



Norofert S.A.
Financial Report for 2019

29.04.2020

ANNUAL REPORT IN ACCORDANCE WITH	ANNEX 15 FROM ASF REGULATION NR. 5/2018
FOR FINANCIAL PERIOD	01.01.2019 - 31.12.2019
REPORT DATE	29 APRIL 2020
ISSUER'S NAME	NOROFERT S.A.
REGISTERED OFFICE	STR. PETRACHE POENARU NR. 26, ROOM 8 BUCHAREST, SECTOR 5
WORKING POINT	STR. RADU VODA 17 BUCHAREST, SECTOR 4
PHONE NUMBER	+40 721 461 289
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	802.394 RON
KEY CHARACTERISTICS OF THE SECURITIES ISSUED BY THE COMPANY	2.005.985 SHARES WITH A NOMINAL VALUE OF 0,4 RON PER SHARE
SYMBOL	SHARES: NRF BONDS: NRF25
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Letter from the CEO

Dear Shareholders,

We are publishing this report in rather turbulent times when the companies listed on the Bucharest Stock Exchange as well as global exchanges are recording significant drops in their prices amid the COVID-19 outbreak while the many businesses are facing uncertainty amid their future. In these volatile times I would like to thank you once again for the trust you have given us by providing Norofert capital, be it through participating in our private placement for shares in July 2019, for corporate bonds in January 2020 or having bought our shares after our debut on the AeRO market which took place earlier this month, on March 3rd.



I would like to reassure you that while we continue our operations in conditions as close to normal as possible, we are paying special attention to the management of our financial resources as well as have revised temporarily our expansion plans. While we are not halting for the time being our plans to expand to the US, we are going to prudently observe as the situation unravels in the coming months in order to mitigate any possible risk. We will keep you in the loop regarding these plans. But, before we talk about the future, I would like to focus on the past year, 2019 and the results we have recorded at Norofert Group in this so fundamentally important to us year.

We have ended 2019 with a consolidated turnover of 14.8 million lei, an increase of 59% compared to the 2018 result. We are pleased with the increase, which has been a result primarily of the efforts of the sales team that has joined us in August 2019, as well as the enlarged range of products – both developments being possible because of the July private placement. Today, Norofert has a portfolio of over 60 different products, grouped into 3 main lines. As a comparison, before the private placement, we had a total of 24 products, which means that in less than a half of the year, we have managed to more the double the offer that we put at the disposal of our clients. What is important, however, is the fact that we can now offer a full range of products for different types of farmers, starting from medium- to large-scale organic agriculture farmers (Norofert Organics), conventional agriculture farmers (Norofert Karisma) as well as hobby farmers and gardeners (Norofert Fito). This means that the potential of the market which we can target, both in Romania and abroad, has significantly increased.

As the growth in the revenues been directly related to the investments made, the latter also led to a foreseeable increase in consolidated expenses, from 4.6 million lei recorded in 2018, to 9.5 million lei in 2019. The increase in the costs has been anticipated by us and has been previously communicated during the private placement as well as the report we published as of 31.10.2019, and has been primarily supported by the investments made in the following directions:

- Expansion of the sales team by 15 new team members;
- Expansion of the back-office team with 18 new team members (including support, credit risk analysis, logistics, marketing, and accounting personnel);
- Renting and equipping a new factory in Filipești de Padure, with 2,400 m² of production and 800 m² of storage space (currently the largest organic fertilizers production facility in Romania) with 4 production lines, for organic liquid fertilizers, conventional liquid fertilizers, the effervescent tablet, granular soil fertilizer;
- Developing a product analysis laboratory;
- Developing bacterial and microorganism multiplication line;
- Leasing of 14 automobiles, with GPS tracking, for the sales team;
- Purchasing of CRM system (pending implementation);
- Full automatization of the Norofert FITO production line;

- Purchasing raw materials for the 2019-2020 production cycle;
- Purchasing wheat seeds, nitrogen fertilizers (3rd party produced) and herbicides (3rd party produced) needed for marketing the Karisma line to conventional farmers.

All of the investments have set a ground for a performance in the coming years, allowing us to expand not only our production capacity, but also our sales capacity by significantly increasing our headcount, which has been of strategic importance to us ever since we decided to list on the AeRO market. With all the heavy investments carried out in 2019, we still managed to end the year with an 12% increase of the gross profit, of 5.2 million lei, and a net profit of 4.62 million lei. This means that taking into consideration the valuation of the company at the time of private placement, Norofert shares have a very attractive PER ratio of just 4.5, which is one of the lowest currently recorded amongst the companies listed on the Bucharest Stock Exchange.

On top of the attractive PER, I am pleased to let you know that for the General Shareholders Meeting which is scheduled to take place on April 28th, 2020, the management would like to propose to the shareholders capitalization of 2,407,182 lei from the profit of Norofert SA from last year. Therefore, on the agenda for the GSM you will find the approval of the capital increase of the company in the amount of 2,407,182 lei, through issuing 6,017,955 new shares with a nominal value of 0.4 lei per share. The share allotment will be done according to the following formula – three new shares for each 1 share held. We are pleased to offer this reward to all the investors which shall also result in a higher liquidity of NRF shares after the operation is carried out.

We are very pleased with the final result however we would like to underline that 2019, more specifically the second half of the year, has been very difficult in Romanian agriculture, issue which we have already signalled to investors on the occasion of publishing the report as of October 31st, 2020. Period between October and December 2019 have been exceptionally warm, which has had a direct, negative impact on the local agricultural sector as well as the sales generated by the fertilizer producers and distributors, including Norofert. Should the weather conditions been favourable, the seeding should have taken place in September or October 2019. As this was not the case, most farmers have pushed the seeding to November or even December, causing our overall sales in 2019 to be lower than we initially expected. Unfortunately, the atypical winter has continued well into 2020. Since there it has not snowed and it has rained very little in the course of the past 5 months, there has been no humidity in the soil and the crops have not grown, which in turn means that the farmers were also less inclined to purchase fertilizers and other products that are aimed to support the development of the crops. In this context, we expect the first half of this year to present some uncertainties regarding the sales, which may impact the margin at the year level provided that in the past, during the first half of the year, we have always sold products with higher profit margins than the products sold in the second half of the year. Nonetheless, we are still planning quite high revenues and an attractive profit for the shareholders for this year, 2020. At the Group level, we have estimated revenues of 13,380,000 lei and a net profit of 5,175,470 lei, which with the current number of shares (2,005,985) brings a net result per share of 2.58 lei (0.65 lei per share after the distribution of free shares which will take place in the course of 2020).

Depending on the weather, the cycles can extend over the above-specified period, thus impacting the sales of Norofert Organics and Norofert Karisma lines. The line for small farmers and hobby gardeners, Norofert FITO, is the only one that is not significantly influenced by the agricultural seasons and therefore it will remain a priority for us to develop it in 2020 to ensure a good cash flow of the Group as the payment term is also more favourable (90 days for Fito versus 280-360 days for Karisma and Organics). In the course of 2019, we have managed to sign two significant distribution agreements in Romania with Agrii (former Redoxim) and RodBun, which have laid good foundations for further growth. Additionally, at the end of February 2020, the first fertilizers from our newest line, Norofert Organics for Horticulture, have left the production line. We plan to officially launch the new line, which will consist of 12 products specially developed for cultivating trees, in the coming weeks. We have high expectation of this line which targets primarily the growing sector of EU-financed orchards of fruit trees as well as vegetable farms, which we consider will generate attractive returns for the Group in the years to come.

In terms of the Karisma line, our goal for 2020 will be the consolidation of the line for conventional farming. The second half of the year has brought satisfactory results for this newly launched line, which we consider a good

start. For 2020, the target for the members of the sales team for Karisma has increased, therefore we expect the revenues to also grow next year. Finally, this coming year we have a target to introduce 16,000 new hectares of farmland into organic farming, thus increasing our sales as well as growing our market share on the local market. We believe we have all the premises to accomplish these goals.

Another important development in the coming period will be the planned expansion, which we expect to accelerate in 2020, having benefitted in January 2020 from raising 11.5 million lei by selling corporate bonds of Norofert, which will be soon tradable on the AeRO-Bonds market under the NRF25 symbol. As already previously communicated, our goal for the next 5 years, is for 50% of Norofert's revenues to be generate through sales of products on the foreign markets. While we have already taken the steps to begin selling Norofert products to farmers and distributors in countries such as Jordan, Morocco, Kazakhstan or South Korea, our biggest ambition is to enter the USA. We very much believe in the potential of the American market, which is the largest market for organic farming in the world. We are, at the same time aware that this step will require significant investments that will have to be made by the company, in order to cover the homologation costs of all the products that we wish to sell in the States. Given the current context as well as market uncertainties, we are prudently monitoring the situation in order to ensure that we only enter the US market when we are sure that it will not bring significant risks such as costs outweighing the potential gain, especially in the context of a potential recession caused by the COVID-19 outbreak.

In conclusion, we are much satisfied with the results registered by Norofert Group especially given the unfavourable weather conditions which have impacted the whole agricultural sector in Romania as well as in our part of Europe and we are excited about the opportunities that 2020 brings. I would like now to invite you to go through our financial results, which we present to you on the following pages, but at consolidated as well as individual level. Since this is the first time that we are publishing the preliminary financial results for full year, should you have any questions or suggestions on the way we report, please do not hesitate to reach out to for further explanations. You can 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. Analysis of the Issuer's Activity

1.1 Date of the Establishment of the Issuer

Norofert SRL was established in 2000 in Bucharest by Florin Popescu, as a first importer and distributor of advanced technology fertilizers, in Romania. The company initially specialized in the distribution of foliar fertilizers originating from Norway, the Netherlands, Germany and the USA, being the sole distributor for producers such as Yara, Kali und Salz and Rio Tinto. In 2009, Norofert approached the Romanian organic farming sector, which was at an embryonic stage at the time, and became the key promoter in the market of fertilizers and phytosanitary products for large organic crops. In 2010, Norofert Eco SRL was established, a company that became the first distributor in Romania of ecological inputs from Spain, Germany and the United States. Between 2010 and 2015, distribution activities continued to further grow. In 2015, Florin Popescu was forced to withdraw from the business, and Vlad Popescu, his son, took over the management of the company. In the same year, Mugur Ionel joined Vlad Popescu, having a vision to transform Norofert from the distributor into a producer of organic fertilizers and bio inputs.

In 2016, Norofert officially became the first Romanian supplier and producer of fertilizers and complex treatments needed in organic farming. With the support and collaboration of national research institutes, Norofert has developed a line of four products corresponding to the imported products until 2015, but with improved formulas and adapted to the specific conditions of the Romanian agriculture. In the same year, Norofert opened its first factory of fungicides, insecticides and organic fertilizers in Romania, serving the needs for of the Romanian ecological farmers. The factory located in Filiași, Dolj county, operated with 12 workers serving two separate production lines - one for solid fertilizers and the other, for liquid fertilizers and pesticides. The production capacity of the factory for organic inputs fertilizers and pesticides served crops of 150,000 ha per year. Currently the Filiași factory produces only the Norofert Fito line.

Between 2016 and 2018, the company experienced a period of accelerated growth as a result of the development of its own innovative technology called "BioChain", which involves the exclusive and synergistic use of raw plant materials, animals, bacteria and microorganisms in the production process. In 2017, along with the bio-fertilizers, Norofert offered a full line of environmentally friendly plant protection products such as insecticides, fungicides, seed treatments and foliage treatments. The results exceeded of the farmers who have used Norofert products in the course of 2017 have exceeded the expectations for wheat, maize, sunflower, rape and soybean crops, which has in turn increased the reputation and visibility of Norofert brand. Norofert then continued to develop the product line, with the number of developed products reaching 12. The change of position and strategy was also reflected in the evolution of the main performance indicators, the volume of turnover reaching, in 2018, a level 7 times higher than the one reported at the end of 2015, while the net profit margin increased from 9.58% in 2015, to 41.02% in 2018.

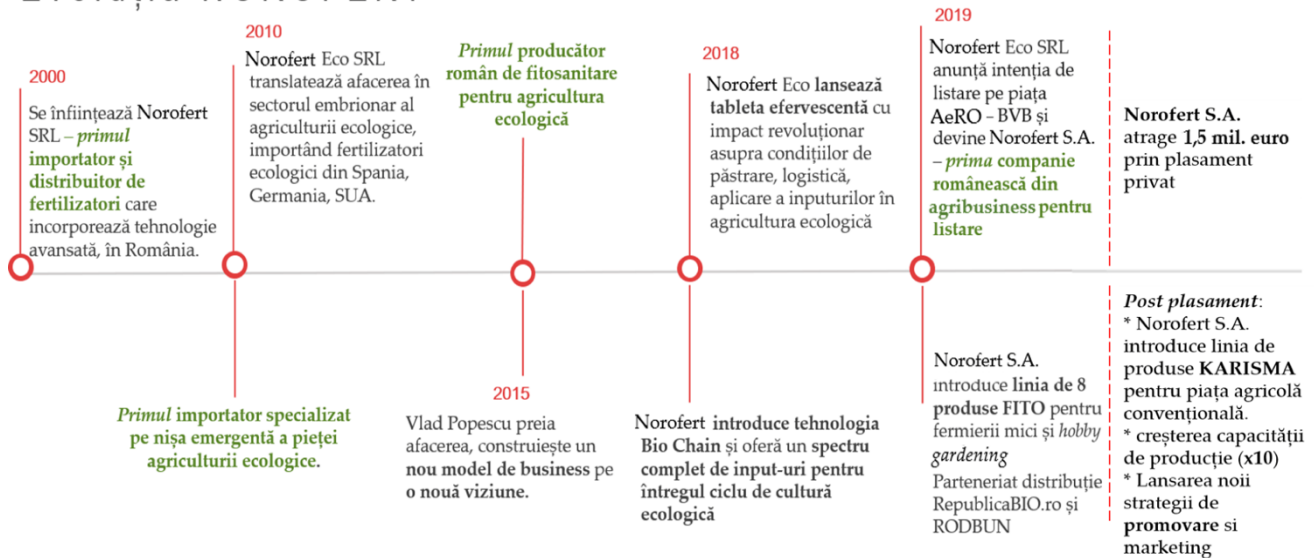
With special resonance in the profile press and on the targeted market, 2018 marked the launch of all Norofert products in the form of an effervescent tablet. By replacing the classic granular or liquid format, the effervescent tablet eliminates the risk of high temperature alteration, extends the shelf life up to 10 years and reduces the storage and transport requirements – with all these benefits having a revolutionary impact on the Romanian organic farming sector. Beginning with 2018, the company started penetrating foreign markets, targeting countries such as Bulgaria, Croatia, Hungary, Republic of Moldova and the USA.

In the 18th year of its presence on the market, Norofert went through a process of rebranding, a vehicle for the new revolutionary product lines and became an exclusive producer of inputs for organic farming.

In May 2019, Norofert announced the launch of a line of 8 new FITO products, for small farmers and hobby gardening activities. For the purpose of promoting and distributing the Fito line, the company has signed partnership agreements with RepublicaBIO.ro for online sales and RODBUN and Agrii, for its distribution in phytopharmaceutical networks with national coverage.

Same year, in 2019 Norofert made the decision to increase the company's share capital followed by the listing on the Bucharest Stock Exchange on the multilateral trading system - SMT. During the private placement of shares that took place in July 2019 the company attracted capital of 7.125 million lei, while the offer enjoyed a high interest from the investors, closing after only 8 hours. Following the private placement, in August 2019, Norofert introduced a new product line for conventional agriculture, called Karisma, which consists of fertilizers and an insectofungicide, produced both in liquid form and in the form of effervescent tablets. With the Karisma line, Norofert entered the conventional agricultural market, which has a current size of 9 million hectares of arable land in Romania.

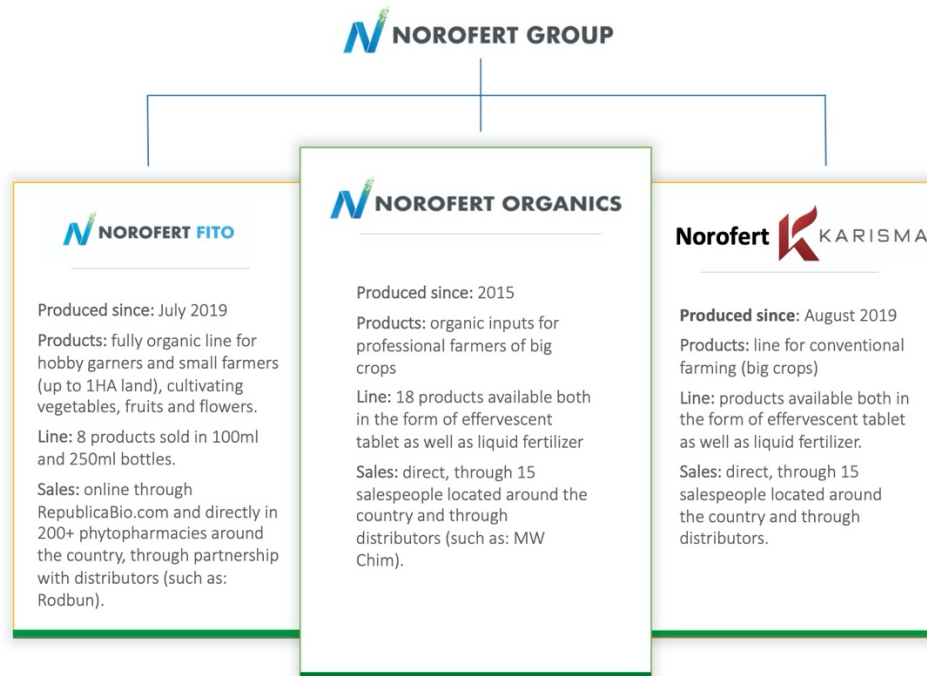
Evoluția NOROFERT



1.2 Description of the Basic Activity of the Issuer

With an agro-tech profile, Norofert develops and produces its own inputs for organic and (from August 2019) conventional agriculture. In addition to the range of 60 different products, grouped into 3 main lines, the company designs customized formulas and optimization schemes that allow the adaptation of organic inputs to the specific needs of the crop depending on the soil, atmospheric conditions and the particularities of each crop.

Currently, Norofert produces fertilizers and agricultural inputs that are available on the market under 3 different brands: Norofert Organics – inputs for organic farming (large crops), Karisma – inputs for conventional agriculture (large crops) and Norofert Fito – fertilizers and phytosanitary products for home gardening and small farmers. Below are the details of each line:



Norofert products, which are authorized in accordance with EU Regulation 889/2008 implementing EU Regulation 834/2007 and hold additional certificates for quality and compliance from ECOCERT France, are complex mixtures of at least 6 active substances each. These active substances act synergistically, enhance and complement each other, gaining a unique and competitive character between similar products on the profile market.

NOROFERT ORGANICS – INPUTS FOR ECOLOGICAL AGRICULTURE (LARGE CROPS)

Norofert presents a complete catalogue of products developed in its own laboratories, which comply with all European standards for organic farming and can cover all the needs of organic crops, such as seed treatments (insecto-fungicides), foliar fertilizers, fungicides, insecticides, biostimulators and soil fertilizers, as well as limiting the absorption of heavy metals in vulnerable plants. The company produces a wide range of the following types of products:



- fertilizers - substances applied to the soil or to the tissue of the plant to supply the one or more nutrients essential for optimal plant development: foliar fertilizers dedicated to crop categories, solid fertilizers granulated for application to the soil, but also germination biostimulators for seeds;
- insecticides - substances that play a role in pest control - insects: insect-fungicidal treatments for seeds, insecticides specifically dedicated to pest categories;
- fungicides - organisms processed with role in exterminating parasitic fungi and their spores, preventing crop degradation: specifically, dedicated fungicides, by disease categories;
- seed insecto-fungicide treatment - antimicrobial or fungicidal solution in which the seeds are treated prior to planting to combat seed-borne diseases. This process reduces the amount of pesticides subsequently needed, with a positive impact on the environment;
- foliar treatments - the method of feeding the plant by applying a fertilizer directly on its leaf, allowing the absorption of the essential nutrients;
- other products for specific needs, such as adjuvant for rapid synthesis, straw decomposition products, water acidity level adjustment or heavy metal removal products, etc.

The catalogue with all the products from Norofert Organics line can be [here](#).

Apart from standardized organic formulations, Norofert is also specialized in the area of production and research of organic inputs. Norofert’s experts help farmers maximize their production with the help of their customized formulas that take into consideration the specificities of the individual crops as well as the soil components, atmospheric conditions and other factors, including rodents or pests that are endangering the harvest in the given time period and area.

