

# REPORT Q3 2022

Norofert SA  
Company listed on the Bucharest Stock Exchange  
Symbol: NRF



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Declaration of the Management

**Disclaimer:** 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 September 30, 2022 presented on the following pages are **not audited**.

# 1.

## Issuer Information

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# ISSUER

## INFORMATION ABOUT THIS REPORT

Type of report  
For the financial period  
Date of publication of the report  
Conform

## ISSUER INFORMATION

Name  
Fiscal Code  
Trade Register registration number  
Headquarters

## INFORMATION ABOUT SECURITIES

Subscribed and paid-up share capital  
Market on which the securities are traded  
Total number of shares  
Symbol

## CONTACT DETAILS FOR INVESTORS

Phone number  
E-mail  
Website

# INFORMATION

Report Q3 2022  
01.01.2022 – 30.09.2022  
09.11.2022  
Annex 13 of the ASF Regulation no. 5/2018

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6,859,152 lei  
SMT-AeRO segment of BVB  
17,147,880 shares  
Shares: NRF / Bonds: NRF25

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# 2.

## Message from the President

# Message from the President



Dear shareholders,

In the three months that have passed since the previous report, we have marked several important periods in the agricultural year: the wheat harvest and the collection period related to it, the flower and corn harvests and also their collections, and last but not least, the beginning of the autumn, both for the business of selling inputs and for Ferma Zimnicea.

The most affected by the events of 2022 were obviously the farmers, whose difficulties spread over the entire Romanian agribusiness ecosystem. A year that began with geopolitical events that put pressure on port, road and rail logistics for the transport of Romanian grain, blocked for long periods. Drought made its debut in some areas of the country, which significantly affected autumn crops. The drought continues at the time of writing this report to hamper the sowing campaign for wheat, barley and rape, and many areas of the country have not had rainfall for more than 2 months.

Although upset by these events, Romanian agribusiness and especially Romanian farmers showed resistance and adaptability and the measures they took to avoid default managed to keep the mechanism in working order.

We have behind us a good Q3 for Norofert, with a level of take-up above expectations, given the difficult situation in which farmers were, and with an increasing volume of sales of liquid and solid fertilizers compared to 2021.

As you will see in the report, the growth we are registering is linear and the most important aspect is the progress we have registered compared to 2021: a much improved cashflow, which has allowed investments and expenses with raw materials or goods and a higher sales volume. In terms of investments, we mention the purchase of the Zimnicea farm, the purchase of the factory in Filipeștii de Pădure, which will be completed in November 2022, the assembly, commissioning of the granulated fertilizer line and the purchase of raw material necessary for the production of a large volume of soil fertilizers. At the time of writing this report, work is being done to obtain the documentation for the Microorganism Multiplication and Research Laboratory that will be located in Filipeștii de Padure, on an area of 400 square meters.

I further invite you to read more details about the performance recorded by Norofert Group in the first nine months of 2022. In case of any questions, we invite you to contact us at [investitori@norofert.ro](mailto:investitori@norofert.ro) or during the GSM in Cluj, from 11.11.2022.

**President of the Board of Directors**

# 3.

## Q3 2022 Key figures

Operating revenue

Turnover

EBITDA

Operating Result

Net Profit



## Q3 2022 Key figures - consolidated -

**57.6 mn**

OPERATING REVENUE

**+87.69%**

**vs Q3 2021**

**54 mn**

TURNOVER

**+61.81%**

**vs Q3 2021**

**10.5 mn**

EBITDA

**+43,12%**

**vs Q3 2021**

**10.5 mn**

OPERATING RESULT

**+46.96%**

**vs Q3 2021**

**7.59 mn**

NET PROFIT

**+55.25%**

**vs T3 2021**



# 4.

## About Norofert S.A.

Group structure

Business lines

Board of Directors

# Group structure

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

1. **Agroprod CEV SRL** – 1000 ha organic farm, acquired by Norofert SA in proportion to 100% at the end of 2021, being integrated into the group starting from 2022.
2. **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, Chairman of the Board, 1%.

The consolidated financial results presented in the following pages include only the results of Norofert SA and Agroprod CEV SRL.



**NOROFERT GROUP**

**1**

**AGROPROD CEV SRL**

Norofert S.A. 100%

**2**

**NOROFERT USA, LLC**

Norofert S.A. 99%

Vlad Popescu 1%

# Business lines

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

Norofert's philosophy is to be with the farmer throughout the plant cycle, from the provision of ecological inputs, to the monitoring of the crops and to the taking over of the grain at harvest from the farmer to be exported to the final processors, with whom preset trading contracts have been signed.



## 01

**Research, production and selling of organic inputs**



## 02

**Ecologic farm of 1,000 ha**



## 03

**Grain trading**

# Research, production and selling of organic 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.



# Farm of 1,000 ha cultivated organically

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

The year 2022 also brought the first harvests of the Zimnicea farm for Norofert. Thus, in the first nine months of 2022, the Company completed the harvesting of 6.5 tons/ha of organically converted barley, 5.2 tons/ha of organically converted wheat, 3.1 tons/ha of organically converted sunflower, 2.8 tons/ha of organically converted rapeseed and 5.5 tons/ha of bio conversion corn. Harvests obtained, fertilized and phytosanitarily treated only with Norofert's own products had a good evolution, despite some months with little precipitation and difficult pedo-climatic conditions.

Zimnicea Farm will be the subject of major investments, the start of which is planned for Q4 2022. The company plans to install an irrigation system for an initial number of 200 ha. The purchase of an additional number of machines for sowing and foliar fertilization is also targeted, which will make agricultural work more efficient and lead to better yields per hectare.





# Grain trading

The third line of business of the Company is the trading of organic grains and it represents, above all, the guarantee of the recovery of receivables from the market.



# Board of Directors

Norofert SA is managed by a Board of Directors made up of 3 members appointed by the Ordinary General Meeting of Shareholders.



President

**VLAD POPESCU**



Member

**ALEX CRISTESCU**



Member

**MARIUS ALEXE**

The first 9 months of 2022 were full of notable events for Norofert, we mention only a few: ESG reporting with Sustainalytics Morningstar rating, the appointment of Mircea Fulga as CEO, the first year in which we operate an organic farm in Zimnicea, the installation of a solid organic fertilizer line at the factory in Filipestii de Padure. The latter ensures us a better positioning in the market and which produced in Q3 the first batches of goods that have already been delivered to customers.

We remind you that in 2019 the company had less than 20 employees and an empty warehouse, and in 3 years this reached over 60 employees, a 2,300 m<sup>2</sup> hall fully occupied by production lines and a 1,000 ha farm. This is the objective image of Norofert SA.

All the company's investments are well thought out from a strategic point of view to be as profitable as possible, and we have the operational ability to manage increasingly large projects. Thanks to our investors and our special team, Norofert has reached this point, and we would like to take this opportunity to thank them all.



# 5.

## Key events

In the first nine months of 2022

# Key events in 9M 2022



## Appointment of Director of Operations

On January 27, 2022, the Company informed the market about the appointment of Mr. Mircea Fulga as Chief Operating Officer (COO) of the Company.

Mr. Fulga joined the Norofert team in February 2020 as Research and Development Director - Bio Division and coordinated the development of the organic inputs business line, through an effective program to convert farmers from conventional to organic farming, an important vector of growth for the Company.

## Entering into an exclusive distribution agreement

On February 15, 2022, the Company informed the market about the conclusion of an exclusive distribution agreement with a company (the "Distributor"), based in the Republic of Moldova.

