



Norofert S.A.
Financial Report as of 30.09.2020

20.11.2020

QUARTERLY REPORT IN ACCORDANCE WITH	ANNEX 13 FROM ASF REGULATION NR. 5/2018
FOR FINANCIAL PERIOD	01.01.2020 - 30.09.2020
REPORT DATE	20 NOVEMBER 2020
ISSUER'S NAME	NOROFERT SA
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FISCAL CODE	12972762
TRADE REGISTRY NUMBER	J40/4222/2000
MARKET ON WHICH THE SECURITIES ARE TRADED	SMT SEGMENT OF THE BUCHAREST STOCK EXCHANGE
SUBSCRIBED AND PAID-UP SHARE CAPITAL	3,209,576 RON
KEY CHARACTERISTICS OF THE SECURITIES ISSUED BY THE COMPANY	8,023,940 SHARES WITH A NOMINAL VALUE OF 0.4 RON PER SHARE
SYMBOL	SHARES: NRF BONDS: NRF25

The interim condensed consolidated financial statements as of September 30th, 2020 are unaudited.

The financial figures presented in the descriptive part of the report that are expressed in million lei (RON) are rounded to the nearest integer and may result in small reconciliation differences.

Table of Contents

Letter from the CEO	4
I. Q3 2020 Performance	7
1.1 Significant Events in Q3 2020	7
1.2 Significant Events After the Closing of the Reporting Period	7
1.3 Analysis of the Q3 2020 Financial Results	7
II. Financial Results.....	11
2.1. Balance Sheet	11
2.2. Profit & Loss Account	12
III. Declaration of the Management.....	13

Letter from the CEO

Dear Shareholders,

Today we are presenting to you the financial results of Norofert Group as of September 30th, 2020. We have decided to introduce in our annual financial calendar the publication of the results for the third quarter to help all our shareholders as well as potential investors better understand our business.

We hope that this report serves this purpose. It is also a good exercise for us to already get acquainted with the rules applicable to the issuers on the Main Market of the Bucharest Stock Exchange. After all, as I have already numerous underlined on different occasions, our goal is to continuously evolve and grow our business. Consequently, transfer to the Main Market is just a matter of time and we want to be sure we are prepared for this step well in advance.



Third quarter is the most challenging period of the year for us as well as for any agribusiness as it is a quarter in which a harvest season for wheat and rapeseed overlaps with a sales season for the fall campaign. It is, from the point of view of production, logistics and finance, a very demanding quarter for the entire company.

Therefore, we are proud and satisfied of the nine months consolidated results of Norofert Group that we present to you today: **20.4 million lei turnover** (+258% compared to same period of 2019) and **5.26 million lei in net profit** (+290% compared to 9M 2019). This means that already as of September 30th, we have managed to meet both the revenue as well as the profit target as approved by our shareholders in April 2020. Another important metric I would like to mention is the fact that in Q3 2020 we observed a customer return rate of **95%** - an impressive number given our diversified client portfolio, thus proving that our products are competitive on both organic and conventional farming market.

Of course, we still have remaining 3 months of the year, period in which our sales team kickstarts the spring 2021 pre-sales campaign. The key product to be sold in this period will be special packages for organic and conventional farmers, consisting of seeds as well as diverse Norofert products for seeding sunflower and corn. We expect still to increase the turnover yet, as always with our industry, the final numbers, including the profit at the end of 2020 will depend on the one thing we cannot control – weather. As this year the agricultural season got significantly postponed compared to last months, we estimate that also the spring 2021 season will start a bit later than expected, thus potentially influencing the pre-sales as well as our results in the first months of 2021. Here crucial will be the winter period and whether we will yet again experience an unusually warm winter that will force the farmers to delay the seeding.