The process of preparing customized fertilizers consists of the following steps and is based on specific requests:

- Soil analysis, collected by Norofert experts and inspected at the company’s laboratories;
- Detailed analysis of what the specific plant / crop needs in order to grow and develop;
- Analysis of the atmospheric conditions as well as the local environment;
- Preparation of the unique formulation and its production either in the tablet of liquid form;
- Delivery of the ready to use products to the client, together with application instructions.

NOROFERT FITO – HOBBY GARDENING LINE

In July 2019, Norofert launched Norofert FITO – a line designed especially for small farmers and hobby gardeners who cultivate vegetables, fruits and flowers in small, non-commercial quantities (up to 1 hectare of land per crop), a convenient market segment because of more favourable payment terms and more frequent seasonal cycles.

Norofert’s management has identified a significant demand for this niche, which is sold through phytopharmaceutical chains as well as online. The FITO line currently consists of 8 organic products and includes bio fertilizers, insecticides as well as well fungicides that can be followed thorough the whole plant cycle, in order to ensure its full health. FITO is Norofert’s first line of products that is available for purchasing to the general public, in quantities ranging between 100-250 ml per product. For the promotion and distribution of this line, Norofert HAS signed partnership agreements with www.RepublicaBIO.ro for online sales and, respectively, with RODBUN and Agrii, some of the largest players in the agribusiness market, for the distribution in their own phytopharmaceutical networks with national coverage.

All the Norofert Fito line products can be purchased from [here](#).



NOROFERT KARISMA – INPUTS FOR CONVENTIONAL AGRICULTURE (LARGE CROPS)

In August 2019, Norofert introduced a new product line for conventional agriculture, called Karisma, which consists of fertilizers and an insecto-fungicide, produced both in liquid form and in the form of effervescent tablets. With the Karisma line, Norofert has entered the conventional agricultural market, which has a current size of 9 million hectares of arable land in Romania. The launch of the Karisma line was a strategic move for Norofert, as it helps the company build relationships with important farmers who are currently growing conventional but who, in the medium term, can convert to organic farming and become customers for the Norofert Organics line.

Following the very good results obtained by farmers in conventional agriculture with Norofert’s organic products, the company has decided to create a hybrid technology that combines the organic element with the chemical one, thus materialized in a new line of products, which was based on classic formulas currently found in the market. Therefore:



- simple nitrogen fertilizers have been transformed into complex fertilizers that combine nitrogen, organic amino acids, fulvic and humic acids - Karisma N;
- simple boron fertilizers have been transposed into complex fertilizers with boron, amino acids, auxins and cytokines, plant enzymes, etc. - Karisma Bor;
- The KARISMA line covers the entire spectrum of nutrition and prevention against pests and diseases that can occur in large crops of wheat, corn, sunflower, rape, flax, soybean, etc.

In addition to the portfolio of 5 foliar fertilizers, Norofert also launched, in the second half of 2019, KARISMA IF, an insecto-fungicide, a product destined for large crops under conventional system, with a new and different mode of action compared to the conventional pesticides on market. Also, considering the formulation of the KARISMA IF product, large volumes of sales are expected for this product because it is not part of the neonicotinoid class, meaning it can be sold even during the flowering period of the crops, when most chemical insecticides are prohibited. Another important aspect of Karisma IF is that it does not affect bees.

The direction of development towards conventional agriculture using raw materials of natural origin is a trend just at the beginning, but with very good results due to the different mode of action versus the classic pesticides, to which diseases and pests have developed resistance over the years.

The catalogue with all the products from Karisma line can be found [here](#).

1.3 Description of any significant merger or reorganization of the issuer, its subsidiaries or companies

In order to prepare Norofert for listing on the AeRO market, the company underwent some changes in 2019. Norofert Eco SRL changed its name and form of organization and became Norofert SA. Norofert SA established affiliate relationships with Norofert Fitofarma SRL and Norofert Organics SRL, both established in 2017, in which it currently holds 99% of share capital, respectively 1,980 shares with nominal value of 10 lei each, of a total share capital of 20,000 lei. Norofert SA has as principle field of activity the production of biostimulators and phytosanitary products for organic farming, while Norofert Fitofarma SRL has as main field of activity production of micro-packaged products intended for households and hobby activities while Norofert Organics SRL stores and markets Norofert SA's products.



**Remaining 1% is held by Vlad Popescu.*

1.4 Description of acquisitions and/or alienation of assets

In 2019, Norofert SA has acquired:

- 99% stake in Norofert Organics SRL (CUI:38132351);
- 99% stake in Norofert Fitofarma SRL (CUI: 38131402).

Following the success of private placement in July 2019, the company has also invested capital in fixed assets, necessary for the carrying out of production activity. The following items were acquired in the course of 2019 for the factory in Filipești de Padure:

- 15 stainless steel tanks of 1,500 l, with system of bubbling and automatic dosing of raw materials;
- 6 stainless steel tanks of 2,500 l each, with controlled temperature system, bubbling system and mixing pump to the packaging line;
- Packaging line for cans of 20, 10 and 5 l;
- Labelling line for cans of 20, 10 and 5 l;
- Press for large effervescent pills, with adjustable pressing force, located in a room with controlled temperature and humidity;
- 2.5t forklift truck, 1.5t electric lorry and 700 kg manual leashes;
- Laboratory for evaluation of samples for product batches, soil analysis and analysis of the physico-chemical properties of own products.

The following fixed assets were purchased in 2019 for the production facility in Filiași:

- 3 steel feed tanks of 1,500 l capacity each;
- 3 steel feed tanks of 200 l capacity each;
- Air compressors and electric energy generators;
- 1 Toyota forklift.

The total value of fixed goods acquired in the course of 2019 for the purpose of carrying out the production activities in Filipeștii de Padure and Filiași, as mentioned above, was 718.862,21 lei net.

In 2019, the company has bought in leasing the following cars, in a total value of 336,149 euro (including the advance) out of which 113,535 euro were already paid in the course of 2019. The company has bought the following cars in order to allow the sales team to carry out its activities, which include trips to difficult to reach areas, the agricultural fields of the farmers, the clients of the Group, located across Romania:

- 14 Jeep Renegade;
- 1 Dacia Duster;
- 1 Mercedes G-Class (2nd hand).

These 16 cars are under a 5-year leasing contract signed between Norofert Fitofarma SRL and OTP Leasing, with payments being co-related with the evolution of the agricultural seasons. Namely, the company makes the first payment in August (after harvesting of wheat) and second in October (after harvesting of corn and sunflower).

No assets were alienated in the course of 2019.

1.5 Description of the main results of the issuer's activity

ELEMENTS OF FINANCIAL PERFORMANCE

Revenues: At individual level, Norofert's revenues grew by 147% in 2019, reaching 14.6 million lei. At the group level, in 2019, Norofert recorded consolidated revenues of 14.86 million lei, an increase of 64% compared to the same period of the previous year. At the end of 2019, the total operating revenues at the Group level were approximately 14.8 million lei, an increase of 59% that also takes into consideration the adjustment of the inventories held by the company in the course of 2019. The increase was primarily thanks to the growth of the product portfolio, from 24 to 60 products in the course of S2 2019, the launch of two new product lines – Norofert Karisma for conventional agriculture farmers and Norofert Fito for small farmers and hobby gardening, and the significant expansion of the sales team which by the end of 2019, covered the whole territory of Romania.

Operating expenses: for Norofert S.A. these increased by 165% in 2019 compared to 2018, amid the expansion of activity and investments in promotion. At the group level, operating expenses reached 9.51 million lei, so the operating result was 5.29 million lei, a 13% increase compared to the results of 2018. As the increase of the

revenues was directly related to the investments made, the latter led to a foreseeable increase of the consolidated expenses by 106%, from 4.6 million lei in 2018, to 9.51 million lei in 2019. The increase of the costs was anticipated by the company and was communicated previously with the occasion of the private placement and the publication of the financial report as of 31.10.2019, the increase being mainly supported by the extensive investments made in the following directions:

- Expanding the sales team with 15 new members;
- Expanding the back-office team with 18 new members (including support, credit risk analysis, logistics, compliance, export, marketing and accounting);
- Renting and equipping a new factory in Filipeștii de Padure, with a production area of 2,400sqm and 800sqm storage space (currently the largest unit of organic fertilizer production in Romania) with 4 production lines, for organic liquid fertilizers, conventional liquid fertilizers, effervescent tablets and granular soil fertilizers;
- Development of a product analysis laboratory;
- Development of the multiplication line of bacteria and microorganisms;
- Leasing of 16 cars, with GPS tracking, for the sales team;
- Purchase of a CRM system (under implementation);
- Complete automation of the Norofert FITO production line;
- Purchase of raw materials for the production cycle 2019-2020;
- Purchase of wheat seeds, nitrogen fertilizers (third party products) and herbicides (third party products) needed to market the Karisma line to conventional farmers.

Expenditure on goods: In order to promote the recently launched Karisma line among conventional farmers, Norofert has developed special packages, which are sold directly to farmers, through the sales team. The package contains wheat grains, Karisma fertilizers (5 products), as well as a third-party produced herbicide and nitrogen fertilizer. Norofert does not produce herbicides nor nitrogen fertilizers, but they are essential in conventional farming, so they had to be included for the special package for it to be successful. The evolution of the costs of goods at group level, from 827K lei in 2018 to 4.6 million lei in 2019, is thus represented primarily by the acquisition of wheat seeds, herbicides and nitrogen fertilizers from third-party producers, which Norofert purchased in order to promote the Karisma line. At individual level, the number increased from 744K lei in 2018 to 6.84 million lei in 2019 – amount higher than at the consolidated level due to intra-group transactions. It is important to underline that the selling of the special packages, which were invented in order to promote Karisma line, results in a lower profit margin than selling, for example, products from the Organics line. This is caused by the fact that the Karisma products are sold in packages which include 3rd party products which are sold with minimal margin. This means that while the revenue of the company has increased because of promoting and selling Karisma line, the profit margin (expressed as %) is lower.

Personnel costs: The significant increase in personnel expenses, from 695K in 2018 to 1.96 million lei in 2019, was determined by the fact that, following the private placement in July 2019, the Norofert team increased with 32 new members, and at the group level the number of employees reached 45 people as of the end of 2019. Most of the costs were covered by Norofert SA, which at individual level registered an increase in personnel costs by 123%, from 653K to 1.46 million lei.

Operating result: the increase of the expenses, more precisely the costs of goods and personnel expenses, represents the modification of the business model of the company that occurred after the implementation of the development plan for which Norofert raised the capital through the private placement from July 2019. At individual level, operating result grew by 424%, reaching 3.5 million lei in 2019, while at consolidated level it grew by 13% to 5.3 million lei.

The financial result materialized in a net loss of 76K lei at group level, increasing compared to the one of 30.6K lei registered in 2018 and, respectively, of 54K lei at individual level, was determined by the increase of external financing among which car leasing through OTP Leasing and the credit line from Alpha Bank.

Expenses related to profit tax: following the change in the business structure, as well as the increase of sales at group and individual level, the taxes paid by the company increased significantly (+245%, from 170K lei in 2018 to 589K lei in 2019), thus reducing the net result recorded at consolidated level. Specifically, Norofert Organics and Norofert Fitofarma increased revenues above the threshold allowed to companies that benefit from 1% income tax and migrated to the category of companies that pay 16% of corporate income tax.

Net profit: the restructuring of the business and the distribution of roles between the three affiliated entities (Norofert S.A., Norofert Organics SRL and Norofert Fitofarma SRL) determined the increase of the issuer's individual profit from 514K lei for the previous year, to 2.9 million lei compared to 31.12.2019. At group level, consolidated net profit recorded in 2019 was 4.62 million lei, an increase of 3% from 4.47 million lei recorded in 2018. The net profit margin decreased mainly due to the investments made starting with August 2019. Also, as mentioned above, the second half of the year represents for Norofert a season in which mainly products with a low profit margin are sold, compared to the first half of the year when products with a high profit margin are sold. It is important to note here that, given that the private placement was in July 2019, the company did not yet have a chance to register a first half of the year with the additional "push" it has received from the freshly raised capital.

Distribution of profit: Considering the net profit registered by Norofert SA in 2019, the General Shareholders' Meeting, which was held on April 28, 2020, has agreed on the capitalization of the sum of 2,407,182 lei from the 2019 profit. Therefore, share capital of the company will be increased with the amount of 2,407,182 lei, by issuing 6,017,955 new shares with a nominal value of 0.4 lei / share. The distribution of newly issued shares will be made following the formula of three newly issued shares for each share held.

FINANCIAL POSITION

Current assets: At the Group level, current assets, which represented, at the end of 2019, 92% of total assets, were 24.66 million lei. As a structure, inventories accounted for 18% of current assets, and receivables for 71%. At individual level, current assets of Norofert SA were in the amount of 19.7 million lei. At the end of 2019, at group level, inventories were 4.83 million lei, an increase of 199% compared to 2018, while the value of the receivables was 18.98 million lei (+175%). At individual level, inventories were 2.6 million lei (+189%) and receivables 17 million lei (+383%). The increase in inventory was mainly determined by the sales strategy adopted by Norofert for the Karisma line, which includes the sale of products made by third parties. In addition, in 2019 the inventory also included some goods that have already been sold but have not yet been sent to customers and based on the custody contract, they are still in the Norofert stock instead of being with the customer. This is since some of the clients request such an operation if they do not have enough storage capacity at the moment of purchasing the product.

Receivables: the standard payment term in the agricultural sector is between 280 and 360 days and this is the payment term that applies to all products sold from the Organics and Karisma lines, an aspect that explains the high volume of trade receivables. The only exception are the products from the FITO line, which have an average payment period of 90 days. Thus, the receivables growth is directly related to revenue growth registered in 2019. In addition, a limited number of outstanding claims from non-performing clients from 2018, when the company has not yet had established a Risk Department, are also included in 2019. To reduce the risk of non-performing customers in the future, in the course of 2019 Norofert has significantly dispersed its customer base so as not to depend on individual customers, increasing from 39 customers as of July 2019, to 402 customers on December 31st, 2019. In addition, the company has hired a risk manager who analyses the payment capacity of potential customers before establishing business relationships with them.

The value of the fixed assets: at the Group level, having a value of 8% of the total assets, fixed assets were 2.08 million lei at the end of 2019. The highest proportion are Property, plant and equipment, amounting to 1.7 million lei, with a share of 82%, while the assets under investment represent 15% of total fixed assets. Compared with 2018, the value of fixed assets has grown by 228%, primarily because of the investments carried out in tangible assets which grew by 334% on a year-by-year basis. At individual level, fixed assets of Norofert SA grew in 2019

by 43%, to 908K lei, with 489K lei being attributable to property, plant and equipment and 321K to assets under investments.

Fixed assets: as a result of the private placement, as it was already mentioned to the investors, the company invested capital in the development of the Filipeștii de Pădure factory, as well as in the automation of the production plant in Filiași for the Fito line, which is why the fixed assets increased significantly compared to 2018. The management has decided to maintain for the moment the production of the Fito line in Filiași because should the production have been moved in 2019 to Filipești de Padure, some of the contracts with large distributors (that were concluded in H2 2019) could have been lost because of the inability to ensure continuous production of the line. Additionally, since the production flux for Fito products that are micro-packed is different than the production flux for large quantity products such as those from Karisma or Organics line, there was no direct benefit from moving the production immediately to Filipești and the financial burden of temporarily keeping the production in Filiași was not that significant. The management however has in the plan to move the full production line also to Filipești de Pădure in the course of 2020 in order to have all the lines produced in one place and thus fully optimize the costs as well as the oversight.

Debt: At the end of 2019, at group level, the group's total liabilities were 10.96 million lei. In this context, in 2019, short-term debt, which represents 91% of total debt, was 9.93 million lei, an increase of 138% compared to the consolidated situation in 2018. Sales growth, especially of wheat packages from the fall, led to short-term debt growth because wheat seeds and herbicides in the offered in Karisma packages were purchased from 3rd party suppliers. Non-current liabilities of 1.01 million lei are maintained at a relatively low level compared to the current ones, and amount to 9% of total debts. They have however grown by 415% compared to 2018 because of the financial leasing that the company has contracted in the course of 2019 for the acquisition of 16 cars that were needed for the sales team. At individual level, total liabilities amounted to 10,6 million lei, an increase of 130%, with most, 10.5 million lei being current liabilities (+159% compared to 2018 result).

THE KEY ECONOMIC AND FINANCIAL INDICATORS

Liquidity and solvency indicators place the issuer significantly above the comfort threshold, reflecting an excellent level of the company's ability to hedge current liabilities on current assets. The low and declining value of long-term debt, the decreasing share of total liabilities, shows, at the same time, a high level of the issuer's self-financing capacity and, respectively, of the ability to pay its obligations on equity, respectively of its assets.

Liquidity and solvency indicators – individual level for Norofert SA:

<i>Indicators</i>	<i>Formula</i>	<i>31.12.2018</i>	<i>31.12.2019</i>	<i>Reference intervals</i>
OVERALL / CURRENT LIQUIDITY	Current assets / Current liabilities	1.23	1.94	>2 / 1.5
IMMEDIATE LIQUIDITY	Current assets – Stocks / Current liabilities	0.98	1.68	>1 / 0.8
CASH RATIO	Availabilities / Current liabilities	0.02	0.01	>0.8 / 0.5
OVERALL SOLVENCY	Total assets / Total liabilities	1.22	1.96	>1
NET WORTH SOLVENCY	Equity / Capital Employed*100	0.48	0.97	>30%
DEGREE OF INDEBTEDNESS	Borrowed capital / Capital Employed*100	107.1%	3.3%	<50%
INDEBTEDNESS RATIO	Total liabilities / Total assets*100	82.0%	50.9%	<80%

The level of risk expressed by the extent to which the company can cover financial obligations to third parties on

account of its assets is also significantly reduced, below the maximum reference threshold.

Liquidity and solvency indicators – consolidated level for Norofert Group:

<i>Indicators</i>	<i>Formula</i>	<i>31.12.2018</i>	<i>31.12.2019</i>	<i>Reference intervals</i>
OVERALL / CURRENT LIQUIDITY	Current assets / Current liabilities	2.06	2.48	>2 / 1.5
IMMEDIATE LIQUIDITY	Current assets – Stocks / Current liabilities	1.67	2.00	>1 / 0.8
CASH RATIO	Availabilities / Current liabilities	0.02	0.09	>0.8 / 0.5
OVERALL SOLVENCY	Total assets / Total liabilities	1.94	2.45	>1
NET WORTH SOLVENCY	Equity / Capital Employed*100	0.96	0.94	>30%
DEGREE OF INDEBTEDNESS	Borrowed capital / Capital Employed*100	4.2%	6.0%	<50%
INDEBTEDNESS RATIO	Total liabilities / Total assets*100	51.5%	40.9%	<80%

At the consolidated level, the dynamics of Norofert's business is positively reflected in all indicators of liquidity, solvency, risk and profitability.

While the current liquidity indicator is very close to the strictest comfort threshold in the opinion of experts, the level of immediate liquidity is considerably above the minimum allowed limit. Given the specificity of the agricultural sector, where cashing and payment terms are much longer than the general average, the liquidity indicator, which expresses the company's ability to cover its current liabilities to the treasury, is less relevant.

Total liabilities can be covered almost twice by the company's total assets, and long-term liabilities, that are decreasing, represent a very small share in the capital employed. Total liabilities also contribute with 51% to the financing of the company's assets, which confirms the low financial risk associated with the Norofert business.

Profitability indicators - individual level for Norofert SA:

<i>Profitability indicators</i>	<i>Formula</i>	<i>31.12.2018</i>	<i>31.12.2019</i>
OPERATING PROFIT MARGIN	Operational result / Revenue*100	11.8%	24.0%
NET PROFIT MARGIN	Net Profit / Revenue *100	9.0%	20.0%
FINANCIAL PROFITABILITY MARGIN	Net Profit / Equity*100	97.7%	28.7%
RETURN ON CAPITAL EMPLOYED	Net Profit / Capital Employed*100	47.2%	27.8%

Profitability indicators - consolidated level for Norofert Group:

<i>Profitability indicators</i>	<i>Formula</i>	<i>31.12.2018</i>	<i>31.12.2019</i>
OPERATING PROFIT MARGIN	Operational result / Revenue *100	51.6%	35.6%
NET PROFIT MARGIN	Net Profit / Revenue*100	49.4%	31%
FINANCIAL PROFITABILITY MARGIN	Net Profit / Equity*100	99.9%	29.2%
RETURN ON CAPITAL EMPLOYED	Net Profit / Capital Employed*100	95.7%	27.4%

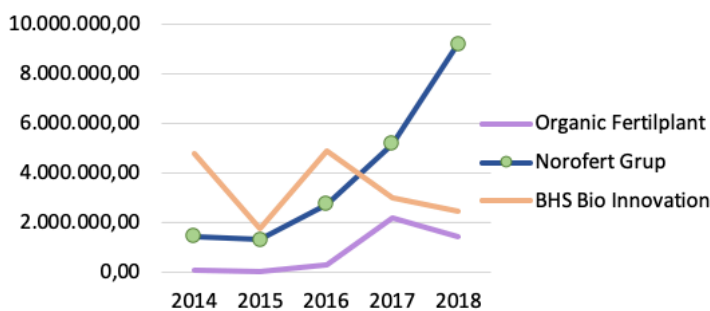
As at 31.12.2019, the profitability indicators indicate a decreasing trend. Given the increase in operating expenses as a result of investments in marketing, promotion and sales, the operating profit margin decreased. On the other hand, the increase of the income tax expenses by over 400,000 lei (+245%) generated by the inclusion of the group entities in another tax category, contributed to the decrease of the net profit margin up to 31%. Return on equity and permanent capital decreased due to the increase in equity by 255%, while net profit increased by 3.4%. Nonetheless, profitability indicators remain at favorable intervals for the issuer and its investors.