According to the contract, the Distributor has exclusivity for the distribution of Norofert products on the territory of the Republic of Moldova, for a period of 4 years, starting from 11.02.2022.



## End of distribution partnership with Rodnic

On May 6, 2022, the Company concluded a partnership with Rodnic, a producer of day-old chickens, which involves the distribution in the Rodnic network of phytopharmaceuticals of the Norofert Fito organic range, which includes fertilizers and phytosanitary products for gardening and small farmers, product line of the Company addressed to the general public.

Thus, through this partnership, the Company has expanded its distribution area of products from the Fito range, recommended to be used throughout the plant's vegetative cycle, to ensure their complete health.



## Launch of private scholarship program for doctoral studies within the USAMV

On May 10, 2022, the Company announced the launch of a private scholarship program for doctoral studies within the Faculty of Biotechnology of the University of Agronomic Sciences and Veterinary Medicine in Bucharest, part of the pioneering strategic partnership in scientific research concluded with USAMV in 2020. The scholarship program has a duration of 18 months and is addressed to a number of three doctoral students of the Faculty of Biotechnology, involved in conducting research in the field of the use of microorganisms for applications in agriculture and the environment.

## Extraordinary and Ordinary General Meetings of Shareholders

On May 16, 2022, the Ordinary and Extraordinary General Meetings of Norofert SA Shareholders took place. The most important aspects voted by the shareholders were the purchase of the production facility from Filipeștii de Pădure, the contracting by the Company of some loans (credit lines, factoring, working capital, leasing, operational financing, etc.), the approval of the revenue budget and expenses for 2022. The full text of the decisions can be consulted [HERE](#).



## Publication of Non-Financial Sustainability Report - Environmental Impact and ESG 2021

On June 7, 2022, the Company published the first Non-Financial Sustainability Report - Environmental Impact and ESG for the year 2021. The report is composed of two parts: the first documents the positive impact on the environment, generated by the Company's business model, and the second concerns the report with the environmental, social and corporate governance (ESG) rating. The company was classified in the chemical industry, the agro-chemical sub-industry, where, for the first year of ESG rating, it received a **score of 35.8**, thus being ranked 17th out of 56 companies at the international level. The full report can be accessed [HERE](#).



### **Appointment of Chief Executive Officer (CEO)**

On July 19, 2022, Mircea Fulga was appointed General Director (CEO) of the Company. The decision of the Board of Directors to appoint Mircea Fulga CEO, came as a result of his performance in the role of Director of Operations (COO), a period of 5 months in which the Company experienced significant growth in the main business line, production and sales of ecological inputs, as well as an improvement of internal processes and procedures, the development of the commercial department by expanding the sales team and increasing the customer base.

### **Establishment of internal Investor Relations department**

On July 20, the Company decided to establish an internal Investor Relations department, for better communication and a closer relationship with them. In this sense, the management co-opted Andreea Tănase, with 8 years of experience on the capital market. The Company also announced the consolidation of the financial-accounting and commercial departments, in order to respond to the new complexities brought by the two new business lines - ecological farming and the production of solid fertilizers, alongside the organic growth of the core business.



### **Commissioning of a high-capacity production line for soil fertilizers**

On July 21, 2022, the Company informed the market about the commissioning of a high-capacity production line for soil fertilizers within the production facility in Filipeștii de Pădure. The commissioning of the new line came as a result of increased sales during the agricultural campaigns in recent years and increased market share for the Company, both in the organic and conventional farming niche. Following this investment, the Company becomes the largest producer of ecological soil fertilizers in Romania and has a unique competitive advantage over all other players present in Romania.



## Litigation

On September 2, 2022, Conducerea Norofert S.A. (hereinafter referred to as the "Company") informs the market about a dispute involving one of the Company's subsidiaries, namely Norofert Organics SRL.

Following the conclusion of the trading contract with the company SV Organix GMBH, this creditor requested the approval of the enforced execution against the company Norofert Organics SRL.

**Update:** *at the time of writing this financial report, the company Norofert Organics SRL is no longer part of the structure of the Norofert group.*

## Sale of group companies

On September 20, 2022, the Company informed the market about the completion of a contract for the assignment of shares of the 99% ownership that the Company has in Norofert Organics SRL. The total value of the transaction was 19,800 lei and it was completed. At the same time, the sale of Norofert Fitofarma SRL, in which the Company holds a 99% stake, was also announced. All the Company's receivables with these entities will be recovered by the end of 2022.



## Litigation

On October 17, 2022, SV Organix GMBH filed an enforcement application against Norofert SA, which the Company learned about through the court portal, being a procedure without public debate or summoning of parties. This request was rejected by the court on October 20, 2022.

Although Norofert SA complied with all its contractual obligations, SV Organix GMBH decided that the application for enforcement was appropriate, at least as a defamation. In fact, according to customer sheets and minutes, SV Organix GMBH owes some money to Norofert SA.

We recommend that investors should not be impressed by the bullying and abusive behavior of SV Organix GMBH. We will update the market on this matter when we have more information.

# 6.

## **Analysis of Q3 2022 financial results**

Sales activity

Line of soil fertilizers

Financial performance

Financial position

Norofert SACash-Flow

Details of trade receivables Norofert SA

Intra-group transactions

# Sales activity

The Romanian agricultural cycle is divided into two main seasons, each having a different influence on the company's financial performance:

- **The spring campaign** – takes place between February and May, with maximum activity in March and April; is the season to plant sunflowers, corn, peas, and soybeans and apply treatments to fall-seeded wheat, barley, and canola that overwintered (ie, grew and survived the winter season). The harvest of these crops takes place in the same year, in the months of September and October, and the payments from the farmers are collected between October and November.
- **Autumn campaign** – takes place between August and October, with maximum activity from mid-September to the end of October; it is the time for sowing wheat, barley and rapeseed. Harvesting of these crops takes place the following year in July and generally payments from farmers are collected between August and September.

**The increase in sales** of own products was due to the expansion of the customer base and the coverage of a larger territory.

**As we have reported in previous years, Q3 is a quarter with many key events:** spring crops are harvested (flower, corn, soybeans, etc.), receivables related to these sales are closed, and new wheat, barley, and rapeseed crops are established, which obviously generates a new set of receivables, maturing in 2023. The particularity of this autumn agricultural season is the prolonged drought which, even at the time of writing this report, makes the campaign to establish autumn crops very difficult.

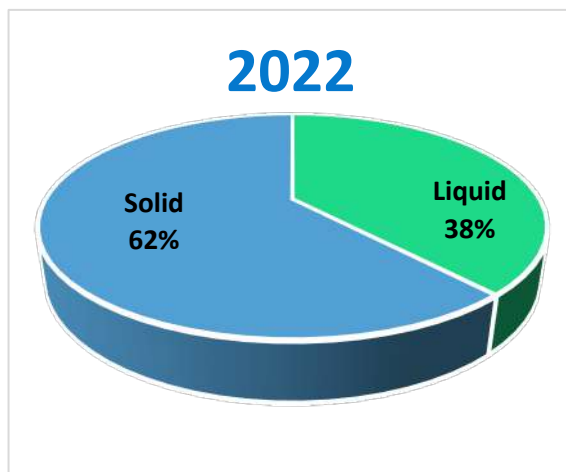
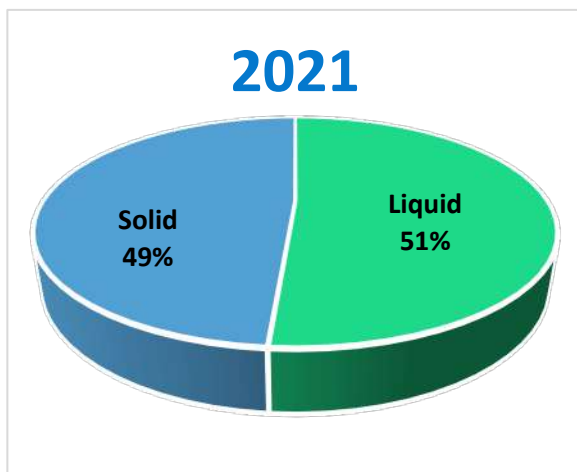
Despite the difficult period, when farmers' finances are under pressure, Norofert has a very good cash flow rate, due to a rigorous selection of customers, Coface insurance and close monitoring of crop status.