So far however, the weather conditions have been favorable to the farmers preparing for the autumn campaign: the rainfall situation has improved since mid-September, with the weather being favorable for the onset of wheat and rapeseed crops, also in the south and south-eastern parts of the country, which is usually prone to drought. Due to the rainfall, the sales of the rapeseed crop increased from 150 ha (in Q3 2019) to 1,200 ha (in Q3 2020).

I mentioned in the introduction that we decided to issue this report to familiarize all our stakeholders with the cycles in our business. As I always, to better showcase how our business evolves throughout the year, I like to mention about the two cycles of the Romanian agricultural cycle; each of them having a different influence on the financial performance of the company:

- **Spring Campaign** – takes place between February and May, with peak activity in the months of March and April, is the season for seeding sunflower, corn, peas, and soya and applying treatments for already planted wheat, barley and rapeseed that have grown and survived the winter season. Harvesting of these

crops takes place in the same year, around September and October and the payments from farmers are cashed-in between October and November.

- **Autumn Campaign** – takes place between August and October, with peak activity from mid-September until the end of October, is the season for seeding wheat, barley, and rapeseed. Harvesting of these crops takes place the following year, in the month of July and generally the payments from farmers are cashed-in between August and September.

2020 was a year when the campaigns were delayed, and we expect this tendency to continue also in the coming years. When we compare this agricultural cycle with the financial reporting periods, the conclusion is quite clear:

- Q1 is a period of limited sales in first 2 months, intense sales in last 3 weeks of the quarter, relatively steady expenses, and no receivables due (unless postponed payments from Q3/Q4 of previous year);
- Q2 is an intense period of sales for spring campaign and pre-sales for autumn season, no receivables due;
- Q3 is an intense period of sales for autumn campaign, receivables due from previous year autumn campaign;
- Q4 is a period of limited sales (spring pre-sales), receivables due from same year spring campaign.

The above calendar clearly indicates that the remaining of this year will be dedicated to ensuring the payments of receivables due from the farmers. Already during Q3 2020 we have managed to account approximately over 8 million lei in receivables due from the last year's autumn campaign. The total amount of receivables has however decreased as of Q3 2020 with approximately 1.5 million lei as throughout the quarter we continued our sales activity which have brought new receivables. I mentioned at the beginning of this letter that Q3 is the most challenging period; it is primarily because we deal with overlapping receivables due from previous year autumn sales campaign related to wheat and rapeseed crops, and, at the same time, new receivables being registered since mid-September for the sales for new campaign.

Although we have been dealing with one of the worst droughts in the last 25 years, which has mainly affected Romania's south and south-eastern regions, our customers have had responsible payment behavior, due in large part to the Risk Department which has made a rigorous selection of customers in autumn 2019. For customers who were able to demonstrate through the Emergency Certificate the calamity of crops, our teams calculated financial cost and penalties, staggering payments for wheat and rape crops to October and November 2020. As a percentage, the staggered amounts were located at 15% of the total due in July and August and are recovered in proportion of 95% in October and November.

We are satisfied with this result as it shows that our risk policy works correctly and even in a difficult year, we can execute the amounts due. We will continue this process throughout Q4 2020 to recover as much receivables as we can before the year end. At the same time, we continue to discuss with different financial institutions to contract a financial product, ideally factoring, that would help us lower the receivables by moving it, at an acceptable discount, to a third party.

At the end of this letter, I would like to provide you with an update on the US expansion. As previously mentioned, the process of establishing our presence on the American market is a medium- to long-term project. There will not be any turnover generated by the US entity, Norofert USA, LLC this year as we are still in the phase of building our presence and recognition.

In the third quarter, we have finalized the process of the homologation of the products from the Big Farms portfolio destined for the US market. This range of products, located and adapted to the pedoclimatic specifics of the midwest of the United States, addresses the crops of corn, wheat, sunflower and rapeseed. We expect the Big Farms range to have the largest share of sales on the US market starting in 2021.

