



**HEALTHY SOIL**

HEALTHY CROPS

**H1  
REPORT  
2024**

NOROFERT S.A.  
Bucharest Stock Exchange listed company  
Symbol: NRF / NRF25

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# MESSAGE FROM THE PRESIDENT

## Key aspects:

- We remain cautious during this period of extreme uncertainty in the market.
- Business revenue of RON 21.04 million with a consolidated net profit of RON 1.85 million. The collection rate is 96%.
- Investments continued in 2024 in irrigation and the biotechnology research laboratory.
- The subsidiary in the USA has recorded its first sales in H1 2024. The foreign markets USA and Brazil are becoming important pillars in Norofert's fundamental development strategy.

Dear Shareholders,

We conclude the first half of 2024 with a turnover of RON 21.04 million, representing a 4.27% increase compared to the same period last year. This slight growth reflects the significant challenges faced by the agricultural sector in the first half of the year, particularly the lack of liquidity in the market and the cautious decisions of farmers not to invest in new crops. We believe that Norofert's consolidated results for H1 2024 are very good, considering the difficult context of Romania's agribusiness market, marked by financial difficulties across the entire supply chain.

The agribusiness sector has been impacted by challenging market conditions, including high costs of crops establishment and decrease of prices since March 2023. These has led to a stagnation in investments for the fall and spring crops, while poor yields from corn, sunflower, and soybean crops have further complicated the services and products' procurement for the upcoming planting cycles. The historic drought and low crop prices were also significant factors contributing to the stagnation of Romanian agriculture.

The net profit of Norofert Group in the first half of 2024 was RON 1.85 million, down 40.17% compared to the same period in 2023, above the budgeted figure. The Group ended the first half of 2024 with a cash position of RON 1.10 million, an increase compared to H1 2023, highlighting improved liquidity and the ability to support future development opportunities. The excellent collection rate of over 96% allows us to continue our necessary investment for the medium and long-term growth. Despite multiple challenges, the company remains committed to increasing operational efficiency and continuing strategic investment, which are essential for our future and for strengthening long-term profitability.

We are honored that Norofert has been recognized at the European level, being included in the "Top 10 Biotechnology Companies in Agriculture in Europe in 2023" by the Life Sciences Review Europe. This distinction highlights our commitment to innovation and excellence in biotechnology research and represents the recognition of the steps we are taking toward becoming a successful biotechnology producer capable of entering international markets.

Our business model has been built in successive stages, starting from the research of innovative solutions in our own laboratory, which has become a growth vector, to the production in our facilities in Romania and internationally, and the distribution of our agricultural inputs.

Our research and microorganism multiplication laboratory in Filipeștii de Pădure forms the foundation of this integrated model. Our business model has been built in successive stages, starting from the research of innovative solutions in our own laboratory, which has become a growth vector, to production in our facilities in Romania and internationally, and the distribution of our agricultural inputs. Our research and microorganism multiplication laboratory in Filipeștii de Pădure forms the foundation of this integrated model.

We see the growth in international markets as a strategic priority for the next three years. The current situation of the Romanian agribusiness sector demands reducing the risks tied to operating in just one market. The agricultural areas in three U.S.A. states—South Dakota, North Dakota, and Minnesota—totalling approximately 43 million hectares, while Brazil's arable land approaches 96 million hectares. In comparison, Romania has approximately 9 million hectares of arable land. The agribusiness markets in the U.S. and Brazil are financially more stable, and farmers there have a much better financial situation than in Romania. Additionally, the climatic conditions are superior to those in Romania, with a higher degree of rainfall predictability from year to year.

Norofert has made significant strategic investments, allocating RON 17 million to development and innovation projects since its listing on the stock exchange. We are expanding into international markets, particularly in the U.S., where we completed a production line in Watertown, South Dakota, in May 2024, with a capacity of 8,000 liters per day, and signed a distribution contract with one of the major distributors in Watertown, covering South Dakota, North Dakota, and Minnesota. The financial results of Norofert Ag LLC can be found in this report and represent sales made by the team in the United States after the production facility was completed, towards the end of the season.

We believe that investments, regardless of timing, will generate growth opportunities and create distance from the competition. Currently, we are continuing our investments in Romania for an irrigation system at our farm in Zimnicea, targeting 400 hectares to be irrigated this year and 350 hectares in 2025. We consider it essential to focus on improving irrigation efficiency, gradually increasing the irrigated areas until we can control water across the entire 1,000 hectares we manage.

We will maintain a cautious approach throughout 2024, given the high volatility in the agricultural market and the level of debt in agriculture, as many farms face a high risk of financial difficulties. We expect a recovery in local agricultural businesses, but it will be slow.

We believe that investors understand the difficult situation in Romanian agriculture, which we have transparently communicated since the fall of 2023. Norofert does not stop investing in technologically fixed assets that bring us increased efficiency and cost reduction. While the results may not be evident in the short term, as we cannot significantly outperform our industry, we believe that these investments and the resilience we demonstrate in the future will lead us to even better financial results.

Additionally, in this report, we include the company's strategic directions, which we will detail during the Investor Day event scheduled for September 30th, 2024. We invite you to review the detailed report on the financial results obtained in the first half of 2024. You can contact us at [investitori@norofert.ro](mailto:investitori@norofert.ro).

With consideration,  
**President of BoD**  
Vlad Andrei Popescu

# NOROFERT'S STRATEGY IN R&D OF INNOVATIVE SOLUTIONS

## *Innovation and sustainable growth*

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.

This integrated approach includes the following components:

- **Research of innovative solutions** within our own laboratory.
- **Production in our facilities, both in Romania and internationally**, and the sale of agricultural inputs.
- **Agricultural production** using our own solutions at the Zimnicea farm.
- **Distribution of organic inputs and those for conventional agriculture.**

The strategic objectives of Norofert are built upon two fundamental strategic pillars:

### **I. Development of adaptable solutions through continuous innovation**

*Norofert aims to develop adaptable solutions by launching at least three new patented biotechnological solutions in the next three years, utilizing our own research laboratory and collaborating with biotechnologists from University of Agronomic Sciences and Veterinary Medicine of Bucharest (USAMV) – Faculty of Biotechnology.*

To achieve this objective, Norofert has outlined a series of well-defined actions:

Allocation of RON 3 million annually, until 2027, for research and development. These investments are essential for creating innovative biotechnological solutions that enhance agricultural productivity and protect the environment. Additionally, Norofert has established collaborations with research institutes and universities to develop new technologies and sustainable products.

The rationale behind investing in the laboratory and the human resources to operate it is very clear: we successfully export concentrated forms of microorganisms to incorporate them into product formulas for the U.S. and Brazil, while keeping production costs low. To support these initiatives, further investments in the biotechnology laboratory in Filipeștii de Pădure are planned. This expansion will enable us to continuously develop new solutions and increase production capacity.

Additionally, we aim to periodically launch new solutions tailored to the ever-changing needs of farmers and the agricultural market. The go-to-market process for a new product launched by Norofert takes approximately 1.5 years.

## II. International expansion

*Strengthening our presence in the U.S. and Brazilian markets, with the objective of achieving a 40% share of foreign markets in Norofert Group's turnover within three years.*

The first step in this direction is to replicate the already validated successful model from the U.S. in new markets. In this context, we have announced the start of construction for a factory in Brazil, which will have a capacity of 15,000 liters per day, thereby continuing to implement the proven model established in the U.S. For the next two years, our priority will be to consolidate our business in the two foreign markets where we are present.

We are very pleased to see excellent results from the demonstration plots and positive feedback from farmers who have purchased and tested Norofert Ag LLC products. These steps give us confidence that we will have a successful sales season for our U.S. subsidiary. Additionally, we have announced the start of construction for a factory in Brazil, which will have a capacity of 15,000 liters per day, replicating the technical model already implemented in the U.S.



Brazil offers a significant opportunity for our expansion, given its vast area of over 96 million hectares of arable land and the continuous growth of the market for specialty plant nutrition products and microorganisms. We believe that diversifying our geographical risk is a major step toward securing our business, and our presence in these two markets will help mitigate the risks associated with climate change affecting our region in Europe.



The partnership between Norofert SA and Engenutri Brasil Group in the new company, Norofert do Brasil LTDA, follows over a year of analyzing the opportunities and potential of the Brazilian market. We believe that Norofert's technology can successfully penetrate this market, and the synergies between the two companies will make this venture a success. Engenutri Brasil Group has over 25 years of experience in the Brazilian agribusiness sector, and its technical and sales teams are already familiar with the products we will manufacture and market starting in mid-2025. Engenutri Brasil Group has an annual turnover of over \$30 million from the sale of specialty products based on bacteria and organo-mineral ingredients.



# DESCRIPTION OF BUSINESS LINES

## PRODUCTION AND SALES OF INPUTS

The main company activity is the development and production of proprietary recipes for inputs used in both organic and conventional agriculture.

In addition to a range of 65 different products, grouped into three main lines, the company designs customized crop preparation and optimization plants that allow organic inputs to be tailored to the specific needs of the crop, based on soil, weather conditions, and the unique characteristics of each individual crop.