Sales for the **Hobby Line**, both for production under Norofert's own brand and for our partners, SemPlus, Dr. Soil, Rodnic and Agrocosm, experienced accelerated growth in the first nine months of 2022, marking the best period so far in from the point of view of the quantities traded. Sales experienced positive dynamics even in Q3, given the seasonality of this business line, with declining sales expected for Q4 and a rebound in Q1.

**Grain trading** represented a share of 11% of turnover, an increase of 2% vs. 2021. The small increase, compared to 2021, resulted from the cautious strategy that Norofert had related to trading, in a year with volatility and uncertainty in this market.

Sales of **liquid products** (fertilizer line and bioprotection line) increased compared to 2021, due to the introduction of technological packages of granulated fertilizers produced in-house, a trend that will bring growth for both categories in the coming periods because, together, they cover the entire range of required fertilization for a farm.

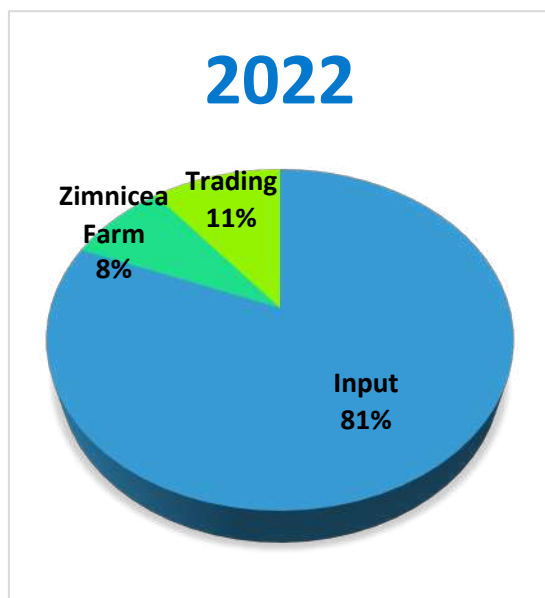
## LIQUID VS SOLID SALES



As can be seen from the graphs, **sales of solid fertilizers** have increased significantly versus 2021, a trend that will also be maintained for Q4 and Q1 2023, due to the commissioning of the new production line. The solid fertilizer line at the Filipestii de Padure factory is responsible for a production of 2000 tons so far, to be increased in the winter months to cover the need for special solid fertilizers.

In percentage terms, the increase in the share of solid fertilizers **was 13% vs. 2021**, and liquids had a share of 38%, but a higher number of liters sold vs. 2021.

## SHARE IN TURNOVER





# Line for soil fertilizers

The commissioning of the new line came as a result of **increased sales during the agricultural campaigns in recent years** and increased market share for the company, both in the organic and conventional farming niche.

Until the installation of this line, Norofert had a limited portfolio of soil fertilizers, which could not reach its full potential, due to the lack of a high-capacity production line. But by purchasing and installing this new line, **the company can meet the ever-increasing demand.**

Soil fertilizers play a fundamental role in agriculture, being the basis of any crop. They are applied at the beginning of each new agricultural cycle to ensure normal and healthy plant development. It is estimated that **sales of granular soil fertilizers will increase by 20-25% each year**, as a result of the high demand for this product category.

Following this investment, **Norofert became the largest producer of ecological soil fertilizers in Romania.** Through this own production line of organic soil fertilizers, Norofert has a unique competitive advantage over all other players present in Romania.

At the time of writing this financial report, the production line is commissioned and in full production.



# Financial performance

## Consolidated Norofert SA and Agroprod CEV SRL

Indicators of the profit and loss account (RON)	30/09/2021	30/09/2022	Evolution
	Individual Results	Consolidated	(%) yoy
<b>Operating revenue, of which:</b>	<b>30,724,301</b>	<b>57,666,498</b>	<b>87.69%</b>
Turnover	33,396,313	54,037,881	61.81%
Change in Inventories	-3,027,057	1,116,615	136.89%
Other operating revenues	355,030	2,512,002	607.55%
<b>Operating expenses, of which:</b>	<b>23,528,856</b>	<b>47,091,745</b>	<b>100.14%</b>
Cost of materials	13,280,984	30,336,740	128.42%
Personnel expenses	3,271,258	3,451,266	5.50%
Depreciation expenses and value adjustments	706,988	985,042	39.33%
Other operating expenses	6,269,626	12,318,697	96.48%
<b>Operating result</b>	<b>7,195,445</b>	<b>10,574,753</b>	<b>46.96%</b>
Financial income	8,267	267,167	3131.73%
Financial expenses	906,342	2,021,753	123.07%
<b>Financial results</b>	<b>-898,075</b>	<b>-1,754,586</b>	<b>95.37%</b>
<b>Total revenues</b>	<b>30,732,568</b>	<b>57,933,665</b>	<b>88.51%</b>
<b>Total expenses</b>	<b>24,435,198</b>	<b>49,113,498</b>	<b>100.99%</b>
<b>Gross result</b>	<b>6,297,370</b>	<b>8,820,167</b>	<b>40.06%</b>
Profit tax/other taxes	1,405,814	1,225,796	-12.81%
<b>Net result</b>	<b>4,891,556</b>	<b>7,594,371</b>	<b>55.25%</b>

**The operating revenue** of the Group increased by 87.69% and the consolidated turnover is 54.03 million lei, of which Norofert SA, at an individual level, has a turnover of 51.09 million lei.

**Consolidated net result** - 55.25% increase vs. Q3 2021, due to a better market presence, significantly higher sales of solid and liquid inputs, the Norofert core business having the greatest influence on growth vs. 2021.

**Stock variation** – positive, the company had a higher stock of goods on 30.09.2022 than at the beginning of the nine-month period. The stock turnover rate is higher and this fact shows us the company's ability to capitalize on the goods produced, versus keeping them in stock for a longer period.

**Material expenses** – increase of approximately 17 million lei, 128% more than in the similar period in 2021, due to the increase in sales of liquid and solid inputs produced. It should also be noted that all the costs of raw materials and their transportation have increased in the last 9 months.

**Personnel expenses** – experienced a 5.5% increase, small compared to the sales increases that Norofert had in the first nine months of 2022. This fact was also due to the outsourcing of the sales and brokerage process, in particular for areas of the country where coverage by own sales force was not sufficient.

**Depreciation expense and value adjustments** – the soil fertilizer line is depreciated over a period of 15 years.

**Other operating expenses** generally represent the following:

- **Expenses with services performed by third parties:** outsourcing of the distribution of Norofert products in non-covered areas, distribution commissions, marketing, port and customs services, accounting services, agricultural works, expenses for establishing a laboratory and laboratory equipment, in the course of capitalization in depreciation – 4.58 millions of lei;
- **Transportation expenses:** due to higher cargo volumes compared to 2021, the company contracted more ships, trucks to which were added other logistics expenses that were per unit more expensive, due to the well-known situation in the economy - 3.13 millions of lei;
- **Rent expenses** – 1.4 million lei;
- **Advertising, publicity and protocol expenses** – 540,996 lei;
- **Expenses with insurance premiums** – 197,449 lei;
- **Energy and water expenses** – 100,154 lei;
- **Machinery and car repairs** – 148,361 lei;
- **Telecommunications** – 124,776 lei;
- **Travel** – 107,066 lei.