Demonstration lots in Ohio, USA played, as in Romania, a crucial role in demonstrating the effectiveness and economic benefits of Norofert USA LLC products. We intend to use the demonstration lots as a spearhead of product promotion in the states around Ohio, for the crops of interest. As a result of the demo lots we have created with farmers based in the State of Ohio, there is a growing interest in our products, also from the

neighboring states therefore our confidence in our US expansion plans keep growing. As soon as the partnerships with the new distributors are signed, we will inform the market through a current report.

We have also launched a website dedicated to the US market, www.norofert.com, where customers and distributors can find out more details about the product ranges we sell in the USA. In addition to the Big Farms range, Norofert USA, LLC Introduces to the market a range of Ready-Made products for retail consumers, the most efficient sales channels being online and retail networks. Since September, we are negotiating with number of retailers interested in marketing Norofert products online and in brick-and-mortar stores. Again, as soon as we sign first cooperation agreements, we will inform the market through a current report.

In conclusion, we are satisfied with the results, especially the continuous improvement of our results, quarter by quarter. The US expansion starts to take shape and is expected to bring first results next year, while our market share in Romania continues to grow steadily but rapidly. I invite you to read in detail about our results as of September 30th, 2020 on the following pages. In case of any questions, do not hesitate to reach us at investitori@norofert.ro or you can also get in touch with me directly by emailing vlad.popescu@norofert.ro.

Vlad Popescu

CEO & President of the Board

I. Q3 2020 Performance

1.1 Significant Events in Q3 2020

20.07.2020 – Loading of the free shares to investor's account

On July 20th, 2020, the free shares awarded to shareholders registered in the Shareholders Registry kept by the Central Depository on the record date of 17.07.2020, were loaded into the trading accounts. Prior to that operation, BVB has announced that the reference price valid for July 16th, 2020 was 6.50 lei.

27.07.2020 – Payment of the first coupon on the NRF25 corporate bonds issuance

On July 27th, Norofert SA has paid the first interest rate coupon on the NRF25 bond through the Central Depository and BRD - GROUPE SOCIETE GENERALE S.A. as the Paying Agent. The interest amount paid to the bondholders was equal to 4.2384 lei gross per bond.

31.07.2020 – Authorization of Norofert products by the Ohio Department of Agriculture in the USA

On July 31st, 2020, Norofert SA, received the Certificate for Registration of Pesticides issued by the Ohio Department of Agriculture, Division of Plant Industry Pesticide Regulation Section, USA. The document certifies that four products of Norofert were registered, registration fees were paid and therefore the sale and distribution of these products in the state of Ohio in the United States of America is authorized during 1.07.2020 until 30.06.2021. The four products, fertilizers and organic pesticides that were registered in the state of Ohio are ALPHABILL, BUSTER, RISESEED TS and ROOFTOP – all specially developed by Norofert for the US market. Obtaining the registration from the state of Ohio, where Norofert USA, LLC, a Norofert SA subsidiary is established is an important step in the process of expansion in America. Norofert management expects to market and sell the first four products in the state of Ohio during the autumn 2020 agricultural campaign.

20.08.2020 – Strategic Alliance with USAMV

On August 20th, 2020, Norofert SA, announced a strategic alliance with the Bucharest University of Agronomic Sciences and Veterinary Medicine (USAMV). The partnership is focused on two axes – applied research and internationalization. The collaboration entails that USAMV researchers will develop with Norofert new products that meet the needs of organic agriculture, that will be then marketed and sold on all markets of Norofert's activity, including in the United States. Norofert and USAMV also want to contribute to strengthening the practical capabilities of the future generations by educating and training students. The focus will be placed on the agriculture of the future and the promotion of innovation and digitalization within the sector.