The company produces fertilizers and substances applied to the soil or plant tissue to complement the essential nutrients necessary for optimal plant development, including: insecticides, which are substances used to combat pests; fungicides, which are processed organisms aimed at exterminating parasitic fungi and their spores to prevent crop degradation; and foliar treatments, a method of feeding the plant by applying fertilizer directly to its leaves, allowing for the absorption of essential nutrients. Additionally, the company produces solid soil fertilizers that play a fundamental role in agriculture, serving as the basis for any crop, as well as other products for specific needs, such as adjuvants for rapid synthesis, products for straw decomposition, pH adjustment of water, or products for the elimination of heavy metals, among others.

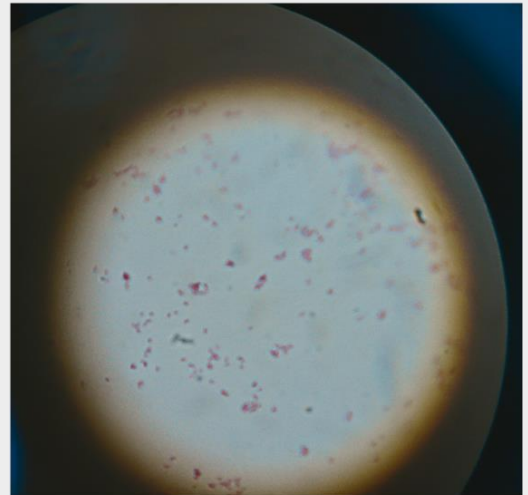


# RESEARCH LABORATORY AND MICROORGANISM MULTIPLICATION FOR AGRICULTURAL APPLICATIONS

Since 2023, the company has been operating a medium-sized laboratory for researching and multiplying microorganisms to support the adoption of organic inputs in agriculture and significantly reduce the quantities of pesticides needed for crop applications. The launch of the medium-sized laboratory in Q3 2023 represents the first phase of a larger project in which the company has invested 3 million lei. The second phase of the project will begin towards the end of 2024, and the total value of the investment in the laboratory will exceed RON 6 million.

The research and microorganism multiplication laboratory established by Norofert is the only laboratory of its kind in Romania, and its uniqueness lies in the flexibility of producing new derived strains that can address the challenges raised by the climate change. The proprietary microorganisms, isolated and developed in the state-of-the-art laboratory, have the potential to provide innovative solutions for combating diseases and pests while simultaneously improving plant nutrition. The multiplication of proprietary microorganisms is a crucial step towards ensuring food security and developing a more sustainable agricultural system.

This laboratory has the capacity not only to produce but also to commercialize customized microorganisms tailored to the specific needs of farmers. The team dedicated to this project embodies a valuable combination of skills, bringing together both talented engineers and specialized researchers. These professionals are an integral part of the team, both as employees of Norofert and as external collaborators. Thus, the close partnership between the company's experts and specialists from various research fields strengthens the holistic and multidisciplinary approach of the project.



## CULTIVATION IN ORGANIC SYSTEM

Another business line for Norofert is organic farming, with the company operating a 1,000-hectare farm in Zimnicea, Teleorman County.

Norofert uses this farm as a platform for best practices in organic farming. Additionally, the farm serves as a tool to demonstrate the operational and financial viability of organic agriculture to potential clients. Furthermore, at the farm, Norofert produces organic seeds, which are included in the technological packages sold to farmers in the upcoming season.

At the time of drafting this financial report, Norofert has completed pivot irrigation systems for approximately 200 hectares, with an additional 200 hectares currently in progress, expected to be finalized by December 2024. After the completion and commissioning of the first round of irrigation, the company plans to initiate measurements and design for another 350-400 hectares of irrigated land. Norofert's objective is to transform the Zimnicea farm into a business line that generates predictable liquidity each year, regardless of weather conditions, through irrigation.

By utilizing advanced technologies, Norofert aims to optimize agricultural processes, increase yields, and reduce risks associated with variable weather conditions. This level of control and precision in resource management will contribute to achieving consistent and superior quality harvests, even in drought conditions or during periods of insufficient precipitation on the irrigated areas.

By combining the irrigation system with modern agricultural practices and advanced technology, the Zimnicea farm serves as a compelling example of how investment in irrigation can transform Romanian agriculture. It contributes to the sustainable increase of production and strengthens competitiveness in the agricultural market.



### P&L Indicators (RON) at consolidated level - IFRS

	30.06.2023	30.06.2024	Evolution %
<b>Operating income, of which:</b>	<b>25,125,884</b>	<b>24,380,035</b>	<b>-2.97%</b>
Turnover	19,402,778	20,663,173	6.50%
Inventory variation	3,993,491	2,184,162	-45.31%
Other operating revenues	1,729,615	1,532,700	-11.38%
<b>Operating expenses, of which:</b>	<b>19,635,128</b>	<b>20,722,148</b>	<b>5.54%</b>
Materials expenses, of which:	11,198,971	13,302,895	18.79%
Personnel expenses	2,495,551	2,650,411	6.21%
Depreciation expense and value adjustments	1,379,502	1,424,330	3.25%
Other operating expenses	4,561,104	3,344,514	-26.67%
<b>Operating result</b>	<b>5,490,756</b>	<b>3,657,886</b>	<b>-33.38%</b>
<b>Financial income</b>	<b>114,028</b>	<b>22,016</b>	<b>-80.69%</b>
<b>Financial expenses</b>	<b>1,998,234</b>	<b>1,617,194</b>	<b>-19.07%</b>
<b>Financial result</b>	<b>-1,884,206</b>	<b>-1,595,178</b>	<b>-15.34%</b>
Total income	25,239,912	24,402,051	-3.32%
Total expenses	21,633,362	22,339,344	3.26%
<b>Gross result</b>	<b>3,606,550</b>	<b>2,062,708</b>	<b>-42.81%</b>
Income tax/other taxes	514,173	212,978	-58.58%
<b>Deferred income tax</b>	<b>206</b>	<b>-3,061</b>	<b>-100%</b>
<b>Net result</b>	<b>3,092,171</b>	<b>1,852,791</b>	<b>-40.08%</b>

## ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

The detailed analysis of the financial results is carried out at a consolidated level and considers the financial results prepared in **accordance with the RAS regulations**. For comparison, investors can analyze the results of the period presented and in accordance with the International Financial Reporting Standards (IFRS) presented next.

P&L Indicators (RON) at consolidated level - RAS	30.06.2023	30.06.2024	Evolution %
<b>Operating income, of which:</b>	<b>26,330,733</b>	<b>25,115,488</b>	<b>-4.62%</b>
Turnover	20,179,232	21,041,812	4.27%
Inventory variation	3,993,491	2,184,162	-45.31%
Other operating revenues	2,158,010	1,889,514	-12.44%
Operating expenses, of which:	<b>20,437,338</b>	<b>21,424,533</b>	<b>4.83%</b>
Materials expenses, of which:	11,814,529	13,416,419	13.56%
Personnel expenses	2,495,551	2,650,409	6.21%
Depreciation expense and value	1,018,535	1,161,537	14.04%
Other operating expenses	5,108,723	4,196,168	-17.86%
<b>Operating result</b>	<b>5,893,395</b>	<b>3,690,956</b>	<b>-37.37%</b>
<b>Financial income</b>	<b>114,026</b>	<b>22,016</b>	<b>-80.69%</b>
<b>Financial expenses</b>	<b>2,401,803</b>	<b>1,650,365</b>	<b>-31.29%</b>
<b>Financial result</b>	<b>-2,287,777</b>	<b>-1,628,349</b>	<b>-28.82%</b>
Total income	26,444,759	25,137,504	-4.94%
Total expenses	22,839,141	23,074,898	1.03%
<b>Gross result</b>	<b>3,605,618</b>	<b>2,062,607</b>	<b>-42.79%</b>
Income tax/other taxes	514,173	212,797	-58.58%
<b>Net result</b>	<b>3,091,445</b>	<b>1,849,628</b>	<b>-40.17%</b>

## Operating Revenues

In H1 2024, operating revenues at a consolidated level reached the amount of RON 25.12 million, down by 4.62% compared to H1 2023.

## Consolidated Turnover and H1 2024 Context

The Norofert Group closed the first half of 2024 with a turnover of RON 21.04 million lei, an increase of 4.27% to the corresponding period of the previous year. The slower growth rate of revenue was primarily influenced by the lack of liquidity in the agribusiness market during the first half of 2024. Farmers did not make significant investments in their crops, whether for autumn crops (wheat, barley, rapeseed) or spring crops (sunflower, corn, soy, etc.), due to high setup costs and the collapse of prices starting in March 2023.

At the time of drafting this report, Romanian agriculture is experiencing a period of stagnation due to the lack of liquidity in the market. Poor yields of corn, sunflower, and soy crops have made it difficult to contract services and products for establishing autumn crops in 2024, with farmers preferring to keep expenses to a minimum. Historic drought and the still low prices of the harvests have been the main causes of the current stagnation in Romanian agriculture. Norofert has maintained its prudent credit policy and continues to place emphasis on collection rates.

## Material Expenses

At the Group level, in H1 2024, material expenses were RON 13.42 million, up by 13.56% compared to the same period in 2023. This increase is mainly due to the costs associated with inputs for establishing spring crops, as well as expenses related to the implementation of the irrigation system at the Zimnicea Farm (including excavation, water transport pipes, water pumps, and filters necessary for the operation of the irrigation system). Some of these costs have been capitalized as work in progress.

## Personnel Expenses

They recorded a slight increase of 6.21% compared to the first half of the previous year, due to the hiring of day labor for agricultural activities.