MARKET SHARE

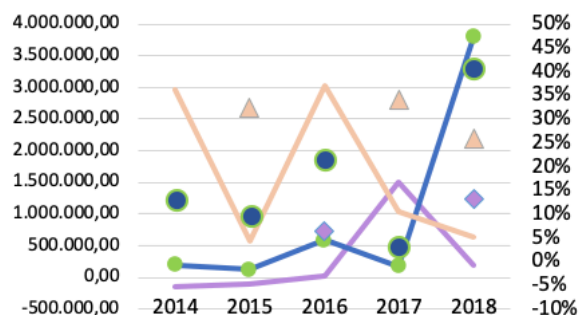
In a market of organic fertilizers valued at 10-12 million euros, Norofert has an approximate market share of 30%, estimated by reporting the number of hectares of organic crop for which the need for phytosanitary / organic fertilizer was covered by Norofert sales to the total number of hectares of agricultural crop to which organic inputs are applied. According to the expectations of Norofert’s management, the increase of production capacity and the sale of organic soil fertilizers will mean the consolidation and amplification of the competitive position.

In Romania, there are three important local producers of inputs for organic farming, BHS Bio Innovation S.R.L., Organic Fertilplant S.R.L. and Norofert S.A., of which, Norofert stands out as a leader by the confirmed innovative profile as well as by the economic-financial results, calculated on the basis of the financial data history for the years 2014-2018:

a) Turnover, 2014-2018



b) Net income / net margin profit (2014-2018)



Norofert's target market is, however, approached to a large extent by foreign producers through importers and local distributors of both organic and conventional inputs, such as Naturevo SRL, Biochem SRL, Elliser Agro SRL or exclusive distributors of organic plant protection products such as Sirio Organic SRL.

Although Norofert is a leader in the organic fertilizer market in Romania, it has little recognition on the conventional agricultural market, where its Karisma line must compete with both local and international companies, including important players, such as Lebosol or Intermag Poland.

Norofert's competitive advantages on the profile market are:

- Fair prices, aligned with the conventional market;
- Long-term credit (180 - 280 days);
- Full range of products;
- Innovative products;
- National coverage through partner distributors;
- Immediate availability of products;
- Delivery in 24-48 hours through specialized services;
- Possibility of purchasing from the customers a part of the production in compensation with the debt;
- Integrated pre / post sale services;
- Specialized consultancy, both in the agricultural technical field and in the matter of legislation;
- Affiliation to professional associations in the field;
- Brand and product awareness.

EXPORT

Norofert S.A. aims to expand and increase awareness in the organic farming sector in Europe and worldwide. Norofert is already present with its products in the Republic of Moldova and Greece, however, their share in the turnover for the year 2019 was relatively low, approximately 3%. The management intends to expand further, with the first steps towards penetrating US markets already underway.

The medium-term objective of Norofert (3-5 years) is that 50% of the consolidated revenues of the company will come from markets outside Romania. Following the private placement in July 2019, new opportunities for developing Norofert's presence internationally appeared, especially through the entry into the US market, but the management and sales team were also approached by farmers and distributors from other countries such as Jordan, Morocco, Kazakhstan and South Korea. The company received a very positive feedback and a special interest for its key innovation, the effervescent tablet which supports the expansion of the area of activity in the external markets.

Achieving this goal, to have 50% of the revenues from external markets, will require a significant investment from the company because entering a new market is accompanied by costs for the homologation of each formula. However, Norofert's ambition is to become a regional player and make its innovative products available to farmers all around the world.

1.6 Evaluation of the technical level of the issuer

The main market for sale of Norofert products in 2019 was Romania, with different distribution channels being used for each of the three business lines. Organics line reaches large organic farmers through sales agents. Karisma line is also sold through the sales team, but which in turn acts as sales support for local distributors with whom Norofert has contracts. Therefore, the negotiation and presentation of the products is done by Norofert sales agents, but the invoicing is done through local distributors. Fito line is distributed through phytopharmaceutical chains, through approximately 400 locations of Agrii and RodBun, as well as through an online retailer, RepublicaBIO.ro. For 2020, the management is planning to get into the DIY chains, into the gardening section.

As two of the three lines of the company (FITO and Karisma) were only launched in second half of 2019, their individual weight in the total turnover can only be predicted for 2020. The management expects it to be as follows: Organics – 40% of turnover, Karisma 55% of turnover and Fito 5% of turnover, with a growth trend to be registered by Karisma and Fito lines in the next 2 years.

The production of agricultural inputs during 2019 evolved as follows:

<i>Production Volumes (in liters)</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
FERTILIZERS	73,000 l	74,400 l	120,000 l
INSECTICIDES	25,417 l	35,075 l	30,000 l
FUNGICIDES	12,7621 l	35,400 l	29,000 l

Regarding sales by product categories, they present as follows:

<i>Sales per Product Category (% of total sales)</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
FERTILIZERS	47%	30%	40%
INSECTICIDES	25%	30%	20%

FUNGICIDES	21%	25%	20%
SEED TREATMENT	3%	5%	9%
SPECIAL PRODUCTS	n/a	3%	1%
GRANULATED SOIL FERTILIZERS	4%	7%	10%

Karisma and Fito lines will receive in the course of 2020 financing in order to continue growing their position in the market. Karisma is in a very crowded market of products for conventional agriculture and a considerable effort is needed in order to distance it from the competition through packaging, formulation and pricing policy. Competition "In Tandem cu Norofert" through which a Mercedes X-Class car will be awarded to the winner, is specially designed for marketing the Karisma line. It brings an additional revenue to Norofert in the spring season and is conditioned on participating in the pre-paid sale raffle, which is hard to achieve in this period of the year, without encouraging farmers in this regard.

The Fito line, intended for gardeners, greenhouses and solariums, produced on a special line of micro-packaging (100ml, 250ml and 500g) will enter even more phytopharmaceuticals in 2020. A "spin off" of the hobby line is also planned for 2020 which will include products for dilution in water and packaging as sprays, targeting a wide range of household customers (specifically for ornamental flowers and apartment plants).

1.7 Evaluation of the technical-material supply activity (indigenous sources, import sources)

The raw material used by Norofert for all product ranges has a 70/30 ratio in favor of local supplies. Apart from the materials that are impossible to manufacture or extract in Romania (such as: vegetable amino acids from soy, phosphate rock or potassium sulphate), the rest of the raw materials are produced by Norofert, though a multiplication of 12 types of microorganisms.

Price fluctuations for the main imported raw materials are not significant, as they are not considered as commodities. There is an average fluctuation of +/- 5% in the last 5 years for amino acids or phosphate rock.

The raw materials are purchased 3 months before the beginning of the agricultural season to allow a comfortable production time. According to forecasts, the production flow is adapted and products covering 70% of the forecast are introduced into production. During the campaign, depending on the pedo-climatic conditions and / or attacks of pests or diseases, spot orders are made, mainly of phytosanitaries.

The main suppliers of conventional seeds and pesticides, used for the sale of the technological packages with foliar fertilizers are local importers and distributors, the main 5 suppliers invoicing together, at most 16.3% of the total value of the orders. Norofert has not developed a relationship of dependence with a single supplier, and the classification below varies from year to year. The company chooses its suppliers primarily based on the quality of the products, but also on the competitive price-quality ratio, which ensures the integrity of the Norofert formulas.

The first 5 most important suppliers, based on the weight in the total value of orders in 2019, are:

<i>Nr.</i>	<i>Suppliers name</i>	<i>Weight (%) in the total value of orders in 2019</i>
1.	AGRO EST MUNTENIA SRL	8.15%
2.	KWS SEMINTE SRL	4.99%
3.	ALPHA PARTNERS SRL	1.44%

4.	ALCEDO SRL	1%
5.	CHEMARK SRL	0.75%

1.8 Evaluation of the sales activity

Norofert products are distributed through direct channels to large farmers through the Norofert sales team, respectively through a network of local distributors in the most important nodes of the country in the agricultural sector. For 2019, 65% of Norofert's sales came from distributors, 23% from large farmers and about 12% were sales to small farmers.

Agricultural campaigns are composed of two phases from the point of view of the process of selling inputs. The first phase includes the early sales campaign, which takes place 3-4 months before the beginning of the planting season. During this period, larger discounts for advance payment and technological packages consisting of fertilizers, pesticides and herbicides are granted. In general, farmers with better capitalization benefit from this campaign. Early sales account for about 25-30% of sales for that season. The second phase includes the sales campaign from the beginning of the seeding season, which is also the busiest. During this period, the delivery time, the availability of the products and the agility of the sales team prevail in the face of the price policy because the failure of the optimal window of application of the inputs often translates into losses in the crop.

For the Organics line, Norofert enjoys the status of sole producer of a complete line of fertilizers and phytosanitary for organic farming in Romania. Therefore, the company can offer complete solutions, from seed treatment to post-harvest treatments to the main agricultural crops of cereals, oilseeds, fruit trees, vegetables. The competition is represented by importing and distributing companies, which import on the local market mainly from countries such as Spain, Italy, Germany or France. There is a small growth of competing companies in this niche.

The Karisma line is among the most competitive branches of agribusiness, of biostimulators and specialized products. The influx of imported and domestic products makes this market a place where the price prevails, and quality is second. In terms of increasing market share, risk dispersion is one of Norofert's main priorities, in a market where crediting until harvesting, somewhere at 270-300 days, is a standard. In order to reduce the exposure to the risk of non-payment of receivables specific to this sector, Norofert implemented a policy of careful selection of customers, excluding small farmers without a history of good payment, and focused on large farmers in organic and conventional agriculture. Through the Risk Department, created in August 2019, the triage and eligibility for financing clients has become much more rigorous, reducing but not completely, eliminating, the risk of non-payment.

For the Fito product line, Norofert signed distribution and sales contracts with the online shop RepublicaBio.ro, with Agrii and RodBun, the latter being an owner of a chain of 70 phytopharmaceuticals covering the whole country and collaborating with about 100 other phytopharmaceuticals. Most of the sales generated in 2019 to small farmers were generated by sales of products from the Karisma line. The Fito line was aimed, through phytopharmaceuticals, to domestic consumers.

<i>Structure of Client Portfolio (% of total sales)</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
DISTRIBUTORS	40%	60%	65%
LARGE FARMERS	40%	30%	23%
SMALL FARMERS	20%	10%	12%

The sales efforts were supported in two ways – firstly through the sales team which has joined the company in August 2019 and has been primarily responsible for reaching out to new customers and informing them about the products of Norofert Group, benefits of organic farming as well as about using products manufactured by the issuer. The full list of the sales team, together with their division on the territory of Romania can be found on [Norofert's website](#). Secondly, the efforts of the team have been supported by two promotional campaigns carried out in the course of 2019, which have costed a total of approximately €70,000 and have included: promo campaigns of Karisma and Organics lines, 6 meetings with farmers as well as costs of establishing, maintaining and tracking of demo plots harvested with Karisma and Organics products.

	2017	2018	2019
PROMOTION CAMPAIGNS OR SPECIAL OFFERS	0	1 (€50,000)	2 (€70,000)
NUMBER OF SALES AGENTS	4	3	14

Additionally, in the course of 2019, Norofert has organized 6 meetings with conventional agriculture farmers, during which Norofert teams have presented advantages of conversion towards organic agriculture using Norofert products. We consider these meetings of fundamental importance as they give us unique opportunities to build relationship with conventional farmers who can first use Karisma products and then, as a second step, convert to organic farming by following Norofert Organics line.

Finally, in the course of 2019, the company has increased its presence in the Romanian as well as international press and media, including also TV coverage. The media appearances have focused both on business publications (DIGI24, Ziarul Financiar, Wall-Street, Profit, Forbes, NewMoney, etc.) but also specialized outlets targeting the farmers, such as AgroTV.

When it comes to dependency from clients, in 2019, the following 5 companies have represented the largest clients for Norofert Group:

Nr.	Name of Client	Weight (%) in Turnover
1.	BIOAGRIFERT SRL	22%
2.	BIO CONSULTING CENTER DELTA SRL	8%
3.	CEREALBIO SRL	5%
4.	AGRO IULIA SRL	2,7%
5.	EMILIANA WEST ROM SRL	1%

During 2019, Norofert has significantly dispersed its customer base in order not to depend on individual customers (39 customers on July 1, 2019 vs. 300 customers on December 31, 2019). In addition, the company has hired a risk manager who analyses the payment capacity of potential clients before establishing business relationships with them. The largest dependency in the portfolio is placed at the distributor Bioagrifert SRL, with a percentage of 22%. This distributor operates, supported by 3 Norofert sales representatives, in Constanța and Tulcea areas, which is distinguished by 80% concentration on organic farming. The company Bioagrifert SRL is

owned and managed by Mișu Constantin, former Norofert sales agent and has in its portfolio exclusively products manufactured by the issuer.

1.9 Evaluation of the Issuer's staff

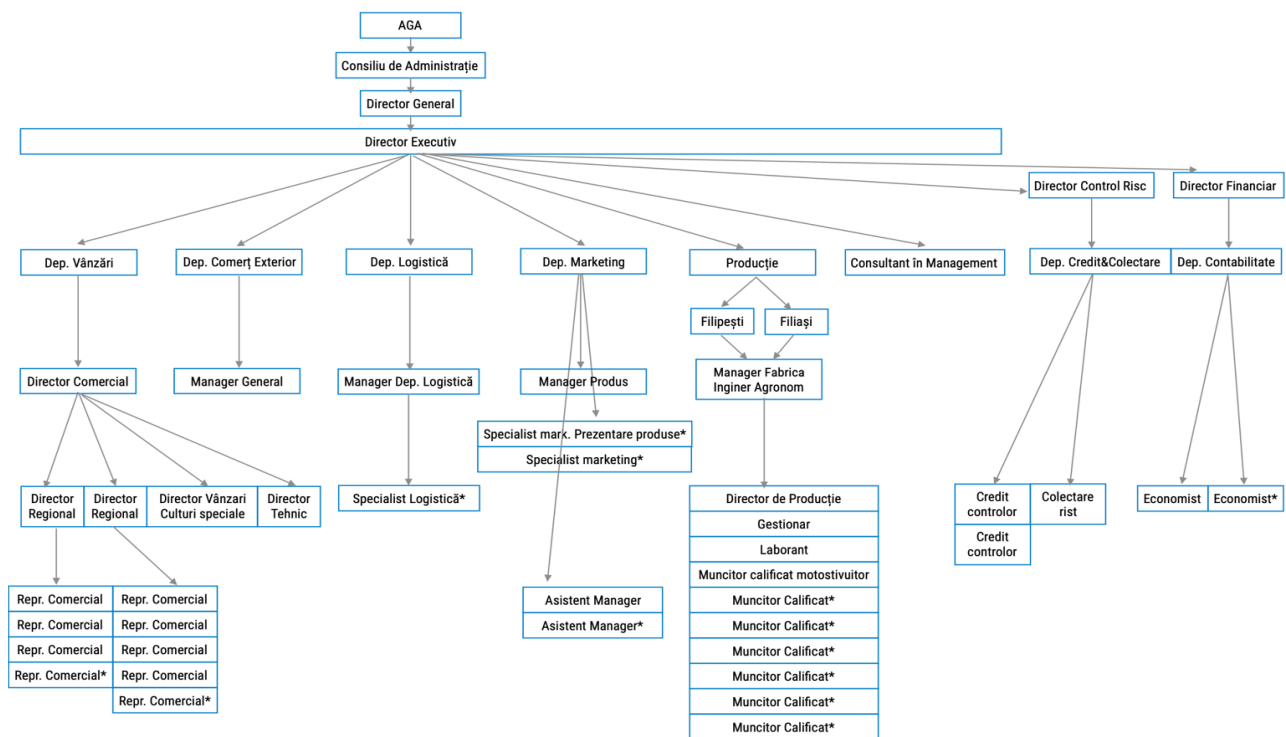
Norofert Group team has reached in 2019 an average number of 33 of employees. As of December 31st, 2019, the company had 45 employees. 27 employees had a contract with Norofert SA, 3 with Norofert Organics SRL and 15 with Norofert Fitofarma SRL. The personnel distribution at the level of Group is as follows:

<i>Department</i>	<i>Employees</i>
SALES DEPART.	13
ADMINISTRATIVE / ACCOUNTING DEPART.	12
LOGISTICS DEPT.	3
PRODUCTION MANAGEMENT	6
COMPLIANCE DEPT.	1
EXPORT DEPT.	1
LAB	1
PRODUCTION UNITS	8
TOTAL	45

Please note that there has also been a fluctuation of some personnel, with some of the team members leaving the company in the course of 2019 - for example at the end of 2019, the company had 13 sales representatives, even though in the course of the year, 15 new sales colleagues has joined the firm. Having very strict sales targets, some sales representatives were let go before the yearend.

From Norofert's staff, 11.1% are persons who are between 20-29 years old and 88.9% are over 29 years old. Out of the employees of the Group, 48.9% are persons with higher education and 51.1% are persons with secondary education.

The organizational relationships and the hierarchical-functional structure can be analysed on the following organizational chart (in Romanian):



1.10 Evaluation of the issues related to the issuer’s impact on the environment

Norofert SA holds a complete environmental permit for all production activities, issued by the National Agency for Environmental Protection in Prahova. Production facilities of the company and the equipment held are new or have been upgraded, and they all comply with the requirements regarding environmental protection and occupational health and safety.

Organic farming is an integrated farming system that pursues sustainability, increasing soil fertility and biological diversity, while prohibiting, with rare exceptions, the use of synthetic pesticides, antibiotics, synthetic fertilizers, genetically modified organisms and growth hormones. For all its production lines, including Karisma for conventional farming, Norofert uses only natural ingredients, raw materials of plant and animal origin, which do not have a negative impact on the environment.

There are no existing lawsuits related to the environmental protection.

1.11 Evaluation of the R&D activity

In the course of 2019, Norofert was active in the research and development activities, which for the issuer means developing as well as improving the formulations of its agricultural inputs. In the below table is presented the evolution of the company’s R&D efforts. In 2019, Norofert has developed 25 new products, which include a full FITO line for hobby gardening and small farmers (launched in May 2019), full Karisma line (launched in August 2019) as well as new additions to the Organics line, including products for a sub-line Organics for Horticulture.

The number of new formulas has significantly increased, primarily since Norofert has developed a private label line of 50 products (considered „new formulas”) for Agrii. In parallel, all the formulations previously developed by Norofert have been improved in the course of 2019 in order to ensure that they have the maximum effect on the crops.

<i>Indicator</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
NUMBER OF NEW FORMULAS	12	19	50
NUMBER OF IMPROVED FORMULAS	5	12	50
NUMBER OF NEW PRODUCTS	7	7	25

The issuer does not use research expenses for intangible assets, as show in the financial position of the company.

1.12 Evaluation of the issuer's activity related to risk management

1.12.1 RISKS CONCERNING THE ISSUER AND ITS ACTIVITY

PRICE RISK – this represents the risk that the market price of the products sold by the company will fluctuate to an extent that makes existing contracts unprofitable. With the company being the producer of agricultural inputs, the company has the advantage of stabilizing itself the price of the products it sells, of course in line with the prices of other producers active on the market. In the agricultural sector, the habit is that the producers of agricultural inputs establish a relatively high price list (which allows a significant profitability margin), and then provide discounts on an individual client basis, based on payment term as well as quantity of product bought. Having a high price list allows the company to have flexible pricing policy and manage risks related to pricing as well as it lets the company adapt to changing market prices from day to day, from one client to another. Even with significant discounts, the company still manages to maintain a healthy production to sales cost ratio, which also includes indirect costs. When it comes to the prices of raw materials used for the production of the fertilizers, it is important to underline that it generally does not have high price fluctuations, and these are relatively low considering the price of products sold. Therefore, as the issuer does not engage in the activity of a distributor, which carries a significant price risk, its exposure to price risk is significantly lower. The only exception where the company is exposed to price risk is when it purchases seeds or 3rd party products, as it was done for the purpose of marketing the Karisma line. However, these products bought from the third parties are never sold alone, but only in specially designed packages which include issuers own products, which helps mitigate the risk. Being included in package, eventual losses in margin from 3rd party products are covered by high margin from other products in the package, which are own products.

