

Translation from Romanian

**SITUATION OF THE FINANCIAL POSITION  
FOR THE FINANCIAL YEAR ENDING ON 31 MARCH 2017**

	<b>31.12.2016</b>	<b>- LEI - 31.03.2017</b>
<b>Assets</b>		
<b>Fixed assets</b>		
Tangible assets	24,749,148	24,141,657
Intangible assets	364,606	401,028
Goodwill	0	0
Investment property	0	0
Financial assets	18,354,184	18,354,184
<b>TOTAL FIXED ASSETS</b>	<b>43,467,938</b>	<b>42,896,869</b>
<b>Current assets</b>		
Inventories	19,582,446	19,499,534
Trade receivables and of other nature	17,126,264	23,484,903
Other receivables	8,152	11,457
Short-term financial investments	15,772,548	15,790,758
Cas and cash equivalents	15,533,792	21,548,514
<b>TOTAL CURRENT ASSETS</b>	<b>68,023,202</b>	<b>80,335,166</b>
<b>TOTAL ASSETS</b>	<b>111,491,140</b>	<b>123,232,035</b>
Trade liabilities and of other nature	16,376,661	23,439,172
Loans bearing short-term interest	0	0
Other liabilities	12,936,497	12,989,059
<b>SHORT-TERM LIABILITIES</b>	<b>29,313,158</b>	<b>36,428,231</b>
Long-term loans	1,188,214	1,109,000
Long-term deferred income		
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>1,188,214</b>	<b>1,109,000</b>
Current tax liabilities		
Deferred tax liability		
<b>TOTAL LIABILITIES</b>	<b>30,501,372</b>	<b>37,537,231</b>
<b>Deferred income- out of which investment subsidies</b>	<b>4,779,224</b>	<b>4,567,398</b>
<b>Provisions</b>	<b>3,710,224</b>	<b>4,272,846</b>
Share capital	6,976,465	6,976,465
- Subscribed capital	6,976,465	6,976,465
- Share capital adjustment to hyperinflation	0	0
Share premium	0	0
Capital reserves	1,617,005	1,617,005
Legal reserves adjustment to hyperinflation	2,540,349	2,540,349
Reserves from the revaluation of tangible assets	1,769,778	1,769,778
Revaluation reserves	0	0
Retained earnings from revaluation reserve surplus	12,746,594	29,323,748
Other reserves	25,831,074	25,831,074
Other reserves adjustment to hyperinflation	3,309,306	3,309,306
Profit carried forward	0	0
<b>Retained earnings from the adoption of IFRS</b>	<b>0</b>	<b>0</b>
Cumulative profit	16,577,153	4,354,339
Distribution of profit	0	0
<b>TOTAL EQUITY</b>	<b>72,500,220</b>	<b>76,854,560</b>
<b>TOTAL LIABILITIES AND EQUITY (TOTAL LIABILITIES)</b>	<b>111,491,140</b>	<b>123,232,035</b>
		<b>LEI</b>

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**STEFAN CONSTANTIN**

**PREPARED BY,  
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**ROXANA SCARLAT**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDING ON 31 MARCH 2017**

	LEI	
	31.03.2016	31.03.2017
Production sold	54,406,830	51,954,206
Income from sale of goods	116,400	1,403,501
Income related to the cost of the product stocks	1,004,296	1,236,798
Income from trade discounts	-17,315	-12,710
Income from asset production	0	27,124
Income from subsidies	6,996	17,076
Other operating income	211,807	1,031,205
<b>TOTAL OPERATING INCOME</b>	<b>55,729,014</b>	<b>55,657,200</b>
Raw material and consumables expenses	43,216,878	40,044,237
Expenses on goods	111,898	1,184,513
Trade discounts received		
Staff benefits expenses	4,075,053	4,875,226
Value adjustments on assets	734,204	731,872
Expenses	734,204	731,872
Income		
Value adjustments on current assets		
Expenses		
Income		
Value adjustments on provisions	-30,736	562,523
Expenses	11,251	594,900
Income	41,987	32,377
Other operating costs	2,434,853	2,964,264
<b>TOTAL OPERATING COSTS</b>	<b>50,542,150</b>	<b>50,362,635</b>
<b>OPERATING PROFIT</b>	<b>5,186,864</b>	<b>5,294,565</b>
Financial income	515,325	496,574
Financial expenses	379,891	497,035
<b>FINANCIAL PROFIT</b>	<b>135,434</b>	<b>-461</b>
<b>TOTAL INCOME</b>	<b>56,244,339</b>	<b>56,153,774</b>
<b>TOTAL COSTS</b>	<b>50,922,041</b>	<b>50,859,670</b>
<b>GROSS PROFIT</b>	<b>5,322,298</b>	<b>5,294,104</b>
<b>INCOME TAX EXPENSE</b>	<b>867,530</b>	<b>939,765</b>
<b>NET PROFIT</b>	<b>4,454,768</b>	<b>4,354,339</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THIS PERIOD</b>	<b>4,454,768</b>	<b>4,354,339</b>
<b>BASIC/DILUTED EARNINGS PER SHARE</b>	<b>0.0551</b>	<b>0.0624</b>

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**EXPLANATORY NOTES –ASSETS, RECEIVABLES,  
LIABILITIES AND INVESTMENT BALANCE ON 31.03.2017**

**1. Assets**

On 31.03.2017 the total assets in net value have decreased with 571,069 lei respectively 1.31% compared to the beginning of the year, reaching the end of the quarter at the value of 42,896,869 lei.

Structurally, compared to the beginning of the year, their situation is as follows:

Fixed assets:	Balance on 01.01.2017	Balance on 31.03.2017	31.03.2017/ 01.01.2017
Intangible assets	364,406	401,028	126.14
Tangible assets	24,749,148	24,141,657	97.55
Financial assets	18,354,184	18,354,184	100.00
<b>Total fixed assets</b>	<b>43,467,938</b>	<b>42,896,869</b>	<b>98.69</b>

**a) Intangible assets:**

In the first quarter of 2017 there were increases of the net intangible assets in the amount of 36,622 lei, and in gross amounts there were no increase or decreases.

**b) Tangible assets:**

The net tangible assets have registered a decrease in the first quarter of 2017 in the amount of 607,491 lei, reaching the end of the reporting period at 24,141,657 lei.

	Land and land develop ment	Buildings	Plant and machinery	Other plant, equipment and furniture	Invest ment in progress	Tangible assets advances	Total
Cost 1.01.2017	2,866,621	12,802,508	27,576,596	907,869	1,228,379	129,042	45,511,015
Inflow			44,975		498,280		543,255
Outflow			1,209,013			9,042	1,218,055
Balance on 31.03.2017	2,866,621	12,802,508	26,412,558	907,869	1,726,659	120,000	44,836,215

Accumulated impairment on 1.01.2017		5,503,321	14,411,192	847,355			20,761,868
Impairment cost		107,140	621,202	3,089			731,431
Disposals of assets and cassation			798,741	0			798,741
Balance on 31.03.2017		5,610,461	14,233,653	850,444			20,694,558
Net book value	2,866,621	7,192,047	12,178,905	57,425	1,726,659	120,000	24,141,657

In the first quarter of 2017, fixed assets were purchased in the amount of 44,975 lei, representing equipments related to injection machines.

### c) Financial assets:

On 31.03.2017 the company shows financial assets amounting to 18,354,183.74 lei, as it was at the end of the last year, representing investments in the stock market, out of which :

Issuer	No. of shares	Value on 31.03.2017
MERCUR	111,671	4,746,017.50
ELARS	20,555,276	2,055,527.60
CONCIFOR	3,206,788	1,146,810.50
AMPLO	2,668,396	10,405,828.14
<b>TOTAL</b>		<b>18,354,183.74</b>

## **2. Stocks account**

On 31.03.2017, company's stocks had a total net value of 19,499,534 lei, compared to 19,582,446 lei at the end of the last year.

Structurally, compared to the beginning of the year, their situation is as follows:

Stock items	01.01.2017	31.03.2017	31.03.2017/ 01.01.2017
- raw material and consumables	14,936,010	14,253,628	95.43
- production in progress	349,307	400,903	114.77
- finished goods and merchandise	2,680,765	3,181,004	118.66
- advances	1,616,364	1,663,999	102.95
<b>Total</b>	<b>19,582,446</b>	<b>19,499,534</b>	<b>99.58</b>

Stocks of raw material and materials are entered with the acquisition cost.

The decrease in stocks on 31.03.2017 with 82,912 lei compared to the beginning of the year, respectively with 0.42%, registered on raw material with 682,382 lei which hold the largest stake in total stocks. The other stock items have registered increases as shown in the above table.

### **3. Accounts receivable**

On 31.03.2017 net receivables amounted to 23,484,903 lei, increasing compared to the beginning of the year with 6,358,669 lei (37.13%).

Accounts receivable on 31.03.2017 compared to the end of the last are as follows:

	31.12.2016	31.03.2017	31.03.2017/ 31.12.2016
<b>a) trade receivables</b>	<b>6,673,792</b>	<b>11,992,039</b>	<b>179.09</b>
- uncollected clients	6,651,589	11,960,093	179.21
- not yet invoiced clients	3,961	13,704	*
provisions for impairment of receivables	(-)101,286	(-)101,286	100.00
- other fixed receivables	17,497	17,497	100.00
Uncertain customers	102,031	102,031	100.00
<b>b) paid advances</b>	<b>5,928</b>	-	*
advances services provided balance	-	-	*
<b>c) other receivables</b>	<b>10,446,544</b>	<b>11,492,864</b>	<b>110.02</b>
- VAT to be refunded	2,963,276	3,613,311	121.94
- deductible VAT under settlement	141,923	116,879	82.35
- personnel receivables	-	-	-

- wage contributions to health insurance	38,170	59,300	155.36
-debtors	3,362,607	3,186,148	94.75
- investment subsidies	10,879	4,975	45.73
- other amounts on subsidies	-	-	*
- provisions for debtors	(-)145,000	(-)145,000	100.00
- discounts from pending operations	4,074,689	4,657,251	114.30
<b>Total receivables</b>	<b>17,126,264</b>	<b>23,484,903</b>	<b>137.13</b>

The largest share in total receivables are the trade receivables which registered an increase of 5,318,247 lei, respectively 79.09%, namely under the uncollected clients category.

Concerning the VAT to be recovered from the state budget amounting to 3,613,311 lei, the company has recorded monthly compensation claims with monthly tax liabilities.

#### **4. Liquid assets**

Liquid assets in lei and in foreign currency on 31.03.2017 were as follows:

Items	31.12.2016	31.03.2017	31.03.2017/ 31.12.2016
- Bank accounts in lei	5,816,592	5,983,577	102.87
- Bank accounts in foreign currencies	9,615,322	15,183,321	157.91
- Checks to be cashed	8,013	22,595	281.98
- Bank accounts for collaterals	68,561	70,601	102.98
- Desk cash	25,304	44,054	174.09
- Treasury advances	0	238,356	*
- Other values	0	6,010	*
<b>TOTAL</b>	<b>15,533,792</b>	<b>21,548,514</b>	<b>138.72</b>

Compared to the beginning of the year, the liquid assets have increased with 6,014,722 lei (38.72%). The increase derived primarily from foreign currency holdings, which increased with the gross amount of 5,567,999 lei.

## **5. Short-term investments**

On 31.03.2017 the company has short-term investments amounting to 15,790,758 lei compared to 15,772,548 lei from the end of the last year, out of which:

- effects receivable amounting to 39,549 lei, compared to 17,120 lei from the end of the last year;

- short-term investments amounting to 14,559,026 lei representing investments in the stock market and other related receivables.

Short-term investments are as follows:

<b>Item no</b>	<b>Issuer</b>	<b>No. of shares</b>	<b>Value</b>
1	Amonil Slobozia	32,260,200	129,040.80
2	Artego Tg.Jiu	287,828	1,606,080.24
3	Banca Transilvania	20,181	47,828.97
4	Braiconf S.A. Braila	7,904,221	5,611,996.91
5	Carbochim Cluj	562,133	4,357,542.59
6	Carbochim Cluj –A Cluj Napoca	49,000	363,580.00
7	Ceprocim S.A. Bucuresti	4,000	8,640.00
8	Conted Botosani	2,108	100,973.20
9	Iprolam S.A. Bucuresti	57,341	315,375.50
10	Lactate Natura SRL Tirgoviste	394,000	1,292,320.00
11	Mecanoenergetica S.A. Drobeta Turnu Severin	4,640,888	464,088.80
12	Metalul Mesa S.A. Salonta	845,877	84,587.7
13	Metalul Mesa S.A.(1) Salonta	11,500	1,150.00
14	Romanofir Talmaciu	74,847	853,255.80
15	S.I.F. Transilvania	40,000	10,220.00
16	Sigstrat S.A. Sighetul Marmatiei	891,839	151,612.63

17	Sigstrat S.A(1) Sighetul Marmatiei	891,839	151,612.63
18	Tarnava S.A. Sighisoara	214,163	10,708.15
19	Uztel Ploiesti	137,424	371,044.80
<b>TOTAL</b>		<b>49,289,389</b>	<b>15,931,658.72</b>

The shares suspended for trading, respectively 562,133 shares of Carbochim, were revaluated on 31.12.2016 and adjustments for value losses amounting to 186,515.73 lei were recorded.