## Depreciation and Amortization Expenses

These expenses increased by 14.04% compared to H1 2023, amounting to RON 1.16 million, primarily due to the increase in tangible fixed assets by 25.88%.

## Other Operating Expenses

Other operating expenses decreased by 17.86% and reached a total of RON 4.20 million primarily reflecting a reduction in expenses for services provided by third parties and rent.

- **Third-party services expenses** - RON 1.76 million, down by RON 0.41 million compared to the same period of 2023.
- **Transport expenses** - RON 0.74 million down by RON 0.19 million compared to the same period of 2023.
- **Rent expenses** - RON 0.35 million, down by 55% compared to the same period of 2023.
- **Advertising, publicity, and protocol expenses** – RON 0.17 million.
- **Insurance premium expenses:** – RON 0.16 million.
- **Energy and water expenses** – RON 0.11 million.
- **Machinery and auto repairs** – RON 0.19 million.
- **Telecommunications:** – RON 0.11 million.

## Operating Result

The group recorded, in H1 2024, an operational result of RON 3.70 million, down by 37.37% compared to H1 2023, due to increased depreciation expenses and a decline in turnover.

## Financial Revenues

Financial revenues decreased by 80.63% and reached a total of RON 22 thousand, this decline being generated by exchange rate differences.

### **Financial Expenses**

They decreased by 31.29% to the amount of RON 1.65 million, in the context of reducing bank interest costs associated with contracted loans, as well as the early closure of certain credit facilities.

### **Total Revenues**

The group's total revenues reached RON 25.14 million, a decrease of 4.94% compared to the same period in 2023.

### **Total Expenses**

Total expenses increased by 1.03% and reached a total of RON 23.07 million, this insignificant growth being primarily generated by the increase in depreciation expenses for assets.

### **Net Result**

The net result recorded by the group in H1 2024 is RON 1.85 million down by 40.17% compared to H1 2023. As is to be expected in agriculture, the harvesting period may be delayed, so revenues from farming activities were not as high in H1 2024. The fields began to be harvested in July, generating revenue and profit in H2.



The analysis of the financial results is conducted at a consolidated level, considering the financial results prepared **in accordance with RAS regulations**. In comparison, investors can analyze the results for the presented period according to International Financial Reporting Standards (IFRS), which are presented alongside.

Balance sheet indicators (RON) at consolidated level - RAS	30.06.2023	30.06.2024	Evolution %
<b>Fixed assets</b>	<b>21,974,658</b>	<b>27,662,050</b>	<b>25.88%</b>
<b>Current assets, of which:</b>	<b>70,993,671</b>	<b>57,199,924</b>	<b>-19.43%</b>
Inventories	18,401,292	16,179,785	-12.07%
Receivables	52,275,872	39,922,101	-23.63%
Cash and cash equivalents	316,507	1,098,038	246.92%
<b>Expenses registered in advance</b>	<b>141,955</b>	<b>884,035</b>	<b>522.76%</b>
<b>Total Assets</b>	<b>93,110,284</b>	<b>85,746,009</b>	<b>-7.91%</b>

Current liabilities	46,043,825	43,343,905	-5.86%
Long-term debts	18,481,230	18,852,354	2.01%
Advance income	464,293	215,905	-53.50%
<b>Total Debts</b>	<b>64,989,348</b>	<b>62,412,164</b>	<b>-3.97%</b>
Equity	27,977,064	23,233,037	-16.96%
Provisions	143,872	100,809	-29.93%
<b>Total equity and liabilities</b>	<b>93,110,284</b>	<b>85,746,009</b>	<b>-7.91%</b>

Balance sheet indicators (RON) at consolidated level - IFRS	30.06.2023	30.06.2024	Evolution %
<b>Fixed assets</b>	<b>26,070,119</b>	<b>32,739,672</b>	<b>25.58%</b>
<b>Current assets, of which:</b>	<b>61,484,631</b>	<b>56,411,803</b>	<b>-8.25%</b>
Inventories	18,402,075	16,180,570	-12.07%
Receivables	42,766,048	39,149,257	-8.46%
Cash and cash equivalents	316,508	1,081,976	241.84%
<b>Expenses registered in advance</b>	<b>141,955</b>	<b>884,034</b>	<b>522.76%</b>
<b>Total Assets</b>	<b>87,696,706</b>	<b>90,035,509</b>	<b>2.67%</b>

Current liabilities	31,477,204	30,032,595	-4.59%
Long-term debts	28,469,560	37,054,556	30.16%
Advance income	435,686	196,613	-54.87%
<b>Total Debts</b>	<b>60,328,449</b>	<b>67,283,764</b>	<b>11.43%</b>
Equity	27,170,385	22,650,937	-16.63%
Provisions	143,872	100,809	-29.93%
<b>Total equity and liabilities</b>	<b>87,696,706</b>	<b>90,035,509</b>	<b>2.67%</b>

### Clarifications regarding IFRS financial statements

The main adjustment in the presentation of the activity and equity of Norofert S.A. in accordance with OMFO 2488/2016 [IFRS] (previously presented according to OMFP 1802/2016) is due to the application of IFRS 16, which involves the presentation of leased assets: operational leasing, rental spaces, and agricultural land leases. Thus, as of June 30, 2024, the balance sheet presented in accordance with OMFP 2488/2016 [IFRS] shows capitalized assets under IFRS 16 with a net value of RON 5,320,554 and a liability of RON 5,320,356. The total capital of Norofert (consolidated) reflects a positive impact of RON 13,262. At the level of total comprehensive income, the impact is RON 118. EBITDA shows a positive result of RON 278,983.

### Fixed Assets

In H1 2024, the balance of the group's fixed assets increased by 25.88%, totalling RON 27.66 million. This growth is mainly due to the increase in assets under construction, because of investments made in the irrigation system and the research laboratory.

### Current Assets

The value of current assets decreased by 19.34% compared to the first half of 2024, reaching a total of RON 57.20 million.

### Inventory

In H1 2024, the group registered stocks worth RON 16.18 million a decrease of 12.07% compared to H1 2023, attributed to the reduction in finished goods and merchandise inventory.

### Receivables

The level of receivables decreased by 23.63% compared to the first half of 2023 and reached the amount of RON 39.92 million.

### Collection Rate of Receivables

In H1 2024, the collection rate is not particularly relevant since the first significant collections are due after the reporting period ends. It is noteworthy that despite the agribusiness sector going through a very challenging year, Norofert has managed to achieve a collection rate of over 96% at the time of drafting this financial report. We emphasize that the prudent strategy we adopted in 2023 and 2024, although it led to a decrease in turnover, helps us avoid farmer defaults, which could have a negative medium-term impact on the company's finances.

### Cash Position

The group ended H1 2024 with a cash position of RON 1.1 million, a significant increase compared to the same period in 2023.

### Total Assets

The total assets of the group amounted, at the end of the reporting period, to RON 85.75 million, a decrease of 7.91% compared to the similar period in 2023, influenced by the decrease in receivables.

### Current Liabilities

The group had, on June 30, 2024, current liabilities in the total amount of RON 43.34 million, down 5.86%.

### Long-term Liabilities

The group's long-term liabilities increased slightly by 2% compared to H1 2023, reaching RON 18.85 million.

### Trade Payables

Debts to traditional suppliers, (fertilizers, seeds, various inputs that are not produced in-house), amounting to RON 5.26 million, were still outstanding at the end of the reporting period. Most of the debts older than 30 and 90 days have been settled.

### **Advance Revenues**

The group recorded advance revenues in the amount of RON 215,905 thousand down by 53.50% compared to H1 2023 representing advance revenues from the sale of Norofert product packages.

### **Total Liabilities**

The group ended the first half of 2024 with total debts of RON 62.51 million, down 4.02% compared to the same period in 2023.

### **Equity**

Consolidated equity recorded a slight decrease compared to the first half of 2023, with a negative variation of 16.96% down to the amount of RON 23.23 million. This decrease is attributed to the loss recorded in the financial year 2023 and to an accounting result for the first half of 2024 that is lower than that of the same period in 2023.

### **Provisions**

Provisions amounting to RON 100,809 thousand were established, showing a slight decrease compared to the value from the corresponding period of 2023. Since, at the time of reporting for H1 2024, there were no significant maturities (which begin on July 15, 2024), no changes were recorded in the provisions category.

### **Reported Profit**

A loss of RON 1.67 million was reported from the financial year 2023, which led to a reduction in equity.

### **Net Result**

The Norofert Group recorded a net result of RON 1.85 million in the first half of 2024, down 40.17% compared to H1 2023.