LIQUIDITY RISK – liquidity risk is associated with holding fixed or financial assets and converting them into liquid assets. The company does not hold financial assets other than shares in two daughter companies (Norofert Fito and Norofert Organics), however it does hold fixed assets, which is in majority the equipment necessary for the carrying out of daily activities at the two production facilities of the company.

CREDIT RISK – the risk that the Group will incur a financial loss as a result of the breach of contractual obligations by a client, which mainly results from the trade receivables or the possible breach of the obligations under some financial instruments. The company is exposed to the credit risk, given that the specific nature of the activity and the business model involves the credit of customers on terms of over 180 - 360 days. In order to reduce the exposure to the risk of non-payment of sector-specific receivables, Norofert implemented a careful customer selection policy excluding small farmers without a good payment track record and focused on large farmers in organic and conventional agriculture. The Risk Department within the company makes a thorough evaluation of each client sent for approval by the field sales team. As a result of this assessment, the creditworthy customers receive a credit limit, with which they can purchase products from the Norofert portfolio.

The Risk Management Department was established following the private placement in July 2019. The role of this department is to minimize the risk of financing through risk policies adapted to business lines (Norofert Karisma, Organics and Fito). The risk policy is based on the definition of a set of evaluation criteria, criteria that take into account a correct evaluation of the client's solvency from a commercial point of view (partner type, culture type,

work surface, history), legal (litigation) and financial (turnover, number of employees, CRC incidents, stocks, etc.). The financing or granting of a credit limit is carried out on the basis of the above-mentioned criteria, each credit limit being secured by guarantee instruments or additional guarantees requested after the client's analysis. The process of monitoring clients helps to identify possible situations or changes from the legal and financial point of view intervened in the activity of the client to whom credit line was granted. These situations may lead to the modification of the financing decision. The monitoring process is carried out from the moment of granting the credit line until the time of collection of the debts. The debt collection procedure is structured on exact periods that allow both amicable collection and enforcement of guarantees, where appropriate. All these activities included in the risk procedure must allow for the most accurate assessment of the client's solvency at the time of requesting the financing and its future payment capacity, so that the financing decision is taken in conditions of zero risk of non-term recovery and in all the financing provided to the client.

EXCHANGE RATE RISK - the possibility of recording losses from international commercial contracts or other economic relationships, due to the modifications in the exchange rate of the currency in the period between the conclusion of the contract and its maturity. As the company plans to expand to other international markets, from Europe or the US, it will be exposed to this type of risk however at the current moment, is not the case.

CASH-FLOW RISK – this represents the risk that his company will not be able to meet its due payment obligations. The periods of the year in which the company is exposed to the risk of cash flow are the months before harvest (June for rapeseed, July for wheat and October for sunflower and maize). 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 level of cash inflows expected from the collection of trade receivables, as well as the level of cash outflows expected for the payment of commercial debts and other debts. The cash flow risk is limited by factoring operations on eligible customers and marketing campaigns that encourage the payment in advance of some products in exchange for larger discounts.

RISK ASSOCIATED WITH INTEREST RATES AND FINANCING SOURCES - in case of deterioration of the economic environment in which the issuer operates, it may be unable to contract a new loan under the conditions it previously benefited, which could lead to increased financing costs that would adversely affect the financial situation of the company.

RISK RELATED TO THE ASSETS OF THE COMPANY AND THE DEPRECIATION OF THE STOCK - As of December 31st, 2019, the current assets of Norofert SA include inventory of goods of a total value of 4.33 million lei. These goods are wheat seeds as well as soil fertilizers produced by a 3rd party, which were purchased by Norofert to include them in the special packages promoting Karisma line. The packages are an integral part of Norofert's marketing strategy of promoting the Karisma line among the conventional farmers. While these products are sold with a negligible profit margin, there exists a risk that the fertilizers suffer from devaluation and they might not be resold by Norofert before the end of the year or not at all. There is also the risk that the wheat seeds might deteriorate for several reasons (weather, atmospheric or storage conditions just to mention a few) and will not be fit to be re-sold. Should these risks realize, they would have a direct, negative effect on the company's financial result. Nonetheless, stored in optimal conditions, the wheat seeds can be re-analysed next year by the authorized institutions and can be put back on the market in order to include them in the new packages, sold by Norofert starting from September 2020. The wheat seeds remaining in stock represent estimated 25% of the total value of the goods mentioned above, the while rest of the products have a shelf life of at least 2 years from the date of manufacturing (September 2021), thus meaning that the company should have sufficient time, respectively 4 agricultural campaigns, to use them. The company will however do everything in its power for the risks related to the goods held by the company do not to realize however the management considers it crucial to inform the shareholders about the current situation.

RISK ASSOCIATED WITH KEY PERSONNEL - the company, active in a niche industry of organic farming, in an expanding market, carries out an activity that requires high knowledge and specialization. The company depends on the recruitment and retention of the management personnel and the qualified employees. The medium and long-term profitability of the company depends, to a large extent, on the performance of the qualified

employees, the personnel and the executive management, especially important for the future development of the Norofert Group. Therefore, there is a possibility that, in the future, the company may not retain its executive directors or key personnel involved in the company's activities or may not attract other qualified members to the management team or key persons, which would affect the market position as well as its future development. Thus, both the loss of the members of the management and of the key employees could have a significant negative effect on the activity, financial position and operational results of the company.

RISK DUE TO THE SPECIFIC OF THE ACTIVITY – the company operates in the field of agriculture on niche products intended especially for organic farming. As a result of the strategy at the level of the European Union and Romania, the farmers benefit every year from subsidies that significantly support the activity of the farmers. Although no information is known in this regard, if in the future this strategy undergoes adjustments or modifications in the direction of the reduction of subsidies, it can also negatively affect the clients of the company, with potential impact on the receivables and / or new product orders side Norofert.

RISK OF WITHHOLDING OF THE ISSUER'S ACCOUNTS - withholding the accounts is an enforceable measure that can be applied to a company. Thus, the issuer's accounts may be blocked as a result of the forfeiture, if the issuer's creditors request this measure to recover their debts. The issuance of the issuer's accounts entails the blocking of the amounts from the receivable accounts and may lead to the difficulty or inability of the company to fulfill its subsequent obligations, in the agreed terms.

OPERATIONAL RISK - The Romanian agricultural cycle is divided into two main seasons, each having a different influence on the financial performance of the company:

- February-May, with peak activity in the months of March-April, is the season for seeding sunflower, corn and applying treatments for already planted wheat and rapeseed that have gone out of winter (meaning, they have grown and survived the winter season). For cultivating and treating these crops, Norofert sells its proprietary products which have the highest profitability margin. Thus, in the first half of each year, the Company generates most of its profit.
- August-October, with peak activity from mid-September to the end of October, is the season for seeding wheat and rapeseed. During this campaign, Norofert sells primarily specially designed packages that contain seeds, herbicides, and fertilizers. These packages, alongside products from Karisma line, include 3rd party products (wheat seeds, an herbicide and a nitrogen fertilizer, which are not produced by Norofert) and have thus a lower profitability margin. Because of that, in the second half of the year, Norofert generally registers high revenues and a smaller profit compared to the first half of the year.

Depending on the weather conditions, the cycles can be extended for the period specified above, thus affecting the sales of the company, especially the sales of products from the Norofert Organics and Norofert Karisma lines. The line for small farmers and hobby gardening, Norofert FITO, is the only one that is not significantly influenced by the agricultural seasons. Thus, the FITO product line operates throughout the year and is expected to ensure a constant cash flow to the Group, as the payment term for the FITO line is more favourable, 90 days compared to 280-360 days for the other two lines.

RISK OF LOSS OF REPUTATION - it is a risk inherent in the activity of the issuer, the reputation being particularly important in the business environment, especially if the company wants to expand its activity in other markets. The ability to expand its portfolio, in order to develop the activity, is due to the recognition of the issuer's brand and the enforcing of the products on the target markets.

RISK ASSOCIATED WITH THE REALIZATION OF THE BUSINESS DEVELOPMENT PLAN - the company aims at a sustainable growth, as strategic directions for the development of the main activity, Norofert aims to increase the market share and the volume of sales in Romania amid the background of intensifying the market absorption for ecologically certified inputs and the reorientation to sales predominantly through large distributors. However, it is not excluded the possibility that the line of development chosen by the issuer in order to extend the activity is not at the level of expectations and estimates, in this case it could have negative effects on the financial situation of the company.

RISK ASSOCIATED WITH THE REALIZATION OF THE FINANCIAL FORECASTS - financial forecasts start from the premise of fulfilling the business development plan. The company aims to periodically issue forecasts regarding the evolution of the main economic-financial indicators to give potential investors and the capital market a true and complete picture of the current situation and plans envisaged by the company, as well as current reports detailing the comparative elements between the forecast data and the actual results obtained. The forecasts will be part of the annual and half-yearly reports, and the forecast policy will be published on the company's website. Forecasts will be made in a prudent manner, but there is a risk of non-compliance, therefore, the data to be reported by the company may be significantly different from those estimated, as a result of factors not previously predicted, or whose negative impact could not be managed or anticipated.

RISK RELATED TO THE PROTECTION OF PERSONAL DATA – in the course of its activity, the company collects, stores and uses data that are protected by laws regarding the protection of personal data. The company takes this risk into account and takes precautionary measures in order to protect the clients' data, in accordance with the legal requirements in force. The issuer takes all precautionary measures imposed in this area, but there is the possibility that, given that they have commercial relations with various partners, they might not fully comply with the relevant contract terms and all obligations regarding the protection of the data imposed on them.

COUNTERPARTY RISK – this is the risk that a third natural or legal person will not fulfil his obligations under a financial instrument or according to a client contract, thus leading to a financial loss. The company's exposure to counterparty risk is limited because the company does not sell products it does not have in its stock. For the purpose of cost optimization, any type of third-party products such, for example wheat seeds that the company includes in its packages to promote Karisma line, are bought in advanced, at the beginning of the season, in order to ensure enough stock. While this limits the company's counterparty risk, it increases the risk related to the assets owned by the company, which is explained in more detail above.

RISK ASSOCIATED WITH OTHER TYPES OF LITIGATION – in the context of its activity, the issuer is subject to litigation risk, among others, as a result of changes and development of legislation. The issuer may be affected by other contractual claims, complaints and disputes, including from counterparties with whom it has contractual relationships, clients, competitors or regulatory authorities, as well as any negative publicity that such an event entail.

1.12.2 GENERAL RISKS WITH A SYSTEMIC CHARACTER

GENERAL ECONOMIC RISKS - the issuer's activities are sensitive to economic cycles and general economic conditions. Both international financial crises and unstable economic environment can have significant negative effects on the issuer's activity, operational results and financial position. Socio-political turmoil can also impact the company's activity. The international financial markets have felt the effects of the global financial crisis that started in 2008. These effects were also felt on the Romanian financial market in the form of the low liquidity of the capital market, as well as by an increase in the interest rates on medium-term financing, because of the global liquidity crisis. In the future, such a scenario could be repeated, and the eventual significant losses suffered by the international financial market, with major implications on the Romanian market, could affect the Issuer's ability to obtain new loans or financing, under sustainable conditions.

RISK RELATED TO COVID19 PANDEMIC - At the time of publishing this report, Romania is facing the outbreak of COVID-19 (coronavirus) across the country, with several companies being forced to interrupt their daily operations. At this point, Norofert SA financial performance has not yet been impacted as the sales in agricultural sector are continuing as usual, however that there exists the risk that in case the current situation prolongs and the government takes more restrictive measures, the production, sales and delivery activity of the issuer might be impacted, in the worst cases stopped, which will have a direct negative effect on the company's financial result. At the time of publishing of this report, the company has taken all the necessary measures in order to protect its employees and clients and ensure business continuity, which include remote working for administrative staff, social distancing and the disinfecting measures for the essential personnel in the factories as well as constant monitoring of the situation in order to ensure the health and safety of all the stakeholders. As

the current situation is still evolving, the company is managing all the risk related to this situation on a daily basis and should there be any measures that impact the company's performance as well as forecasts for the current year, the management will inform the shareholders through a current report.

FISCAL AND LEGAL RISK - the issuer is governed by the Romanian legislation and even if the Romanian legislation has been largely harmonized with the EU legislation, further changes may occur, respectively new laws and regulations may be introduced, which may have effects on the company's activity. Romanian legislation is often unclear, subject to different interpretations and implementations and frequent changes. Both the modification of the fiscal and legal legislation, as well as possible events generated by their application, can result in possible fines or lawsuits filed against the company, which can impact the activity of the issuer.

RISKS RELATED TO INVESTMENTS IN ROMANIA, IN ECONOMIC AND POLITICAL CONTEXT - Romania's economy is vulnerable under conditions of regional or international recession, financial and economic problems at a general level can be felt more acutely in certain markets or sectors. Also, political and social changes can be an unpredictable factor. Romania does not have all the business, legal and regulatory infrastructure that would exist in a developed economy. The legislation is subject to varying interpretations and is frequently amended.

OTHER RISKS - Investors should consider that the risks presented above are the most significant risks that the company is aware of at the time of redacting this report. However, the risks presented in this section do not necessarily include all the risks associated with the issuer's activity, and the company cannot guarantee that it includes all the relevant risks. There may be other risk factors and uncertainties of which the company is not aware at the time of writing the document and which may in future modify the actual results, financial conditions, performances and achievements of the issuer and may lead to a decrease in the price of the company's shares. Also, investors should undertake pre-requisite checks to prepare their own investment opportunity assessment.

1.13 Perspective elements regarding the Issuer's activity

The main trends, events and directions of strategic development with potential impact on the liquidity, financial situation, respectively income of the issuer include:

INPUTS FOR ECOLOGICAL AGRICULTURE - LARGE CROPS - Norofert's activity is, first and foremost, the production and marketing of inputs for organic farming. As strategic directions for the development of the main activity, Norofert aims to increase the market share and the volume of sales in Romania amid the background of intensifying the market absorption for ecologically certified inputs and the re-orientation to sales predominantly through large distributors. Contracts signed with distributors such as Bioagrifert SRL, AGF Cereal Rumena SRL, Emiliana West Rom SRL or Golden Grain Organic SRL allow for a more accurate forecast of sales and receipts, but also orders placed early, significant advantages compared to direct sales to farmers, characterized by uncertainty and spontaneity.

The expansion of Norofert's main activity will also be achieved by continuing the penetration of foreign markets, not only in Europe, but also in the USA. Among the first external markets in which the organic inputs Norofert reached farmers through large distributors in these markets are the Republic of Moldova - through the distributor WE Trade SRL insured through Coface, which covers the segment of ecologically certified farms from all over the country covering about 20,000 ha and in Greece. The next markets will be Bulgaria and Croatia, where the authorization process is almost completed. The company has also set up an export department to access markets in Western Europe and the USA.

INPUTS FOR CONVENTIONAL AGRICULTURE - Conventional agriculture, a market of 9 million hectares, presents an important development opportunity for Norofert, with the most significant potential impact on the economic-financial indicators of the company. The penetration and expansion in this market are associated with specific challenges, such as the intensity of competition that has the advantage of a head start of at least 10-15 years with certain similar products and, respectively, the level of sale prices by 20-30% lower than in organic farming.

At the same time, the opportunity to approach this market derives from the increase and standardization of the requirements and conditions of acceptance of agricultural products to the big distributors in terms of pesticide

residues and the quality of the products. The growth vector on the conventional segment is bivalent: on the one hand, the Norofert Aminotop biostimulator fertilizer range (5 products) for which sales of 40,000 litres are estimated in 2020, with a subsequent growth forecast of 20,000 - 30,000 litres annually. On the other hand, for conventional agriculture, Norofert will provide a conventional insectofungicide which, although not marketed as organic, is produced from organic inputs. It has been developed amid the background of the recent increase in the demand of farmers in conventional agriculture for products which, in contrast to the established conventional insecticides, also has a low content of neonicotinoids in order not to affect the bees and their higher efficiency, respectively. These qualities have been tested and demonstrated by Norofert's research team on conventional wheat, rape and soybean crops. In August 2019, Norofert introduced a new line of products for conventional agriculture, called Karisma, which consisted of fertilizers, as well as an insectofungicide, produced in both liquid and effervescent pills. With the Karisma line, Norofert has entered the conventional agricultural market, which has a current size of 9 million hectares of arable land in Romania. The launch of the Karisma line was a crucial strategic move for Norofert, as it helps the company build relationships with important farmers who are currently growing conventional but who, in the medium-term, can convert to organic farming and become customers for the Norofert Organics line. Since Norofert recently launched the Karisma line, the company has made significant financial and sales efforts to promote it to local farmers. It is important to emphasize that although Norofert is a leader in the organic fertilizer market in Romania, it has little recognition on the conventional agricultural market, where it must compete with both local and international companies, including important players, such as Lebosol or Intermag Poland. Thus, in order to have an advantage in front of these players and to offer added value to the competition, Norofert has developed the following 2 marketing activities:

- Developed special packages, which are sold directly to farmers, through the sales team, which consist of wheat grains, Karisma fertilizers (5 products), as well as herbicide and a nitrogen fertilizer produced by a third party. Norofert does not produce herbicides or nitrogen fertilizer, but they are essential in conventional farming thus they had to be included in the package for it to be successful. To sell these packages, Norofert purchased RON 3.5 million worth of wheat seeds, herbicides and nitrogen fertilizers, which it then resells. These 3rd party products are sold with a small profit margin and the effective profit is only made on the value of Karisma products included in the package. Despite lowering the overall profitability margin of the company (as a percentage of sales), the management considers the approach successful as between August and October 2019, the company has gained 120 new clients for the Karisma line, with each of the clients having on average 500 hectares of land cultivated with Karisma products.
- Invested in the demo lots – demo lots are small plots of land, up to 10 hectares, which the producer fertilizes for the farmer for free, to showcase the efficiency of its products. Providing farmers demo lots free of charge is an integral part of introducing new products and lines in the agricultural sector as it allows the farmer to see directly the results that the specific products have on the crops. This exercise implies some operational costs and no profit for Norofert. Each demo lot of fertilized and treated free of charge by the Norofert, for a period of 280 days, after which the farmer must provide the producer with results and decides if to purchase the products for the next agricultural season. At the current moment, Norofert has 180 demo lots which are being fertilized with Karisma line (one demo lot is 10 hectares).

The management considers that the investment in the Karisma line is essential for increasing the company's market share and building the recognition of the Norofert brand among the farmers who currently cultivate the land in conventional fashion.

The direction of development towards conventional agriculture using raw materials of natural origin is a trend only at the beginning, but with very good results due to the different mode of action versus the classic pesticides, to which the diseases and pests have developed resistance over the years.

NOROFERT ORGANICS LINE FOR HORTICULTURE - At the end of February 2020, Norofert produced the first fertilizers from the new line, Norofert Organics for Horticulture. The management expects to launch this new line in the first semester of 2020, which will consist of 12 specially developed products for growing trees. The potential

of the line is significant, as it is primarily dedicated to growing EU-funded orchards and vegetable and fruit farms, and management expects it will generate attractive profits for the group in the coming years.

PRIVATE RESEARCH INSTITUTE FOR ECOLOGICAL AGRICULTURE – Research, development and innovation are the pillars of the competitive advantage and sustainability of the Norofert business that has initiated a new pioneering in this field: the first private research institute for organic farming in Central and Eastern Europe. Considered and addressed first and foremost not as a business line but as an important supporting asset for the continuous improvement of its products in order to maintain the competitive advantage in the internal and external markets, this initiative will lead to strategic partnerships with foreign research institutes and, especially, with universities and the business environment. This will bring new research contracts and significant new sources of revenue. The triangle of private research - universities - the business environment, is considered in the specialized literature and in the political practice regarding research and innovation, as being the essential element for capitalizing on the results of research and for incorporating technological progress. For this reason, Norofert has identified funding opportunities with European funds of the research institute, the process of accessing them is already underway.

The management acknowledges that it is important to mention also the potential impact of the COVID-19 (coronavirus) outbreak on the financial results recorded by Norofert during 2020. At the time of writing this report, Norofert's financial performance has not yet been affected, as sales in the agricultural sector continue as usual. However, there is a risk that if the current situation is prolonged and the government adopts more restrictive measures, the issuer's production, sales and delivery activities will be impacted, in the most serious cases stopped, which will have a negative effect directly on the financial results of the company.

At the time of publishing this report, the company has taken all necessary measures to protect its employees and customers and to ensure the continuity of activities, including working from home for administrative staff, maintaining a recommended social distance and disinfecting measures for all the factory personnel, as well. and constant monitoring of the situation to ensure the health and safety of all stakeholders.