1.2 Significant Events After the Closing of the Reporting Period

23.11.2020 – Extraordinary General Shareholder Meeting (EGSM)

On October 20th, 2020, the Board of Directors of Norofert SA convened for November 23rd, 2020 the EGSM to:

- Approve the Stock Option Plan (SOP) for the 2020-2022 period, through which the management and employees of NOROFERT S.A. may exercise the option to receive free of charge shares issued by the company, representing a maximum of 2% of the total number of shares of the company.
- Approve the share capital increase by a capital contribution in cash with the amount of RON 220,000, by issuing 550,000 new shares with the nominal value of RON 0.4/share.

Full text of the Convening Notice can be found [at this link](#).

1.3 Analysis of the Q3 2020 Financial Results

Below we present to you the analysis of the consolidated financial results of Norofert Group as of September 30th, 2020. For detailed consolidated performance of Norofert Group, we invite you to consult section "II. Financial Results".

FINANCIAL PERFORMANCE

By comparison with the same period of the previous year, at the Group level, Norofert closed the first nine months of 2020 with a 318% increase in the operating revenue, as the turnover grew by 258% from 5.7 million lei as of September 30th, 2019 to 20.4 million lei as of September 30th, 2020. The significant increase in turnover was the result of continued efforts of the sales team as well as the growing position of Norofert Group on the market for both organic and conventional inputs. In the course of 2020, the Group saw the benefits of the demonstration lots established during the fall 2019 campaign for wheat and rape as well as sunflower, corn, and soybean during the 2020 spring campaign. According to statistics, the Group has a client conversion rate of about 85% for farmers who have hosted Norofert demonstration plots.

The turnover in Q3 (July-September) 2020 alone has grown significantly (+34% compared to Q3 2019 result, from 15.9 million lei to 23.5 million lei), showcasing the continuous development of the group.

Profit & Loss Account Indicators (RON) – Consolidated at the Group level	30/09/2020	30/06/2020	30/09/2019	9M Evolution (%)
Operating Revenue, out of which:	23,530,418	15,889,952	5,630,844	318%
Turnover	20,374,255	14,379,303	5,687,484	258%
Change in Inventories	2,767,347	1,170,657	(100,527)	2853%
Other operating Revenues	388,816	339,992	43,887	786%
Operating Expenses, out of which:	15,146,589	11,380,549	4,132,946	266%
Cost of Materials	7,251,635	5,671,133	1,909,663	280%
Personnel Expenses	3,215,997	2,206,500	976,320	229%
Depreciation expenses and value adjustments	438,812	286,815	(245,112)	279%
Other operating expenses	4,240,145	3,216,101	1,492,075	184%
Operating Result	8,383,829	4,509,403	1,497,898	460%
Financial Income	207,066	146,256	31,272	562%
Financial Expenses	2,108,815	464,834	80,845	2508%
Financial Result	(1,901,749)	(318,578)	(49,573)	-3736%
Total Revenues	23,737,484	16,036,208	5,662,116	319%
Total Expenses	17,255,404	11,845,383	4,213,791	309%
Gross Result	6,482,080	4,190,825	1,448,325	348%
Profit tax / other tax	1,218,466	759,731	97,785	1146%
Net Result	5,263,614	3,431,094	1,350,540	290%

In line with the growing and developing business, the operating expenses have increased by 266%, from 4.1 million lei in nine months of 2019 to 15.1 million lei in the first nine months of 2020. The cost of materials contributed the most to this amount, 7.3 million lei, an increase of 280% – an expected result of increased production and sales capacity. The cost of goods, which grew by 371% from 1.2 to 5.7 million lei, was the biggest contributor in this category. It is important to mention that in the cost of goods is included a one-off event, an inventory adjustment in the amount of 1.6 million lei registered on a daughter company – Norofert Organics. This difference of inventory was recorded in H1 2020, as previously communicated in the financial report as of June 30th, 2020. Therefore, the result for the first nine months presented above also includes this adjustment.

Personnel expenses grew by 229%, reaching 3.2 million lei in the first nine months of 2020 as a result of a bigger team. Following the private placement in July 2019, in the course of H2 2019, Norofert team grew with 32 new team members. As of September 30th, 2020, the Group had 55 employees, an increase of 41% from 39 employees as of September 30th, 2019.