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

P&L Indicators (RON) at consolidated level -RAS	30.06.2023	30.06.2024	Evolution %	P&L Indicators (RON) at consolidated level -IFRS	30.06.2023	30.06.2024	Evolution %
<b>Operating income, of which:</b>	<b>26,330,733</b>	<b>25,115,488</b>	<b>-4.62%</b>	<b>Operating income, of which:</b>	<b>25,125,884</b>	<b>24,380,035</b>	<b>-2.97%</b>
Turnover	20,179,232	21,041,812	4.27%	Turnover	19,402,778	20,663,173	6.50%
Inventory variation	3,993,491	2,184,162	-45.31%	Inventory variation	3,993,491	2,184,162	-45.31%
Other operating revenues	2,158,010	1,889,514	-12.44%	Other operating revenues	1,729,615	1,532,700	-11.38%
<b>Operating expenses, of which:</b>	<b>20,437,338</b>	<b>21,424,533</b>	<b>4.83%</b>	<b>Operating expenses, of which:</b>	<b>19,635,128</b>	<b>20,722,148</b>	<b>5.54%</b>
Materials expenses, of which:	11,814,529	13,468,106	14.00%	Materials expenses, of which:	11,198,971	13,302,895	18.79%
Expenditure on raw materials and materials	5,103,653	3,632,609	-28.82%	Expenditure on raw materials and materials	5,462,316	3,791,101	-30.60%
Expenditure on goods	6,266,187	9,677,618	54.44%	Expenditure on goods	5,658,267	9,371,140	65.62%
Other material expenses	444,689	157,879	-64.50%	Other material expenses	78,388	140,654	79.43%
Personnel expenses	2,495,551	2,650,409	6.21%	Personnel expenses	2,495,551	2,650,409	6.21%
Depreciation expense and value adjustments	1,018,535	1,161,537	14.04%	Depreciation expense and value adjustments	1,379,502	1,424,330	3.25%
Other operating expenses	5,108,723	4,144,481	-18.87%	Other operating expenses	4,561,104	3,344,514	-26.67%
<b>Operating result</b>	<b>5,893,395</b>	<b>3,690,956</b>	<b>-37.37%</b>	<b>Operating result</b>	<b>5,490,756</b>	<b>3,657,888</b>	<b>-33.38%</b>
<b>Financial income</b>	<b>114,026</b>	<b>22,016</b>	<b>-80.69%</b>	<b>Financial income</b>	<b>114,028</b>	<b>22,016</b>	<b>-80.69%</b>
<b>Financial expenses</b>	<b>2,401,803</b>	<b>1,650,365</b>	<b>-31.29%</b>	<b>Financial expenses</b>	<b>1,998,234</b>	<b>1,617,194</b>	<b>-19.07%</b>
<b>Financial result</b>	<b>-2,287,777</b>	<b>-1,628,349</b>	<b>-28.82%</b>	<b>Financial result</b>	<b>-1,884,206</b>	<b>-1,595,178</b>	<b>-15.34%</b>
Total income	26,444,759	25,137,504	-4.94%	Total income	25,239,912	24,402,051	-3.32%
Total expenses	22,839,141	23,074,898	1.03%	Total expenses	21,633,362	22,339,342	3.26%
Gross result	3,605,618	2,062,607	-42.79%	Gross result	3,606,550	2,062,710	-42.81%
Income tax/other taxes	514,173	212,979	-58.58%	Income tax/other taxes	514,173	212,979	-58.58%
<b>Net result</b>	<b>3,091,445</b>	<b>1,849,628</b>	<b>-40.17%</b>	<b>Net result</b>	<b>3,092,171</b>	<b>1,852,791</b>	<b>-40.08%</b>
					206	-3,061	-100%

# NOROFERT S.A. INDIVIDUAL PROFIT AND LOSS ACCOUNT

P&L Indicators (RON) Norofert RAS	30.06.2023	30.06.2024	Evolution %	P&L Indicators (RON) Norofert IFRS	30.06.2023	30.06.2024	Evolution %
<b>Operating income, of which:</b>	<b>22,657,620</b>	<b>22,915,946</b>	<b>1.14%</b>	<b>Operating income, of which:</b>	<b>22,621,216</b>	22,639,110	0.08%
Turnover	20,045,858	20,194,842	0.74%	Turnover	<b>19,884,962</b>	20,115,566	1.16%
Inventory variation	1,931,517	1,737,529	-10.04%	Inventory variation	1,931,517	1,737,529	-10.04%
Other operating revenues	680,245	983,575	44.59%	Other operating revenues	804,737	786,015	-2.33%
<b>Operating expenses, of which:</b>	<b>17,476,588</b>	<b>20,458,385</b>	<b>17.06%</b>	<b>Operating expenses, of which:</b>	<b>17,823,247</b>	<b>20,201,462</b>	<b>13.34%</b>
Materials expenses, of which:	9,850,845	13,159,955	33.59%	Materials expenses, of which:	9,850,846	13,324,648	35.26%
Expenditure on raw materials and materials	3,139,969	3,375,760	7.51%	Expenditure on raw materials and materials	3,506,271	3,521,495	0.43%
Expenditure on goods	6,266,187	9,677,618	54.44%	Expenditure on goods	6,266,187	9,662,499	54.20%
Other material expenses	444,689	106,577	-76.03%	Other material expenses	78,388	140,654	79.43%
Personnel expenses	2,348,465	2,368,478	0.85%	Personnel expenses	2,348,465	2,368,478	0.85%
<b>Depreciation expense and value adjustments</b>	<b>847,342</b>	<b>1,044,535</b>	<b>23.27%</b>	<b>Depreciation expense and value adjustments</b>	<b>1,208,309</b>	<b>1,307,328</b>	<b>8.19%</b>
Other operating expenses	4,429,936	3,885,417	-12.29%	Other operating expenses	4,415,627	3,201,007	-27.51%
<b>Operating result</b>	<b>5,181,032</b>	<b>2,457,561</b>	<b>-52.57%</b>	<b>Operating result</b>	<b>4,797,969</b>	<b>2,437,649</b>	<b>-49.19%</b>
<b>Financial income</b>	<b>114,026</b>	<b>22,016</b>	<b>-80.69%</b>	<b>Financial income</b>	<b>114,028</b>	<b>22,016</b>	<b>-80.69%</b>
<b>Financial expenses</b>	<b>2,318,065</b>	<b>1,564,669</b>	<b>-32.50%</b>	<b>Financial expenses</b>	<b>1,934,074</b>	<b>1,544,656</b>	<b>-20.13%</b>
<b>Financial results</b>	<b>-2,204,039</b>	<b>-1,542,653</b>	<b>-30.01%</b>	<b>Financial results</b>	<b>-1,820,046</b>	<b>-1,522,640</b>	<b>-16.34%</b>
Total income	22,771,646	22,937,962	0.73%	Total income	22,735,244	22,661,126	-0.33%
Total expenses	19,794,653	22,023,054	11.26%	Total expenses	19,757,321	21,746,117	10.07%
Gross result	2,976,993	914,908	-69.27%	Gross result	2,977,923	915,007	-69.27%
Income tax/other taxes	507,311	158,803	-68.70%	Income tax/other taxes	507,331	158,803	-68.70%
<b>Net result</b>	<b>2,469,682</b>	<b>765,105</b>	<b>-69.38%</b>	Deffered income tax	206	-3,061	-100%
				<b>Net result</b>	<b>2,470,408</b>	<b>759,265</b>	<b>-69.27%</b>

# AGROPROD CEV S.R.L. INDIVIDUAL PROFIT AND LOSS ACCOUNT

P&L Indicators (RON) AGROPROD CEV- RAS				P&L Indicators (RON) AGROPROD CEV- IFRS			
	30.06.2023	30.06.2024	Evolution %		30.06.2023	30.06.2024	Evolution %
<b>Operating income, of which:</b>	<b>3,673,113</b>	<b>2,109,311</b>	<b>-42.57%</b>	<b>Operating income, of which:</b>	<b>3,120,226</b>	<b>1,942,053</b>	<b>-37.76%</b>
<b>Turnover</b>	<b>133,374</b>	<b>756,739</b>	<b>467.38%</b>	<b>Turnover</b>	133,374	748,735	461.38%
Inventory variation	2,061,974	446,633	-78.34%	Inventory variation	2,061,974	446,633	-78.34%
Other operating revenues	1,477,765	905,939	-38.70%	Other operating revenues	924,878	746,685	-19.27%
<b>Operating expenses, of which:</b>	<b>2,960,750</b>	<b>894,957</b>	<b>-69.77%</b>	<b>Operating expenses, of which:</b>	<b>2,427,440</b>	<b>740,855</b>	<b>-69.48%</b>
<b>Materials expenses, of which:</b>	<b>1,963,684</b>	<b>236,960</b>	<b>-87.93%</b>	<b>Materials expenses, of which:</b>	<b>1,963,684</b>	<b>250,102</b>	<b>-87.26%</b>
Expenditure on raw materials and materials	1,963,684	239,960	-87.93%	Expenditure on raw materials and materials	1,963,684	250,102	-87.26%
Expenditure on goods				Expenditure on goods	0	0	
Other material expenses	0	0		Other material expenses	0	0	
Personnel expenses	147,086	281,931	91.68%	Personnel expenses	147,086	281,931	91.68%
<b>Depreciation expense and value adjustments</b>	<b>171,193</b>	<b>117,002</b>	<b>-31.65%</b>	<b>Depreciation expense and value adjustments</b>	<b>171,193</b>	<b>117,002</b>	<b>-31.65%</b>
Other operating expenses	678,787	259,064	-61.83%	Other operating expenses	145,477	91,820	-36.88%
<b>Operating result</b>	<b>712,363</b>	<b>1,214,354</b>	<b>70.47%</b>	<b>Operating result</b>	<b>692,786</b>	<b>1,201,198</b>	<b>73.39%</b>
Financial income	0			Financial income	0	0	
<b>Financial expenses</b>	<b>83,738</b>	<b>85,696</b>	<b>2.34%</b>	<b>Financial expenses</b>	<b>64,161</b>	<b>72,538</b>	<b>13.06%</b>
<b>Financial result</b>	<b>-83,738</b>	<b>-85,696</b>	<b>2.34%</b>	<b>Financial result</b>	<b>-64,161</b>	<b>-72,538</b>	<b>13.06%</b>
Total income	3,673,113	2,109,311	-42.57%	Total income	3,120,226	1,942,053	-37.76%
Total expenses	3,044,488	980,653	-67.79%	Total expenses	2,491,601	813,393	-67.35%
Gross result	628,625	1,128,658	79.54%	Gross result	628,625	1,128,660	79.54%
Income tax/other taxes	6,862	54,176	689.51%	Income tax/other taxes	6,862	54,176	689.51%
<b>Net result</b>	<b>621,763</b>	<b>1,074,482</b>	<b>72.81%</b>	<b>Net result</b>	<b>621,763</b>	<b>1,074,485</b>	<b>72.81%</b>