Depending on how the situation evolves, the financial performance of the company may be affected, as well as the planned development vectors. While operations continue in conditions as close to normal as possible, the management pays special attention to the administration of financial resources, as well as the expansion plans have been revised temporarily. Although the plans for expansion in the United States were not halt for the time being, management will carefully observe how the situation will unfold in the coming months in order to mitigate any possible risk that may arise.

II. Issuer's Tangible Assets

2.1 Information about the location and characteristics of the main production capacities owned by the issuer

The company is carrying out production activities at two factories – the main one in Filipeștii de Pădure (Prahova county) which was established in August 2019, where the production line for Norofert Organics and Norofert Karisma are located, and the second one located in Filiași (Dolj county), which was established in 2015, where the production of the Norofert FITO takes place.

FILIFEȘTII DE PĂDURE

The factory in Filipeștii de Padure has a area of 1,700 sqm for production and is equipped with 2.5t rolling bridge and storage shelves, 5000 sqm concrete platform, 150 sqm office spaces and 600 sqm storage spaces. The machines available at this production facility are:

- 15 stainless steel tanks of 1,500 l, with system of bubbling and automatic dosing of raw materials;
- 6 stainless steel tanks of 2,500 l each, with controlled temperature system, bubbling system and mixing pump to the packaging line;
- Packaging line for cans of 20, 10 and 5 l;
- Labelling line for cans of 20, 10 and 5 l;
- Press for large effervescent pills, with adjustable pressing force, located in a room with controlled temperature and humidity;
- 2.5t forklift truck, 1.5t electric lorry and 700 kg manual leases;
- Laboratory for evaluation of samples for product batches, soil analysis and analysis of the physico-chemical properties of own products.

The transport of materials and goods is facilitated by 2 means of transport of capacity of 3.5 t and 700 kg, respectively.

FILIAȘI

The Filiași factory includes a production / storage area and a laboratory with a surface of 600 sqm, and benefits from the following fixed assets needed for assuring the production:

- 1 Straw Hay Baler;
- 3 pellet pressers (2 of medium capacity, 1 of large capacity);
- 1 crusher mill;
- 1 vertical steel storage tank with 2,500 l capacity, with an air valve;
- 3 steel feed tanks of 1,500 l capacity each;
- 3 steel feed tanks of 200 l capacity each;
- Air compressors and electric energy generators;
- 1 forklift.

BUCHAREST OFFICES

For the purpose of carrying out the daily activities, Norofert also has items such as laptops, computers, mobile phones, multifunctional printers, as well as furniture. All these items are at the company's working point at Str. Radu Voda 17 in Bucharest.

Additionally, given the specifics of the activity of the company as well as a large sales force, which travels around the country in order to sell Norofert products to farmers, the company has currently 20 cars.

2.2 Information about the degree of wear and tear of the issuer's properties

The degree of wear of the properties owned by the company does not raise significant problems to carrying out the business activity. The IT equipment owned by the company has a degree of physical wear specific to the office activity, which is small.

2.3 Information about the potential issues related to the property rights over the issuer's tangible assets

There are no issues regarding the ownership rights over the tangible assets owned by the company in the two factories in Filipeștii de Pădure and Filași and from the headquarters in Bucharest, as the assets are wholly owned by the company, they are not rented.

The company has a leasing contract with OTP Leasing, based on which the company has purchased the following 16 cars in 2019:

- 14 Jeep Renegade;
- 1 Dacia Duster;
- 1 Mercedes G-Class (purchased 2nd hand).

These 16 cars are under a 5-year leasing contract between Norofert Firofarma SRL with OTP Leasing, with payments being co-related with the evolution of the agricultural seasons. Namely, the company makes the first payment in August (after harvesting of wheat) and second in October (after harvesting of corn and sunflower).

Additionally, Norofert SA has additional 6 cars under leasing:

- Fiat 500 (purchased 2nd hand, contract with Idea Leasing IFN SA);
- Infiniti M37 (purchased 2nd hand, Idea Leasing IFN SA);
- Dacia Logan Laureate (RCI Leasing Romania IFN SA);
- Dacia Logan MCV (RCI Leasing Romania IFN SA);
- Infiniti Q5 (purchased 2nd hand, Idea Leasing IFN SA);
- Dacia Dokker Van (Unicredit Leasing Corporation IFN SA).

III. Market of the Issuers' securities

3.1. Specification of the markets in Romania and abroad where the securities are issued

Norofert shares were admitted to trading on the SMT segment of the Bucharest Stock Exchange on March 3rd, 2020. This means that there was no trading activity for the financial instruments issued by the company in the course of 2019.

However, since listing on the AeRO market on March 3rd, the company has been amongst the top 3 most traded local companies from the AeRO market. The high liquidity ratio is supported by the relatively large base of shareholders, who at the end of April counted over 400 natural and legal persons. This has helped positively influence the share price of the company, which has grown up to 19.6 lei per share, which means a 96% increase compared to the share price from the private placement, which was 10 lei per share (or approx. 63% increase taking into consideration the price of 12 lei per share from the first day of trading). What is noteworthy is the fact that this significant increase has been registered by the company during a very volatile period caused by COVID-19 outbreak in Romania and globally, which has brought significant drops to global indices and valuations of companies listed worldwide.

3.2. Description of the issuers dividend policy

The Board of Directors of Norofert S.A. ("The Company") declares that the Company undertakes to comply with the Principles of Corporate Governance applicable to issuers whose securities are traded on the multilateral trading system administered by the Bucharest Stock Exchange S.A., the system operator.

In accordance with the principles set out above, the Company undertakes to adopt a dividend policy, as a set of directions regarding the distribution of the net profit, which the Company declares will comply with. Accordingly, the Board of Directors of the Company sets out the following relevant principles regarding the dividend policy:

- 1) The Company recognizes the rights of the shareholders to be rewarded in the form of dividends, as a form of participation in the net profits accumulated from the operation and as an expression of the reward for the capital invested in the Company.
- 2) Norofert S.A. is a growth company with large development potential, if the access to capital for necessary investments is ensured. In line with the information provided in the offering document provided to investors by the company before the private placement for shares which took place in July 2019 as well as in the memorandum for listing published on the company's and BVB's website, the Board proposes to reward the investors through providing free shares, as a result of capitalization of the part of net profits accumulated by the company. In this way, the capital will remain with the company and will be invested in activities and costs which will have impact on growing the value of the business, while the investors will be rewarded, for their contribution, with free shares.
- 3) The proposal regarding the distribution of dividends in the form of shares for free, will be made by the Board of Directors of the Company, and the decision regarding the approval of the distribution of dividends belongs to the General Meeting of Shareholders, adopted according to the applicable law.
- 4) Any changes in the company's dividend policy will be communicated to investors in due time.

This policy will be reviewed by the Board of Directors of the Company, whenever relevant additional information regarding the distribution of dividends appears.

3.3. Description of any activities of the issuer related to purchasing own shares

Not the case – the issuer did not carry out such activities in the past 3 years.

3.4. Information about the subsidiaries of the issuer

Norofert S.A. holds 99% stake in Norofert Fitofarma SRL (CUI:38132351) and Norofert Organics SRL (CUI: 38131402), affiliated companies which, together with Norofert SA, make up a group of companies. None of these companies holds shares or bonds issued by Norofert SA.

3.5. Information about the bonds and/or other debt securities of the issuer

On January 21st, 2020 Norofert SA successfully closed its first private placement for corporate bonds and has raised 11,5 million lei from the Bucharest Stock Exchange investors. In the private placement have participated 102 investors, with the medium subscription being over 100,000 lei. In the course of the offer, were put for sale 115,000 of corporate bonds with a nominal value of 100 lei and a maturity of 5 years. The annual interest rate, which is paid on a half-yearly basis, was stabilized at 8,5%. Corporate bonds of the company will be traded on the AeRO-Bonds market of the Bucharest Stock Exchange, under NRF25 symbol, the exact date of debut depending on the procedures on the admission to trading, which will be handled by the brokerage house Tradeville (Authorized Advisor).

The first coupon is due on 27.07.2020 and the company does not foresee any issues with its payment.

IV. Issuer's Management

4.1. Presentation of the issuer's administrators

Norofert SA is governed by the Board of Directors which consists of 3 (three) members selected by the Ordinary General Shareholder's Meeting. The members of the Board can be Romanian or foreign citizens, natural persons or legal persons, with no limits, in line with the applicable laws. The remuneration of the Board Members is established by the Ordinary General Shareholder's Meeting. The Board of Directors is chaired by the President, elected from the Board's members.

The mandate of the Members of the Board of Directors has a duration of 4 (four) years, except for cases when the General Shareholder's Meeting decides otherwise or if any member resigns before the end of the mandate. In the course of 2019, the positions of the Board Members were not remunerated.

The management of Norofert SA is ensured by the following members, who serve a mandate of 2 (two) years, and whose mandate will expire on 28.06.2021:

VLAD ANDREI POPESCU

PRESIDENT OF THE BOARD AND CEO OF NOROFERT SA

Vlad Popescu was the main strategist behind the repositioning of Norofert's business, first as an importer of ecological inputs, then as a first Romanian producer of fertilizers and phytosanitary for organic farming. Under his leadership, Norofert launched revolutionary products in the form of effervescent tablets on the European market and in 2018, the group's sales exceeded 9 million lei, with a profit margin of 41%.



Education:

- 2010 Bachelor's Degree in Political Sciences from Școala Națională de Studii Politice și Administrative of Bucharest

Professional Experience:

- 2015 – present: Norofert SA, CEO
- 2008 – 2015: Norofert SA, Sales Representative

Stake held: Vlad Popescu holds 38.69% of shares in Norofert S.A.

Additional information, according to legal requirements:

- Currently Vlad is actively involved in the following companies: Norofert Organics SRL, Norofert Fitofarma SRL, Norofert Agri SRL, Bio Danubius Inputs SRL, Greenwich Technologies SRL.
- In the past 5 years Vlad has not been forbidden by the court to fulfil the position of a Member of a Board of Directors or Supervisory Board.
- In past 5 years, there were no cases of insolvency, liquidation, bankruptcy or special administration of companies where Vlad sat on the Board of Directors or Supervisory Board.
- Vlad carries no professional activity which would compete with that of the issuer and is not a party to any agreement, arrangement or family relationship with a third party by virtue of which he has been appointed administrator.

IVYLON MANAGEMENT SRL, PRIN REPREZENTANT PERMANENT CRISTIAN-ION LOGOFATU*
INDEPENDENT BOARD MEMBER OF NOROFERT SA

**The mandate of Ivylon Management SRL has ended on 31.03.2020 following the resignation of Mr. Cristian-Ion Logofatu, as communicated in the Current Report no. 01/2020. Following the Shareholder's decision from the Ordinary General Shareholder's Meeting held on April 28th, 2020, starting from April 29th, 2020, the position of the independent Board Member at Norofert SA will be occupied by Iuliana Musat.*

Cristian Logofătu is the co-founder and Member of the Board at Bittnet Systems SA, the first IT company listed on the Bucharest Stock Exchange. As an issuer listed on the AeRO market, Bittnet has raised through different financing mechanisms over 10 million euro of capital and has received numerous distinctions and awards which confirm both the high level of investor relations standards as well as the ingenuity and the dynamism of the company on the local capital market.



Education:

- 2006 Master's Degree in Computer Sciences, Bucharest University
- 2003 Bachelor's Degree in Finance, Academia de Studii Economice from Bucharest

Professional Experience:

- 2020 – present: Bittnet Systems SA, Member of the Board of Directors
- 2007 – 2020: Bittnet Systems SA, CFO & Co-founder
- 2003 – 2007: Bucharest University, ID Department, Economist
- 1999 – 2002: Bucharest University, ID Department, Web Designer

Stake held: Cristian Logofătu holds 0.19% of shares in Norofert S.A.

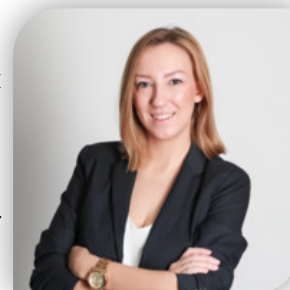
Additional information, according to legal requirements:

- Cristian serves as Executive Director of NGO "Academia Credis".
- Currently Cristian is actively involved in company Bittnet Systems SA.
- In the past 5 years Cristian has not been forbidden by the court to fulfil the position of a Member of a Board of Directors or Supervisory Board.
- In past 5 years, there were no cases of insolvency, liquidation, bankruptcy or special administration of companies where Cristian sat on the Board of Directors or Supervisory Board.
- Cristian carries no professional activity which would compete with that of the issuer and is not a party to any agreement, arrangement or family relationship with a third party by virtue of which he has been appointed administrator.

ZUZANNA ANNA KUREK

BOARD MEMBER OF NOROFERT SA

Zuzanna Kurek has over 6 years of experience in the Romanian capital market, having served as the Business Development and Marketing Director at the Bucharest Stock Exchange between 2016 and 2018, being in charge of projects intended to promote Romanian capital markets to entrepreneurs as well as improving corporate governance and IR standards within listed companies. She currently runs her own consultancy firm and is advising entrepreneurial companies in the area of communications and investor relations.



Education:

- 2013 Master’s Degree (LLM) in European Law from Maastricht University, the Netherlands
- 2013 Master’s Degree (MA) in Media Studies from Maastricht University, the Netherlands
- 2012 Bachelor’s Degree (LLB) in European Law from Maastricht University, the Netherlands

Professional Experience:

- 2018 – present: Cornerstone Communications, CEO & Founder
- 2016 – 2018: Bucharest Stock Exchange, Director Business Development & Marketing Department
- 2014 – 2016: Bucharest Stock Exchange, Investor Relations & Public Relations Specialist
- 2013 – 2014: IBM, Marketing Specialist
- 2010 – 2013: Maastricht University, Marketing Specialist

Stake held: at the time of preparation of this report, Zuzanna Kurek does not hold shares in Norofert S.A.

Additional information, according to legal requirements:

- Currently Zuzanna is actively involved in company Cornerstone Communications SRL.
- In the past 5 years Zuzanna has not been forbidden by the court to fulfil the position of a Member of a Board of Directors or Supervisory Board.
- In past 5 years, there were no cases of insolvency, liquidation, bankruptcy or special administration of companies where Zuzanna sat on the Board of Directors or Supervisory Board.
- Zuzanna carries no professional activity which would compete with that of the issuer and is not a party to any agreement, arrangement or family relationship with a third party by virtue of which he has been appointed administrator.

During 2019, the evaluation of the Board of Directors under the chairmanship of the President of the Board did not take place. It is foreseen for the financial year 2020.

4.2. Presentation of the issuer’s executive management team

The executive management of the company is ensured by:

VLAD ANDREI POPESCU

PRESIDENT OF THE BOARD AND CEO OF NOROFERT SA

CV above.

As of 1st December 2019, the salary of the CEO is 12,000 lei net per month. There were no bonuses distributed to the CEO in the course of 2019. The mandate of the CEO with Vlad Popescu is concluded for the unlimited period.

IULIA GRĂDINARU

EXECUTIVE DIRECTOR, NOROFERT SA

Iulia Grădinaru has 8 years’ experience in the agribusiness sector. She graduated from USAMV Bucharest, holds a master's degree in Economics and Management and is a doctoral student at the same university. She currently he holds the position of Executive Director at Norofert SA, having previous experience in companies also active in the markets for fertilizers and seeds. The mandate of Iulia Grădinaru is signed for undetermined period.



Education:

- 2016 – present – PhD USAMV
- 2011 – 2012 – Direct Marketing Academy Course, Budapest, Hungary
- 2006 – 2008 – Master’s Degree, USAMV
- 2001 – 2006 – Bachelor’s Degree, Faculty of Management and Economical Engineering, USAMV

Professional Experience:

- 2019 – present: Executive Director, Norofert SA
- 2019 – 2019: Sales Director, Norofert SA
- 2017 – 2019: Development Director, CLC Bioinnovaton SRL
- 2013 – 2017: Marketing Director, Caussade Semences Est Europa SRL
- 2008 – 2013: Print Manager, Studio Moderna SRL
- 2006 – 2008: Sales Analyst, Standard Snacks SRL

Stake held: at the time of preparation of this report, Iulia Grădinaru does not hold shares in Norofert S.A.

Additional information, according to legal requirements:

- Iulia is not involved in any activity other than that of the issuer.
- For the past 3 years, Iulia has not been a member of the board of directors or supervision of any company.
- In the past 5 years Iulia has not been forbidden by the court to fulfil the position of a Member of a Board of Directors or Supervisory Board.
- In past 5 years, there were no cases of insolvency, liquidation, bankruptcy or special administration of companies where Iulia sat on the Board of Directors or Supervisory Board.
- Iulia carries no professional activity which would compete with that of the issuer.

V. Financial Situation

5.1. Balance Sheet

CONSOLIDATED FINANCIAL POSITION OF NOROFERT GROUP

BALANCE SHEET (LEI) – CONSOLIDATED AT THE GROUP LEVEL	31/12/2019	31/12/2018	EVOLUTION (%)
Fixed Assets, out of which:	2,083,592 lei	635,251 lei	228%
Intangible assets	221 lei	461 lei	-52%
Property, plant and equipment	1,703,519 lei	383,557 lei	344%
Financial Assets	58,601 lei	9,002 lei	551%
Assets under investment	321,251 lei	242,231 lei	33%
Current Assets, out of which:	24,658,333 lei	9,351,787 lei	187%
Inventories	4,830,478 lei	1,612,969 lei	199%
Raw materials and consumables	394,590 lei	537,781 lei	-27%
Inventory Items	- lei	- lei	
Finished Products	37,142 lei	143,797 lei	-74%
Goods	4,333,892 lei	817,981 lei	430%
Packaging	29,410 lei	71,141 lei	-59%
Biological assets of stock nature	- lei	- lei	
Advances for the stock acquisitions	35,444 lei	42,269 lei	-16%
Receivables	18,981,863 lei	7,651,723 lei	175%
Trade Receivables	17,475,963 lei	6,064,350 lei	188%
Receivables from Affiliated Companies	- lei	756,606 lei	
Due from Shareholder	- lei	- lei	
Other	1,505,900 lei	830,767 lei	81%
Short-term investments	- lei	- lei	
Cash and cash equivalents	845,992 lei	87,095 lei	871%
Pre-paid expenses	59,218 lei	3,505 lei	1590%
Total Assets	26,801,143 lei	9,990,543 lei	190%
Current liabilities, out of which:	9,925,234 lei	4,929,430 lei	138%
Third-party providers	8,147,010 lei	2,935,889 lei	177%

Debts with affiliated companies	- lei	756,606 lei	
Bank debt	203,967 lei	866,774 lei	-76%
Debt to shareholders	25,600 lei	26,500 lei	-3%
Financial leasing	- lei	- lei	
Other short-term debts	1,548,657 lei	343,661 lei	351%
Non-current liabilities, out of which:	1,011,265 lei	196,498 lei	415%
Bank debt	- lei	- lei	
Financial leasing	1,011,265 lei	196,498 lei	415%
Provisions	- lei	387,167 lei	-100%
Income in Advance	21,322 lei	- lei	
Total Liabilities	10,957,821 lei	5,513,095 lei	130%
Equity, out of which	15,843,322 lei	4,477,448 lei	254%
Subscribed and paid-up capital	802,794 lei	3,800 lei	21026%
Share premium	6,458,456 lei	- lei	
Legal reserves	150,399 lei	760 lei	19689%
Other reserves	8,240 lei	8,240 lei	0%
Retained profit or losses	3,950,655 lei	- 6,269 lei	-63119%
Profit or loss for the financial year	4,622,417 lei	4,470,997 lei	3%
Profit distribution	- 149,639 lei	- 80 lei	186949%
Total equity and debt	26,801,143 lei	9,990,543 lei	190%

INDIVIDUAL STATEMENT OF FINANCIAL POSITION OF NOROFERT SA

BALANCE SHEET (LEI) – NOROFERT SA	31/12/2019	31/12/2018	EVOLUTION (%)
Fixed Assets, out of which:	908,434 lei	635,251 lei	43%
Intangible assets	- lei	461 lei	-100%
Property, plant and equipment	488,982 lei	383,557 lei	27%
Financial Assets	98,201 lei	9,002 lei	991%