**Financial income** - represents differences in the positive direction of the exchange rate, in transfers between bank accounts, mostly due to the appreciation of the dollar in recent months. The amount 135,882 lei represent favorable exchange rate differences.

**Financial expenses** - increased by 1.11 million lei, coming from interest on loans, factoring, discounts and bond coupons in the first 9 months of 2022.

The company's **cash position** saw an improvement from H1 2022 and a very large difference vs. 2021, due to the positive cash flow that characterized the first 9 months of 2022. Factoring, BO discounts and sales of solid fertilizers with advance payment brought cash to the company, which was used to finance the investments necessary to put in operation of the granulated fertilizer production line, in the Zimnicea farm, and the purchase of laboratory equipment for multiplying microorganisms and bacteria.

Thus, the Group closed the first nine months of 2022 with a **gross result of 8.82 million lei**, a 40% increase compared to the same period last year. The Group's **net result was 7.59 million lei**, an increase of 55.25% compared to the same period last year.

## Individual performance - Norofert SA

Indicators of the profit and loss account (RON)	30/09/2021	30/09/2022	Evolution (%) yoy
<b>Operating revenue, of which:</b>	<b>30,724,301</b>	<b>54,184,502</b>	<b>76.36%</b>
Turnover	33,396,313	51,092,450	52.99%
Change in Inventories	-3,027,057	1,998,748	-166.03%
Other operating revenues	355,030	1,093,304	207.95%
<b>Operating expenses, of which:</b>	<b>23,528,856</b>	<b>44,583,329</b>	<b>89.48%</b>
Cost of materials	13,280,984	29,459,624	121.82%
Personnel expenses	3,271,258	3,365,337	2.88%
Depreciation expenses and value adjustments	706,988	848,733	20.05%
Other operating expenses	6,269,626	10,909,635	74.01%
<b>Operating result</b>	<b>7,195,445</b>	<b>9,601,173</b>	<b>33.43%</b>
Financial income	8,267	267,167	<b>3131.73%</b>
Financial expenses	906,342	2,003,245	<b>121.03%</b>
<b>Financial results</b>	<b>-898,075</b>	<b>-1,736,078</b>	<b>93.31%</b>
<b>Total revenues</b>	<b>30,732,568</b>	<b>54,451,669</b>	<b>77.18%</b>
<b>Total expenses</b>	<b>24,435,198</b>	<b>46,586,574</b>	<b>90.65%</b>
<b>Gross result</b>	<b>6,297,370</b>	<b>7,865,095</b>	<b>24.89%</b>
Profit tax/other taxes	1,405,814	1,192,554	-15.17%
<b>Net result</b>	<b>4,891,556</b>	<b>6,672,541</b>	<b>36.41%</b>

### KEY INFORMATION:

The **individual turnover** of Norofert SA increased by 52.99%, 89% of it being generated by the core business, the production of inputs and soil bioprotection. The line of solid fertilizers saw significant growth for the first 9 months of 2022 of 13%.

**Material expenses** increased by 16.3 million lei as a result of the increase in sales of liquids and solids, own production, but also the general increase in prices for raw materials in the first 9 months of 2022.

The **net profit** of Norofert SA for the reported period was 6.67 million lei, a 36% increase compared to Q3 2021. Although inflation and crises in the first nine months of 2022 affected agribusiness, Norofert managed to maintain a high level of profitability, which is expected to increase in terms of margin from Q1 2023, when prices are expected to normalize and the company's net margin will increase.

## Individual performance – Agroprod CEV SRL

Indicators of the profit and loss account (RON)	30/09/2021	30/09/2022	Evolution (%) yoy
<b>Operating revenue, of which:</b>	<b>268,920</b>	<b>3,481,996</b>	<b>1194.81%</b>
Turnover	1,056,257.00	2,945,431	100.00%
Change in Inventories	-820,000	-882,133	7.58%
Other operating revenues	32,663	1,418,698	4243.42%
<b>Operating expenses, of which:</b>	<b>2,407,008</b>	<b>2,508,416</b>	<b>4.21%</b>
Cost of materials	1,510,653	877,116	-41.94%
Personnel expenses	66,794	85,929	28.65%
Depreciation expenses and value adjustments	617,780	136,309	-77.94%
Other operating expenses	211,781	1,409,062	565.34%
<b>Operating result</b>	<b>-2,138,088</b>	<b>973,580</b>	<b>145.54%</b>
Financial income	81,612	0	-100.00%
Financial expenses	282,997	18,508	-93.46%
<b>Financial results</b>	<b>-201,385</b>	<b>-18,508</b>	<b>90.81%</b>
<b>Total revenues</b>	<b>350,532</b>	<b>3,481,996</b>	<b>893.35%</b>
<b>Total expenses</b>	<b>2,690,005</b>	<b>2,526,924</b>	<b>-6.06%</b>
<b>Gross result</b>	<b>-2,339,473</b>	<b>955,072</b>	<b>-140.82%</b>
Profit tax/other taxes	13,704	33,242	142.57%
<b>Net result</b>	<b>-2,353,177</b>	<b>921,830</b>	<b>-139.17%</b>

**Agroprod CEV SRL** is the first company acquired and integrated into the Norofert business. The figures presented above demonstrate the successful integration of this company into the Group and the differences between 2021 and 2022 are undeniable. The exploited hectares are divided as follows:

**Norofert SA** – 340 hectares

**Agroprod CEV SRL** – 658 hectares

Thus, in the first nine months of 2022, the **operating revenue** increased by 1194.81% to 3.41 million lei compared to 268.920 lei in the similar period of 2021, and **the turnover increased by 100%**. Efficient management of resources and land has led to a fundamental change in Agroprod's finances. The exclusive use of the Norofert product portfolio in Agroprod's bio-conversion crops brought higher production increases than the area average.

For a complete picture of profitability, the final results of 2022 are necessary because in Q3 the subsidiary had not yet capitalized on the harvested sunflower stock. Agroprod's stocks in Q3 are 1.9 million lei +2707.19% compared to Q3 2021. Of course, for the establishment of crops for next year, expenses are incurred with seed packages, inputs and agricultural works, the subsidiary generating a **net profit of 921,830 lei** for the first nine months of 2022.

From the point of view of financing the purchase of the Zimnicea farm, the data are as follows:

**3.32 million lei** – Banca Romaneasca bank loan, maturity 10/30/2026;

**6.2 million lei** – payments from own sources representing social parts (4.44 million lei) and payments related to machinery and real estate;

**9.53 million lei** – total payments.

# Consolidated financial position

Balance sheet (RON)	30/09/2021	30/09/2022	Evolution
	Individual Results	Consolidated Results	(%) yoy
<b>Fixed assets</b>	<b>3,915,079</b>	<b>15,694,181</b>	<b>300.86%</b>
<b>Current assets, of which:</b>	<b>51,570,667</b>	<b>60,527,328</b>	<b>17.37%</b>
Inventories	11,034,287	12,303,332	11.50%
Receivables	38,866,976	43,572,704	12.11%
Cash and cash equivalents	1,669,404	4,651,292	178.62%
Prepaid expenses	25,533	183,894	620.22%
<b>Total assets</b>	<b>55,511,279</b>	<b>76,405,403</b>	<b>37.64%</b>
<b>Current liabilities</b>	<b>21,993,853</b>	<b>23,048,636</b>	<b>4.80%</b>
<b>Non-current liabilities</b>	<b>11,692,637</b>	<b>22,410,973</b>	<b>91.67%</b>
Income in advance	3,665,767	2,745,711	-25.10%
<b>Total liabilities</b>	<b>37,574,646</b>	<b>48,205,320</b>	<b>28.29%</b>
Equity	17,936,633	28,052,701	56.40%
Provisions	222,388	147,381	-33.73%
<b>Total equity and debt</b>	<b>55,511,279</b>	<b>76,405,403</b>	<b>37.64%</b>

## KEY INFORMATION:

**Fixed assets** - increase by 300% - represent the totality of tangible and intangible assets, including payments for the related social parts of Agroprod CEV SRL, 4.44 million lei. This payment was made from the company's cash.