# NOROFERT AG LLC INDIVIDUAL PROFIT AND LOSS ACCOUNT

\* They were consolidated at 51%

P&L Indicators (RON) NOROFERT AG LLC - RAS	30.06.2023	30.06.2024	Evolution %
<b>Operating income, of which:</b>		<b>180,462</b>	<b>100%</b>
<b>Turnover</b>		<b>180,462</b>	<b>100%</b>
Inventory variation			
Other operating revenues			
<b>Operating expenses, of which:</b>		<b>142,381</b>	<b>100%</b>
Materials expenses, of which:		142,381	<b>100%</b>
Expenditure on raw materials and materials		39,778	<b>100%</b>
Expenditure on goods			
Other material expenses		102,603	<b>100%</b>
Personnel expenses			
<b>Depreciation expense and value adjustments</b>			
Other operating expenses			
<b>Operating result</b>		<b>38,081</b>	<b>100%</b>
Financial income			
<b>Financial expenses</b>			
<b>Financial result</b>			
Total income		180,462	<b>100%</b>
Total expenses		142,381	<b>100%</b>
Gross result		38,081	<b>100%</b>
Income tax/other taxes			
<b>Net result</b>		<b>38,081</b>	

P&L Indicators (RON) NOROFERT AG LLC - IFRS	30.06.2023	30.06.2024	Evolution %
<b>Operating income, of which:</b>		<b>180,462</b>	<b>100%</b>
<b>Turnover</b>		<b>180,462</b>	<b>100%</b>
Inventory variation			
Other operating revenues			
<b>Operating expenses, of which:</b>		<b>142,381</b>	<b>100%</b>
Materials expenses, of which:		142,381	<b>100%</b>
Expenditure on raw materials and materials		39,778	<b>100%</b>
Expenditure on goods			
Other material expenses		102,603	<b>100%</b>
Personnel expenses			
<b>Depreciation expense and value adjustments</b>			
Other operating expenses			
<b>Operating result</b>		<b>38,081</b>	<b>100%</b>
Financial income			
<b>Financial expenses</b>			
<b>Financial result</b>			
Total income		180,462	<b>100%</b>
Total expenses		142,381	<b>100%</b>
Gross result		38,081	<b>100%</b>
Income tax/other taxes			
<b>Net result</b>		<b>38,081</b>	

# CONSOLIDATED BALANCE SHEET

Balance sheet indicators (RON) – at consolidated level - RAS	30.06.2023	30.06.2024	Evolution %
<b>Fixed assets, of which:</b>	<b>21,974,658</b>	<b>27,662,0550</b>	<b>25.88%</b>
Intangible assets	695,435	707,590	1.75%
Tangible assets	16,760,504	15,823,353	-5.59%
Financial assets	4,518,719	5,291,546	17.10%
Fixed assets under investment	0	5,839,561	100%
<b>Current assets, of which:</b>	<b>70,993,669</b>	<b>57,199,924</b>	<b>-19.43%</b>
<b>Inventories</b>	<b>18,401,291</b>	<b>16,179,785</b>	<b>-12.07%</b>
Raw materials and consumables	3,263,898	4,031,052	23.50%
Inventory items	14,520	14,519	-0.01%
Finished product	1,625,982	1,306,291	-19.66%
Agricultural products	385,781	119,551	-69.01%
Production in progress	5,270,894	4,724,200	-10.37%
Commodities	3,607,246	2,533,507	-29.77%
Packaging	112,273	73,468	-34.56%
Biological assets of the nature of stocks	0	0	0%
Stock purchase advances	4,120,697	3,377,197	-18.04%
<b>Receivables</b>	<b>52,275,871</b>	<b>39,922,101</b>	<b>-23.63%</b>
<b>Trade receivables</b>	<b>41,291,723</b>	<b>25,638,875</b>	<b>-37.91%</b>
Receivables with affiliated companies	6,293,820	6,562,205	4.26%
Shareholder receivables	0	0	0%
Other assets	4,690,328	7,721,021	64.62%
Short-term investments	0	0	0%
<b>Cash and bank accounts</b>	<b>316,507</b>	<b>1,098,038</b>	<b>246.92%</b>
<b>Expenses registered in advance</b>	<b>141,955</b>	<b>884,035</b>	<b>522.76%</b>
<b>Total active</b>	<b>93,110,282</b>	<b>85,746,009</b>	<b>-7.91%</b>
Current liabilities, of which:	46,043,825	43,343,905	-5.86%
Third party providers	4,985,559	5,259,220	5.49%

Balance sheet indicators (RON) – at consolidated level- IFRS	30.06.2023	30.06.2024	Evolution %
<b>Fixed assets, of which:</b>	<b>26,070,120</b>	<b>32,739,671</b>	<b>25.58</b>
Intangible assets	4,506,645	5,169,626	14.71
Tangible assets	20,479,349	26,740,535	30.57
Financial assets	1,084,126	829,510	-23.49
<b>Current assets, of which:</b>	<b>61,484,634</b>	<b>56,411,803</b>	<b>-8.25</b>
<b>Inventories</b>	<b>18,402,075</b>	<b>16,180,569</b>	<b>-12.07</b>
Raw materials and consumables	3,381,907	4,069,410	20.33
Inventory items	14,520	14,520	0
Finished product	1,620,758	1,276,910	-21.22
Agricultural products	395,112	127,068	-67.84
Production in progress	5,270,530	4,707,705	-10.68
Commodities	3,486,277	2,534,290	-27.31
Packaging	112,274	73,469	-34.56
Biological assets of the nature of stocks	0	0	
Stock purchase advances	4,120,697	3,377,197	-18.04
<b>Receivables</b>	<b>42,766,051</b>	<b>39,149,258</b>	<b>-8.46</b>
<b>Trade receivables</b>	<b>41,752,041</b>	<b>37,857,700</b>	<b>-9.33</b>
Receivables with affiliated companies	1,014,010	1,291,558	27.37
Shareholder receivables	0	0	
Other assets	0	0	
Short-term investments	0	0	
<b>Cash and bank accounts</b>	<b>316,508</b>	<b>1,081,976</b>	<b>241.85</b>
<b>Expenses registered in advance</b>	<b>141,955</b>	<b>884,035</b>	<b>522.76</b>
<b>Total active</b>	<b>87,696,706</b>	<b>90,035,509</b>	<b>2.67</b>
Current liabilities, of which:	31,477,205	30,032,596	-4.59

Debts with affiliated companies	4,884,553	4,785,499	-2.03%
Bank debts	32,479,398	21,537,098	-33.69%
Debts to shareholders	0	11,500,000	100%
Financial leasing	420,800	665,781	58.22%
<b>Other short-term liabilities</b>	<b>3,273,514</b>	<b>-403,693</b>	<b>-112.33%</b>
Long-term debts, of which:	18,481,230	18,852,354	2.01%
Bank debts	5,695,692	17,870,058	213.75%
Loans from the bond issue	11,500,000	0	-100%
Financial leasing	1,285,538	982,296	-23.59%
Provisions	143,872	100,809	-29.93%
<b>Advance income</b>	<b>464,293</b>	<b>215,905</b>	<b>-53.50%</b>
<b>Total Debts</b>	<b>65,133,219</b>	<b>62,512,973</b>	<b>-4.02%</b>
Equity, of which:	27,977,064	23,233,037	-16.96%
Subscribed and paid-up capital	6,859,352	6,952,686	1.36%
Capital premiums	13,452,497	14,719,163	9.42%
Legal reserves	1,382,333	1,382,333	0%
Other reserves	8,240	8,240	0%
The profit or loss reported	3,183,196	-1,679,016	-152.75%
Profit or loss for the financial year	3,091,446	1,849,631	-40.17%
Distribution of profit	0	0	0%
<b>Total equity and liabilities</b>	<b>93,110,282</b>	<b>85,746,009</b>	<b>-7.91%</b>