### **6. Accounts payable**

On 31.03.2017 the company recorded an increase in total liabilities of 5,238,230 lei, respectively of 16,22%, reaching the end of the reporting period to the amount of 37,537,231 lei. Increasing liabilities at the end of the reporting period was influenced by the increase with 560.97% of other liabilities, which represent 25.00% of the total liabilities.

On 31.03.2017 the company had the following liabilities, compared to the end of the last year:

<b>LIABILITIES</b>	<b>31.12.2016</b>	<b>31.03.2017</b>	<b>31.03.2017/ 31.12.2016</b>
<b>TOTAL, out of which :</b>	<b>32,299,001</b>	<b>37,537,231</b>	<b>116.22</b>
TRADE LIABILITIES	24,175,426	23,439,172	96.95
AMOUNTS DUE TO THE BUDGET AND OTHER FUNDS	3,799,735	3,114,681	81.97
FINANCIAL LIABILITIES AND RELATED ( CREDITS )	1,425,857	1,109,000	77.78
SETTLEMENTS WITH EMPLOYEES AND RELATED	444,973	487,510	109.56
AMOUNTS DUE TO SHAREHOLDERS	779,842	911	0.12
OTHER LIABILITIES	1,673,168	9,385,957	560.97

The largest share in total liabilities are the trade ones, respectively suppliers and related accounts, with 23,439,172 lei (62.44%), liabilities to the state budget, social insurance, health, and other special funds with 3,114,681 lei (8.30%), short and long-term loans with 1,109,000 lei (2.95%) etc. Tax payable are required in compensation with the tax receivable (VAT to be recovered) and is pending settlement.

On 31.03.2017 the liabilities to credit institutions (short and long-term bank loans) is a long-term investment loan amounting to 4,185,000 lei, out of which, on 31.03.2017, the amount of 1,109,000 lei is to be repaid. The loan is contracted with Raiffeisen Bank S.A. Bucuresti through Arges Regional Centre and is guaranteed as follows:

- security mortgage on current accounts opened by the borrower with the bank, on receivables to be collected via those accounts;
- security mortgage on receivables resulting from commercial relationship developed with Alfred Kaercher GMBH&CO;
- the security mortgage on technological equipment, owned by the borrower, financed by this facility;
- first ranking mortgage with priority over the future liquid assets constituted in the accounts opened by the client with the bank;

We mention the fact that liabilities to the employees have been paid in time, respectively in April 2017.

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Translation from Romanian

**CASH FLOW STATEMENT  
ON 31.03. 2017**

<i>Indirect method</i>	<i>- LEI-</i>	
Item name	Cash flow 01.01.2017	Cash flow 31.03.2017
A	2	4
+/- Business income	16,577,153	4,354,339
+ Depreciation included in cost	2,920,977	731,872
- Changes in inventories (+/-)	(-)5,660,768	(-)82,912
- Changes in receivables (+/-)	(+)1,254,527	(+)6,358,639
+ Changes in suppliers and client lenders (+/-)	(-)4,154,171	(+)7,062,511
- Changes in other asset items (+/-)	(+)1,931,183	(-)594,529
+ Changes in other liability items	(-)8,199,928	(-)1,234,923
<b>A = Cash flow from operating activities</b>	<b>9,619,089</b>	<b>5,232,601</b>
+ Amounts from sale of assets and fixed assets	2,618	819,086
- Acquisitions of tangible assets	699,690	44,975
<b>+ =B Cash flow from investment activities</b>	<b>(-)697,072</b>	<b>(+)774,111</b>
+ Changes in loans (+/-) out of which:	(-)2,481,939	(-)79,214
* Short-term loans	0	
+ Paid dividends	3,779,485	87,224
<b>+ = C Cash flow from financial activities</b>	<b>1,297,546</b>	<b>(+)8,010</b>
+ Liquid assets at the beginning of 2017	5,314,229	15,533,792
<b>+ Net cash flow (A+B+C)</b>	<b>10,219,563</b>	<b>6,014,722</b>
= Liquid assets at the end of the period	15,533,792	21,548,514

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STATEMENT OF CHANGES IN EQUITY ON 31.03.2017

	share capital	legal reserve	other capital reserve	revaluation reserves	income from equity ins	balance carried forward	total equity
on 01.01.2017	6,976,465	1,617,005	25,831,074	7,828,699	1,132,496	29,114,481	72,500,220
profit /(loss) period						4,354,339	
other elements of the comprehensive income	-	-					
total comprehensive income	-	-				4,354,339	
on 31.03.2017	6,976,465	1,617,005	25,831,074	7,828,699	1,132,496	33,468,821	76,854,560

Elements of shareholders' equity	Balance 31.12.2016	Increases		Decreases		Balance on 31.03.2017
		Total, out of which	By transfer	Total, out of which	By transfer	
Capital subscribed and fully paid	6,976,465					6,976,465
Share capital adjustments ( IFRS impl share premium	-					-
Revaluation reserves	1,769,778					1,769,778
Legal reserves	1,617,005					1,617,005
Other elements of equity-Legal reserve	2,540,349					2,540,349
Reserves for own shares						
Statutory or contractual reserves						
Reserves representing the revaluation surplus						
Other reserves	25,831,074					25,831,074
Other elements of equity - Adjustment	3,309,306					3,309,306
Conversion reserves						
Retained earnings	12,746,594	16,577,153				29,323,747
Retained earnings						

Uncovered loss	-					
Retained earnings from first time adoption of IAS except IAS 29						
Credit balance						
Debit balance	-					
Retained earnings from the adoption of IFRS for the first time						
Retained earnings						
Uncovered loss						
Retained earnings from changes in accounting policies						
Credit balance						
Debit balance						
Retained earnings from correction of fundamental errors						
Credit balance						
Debit balance						
Retained earnings representing surplus from revaluation reserves						-
Financial year result						
Credit balance	16,577,153	4,354,339		16,577,152	16,577,153	4,354,340
Debit balance						-
Income related to the cancellation of equity instruments	1,132,496					1,132,496
Distribution of profit	-					-
Total equity	72,500,220	20,931,492	-	16,577,152	16,577,153	76,854,560

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**ANNEX 30.B. ECONOMIC & FINANCIAL INDICATORS:**

Indicator	Calculation method	Result	Optimal values
1. Current liquidity indicator	Current assets/ Current liabilities	$80\,323\,709 / 36\,428\,231 = 2.20$	2
2. Indebtedness indicator	Borrowed capital/Own capital x 100	$1\,109\,000 / 76\,854\,560 \times 100 = 1.44$	Minimal Value
	or		
3. Turnover speed, for client debit items	Borrowed capital/Invested capital x 100	$1\,109\,000 / 77\,963\,560 \times 100 = 1.42$	Minimal Value
4. Fixed assets turnover speed	Client average balance/Turnover x 90 days	$9\,335\,880 / 53\,344\,997 \times 90 = 15.75$ days	Minimal Value
	Turnover/ Fixed assets	$53\,344\,997 / 42\,896\,869 = 1.24$	Minimal Value

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## REVIEW REPORT

PREPARED BY SOCIETATEA CASA DE AUDIT CORVINIA S.R.L. PITEȘTI BRANCH

REGARDING THE FINANCIAL STATEMENTS ON 31.03.2017

OF ELECTROARGEȘ S.A. CURTEA DE ARGEȘ

SOCIETATEA CASA DE AUDIT CORVINIA S.R.L.PITESTI BRANCH, based on the contract for services agreed between the parties, reviewed the financial statements prepared by S.C. ELECTROARGEȘ S.A. Curtea de Argeș on 31.03.2017, which refer to:

- Assets, liabilities and shareholders' equity balance on 31.03.2017, with a total of 123,232,035 lei;
- Profit and loss account, with a net turnover of 53,344,997 lei;
- The gross profit on 31.03.2017, with a profit of 5,294,104 lei;

Responsibility for preparing these financial statements rests with the company's management.

The auditors' responsibility is that, based on the checks undertaken, to express an opinion on the financial statements prepared on 31.03.2017. The auditors carried out the verification of these statements in accordance with the statutory regulations, which have to be executed so as to obtain reasonable assurance that they do not contain significant errors.

The review was conducted in accordance with ISA and the audit rules issued by the Chamber of Financial Auditors of Romania, which are consistent with international auditing rules.

### **In brief, the following conclusions were drawn on 31.03.2017:**

The company complies with the legislation and accounting standards of Romania, in accordance with the Ordinance no. 2844 / 2016 of the Public Finances Ministry for approval of Accounting Regulations in accordance with International Financial Reporting Standards, Ordinance no. 881 / 2012 of the Public Finances Ministry on the application of the International Financial Reporting Standards by companies whose securities are admitted to trading on an International Financial Reporting Standards regulated market, Law no. 297/2004 on the capital market, as



further amended and supplemented and the Accounting Law no. 82/1991, as republished and further amended and supplemented.

Regarding the internal control, this is primarily carried out through management control and preventive financial control. There is a proper organization of financial and management accounting, the established internal procedures allowing the provision of information necessary to ensure a quality management through decisions appropriate to the company's functions. The auditor recommends updating the accounting policies in accordance with the provisions of the Ordinance no. 2844 / 2016 of the Public Finances Ministry for approval of Accounting Regulations in accordance with International Financial Reporting Standards.

The Financial Accounting Management is concerned with improving the quality of financial statements, seeking harmonization with the current professional requirements.

The financial analysis performed by a complex of liquidity ratios, financial balance, management, profitability, shows a financial position approximately equal to the same period of the previous year.

**The asset and liability balance** recorded an increase of 10.53 % on 31.03.2017 compared to the end of the previous year, so, structurally, the following situation was registered:

- the total net fixed assets decreased by 571,069 lei, respectively 1.32 % compared to the beginning of the year;

- current assets recorded an increase of 18.09 %, respectively 12,308,659 lei compared to the beginning of the year, due to the increase of all elements of current assets except inventories, respectively: inventories decreased by 82,912 lei (0.43 %), short-term investments recorded an increase of 18,210 lei (0.11%), liquid assets increased by 6,014,722 lei (38.72 %) and receivables increased by 6,358,639 lei ( 37.12 %);

- on liabilities, there is an increase in equity of 4,354,340 lei (6.00 %) compared to the beginning of the year, due to the share capital decrease. Liabilities recorded an increase of 7,135,589 lei (23.07 %), and the provisions increased by 562,522 lei, respectively 15.16 %. The investment subsidies decreased by 211,826 lei (4.44 %) by switching to their share the income related to amortization of tangible assets purchased from non-reimbursable funds.



**The profit and loss account** records a decrease in net turnover of 2.13 % in the first quarter of 2017 compared to the same period of the previous year, respectively 1,160,918 lei, determined by the 4.41 % income decrease of the sales of finished products, respectively with 2,372,297 lei. During the reporting period, an income increase of 1,387,101 lei was recorded from the sale of goods, respectively 1,191.67 %. The gross result, recorded by the company on 31.03.2017 is of 5,294,104 lei, lower by 28,194 lei, compared to the same period of the previous year, respectively by 0.53 %.

We are unaware of any transaction or decision of the executive management that we believe to violate the laws of Romania or the company charter on capital transactions or other transactions.

In our opinion, the quarterly financial statements give a true and fair view of company's assets and financial position on 31.03.2017 and they have been prepared in an appropriate manner, in all significant respects, in accordance with the provisions of Ordinance no. 2844 / 2016 of the Public Finances Ministry for approval of Accounting Regulations in accordance with International Financial Reporting Standards.

**STATUTORY AUDITOR,**

SOCIETATEA CASA DE AUDIT CORVINIA S.R.L. PITESTI BRANCH, CAFR authorisation 1232/2014

FINANCIAL AUDITOR ŞENDRONI AUREL, CAFR authorisation 407/2001

Address / Office:

Pitesti, str.Republicii nr.141, Judetul Arges

Tel : 0742018488

Date : \_\_\_\_\_





### Annexes

1. Assets, liabilities and shareholders' equity balance on 31.03.2017;
2. Profit and loss accounts on 31.03.2017;
3. Equity Records on 31.03.2017;
4. Rules and accounting methods;
5. Additional information:
  - A) Notes on Assets, liabilities and shareholders' equity balance;
  - B) Notes on Profit and loss accounts;
  - C) Other.