**Inventories** - increased by 11.5%, a moderate increase due to their rapid turnover, an important indicator of the company's ability to capitalize on the production and the goods it purchases, with no threat of inventory devaluation.

**Receivables** increased by 12.11% due to the increase in sales from all business segments. Thanks to the investments made by the company with the line of solid fertilizers, products that are sold for cash with no long term of collection, we can see that the accelerated growth on receivables sales has been reduced without affecting the growth of the turnover and the cash position has been improved.

For a better understanding regarding the investment in the production line for soil fertilizers we propose a brief historical analysis regarding the receivables. Norofert has increased sales every year due to the line of liquid products that are sold with a long term of collection thus, the increase in receivables in Q3 2020 vs Q3 2019 was +131%, Q3 2021 vs Q3 2020 +62% and currently +12.11%. In other words, the management of the company **sought a reduction in the share of receivables in assets**. As outlined above, 62% of Norofert sales are solid products, although liquids have also seen an increase over last year. It is clear that the investment in the solids line was a well thought out and well executed financial and especially strategic step and Norofert has access to the market.

In Q3, receivables from the autumn 2021 campaigns were 100% past due and had a collection rate of 99.7%. The receivables from spring 2022 were partially overdue, as can be seen in the receivables table in this report, so we reiterate the fact that T3 is characterized by the closing of some overdue receivables in the fall and spring of the previous year, respectively the year in course, and the addition of new receivables, following sales from the autumn 2022 campaign and pre-sales 2023 (which extends to Q4). As previously mentioned, the cash position and cash-flow improvement was due to the use of receivables in Factoring and BO Discounting products with various banks.

As stated in [Current Report No. 26/2022](#), Norofert SA firmly assumes the recovery of receivables from Norofert Organics SRL and Norofert Fitofarma SRL until the end of Q4 of 2022.

**Total liabilities** – increased by 37.64% due to merchandise stocks, receivables, production lines, machinery and especially the real estate purchased by the company in Zimnicea (agricultural base: platform and buildings).

**Total debts** - increased by 28.29%, especially the heading of long-term debts, which experienced a 91.67% increase, following the contracting of loans. It should be emphasized that the consolidated debt ratio (total liabilities/total assets)\*100 is 63%, compared to 67.6% in Q3 2021, the company thus uses the leverage effect, mainly responsible for a much improved cash position.

**Provisions** - in line with the provisioning policy, Norofert will add to the provisions heading all receipts that pass the deadline and are not collected, according to the aging established together with the auditor. At the time of writing this financial report, all provisions are taken into account and although they have an impact on the P/L, they will not bring the BVC assumed by the CA below the estimated level.

It is important to mention that the **group's assets** reached 76.4 million lei. This is very relevant, especially considering that, at the 2020 listing, the company was worth a total of approximately 21 million lei. Of course, for a manufacturer like Norofert, stocks are a very important factor and ensure agility in the market, the ability to fulfill orders, especially in a climate of general logistics blockage, which particularly affects the supply of raw materials. The company's cash-flow enabled the supply of raw materials to avoid any delay to customers.

## Individual – Norofert SA

Balance sheet (RON)	30/09/2021	30/09/2022	Evolution (%) yoy
Fixed assets	3,915,079	14,318,040	265,72%
Current assets, of which:	51,570,667	55,570,201	7,76%
Inventories	11,034,287	10,384,844	-5,89%
Receivables	38,866,976	40,655,861	4,60%
Cash and cash equivalents	1,669,404	4,529,496	171,32%
Prepaid expenses	25,533	107,413	320,68%
<b>Total assets</b>	<b>55,511,279</b>	<b>69,995,654</b>	<b>26,09%</b>
Current liabilities	21,993,853	18,872,199	-14,19%
Non-current liabilities	11,692,637	21,750,317	86,02%
Income in advance	3,665,767	2,745,711	-25,10%
<b>Total liabilities</b>	<b>37,574,646</b>	<b>43,515,609</b>	<b>15,81%</b>
Equity	17,936,633	26,480,045	47,63%
Provisions	222,388	147,381	-33,73%
<b>Total equity and debts</b>	<b>55,511,279</b>	<b>69,995,654</b>	<b>26,09%</b>

## Individual – Agroprod CEV SRL

Balance sheet (RON)	30/09/2021	30/09/2022	Evolution (%) yoy
Fixed assets	1,538,521	1,376,141	-10.55%
Current assets, of which:	1,514,471	4,957,127	227.32%
Inventories	68,342	1,918,488	2707.19%
Receivables	1,274,419	2,916,843	128.88%
Cash and cash equivalents	171,710	121,796	-29.07%
Prepaid expenses	80,646	76,481	-5.16%
<b>Total assets</b>	<b>3,133,638</b>	<b>6,409,749</b>	<b>104.55%</b>
Current liabilities	3,105,544	4,176,437	34.48%
Non-current liabilities	640,665	660,656	3.12%
Income in advance	0	0	0.00%
<b>Total liabilities</b>	<b>3,746,209</b>	<b>4,837,093</b>	<b>29.12%</b>
Equity	-612,571	1,572,656	356.73%
<b>Total equity and debts</b>	<b>3,133,638</b>	<b>6,409,749</b>	<b>104.55%</b>



# Individual Cash-Flow - Norofert SA

CASH FLOW SITUATION	September 30, 2022
<b>Operational activities:</b>	
(Loss)/Net Profit	6,672,541
Adjustments for the reconciliation of the net result with the net cash used in operating activities:	
Adjustment of the value of tangible and intangible assets (depreciation and value adjustment)	848,733
Interest income	0
Interest expense	1,845,612
Tax	1,192,554
Profit from the sale of tangible assets	-24,899
Customer value adjustment	131,280
Value adjustment resulting from litigation	0
Net exchange rate difference on available	606
Increase/(decrease) in operating cash before changes in working capital	10,666,427
Changes in working capital:	
(Increase)/Decrease in balances of trade receivables and other receivables	3,304,096
(Increase)/Decrease in inventory balances	-3,409,459
Increase/(Decrease) in trade payables and other payables balances	-3,462,677
Net cash flow generated by operating activities	7,098,387
<b>Cash flows from operating activities:</b>	
Net cash flow generated from operating activities	
Interest received	0
Interest paid	-1,845,612
Profit tax paid	1,039,968
Net cash flow generated by operating activities	6,292,743
<b>Cash flows from investment activities:</b>	
Cash payment for the purchase of fixed assets	-811,340
Purchases of participation titles	-4,700,763
Proceeds from the sale of fixed assets	103,941
Net cash flow used for investment activities	-5,408,162
<b>Cash flows from financing activities:</b>	
(Decrease)/net increase in bank liabilities	2,621,158
(Decrease)/net increase in debts within the Group	-1,091,983
Net (decrease)/increase in customer guarantees	
Increase of social capital through cash contribution dividends	
Net cash flow generated by financing activities	1,529,175
Cash flows – total	2,413,757
Changes in cash and cash equivalents	
Cash and cash equivalents at the beginning of the period	2,115,738
Cash and cash equivalents at the end of the period	4,529,496
Increase/(decrease) in cash and cash equivalents	2,413,757

**The company's cash flow** improved considerably compared to Q3 2021 when the company had 1.66 million lei available in the account, at Q3 2022 the company had available cash and cash equivalents of 4.52 million lei, +178.62%. As a comparison term, the company had cash in Q3 2020 of 358,073 lei.

