

**To:**

BUCHAREST STOCK EXCHANGE
FINANCIAL SUPERVISORY AUTHORITY

CURRENT REPORT 27/2024

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	27.09.2024
Name of the Company	NOROFERT S.A.
Registered Office	Bucharest Str. Lt. Av. Șerban Petrescu Nr. 20, Ground Floor, Room 1 and 2, District 1
Phone	0753 157 858
Email	investitori@norofert.ro
Registration nr. with Trade Registry	J40/4222/2000
Fiscal Code	RO12972762
Subscribed and paid share capital	6,952,486 lei
Total number of shares	17,381,215
Market where securities are traded	MTS AeRO Premium, symbol NRF for shares Bonds-SMT, symbol NRF25 for bonds

Important events to be reported: H1 2024 Financial results

The management of Norofert S.A. informs the market about the report's availability. It contains the unaudited financial statements for the first six months of 2024, presented both in the RAS system and in IFRS. IFRS reporting is necessary considering the Group's intention to migrate to the Regulated Market operated by the Bucharest Stock Exchange in the future.

Norofert ended the first half of 2024 with a revenue of RON 21.04 million, marking a 4.27% increase in the same period in 2023. This evolution reflects the company's ability to navigate a challenging environment where the agricultural sector faced multiple difficulties, including liquidity shortages and cautious investment decisions by farmers in new crops. Despite the significant challenges, the net profit recorded in the first semester of 2024 was RON 1.85 million, down from the same period in 2023 but above budgeted levels. Additionally, Norofert ended the first half of 2024 with a cash position of RON 1.09 million, an increase from the previous year, indicating improved liquidity and the company's capacity to support future development opportunities.

Vlad Popescu, President of the Board, Norofert:

„We remain firmly committed to strategic investments aimed at development and strengthening long-term profitability. Since our listing on the stock exchange, we have invested over RON 17 million in our research and production capabilities in the input sector and agricultural farming and in expanding into international markets. In the first part of the year, we completed the production line in the USA and signed a distribution contract for the regions of South Dakota, North Dakota, and Minnesota. Recently, we announced our entry into the Brazilian market.



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Norofert's strategy focuses on two pillars: developing adaptable solutions through continuous innovation and international expansion."

Norofert's business model has been developed in successive stages, ensuring a complete journey from researching formulas and customized solutions to the production and distribution of products. In the next three years, the company aims to launch at least three new biotechnological solutions, enter three new markets, and contribute to sustainable agriculture globally. With a portfolio of over 65 products for both organic and conventional farming, Norofert positions itself as a key player in transforming agriculture into a more sustainable and innovative sector.

Key consolidated figures for H1 2024:

- The Group's fixed assets increased by nearly 26% to RON 27.6 million, primarily due to investments in irrigation systems and the research laboratory. These assets are essential for the company's development strategy, enabling the production of a broader range of products and ensuring a better competitive position in the market.
- Receivables decreased by approximately 26% to RON 38.8 million, with the company maintaining a high collection rate (over 96%), despite the agricultural sector facing a very challenging year.
- Total liabilities declined by nearly 4% compared to last year's period, reaching RON 62.4 million, due to early repayments of certain credit facilities.
- Operating revenues reached RON 25.1 million, down about 4% year-on-year. Farming activity performed weaker in the first half, but revenues are expected to rise in the second half as harvests begin processing.
- Operating expenses increased by nearly 5% compared to the previous year, totaling approximately RON 21 million, mainly influenced by rising material costs for crop establishment inputs.
- Under the conditions, the net result is RON 1.8 million, down 40% from the first half of 2023.

Announced investments in the first six months of 2024

In Romania: The company announced the completion of the first phase of the research laboratory in Filipeștii de Pădure and secured a loan of RON 4.1 million through the IMM INVEST Plus program for the purchase of pivot irrigation systems and equipment. The funds are being used to finalize the irrigation system on 340 hectares out of the 1,000 hectares operated under organic management at the Zimnicea Farm. The total value of the investment project is approximately RON 4.9 million, with the company's contribution from its own sources being 15%.

In the USA: Norofert inaugurated a production line in Watertown, South Dakota, in May 2024, with a capacity of 8,000 liters per day. This facility allows the company to produce specialized inputs for soil health and foliar nutrition, utilizing bacteria produced in the Filipeștii de Pădure laboratory. The investment of EUR 250,000 for assembling the input production line was carried out through Norofert AG, a company established in partnership with Gary Lamb, an entrepreneur with over 30 years of experience in agribusiness in the Midwest, USA.



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Additionally, the company signed a distribution contract with one of the major distributors in Watertown, covering the regions of South Dakota, North Dakota, and Minnesota.

Financial results for the first half of 2024 are presented both according to RAS (Romanian Accounting Standards) and under IFRS (International Financial Reporting Standards). The consolidated results of the group include the performance of the parent company, Norofert S.A., as well as that of the subsidiary Agroprod CEV S.R.L., which is 100% owned. Agroprod CEV cultivates 1,000 hectares of agricultural land under organic management in Zimnicea, Teleorman County. The consolidation also includes 51% of the results from NOROFER AG LLC.

PRESIDENT OF THE BOARD OF DIRECTORS

Popescu Vlad Andrei



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