Other operating expenses grew by 184% year-on-year, reaching 4.2 million lei in the first nine months. The increase in other operating expenses was caused primarily by the increased scale of the business, in particular

higher rent costs to accommodate larger team, higher costs related to transportation caused by the increase in sales activity paired with a larger number of clients, larger protocol and advertising expenses as well as increased cost of 3rd party services dictated by the bigger dimension of the business and the US expansion, resulting in the need for more complex advisory and consultancy services.

As a result of significantly higher scale of the business, the Group closed the 9-month period with operating result of 8.4 million lei, an increase of 460% compared to the same period of last year. The financial expenses have increased with 2,508% as a result of the interest expense on the 11.5 million lei that was due in July 2020.

Even with significantly higher cost of financing and the one-off necessary inventory adjustment, the Group has closed the 9-month period with a gross result of 6.5 million lei, an increase of 348% compared to same period of last year. Due to significantly higher taxes due, increased by 1,146%, from approx. 100K lei to 1.2 million lei, the Group ended the period with 5.26 million lei in consolidated net profit, a 290% increase compared to the first months of 2019.

FINANCIAL POSITION

As of September 30th, 2020, current assets represented approximately 92.9% of the total assets of the Group while the fixed assets accounted for the rest of 7.1%. Between September 30th, 2019 and September 30th, 2020, the value of fixed assets increased with 27% as the company continued to purchase additional equipment for the factory in Filipești de Padure. More specifically, the liquid production line benefited from an investment of approximately 400k lei in an automatic system for maintaining the temperature and filtering the solution for each mixing tank. This allows a much better control of the quality of the products and a better management of the cultivation of the microorganisms used in the finished products. Investments were also made in the line of liquid products to improve the bottling of 10l and 20l cans. Moreover, thanks to the logistical improvements, the factory now allows storage of a 35% higher number of solid fertilizers and seeds packages at the peak of the season.

The current assets increased by 88% compared to same period of last year, driven primarily by the increase in inventories and receivables. When it comes to inventories, in the context of the COVID-19 crisis, the Group decided to increase the inventory of its finished products to meet the demand for the ongoing spring 2021 pre-sales campaign. The actual sales campaign for Spring 2021 will start January-February 2021 and considering that the specialists expect the peak in the COVID-19 infections during winter months, the management wanted to be able to meet the short-term demand even if the operations in the factory must be temporarily suspended.

The receivables have increase 131% year on year due to significantly higher sales generated in the period between Q3 2019 and Q3 2020. What is important to underline is however the performance in Q3 2020 alone when the Group has managed to lower the receivables with approximately 1.5 million lei. In Q3 2020, the Group managed to reduce by estimated 7.5 million lei the receivables that were due from the 2019 autumn campaign and the 2020 spring campaign, but the new sales generated in Q3 2020 in the amount of approximately 6 million lei resulted in new receivables.

To better showcase the evolution in Q3 2020 alone, below we provide the consolidated balance sheet as at the end of the first 9 months of 2019 and 2020 as well as the consolidated balance sheet as of H1 2020.

Balance Sheet (RON) – consolidated at the group level	30/09/2020	30/06/2020	30/09/2019	9M Evolution (% Y/Y)
Fixed Assets	2,654,068	2,464,756	2,086,433	27%
Current Assets, out of which:	35,195,255	34,191,253	18,714,914	88%
<i>Inventories</i>	8,788,410	5,657,151	5,007,536	76%
<i>Receivables</i>	25,330,765	26,790,810	10,977,606	131%
<i>Cash and cash equivalents</i>	1,076,080	1,743,292	2,729,772	-61%
Pre-paid expenses	41,726	29,789	112,445	-63%
Total Assets	37,891,049	36,685,799	20,913,792	81%