ANNEXno. 1

**ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY BALANCE  
ON DE 31.03.2017**

Item no.	Item name	BALANCE		Diff 2017/2016	% 2017/2016
		01.01.2017	31.03.2017		
		Amounts (lei)	Amounts(lei)		
0	1	2	3	4	5
<b>1.</b>	<b>ASSETS</b>				
<b>1.1.</b>	Fixed assets:				
-	Intangible assets	364,606	401,028	36,422	109.98%
-	Tangible assets	24,749,148	24,141,657	-607,491	97.54%
-	Financial assets	18,354,184	18,354,184	0	0%
-	<b>Total fixed assets</b>	<b>43,467,938</b>	<b>42,896,869</b>	<b>-571,069</b>	<b>98.68%</b>
<b>1.2.</b>	Current assets:				
-	Inventories	19,582,446	19,499,534	-82,912	99.57%
-	Receivables	17,126,264	23,484,903	6,358,639	137.12%
-	Liquid assets	15,533,792	21,548,514	6,014,722	138.72%
-	Short-term investments	15,772,548	15,790,758	18,210	100.11%
-	<b>Total current assets</b>	<b>68,015,050</b>	<b>80,323,709</b>	<b>12,308,659</b>	<b>118.09%</b>
<b>1.3.</b>	Advance expenses	8,152	11,457	3,305	140.54%
-	<b>Total ASSETS</b>	<b>111,491,140</b>	<b>123,232,035</b>	<b>11,740,895</b>	<b>110.53%</b>
<b>2.</b>	<b>LIABILITIES</b>				
<b>2.1.</b>	Shareholders' Equity				
-	Share capital	6,976,465	6,976,465	0	0%
-	Share premiums	0	0	0	0.00%
-	Revaluation reserves	1,769,778	1,769,778	0	0.00%
-	legal reserve	1,617,005	1,617,005	0	0.00%
-	legal reserve adjustment and other reserves(IFRS implementation)	5,849,655	5,849,655	0	0.00%
-	other reserves	25,831,074	25,831,074	0	0.00%
-	Reported earnings	12,746,594	29,323,748	16,577,154	230.05%
-	reported earnings representing the revaluation reserve surplus	0	0	0	0.00%

-	Business Income	16,577,153	4,354,339	-12,222,814	26.26%
-	<b>Total Equity</b>	<b>72,500,220</b>	<b>76,854,560</b>	<b>4,354,340</b>	<b>106.00%</b>
<b>2.2.</b>	Liabilities to be paid within a period of up to 1 year	29,313,158	36,428,231	7,115,073	124.27%
<b>2.3.</b>	Liabilities to be paid within a period exceeding 1 year	1,188,214	1,109,000	-79,214	93.33%
<b>2.4.</b>	Provisions for expenditure risks	3,710,324	4,272,846	562,522	115.16%
<b>2.5.</b>	investment subsidies	4,779,224	4,567,398	-211,826	95.56%
-	<b>Total LIABILITIES</b>	<b>111,491,140</b>	<b>123,232,035</b>	<b>11,740,895</b>	<b>110.53%</b>

**PROFIT AND LOSS ACCOUNT**

**on 31.03.2017**

ITEM NAME	31.03.2017	%	31.03.2016	%	% 2017/2016
<b>Net turnover – Total, out of which:</b>	<b>53,344,997</b>	<b>95.00</b>	<b>54,505,915</b>	<b>96.91</b>	<b>97.87</b>
- Income from sale of finished products	51,442,645	91.61	53,814,942	95.68	95.59
- Income from works and services provided	326,295	0.58	317,849	0.57	102.66
- Income from royalties and rents	152,726	0.27	230,745	0.41	66.19
- Venituri din vânzarea mărfurilor	1,403,501	2.50	116,400	0.21	1205.76
- Income from other activities	32,540	0.06	43,294	0.08	75.16
- Trade discounts granted	-12,710	-0.02	-17,315	-0.03	73.40
<b>Operating income – Total, out of which:</b>	<b>55,657,200</b>	<b>99.12</b>	<b>55,729,014</b>	<b>99.08</b>	<b>99.87</b>
- Turnover	53,344,997	95.00	54,505,915	96.91	97.87
- Changes in inventories	1,236,798	2.20	1,004,296		123.15
- Fixed production	27,124	0.05		0.00	0.00
- Other operating income	1,048,281	1.87	218,803	0.39	479.10
<b>Operating costs – Total, out of which:</b>	<b>50,362,635</b>	<b>99.02</b>	<b>50,542,150</b>	<b>99.25</b>	<b>99.64</b>
- Raw material and consumables expenses	39,997,357	78.64	43,143,852	84.73	92.71
- Trade discounts received	0	0.00	0	0.00	0.00
- Other material expenses	46,880	0.09	73,026	0.14	64.20
- Expenses on goods	1,184,513	2.33	111,898	0.22	1058.56
- Expenses on personnel	4,875,226	9.59	4,075,053	8.00	119.64
- Depreciation and provisions expenses	1,294,395	2.55	703,468	1.38	184.00
- Other operating costs	2,964,264	5.83	2,434,853	4.78	121.74
<b>I. OPERATING PROFIT</b>	<b>5,294,565</b>		<b>5,186,864</b>		<b>102.08</b>
Financial income	496,574	0.88	515,325	0.92	96.36
Financial expenses	497,035	0.98	379,891	0.75	130.84
<b>II. FINANCIAL RESULT</b>	<b>-461</b>		<b>135,434</b>		<b>29478.31</b>
<b>III. CURRENT PROFIT</b>	<b>5,294,104</b>		<b>5,322,298</b>		
<b>TOTAL INCOME</b>	<b>56,153,774</b>	<b>100.00</b>	<b>56,244,339</b>	<b>100.00</b>	<b>99.84</b>
<b>TOTAL EXPENSES</b>	<b>50,859,670</b>	<b>100.00</b>	<b>50,922,041</b>	<b>100.00</b>	<b>99.88</b>
<b>IV. GROSS BUSINESS PROFIT</b>	<b>5,294,104</b>		<b>5,322,298</b>		<b>99.47</b>
Tax on income	939,765		867,530		
<b>V. NET BUSINESS PROFIT</b>	<b>4,354,339</b>		<b>4,454,768</b>		<b>97.75</b>

**ANNEX no. 3**

**Equity Records**

**on 31.03.2017**

	Share capital	Legal reserve	Other capital reserves	Revaluation reserves	Earnings from equity instruments	Reported earnings	Total equity
on 01.01.2017	6,976,465	1,617,005	25,831,074	7,828,699	1,132,496	29,114,481	72,500,220
profit/(loss) period						4,354,339	
other elements of the comprehensive income	-	-					
total comprehensive income	-	-				4,354,339	
on 31.03.2017	6,976,465	1,617,005	25,831,074	7,828,699	1,132,496	33,468,821	76,854,560

**ANNEX NO.4**

**1.General information**

**S.C. "ELECTROARGES " S.A.** Curtea de Arges was established as a joint stock company following the reorganization and the concomitant division under Law 15/1990 and in accordance with the Government Ordinance no. 1224/22 from November 1990 of IPEE ELECTROARGES Curtea de Arges into two separate companies: S.C. ELECTROARGES S.A – electrical consumer goods manufacturer and IPEE S.A. - passive electronic components manufacturer.

The company's registered office is in Romania, city - Curtea de Arges, Arges County. The company is registered in the Trade Register with no. J03/758/23.10.1991, having the Tax Number 156027,

RO fiscal attribute.

S.C.ELECTROARGES S.A.'s object of activity:

- manufacturing electrical consumer goods;
- manufacturing electronic machinery and devices;
- manufacturing activity-specific tools, devices, checkers.

Subscribed and fully paid capital on 31.03.2017 is **6,976,465** lei, representing **69,764,650** shares with nominal value of 0.10 lei/share.

On 31.03.2017 the shareholder structure is as follows:

ITEM NO.	HOLDER NAME	HOLDINGS	%
1.	CONSTANTIN RELATIVE INVESTMENTS SRL	2,569,954.30	36.8375
2	LEGAL PERSONS	1,006,989.10	14.4341
3.	NATURAL PERSONS	3,399,521.60	48.7284
4.	TOTAL	<b>6,976,465</b>	<b>100.00</b>

Company's management:

a) The structure of the Boards of Directors is as follows :

Item no	Surname	Given name	Qualificati on	Position
1	Stefan	Constantin	Economist	Chairman
2	Gavrilă	Ion	Engineer	Vice-president
3	Vasilachi	Valentin-Marius	Engineer	Member
4	Tudor	Dumitru	Chemist	Member
5	Mihalcea	Petru	Jurist	Member

b) The structure of the executive management:

Item no.	Surname	Given name	Position	Lengh of period in position
1	Gavrila	Ion	General Director	Mandate Contract 19.01.2016-19.01.2020
2	Albu	Valeria	Deputy General Director	15.06.15 –indefinetely
3	Scarlăt	Roxana	Economic Director	28.03.14 –indefinetely
4	Ghita	Flavius-Lucian	Production Director	01.04.16 –indefinetely
5	Barbu	Marin	Technical Director	01.11.06 –indefinetely
6	Golescu	Vasile	Quality Director	01.09.06 –indefinetely

## 2. Basis of presentation

The company adopted the reporting in accordance with IFRS on 31.12.2012, taking into consideration the provisions of art. no. 1 of the Deputy Prime Minister Ordinance, Ordinance no. 881/2012 of the Public Finances Ministry on the application of International Financial Reporting Standards by companies whose securities are admitted to trading on a regulated market.

Accounts presented in annexes I – IV are in lei, the national currency. The company has its accounting organized in accordance with the accounting principles and practices required by the legislation in force in Romania at the reporting date, respectively:

- Accounting Law no. 82/1991 as republished and further amended and supplemented;
- the Ordinance no. 2844/2016 of the Public Finances Ministry for approval of Accounting Regulations in accordance with International Financial Reporting Standards;
- Ordinance no. 881/2012 of the Public Finances Ministry on the application of International Financial Reporting Standards by companies whose securities are admitted to trading on a regulated market, as further amended and supplemented.

## 3. Accounting principles

The accounting principles applied by the company are:

**Going concern principle** – the company operated normally carrying out activities provided by the company's Articles and Memorandum of Association, without going into liquidation or significant reduction in activity. At this time there is no element of uncertainty related to events that can lead to its inability to continue the activity.

**Consistency principle** – the evaluation methods are applied consistently from one financial year to another.

**Prudence principle** – the evaluation was made on a prudent basis, respectively: on the balance was entered only the profit made, were recorded only the secure income and liabilities incurred during the current financial year or a previous one.

**Matching principle** - income and expenses for the financial year are taken into account regardless of the date of receipt or payment of such income and expenses.

**Principle of separate evaluation of components of asset and liability items** – components of assets or liabilities are evaluated separately.

**Opening balance principle** - opening balance for each financial year corresponds to the closing balance of the previous financial year.

**Principle of non-compensation** - compensation is not made between items of assets or liabilities or between items of income and expenses.

**Substance over form principle** – entering the amounts in the balance sheet and profit and loss account is made taking into consideration the substance of the reported transaction or arrangement and not just their legal form.

The accounting errors noticed will be corrected as follows:

- errors related to the current financial year are corrected on the profit and loss account, by cancelling the erroneous transactions and accurate recording of the transactions. Depending on the possibilities offered by the software used, it can specify whether the cancellation is performed by recording the initial operations in red or by reverse recording;

- errors on the previous financial year are corrected on account of retained earnings or profit and loss account, depending on the significance of the accounting error. In this case it will be established what significant error means. It may be indicated that for errors related to previous financial years, the financial accounting management informs the Board of Directors on the nature of the error, value, causes etc.

Financial reports structure and periods of preparation:

The company prepares annual, quarterly and half-yearly financial reports. They are prepared in accordance with national regulations and contain:

- »assets, liabilities and shareholders' equity balance;
- »profit and loss account;
- »informative data;
- »statement of assets and their amortization/depreciation;
- »equity records;
- »liquid assets flow statement;
- »explanatory notes to the annual financial statements.

The financial statements are prepared by applying the accrual accounting and use of historical cost, amortized or revalued cost, except the following assets and liabilities estimated at fair value:

- assets and financial liabilities;
- derivatives;
- instruments held for sale.

