

S.C ELECTROMAGNETICA S.A.
Separate statement of financial position on 30 September 2016 - unaudited
(all the amounts are expressed in RON, unless otherwise specified)

	30 September 2016	31 December 2015
ASSETS		
Non-current assets		
Tangible assets	218.956,770	223,148,468
Investment property	947,183	947,183
Intangible assets	1,194,539	1,378,057
Investments in related entities	3,967,606	3,967,606
Other long-term non-current assets	3,093,503	2,244,903
Total non-current assets	228,159,601	231,686,217
Current assets		
Inventories	13,877,959	13,497,381
Trade receivables	50,625,896	54,455,664
Cash and cash equivalents	18,396,204	13,890,488
Financial assets at fair value through profit or loss	-	467,080
Other current assets	3,396,984	2,086,192
Current tax asset	780,927	780,927
Total current assets	87,077,969	85,177,732
Total assets	315,237,570	316,863,949
EQUITY AND LIABILITIES		
Equity		
Share capital	67,603,870	67,603,870
Reserves	189,310,974	212,110,399
Retained earnings	9,696,587	(18,801,162)
Other components of equity	(875,338)	(670,842)
Total equity attributable to company shareholders	265,736,094	260,242,265
Non-current liabilities		
Trade payables and other liabilities	2,858,733	2,956,025
Investment subsidies	4,940,766	5,063,180
Deferred tax liabilities	1,608,944	1,759,901
Total non-current liabilities	9,408,443	9,779,106
Current liabilities		
Trade payables and other liabilities	37,451,636	34,508,314
Investment subsidies	163,219	163,219
Provisions	2,478,178	12,171,045
Total current liabilities	40,093,033	46,842,578
Total liabilities	49,501,476	56,621,684
Total equity and liabilities	315,237,570	316,863,949

S.C. ELECTROMAGNETICA S.A.
Separate statement of profit or loss and other comprehensive income
for the 9-month period ended on 30 September 2016 - unaudited
(all the amounts are expressed in RON, unless otherwise specified)

	9-month period ended on 30 September 2016	9-month period ended on 30 September 2015
Revenue	172,139,791	299,185,910
Revenue from investment	1,202,546	1,587,182
Other net revenues	4,077,172	3,491,527
Variation in stocks of finished goods and work in progress	9,699,421	6,578,987
Work performed by entity and capitalized	1,150,461	1,310,118
Raw material and consumables used	(124,224,878)	(245,608,418)
Personnel expenses	(24,042,085)	(24,625,025)
Expenses related to depreciation and impairment	(8,231,980)	(7,911,473)
Other net expenses	(25,954,282)	(36,801,244)
Financial expenses	(473,000)	(709,790)
Profit/(Loss) before taxation	5,343,167	(3,502,225)
Income tax	97,384	(140,484)
Profit/(Loss) of the period	5,440,551	(3,642,709)
Other components of comprehensive income		
of which:		
other comprehensive income items that cannot be reclassified in the profit and loss account, of which:		
- Revaluation surplus for tangible assets	-	-
- Deferred tax recognized in equity	53,573	64,428
Comprehensive income for the period	5,494,124	(3,578,281)
Basic/diluted earnings per share	0.0081	(0.0053)

Notes

General information

The financial statements for the 3rd quarter of 2016 are not audited.

Financial position

Non-current assets decreased by 1.5% as compared to 31 December 2015, due to amortization during the period January-September 2016.

Inventories showed a slight increase of 2.8% compared to 31 December 2015.

Trade receivables showed a decrease of 7% as a result of the slowdown in the electric energy supply business.

Cash and cash equivalents increased by 32.4% compared to 31 December 2015 as a result of good management, the relation between revenue and expenditure, as well as the profit achieved in the period January-September 2016. At the same time, investments were reduced given the fact that the company

has been imposed a fine by the Competition Council, which remains unpaid till the dispute is settled in court.

Other assets (represented by deferred charges) show an increase of 62.8% compared to December 2015.

Equity increased by 2.1% compared to December 2015, as a result of the profit recorded in the period January-September 2015.

Trade payables and other liabilities increased by 8.5% compared to 31 December 2015, mainly as a result of the fine imposed by the Competition Council. By this date the company has neither delayed any payments to its suppliers and has no outstanding debt to the state budget.

Profit and loss revenue

The total **revenue** showed a decrease by 40.6% compared to the same period of the previous year, following the process of restructuring of the electric energy supply business, which was started last year.

The total **expenditure** showed a decrease by 43% compared to the same period of 2015, resulting in profit.

Financial and economic ratios

Ratios	Calculation formula	
Current ratio¹	Current assets/Current liabilities	2.17
Debt ratio²		
a.	Debt capital/Equity X 100	-
b.	Debt capital/Committed capital X 100	-
DSO³	Average client balance/Turnover X 270	81.05
Assets turnover ratio⁴	Turnover/Non-current assets	0.77

Note:

1. The **Current ratio** guarantees the coverage of the current debt from the current assets.
2. **Debt ratio** expresses the effectiveness of the credit risk management, indicating potential financing, liquidity problems which may affect the compliance with commitments made.
Debt capital = Credits over 1 year
Committed capital = Debt capital + Equity
3. **Receivables turnover** expresses the effectiveness of the company in receivables collection, respectively the number of days until the debtors pay their debt to the company.
4. **Assets turnover ratio** expresses the effectiveness of non-current asset management, analyzing the turnover generated by a certain quantity of non-current assets.

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