The total liabilities of the Group have increased by 128% year on year, as a result of the corporate bonds issued by Norofert SA in January 2020 in the amount of 11.5 million lei. In Q3 2020, the Group has paid current liabilities that were due in the total amount of 5.7 million lei. At the same time, new liabilities emerged as the company contracted raw materials and goods to be sold in the upcoming campaigns. These liabilities are due next year in Q3. In consequence, on the balance sheet, the current liabilities have dropped with 15% because of decreasing the liabilities due to third-party suppliers (especially wheat and conventional pesticides used in packages) by 1.9 million lei (-31%) and reducing from 331K lei to zero the bank debt. Other short-term debts, position which almost entirely consist of the taxes due as well as social contributions for the employees, have increased by 193%, reaching 1.7 million lei as of September 30th, 2020 because of, respectively, higher turnover and profit and larger number of employees. All in all, in Q3 2020 alone, the Group has managed to lower the liabilities by approximately 665K lei.

Balance Sheet (RON) – consolidated at the group level	30/09/2020	30/06/2020	30/09/2019	9M Evolution (%Y/Y)
Current liabilities	6,090,025	6,754,528	7,205,513	-15%
Non-current liabilities	12,877,484	12,836,002	1,124,692	1045%
Income in Advance	40,405	44,654	12,141	233%
Total Liabilities	19,007,914	19,635,184	8,342,346	128%
Equity	18,883,135	17,050,615	12,571,444	50%
Total equity and debt	37,891,049	36,685,799	20,913,790	81%

The equity of the company has grown by 50% in the first nine months of 2020 compared to the same period of 2019, reaching 18.9 million lei as of September 30th, 2020, with the increase being primarily fueled by the capitalization of the 2019 profits as well as increase in the legal reserves.

KEY FINANCIAL INDICATORS

<i>Financial data in RON '000</i>	9M 2020 (Conso)	FY 2019 (Conso)	9M2019 (Conso)
Current ratio			
$\frac{\text{Current assets}}{\text{Current liabilities}}$	$\frac{35,195}{6,090} = 5.78$	$\frac{24,658}{9,925} = 2.48$	$\frac{18,715}{7,206} = 2.60$
Debt Ratio			
$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	$\frac{19,008}{37,891} = 50.16\%$	$\frac{10,958}{26,801} = 40.89\%$	$\frac{8,342}{20,914} = 39.89\%$
Debt to Equity ratio			
$\frac{\text{Interest-bearing debt (long term)}}{\text{Equity}}$	$\frac{12,877}{18,883} = 68.19\%$	$\frac{1,011}{15,843} = 6.38\%$	$\frac{1,125}{12,571} = 8.95\%$
$\frac{\text{Interest-bearing debt (long term)}}{\text{Capital employed}}$	$\frac{12,877}{31,760} = 40.54\%$	$\frac{1,011}{16,854} = 6.0\%$	$\frac{1,125}{13,696} = 8.21\%$
Fixed asset turnover			
$\frac{\text{Turnover}}{\text{Fixed assets}}$	$\frac{20,374}{2,654} = 7.68$	$\frac{14,798}{2,084} = 7.10$	$\frac{5,687}{2,086} = 2.73$

II. Financial Results

All values presented below are expressed in Romanian lei (RON).