Recognition of items in the financial reports is subject to the following criteria:

- it is likely that any future economic benefit related to the item to enter or leave the company;

- the item cost or value can be measured reliably;
- an asset is recognized as such in the balance when it is probable that it will bring a future economic benefit to the company and the asset has a cost that can be measured reliably;

- a liability is recognized as such in the balance when it is probable that an outflow of resources will result from the settlement of a present obligation and the value that this settlement will be achieved at can be measured reliably;

- income is recognized as such in the profit and loss account when there was an increase in economic benefits related to the increase of an asset or decrease of a liability, and these can be measured reliably;

- expenses are recognized as such in the profit and loss account when there has been a reduction in future economic benefits related to an asset decrease or liability increase, and this reduction can be measured reliably.

Regarding the compensation, it was indicated that the principle of non-compensation of assets and liabilities is applied, yet a financial asset and financial liability may be compensated, and the net amount is presented in the financial statements when: currently there is a legally enforceable right to compensate the recognized amounts, it is intended either to settle on a net basis, or to realize the asset and settle the obligation simultaneously under a legal procedure of compensation.

### **3. Significant accounting policies**

We present some aspects of the accounting policies used by the company, such as:

#### **TANGIBLE ASSETS (IAS 16)**

An item of tangible assets that qualifies for recognition as an asset is measured at its cost.

Tangible assets are initially measured at acquisition cost (for those purchased for consideration), at input value (for those received as contribution in kind to the establishment / increase of capital), and at fair value at the acquisition date (for those received for free).

For subsequent recognition, the company has adopted the revaluation model.

Revalued asset value being its fair value at the date of the revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ significantly from that which would be determined using the fair value at the balance sheet date. Revaluations are performed by independent appraisers ANEVAR certified. Revalued amount (extra) substitutes the acquisition cost. Additional differences in accounting revaluation is reflected in other comprehensive income and accumulated in equity under the heading of revaluation surplus (unless the increase compensates a previous revaluation decrease of the same asset previously recognized in profit or loss, in which case the increase is recognized directly in profit or loss).

Revaluation differences in minus are recognized in profit or loss (unless the decrease compensates a previous revaluation increase accumulated in equity as revaluation surplus, in which case the reduction is recognized in other comprehensive income, reducing the revaluation surplus). The revaluation surplus included in equity related to an item of tangible assets is transferred directly to retained earnings when the asset is recognized. This involves transferring the whole of the surplus when the asset is retired or disposed of. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

## DEPRECIATION

The depreciation costs for each period are recognized in profit or loss unless they are included in the carrying amount of another asset. Depreciation is calculated at book value (acquisition cost or revalued amount) using the straight-line method, over the estimated useful life of assets and it is included monthly in the company's expenses. Depreciation of an asset begins when it is available for use, ie when it is in the location and condition necessary for it to operate in the manner intended by management.

## OTHER FINANCIAL ASSETS (IAS 39)

According to accounting regulations, acceptable financial assets are initially recognized at acquisition cost. Expenses related to the acquisition are recorded in the operating costs of the period. Here there is a difference in the recognition of the tangible assets, which may include the cost of such related expenses.

## INVENTORIES (IAS 2)

On transition to IFRS, the company was using as evaluation method on exit from inventory, the FIFO evaluation method (method recognized by IAS 2), the company opting only for impaired inventory adjustment recognized at the previously applicable accounting regulations, which is lower than the net realizable value adjustment, required to apply IFRS.

## TRADE RECEIVABLES AND OTHER OBLIGATIONS (IAS 39)

Trade receivables fall into the category of financial assets.

A financial asset is recognized in the statement of financial position when, and only when the company becomes part of the contractual provisions of the instrument. Trade receivables are carried at original invoice amount minus provision (impairment test) created for doubtful receivables. Amount of the provision (adjustment for impairment) is calculated as the difference between the carrying amount and the recoverable amount.

**Income from sale / transfer of shareholdings** will be recognized at the date when their ownership is transferred from seller to buyer, using settlement date accounting.

Income from sales of equity securities are recognized on a gross basis (transaction value) and those arising from transactions with short-term financial investments are recorded on a net basis (the difference between sale proceeds and cost).

## TRADE LIABILITIES AND OTHER LIABILITIES (IAS 39)

- **liabilities** – are recorded at their nominal value. For bonds in foreign currency is applied the exchange rates from of transaction date and the end of each month conversion was made at the BNR exchange rates of the last day of the month.

- **wage costs** - the company contributes to public health funds, pensions, unemployment, hedge fund and occupational disease, calculated at the gross salary fund and recorded as expenses in the period referred.

- **borrowing costs** - all loans related interest costs are recorded as expenses when they occur. The company classifies short or long term loans in accordance with the provisions of credit agreements.

### **CASH FLOW STATEMENT**

The transition from locally generally accepted accounting principles to IFRS has no significant effect on the statement of cash flow.

**Cash and cash equivalents**– for the statement of cash flow, cash and cash equivalents include cash in hand, deposits held at banks and net borrowings in current account.

### **TAX ON PROFIT**

#### **Recognition of liabilities and receivables regarding the current tax**

Duty tax on the profit for the reporting period and for prior periods is recognized to the extent it is not paid.

If the amounts paid for the current period and prior periods exceed the amounts due for those periods, the excess is recognized as the amount to be recovered.

Benefits relating to a tax loss that can be transferred in order to recover the tax on profit from a prior period is recognized as amount to be recovered.

## **ANNEX no. 5**

### **A. NOTES ON ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY BALANCE**

#### **1. Fixed assets**

On 31.03.2017, the total fixed assets in net value have decreased by 571,069 lei, respectively 1.32 %, compared to the beginning of the year, reaching the end of the quarter at the value of 42,896,869 lei.

Structurally, compared to the beginning of the year, their situation is as follows:

Fixed assets:	01.01.2017	31.03.2017	Diff +/-	%
Intangible assets	364,606	401,028	36,422	109.98%
Tangible assets	24,749,148	24,141,657	-607,491	97.54%
Financial assets	18,354,184	18,354,184	0	0%
<b>Total fixed assets</b>	<b>43,467,938</b>	<b>42,896,869</b>	<b>-571,069</b>	<b>98.68%</b>

The net tangible assets have registered a decrease of 607,491 lei, reaching the end of the reporting period at 24,141,657 lei due to registration of the depreciation costs and assets release.

#### Financial assets

Regarding the financial assets, it is noticed that on 31.03.2017 and at the end of the previous year the company shows financial assets in the amount of 18,354,184 lei, which means that no change in the financial assets occurred during this period.

Shares in jointly controlled entities are worth 18,354,184 lei. The situation at the acquisition cost is as follows:

Issuer	31.03.2017	
	No. of shares	Value
CONCIFOR BUZAU	3,206,788	1,146,810.50
MERCUR FAGARAS	111,671	4,746,017.50
ELARS RAMNICU SARAT	20,555,276	2,055,527.60
AMPLO PLOIESTI	2,668,396	10,405,828.14
<b>Total</b>	<b>3,206,788</b>	<b>18,354,183.74</b>

## **2. Inventory account**

On 31.03.2017, company's inventories had a total net value of 19,499,534 lei, compared to 19,582,446 lei at the end of the previous year.

Structurally, compared to the beginning of the year, their situation is as follows:

Inventory item	01.01.2017	31.03.2017	DIFF	%
1	2	3	4=3-2	5=3/2
- raw material and consumables	14,936,010	14,253,628	-682,382	95.43
- production in progress	349,307	400,903	51,596	66.03
- finished goods and merchandise	2,680,765	3,181,004	500,239	118.66
-inventory advances	1,616,364	1,663,999	47,635	102.94
<b>Total</b>	<b>19,582,446</b>	<b>19,499,534</b>	<b>-82,912</b>	<b>99.57</b>

Inventories of raw material and materials are entered at the acquisition cost.

The 82,912 lei decrease in inventories compared to the beginning of the year, respectively 0.43 %, was influenced by the 682,382 lei decrease in raw material and material inventories, which holds the largest share in total inventories, but other inventory items recorded increases, as shown in the above table.

The company did not make provisions in the inventory reporting period.

### **3. Accounts receivable**

On 31.03.2017, net receivables amounted to **23,484,903** lei, increasing compared to the beginning of the year by **6,358,639** lei ( 37.13 %).

Accounts receivable on 31.03.2017 compared to the end of the previous year are as follows:

	<b>31.12.2016</b>	<b>31.03.2017</b>	<b>DIF</b>	<b>%</b>
<b>a) trade receivables</b>	<b>6,673,792</b>	<b>11,992,039</b>	<b>5,318,247</b>	79.69
-uncollected clients	6,651,588	11,960,093	5,308,505	79.81
-uncertain clients	102,031	102,031	0	0
-clients to be invoiced	3,961	13,704	9,743	245.35
-provisions for impairment of receivables	(101,286)	(101,286)	0	0
- other receivables	17,497	17,497	0	0
<b>b) paid advances</b>	<b>5,928</b>	<b>0</b>	<b>-5,928</b>	100
<b>c) other receivables</b>	<b>10,446,544</b>	<b>11,492,864</b>	<b>1,046,320</b>	10.02
-VAT to be reimbursed	2,963,276	3,613,311	650,035	21.94
-personnel receivables	0	0	0	0
- other social receivables	38,170	59,300	21,130	55.36
-VAT under settlement	141,923	116,879	-25,044	-17.65
-debtors	3,217,607	3,186,146	31,461	0.98
- grants to be cashed	10,879	4,975	-5,904	-54.27
- discounts from operations in progress	4,074,689	4,657,251	582,562	14.30
- Adjustments for debtors' impairment	(145,000)	(145,000)	0	0
<b>Total receivables</b>	<b>17,126,264</b>	<b>23,484,903</b>	<b>6,358,639</b>	37.13

The largest share in total receivables are the trade receivables at a rate of 51.06 % compared to 38.97% at the end of the previous year.

Concerning the VAT to be recovered from the state budget amounting to 3,613,311 lei, the company has recorded monthly compensation claims with monthly tax payable and derive from the following months:

Period	Balance
January 2017	769,104
February 2017	1,587,795
March 2017	1,256,412
TOTAL	3,613,311

#### **4.Liquid assets**

Compared to the beginning of the year, liquid assets have increased by 6,014,727 lei ( 38.72 %). The increase derived primarily from foreign currency holdings from the recovery of the foreign currency receivables.

Items	31.12.2016	31.03.2017	Difference	%
Bank accounts in lei	5,816,597	5,983,577	166,980	2.87
Bank accounts in foreign currency	9,615,317	15,183,326	5,568,009	57.91
Cheques to be cashed	8,013	22,595	14,582	181.98
Bank accounts for collaterals	68,561	70,601	2,040	2.98
Desk cash	25,304	44,054	18,750	74.10
Other values	0	6,010	6,010	100
Treasury advances	0	238,356	238,356	100
TOTAL	15 533 792	21,548,514	6,014,727	38.72

### **5.Short-term investements**

On 31.03.2017 the company has short-term investments amounting to 15,790,758 lei compared to 15,772,548 lei from the end of the previous year, out of which effects receivable amounting to 45,615 lei and other short-term investments and similar receivables amounting to 15,745,143 lei.

The short-term investment situation on the capital market on 31.03.2017 is as follows:

Issuer	31.03.2017	
	No. of shares	Value
AMONIL SLOBOZIA	32,626,200	129,040,80
ARTEGO TG JIU	287,828	1,606,0802.24
BANCA TRANSILVANIA CLUJ NAPOCA	20,181	47,828.97
BRAICONF	7,904,221	5,611,996.91
CEPROCIM BUCURESTI	4,000	8,640.00
CONTED BOTOSANI	2,108	100,973.20
CARBOCHIM–A Cluj Napoca	49,000	363,580.00
IROLAM	57,341	315,375.50
LACTATE NATURA	394,000	1,292,320.00
MECANOENERGETICA TR SEV	4,640,888	464,088.80
METALUL MESA SA SALONTA	845,877	84,587.70
METALUL MESA SA (1) SALONTA	11,500	1,150.00
ROMANO FIR TALMACIU	74,847	853,255.80
SIF TRANSILVANIA	40,000	10,220.00
SIGSTAR SIGETUL MARMATIEI	891,839	151,612.63
SIGSTAR SIGETUL MARMATIEI	891,839	151,612.63
TARNAVA SIGHISOARA	214,163	10,705.15
UZTEL PLOIESTI	137,424	371,044.80
Total		<b>11,574,116.13</b>

Shares of CARBOCIM listed below are recorded at acquisition cost being blocked from trading.

Issuer	No. of shares	Value
CARBOCHIM	562,133	4,357,542.59

We mention the fact that short-term investments are recorded at the price quote of 31.12.2016, for those in balance at that time. In the first quarter of 2017, the company did not trade.