Operating cash is 10.66 million lei, with net cash from operational activities of 7.09 million lei, thus allowing the use of 5.4 million lei of cash for investments. And as net cash flow generated from financing activities 1.52 million lei.

In addition to being a producer, the company is also a distributor, and due to market conditions in Romanian agribusiness, it is also a financier for farmers. Being a capital-intensive business model, this situation makes the company's cash-flow improvement even more gratifying.

It is indisputable that the management team managed the company's cash effectively and responsibly. It should be noted that for the entire year 2022, the company did not attract financing either in the form of a capital increase or bonds (capital infusion into the company), thus the company proving the viability of the business model. This fact was appreciated by the banks that finance the company, they expressed their interest for new financings in the future.

## Details of trade receivables Norofert SA

**Receivables** increased by 12.11% due to the increase in sales from all business segments. By Q3, receivables from the autumn 2021 campaigns were due and had a 99.7% collection rate. It should be noted that in Q4 there are 2 more periods with maturities, 30.10.2022 and 15.12.2022.

The company currently estimates provisions in the total amount of approximately 700,000 lei, due to the drought in the Moldova area and the impossibility of recovering the receivables that make up this amount within the due date. In the case of late claims, the internal procedure for establishing new guarantees by the debtor, penalties and rescheduling is applied. We note that all customers who will enter the provision are insured against the risk of non-payment. The provisioned amounts, while impacting the 2022 P/L, will be offset by higher sales.

The table below includes the amounts to be collected until 31.12.2022 and the amounts to be collected for autumn sales and early sales 2023, due on 15.08.2023.

RECEIVABLES UP TO THE DATE	AMOUNT (RON)
31/12/2022	19,354,054.55
15/08/2023	21,301,806.45
<b>TOTAL RECEIVABLES</b>	40,655,861

# The main economic-financial indicators of Norofer SA

	September 30, 2021	September 30, 2022
<b>1. Liquidity indicators</b>		
a) Current liquidity indicator Current Assets/Current Liabilities	2.38	2.94
b) The immediate liquidity indicator Current Assets – Inventories / Current Liabilities	1.87	2.39
<b>2. Risk indicators</b>		
c) Degree of indebtedness (Total Liabilities/Total Assets)*100	67.6%	63%
d) The indicator of the degree of indebtedness (Long Term Debts/Equity)*100	66.08%	82.14%
<b>3. Activity indicators</b>		
e) The speed of rotation of immobilized assets Turnover/Fixed assets	8.53	3.57
f) Turnover speed of total assets Turnover/Total assets	0.60	0.73
<b>4. Profitability indicators</b>		
g) Return on capital employed Profit before payment of interest and income tax/ Employed Capital	0.24	0.18
h) Gross margin rate from sales (Profitul brut din vânzări/Cifra de afaceri)*100	21.55%	18.79%

# Intra-group transactions in Q3 2022

Balances with Norofert Organics	30.09.2021	30.09.2022
Liabilities	0	0
Receivables	0	0
Loans	162,506	1,499,949
<b>Transactions with Norofert Organics</b>	Pentru perioada ianuarie - septembrie 2021	Pentru perioada ianuarie - septembrie 2022
Income	0	0
Costs	0	0
<b>Balances with Norofert Fitofarma</b>	30.09.2021	30.09.2022
Liabilities	979,784	744,168
Receivables	70,287	70,287
Loans	150,500	153,250
<b>Transactions with Norofert Fitofarma</b>	Pentru perioada ianuarie - septembrie 2021	Pentru perioada ianuarie - septembrie 2022
Income	0	0
Costs	0	0
<b>Balances with Norofert USA</b>	30.09.2021	30.09.2022
Liabilities	0	0
Receivables	328,960	313,880
Loans	707,932	826,492
<b>Transactions with Norofert USA</b>	Pentru perioada ianuarie - septembrie 2021	Pentru perioada ianuarie - septembrie 2022
Income	328,960	0
Costs	0	0
<b>Balances with AGROPROD CEV</b>	30.09.2021	30.09.2022
Liabilities	0	954,371
Receivables	0	2,037,037
Loans	0	614,633
<b>Tranzacții cu AGROPROD CEV</b>	Pentru perioada ianuarie - septembrie 2021	Pentru perioada ianuarie - septembrie 2022
Income	0	109,060
Costs	0	0
<b>Total conform valorilor prezentate mai sus</b>		
Liabilities	979,784	1,698,539
Receivables	399,247	2,421,204
Loans	1,020,938	3,094,324
Income	328,960	109,060
Costs	0	0

# 7.

## The financial - accounting situation

Consolidated balance sheet

Norofert SA individual balance sheet

Agroprod CEV SRL individual balance sheet

Consolidated Profit & Loss Account

Individual Profit & Loss Account Norofert SA

Individual Profit & Loss Account Agroprod CEV SRL

# Consolidated Balance Sheet

Balance sheet indicators (lei)	30/09/2021	30/09/2022	Evolution
	Individual Results	Consolidated	(%) yoy
<b>Fixed assets, of which:</b>	<b>3,915,079</b>	<b>15,694,181</b>	<b>300.86%</b>
Intangible assets	1,695,516	548,788	-67.63%
Tangible assets	1,705,073	10,324,129	505.49%
Financial assets	120,501	4,573,292	3695.23%
Fixed assets under investment	393,989	247,972	-37.06%
<b>Current assets, of which:</b>	<b>51,570,668</b>	<b>60,527,328</b>	<b>17.37%</b>
Inventories	<b>11,034,287</b>	<b>12,303,333</b>	<b>11.50%</b>
Raw materials and consumables	1,061,526	3,161,510	197.83%
Inventory	3,197	14,520	100.00%
Finished product	886,594	635,382	-28.33%
Production in progress	0	973,927	100.00%
Goods	6,390,507	4,035,830	-36.85%
Packaging	21,475	197,965	821.84%
Biological assets of the nature of stocks	0	0	0.00%
Advances for the stock acquisitions	2,670,988	3,284,199	22.96%
Receivables	<b>38,866,977</b>	<b>43,572,703</b>	<b>12.11%</b>
Trade receivables	35,369,583	36,715,086	3.80%
Receivables with affiliated companies	1,573,193	3,479,899	121.20%
Shareholder receivables	6	6	0.00%
Other assets	1,924,201	3,377,712	75.54%
Short-term investments	0	0	0.00%
Cash and cash equivalents	<b>1,669,404</b>	<b>4,651,292</b>	<b>178.62%</b>
Expenses registered in advance	<b>25,533</b>	<b>183,894</b>	<b>620.22%</b>
<b>Total assets</b>	<b>55,511,279</b>	<b>76,405,403</b>	<b>37.64%</b>
<b>Current liabilities, of which:</b>	<b>21,993,854</b>	<b>23,048,638</b>	<b>4.80%</b>
Third party suppliers	11,215,641	10,274,384	-8.39%
Debts with affiliated companies	0	614,633	100.00%
Bank debts	5,039,643	9,502,336	88.55%
Debts to shareholders	0	11,367	100.00%
Financial leasing	0	0	0.00%
Other short-term liabilities	5,738,570	2,645,918	-53.89%
<b>Long-term debts, of which:</b>	<b>11,692,637</b>	<b>22,410,973</b>	<b>91.67%</b>
Bank debts	0	9,602,410	100.00%
Loans from the bond issue	11,500,000	11,500,000	0.00%
Financial leasing	192,637	1,308,563	579.29%
Provisions	<b>222,388</b>	<b>147,381</b>	<b>-33.73%</b>
Income in advance	<b>3,665,767</b>	<b>2,745,711</b>	<b>-25.10%</b>
<b>Total Debts</b>	<b>37,574,646</b>	<b>48,352,703</b>	<b>28.68%</b>
<b>Equity, of which:</b>	<b>17,936,633</b>	<b>28,052,700</b>	<b>56.40%</b>
Subscribed and paid-up capital	6,859,152	6,859,352	0.00%
Share premium	13,452,497	13,452,497	0.00%
Legal reserves	448,820	882,065	96.53%
Other reserves	8,240	8,240	0.00%
Retained profit / (loss)	-7,723,632	-743,824	-90.37%
Profit or loss for the financial year	4,891,556	7,594,370	55.25%
Distribution of profit	0	0	0.00%
<b>Total equity and debts</b>	<b>55,511,279</b>	<b>76,405,403</b>	<b>37.64%</b>