Assets under investment	321,251 lei	242,231 lei	33%
<i>Current Assets, out of which:</i>	<i>19,738,392 lei</i>	<i>4,499,232 lei</i>	<i>341%</i>
Inventories	2,646,034 lei	914,714 lei	189%
Raw materials and consumables	213,213 lei	520,973 lei	-59%
Inventory Items	- lei	- lei	
Finished Products	36,415 lei	143,797 lei	-75%
Goods	2,332,336 lei	136,534 lei	1608%
Packaging	28,626 lei	71,141 lei	-60%
Biological assets of stock nature	- lei	- lei	
Advances for the stock acquisitions	35,444 lei	42,269 lei	-16%
Receivables	17,092,358 lei	3,530,494 lei	383%
Trade Receivables	12,526,852 lei	2,049,397 lei	511%
Receivables from Affiliated Companies	3,252,027 lei	697,522 lei	366%
Due from Shareholder	- lei	- lei	
Other	1,313,479 lei	783,575 lei	64%
Short-term investments	- lei	- lei	
Cash and cash equivalents	126,147 lei	54,024 lei	134%
<i>Pre-paid expenses</i>	<i>48,309 lei</i>	<i>3,505 lei</i>	<i>1278%</i>
Total Assets	20,821,282 lei	5,137,988 lei	305%
<i>Current liabilities, out of which:</i>	<i>10,475,029 lei</i>	<i>4,028,009 lei</i>	<i>159%</i>
Third-party providers	7,343,896 lei	2,927,428 lei	151%
Debts with affiliated companies	1,713,293 lei	59,084 lei	2800%

Bank debt	203,967 lei	866,774 lei	-76%
Debt to shareholders	- lei	- lei	
Financial leasing	- lei	- lei	
Other short-term debts	1,213,873 lei	174,723 lei	577%
<i>Non-current liabilities, out of which:</i>	<i>127,980 lei</i>	<i>196,498 lei</i>	<i>-32%</i>
Bank debt	- lei	- lei	
Financial leasing	127,980 lei	196,498 lei	-32%
<i>Provisions</i>	<i>- lei</i>	<i>387,167 lei</i>	<i>-100%</i>
<i>Income in Advance</i>	<i>21,322 lei</i>	<i>- lei</i>	
<i>Total Liabilities</i>	<i>10,603,009 lei</i>	<i>4,611,674 lei</i>	<i>130%</i>
<i>Equity, out of which</i>	<i>10,196,951 lei</i>	<i>526,314 lei</i>	<i>1837%</i>
Subscribed and paid-up capital	802,394 lei	3,400 lei	23500%
Share premium	6,458,456 lei	- lei	
Legal reserves	146,359 lei	680 lei	21423%
Other reserves	8,240 lei	8,240 lei	0%
Retained profit or losses	- lei	- lei	
Profit or loss for the financial year	2,927,181 lei	513,994 lei	469%
Profit distribution	- 145,679 lei	- lei	
<i>Total equity and debt</i>	<i>20,821,282 lei</i>	<i>5,137,988 lei</i>	<i>305%</i>

INDIVIDUAL STATEMENT OF FINANCIAL POSITION OF NOROFERT SA FROM PAST 3 YEARS

BALANCE SHEET (LEI) – NOROFERT SA	2016	2017	2018
<i>Fixed Assets, out of which:</i>	283.547	586.393	635.251
Intangible assets	-	189	461
Property, plant and equipment	278.374	577.202	625.788
Financial Assets	5.173	9.002	9.002
<i>Current Assets, out of which:</i>	1.741.334	3.639.657	4.437.966
Inventories	444.128	470.056	914.714
Receivables	1.544.582	2.670.283	3.469.228
Cash and cash equivalents	-247.376	499.318	54.024
Pre-paid expenses	1.92	3.577	3.505
Total Assets	2.026.801	4.229.627	5.076.722
Current Liabilities	1.217.368	3.458.867	3.599.582
Non-current Liabilities	217.686	190.24	563.659
Provisions	-	-	387.167
Total Liabilities	1.435.054	3.649.107	4.550.408
Equity, out of which	591.747	580.52	526.314
Subscribed and paid-up capital	3.400	3.400	3.400
Reserves	680	8.920	8.920
Retained profit or losses	-	406	-
Profit or loss for the financial year	587.667	170.403	513.994
Profit distribution	-	8.240	-
Total Equity and Debt	2.026.801	4.229.627	5.076.722

5.2. Profit & Loss Account

CONSOLIDATED FINANCIAL RESULTS FOR NOROFERT GROUP

PROFIT & LOSS ACCOUNT INDICATORS (LEI) – CONSOLIDATED AT THE GROUP LEVEL	31/12/2019	31/12/2018	EVOLUTION (%)
Operating Income, out of which:	14,798,106 lei	10,160,790 lei	59%
Turnover	14,859,551 lei	9,920,740 lei	64%
Change in Inventories	- 106,655 lei	201,448 lei	-153%
Other operating Revenues	45,210 lei	38,602 lei	17%
Operating Expenses, out of which:	9,511,107 lei	5,488,774 lei	106%
Cost of Materials, out of which:	5,209,635 lei	2,052,208 lei	326%
Costs of Raw Materials	573,468 lei	1,055,707 lei	106%
Costs of Goods	4,606,531 lei	880,368 lei	456%
Other materials-related expenses	29,636 lei	116,133 lei	-74%
Personnel Expenses	1,964,869 lei	695,254 lei	183%
Depreciation expenses and value adjustments	- 124,006 lei	518,853 lei	-124%
Other operating expenses	2,460,609 lei	2,222,459 lei	12%
Operating Result	5,286,999 lei	4,672,016 lei	13%
Financial Income	34,489 lei	39,340 lei	-12%
Financial Expenses	110,399 lei	69,912 lei	58%
Financial Result	- 75,910 lei	- 30,572 lei	148%
Total Revenues	14,832,595 lei	10,200,130 lei	59%
Total Expenses	9,621,506 lei	5,558,686 lei	105%

Gross Result	5,211,089 lei	4,641,444 lei	12%
Profit tax / other tax	588,672 lei	170,447 lei	245%
Net Result	4,622,417 lei	4,470,997 lei	3%

INDIVIDUAL FINANCIAL RESULTS OF NOROFERT SA

PROFIT & LOSS ACCOUNT (LEI) – NOROFERT SA	31/12/2019	31/12/2018	EVOLUTION (%)
Operating Income, out of which:	14,608,428 lei	5,921,009 lei	147%
Turnover	14,670,599 lei	5,680,959 lei	158%
Change in Inventories	- 107,382 lei	201,448 lei	-153%
Other operating revenues	45,211 lei	38,602 lei	17%
Operating Expenses, out of which:	11,082,712 lei	5,248,394 lei	111%
Cost of Materials, out of which:	7,864,981 lei	1,907,030 lei	312%
Costs of Raw Materials	801,008 lei	1,047,242 lei	-5%
Costs of Goods	6,839,003 lei	743,655 lei	820%
Other materials-related expenses	224,970 lei	116,133 lei	94%
Personnel Expenses	1,459,853 lei	653,414 lei	123%
Depreciation expenses and value adjustments	- 252,111 lei	518,853 lei	-149%
Other operating expenses	2,009,987 lei	2,169,097 lei	-7%
Operating Result	3,525,716 lei	672,615 lei	424%
Financial Income	34,488 lei	39,340 lei	-12%
Financial Expenses	89,452 lei	69,912 lei	28%

<i>Financial Result</i>	- 54,964 lei	- 30,572 lei	80%
Total Revenues	14,642,916 lei	5,960,349 lei	146%
Total Expenses	11,172,164 lei	5,318,306 lei	110%
<i>Gross Result</i>	3,470,752 lei	642,043 lei	441%
Profit tax / other tax	543,571 lei	128,049 lei	325%
<i>Net Result</i>	2,927,181 lei	513,994 lei	469%

INDIVIDUAL FINANCIAL RESULTS OF NOROFERT SA FROM PAST 3 YEARS

PROFIT & LOSS ACCOUNT (LEI) – NOROFERT SA	2016	2017	2018
<i>Operating Income, out of which:</i>	2,773,567	5,253,807	5,921,009
Turnover	2,756,438	5,186,641	5,680,959
Change in Inventories	-	-	201,448
Other operating revenues	17,129	67,166	38,602
<i>Operating Expenses, out of which:</i>	2,001,813	4,980,463	5,248,394
Costs of Raw Materials	86,200	421,298	1,151,078
Costs of Materials	1,199,809	2,824,148	743,655
Personnel Expenses	166,639	470,886	653,414
Depreciation expenses and value adjustments	17,814	85,498	518,853
Other operating expenses	531,351	1,178,633	2,181,394
<i>Operating Result</i>	771,754	273,344	672,615
<i>Financial Income</i>	3,874	49,596	39,340
<i>Financial Expenses</i>	79,893	71,230	69,912
<i>Financial Result</i>	-76,019	-21,634	-30,572
Total Revenues	2,777,441	5,303,403	5,960,349
Total Expenses	2,081,706	5,051,693	5,318,306
<i>Gross Result</i>	695,735	251,710	642,043
Profit tax / other tax	108,068	81,307	128,049
<i>Net Result</i>	587,667	170,403	513,994

5.3. Cash-flow

CASH FLOW STATEMENT FOR NOROFERT SA

DESCRIPTION	Rd.	31/12/2016	31/12/2017	31/12/2018	31/12/2019
+ Profit or Loss	1	587.667 lei	170.403 lei	513.994 lei	2.927.181 lei
+ Amortization & Provisions	2	17.814 lei	85.498 lei	518.853 lei	- 252.110 lei
- Change in Inventories (-/+)	3	417.842 lei	45.785 lei	424.800 lei	1.731.320 lei
- Change in Receivables (-/+)	4	1.216.150 lei	1.090.978 lei	894.932 lei	13.535.999 lei
+ Change in Trade Payables (-/+)	5	896.841 lei	1.510.873 lei	487.260 lei	6.070.675 lei
+ Change in other debts (-/+)	6	139.939 lei	- 84.091 lei	29.821 lei	1.007.782 lei
+= Cash flow from Operations	7	8.269 lei	545.920 lei	230.196 lei	- 5.513.791 lei
- Investments made – total, of which:	8	163.736 lei	388.343 lei	180.545 lei	408.239 lei
+= Cash Flow from Investing	9	- 163.736 lei	- 388.343 lei	- 180.545 lei	- 408.239 lei
+ Changes in amounts due to credit institutions (= -) total, from:	10	27.827 lei	772.404 lei	73.182 lei	- 725.821 lei
+ Short-term debt (below 1 year)	11	- 85.944 lei	713.859 lei	66.924 lei	- 662.807 lei
+ Medium- and Long-term debt	12	113.771 lei	58.545 lei	6.258 lei	- 63.014 lei
+= Cash Flow from Financing	13	27.827 lei	772.404 lei	73.182 lei	- 725.821 lei
- Variation of other assets (-/+)	14	- 2.235 lei	1.657 lei	- 72 lei	44.804 lei
+ Variation of other liabilities (-/+)	15	- 122.450 lei	- 181.630 lei	- 568.200 lei	6.764.778 lei
+= Cash Flow from other activities	16	- 120.215 lei	- 183.287 lei	- 568.128 lei	6.719.974 lei
+ Cash at beginning of period	17	479 lei	- 247.376 lei	499.318 lei	54.023 lei
+= Net cash flow	18	- 247.855 lei	746.694 lei	- 445.295 lei	72.123 lei
+ Cash at end of period	19	- 247.376 lei	499.318 lei	54.023 lei	126.146 lei

VI. Corporate Governance

Statement on alignment with BVB's Corporate Governance principles for the multilateral trading system, AeRO market.

CODE	PROVISION	FULLY RESPECTS	PARTIALLY RESPECTS	THE FULLFILLMENT OF THE PROVISION BY THE ISSUER
SECTION A – RESPONSIBILITIES OF THE BOARD OF DIRECTORS				
A1.	The company should have an internal regulation of the Board which includes terms of reference for the Board and the key management functions of the company. The conflict of interests at the Board level should also be presented in the Board's regulation. The Regulation will define a clear policy on delegation of powers, which will include a formal list of issues reserved for the board's decision and a clear separation of responsibilities between the board and executive management.		√	As the company has floated on the AeRO market in March 2020, it did not have in the course of 2019 internal regulation of the board as specified by the CG Rules of the Bucharest Stock Exchange. At the time of preparing this report, the issuer has such internal regulation drafted, but not yet approved, as the company is awaiting the approval of the GSM of the 3 rd Board Member in order to approve the new internal regulation by unanimous vote of the whole Board.
A2.	A Board member's other professional commitments, including executive and non-executive Board positions in companies (excluding the company's subsidiaries) and non-profit institutions, should be disclosed to the Board before appointment and during his/her mandate.	√		The issuer fully complies with this provision. All the professional engagements of the board members can also be found in the annual report of the company.
A3.	Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly shares representing not less than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.	√		The Board Members have submitted to the Board information about their independence and relationship with any of shareholders representing more than 5% of the votes.
A4.	The annual report should inform on whether an evaluation of the Board has taken place under the leadership of the President. It should also include the number of the meetings of the Board.	√		The evaluation of the Board under the leadership of the President of the Board has not taken place for year 2019. Starting from 2020, such evaluation will take place.
SECTION B – RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM				
B1.	The Board should adopt a policy ensuring that any transaction of the company with any of its subsidiaries that is equal to or more than 5% of the net assets of the company as stated in the latest financial report should be approved by the Board.		√	The company is in the process of adopting such a policy and it will enter into force in 2020.

B2.	The internal audit should be carried out by a separate structural division (internal audit department) within the company or through retaining an independent third-party entity which should report to the Board, while within the company, it should report directly to the CEO.	√		The internal audit of Norofert is conducted by an independent third-party entity.
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SECTION C – FAIR REWARDS AND MOTIVATION

C1.	The company should publish in its annual report a remuneration report including the total revenues for the Board Members and the CEO for the past financial year and the total value of any bonus payments or other variable compensations and also the key assumptions and guidelines for calculating the above revenues.	√		Norofert includes in its annual report the information about the remuneration of the Board Members and the CEO for the past financial year.
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SECTION D – BUILDING VALUE THROUGH INVESTOR RELATIONS

D1.	The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:	√		Norofert complies with all the rules relating to the IR function, as detailed below. The company has a dedicated IR section on the website, which is available in both English and Romanian languages.
D1.1	Principal corporate regulations: the articles of association, general shareholders' meeting procedures;	√		Norofert's key regulations can be found on issuers website.
D1.2	Professional CVs of the members of its governing bodies;	√		The CVs and bios of the governing bodies of the company can be found on Norofert's website as well as in its annual reports.
D1.3	Current reports and periodic reports;	√		All Norofert's current and periodic reports are available on the issuer's website.
D1.4	Information related to General Meetings of Shareholders: agenda and the materials sustaining the agenda of the meeting; the resolutions of the general meetings;	√		All the information related to Norofert's GMS is available on the issuer's website.
D1.5	Information on corporate events, such as payment of the dividends, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles of such operations;	√		If the case, such information will be published by the company on Norofert's website as well as through a current report sent to BVB.
D1.6	Other information of extraordinary nature, which should be publish such as: annulment / modification / beginning of collaboration with Authorized Advisor; signing / renewal /	√		If the case, such information will be published by the company on Norofert's website as well as through a current report sent to BVB.

	termination of the agreement with a market maker;			
D1.7	The company should have an investors relations function (IR), and will include on the IR section of the company's website the name and contact data of a person who should be able to provide knowledgeable information on request.	√		Contact to Norofert's IR function can be found on the company's website, under the "Investors" tab.
D2.	A company should adopt a dividend policy, as a set of directions related to the distribution of net profit that the company declares to follow. The dividend policy principles should be published on the company's website.	√		Norofert's dividend policy is available on the company's website, under the "Investors" tab.
D3.	A company should adopt a policy with respect to forecasts, whether it will publish them or not. Forecast means the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period („assumptions"). The policy should provide for the frequency, the period envisaged and content of forecasts. Forecasts, if published, may only be part of annual, half-yearly or quarterly reports. The forecast policy should be published on the corporate website.	√		Norofert's forecasting policy is available on the company's website, under the "Investors" tab.
D4.	The company should set the date and place of a General Meeting of Shareholders in a manner that enables the participation of the highest possible number of shareholders.	√		Norofert organizes and will continue to organize its GMS during workdays, at the company's main working point in Bucharest
D5.	The financial reports should include information in both Romanian and English as regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators.	√		Norofert issues all the information for investors, including financial reports, bilingually, in English and Romania.
D6.	The company should organize at least one meeting/conference call with analysts and investors each year. The information presented on these occasions should be published in the IR section of the website of the company at the time of the meeting/conference call.	√		Norofert will organize annually the „Norofert Investor Day" – an event to which all stakeholders, including investors, analysts and the media will be invited.

VII. Signatures

This report was drafted on April 29, 2020, and it is signed by the President of the Board of Directors of Norofert SA.

CEO & President of the Board of Directors

Vlad Andrei Popescu

**Raportul auditorilor independenti catre actionarii
NOROFERT SA****Raport asupra situatiilor financiare 31 Decembrie 2019****Opinia cu rezerve**

Am auditat Situatiile Financiare ale societatii NOROFERT SA, cu sediul in Bucuresti, Str. PETRACHE POENARU, Nr. 26, CAM. 8, Sector 5, cod fiscal RO 12972762 („Societatea”), care cuprind bilantul la data de 31 decembrie 2019, contul de profit si pierdere, situatia modificarilor capitalului propriu pentru exercitiul financiar încheiat la aceasta data si un sumar al politicilor contabile semnificative si alte note explicative.

Situatiile financiare mentionate se refera la:

Total active	20,821,282 RON
Capitaluri proprii	10,196,951 RON
Cifra de afaceri	14,670,599 RON
Rezultatul anului	2,927,181 RON

In opinia noastra, cu exceptia efectelor posibile ale aspectelor mentionate in paragraful „Bazele opiniei cu rezerve asupra pozitiei financiare”, situatiile financiare anexate ofera o imagine fidela si justa a pozitiei financiare a Societatii la data de 31 decembrie 2019 in conformitate cu Ordinul Ministrului Finantelor Publice nr. 1802/2014, cu modificarile si clarificarile ulterioare si cu politicile contabile descrise in notele la situatiile financiare.

Bazele Opiniei cu rezerve

1. La 31.12.2019 stocurile societatii sunt in suma de 2,646,033 RON. Societatea a efectuat inventarierea stocurilor la data de 05.03.2020. In urma inventarierii efectuate si roll-back-ului la 31.12.2019 a rezultat un minus de inventar in suma totala de 808,475 RON. Diferenta de inventar nu a fost inregistrata de societate la 31.12.2019. Astfel stocurile si rezultatul societatii la 31.12.2019 sunt supraevaluate cu suma de 808,475 RON. Intrucat am fost desemnati auditori ai Societatii in data de 06 iunie 2019, nu am putut participa la inventarierea stocurilor aferenta exercitiului financiar incheiat la 31 decembrie 2018 si nu am putut obtine probe de audit satisfacatoare cu privire la cantitatile de stocuri la 31 decembrie 2018 prin efectuarea de proceduri alternative de audit. Opinia noastra asupra situatiilor financiare pentru exercitiul financiar incheiat la 31 decembrie 2018 a inclus o rezerva deoarece stocurile initiale afecteaza rezultatul operational, si nu am fost in masura sa determinam daca sunt necesare ajustari asupra

rezultatului global pentru exercitiul financiar incheiat la 31 decembrie 2018 si asupra rezultatului reportat de deschidere. Opinia noastra asupra situatiilor financiare pentru exercitiul financiar incheiat la 31 decembrie 2019 include de asemenea o rezerva, datorita efectelor posibile ale aspectului mentionat mai sus asupra comparabilitatii cifrelor perioadei curente cu cifrele corespondente precum si datorita faptului ca la 31.12.2019 stocurile si rezultatul societatii este supraevaluat cu suma de 808,475 RON, reprezentand diferente de inventar neinregistrate.

2. La data de 31 decembrie 2019, din suma de 12,916,743 RON reprezentand creante comerciale si debitori diversi, altele decat intercompany, am obtinut confirmari pentru 55% din sold. Din suma de 12,916,743 RON, 1,944,808 RON sunt creante vechi care nu au fost confirmate si nu au fost ajustate de societate deoarece au fost considerate ca fiind recuperabile. Prin urmare, nu am fost in masura sa obtinem asigurari suficiente si satisfacatoare cu privire la existenta si recuperabilitatea acestor creante si nu am fost in masura sa determinam acele ajustari care ar putea fi necesare pentru a prezenta aceste creante la valoarea lor recuperabila si posibilul lor efect in contul de profit si pierdere al anului 2019 si/sau a rezultatului reportat la 31 decembrie 2019. Opinia noastra asupra situatiilor financiare pentru exercitiul financiar incheiat la 31 decembrie 2018 include de asemenea o rezerva in ceea ce priveste exhaustivitatea si acuratetea creantelor comerciale precum si efectul posibilelor ajustari care ar fi putut fi necesare pentru a prezenta aceste creante la valoarea lor recuperabila si posibilul lor efect in contul de profit si pierdere al anului 2018 si al rezultatului reportat la 31.12.2018.