Third party providers	6,895,551	12,971,221	88.11
Debts with affiliated companies	0	151,956	100
Bank debts	25,784,785	7,692,252	-70.17
Debts to shareholders	0	11,500,000	100
Financial leasing	1,706,339	1,648,078	-3.41
<b>Other short-term liabilities</b>	<b>-2,909,470</b>	<b>-3,930,911</b>	<b>35.11</b>
Long-term debts, of which:	28,469,559	37,054,557	30.16
Bank debts	12,883,069	31,714,909	146.18
Loans from the bond issue	11,500,000	0	-100
Financial leasing	4,057,883	5,320,356	31.11
Providers and other payables	28,607	19,292	-32.56
Provisions	143,872	100,809	-29.93
<b>Advance income</b>	<b>435,686</b>	<b>196,613</b>	<b>-54.87</b>
<b>Total Debts</b>	<b>60,526,321</b>	<b>67,384,574</b>	<b>11.33</b>
Equity, of which:	27,170,385	22,650,936	-16.63
Subscribed and paid-up capital	6,859,352	6,952,686	1.36
Capital premiums	13,452,497	14,719,163	9.42
Legal reserves	1,371,830	1,382,333	0.77
Other reserves	8,240	8,240	0
The profit or loss reported	2,386,495	-411,486	-117.24
Profit or loss for the financial year	3,092,171	1,852,791	-40.08
Distribution of profit	0	0	
<b>Total equity and liabilities</b>	<b>87,696,706</b>	<b>90,035,509</b>	<b>-2.67</b>

# NOROFERT S.A. INDIVIDUAL BALANCE SHEET

Balance sheet indicators (RON) individual Norofert - RAS	30.06.2023	30.06.2024	Evolution %
<b>Fixed assets, of which:</b>	<b>20,141,992</b>	<b>26,260,472</b>	<b>30.38%</b>
Intangible assets	695,435	707,590	1.75%
Tangible assets	14,927,838	14,421,775	-3.39%
Financial assets	4,518,719	5,291,546	17.10%
Fixed assets under investment	0	5,839,561	100%
<b>Current assets, of which:</b>	<b>64,180,898</b>	<b>51,345,839</b>	<b>-20.00%</b>
<b>Inventories</b>	<b>13,473,412</b>	<b>12,517,388</b>	<b>-7.10%</b>
<b>Raw materials and consumables</b>	<b>3,012,907</b>	<b>3,809,798</b>	<b>26.45%</b>
Inventory items	0	0	0%
Finished product	1,616,651	1,298,775	-19.66%
Agricultural products	385,781	119,551	-69.01%
Production in progress	1,665,680	2,353,666	41.30%
Commodities	3,309,851	2,235,362	-32.46%
Packaging	112,273	73,468	-34.56%
Biological assets of the nature of stocks	0	0	0%
Stock purchase advances	3,370,269	2,626,768	-22.06%
Receivables	50,435,505	37,825,620	-20.00%
Trade receivables	40,769,675	25,061,829	-38.53%
Receivables with affiliated companies	6,282,575	6,292,248	0.15%
Shareholder receivables	0	0	0%
Other assets	3,383,255	6,471,543	91.28%
Short-term investments	0	0	0%

Balance sheet indicators (RON) – individual Norofert SA – IFRS	30.06.2023	30.06.2024	Evolution %
<b>Fixed assets, of which:</b>	<b>21,294,997</b>	<b>27,110,804</b>	<b>27.1%</b>
Intangible assets	695,435	707,590	1.80%
Tangible assets	15,053,400	21,111,668	40.25%
Financial assets	5,546,162	5,291,546	-4.59%
Fixed assets under investment	0	0	
<b>Current assets, of which:</b>	<b>61,614,190</b>	<b>48,937,619</b>	<b>-20.57%</b>
<b>Inventories</b>	<b>13,474,193</b>	<b>12,518,172</b>	<b>-7.10%</b>
<b>Raw materials and consumables</b>	<b>3,135,606</b>	<b>3,848,158</b>	<b>22.72%</b>
Inventory items	0	0	
Finished product	1,617,012	1,276,910	-21.03%
Agricultural products	385,781	119,551	-69.01%
Production in progress	1,665,316	2,337,171	40.34%
Commodities	3,188,882	2,236,145	-29.88%
Packaging	111,327	73,469	-34.01%
Biological assets of the nature of stocks	0	0	
Stock purchase advances	3,370,269	2,626,768	-22.06%
Receivables	47,868,016	33,244,001	-30.55%
Trade receivables	46,180,998	33,452,050	-27.56%
Receivables with affiliated companies	1,687,018	1,964,566	16.45%
Shareholder receivables	0	0	
Other assets	0	0	
Short-term investments	0	0	

<b>Cash and cash equivalents</b>	<b>271,981</b>	<b>1,002,831</b>	<b>268.71%</b>
Expenses registered in advance	140,105	868,209	519.68%
<b>Total assets</b>	<b>84,462,995</b>	<b>78,474,520</b>	<b>-7.09%</b>
Current liabilities, of which:	40,693,457	37,737,234	-7.26%
Third party providers	4,965,990	5,139,650	3.50%
Debts with affiliated companies	81,268	942,965	1060.32%
Bank debts	32,479,398	20,203,764	-37.80%
Debts to shareholders	0	11,500,000	0%
Financial leasing	420,800	460,551	9.45%
Other short-term liabilities	2,746,000	-509,696	-118.56%
Long-term debts, of which:	17,627,304	17,779,372	0.86%
Bank debts	5,695,692	17,231,250	202.53%
Loans from the bond issue	11,500,000	0	-100%
Financial leasing	431,612	548,122	26.99%
Provisions	143,872	100,809	-29.93%
<b>Advance income</b>	<b>464,293</b>	<b>215,905</b>	<b>-53.50%</b>
<b>Total Debts</b>	<b>58,928,925</b>	<b>55,833,320</b>	<b>-5.25%</b>
Equity, of which:	25,534,071	22,641,200	-11.33%
Subscribed and paid-up capital	6,859,152	6,952,486	1.36%
Capital premiums	13,452,497	14,719,163	9.42%
Legal reserves	1,371,830	1,371,830	0%
Other reserves	8,240	8,240	0%
The profit or loss reported	1,372,669	-1,166,624	-184.99%
Profit or loss for the financial year	2,469,683	756,105	-69.38%
Distribution of profit	0	0	0%
<b>Total equity and liabilities</b>	<b>84,462,995</b>	<b>78,474,520</b>	<b>-7.09%</b>

<b>Cash and cash equivalents</b>	<b>271,981</b>	<b>1,002,831</b>	<b>100%</b>
Expenses registered in advance	140,105	868,209	100%
<b>Total assets</b>	<b>83,049,292</b>	<b>79,916,632</b>	<b>-7.38%</b>
Current liabilities, of which:	32,194,916	23,689,657	-26.42%
Third party providers	6,532,042	6,291,495	-3.68%
Debts with affiliated companies	0	0	
Bank debts	25,784,785	7,692,252	-70.17%
Debts to shareholders	0	11,500,000	-100%
Financial leasing	852,412	1,008,673	18.33%
Other short-term liabilities	-974,323	-2,802,763	-100%
Long-term debts, of which:	24,749,259	30,758,538	24.28%
Bank debts	12,883,069	29,742,767	130.87%
Loans from the bond issue	11,500,000	0	-100%
Financial leasing	337,583	996,479	195.18%
Providers and other	28,607	19,292	-32.56%
Provisions	143,872	100,809	-29.93%
<b>Advance income</b>	<b>435,686</b>	<b>196,613</b>	<b>-54.87%</b>
<b>Total Debts</b>	<b>57,523,733</b>	<b>54,745,617</b>	<b>-4.83%</b>
Equity, of which:	25,525,558	22,171,315	-13.14%
Subscribed and paid-up capital	6,859,152	6,952,486	1.36%
Capital premiums	13,452,497	14,719,163	9.42%
Legal reserves	1,371,830	1,371,830	0%
Other reserves	8,240	8,240	0%
The profit or loss reported	1,363,431	-1,639,970	-220.28%
Profit or loss for the financial year	2,470,408	759,266	-69.27%
Distribution of profit	0	0	
<b>Total equity and liabilities</b>	<b>83,049,291</b>	<b>76,916,632</b>	<b>-7.38%</b>

# AGROPROD CEV SRL INDIVIDUAL BALANCE SHEET

Balance sheet indicators (RON) individual Agroprod CEV - RAS	30.06.2023	30.06.2024	Evolution %
<b>Fixed assets, of which:</b>	<b>1,832,666</b>	<b>1,297,122</b>	<b>-29.22</b>
Intangible assets	0	0	0
Tangible assets	1,832,666	1,297,122	-29.22
Financial assets	0	0	0
Fixed assets under investment	0	0	0
<b>Current assets, of which:</b>	<b>6,812,771</b>	<b>5,787,545</b>	<b>-15.05</b>
<b>Inventories</b>	<b>4,927,879</b>	<b>3,662,397</b>	<b>-25.68</b>
Raw materials and consumables	250,991	221,254	-11.85
Inventory items	14,520	14,519	-0.01
Finished product	9,331	7,516	-19.45
Agricultural products	0	0	0
Production in progress	3,605,214	2,370,534	-34.25
Commodities	297,395	298,145	0.25
Packaging	0	0	0
Biological assets of the nature of stocks	0	0	0
Stock purchase advances	750,428	750,429	0
Receivables	1,840,366	2,040,966	10.90
Trade receivables	522,048	521,531	-0.10
Receivables with affiliated companies	11,245	269,957	2300.68
Shareholder receivables	0	0	0
Other assets	1,307,073	1,249,478	-4.41
Short-term investments	0	0	0
<b>Cash and bank accounts</b>	<b>44,526</b>	<b>84,182</b>	<b>89.06</b>
<b>Expenses registered in advance</b>	<b>1,850</b>	<b>15,826</b>	<b>755.46</b>
<b>Total assets</b>	<b>8,647,287</b>	<b>7,100,493</b>	<b>-17.89</b>

