shares for every share held.

### **2. Authorization of Board of Directors in relation to share capital increase**

In the context of a share capital increase with cash contributions that was and is still ongoing at the time of publishing the convening notice, the shareholders agree that the Board of Directors will set and confirm the final amount of the Share Capital Increase, depending on the result of completion of the share capital increase made by private placement, and carried out in accordance with point 2 of the Resolution of the Extraordinary Shareholder Meeting of Norofert SA from 24.11.2020.

### **3. Approval of the acquisition of AGROPROD CEV SRL**

AGROPROD CEV SRL is a company 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.

The price agreed with the sellers for 100% stake in the LLC is 1,880,000 euro. Out of this amount, 675,000 euro is the price for transfer of lease contract for 750 hectares of land, 805.000 euro is the price of the machinery and equipment and 400,000 euro is price for the base. Of the amount of 805,000 euros for equipment, approximately 170,000 euro (+VAT) is the value of ongoing leasing contracts. Consequently, the final amount will be established in the sale-purchase contract and the amount due to leasing will be deducted from the total amount paid for the equipment thus lowering the final price.

#### **Norofert S.A.**

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The Company will acquire lease contracts for additional 250 hectares at supplementary sum of 900 EUR/hectare. Consequently, the total value of the transaction for 1,000 hectares under lease, machinery and equipment as well as base will be below 1.95 million euro.

The payment will be made in three tranches. The first tranche of 300,000 euro was paid by Company to the seller on March 5th, 2021, in RON, according to the BNR exchange rate on the date of payment. According to the contract, the transfer of the shares shall take effect on August 30, 2021.

#### **4. Closing down of Norofert Organics SRL**

In the context of a growing size of operations and in order to simplify the reporting and accounting structure of the company, the management proposes to close down one of the subsidiaries that has the least assets and for which the process of closing down is the easiest, namely Norofert Organics SRL.

The closing down of Norofert Organics SRL will not have any actual impact on the business activity of Norofert Group. Since 2020, the Norofert Organics line has been produced and sold by Norofert S.A.

#### **5. Ratification of a credit**

On December 12th, 2020, Norofert has contracted contracted financing facilities from Banca Romaneasca S.A., provided under the IMM Invest programme umbrella. The company has contracted an investment loan in the amount of 1,300,000 lei, for a period of 72 months, which will be used to install a high-capacity soil fertiliser production line at the Filipești de Padure factory. The further developments in the production facility in Filipești de Padure will be financed with the capital from the ongoing share capital increase, as approved by the Extraordinary General Meeting of Shareholders on 24.11.2020. The investment loan is guaranteed by FNGCIMM in 80%, with the rest of the guarantees being provided through the mortgage on the company's fixed assets. Considering that the guarantees provided by the company to conclude the investment loan in the amount of 1,300,000 lei exceed cumulatively, over a fiscal year, at the time of the signing of the agreement 20% of the total fixed assets, the decision to access the financing will be subject to ratification and approval by the next Extraordinary General Meeting of Shareholders.

#### **6. Approval of increasing the limit on loans**

In the context of growing business operations, the management proposes to shareholders to increase the current limit on the value of contracted certain loans (credit lines, factoring, working capital, leasing, etc.), from banking institutions, credit institutions and / or other banking or non-banking financial institutions, or any other institutions permitted by law, as well as the approval of granting guarantees by the Company for its financial obligations resulting from contracting said loans, including by granting immovable or movable mortgages on the company's assets (real estate, fixed assets, receivables, insurance policies, etc.), as they will be requested / agreed by the crediting entities. The new maximum cap is proposed at 32 million lei.

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**7. Record Date, Ex-Date and Payment Date for the share capital increase operation**

The Record Date, the Ex-Date and the Payment Date are proposed in accordance with provisions of Law no. 24/2017 on issuers of financial instruments and market operations and of the Financial Supervisory Authority Regulation no. 5/2018 on issuers of financial instruments and market operations.

**7. Empowerment of the President of the Board of Directors to perform any formalities related to the EGMS**

It is proposed that the President of the Board of Directors of the Company be empowered to perform all formalities necessary to implement and register the resolutions of the EGMS, including the formalities with the Trade Registry and the Financial Supervisory Authority.