3. La data de 31 decembrie 2019 societatea avea datorii comerciale in suma de 9,057,188 RON pentru care s-au obtinut 43% confirmari. In consecinta, nu am fost in masura sa obtinem asigurari suficiente si satisfacatoare asupra soldurilor datoriilor comerciale cu privire la exhaustivitatea si acuratetea datoriilor comerciale si nici nu am putut determina daca sunt necesare ajustari la 31 decembrie 2019 si posibilul lor efect in contul de profit si pierdere al anului 2019 si/sau a rezultatului reportat la 31 decembrie 2019. Opinia noastra asupra situatiilor financiare pentru exercitiul financiar incheiat la 31 decembrie 2018 include de asemenea o rezerva in ceea ce priveste exhaustivitatea si acuratetea datoriilor comerciale precum si efectul posibilelor ajustari care ar fi putut fi necesare pentru a prezenta aceste datorii la valoarea lor reala si posibilul lor efect in contul de profit si pierdere al anului 2018 si al rezultatului reportat la 31.12.2018.

4. Situatiile financiare la 31 decembrie 2019 contin tranzactii cu partile afiliate. Legislatia fiscala din Romania include principiul "valorii de piata", conform caruia tranzactiile intre parti afiliate trebuie sa se desfasoare la valoarea de piata. Contribuabilii locali care desfasoara tranzactii cu partile afiliate trebuie sa intocmeasca si sa puna la dispozitia autoritatilor fiscale, la solicitarea acestora, dosarul de documentare a preturilor de transfer. La data aprobarii acestor situatii financiare Societatea nu are pregatita documentarea preturilor de transfer. Managementul considera ca nu va suferi pierderi in cazul unui control fiscal pentru verificarea preturilor de transfer. Cu toate acestea, impactul unor posibile interpretari diferite ale autoritatilor fiscale nu poate fi estimate in mod credibil. Acesta ar putea modifica pozitia financiara si/sau rezultatul operatiunilor Societatii.

Noi am efectuat auditul conform Standardelor Internationale de Audit (ISA). Responsabilitatile noastre conform acestor standarde sunt descrise mai detaliat in sectiunea „Responsabilitatile auditorului pentru

auditul situatiilor financiare” din raportul nostru. Suntem independenti fata de Societate conform Codului etic al profesionistilor contabili emis de Consiliul pentru Standarde Internationale de Etica pentru Contabili (codul IESBA) si conform cerintelor etice care sunt relevante pentru auditul situatiilor financiare in Romania si ne-am indeplinit responsabilitatile etice conform acestor cerinte si conform Codului IESBA. Consideram ca probele de audit pe care le-am obtinut sunt suficiente si adecvate pentru a constitui baza pentru opinia noastra cu rezerve asupra pozitiei financiare.

Aspecte cheie de audit

Aspectele cheie de audit sunt acele aspecte care, in baza rationamentului nostru profesional, au avut cea mai mare importanta pentru auditul situatiilor financiare din perioada curenta. Aceste aspecte au fost abordate in contextul auditului situatiilor financiare in ansamblu si in formarea opiniei noastre asupra acestora si nu oferim o opinie separata cu privire la aceste aspecte.

Cu exceptia aspectelor descrise in secțiunea „Bazele Opiniei cu rezerve” am stabilit ca nu exista alte aspecte cheie de audit ce trebuie comunicate in raportul nostru.

Alte aspecte

1. Atragem atentia asupra Notei 6 – Principii, politici si principii contabile si Raportul Consiliului de Administratie. Dupa inchiderea exercitiului financiar, in martie 2020, masuri restrictive au fost luate in Romania si in multe alte tari in efortul de a limita raspândirea COVID-19. Nu se poate estima cum va evolua situatia, ceea ce determina incertitudini cu privire la dezvoltarea economica. Conducerea Societatii a luat masuri si monitorizeaza continuu situatia, estimarea Conducerii fiind ca Societatea va fi capabila sa depășeasca aceasta situatie de urgenta. Cu toate acestea, concluzia se bazeaza pe informatiile disponibile la data emiterii acestor situatii financiare, iar impactul evenimentelor ulterioare asupra activitatii viitoare a Societatii poate diferi de estimarea Conducerii. Opinia noastra de audit nu este modificata cu privire la acest aspect.
2. Atragem atentia asupra Notei 10 “Alte informatii” conform careia “datoriile si creantele restante, s-au discutat cu administratorul si s-au stabilit 300 de zile ca fiind un termen scadent uzual în domeniul acesta de activitate”. Chiar daca termenul stabilit de societate de 300 de zile ca termen scadent este uzual in domeniul agricol, atragem atentia ca acesta nu corespunde cu prevederile contractuale incheiate cu clientii si furnizorii. Opinia noastra de audit nu este modificata cu privire la acest aspect.

Alte informatii

Alte informatii includ Raportul administratorilor, dar nu includ situatiile financiare si raportul nostru de audit cu privire la acestea. Conducerea este responsabila pentru alte informatii.

Administratorii sunt responsabili pentru intocmirea si prezentarea raportului administratorilor in conformitate cu cerintele OMFP nr. 1802/2014 Reglementari contabile privind situatiile financiare anuale,

punctele 489-492 care sa nu contina denaturari semnificative si pentru acel control intern pe care conducerea il considera necesar pentru a permite intocmirea raportului administratorilor care sa nu contina denaturari semnificative, datorate fraudei sau erorii.

Opinia noastra de audit asupra situatiilor financiare nu acopera alte informatii si nu exprimam nicio forma de concluzie de asigurare asupra acestora.

In legatura cu auditul efectuat de noi asupra situatiilor financiare, responsabilitatea noastra este de a cita celelalte informatii si, facand acest lucru, de a analiza daca acestea nu sunt in concordanta, in mod semnificativ, cu situatiile financiare sau cunostintele pe care le-am obtinut in urma auditului sau daca acestea par sa includa erori semnificative. Daca, in baza activitatii desfasurate, ajungem la concluzia ca exista erori semnificative cu privire la aceste alte informatii, noi trebuie sa raportam acest lucru. Cu exceptia impactului potential al aspectelor mentionate in paragraful "Bazele opiniei cu rezerve", nu avem nimic de raportat in acest sens.

In Romania, legislatia fiscala este in continua schimbare si adaptare la legislatia internationala. In acest context, exista posibilitatea unor interpretari diferite ale dispozitiilor legale de catre Ministerul Finantelor si de catre autoritatile fiscale locale. Managementul societatii a inregistrat in conturile care va sunt prezentate diferitele impozite si taxe, pe baza celei mai bune intrepretari a dispozitiilor fiscale in vigoare, interpretare care insa poate fi contestata de un control fiscal.

Acest raport este adresat exclusiv actionarilor/asociatilor Societatii si se mentioneaza expres destinatarii conveniti prin contract sau impusi de legislatie. Auditul nostru a fost efectuat pentru a putea raporta actionarilor/asociatilor Societatii acele aspecte pe care trebuie sa le raportam intr-un raport de audit financiar, si nu in alte scopuri. In masura permisa de lege, nu acceptam si nu ne asumam responsabilitatea decat fata de Societate si de actionarii/asociatii acesteia, pentru auditul nostru, pentru acest raport sau pentru opinia formata.

Responsabilitatile Conducerii si ale celor responsabili de Situatiile Financiare

Conducerea Societatii are responsabilitatea intocmirii si prezentarii fidele a situatiilor financiare in conformitate cu Ordinul Ministrului Finantelor Publice nr. 1802/2014, cu modificarile si clarificarile ulterioare, si pentru acel control intern pe care conducerea il considera necesar pentru a permite intocmirea de situatii financiare care sunt lipsite de denaturari semnificative, cauzate fie de fraudă, fie de eroare.

La intocmirea situatiilor financiare, conducerea este responsabila sa evalueze abilitatea Societatii de a-si desfasura activitatea conform principiului continuitatii activitatii si sa prezinte, daca este cazul, aspectele referitoare la continuitatea activitatii si folosirea principiului continuitatii activitatii, mai putin in cazul in care conducerea intentioneaza sa lichideze Societatea sau sa ii inceteze activitatea sau nu are nicio alternativa reala decat sa procedeze astfel.

Persoanele responsabile cu guvernanta au responsabilitatea supravegherii procesului de raportare financiara a Societatii.

Responsabilitatile auditorului pentru auditul situatiilor financiare

Obiectivele noastre constau in obtinerea unei asigurari rezonabile privind masura in care situatiile financiare, luate in ansamblu, nu contin denaturari semnificative cauzate de eroare sau frauda si de a emite un raport de audit care sa includa opinia noastra. Asigurarea rezonabila reprezinta un nivel ridicat de asigurare, insa nu este o garantie ca un audit desfasurat in conformitate cu standardele ISA va detecta intotdeauna o denaturare semnificativa, daca aceasta exista. Denaturarile pot fi cauzate fie de frauda fie de eroare si sunt considerate semnificative daca se poate preconiza, in mod rezonabil, ca acestea, atat la nivel individual sau luate in ansamblu, vor influenta deciziile economice ale utilizatorilor, luate in baza acestor situatii financiare.

Ca parte a unui audit in conformitate cu standardele ISA, ne exercitam rationamentul profesional si ne mentinem scepticismul profesional pe intreg parcursul auditului. De asemenea:

- ✓ Identificam si evaluam riscurile de denaturare semnificativa a situatiilor financiare, cauzate fie de frauda fie de eroare, stabilim si efectuam proceduri de audit care sa raspunda acestor riscuri si obtinem probe de audit suficiente si adecvate pentru a constitui o baza pentru opinia noastra. Riscul de nedetectare a unei denaturari semnificative cauzate de frauda este mai ridicat decat cel de nedetectare a unei denaturari semnificative cauzate de eroare, deoarece frauda poate include complicitate, falsuri, omisiuni intentionate, declaratii false sau evitarea controlului intern.
- ✓ Intelegem controlul intern relevant pentru audit pentru a stabili procedurile de audit adecvate in circumstantele date, dar nu si in scopul exprimarii unei opinii asupra eficacitatii controlului intern al Societatii.
- ✓ Evaluam gradul de adecvare a politicilor contabile utilizate si rezonabilitatea estimarilor contabile si a prezentarilor aferente de informatii realizate de catre conducere.
- ✓ Concluzionam asupra caracterului adecvat al utilizarii de catre conducere a principiului continuitatii activitatii si determinam, pe baza probelor de audit obtinute, daca exista o incertitudine semnificativa cu privire la evenimente sau conditii care ar putea genera indoiele semnificative privind capacitatea Societatii de a-si continua activitatea. In cazul in care concluzionam ca exista o incertitudine semnificativa, trebuie sa atragem atentia, in raportul de audit, asupra prezentarilor aferente din situatiile financiare sau, in cazul in care aceste prezentari sunt neadecvate, trebuie sa ne modificam opinia. Concluziile noastre se bazeaza pe probele de audit obtinute pana la data raportului nostru de audit. Cu toate acestea, evenimente sau conditii viitoare pot determina ca Societatea sa nu isi mai desfasoare activitatea in baza principiului continuitatii activitatii.
- ✓ Evaluam prezentarea, structura si continutul general al situatiilor financiare, inclusiv al prezentarilor de informatii, si masura in care situatiile financiare reflecta tranzactiile si evenimentele de baza intr-o maniera care realizeaza prezentarea fidela.
- ✓ Comunicam persoanelor responsabile cu guvernanta, printre alte aspecte, obiectivele planificate si programarea in timp a auditului, precum si constatările semnificative ale auditului, inclusiv orice deficiente semnificative ale controlului intern, pe care le identificam pe parcursul auditului nostru.

Raport asupra conformitatii raportului administratorilor cu situatiile financiare

Pe langa responsabilitatile noastre de raportare conform standardelor ISA si descrise in sectiunea „Alte informatii”, referitor la Raportul administratorilor, noi am citit Raportul administratorilor si raportam urmatoarele:

- a) in Raportul administratorilor nu am identificat informatii care sa nu fie consecvente, sub toate aspectele semnificative, cu informatiile prezentate in situatiile financiare la data de 31 decembrie 2019, atasate;
- b) Raportul administratorilor, identificat mai sus, include, sub toate aspectele semnificative, informatiile cerute de Ordinul Ministrului Finantelor Publice nr. 1802/2014, cu modificarile ulterioare, punctele 489-492;
- c) pe baza cunostintelor noastre si a intelegerii dobandite in cursul auditului situatiilor financiare intocmite la data de 31 decembrie 2019 cu privire la Societate si la mediul acesteia, cu exceptia impactului potential al aspectelor mentionate in “Bazele opiniei cu rezerve”, nu am identificat informatii eronate semnificative prezentate in Raportul administratorilor.

In numele,

MGMT AUDIT & BPO SRL

Inregistrat in Registru Public electronic cu Nr. FA1263
Membru CAFR cu nr. 1263/07.09.2015

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Firma de Audit: MGMT AUDIT & BPO SRL
Registru Public Electronic: FA 1263

Auditor: Gabriela Ciacaru

Inregistrat in Registru Public electronic cu Nr. AF4044
Membru CAFR cu nr. 4044 / 25.08.2011

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Auditor financiar: GABRIELA CIACARU
Registru Public Electronic: AF 4044

Bucuresti,
08.04.2020



IX. Notes to the Individual Financial Statements for Financial Year closed on 31.12.2019

Nota 1 - Active Imobilizate

31.12.2019

Variatia valorii brute, a amortizarii si a valorii contabila nete in crusul exercitiului financiar incheiat la 31.12.2019 pe fiecare categorie de active imobilizate, se prezinta dupa cum urmeaza:

Active imobilizate - cost

Denumirea elementului de imobilizare	Valoarea bruta			
	sold la 01.01.2019	Cresteri	Cedari, transferuri si alte reduceri	sold la 31.12.2019
Imobilizari necorporale	0	0	0	0
Cheltuieli de constituire si cheltuieli de dezvoltare	0	0	0	0
Alte imobilizari	2194	0	0	2194
Avansuri si imobilizari necorporale in curs	0	0	0	0
Active necorporale de explorare si evaluare a resurselor minerale	0	0	0	0
TOTAL	2194	0	0	2194
Imobilizari corporale	0	0	0	0
Terenuri	0	0	0	0
Constructii	0	0	0	0
Instalatii tehnice si masini	461764	204750	0	666514
Alte instalatii, utilaje si mobilier	165680	35270	0	200950
Investitii imobiliare	0	0	0	0
Active corporale de explorare si evaluare a resurselor minerale	0	0	0	0
Active biologice productive	0	0	0	0
Imobilizari corporale in curs de executie	242231	79020	0	321251
Investitii imobiliare in curs de executie	0	0	0	0
Avansuri si imobilizari corporale in curs	0	0	0	0
TOTAL	869675	319040	0	1188715
Imobilizari financiare	9002	89199	0	98201
ACTIVE IMOBILIZATE - TOTAL	880871	408239	0	1289110

Active imobilizate - amortizari in cursul anului 2019

Denumirea elementului de imobilizare	Valoarea bruta			
	sold la 01.01.2019	Ajustari inregistrate in cursul exercitiului financiar	Reduceri sau reluari	sold la 31.12.2019
Imobilizari necorporale	0	0	0	0
Cheltuieli de constituire si cheltuieli de dezvoltare	0	0	0	0
Alte imobilizari	1733	461	0	2194
Active necorporale de explorare si evaluare a resurselor minerale	0	0	0	0
TOTAL	1733	461	0	2194
Imobilizari corporale	0	0	0	0
Terenuri	0	0	0	0
Constructii	0	0	0	0
Instalatii tehnice si masini	239761	127629	0	367390
Alte instalatii, utilaje si mobilier	4126	6966	0	11092

Investitii imobiliare	0	0	0	0
Active corporale de explorare si evaluare a resurselor minerale	0	0	0	0
Active biologice productive	0	0	0	0
TOTAL	243887	134595	0	378482
AMORTIZARI - TOTAL	245620	135056	0	380676

Active immobilizate - ajustari de valoare in anul 2019

Denumirea elementului de immobilizare	Valoarea bruta			
	sold la 01.01.2019	Ajustari inregistrate in cursul exercitiului financiar	Reduceri sau reluari	sold la 31.12.2019
Imobilizari necorporale	0	0	0	0
Cheltuieli de constituire si cheltuieli de dezvoltare	0	0	0	0
Alte immobilizari	0	0	0	0
Avansuri si immobilizari necorporale in curs	0	0	0	0
TOTAL	0	0	0	0
Imobilizari corporale	0	0	0	0
Terenuri	0	0	0	0
Constructii	0	0	0	0
Instalatii tehnice si masini	0	0	0	0
Alte instalatii, utilaje si mobilier	0	0	0	0
Investitii imobiliare	0	0	0	0
Active corporale de explorare si evaluare a resurselor minerale	0	0	0	0
Active biologice productive	0	0	0	0
Imobilizari corporale in curs de executie	0	0	0	0
Investitii imobiliare in curs de executie	0	0	0	0
TOTAL	0	0	0	0
Imobilizari financiare	0	0	0	0
AJUSTARI PENTRU DEPRECIERE - TOTAL	0	0	0	0

Administrator,
POPESCU VLAD-ANDREI

Nota 2 - Provizioane pentru riscuri si cheltuieli

31.12.2019

Denumire provizionului	Nr. rd.	Sold la inceputul exercitiului financiar	Transferuri		Sold la sfarsitul exercitiului financiar
			in cont	din cont	
0		1	2	3	4 = 1+2-3
I. PROVIZIOANE PENTRU RISCURI SI CHELTUIELI (rd.2-6)	1	387 167	0	387 167	0
Provizioane pentru litigii (ct.1511)	2	0	0	0	0
Provizioane pentru garantii acordate clientilor (ct.1512)	3	0	0	0	0
Provizioane pentru dezafectare imobilizari corporale si alte actiuni similare (ct.1513)	4	0	0	0	0
Provizioane pentru restructurare (ct.1514)	5	0	0	0	0
Alte provizioane pentru riscuri si cheltuieli (ct.1518)	6	387 167	0	387 167	0
II. PROVIZIOANE PENTRU DEPRECIEREA STOCURILOR SI PRODUCTIEI ÎN CURS DE EXEC.	7	0	0	0	0
Materii prime (ct.391)	8	0	0	0	0
Materiale (ct.392)	9	0	0	0	0
Productie în curs de executie (ct.393)	10	0	0	0	0
Produse (ct.394)	11	0	0	0	0
Stocuri aflate la terti (ct.395)	12	0	0	0	0
Animale (ct.396)	13	0	0	0	0
Marfuri (ct.397)	14	0	0	0	0
Ambalaje (ct.398)	15	0	0	0	0
III. PROVIZIOANE PENTRU DEPRECIEREA CREANTELOR	16	0	0	0	0
Cienti (ct.491)	17	0	0	0	0
Decontari în cadrul grupului si cu asociatii (ct.495)	18	0	0	0	0
Debitori diversi (ct.496)	19	0	0	0	0
IV. PROVIZIOANE PENTRU DEPRECIEREA CONTURILOR DE TREZORERIE	20	0	0	0	0
Provizioane pentru deprecierea investitiilor financiare la societati din cadrul grupului (ct.591)	21	0	0	0	0
Alte provizioane pentru conturi de trezorerie (ct.592+595+596+598)	22	0	0	0	0
TOTAL GENERAL (rd.01+07+16+20)	23	387 167	0	387 167	0

Administrator,

Numele si prenumele :

POPESCU VLAD-ANDREI

Intocmit,

Numele si prenumele :

SYSCONT PROFESIONAL SRL

Calitatea :

22--PERSOANE JURIDICE AUTORIZATE MEMBRE CECCAR

Nr.de inregistrare in organismul profesional :

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Stampila unitatii

Nota 3 - Repartizarea profitului

31.12.2019

Destinatia profitului	Nr. rd.	Suma
Profit net de repartizat:	1	145 679
- rezerva legala	2	145 679
- acoperirea pierderii contabile	3	0
- dividende	4	0
- alte rezerve	5	0
Profit nerepartizat	6	2 781 502

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Stampila unitatii

Nota 4 - Analiza rezultatului din exploatare

31.12.2019

Denumirea indicatorului	Nr. rd.	Exercitiu financiar	
		Precedent	Curent
0		1	2
1. Cifra de afaceri neta	1	5 887 412	14 563 216
2. Costul bunurilor vandute si al serviciilor prestate (3 + 4 + 5)	2	2 691 285	9 459 890
3. Cheltuielile activitatii de baza	3	2 691 285	9 459 890
4. Cheltuielile activitatilor auxiliare	4	0	0
5. Cheltuielile indirecte de productie	5	0	0
6. Rezultatul brut aferent cifrei de afaceri nete (1 - 2)	6	3 196 127	5 103 326
7. Cheltuielile de desfacere	7	0	0
8. Cheltuieli generale de administratie	8	2 557 110	1 622 822
9. Alte venituri din exploatare	9	33 597	45 212
10. Rezultatul din exploatare (6 - 7 - 8 + 9)	10	672 614	3 525 716