## **6.Accounts payable**

On 31.03.2017 the company recorded an increase of 7,035,859 lei in total liabilities, respectively 23.07%, reaching the end of the reporting period to the amount of 37,537,231 lei. The increase in liabilities at the end of the reporting period was influenced by the 43.13 % increase of trade liabilities. On 31.03.2017 the company had the following liabilities, compared to the end of the previous year:

<b>LIABILITIES</b>	<b>31.12.2016</b>	<b>31.03.2017</b>	<b>31.03.2017/ 31.12.2016</b>
<b>TOTAL, out of which :</b>	<b>30,501,372</b>	<b>37,537,231</b>	<b>123.07</b>
TRADE LIABILITIES	16,376,661	23,439,172	143.13
AMOUNTS DUE TO THE BUDGET AND OTHER FUNDS	2,915,931	3,114,681	106.82
FINANCIAL LIABILITIES AND SIMILAR (CREDITS)	1,188,214	1,109,000	93.33
SETTLEMENTS WITH EMPLOYEES AND SIMILAR	476,212	487,510	102.37
OTHER LIABILITIES	9,544,354	9,386,868	98.35

The largest share in total liabilities are the trade ones in the amount of 23,439,172 lei, representing 62.44%, other liabilities in the amount of lei 9,386,868 lei, representing 25.00 %, short and long-term loans in the amount of 1,109,000 lei, representing 2.95% of the total liabilities. Liabilities to the state budget, social insurance, health, and other special funds in the amount of 3,114,681 lei, representing 8.30% of the total liabilities, required in compensation with the tax receivable (VAT to be recovered).

On 31.03.2017 the liabilities to credit institutions (short and long-term bank loans) is a long-term investment loan amounting to 4,185,000 lei, out of which, on 31.03.2017, the amount of

1,109,000 lei is to be repaid. The loan is contracted with Raiffeisen Bank S.A. Bucuresti through Arges Regional Centre and is guaranteed as follows:

- security mortgage on current accounts opened by the borrower with the bank, on receivables to be collected via those accounts;
- security mortgage on receivables resulting from commercial relationship developed with Alfred Kaercher GMBH&CO;
- the security mortgage on technological equipment, owned by the borrower, financed by this facility;
- first ranking mortgage with priority over the future liquid assets constituted in the accounts opened by the client with the bank;

## **7.Equity Records**

Equity records on items are as follows:

Equity item	Balanceon 31.12.2016	Increases		Decreases		Balanceon 31.03.2017
		Total, out of which	By transfer	Total, out of which	By transfer	
Capital subscribed and fully paid	6,976,465	-	-	-	-	6,976,465
Share premiums	-					
Revaluation reserves	1,769,778	-	-	-	-	1,769,778
Legal reserves	1,617,005	-	-	-	-	1,617,005
Other elements of equity-Legal reserve adjustment (IFRS implementation)	2,540,349	-	-	-	-	2,540,349
Other reserves	25,831,074	-	-	-	-	25,831,074
Other elements of equity- Adjustment Other reserves (IFRS implementation)	3,309,306	-	-	-	-	3,309,306

Retained earnings	12,746,594	16,577,153	-	-	-	29,323,747
Retained earnings representing surplus from revaluation reserves	-	-	-	-	-	-
Financial year result credit balance	16,577,153	4,354,339		16,577,152	16,577,153	4,354,340
Earnings related to the cancellation of equity instruments	1,132,496	-	-	-	-	1,132,496
Total equity	72,500,220	20,931,492	-	16,577,152	16,577,153	76,854,560

On 31.03.2017 equity amounted to 76,854,560 lei, increasing compared to the beginning of the year by 4,354,340 lei.

## B. NOTES ON PROFIT AND LOSS ACCOUNT

### 8. Income, expenses and results by activity

These were determined by observing the independence and non-compensation principles.

### 9. Turnover volume, structure and evolution

On 31.03.2017, the company carried on a turnover of 53,344,997 lei, decreasing by 1,160,918 lei compared to the same period of the previous year, respectively 2.13 %.

Structurally, the turnover in the first quarter of 2017 compared to the same period of the previous year, is as follows:

Item name	31.03.2017	31.03.2016	%		Diff +/-	%
			31.03.2017	31.03.2016		
1	2	3	4=2/T*100	5=3/T*100	6=2-3	7=6/3
Income from sale of finished products	51,442,645	53,814,942	96.43	98.73	-2,372,297	4.41
Income from works and services provided	326,295	317,849	0.61	0.58	8,446	2.66
Income from royalties, management locations and rents	152,726	230,745	0.28	0.42	-78,019	33.81
Income from sale of	1,403,501	116,400	2.63	0.21	1,387,101	1,191.67

goods						
Income from other activities	32,540	43,294	0.06	0.08	-10,754	24.84
Trade discounts granted	-12,710	-17,315	-0.02	-0.03	-4,605	26.59
<b>TURNOVER -Total</b>	<b>53,344,997</b>	<b>54,505,915</b>	<b>100</b>	<b>100</b>	<b>-1,160,918</b>	<b>2.13</b>

Income of 51,442,645 lei from sale of finished goods represents 96.43 % of the turnover, decreasing by 4.41% compared to the same period of the previous year.

The detailed profit and loss account on 31.03.2017, compared to 31.03.2016 is as follows:

ITEM NAME	31.03.2017	31.03.2016	Diff.+/-	% 2017/2016
1	2	3	4=2-3	5=4/3*100
<b>Net turnover – Total, out of which:</b>	<b>53,344,997</b>	<b>54,505,915</b>	<b>-1,160,918</b>	<b>-2.12</b>
- Income from sale of finished products	51,442,645	53,814,942	-2,372,297	4.40
- Income from works and services provided	326,295	317,849	8,446	2.65
- Income from royalties and rents	152,726	230,745	-78,019	33.81
- Income from sale of goods	1,403,501	116,400	1,287,101	1.105.75
- Income from other activities	32,540	43,294	-10,754	24.83
- Trade discounts granted	12,710	17,315	-4,605	26.60
<b>Operating income – Total, out of which:</b>	<b>55,657,200</b>	<b>55,729,014</b>	<b>-71,814</b>	<b>0.12</b>
- Net turnover	53,344,997	54,505,915	1,160,918	2.12
- Changes in inventories	1,236,798	1,004,296	232,502	23.15
- Fixed production	27,124	0	27,124	0
- Other operating income	1,048,281	218,803	829,478	379.09
<b>Operating costs – Total out of which:</b>	<b>50,362,635</b>	<b>50,542,150</b>	<b>-179,515</b>	<b>0.35</b>
- Raw material and consumables expenses	39,997,357	43,143,852	-3,146,495	7.29
- Trade discounts received	0	0	0	0
- Other material expenses	46,880	73,026	-26,146	35.80

- Expenses on goods	1,184,513	111,898	1,072,615	958.56
- Expenses on personnel	4,875,226	4,075,053	800,173	19.63
- Depreciation and provisions expenses	1,294,395	703,468	590,927	84.00
- Other operating costs	2,964,264	2,434,853	529,411	21.74
<b>I. OPERATING PROFIT</b>	<b>5,294,565</b>	<b>5,186,864</b>	<b>107,701</b>	<b>2.07</b>
Financial income	496,574	515,325	-18,751	3.63
Financial expenses	497,035	379,891	117,144	30.83
II. FINANCIAL RESULT	-461	135,434	-134,973	99.65
III. CURRENT PROFIT	5,294,104	5,322,298	-28,194	0.52
<b>TOTAL INCOME</b>	<b>56,153,774</b>	<b>56,244,339</b>	<b>-90,565</b>	<b>0.16</b>
<b>TOTAL EXPENSES</b>	<b>50,859,670</b>	<b>50,922,041</b>	<b>-62,371</b>	<b>0.12</b>
<b>IV. GROSS BUSINESS PROFIT</b>	<b>5,294,104</b>	<b>5,322,298</b>	<b>-28,194</b>	<b>0.52</b>
Tax on profit	939,765	867,530	72,235	8.32
<b>V. NET BUSINESS PROFIT</b>	<b>4,354,339</b>	<b>4,454,768</b>	<b>-100,429</b>	<b>2.25</b>

Operating income amounted to **55,657,200** lei, decreasing by **71,814** lei compared to the first quarter of 2016, respectively 0.12 %, while the operating costs have decreased by **179,515** lei compared to the same period of the previous year, respectively 0.35 %, which entailed getting an operating income (profit) higher than the previous year by **107,701** lei.

The largest share in in operating costs is represented by the raw material and consumables ones with a rate of 79.41% compared to 85.36 % from the same period of the previous year; expenses on personnel represent 9.68 %, compared to 8.06 % from the same period of the previous year.

From operating activity, the company recorded on 31.03.2017 a gross profit of 5,294,565 lei, increasing by 107,701 lei (2.07%) compared to the previous period. The gross operating profit was decreased by the profit from financial activity, ultimately resulting a gross profit of 5,294,104 lei and a net profit of 4,354,339 lei, decreasing by 100,429 lei (2.25 %) compared to the same period of the previous year.

For the accounting profit of 4,354,339 lei, the company has calculated a tax on profit of 939,765 lei as shown in the balance sheet and the statement submitted to the state budget.

## **10. Significant economic & financial indicators**

The importance of calculating the economic & financial indicators lies in the knowledge of their evolution and comparison with the previous financial years, which provides the Electroargeş

S.A.'s management the ability to carry out financial & economic analysis with an impact in the decision making process.

Also, knowledge on the level of economic & financial indicators allow comparisons with other entities in similar sectors, domestic or international.

INDICATORS		First quarter 2017	First quarter 2016
<b>I. Liquidity indicators</b>			
1. General liquidity	Current assets / Current liabilities	2.20	2.17
2.Immediate liquidity ("acid test ratio")	(Current assets-Inventories)/ Current liabilities	1.67	1.38
3.General solvency ratio	Total assets /Current liabilities	3.38	3.56
<b>II. Indicators of financial balance</b>			
1. Total liabilities ratio	Total liabilities/Total assets	0.30	0.29
2. Equity to fixed assets ratio	Equity/ Fixed assets	1.79	1.68
<b>III. Management indicators</b>			
1. Inventory turnover (turnover ratio)	Turnover/ Inventories	2.74	2.24
2. No. of storage days	Inventories /T x 90 days	32.90	40.05
3.Turnover speed, for client debit items	Liabilities/ T x 90 days	39.62	34.29
4. Fixed assets turnover speed	Turnover/ Fixed assets	1.24	1.27
5.Total assets turnover speed	T/Total assets	0.43	0.50
<b>IV. Profitability indicators</b>			
1. Return on assets	Net profit x 100/ Total assets	4.30	4.77
2. Financial profitability	Net profit x 100/ Equity	5.67	6.19
3. Gross margin rate	Gross profit x 100/ T	9.92	9.76

- general liquidity indicator (current) shows the amount by which current assets exceed short-term liabilities and guarantees coverage of current liabilities from current assets; Recommended and acceptable value is around 2;
- Immediate liquidity or " acid test ratio". This indicator eliminates stocks because they can not immediately turn in liquidities, expressing the entity's ability to pay liabilities; Recommended and acceptable value is around 1. The more the acid test ratio is greater than 1, the better the entity's situation;
- Management indicators provide information on the turnover speed of current assets, total assets and receivables;
- Inventory turnover speed indicator shows how many times the inventory was rolled along the year;
- No. of storage days - indicates the number of days in which the goods are stored on the premises. The less days, the better the situation, in the sense that inventories are used in manufacturing, supply inventories are rhythmic and there is no risk of recording slow moving or difficult to sell inventories;
- Fixed assets turnover speed - The indicator expresses the number of rotations made by fixed assets for the turnover.
- Profitability ratios are synthetic indicators that measure, in a relative way, the profitability or the company's ability to make profit.

### **C.REFERENCES ON:**

#### **11.Preparation of financial reports, accounting records**

Financial reports on 31.03.2017 have been prepared under the management's responsibility, in accordance with Law 31/1990 , as republished and further amended and supplemented, with Law no. 82/1991 as republished and further amended and supplemented, and the Ordinance no. 2844 / 2016 of the Public Finances Ministry for approval of Accounting Regulations in accordance with International Financial Reporting Standards.The accounting records reflect chronologically and systematically records based on relevant documents. The analytical accounting is consistent with the synthetic one. Synthetic accounting balances are prepared monthly, these are periodically made consistent with the analytical accounting.

#### **12.Further events**

In 2017, the company does not intend, nor are there at the moment, reasons to determine reduced activity or its termination. Up to the reporting date, we have not been notified by the company's management about events that could endanger the continuity of the company's activity.