Balance sheet indicators (RON) individual Agroprod CEV - IFRS	30.06.2023	30.06.2024	Evolution %
<b>Fixed assets, of which:</b>	<b>5,425,948</b>	<b>5,524,411</b>	<b>1.81</b>
Intangible assets	0	0	0
Tangible assets	5,425,948	5,524,411	1.81
Financial assets	0	0	0
Fixed assets under investment	0	0	0
<b>Current assets, of which:</b>	<b>4,844,987</b>	<b>4,530,900</b>	<b>-6.48</b>
<b>Inventories</b>	<b>4,927,880</b>	<b>3,662,397</b>	<b>-25.68</b>
Raw materials and consumables	247,248	221,252	-10.51
Inventory items	14,520	14,520	0
Finished product	0	0	0
Agricultural products	13,074	7,517	-42.50
Production in progress	3,605,214	<b>2,370,534</b>	<b>-34.25</b>
Commodities	297,395	298,145	0.25
Packaging	0	0	0
Biological assets of the nature of stocks	0	0	0
Stock purchase advances	750,429	750,429	0
Receivables	(127,419)	800,383	-728.15
Trade receivables	545,589	1,473,391	170.06
Receivables with affiliated companies	(673,008)	-673,008	0
Shareholder receivables	0	0	0
Other assets	0	0	0
Short-term investments	0	0	0
<b>Cash and bank accounts</b>	<b>44,526</b>	<b>68,120</b>	<b>52.99</b>
<b>Expenses registered in advance</b>	<b>1,850</b>	<b>15,826</b>	<b>755.46</b>
<b>Total assets</b>	<b>10,272,785</b>	<b>10,071,136</b>	<b>-1.96</b>

Current liabilities, of which:	5,350,368	5,454,715	1.95%
Third party providers	19,569	119,570	511.02%
Debts with affiliated companies	4,803,285	3,690,578	-23.17%
Bank debts	0	1,333,334	100%
Debts to shareholders	0	0	0%
Financial leasing	0	205,230	100%
<b>Other short-term liabilities</b>	527,514	106,003	-79.91%
Long-term debts, of which:	853,926	1,072,982	25.65%
Bank debts	0	639,808	100%
<b>Loans from the bond issue</b>	0	0	0%
Financial leasing	853,926	434,174	-49.16%
Provisions	0	0	0%
Advance income	0	0	0%
<b>Total Debts</b>	<b>6,204,294</b>	<b>6,527,697</b>	<b>5.21%</b>
<b>Equity, of which:</b>	<b>2,442,993</b>	<b>572,796</b>	<b>-76.55%</b>
Subscribed and paid-up capital	200	200	0%
Capital premiums	0	0	0%
Legal reserves	10,503	10,503	0%
Other reservations	0	0	0%
The profit or loss carried forward	1,810,527	-512,392	-128.30%
Profit or loss for the financial year	621,763	1,074,485	72.81%
Distribution of profit	0	0	0%
<b>Total equity and liabilities</b>	<b>8,647,287</b>	<b>7,100,493</b>	<b>-17.89%</b>

Current liabilities, of which:	4,256,833	3,314,237	-22.14
Third party providers	4,632,539	3,802,980	-17.91
Debts with affiliated companies	0	0	
Bank debts	0	0	
Debts to shareholders	0	0	
Financial leasing	853,926	639,405	-25.12
<b>Other short-term liabilities</b>	<b>-1,229,632</b>	<b>-1,128,148</b>	<b>-8.25</b>
Long-term debts, of which:	3,720,300	6,269,019	69.23
Bank debts	0	1,972,142	100
<b>Loans from the bond issue</b>	0	0	
Financial leasing	3,720,300	4,323,877	16.22
Provisions	0	0	
Advance income	0		
<b>Total Debts</b>	<b>7,977,133</b>	<b>9,610,256</b>	<b>20.47</b>
<b>Equity, of which:</b>	<b>2,295,652</b>	<b>460,880</b>	<b>-79.92</b>
Subscribed and paid-up capital	200	200	0
Capital premiums	0	0	
Legal reserves	10,503	10,503	0
Other reservations	0	0	
The profit or loss carried forward	1,663,186	-624,308	-137.54
Profit or loss for the financial year	621,763	1,074,485	72.81
Distribution of profit	0	0	
<b>Total equity and liabilities</b>	<b>10,272,785</b>	<b>10,071,136</b>	<b>-1.96</b>

# NOROFERT Ag LLC INDIVIDUAL BALANCE SHEET

\* They have been consolidated by 51%

Balance sheet indicators (RON) individual Norofert Ag LLC- RAS	30.06.2023	30.06.2024	Evolution %
<b>Fixed assets, of which</b>		208,912	100%
Intangible assets			
Tangible assets		208,912	100%
Financial assets			
Fixed assets under investment			
<b>Current assets, of which:</b>		133,080	100%
<b>Inventories</b>			
<b>Raw materials and consumables</b>			
Inventory items			
Finished product			
Agricultural products			
Production in progress			
Commodities			
Packaging			
Biological assets of the nature of stocks			
Stock purchase advances			
Receivables		111,030	100%
Trade receivables		111,030	100%
Receivables with affiliated companies			
Shareholder receivables			
Other assets			
Short-term investments			
<b>Cash and bank accounts</b>		22,050	100%
<b>Expenses registered in advance</b>			
<b>Total assets</b>		341,992	100%

Balance sheet indicators (RON) individual Norofert Ag LLC - IFRS	30.06.2023	30.06.2024	Evolution %
<b>Fixed assets, of which:</b>		208.912	100%
Intangible assets			
Tangible assets		208.912	100%
Financial assets			
Fixed assets under investment			
<b>Current assets, of which:</b>		133.080	100%
<b>Inventories</b>			
<b>Raw materials and consumables</b>			
Inventory items			
Finished product			
Agricultural products			
Production in progress			
Commodities			
Packaging			
Biological assets of the nature of stocks			
Stock purchase advances			
Receivables		111,030	100%
Trade receivables		111,030	100%
Receivables with affiliated companies			
Shareholder receivables			
Other assets			
Short-term investments			
<b>Cash and bank accounts</b>		22,050	100%
<b>Expenses registered in advance</b>			
<b>Total assets</b>		341,992	100%

Current liabilities, of which:	303,911	100%
Third party providers		
Debts with affiliated companies	303,911	100%
Bank debts		
Debts to shareholders		
Financial leasing		
<b>Other short-term liabilities</b>		
Long-term debts, of which:		
Bank debts		
<b>Loans from the bond issue</b>		
Financial leasing		
Provisions		
Advance income		
<b>Total Debts</b>	<b>303,911</b>	<b>100%</b>
<b>Equity, of which:</b>	<b>38,081</b>	<b>100%</b>
Subscribed and paid-up capital		
Capital premiums		
Legal reserves		
Other reservations		
The profit or loss carried forward		
	<b>38,081</b>	<b>100%</b>
Profit or loss for the financial year		
Distribution of profit		
<b>Total equity and liabilities</b>	<b>341,992</b>	<b>100%</b>

Current liabilities, of which:	303,911	100%
Third party providers		
Debts with affiliated companies	303,911	100%
Debts to shareholders		
Financial leasing		
<b>Other short-term liabilities</b>		
Long-term debts, of which:		
Bank debts		
<b>Loans from the bond issue</b>		
Financial leasing		
Provisions		
Advance income		
<b>Total Debts</b>	<b>303,911</b>	<b>100%</b>
<b>Equity, of which:</b>	<b>38,081</b>	<b>100%</b>
Subscribed and paid-up capital		
Capital premiums		
Legal reserves		
Other reservations		
The profit or loss carried forward		
	<b>38,081</b>	<b>100%</b>
Profit or loss for the financial year		
Distribution of profit		
<b>Total equity and liabilities</b>	<b>341,992</b>	<b>100%</b>

# MAIN ECONOMIC-FINANCIAL INDICATORS

## NOROFERT S.A.

Indicators Norofert S.A. - RAS	June 30,2023	June 30,2024
<b>1. Liquidity indicators</b>		
a) Current liquidity indicator (Current assets/Short-term liabilities)	1.58	1.36
b) Immediate liquidity indicator (Current assets-inventories/Short-term liabilities)	1.25	1.03
<b>2. Risk indicators</b>		
c) General borrowing rate (Total liabilities/Total assets) *100	69.60%	71.15
d) Indebtedness indicators (Borrowed Capital/Equity) *100	69.03%	78.53
e) Indebtedness indicators (Borrowed Capital/Employed capital) *100	40.84%	43.99
<b>3. Activity indicators</b>		
f) Fixed asset turnover rate (Turnover/Fixed assets)	1.00	0.77
g) Turnover rate of total assets (Turnover/Total assets)	0.24	0.26
<b>4. Profitability indicators</b>		
h) Return on capital employed	0.11	0.06
i) Gross margin rate on sales	25.85	12.17