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Stampila unitatii

Nota 5 - Situatia creantelor si datoriilor

31.12.2019

Creante / Datorii	Nr. rd.	Sold la sfarsitul exercitiului financiar	Termen de lichiditate / exigibilitate		
			Sub 1 an	1-5 ani	Peste 5 ani
0		1 = 2 + 3 + 4	2	3	4
CREANTE	0	0	0	0	0
Creante din participatii sume datorate de filiale interese de participare dobânzi (ct.261,263,265)	1	39 600	39 600	0	0
Imprumuturi acordate pe termen lung si dobânzi aferente (ct.2673,2674)	2	0	0	0	0
Actiuni proprii - active imobilizate (ct.2677)	3	0	0	0	0
Alte creante imobilizate (ct.2671,2675,2676,2678,2679)	4	58 601	58 601	0	0
I. CREANTE DIN ACTIVE IMOBILIZATE- TOTAL (rd.01 la 04)	5	98 201	98 201	0	0
Furnizori debitori (ct.4092)	6	30 287	30 287	0	0
Clienti (ct.411+413+418)	7	12 496 566	12 496 566	0	0
Creante personal si asigurari sociale (ct.425+4282+431+436+437+4382)	8	125 665	125 665	0	0
Impozit pe profit (ct.441)	9	0	0	0	0
Taxa pe valoarea adaugata (ct.4424+4428)	10	77 642	77 642	0	0
Alte creante cu statul si institutii publice (ct.444,445,446,447,4482)	11	0	0	0	0
Decontari cu grupul si alte creante (ct.451)	12	2 552 150	2 552 150	0	0
Debitori diversi (ct.456+4582+461-491-495-496)	13	843 020	843 020	0	0
II. CREANTE DIN ACTIVE CIRCULANTE - TOTAL (rd. 06 la 13)	14	16 125 330	16 125 330	0	0
III. CHELTUIELI INREGISTRATE IN AVANS (ct.471)	15	48 309	48 309	0	0
TOTAL CREANTE (rd. 05+14+15)	16	16 271 840	16 271 840	0	0
DATORII	0	0	0	0	0
Imprumuturi din emisiuni de obligatiuni (ct.161)	17	0	0	0	0
Credite bancare pe termen lung (ct.1621+1623+1624+1625+1626+1627)	18	203 968	153 539	50 429	0
Credite bancare pe termen lung nerambursate la scadenta (ct.1622)	19	0	0	0	0
Datorii ce privesc imobiliarile financiare (ct.166)	20	0	0	0	0
Credite bancare pe termen scurt (ct.5191+5192+5193+5194+5195+5196+5197)	21	0	0	0	0
Dobanzi (ct.168+5186+5198)	22	0	0	0	0
Alte imprumuturi si datorii financiare (ct.167+509)	23	133 484	55 933	77 551	0
TOTAL DATORII FINANCIARE SI ASIMILATE (rd. 17 la 23)	24	337 452	209 472	127 980	0
Furnizori (ct.401+403+404+405+408)	25	5 644 736	5 644 736	0	0
Clienti creditor (ct.419)	26	1 699 160	1 699 160	0	0
Datorii cu personalul si asigurarile sociale (ct.421+423+424+425+426+427+4281+431+436+437+438)	27	337 849	337 849	0	0
Impozit pe profit (ct.441)	28	468 978	468 978	0	0
Taxa pe valoarea adaugata (ct.4423+4428)	29	182 925	182 925	0	0
Alte datorii fata de stat si institutiile publice (ct.444+445+446+447+4481)	30	35 051	35 051	0	0
Decontari cu grupul si alte conturi cu asociati (ct.451+455+457+4581+481+482)	31	1 713 292	1 713 292	0	0
Creditori diversi (ct.462+473)	32	183 566	183 566	0	0
ALTE DATORII - TOTAL (rd.25 la 32)	33	10 265 557	10 265 557	0	0
Venituri inregistrate in avans (ct.472)	34	0	0	0	0
TOTAL DATORII (rd. 24+33+34)	35	10 603 009	10 475 029	127 980	0

Administrator,

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POPESCU VLAD-ANDREI

Intocmit,

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SYSCONT PROFESIONAL SRL

Calitatea :

22--PERSOANE JURIDICE AUTORIZATE MEMBRE CECCAR

Nr.de inregistrare in organismul profesional :

11354/2016

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Stampila unitatii

Nota 6 - Principii, politici si metode contabile

31.12.2019

Nota 6
Principii, politici si metode contabile

1. Principiul continuitatii activitatii:

In perioada de situatie de urgenta decretata de catre Guvernul Romaniei, munca in teren a reprezentantilor de vanzari Norofert este ingreunata de reticenta fermierilor de a accepta intalniri fata in fata cu colegii nostri.

Vanzarile prin telefon au inlocuit intalnirile din teren iar recomandarile tehnice se bazeaza pe pozele trimise de fermieri cu problemele aparute in culturi. Situatia vanzarilor se preconizeaza sa ramana stabila, comparabila cu volumele vandute in anii precedenti, asumptie bazata pe nevoia de tratament a culturilor agricole, intr-un an in care cererea de alimente in general a crescut. Activitatea de productie, distributie si vanzare a Norofert nu este afectata major de situatia exceptionala actuala, cu mentiunea ca partea logistica a distributiei poate suferi intarzieri din cauza restrictiilor de trafic impuse de autoritat.

Norofert a luat toate masurile de precautie pentru a combate raspandirea Sars-CoV19 in cadrul personalului TESA, productie si echipa de vanzari: dotarea cu manusi, masti si substante dezinfectante pentru maini si suprafete. De asemenea, se realizeaza dezinfectarea suprafetelor din birou si fabrica precum si a mijloacelor de transport detinute de companie.

2. Principiul permanentei metodelor: Au fost aplicate aceleasi regului, metode, norme, privind evaluarea, înregistrarea si prezentarea în contabilitate a elementelor patrimoniale, asigurând comparabilitatea în timp a informatiilor contabile.

3. Principiul prudentei: Au fost luate în considerare numai profiturile recunoscute până la data închiderii exercitiului financiar; s-a tinut seama de toate obligatiile previzibile si pierderile potientiale si au fost facute ajustari de valoare tinând seama de toate deprecierea posibile indiferent de modul cum acestea ar fi influentat rezultatul financiar;

4. Principiul independentei exercitiului: La determinarea rezultatului s-au luat în calcul toate veniturile si cheltuielile indiferent de data încasarii sumelor, respectiv, data efectuării platilor;

5. Principiul evaluarii separate a elementelor de activ si de pasiv: au fost înregistrate toate elementele de activ si pasiv si, eventual, ulterior s-au efectuat compensari legale;

6. Principiul intangibilitatii: bilantul de deschidere corespunde cu cel de închidere;

7. Principiul necompensarii: nu s-au efectuat compensari între venituri si cheltuieli, ori între active si pasive, altele decât cele permise de lege.

Administrator,

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Calitatea :	22--PERSOANE JURIDICE AUTORIZATE MEMBRE CECCAR
Nr.de inregistrare in organismul profesional :	11354/2016

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Stampila unitatii

Nota 7 - Participatii si surse de finantare

31.12.2019

Nota 7
Participatii si surse de finantare

Se vor prezenta urmatoarele informatii:

- a) se mentioneaza existenta oricaror certificate de participare, valori mobiliare, obligatiuni convertibile, cu prezentarea informatiilor cerute in Subsectiunea 8.2;
- b) capital social subscris/patrimoniul entitatii; 802.394
- c) numarul si valoarea totala a fiecarui tip de actiuni emise, mentionandu-se daca au fost integral varsate si, dupa caz, numarul actiunilor pentru care s-a cerut, fara rezultat, efectuarea varsamintelor; Au fost emise un numar de 2.005.985 actiuni a cate 0.4 lei/actiune. Sunt 72 de actionari, 8 persoane juridice si 64 persoane fizice.
- d) actiuni rascumparabile:
- data cea mai apropiata si data limita de rascumparare;
 - caracterul obligatoriu sau neobligatoriu al rascumpararii;
 - valoarea eventualei prime de rascumparare;
- e) actiuni emise in timpul exercitiului financiar:
- tipul de actiuni;
 - numar de actiuni emise;
 - valoarea nominala totala si valoarea incasata la distribuire; 6.458.456
 - drepturi legate de distributie:
 - numarul, descrierea si valoarea actiunilor corespunzatoare;
 - perioada de exercitare a drepturilor;
 - pretul platit pentru actiunile distribuite;
- f) obligatiuni emise:
- tipul obligatiunilor emise;
 - valoarea emisa si suma primita pentru fiecare tip de obligatiuni;
 - obligatiuni emise de entitate, detinute de o persoana nominalizata sau imputernicita de aceasta:
 - valoarea nominala;
 - valoarea inregistrata in momentul platii.
- Societatea nu are alte surse de finantare.

Administrator,

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Nr.de inregistrare in organismul profesional :	11354/2016

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Stampila unitatii

Nota 8 - Informatii privind salariatii si membrii organelor de administratie si conducere

31.12.2019

Nota 8

Informatii privind salariatii si membrii organelor de administratie, conducere si de supraveghere

Se vor face mentiuni cu privire la:

- a) indemnizatiile acordate membrilor organelor de administratie, conducere si de supraveghere; 0
- b) obligatiile contractuale cu privire la plata pensiilor catre fostii membri ai organelor de administratie, conducere si supraveghere, indicandu-se valoarea totala a angajamentelor pentru fiecare categorie. 0
- c) valoarea avansurilor si a creditelor acordate membrilor organelor de administratie, conducere si de supraveghere in timpul exercitiului:
 - rata dobanzii;
 - principalele clauze ale creditului;
 - suma rambursata pana la acea data;
 - obligatii viitoare de genul garantiilor asumate de entitate in numele acestora;
- d) salariati:
 - numar mediu, cu defalcarea pe fiecare categorie; 20 salariati
 - salarii platite sau de platit, aferente exercitiului; 696913 lei (salarii platite), 125852 lei (salarii de platit)
 - cheltuieli cu asigurarile sociale; 1.459.853 lei
 - alte cheltuieli cu contributiile pentru pensii.

Administrator,

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Stampila unitatii

Nota 9 - Indicatori economico-financiari

31.12.2019

Denumirea indicatorului	Nr. rd.	Suma
1. Indicatori de lichiditate	0	0.00
a) Indicatorul lichiditatii curente	1	1.93
b) Indicatorul lichiditatii imediate	2	1.67
2. Indicatori de risc:	0	0.00
a) Indicatorul gradului de indatorare	3	3.31
b) Indicatorul privind acoperirea dobanzilor	4	10.91
3. Indicatori de activitate (indicatori de gestiune)	0	0.00
a) Viteza de rotatie a stocurilor (rulajul stocurilor)	5	2.66
b) Viteza de rotatie a stocurilor (numar de zile de stocare)	6	134.05
c) Viteza de rotatie a debitelor-clienti	7	374.41
d) Viteza de rotatie a creditelor-furnizor	8	183.07
e) Viteza de rotatie a activelor imobilizate	9	17.26
f) Viteza de rotatie a activelor totale	10	0.71
4. Indicatori de profitabilitate	0	0.00
a) Rentabilitatea capitalului angajat	11	0.33
b) Marja bruta din vanzari	12	41.13

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Nota 10 - Alte informatii

31.12.2019

Nota 10
Alte informatii

Se prezinta:

a) Informatii cu privire la prezentarea entitatii raportoare, potrivit Subsectiunii 8.2.

Compania Norofert a fost fondata in anul 2000 de catre Florin Popescu, si pana astazi a ramas o afacere de familie, condusa in prezent de fiul acestuia, Vlad Popescu. Norofert produce ingrasaminte organice, produse fitosanitare organice, cum ar fi insecticide si fungicide, tratamente pentru seminte si tratamente foliare. De asemenea, Norofert are capacitatea de a dezvolta si produce ingrasaminte organice personalizate conform nevoilor specifice recoltelor, luand in considerare solul, conditiile atmosferice si particularitatile fiecarei culturi in parte. Toate produsele Norofert sunt fabricate in Romania, folosind 100% ingrediente naturale si ecologice.

b) Informatii privind relatii entitatii cu filiale, entitatile asociate sau cu alte entitati in care se detin participatii, cerute potrivit Subsectiunii 8.2.

Norofert S.A. a stabilit relatii de afiliere cu Norofert Fitofarma SRL, si Norofert Organics SRL, infiintate in anul 2017, in care detine participatii in proportie de 99% din capitalul social, respectiv cate 1.980 parti sociale cu o valoare nominala de 10 lei fiecare, din capital social total in valoare de 20.000 lei. In timp ce activitatea de productie a biostimulatorilor si produselor fitosanitare destinate agriculturii ecologice revine societatii Norofert S.A., Norofert Fitofarma S.R.L are, ca principala activitate, productia de produse microambalate destinate gospodariilor si activitatilor tip hobby, iar Norofert Organics S.R.L. depoziteaza si comercializeaza produsele Norofert S.A.

c) Bazele de conversie utilizate pentru exprimarea in moneda nationala a elementelor de activ si de pasiv, a veniturilor si cheltuielilor evidentiatae initial intr-o moneda straina. Baza de conversie este cursul BNR.

d) Informatii referitoare la impozitul pe profit:

- proportia in care impozitul pe profit afecteaza rezultatul din activitatea curenta si rezultatul din activitatea extraordinara; Este 100% din activitatea curenta.
- reconcilierea dintre rezultatul exercitiului si rezultatul fiscal, asa cum este prezentat in declaratia de impozit;
- masura in care calcularea profitului sau pierderii exercitiului financiar a fost afectata de o evaluare a elementelor care, prin derogare de la principiile contabile generale si regulile contabile de evaluare, a fost efectuata in exercitiul financiar curent sau intr-un exercitiu financiar precedent in vederea obtinerii de facilitati fiscale;
- impozitul pe profit ramas de plata.

e) Cifra de afaceri: 14.670.599 lei

- prezentarea acestora pe segmente de activitati si pe piete geografice.

f) Atunci cand evenimentele ulterioare datei bilantului au o asemenea importanta incat neprezentarea lor ar putea afecta capacitatea utilizatorilor situatiilor financiare de a face evaluari si de a lua decizii corecte, o entitate trebuie sa prezinte urmatoarele informatii pentru fiecare categorie semnificativa de astfel de evenimente:

- natura evenimentului; si

- o estimare a efectului financiar sau o mentiune conform careia o astfel de estimare nu poate sa fie facuta.

In perioada de situatie de urgenta decretata de catre Guvernul Romaniei, munca in teren a reprezentantilor de vanzari Norofert este ingreunata de reticenta fermierilor de a accepta intalniri fata in fata cu colegii nostri.

Vanzarile prin telefon au inlocuit intalnirile din teren iar recomandarile tehnice se bazeaza pe pozele trimise de fermieri cu problemele aparute in culturi. Situatia vanzarilor se preconizeaza sa ramana stabila, comparabila cu volumele vandute in anii precedenti, asumptie bazata pe nevoia de tratament a culturilor agricole, intr-un an in care cererea de alimente in general a crescut. Activitatea de productie, distributie si vanzare a Norofert nu este afectata major de situatia exceptionala actuala, cu mentiunea ca partea logistica a distributiei poate suferi intarzieri din cauza restrictiilor de trafic impuse de autoritat.

Norofert a luat toate masurile de precautie pentru a combate raspandirea Sars-CoV19 in cadrul personalului TESA, productie si echipa de vanzari: dotarea cu masini, masti si substante dezinfectante pentru maini si suprafete. De asemenea, se realizeaza dezinfectarea suprafetelor din birou si fabrica precum si a mijloacelor de transport detinute de companie.

g) Explicatii despre valoarea si natura:

- veniturilor si cheltuielilor extraordinare; 0

- veniturilor si cheltuielilor inregistrate in avans, in situatia in care acestea sunt semnificative. Nu avem venituri in avans, ci doar cheltuieli in avans in suma de 48.309 lei.

Acesta sunt cheltuieli pentru rca, programe de facturare, roviniete, chirie.

h) Ratele achitate in cadrul unui contract de leasing. 97.025 lei

i) In cazul unui leasing financiar, locatorul va prezenta urmatoarele informatii:

- o descriere generala a contractelor semnificative de leasing; Avem contracte de leasing de la Rci Leasing, Unicredit Leasing si Idea Leasing pentru masini auto.

- dobanda de incasat aferenta perioadelor viitoare.

In cazul unui leasing financiar, locatarul va evidentia urmatoarele:

- o descriere generala a contractelor importante de leasing, incluzand, dar fara a se limita la, urmatoarele:

- existenta si conditiile optiunilor de reinnoire sau cumparare;

- restrictiile impuse prin contractele de leasing, cum ar fi cele referitoare la datorii suplimentare si alte operatiuni de leasing.

- dobanda de platit aferenta perioadelor viitoare

j) Onorariile platite auditorilor/cenzorilor si onorariile platite pentru alte servicii de certificare, servicii de consultanta fiscala si alte servicii decat cele de audit. 40.893 lei

k) Efectele comerciale scontate neajunse la scadenta. -

l) Atunci cand suma de rambursat pentru datorii este mai mare decat suma primita, diferenta se prezinta in notele explicative.

m) Datoriile probabile si angajamentele acordate. -

n) Angajamentele sub forma garantiilor de orice fel trebuie, in cazul in care nu exista obligatia de a le prezenta ca datorii, sa fie in mod clar prezentate in notele explicative, si trebuie facuta distinctie intre diferitele tipuri de garantii recunoscute de legislatia nationala. De asemenea, trebuie facuta o prezentare separata a oricarei garantii valorice care a fost prevazuta. Angajamentele de acest tip care exista in relatia cu entitatile afiliate trebuie prezentate distinct.

Societatea are garantii gajate in valoare totala de 58.601 lei, dintre care suma de 2.149,21 lei reprezentand un sold din 2010, 2.214,55 lei catre Metropolitan Developments, 809,64 lei catre GNB IMOB Export Business, 2.000 lei catre Elgni SRL, 1.829 lei catre Apiveritas SRL, 24.598,60 lei catre Lerida Imobiliari si 25.000 lei catre OMV Petrom Marketing.

Totodata, NOROFERT SA a garantat pentru NOROFERT ORGANICS sa plateasca toate sumele datorate de catre utilizator in legatura cu contractul de leasing 14314N care ajung la scadenta si nu sunt platite, pana la concurenta sumei de 21.184,80 EURO+TVA, la care se adauga orice alte costuri suportate de finantator in legatura cu contractul de leasing. Pentru aceasta, NOROFERT SA a incheiat un contract de garantie cu OTP LEASING ROMANIA IFN SA la data de 26.09.2019.

o) Daca un activ sau o datorie are legatura cu mai mult de un element din formatul de bilant, relatia sa cu alte elemente trebuie prezentata in notele explicative, daca o asemenea prezentare este esentiala pentru intelegerea situatiilor financiare anuale.

p) Orice detaliere a elementelor din situatiile financiare anuale, atunci cand aceste elemente sunt semnificative si sunt relevante utilizatorii situatiilor financiare.

Cu privire la datoriile si creantele restante, s-a discutat cu administratorul si s-au stabilit 300 de zile ca fiind un termen scadent uzual in domeniul acesta de activitate.

Administrator,

Numele si prenumele :	
	POPESCU VLAD-ANDREI

Intocmit,

Numele si prenumele :	SYSCONT PROFESIONAL SRL
Calitatea :	22--PERSOANE JURIDICE AUTORIZATE MEMBRE CECCAR
Nr.de inregistrare in organismul profesional :	11354/2016

Semnatura _____

Semnatura _____

Stampila unitatii

X. Declaration

Subsemnatul Popescu Vlad Andrei, in calitate de Președinte Consiliului de Administrație Norofert SA, societate cu sediul social in București sector 5, Str. Petrache Poenaru Nr. 26, Room 8, cod unic de înregistrare 12972762 , număr de ordin la Oficiul Registrul Comerțului J40/4222/2000, declar pe proprie răspundere, cunoscând dispozițiile art. 326 Noul C. Pen., cu privire la falsul in declarații, următoarele:

- 1) După cunoștințele mele, raportarea contabila a fost întocmita in conformitate cu standardele contabile aplicabile si oferă o imagine corecta si conforma cu realitatea contabila a activelor, obligațiilor, poziției financiare, contului de profit si pierdere ale Societății;
- 2) Raportul Anual aferent perioadei 01.01.2019 - 31.12.2019, transmis operatorului pieței de capital - BVB - precum si Autorității de Supraveghere Financiara, prezinta in mod corect si complet informațiile despre Societate.

CEO & Președinte Consiliul de Administrație

Vlad Andrei Popescu