# Norofert SA individual Balance Sheet

Balance sheet indicators (lei)	30/09/2021	30/09/2022	Evolution (%) yoy
<b>Fixed assets, of which:</b>	<b>3,915,079</b>	<b>14,318,040</b>	<b>265.72%</b>
Intangible assets	1,695,516	548,788	-67.63%
Tangible assets	1,705,073	8,947,988	424.79%
Financial assets	120,501	4,573,292	3695.23%
Fixed assets under investment	393,989	247,972	-37.06%
<b>Current assets, of which:</b>	<b>51,570,668</b>	<b>55,570,201</b>	<b>7.76%</b>
<b>Inventories</b>	<b>11,034,287</b>	<b>10,384,844</b>	<b>-5.89%</b>
Raw materials and consumables	1,061,526	2,676,533	152.14%
Inventory	3,197	0	100.00%
Finished product	886,594	613,067	-30.85%
Production in progress	0	377,755	100.00%
Goods	6,390,507	3,235,325	-49.37%
Packaging	21,475	197,965	821.84%
Biological assets of the nature of stocks	0	0	0.00%
Advances for the stock acquisitions	2,670,988	3,284,199	22.96%
<b>Receivables</b>	<b>38,866,977</b>	<b>40,655,861</b>	<b>4.60%</b>
Trade receivables	35,369,583	35,299,113	-0.20%
Receivables with affiliated companies	1,573,193	3,479,899	121.20%
Shareholder receivables	6	6	0.00%
Other assets	1,924,201	1,876,843	-2.46%
Short-term investments	0	0	0.00%
Cash and cash equivalents	1,669,404	4,529,496	171.32%
Expenses registered in advance	25,533	107,413	320.68%
<b>Total assets</b>	<b>55,511,279</b>	<b>69,995,654</b>	<b>26.09%</b>
<b>Current liabilities, of which:</b>	<b>16,954,211</b>	<b>18,872,200</b>	<b>11.31%</b>
Third party suppliers	11,215,641	7,795,138	-30.50%
Debts with affiliated companies	0	0	0.00%
Bank debts	0	8,527,401	100.00%
Debts to shareholders	0	0	0.00%
Financial leasing	0	0	0.00%
Other short-term liabilities	5,738,570	2,549,661	-55.57%
<b>Long-term debts, of which:</b>	<b>16,732,280</b>	<b>21,750,317</b>	<b>29.99%</b>
Bank debts	5,039,643	9,602,410	100.00%
Loans from the bond issue	11,500,000	11,500,000	0.00%
Financial leasing	192,637	647,907	236.34%
<b>Provisions</b>	<b>222,388</b>	<b>147,381</b>	<b>-33.73%</b>
Income in advance	3,665,767	2,745,711	-25.10%
<b>Total Debts</b>	<b>37,574,646</b>	<b>43,515,609</b>	<b>15.81%</b>
<b>Equity, of which:</b>	<b>17,936,633</b>	<b>26,480,045</b>	<b>47.63%</b>
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	448,820	871,562	94.19%
Other reserves	8,240	8,240	0.00%
Retained profit / (loss)	-7,723,632	-1,383,947	82.08%
<b>Profit or loss for the financial year</b>	<b>4,891,556</b>	<b>6,672,541</b>	<b>36.41%</b>
Distribution of profit	0	0	0.00%
<b>Total equity and debts</b>	<b>55,511,279</b>	<b>69,995,654</b>	<b>26.09%</b>



# Agroprod CEV SRL individual Balance Sheet

Balance sheet indicators (lei)	30/09/2021	30/09/2022	Evolution (%) yoy
<b>Fixed assets, of which:</b>	<b>1,538,521</b>	<b>1,376,141</b>	<b>-10.55%</b>
Intangible assets	0	0	0.00%
Tangible assets	1,538,521	1,376,141	-10.55%
Financial assets	0	0	0.00%
Fixed assets under investment	0	0	0.00%
<b>Current assets, of which:</b>	<b>1,514,471</b>	<b>4,957,127</b>	<b>227.32%</b>
Inventories	<b>68,342</b>	<b>1,918,489</b>	<b>2707.19%</b>
Raw materials and consumables	3,843	484,977	12519.75%
Inventory	14,520	14,520	0.00%
Finished product	0	22,315	100.00%
Production in progress	0	596,172	100.00%
Goods	49,980	800,505	0.00%
Packaging	0	0	0.00%
Biological assets of the nature of stocks	0	0	0.00%
Advances for the stock acquisitions	0		100.00%
Receivables	<b>1,274,419</b>	<b>2,916,842</b>	<b>128.88%</b>
Trade receivables	696,176	1,415,973	103.39%
Receivables with affiliated companies	0	0	100.00%
Shareholder receivables	0	0	0.00%
Other assets	578,243	1,500,869	159.56%
Short-term investments		<b>0</b>	<b>0.00%</b>
Cash and cash equivalents	<b>171,710</b>	<b>121,796</b>	<b>-29.07%</b>
Expenses registered in advance	<b>80,646</b>	<b>76,481</b>	<b>-5.16%</b>
<b>Total assets</b>	<b>3,133,638</b>	<b>6,409,749</b>	<b>104.55%</b>
<b>Current liabilities, of which:</b>	<b>3,105,544</b>	<b>4,176,438</b>	<b>34.48%</b>
Third party suppliers	2,223,523	2,479,246	11.50%
Debts with affiliated companies	0	614,633	100.00%
Bank debts	860,328	974,935	13.32%
Debts to shareholders	11,367	11,367	0.00%
Financial leasing	0	0	0.00%
Other short-term liabilities	10,326	96,257	832.18%
<b>Long-term debts, of which:</b>	<b>640,665</b>	<b>660,656</b>	<b>3.12%</b>
Bank debts	0	0	0.00%
Loans from the bond issue	0	0	0.00%
Financial leasing	640,665	660,656	3.12%
Provisions	<b>0</b>	<b>0</b>	<b>0.00%</b>
Income in advance	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>Total Debts</b>	<b>3,746,209</b>	<b>4,837,094</b>	<b>29.12%</b>
<b>Equity, of which:</b>	<b>-612,571</b>	<b>1,572,655</b>	<b>356.73%</b>
Subscribed and paid-up capital	200	200	0.00%
Share premium		0	0.00%
Legal reserves	10,503	10,503	0.00%
Other reserves	0	0	0.00%
Retained profit / (loss)	1,729,902	640,123	-63.00%
Profit or loss for the financial year	-2,353,176	921,829	139.17%
Distribution of profit	0	0	0.00%
<b>Total equity and debts</b>	<b>3,133,638</b>	<b>6,409,749</b>	<b>104.55%</b>