2.1. Balance Sheet

CONSOLIDATED FINANCIAL POSITION OF NOROFERT GROUP

Balance Sheet (RON) – consolidated at the group level	30/09/2020	30/09/2019	Evolution (%)
Fixed Assets, out of which:	2,654,068	2,086,433	27%
Intangible assets	503	315	60%
Property, plant and equipment	1,938,645	1,785,286	9%
Financial Assets	48,952	58,601	-16%
Assets under investment	665,968	242,231	175%
Current Assets, out of which:	35,195,255	18,714,914	88%
Inventories	8,788,410	5,007,536	76%
Raw materials and consumables	1,338,901	1,287,810	4%
Inventory Items	0	11,725	-100%
Finished Products	3,355,200	41,950	7898%
Goods	3,698,989	3,567,282	4%
Packaging	11,396	39,288	-71%
Advances for the stock acquisitions	383,924	59,481	545%
Receivables	25,330,765	10,977,606	131%
Trade Receivables	23,027,914	9,216,068	150%
Other	2,302,851	1,761,538	31%
Cash and cash equivalents	1,076,080	2,729,772	-61%
Pre-paid expenses	41,726	112,445	-63%
Total Assets	37,891,049	20,913,792	81%
Current liabilities, out of which:	6,090,025	7,205,513	-15%
Third-party providers	4,340,421	6,265,726	-31%
Bank debt	0	330,687	-100%
Debt to shareholders	28,400	22,600	26%
Other short-term debts	1,721,204	586,500	193%
Non-current liabilities, out of which:	12,877,484	1,124,692	1045%
Bank debt	186,307	0	100%
Corporate bonds	11,500,000	0	100%
Financial leasing	1,191,177	1,124,692	6%
Income in Advance	40,405	12,141	233%
Total Liabilities	19,007,914	8,342,346	128%
Equity, out of which	18,883,135	12,571,444	50%
Subscribed and paid-up capital	3,209,976	802,794	300%
Share premium	6,458,456	6,458,456	0%
Legal reserves	154,359	760	20210%
Other reserves	8,240	8,240	0%
Retained profit/(losses)	3,788,490	3,950,655	-4%

Profit/(loss) for the financial year	5,263,614	1,350,540	290%
Total equity and debt	37,891,049	20,913,790	81%

2.2. Profit & Loss Account

CONSOLIDATED PROFIT & LOSS ACCOUNT OF NOROFERT GROUP

Profit & Loss Account Indicators (RON) – Consolidated at the Group Level	30/09/2020	30/09/2019	Evolution (%)
Operating Revenue, out of which:	23,530,418	5,630,844	318%
Turnover	20,374,255	5,687,484	258%
Change in Inventories	2,767,347	(100,527)	2853%
Other operating Revenues	388,816	43,887	786%
Operating Expenses, out of which:	15,146,589	4,132,946	266%
Cost of Materials, out of which:	7,251,635	1,909,663	280%
Costs of Raw Materials	1,539,129	682,342	126%
Costs of Goods	5,651,735	1,198,892	371%
Other Material-related expenses	60,771	28,429	114%
Personnel Expenses	3,215,997	976,320	229%
Depreciation expenses and value adjustments	438,812	(245,112)	279%
Other operating expenses	4,240,145	1,492,075	184%
Operating Result	8,383,829	1,497,898	460%
Financial Income	207,066	31,272	562%
Financial Expenses	2,108,815	80,845	2508%
Financial Result	(1,901,749)	(49,573)	-3736%
Total Revenues	23,737,484	5,662,116	319%
Total Expenses	17,255,404	4,213,791	309%
Gross Result	6,482,080	1,448,325	-348%
Profit tax / other tax	1,218,466	97,785	1146%
Net Result	5,263,614	1,350,540	290%

III. Declaration of the Management

The undersigned **Popescu Vlad Andrei**, in his capacity of the President of the Board of Directors of Norofert SA, a company headquartered in Bucharest, Sector 5, Str. Petrache Poenaru Nr. 26, Room 8, unique registration code 12972762, serial number at the Trade Register Office J40 / 4222/2000, confirms to the best of his knowledge that the unaudited interim condensed consolidated financial statements for the nine-month period ended 30 September 2020 give a true and fair view of Norofert's assets, liabilities, financial position and profit and loss, and that the Directors' Report gives a true and fair view of important events that have occurred during the first nine months of the 2020 financial year and their impact on the consolidated financial statements of the company.

Bucharest, November 20th, 2020

President of the Board of Directors
Vlad Andrei Popescu