# INTRA-GROUP TRANSACTIONS

Intra-group transactions (RON)	30.06.2023	30.06.2024
<b>Balances with Norofert Fitofarma</b>		
Debts	6,268	0
Receivables	0	0
Loans	0	0
<b>Transactions with Norofert Fitofarma</b>		
Revenues	0	0
Expenses	0	0
<b>Balances with Norofert USA LLC</b>		
Debts	0	0
Receivables	401,532	507,978
Loans	324,855	324,855
<b>Transactions with Norofert USA LLC</b>		
Revenues	35,280	0
Expenses	0	0
<b>Balances with AGROPROD CEV</b>		
Debts	75,000	942,965
Receivables	4,194,032	3,819,711
Loans	705,514	705,514
<b>Transactions with AGROPROD CEV</b>		
Revenues	482,184	291,359
Expenses	133,374	
<b>Balances with Norofert AG LLC</b>		
Debts	0	0
Receivables	0	0
Loans	0	277,549
<b>Transactions with Norofert AG LLC</b>		
Revenues	0	0
Expenses	0	0
<b>Total according to the values presented above</b>		
Debts	81,268	942,965
Receivables	4,595,564	4,327,689
Loans	1,030,369	1,307,918
Revenues	517,464	291,359
Expenses	133,374	0

# KEY RISKS FOR H2 2024

## THE RISK ASSOCIATED WITH POLITICAL AND SOCIAL INSTABILITIES IN THE REGION

Political and military instability in the region, such as the war in Ukraine, can lead to profoundly unfavorable economic conditions, social unrest, or, in the worst-case scenario, military confrontations in the region. The effects are largely unpredictable but may include a decrease in investments, significant currency fluctuations, increases in interest rates, reduced availability of credit, trade, capital flow disruptions, and rising energy prices. These effects, along with other unforeseen negative consequences of the crises in the region, could have a significant adverse impact on the Group's operations, prospects, performance, and financial position.

## CASH FLOW RISK

This represents the risk that the company may not be able to meet its payment obligations at maturity. The periods of the year when the company is exposed to cash flow risk are the months before the harvest (June for rapeseed, July for wheat, and October for sunflower and corn). A prudent cash flow risk management policy involves maintaining a sufficient level of cash, cash equivalents, and availability of financing through appropriately contracted credit facilities. The company monitors the expected cash inflows from the collection of trade receivables, as well as the expected cash outflows for the payment of trade payables and other debts. Cash flow risk is mitigated through factoring operations on eligible customers and marketing campaigns that encourage advance payments for certain products in exchange for larger discounts.

## INFLATION RISK

Global inflation is currently rising sharply, leading to macroeconomic imbalances. Norofert operates in the Romanian market, but raw materials are sourced from multiple continents. So far, the company has managed to adapt to market conditions and adjust its prices accordingly. The management of the company closely monitors and manages the inflationary situation we are currently facing. Of course, any imbalance can be managed up to a certain point, and every investor must understand that inflation risk can affect the operations of any company.

## CREDIT RISK

The risk that the Group may incur a financial loss, because of a client failing to meet contractual obligations, which mainly arises from trade receivables or the potential failure to fulfil obligations under financial instruments. The company is exposed to credit risk given that the nature of its activity and business model involves extending credit to customers for periods exceeding 180 to 360 days. To reduce exposure to the risk of uncollectible receivables specific to this sector, Norofert has implemented a policy of careful customer selection, excluding small farmers without a history of good payment, and has focused on large farmers in both organic and conventional agriculture. The company Risk Department conducts a thorough assessment of each client submitted for approval by the field sales team. Following this evaluation, creditworthy clients are granted a credit limit, which they can use to purchase products from Norofert's portfolio.

The non-executive members of the Board of Directors of Norofert SA wish to inform shareholders that a large portion of the debts are secured by the company's assets and, concurrently, by promissory notes personally guaranteed by the Chairman of the Board, Mr. Vlad Andrei Popescu, and his family. We consider this information important because Norofert's debts help the company grow and strengthen its economic and commercial position, and the fact that they are also personally guaranteed by the majority shareholder demonstrates that there is prudence and responsibility in incurring debt for the benefit of the other shareholders through the company's development

## DROUGHT RISK

Drought affects Norofert indirectly, as farmers to whom Norofert has sold products may lose their crops, leading to the possibility that they may not be able to fulfill their contractual obligations and pay outstanding receivables. The company is exposed to credit risk, given that the specific nature of its activity and business model involves extending credit to customers for a period ranging from 180 to 360 days. To reduce exposure to the risk of non-payment of receivables specific to the sector, Norofert has adopted a careful customer selection policy, excluding small farmers without a history of good payment, and instead focusing on large farmers in both organic and conventional agriculture.

Following the evaluation conducted, clients can benefit from a credit limit, which they can use to purchase products from Norofert's portfolio. This evaluation activity is carried out by Norofert's Risk Department, which was established in July 2019.

### **GENERAL ECONOMIC RISKS**

The activities of the issuer are sensitive to economic cycles and general economic conditions. Both international financial crises and an unstable economic environment can have significant negative effects on the issuer's operations, operational results, and financial position. Socio-political turbulence can also impact on the company's activities. International financial markets felt the effects of the global financial crisis that began in 2008. These effects were also felt in the Romanian financial market in the form of low liquidity in the capital market, as well as through an increase in medium-term financing interest rates due to the global liquidity crisis. In the future, such a scenario could repeat itself, and any significant losses suffered by the international financial market, with major implications for the Romanian market, could affect the issuer's ability to obtain loans or new financing under sustainable conditions.

### **RISK RELATED TO COMPANY OWNED ASSETS AND INVENTORY DEPRECIATION**

As of June 30, 2023, Norofert's inventory of current assets included goods comprising wheat seeds, nitrogen fertilizers, and soil fertilizers produced by a third party, which were purchased by Norofert for inclusion in technology packages. The risk that the wheat seeds may deteriorate for various reasons (such as weather, storage conditions, or just to mention a few) and not be in optimal condition for resale is considered insignificant.

### **RISK ASSOCIATED WITH OTHER TYPES OF LITIGATION**

In the context of its operations, the issuer is subject to litigation risk, among other things, due to changes and developments in legislation. The issuer may be affected by other contractual claims, complaints, and litigation, including from counterparties with whom it has contractual relationships, clients, competitors, or regulatory authorities, as well as any negative publicity that such an event may attract.

Both directly and indirectly, through the companies in which it holds stakes, the Issuer is involved in legal proceedings that have arisen in the normal course of its activities. As of the date of this financial report, the number of ongoing litigations is 5:

**Case No. 2294/89/2021** – Opening of the insolvency proceedings for Valea Teiului. The case is at the first instance stage. The next court date is set for October 5, 2023. Norofert SA has filed a request for registration at the creditor's table as a creditor.

**Case No. 707/88/2021** – Opening of the insolvency proceedings for Bio Consulting. The case is at the Tulcea Tribunal. A request for registration on the creditor's table has been submitted by Norofert SA, as the creditor with the highest position on the creditor's table.

**Case No. 35027/3/2022** – The case concerns claim filed by Norofert. Defendant: SV Organix GMBH. The case is at the first instance stage, in the regularization procedure, at the Bucharest Tribunal."

**Case No. 325/327/2023** – The case concerns claim filed by Norofert. Defendant: Agrobia Rodnic SRL. The case is at the first instance stage, in the regularization procedure, at the Tulcea Tribunal.

### **OTHER RISKS**

Investors should consider that the risks presented above represent the most significant risks known to the company at the time of drafting this financial report. However, the risks outlined in this section do not necessarily include all those associated with the issuer's activities, and the company cannot guarantee that it encompasses all relevant risks. There may also be other risk factors and uncertainties that the company is unaware of at the time of drafting this document, which could affect future actual results, including uncertainties regarding the tax environment in Romania, financial conditions, the issuer's performance and achievements, and could lead to a decrease in the company's stock price. Additionally, investors should undertake the necessary due diligence to prepare their own assessment of the investment opportunity.

# PROSPECTS FOR H2 2024

The second half of 2024 includes two distinct sales periods and the following notable events:

1. **The sales campaign for the autumn of 2024**, which takes place from August 1, 2024, to October 15, 2024, during which agricultural inputs for the cultivation of wheat and rapeseed are sold.
2. **The pre-sale campaign for the spring of 2024**, which takes place from October 15, 2024, to November 30, 2024, during which packages containing seeds and Norofert products for the cultivation of corn and sunflowers will be sold.

## Receivables Situation

As of the date of drafting this financial report, the collection rate of receivables is over 96%, which is very good considering the overall situation in the agribusiness market.

## Farmers' Situation

As I stated in the letter at the beginning of this financial report for H1 2024, Norofert has chosen a prudent approach for this year, sacrificing revenue for the security of collections and financial consolidation

## Achievement of the 2024 Income and Expenditures Budget

Any modifications to the budget will be communicated to investors in advance. The autumn campaign is still in its early stages at the time of this report, making it difficult to estimate whether it will exceed our expectations. Additionally, the pre-sales campaign for spring 2024 begins in October and, depending on market dynamics, it could have a decisive influence on the achievement of the budget

# MANAGEMENT STATEMENT

The undersigned, **Vlad Andrei Popescu**, as President of the Board of Directors of Norofert S.A., confirms, according to the best available information, that the unaudited financial statements for H1 2024 show a correct and true picture of the assets, liabilities, financial position and the situation of Norofert's revenues and expenses and that the Report drawn up for the period between January 1, 2024 and June 30, 2024 provides a correct and factual picture of the important events that took place during the first half of 2024 and their impact on the financial statements of the company.

President of the Board of Directors  
Vlad Andrei Popescu