# Consolidated Profit & Loss Account

Profit and loss account indicators (lei)	30/09/2021	30/09/2022	Evolution
	Individual results	Consolidated results	(%) yoy
<b>Operating revenue, of which:</b>	<b>30,724,301</b>	<b>57,666,498</b>	<b>87.69%</b>
Turnover	33,396,313	54,037,881	61.81%
Change in inventories	-3,027,057	1,116,615	136.89%
Other operating revenues	355,030	2,512,002	607.55%
<b>Operating expenses, of which:</b>	<b>23,528,856</b>	<b>47,091,745</b>	<b>100.14%</b>
<b>Material expenses, of which:</b>	<b>13,280,984</b>	<b>30,336,740</b>	<b>128.42%</b>
Expenditure on raw materials and materials	4,316,221	9,251,850	114.35%
Expenditure on goods	8,908,402	20,845,841	134.00%
Other material expenses	56,361	239,049	324.14%
Personnel expenses	3,271,258	3,451,266	5.50%
Depreciation expense and value adjustments	706,988	985,042	39.33%
Other operating expenses	6,269,626	12,318,697	96.48%
<b>Operating result</b>	<b>7,195,445</b>	<b>2,288,920</b>	<b>-68.19%</b>
<b>Financial income</b>	<b>8,267</b>	<b>267,167</b>	<b>3131.73%</b>
<b>Financial expenses</b>	<b>906,342</b>	<b>2,021,753</b>	<b>123.07%</b>
<b>Financial result</b>	<b>-898,075</b>	<b>-1,754,586</b>	<b>95.37%</b>
<b>Total income</b>	<b>30,732,568</b>	<b>57,933,665</b>	<b>88.51%</b>
<b>Total expenses</b>	<b>24,435,198</b>	<b>49,113,498</b>	<b>100.99%</b>
<b>Gross result</b>	<b>6,297,370</b>	<b>8,820,167</b>	<b>40.06%</b>
<b>Profit tax/other taxes</b>	<b>1,405,814</b>	<b>1,225,796</b>	<b>-12.81%</b>
<b>Net result</b>	<b>4,891,556</b>	<b>7,594,371</b>	<b>55.25%</b>

# Individual Profit & Loss account

## Norofert SA

Profit and loss account indicators (lei)	30/09/2021	30/09/2022	Evolution
			(%) yoy
<b>Operating revenue, of which:</b>	<b>30,724,301</b>	<b>54,184,502</b>	<b>76.36%</b>
Turnover	33,396,313	51,092,450	52.99%
Change in inventories	-3,027,057	1,998,748	166.03%
Other operating revenues	355,030	1,093,304	207.95%
<b>Operating expenses, of which:</b>	<b>23,528,856</b>	<b>44,583,329</b>	<b>89.48%</b>
<b>Materials expenses, of which:</b>	<b>13,280,984</b>	<b>29,459,624</b>	<b>121.82%</b>
Expenditure on raw materials and materials	4,316,221	8,376,309	94.07%
Expenditure on goods	8,908,402	20,844,266	133.98%
Other material expenses	56,361	239,049	324.14%
Personnel expenses	3,271,258	3,365,337	2.88%
Depreciation expense and value adjustments	706,988	848,733	20.05%
Other operating expenses	6,269,626	10,909,635	74.01%
<b>Operating result</b>	<b>7,195,445</b>	<b>9,601,173</b>	<b>33.43%</b>
<b>Financial income</b>	<b>8,267</b>	<b>267,167</b>	<b>3131.73%</b>
<b>Financial expenses</b>	<b>906,342</b>	<b>2,003,245</b>	<b>121.03%</b>
<b>Financial result</b>	<b>-898,075</b>	<b>-1,736,078</b>	<b>93.31%</b>
<b>Total income</b>	<b>30,732,568</b>	<b>54,451,669</b>	<b>77.18%</b>
<b>Total expenses</b>	<b>24,435,198</b>	<b>46,586,574</b>	<b>90.65%</b>
<b>Gross result</b>	<b>6,297,370</b>	<b>7,865,095</b>	<b>24.89%</b>
<b>Profit tax/other taxes</b>	<b>1,405,814</b>	<b>1,192,554</b>	<b>-15.17%</b>
<b>Net result</b>	<b>4,891,556</b>	<b>6,672,541</b>	<b>36.41%</b>

# Individual Profit & Loss account

## Agroprod CEV SRL

Profit and loss account indicators (lei)	30/09/2021	30/09/2022	Evolution
			(%) yoy
<b>Operating revenue, of which:</b>	<b>268,920</b>	<b>3,481,996</b>	<b>1194.81%</b>
Turnover	1,056,257.00	2,945,431	100.00%
Change in inventories	-820,000	-882,133	7.58%
Other operating revenues	32,663	1,418,698	4243.44%
<b>Operating expenses, of which:</b>	<b>2,407,008</b>	<b>2,508,416</b>	<b>4.21%</b>
<b>Materials expenses, of which:</b>	<b>1,510,653</b>	<b>877,116</b>	<b>-41.94%</b>
Expenditure on raw materials and materials	1,350,653	875,541	-35.18%
Expenditure on goods	160,000.00	1,575	100.00%
Other material expenses	0.00	0.00	0.00%
Personnel expenses	66,794	85,929	28.65%
Depreciation expense and value adjustments	617,780	136,309	-77.94%
Other operating expenses	211,781	1,409,062	565.34%
<b>Operating result</b>	<b>-2,138,088</b>	<b>973,580</b>	<b>145.54%</b>
Financial income	81,612	0.00	-100.00%
Financial expenses	282,997.00	18,508	-93.46%
<b>Financial result</b>	<b>-201,385</b>	<b>-18,508</b>	<b>90.81%</b>
<b>Total income</b>	<b>350,532</b>	<b>3,481,996</b>	<b>893.35%</b>
<b>Total expenses</b>	<b>2,690,005</b>	<b>2,526,924</b>	<b>-6.06%</b>
<b>Gross result</b>	<b>-2,339,473</b>	<b>955,072</b>	<b>140.82%</b>
Profit tax/other taxes	13,704	33,242	142.57%
<b>Net result</b>	<b>-2,353,177</b>	<b>921,830</b>	<b>139.17%</b>

# 8.

## **Declaration of the management**



# MANAGEMENT STATEMENT

The undersigned, Popescu Vlad Andrei, as President of the Board of Directors of Norofert SA, confirms, according to the best available information, that the simplified interim financial statements for the nine-month period ended on September 30, 2022 present a correct and true picture of Norofert's assets, liabilities, financial position and statement of income and expenses and that the management report provides a fair and true picture of the important events that took place in the first nine months of the financial year 2022 and their impact on the financial statements of Norofert the company.

**POPESCU VLAD ANDREI**  
**PRESIDENT OF THE BOARD OF DIRECTORS**



# NOROFERT