STATUTORY AUDITOR,

CASA DE AUDIT CORVINIA S.R.L. PITESTI BRANCH, CAFR AUTHORISATION 1232/2014

FINANCIAL AUDITOR ȘENDRONI AUREL, CAFR AUTHORISATION 407/2001

Date: 10.05.2017



Form **S1040\_A1.0.0**

**Accounting Report**

Checksum  
**12.826.120**  
Reporting date  
**31.03.2017**

Form type  
Year **2017**

**Identification data ▶**

*\* Mandatory fields*

*\* Entity*  
ELECTROARGES S.A.

*\* Trade Register Registration Number* J03/758/1991 *\* Tax Identification No.* 156027

*\* Main Activity: NACE Code—Activity name*  
2751—Manufacturing household appliances **Select**

*\* Main activity actually practiced: NACE Code—Activity name*  
2751—Manufacturing household appliances **Select**

*\* Property form*  
34—Joint stock company **Select**

Street Number  
ALBESTI 12

Block Entrance Apartment  
0 0 0

Telephone e-mail  
0248724000 faxsecretariat@gmail.com

*\* City*  
CURTEA DE ARGES

*\* County* District  
*\* Arges*

**VALIDATED FORM**

**Validation**

Fill in the forms before validation ...

Print the list of mandatory fields

**Accounting Report**

Form S1040

Annual Financial Statement  
Form S1041

*Tick if the case*

Large taxpayers who submit the balance in Bucharest

Branch

**Signatures ▶**

*\* Mandatory fields*

Electronic signature may be applied only after the successful validation of the application form

Electronic signature

**Administrator**

*\* Full name*  
STEFAN CONSTANTIN

Signature

**Prepared by**

*\* Full name*  
SCARLAT ROXANA

*\* Position*  
11—Economic Director

Registration no. with the professional body

Signature

*\* Other authorized persons, according to the law*

**i**

*\*\* Authorized natural or legal persons, CECCAR member*

**Indicators**

Fields with calculated

Total equity

76,854,560

Profit/ loss

4,354,339

**CODE 10 ► ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY BALANCE on 31.03.2017**(lei) Delete data in this table  
(Code 10)

Item name	Row no.	Balance on:	
		January 01	March 31
A	B	1	2
<b>A. FIXED ASSETS</b>			
<b>I. INTANGIBLE ASSETS</b>			
1. Development costs (acc. 203 - 2803 - 2903)	01		36,891
2. Concessions, patents, licenses, trademarks, similar rights and assets and other intangible assets (acc. 205 + 208 - 2805 - 2808 - 2905 - 2906 - 2908)	02	342,958	342,489
3. Goddwill (acc. 2071)	03		
4. Advances (acc. 4094)	04	21,648	21,648
5. Intangible exploration and evaluation assets of mineral resources (acc. 206 - 2806 - 2907)	05		
<b>TOTAL: (row 01 to 05)</b>	<b>06</b>	<b>364,606</b>	<b>401,028</b>
<b>II. TANGIBLE ASSETS</b>			
1. Land and buildings (acc. 211 + 212 - 2811 - 2812 - 2911 - 2912)	07	10,165,809	10,058,668
2. Plant and machinery (acc. 213 + 223 - 2813 - 2913)	08	13,165,404	12,178,905
3. Other plant, equipment and furniture (acc. 214 + 224 - 2814 - 2914)	09	60,514	57,425
4. Investment property (acc. 215 - 2815 - 2915)	10		
5. Tangible assets in progress (acc. 231 - 2931)	11	1,228,379	1,726,659
6. Investment property in progress (acc. 235 - 2935)	12		
7. Tangible exploration and evaluation assets of mineral resources (acc. 216 - 2816 - 2916)	13		
8. Productive plants (acc. 218 - 2828 - 2918)	14		
9. Advances (acc. 4093)	15	129,042	120,000
<b>TOTAL: (row 07 to 15)</b>	<b>16</b>	<b>24,749,148</b>	<b>24,141,657</b>
<b>III. BIOLOGICAL ASSETS</b> (acc. 241 + 227 - 284 - 294)			
<b>IV. FINANCIAL ASSETS</b>			
1. Shares in subsidiaries (acc. 261 - 2961)	18		

	2. Loans to group entities (acc. 2671 + 2672 - 2964)	19		
	<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
	3. Shares in associates and jointly controlled entities (acc. 262 + 263 - 2962)	20	18,354,184	18,354,184
	4. Loans to associates and jointly controlled entities (acc. 2673 + 2674 - 2965)	21		
	5. Other financial assets (acc. 265 + 266 - 2963)	22		
	6. Other loans (acc. 2675* + 2676* + 2677 + 2678* + 2679* - 2966* - 2968*)	23		
	<b>TOTAL (row 18 to 23)</b>	<b>24</b>	<b>18,354,184</b>	<b>18,354,184</b>
	<b>INTANGIBLE ASSETS – TOTAL (row 06 + 16 + 17+ 24)</b>	<b>25</b>	<b>43,467,938</b>	<b>42,896,869</b>
<b>B.</b>	<b>CURRENT ASSETS</b>			
	<b>I. INVENTORIES</b>			
	1. Raw materials and consumables (acc. 301 + 302 + 303 +/- 308 + 321 + 322 + 323 + 328 + 351 + 358 + 381 +/- 388 - 391 - 392 - 3951 - 3958 - 398)	26	14,936,010	14,253,628
	2. Intangible assets held for sale (acc. 311)	27		
	3. Production in progress (acc. 331 + 341 +/- 348* - 393 - 3941 - 3952)	28	349,307	400,903
	4. Finished goods and merchandise (acc. 326 + 327 + 345 + 346 + 347 +/- 348* + 354 + 356 + 357 + 361 +/- 368 + 371 +/- 378 - 3945 - 3946 - 3947 - 3953 - 3954 - 3955 - 3956 - 3957 - 396 - 397 - 4428)	29	2,680,765	3,181,004
	5. Advances (acc. 4091)	30	1,616,364	1,663,999
	<b>TOTAL (row 26 to 30)</b>	<b>31</b>	<b>19,582,446</b>	<b>19,499,534</b>
	<b>II. RECEIVABLES</b> (Amounts to be received after more than one year must be shown separately for each item)			
	1. Trade receivables <sup>1</sup> (acc. 2675* + 2676* + 2678* + 2679* - 2966* - 2968* + 411 + 413 + 418 - 491)	32	6,673,792	11,992,039
	2. Paid advances (acc. 4092)	33	5,928	
	3. Amounts receivable from group entities (acc. 451** - 495*)	34		
	4. Amounts receivable from associates and jointly controlled entities (acc. 453** - 495*)	35		
	5. Receivables arising from derivatives (acc. 4652)	36		
	6. Other receivables (acc. 425 + 4282 + 431** + 437** + 4382 + 441** + 4424 + 4428** + 444** + 445 + 446** + 447** + 4482 + 4582 + 461 + 4662 + 473** - 496 + 5187)	37	10,446,544	11,492,864
	7. Capital subscribed and not paid (acc. 456 - 495*)	38		
	<b>TOTAL (row 32 to 38)</b>	<b>39</b>	<b>17,126,264</b>	<b>23,484,903</b>
	<b>III. SHORT-TERM INVESTMENTS</b> (acc. 505 + 506 + 507 + din ct. 508 - 595 - 596 - 598 + 5113 + 5114)	40	15,772,548	15,790,758
	<b>IV. DESK CASH AND BANK ACCOUNTS</b> (from acc. 508 + ct. 5112 + 512 + 531 + 532 + 541 + 542)	41	15,533,792	21,548,514

	<b>CURRENT ASSETS – TOTAL (row 31 + 39 + 40 + 41)</b>	42	68,015,050	80,323,709
<b>C.</b>	<b>PREPAYMENTS (acc. 471) (row 44+45)</b>	43	8,152	11,457
	Amounts to be resumed in a period of up to one year (from acc. 471*)	44	8,152	11,457
	Amounts to be resumed within a period exceeding one year (from acc. 471*)	45		
<b>D.</b>	<b>LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD OF UP TO ONE YEAR</b>			
	1. Debenture loans, showing separately the convertible debenture loans (acc. 161 + 1681 - 169)	46		
	2. Amounts owed to credit institutions (acc. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	47		
	3. Advances cashed for orders (acc. 419)	48	16,863	32.963
	4. Trade liabilities - suppliers (acc. 401 + 404 + 408)	49	13,663,667	19.542.077
	5. Bills payable (acc. 403 + 405)	50	2,696,131	3.864.132
	6. Liabilities from financial lease (acc. 406)	51		
	7. Amounts owed to group entities (acc. 1661 + 1685 + 2691 + 451***)	52		
	8. Amounts owed to associates and jointly controlled entities (acc. 1663 + 1686 + 2692 + 453***)	53		
	9. Liabilities arising from derivatives (acc. 4651)	54		
	10. Other liabilities, including tax payable and national insurance liabilities (acc. 1623 + 1626 + 167 + 1687 + 2693 + 2695 + 421 + 422 + 423 + 424 + 426 + 427 + 4281 + 431*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 457 + 4581 + 462 + 4661 + 473*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	55	12,936,497	12,989,059
	<b>TOTAL (row 46 to 55)</b>	56	29,313,158	36,428,231
<b>E.</b>	<b>NET CURRENT ASSETS/NET CURRENT LIABILITIES (row 42 + 44 - 56 - 74 - 77 - 80)</b>	57	37,862,738	39,339,537
<b>F.</b>	<b>TOTAL ASSETS MINUS CURRENT LIABILITIES (row 25 + 57)</b>	58	81,330,676	82,236,406
<b>G.</b>	<b>LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD EXCEEDING ONE YEAR</b>			
	1. Debenture loans, showing separately the convertible debenture loans (acc. 161 + 1681 - 169)	59		
	2. Amounts owed to credit institutions (acc. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	60	1,188,214	1,109,000
	3. Advances cashed for orders (acc. 419)	61		
	4. Trade liabilities - suppliers (acc. 401 + 404 + 408)	62		
	5. Bills payable (acc. 403 + 405)	63		

	6. Liabilities from financial lease (acc. 406)	64		
	7. Amounts owed to group entities (acc. 1661 + 1685 + 2691 + 451***)	65		
	8. Amounts owed to associates and jointly controlled entities (acc. 1663 + 1686 + 2692 + 453***)	66		
	9. Liabilities arising from derivatives (acc. 4651)	67		
	10. Other liabilities, including tax payable and national insurance liabilities (acc. 1623 + 1626 + 167 + 1687 + 2693 + 2695 + 421 + 422 + 423 + 424 + 426 + 427 + 4281 + 431*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 4581 + 462 + 4661 + 473*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	68		
	<b>TOTAL (row 59 to 68)</b>	<b>69</b>	<b>1,188,214</b>	<b>1,109,000</b>
<b>H.</b>	<b>PROVISIONS</b>			
	1. Employee benefits provisions (acc. 1517)	70		
	2. Other provisions (acc. 1511 + 1512 + 1513 + 1514 + 1518)	71	3,710,324	4,272,846
	<b>TOTAL (row 70 + 71)</b>	<b>72</b>	<b>3,710,324</b>	<b>4,272,846</b>
<b>I.</b>	<b>DEFERRED REVENUE</b>			
	1. Investment subsidies (acc. 475) ( row 73+74)	73	4,779,224	4,567,398
	Amounts to be resumed in a period of up to one year (from acc. 475*)	74	847,306	4,567,398
	Amounts to be resumed within a period exceeding one year (from acc. 475*)	75	3,931,918	
	2. Deferred revenue (acc. 472) - total (row 77 + 78), out of which:	76		
	Amounts to be resumed in a period of up to one year (acc. 472*)	77		
	Amounts to be resumed within a period exceeding one year (acc. 472*)	78		
	3. Deferred revenue received from customers via transfer (acc. 478) ( row 80+81)	79		
	Amounts to be resumed in a period of up to one year (from acc. 478*)	80		
	Amounts to be resumed within a period exceeding one year (from acc. 478*)	81		
	<b>TOTAL (row 73 + 76 + 79)</b>	<b>82</b>	<b>4,779,224</b>	<b>4,567,398</b>
<b>J.</b>	<b>CAPITAL AND RESERVES</b>			
	<b>I. CAPITAL</b>			
	1. Capital subscribed and paid (acc. 1012)	83	6,976,465	6,976,465
	2. Capital subscribed and not paid (acc. 1011)	84		

3. Subscribed capital representing financial liabilities <sup>2</sup> (acc. 1027)		85		
4. Capital adjustments (acc. 1028)	BALANCE C	86		
	BALANCE D	87		
5. Other elements of equity (acc. 103)	BALANCE C	88	5,849,655	5,849,655
	BALANCE D	89	0	
<b>TOTAL (row 83 + 84 + 85 + 86 - 87 + 88- 89)</b>		<b>90</b>	<b>12,826,120</b>	<b>12,826,120</b>
<b>II. SHARE PREMIUM</b> (acc. 104)		91		
<b>III. REVALUATION RESERVE</b> (acc. 105)		92	1,769.778	1,769,778
<b>IV. RESERVES</b>				
1. Legal reserves (acc. 1061)		93	1,617,005	1,617,005
2. Statutory or contractual reserves (acc. 1063)		94		
3. Other reserves (acc. 1068)		95	25,831,074	25,831,074
<b>TOTAL (row 93 to 95)</b>		<b>96</b>	<b>27,448,079</b>	<b>27,448,079</b>
Exchange differences arising from the conversion of the individual annual financial statements in a presentation currency other than the functional currency (acc. 1072)	BALANCE C	97		
	BALANCE D	98		
Own shares (acc. 109)		99		
Earnings related to equity instruments (acc. 141)		100	1,132,496	1,132,496
Losses related to equity instruments (acc. 149)		101		
<b>V. RETAINED EARNINGS EXCLUDING THE RETAINED EARNINGS ARISING FROM THE FIRST TIME ADOPTION OF IAS 29</b> (acc. 117)	<b>BALANCE C</b>	102	12,746,594	29,323,748
	<b>BALANCE D</b>	103	0	
<b>VI. RETAINED EARNINGS ARISING FROM THE FIRST TIME ADOPTION OF IAS 29</b> (acc. 118)	<b>BALANCE C</b>	104		
	<b>BALANCE D</b>	105		
<b>VII. PROFIT OR LOSS AT THE END OF THE REPORTING PERIOD</b> (acc. 121)	<b>BALANCE C</b>	106	16,577,153	4,354,339
	<b>BALANCE D</b>	107		
Distribution of profit (acc. 129)		108		

<b>SHAREHOLDERS' EQUITY - TOTAL</b> (row 90 + 91 + 92 + 96 + 97 - 98 - 99 + 100 - 101 + 102 - 103 + 104 - 105 + 106 - 107 -108)	109	72,500,220	76,854,560
Private patrimony (acc. 1023) <sup>3</sup>	110		
Public patrimony (acc. 1026)	111		
<b>EQUITY - TOTAL (row 109 + 110 + 111)</b>	112	72,500,220	76,854,560
<b>VALIDATED FORM</b>	Checksum Form 10:		

<b>Signature</b> ▶	<b>Administrator</b> Full name STEFAN CONSTANTIN	<b>Prepared by</b> Full name SCARLAT ROXANA
	Signature	Position 11-Economic Director Registration no. with the professional body Signature

1) The amounts entered to this row (row 32) and taken from accounts 2675 to 2679 represent receivables from financial leasing and other similar contracts, as well as other receivables, due within a period of 12 months.

2) In this 1027\* "Subscribed capital representing financial liabilities" (row 85) are shown the actions which, according to IAS 32, represent financial liabilities.

3) To be filled in by the companies whose securities are traded on a regulated market whom are incident to the provisions of the Ordinance no. 668/2014 of the Public Finances Minister and the Minister Delegate for Budget on the approval of the Specifications on preparing and updating the centralized inventory of the private property real estate and the real rights subjected to inventory, as further amended and supplemented.

\*) Accounts to be assigned according to the nature of such items.

\*\*) Debit balances of such accounts.

\*\*\*) Credit balances of such accounts.

CODE 20 ► INCOME AND EXPENDITURE BALANCE on 31.12.2017			Delete data in this table (lei) (Code 20)		
Item name		Row no.	Reporting period		
			Previous year	Current year	
A		B	1	2	
1	Net turnover (row 02 + 03 - 04 + 05)	01	54,505,915	53,344,997	
	Production sold (acc. 701 + 702 + 703 + 704 + 705 + 706 + 708)	02	54,406,830	51,954,206	
	Income from sale of goods (acc. 707)	03	116,400	1,403,501	
	Trade discounts granted (acc. 709)	04	17,315	12,710	
	Operating income from subsidies related to turnover (acc. 7411)	05			
2	Income related to the costs of the product stocks (acc. 711)	BALANCE C	06	1,004,296	1,236,798
		BALANCE D	07		
3	Income from the fixed assets production and investment property (row 09 + 10)	08		27,124	
4	Income from the intangible and tangible assets production (acc. 721 + 722)	09		27,124	
5	Income from property investment production (acc. 725)	10			
6	Income from fixed assets (or the group assigned for release) held for sale (acc. 753)	11			
7	Income from revaluation of the intangible and tangible assets (acc. 755)	12			
8	Income from investment property (acc. 756)	13			
9	Income from biological assets and agricultural products (acc. 757)	14			
10	Operating income from subsidies (acc. 7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)	15	6,996	17,076	
11	Other operating income (acc. 758 + 751)	16	211,807	1,031,205	
	- out of which, income from investment subsidies (acc. 7584)	17	211,751	211,826	
<b>OPERATING INCOME - TOTAL (row 01 + 06 - 07 + 08 + 11 + 12 + 13 + 14 + 15 + 16)</b>		18	<b>55,729,014</b>	<b>55,657,200</b>	
12	a) Raw materials and consumables expenses (acc. 601 + 602)	19	43,143,852	39,997,357	
	Other material expenses (acc. 603 + 604 + 608)	20	73,026	46,880	
	b) Other external expenses (energy and water) (acc. 605)	21	798,103	874,011	
	c) Expenditure on goods (acc. 607)	22	111,898	1,184,513	
	Trade discounts received (acc. 609)	23			
13	Personnel expenses (row 25+ 26), of which:	24	4,075,053	4,875,226	

	A	B	1	2
	a) Wages and allowances (acc. 641 + 642 + 643 + 644)	25	3,309,566	4,001,869
	b) Expenses on insurance and social protection (acc. 645)	26	765,487	873,357
14	a) Value adjustments on intangible and tangible assets, investment properties and biological assets measured at cost (row 28 - 29)	27	734,204	731,872
	a.1) Expenditure (acc. 6811 + 6813 + 6816 + 6817)	28	734,204	731,872
	a.2) Income (acc. 7813 + 7816)	29		
	b) Value adjustments on current assets (row 31- 32)	30		
	b.1) Expenditure (acc. 654 +6814)	31		
	b.2) Income (acc. 754 +7814)	32		
15	Other operating costs (row 34 to 42)	33	1,636,750	2,090,253
	15.1. Expenditure on external services (acc. 611 + 612 + 613 + 614 + 615 + 621 + 622 + 623 + 624 + 625 + 626 + 627 + 628 )	34	1,351,703	1,238,411
	15.2. Other taxes, fees and similar payments; expenses representing transfers and contributions due under special acts (acc. 635 + 6586)	35	21,350	226,756
	15.3. Expenses on environmental protection (acc. 652)	36	86,770	91,814
	15.4. Expenses from fixed assets (or the group assigned for release) held for sale (acc. 653)	37		
	15.5. Expenses from revaluation of the intangible and tangible assets (acc. 655)	38		
	15.6. Expenses from investment property (acc. 656)	39		
	15.7. Expenses from biological assets and agricultural products (acc. 657)	40		
	15.8. Expenses from calamities and other similar events (acc. 6587)	41		
	15.9. Other expenses (acc. 651 + 6581 + 6582 + 6583 + 6585 + 6588)	42	176,927	533,272
	Adjustments for provisions (row 44 - 45)	43	-30,736	562,523
	- Expenditure (acc. 6812)	44	11,251	594,900
	- Income (acc. 7812)	45	41,987	32,377
	<b>OPERATING COSTS – TOTAL (row 19 to 22 - 23 + 24 + 27 + 30 + 33 + 43)</b>	46	<b>50,542,150</b>	<b>50,362,635</b>
	<b>OPERATING PROFIT OR LOSS:</b>			
	- Profit (row 18 - 46)	47	<b>5,186,864</b>	<b>5,294,565</b>
	- Loss (row 46 - 18)	48	<b>0</b>	<b>0</b>
16	Income from shares held in subsidiaries (acc. 7611)	49		

17	Income from shares in associates ( acc. 7612)	50		
18	Income from shares in associates and jointly controlled entities (acc. 7613)	51		
19	Income from operation with securities and other financial instruments (acc. 762)	52		
20	Income from derivatives (acc. 763)	53		
21	Income from foreign exchange differences (acc. 765)	54	509,095	489,342
22	Interest income (acc. 766*)	55	6,230	7,232
	- out of which, income from group entities	56		
23	Income from operating subsidies for income due (acc. 7418)	57		
24	Income from short-term financial investments ( acc. 7617)	58		
25	Other financial income (acc. 7615 + 764 + 767 + 768)	59		
	<b>FINANCIAL INCOME - TOTAL (row 49 + 50 + 51 + 52 + 53 + 54 + 55 + 57 + 58 + 59)</b>	<b>60</b>	<b>515,325</b>	<b>496,574</b>
26	Value adjustments on financial assets and investments held as current assets (row 62 - 63)	61		
	- Expenditure (acc. 686)	62		
	- Income (acc. 786)	63		
27	Expenses on operations with securities and other financial instruments (acc. 661)	64		
28	Expenses on derivatives (acc. 662)	65		
29	Interest expenses (acc. 666*)	66	23,867	7,759
	- out of which, expenses related to group entities	67		
30	Other financial expenses (acc. 663 + 664 + 665 + 667 + 668)	68	356,024	489,276
	<b>FINANCIAL EXPENSES - TOTAL (row 61 + 64+ 65 + 66 + 68)</b>	<b>69</b>	<b>379,891</b>	<b>497,035</b>
<b>FINANCIAL PROFIT OR LOSS:</b>				
	- Profit (row 60 - 69)	70	135,434	0
	- Loss (row 69 - 60)	71	0	461
	<b>TOTAL INCOME (row 18 + 60)</b>	<b>72</b>	<b>56,244,339</b>	<b>56,153,774</b>
	<b>TOTAL EXPENDITURE (row 46 + 69)</b>	<b>73</b>	<b>50,922,041</b>	<b>50,859,670</b>
31	<b>GROSS PROFIT OR LOSS:</b>			
	- Profit (row 72 - 73)	74	5,322,298	5,294,104

	- Loss (row 73 - 72)	75	0	0
32	Tax on current profit (acc. 691)	76	867,530	939,765
33	Deffered profit taxes (acc. 692)	77		
34	Income from deffered profit taxes (acc. 792)	78		
35	Other taxes not shown on the above items (acc. 698)	79		
36	<b>NET PROFIT OR LOSS FOR THE REPORTING PERIOD:</b>			
	- Profit (row 74 - 76 - 77 + 78 - 79)	80	4,454,768	4,354.339
	- Loss (row. 75 + 76 + 77 - 78 + 79) (row 76 + 77 + 79 - 74 - 78 )	81	0	0
<b>VALIDATED FORM</b>		Checksum Form 20:		

Signature ►

**Administrator**  
Full name  
STEFAN CONSTANTIN

**Prepared by**  
Full name  
SCARLAT ROXANA

Signature

Position  
11-Economic Director  
Registration no. with the professional body

Signature

\*) Accounts to be assigned according to the nature of such items.

On row 25 – are included the collaborators' rights, determined in accordance with the labour law, which are taken from the debiting account 621 "Expenses with collaborators", analytical "Natural person collaborators".

On row 35 – to account 6586 "Expenses representing transfers and contributions due under special acts" are shown the expenses representing transfers and contributions due under special acts, other than those provided for in the Tax Code.

CODE 30 ► INFORMATION DATA on 31.03.2017		(lei)			Delete data in this table (Code 30)
I. Data on reported earnings		Row no.	Unit no.	Amounts	
A		B	1	2	
Units that registered profit		01	1	4,354,339	
Units that registered losses		02	0	0	
Units that have not registered profit or losses		03	0	0	
II. Data on overdue payments		Row no.	Total (col.2 + 3)	Out of which:	
A		B	1	For current activity	For investment activity
				2	3
Overdue payments – total (row 05+09+15 to 19+23), of which:		04	278,010	278,010	
Suppliers with overdue payments – total (row 06 to 08), of which:		05	278,010	278,010	
- exceeding 30 days		06	12,566	12,566	
- exceeding 90 days		07	4,178	4,178	
- exceeding 1 year		08	261,266	261,266	
Arrears to the national insurance fund – total (row 10 to 14), out of which:		09			
- national insurance contributions paid by employers, employees and other such persons		10			
- health insurance contributions		11			
- additional pension contribution		12			
- unemployment insurance contribution		13			
- other social liabilities		14			
Arrears to special and other funds		15			
Arrears to other creditors		16			
State budget overdue taxes		17			
Local budget overdue taxes		18			
Unrepaid bank loans – total (row 20 to 22), of which:		19			
- exceeding 30 days		20			
- exceeding 90 days		21			
- exceeding 1 year		22			
Past due interest		23			

A	B	1	2
<b>III. Average number of employees</b>	Row no.	<b>March 31 previous year</b>	<b>March 31 current year</b>
A	B	1	2
Average number of employees	24	488	544
The actual number of existing employees at the end of the period, respectively on March 31	25	513	549
<b>IV. Interest, dividends and royalties paid during the reporting period. Grants received and overdue receivables</b>	Row no.	<b>Amounts</b>	
A	B	1	
Gross income from interest paid to non-resident natural persons, out of which:	26		
- tax due to the state budget	27		
Gross income from interest paid to non-resident natural persons from EU member states, out of which:	28		
- tax due to the state budget	29		
Gross income from interest paid to non-resident legal persons, out of which:	30		
- tax due to the state budget	31		
Gross income from interest paid to associate *) non-resident legal persons from EU member states, out of which:	32		
- tax due to the state budget	33		
Gross income from dividends paid to non-resident natural persons, out of which:	34		
- tax due to the state budget	35		
Gross income from dividends paid to non-resident natural persons from EU member states, out of which:	36		
- tax due to the state budget	37		
Gross income from dividends paid to non-resident legal persons under provisions of art. 229 paragraph (1) letter c) of Law no.227/2015 on Tax Code, as amended and supplemented, out of which:	38		
- tax due to the state budget	39		
Gross income from royalties paid to non-resident natural persons, out of which:	40		
- tax due to the state budget	41		
Gross income from royalties paid to non-resident natural persons from EU member states, out of which:	42		
- tax due to the state budget	43		
Gross income from royalties paid to non-resident legal persons, out of which:	44		
- tax due to the state budget	45		
Gross income from royalties paid to associate *) non-resident legal persons from EU member states, out of which:	46		

A	B	1	
- tax due to the state budget	47		
Royalties paid during the reporting period for assigned public goods, out of which:	48		
- royalties for public goods paid to the state budget	49		
Mining royalty paid to the state budget	50		
Oil royalty paid to the state budget	51		
1) Rent paid for land during the reporting period	52		
Gross income from services paid to non-residents, out of which:	53		
- tax due to the state budget	54		
Gross income from services paid to non-resident persons from EU member states, out of which:	55		
- tax due to the state budget	56		
Subsidies received during the reporting period, out of which:	57		
- subsidies related to assets received during the reporting period	58		
- subsidies related to income, out of which:	59		
- subsidies to boost employment**)	60		
Overdue receivables, which were not collected at the terms set out in the commercial contracts and/or under the regulations in force, out of which:	61		
- overdue receivables from majority or completely state-owned sector entities	62		
- overdue receivables from private sector entities	63		
<b>V. Food vouchers</b>	Row no.	<b>Amounts</b>	
A	B	1	
Equivalent value of food vouchers granted to employees	64		490,590
<b>VI. Research and development costs ***)</b>	Row no.	<b>March 31 previous year</b>	<b>March 31 current year</b>
A	B	1	2
<b>Research and development costs (row 65 = row 66 = row 69)</b>	65	0	0
- after funding sources (row 67 + 68)	66	0	0
- from public funds	67		
- from private funds	68		
- after the nature of the expenses (row 70 + 71)	69	0	0
- current expenses	70		

- capital expenses	71	0	0
<b>VII. Innovation expenses ****)</b>	<b>Row no.</b>	<b>March 31 previous year</b>	<b>March 31 current year</b>
A	B	1	2
Innovation expenses	72		
<b>VIII. Other information</b>	<b>Row no.</b>	<b>March 31 previous year</b>	<b>March 31 current year</b>
A	B	1	2
Advances for intangible assets (acc. 4094)	73	21,648	21,648
Advances for tangible assets (acc. 4093)	74	120,000	120,000
Financial assets, in gross amounts (row 76 + 84), out of which:	75	18,354,184	18,354,184
Shares in affiliates, participating interests, other securities investments and bonds, in gross amounts (row 77 la 83), out of which:	76	18,354,184	18,354,184
- listed shares issued by residents	77	18,354,184	18,354,184
- unlisted shares issued by residents	78		
- equity interests issued by residents	79		
- bonds issued by residents	80		
- shares issued by the collective investment companies issued by residents	81		
- shares and equity interests issued by non-residents	82		
- bonds issued by non-residents	83		
Long-term receivables, in gross amounts (row 85 + 86), out of which:	84		
- Long-term receivables held in lei and denominated in lei, whose settlement are based on a foreign currency exchange rate (from acc. 267)	85		
- foreign currency long-term receivables (from acc. 267)	86		
Trade receivables, advances for purchases of such goods as the stocks provided to suppliers and other similar accounts, in gross amounts (acc. 4091 + 4092 + 411 + 413 + 418), out of which:	87	14,615,423	13,739,827
- external trade receivables, advances for purchases of such goods as the stocks provided to external suppliers and other similar accounts, in gross amounts (from acc. 4091 + from acc. 4092 + from acc. 411 + from acc. 413 + from acc. 418)	88	11,166,064	9,004,622
Receivables uncollected on due term (from acc. 4091 + from acc. 4092 + from acc. 411 + from acc. 413)	89	1,554,217	3,006,680
Receivables related to personnel and similar accounts (acc. 425 + 4282)	90		
Receivables related to the national insurance fund and state budget (from acc. 431 + 437 + 4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482), (row 92 to 96), out of which:	91	4,763,738	3,794,465
- receivables related to the national insurance fund (acc. 431 + 437 + 4382)	92	63,109	59,300
- tax receivables related to the state budget (acc. 441 + 4424 + 4428 + 444 + 446)	93	4,684,826	3,730,190

- Receivable grants (acc. 445)	94	15,803	4,975
- special funds – taxes and similar payments (acc. 447)	95		
- other receivables related to the state budget (acc. 4482)	96		
Entity receivables in dealing with the group entities (acc.451)	97		
Receivables related to the national insurance fund and state budget uncollected on the due term (from acc. 431 + from acc. 437 + from acc. 4382 + from acc. 441 + from acc. 4424 + from acc.4428 + from acc. 444 + from acc. 445 + from acc. 446 + from acc. 447 + from acc. 4482)	98		
Receivables from derivatives (acc. 4652)	99		
Other receivables (acc. 453 + 456 + 4582 + 461 + 4662+ 471 + 473), (row 101 to 103), out of which:	100	3,000,287	4,668,708
- settlements with associates and jointly controlled entities, settlements with shareholders' capital, settlements from transactions in stake (acc. 453 + 456 + 4582)	101		
- other receivables related to natural and legal persons, other than receivables in connection with public institutions (state institutions) (from acc. 461 + from acc. 471 + from acc. 473 + 4662)	102	3,000,287	4,668,708
- amounts taken from account 542 "Treasury advances" representing treasury advances, granted by law and not settled until June 30 <sup>th</sup> (from acc. 461)	103		
Receivable interest (acc. 5187), out of which:	104		
- from non-residents	105		
Value of loans granted to economic operators*****)	106		
Short-term investments, in gross amounts (acc. 505 + 506 + 507 + from acc. 508), (row 108 to 114), out of which:	107	14,559,026	15,931,659
- listed shares issued by residents	108	14,559,026	15,931,659
- unlisted shares issued by residents	109		
- equity interests issued by residents	110		
- bonds issued by residents	111		
- shares issued by the resident collective investment companies	112		
- shares issued by non-residents	113		
- bonds issued by non-residents	114		
Other receivable values (acc. 5113 + 5114)	115	39,549	45,615
Desk cash in lei and foreign currency (row 117 + 118), out of which:	116	53,040	44,054
- in lei (acc. 5311)	117	53,040	44,054
- in foreign currency (acc. 5314)	118		

Current bank accounts in lei and foreign currency (row 120 + 122), out of which:	119	6,914,807	21,237,498
- in lei (acc. 5121), out of which:	120	1,510,089	6,054,177
- current bank accounts in lei opened with non-resident banks	121		
- in foreign currency (acc. 5124), out of which:	122	5,404,718	15,183,321
- current bank accounts in foreign currency opened with non-resident banks	123		
Other current accounts and letters of credit (row 125 + 126), out of which:	124	14,010	22,595
- amounts pending settlement, letters of credit and other receivable values, in lei (acc. 5112 +5125 +5411)	125	14,010	22,595
- amounts pending settlement and letters of credit in foreign currency (from acc. 5125 + 5414)	126		
Liabilities (row 128 + 131 + 134 + 137 + 140 + 143 + 146 + 149 + 152 + 155 + 158 + 159 + 162 + 163 + 165 + 166 + 171 + 172 + 173 + 174+ 180), out of which:	127	32,299,001	37,537,231
Loans from bonds, in gross amounts (acc. 161), (row 129 + 130), out of which:	128		
- in lei	129		
- in foreign currency	130		
Interest related to the loans from bonds, in gross amounts (acc. 1681), (row 132 + 133), out of which:	131		
- in lei	132		
- in foreign currency	133		
Short-term domestic bank loans (acc. 5191 + 5192 + 5196 + 5197), (row 135 + 136), out of which:	134		
- in lei	135		
- in foreign currency	136		
Interest related to short-term domestic loans (from acc. 5198), (row 138 + 139), out of which:	137		
- in lei	138		
- in foreign currency	139		
Short-term external bank loans (acc. 5193 + 5194 + 5195), (row 141+ 142), out of which:	140		
- in lei	141		
- in foreign currency	142		
Interest related to short-term external bank loans (from acc. 5198), (row 144 + 145), out of which:	143		
- in lei	144		

- in foreign currency	145		
Long-term bank loans (acc. 1621 + 1622 + 1627), (row 147 + 148), out of which:	146	1,425,857	1,109,000
- in lei	147	1,425,857	1,109,000
- in foreign currency	148		
Interest related to long-term bank loans (from acc. 1682), (row 150 + 151), out of which:	149		
- in lei	150		
- in foreign currency	151		
External long-term bank loans (acc. 1623 + 1624 + 1625), (row 153 + 154), out of which:	152		
- in lei	153		
- in foreign currency	154		
Interest related to external long-term bank loans (from acc. 1682), (row 156 + 157), out of which:	155		
- in lei	156		
- in foreign currency	157		
Appropriations from the state treasury and related interest (acc. 1626 + from ct. 1682)	158		
Other loans and related interest (acc. 166 + 1685 + 1686 + 1687), (row 160 + 161), out of which:	159		
- in lei and denominated in lei, whose settlement are based on a foreign currency exchange rate	160		
- in foreign currency	161		
Other loans and similar liabilities (acc. 167), out of which:	162		
- value of the received concessions (from acc. 167)	162a		
Trade payables, advances from customers and other similar accounts, in gross amounts (acc. 401 + 403 + 404 + 405 + 406 + 408 +419), out of which:	163	24,175,426	23,439,172
- external trade payables, advances from external customers and other similar accounts, in gross amounts (from acc. 401 + from acc. 403 + from acc. 404 + from acc. 405 + from acc.406 + from acc. 408 + from acc. 419)	164	14,896,208	11,258,700
Liabilities related to personnel and similar accounts (acc. 421 + 422 + 423 + 424 + 426+ 427 + 4281)	165	444,973	487,510
Liabilities related to the national insurance fund and state budget (acc. 431 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481),(row 167 to 170), out of which:	166	3,799,735	3,114,681
- liabilities related to the national insurance fund (acc. 431 + 437 + 4381)	167	1,497,378	1,118,464
- tax payables to the state budget (acc. 441 + 4423 + 4428 +444 + 446)	168	2,290,494	1,986,420

- special funds – taxes and similar payments (acc. 447)	169	11,863	9,797
- other liabilities related to the state budget (acc.4481)	170		
Liabilities in dealing with the group entities (acc. 451)	171		
Amounts due to the shareholders/associates (acc. 455), out of which:	172	779,842	911
-amounts due to natural person shareholders/associates	172a		911
-amounts due to legal person shareholders/associates	172b		
Liabilities from derivatives (acc. 4651)	173		
Other liabilities (acc. 269 + 453 + 456 + 457 + 4581 + 462 + 4661+ 472 +473 + 478 + 509), (rd. 175 la 179), out of which:	174	1,673,168	9,385,957
- settlements with associates and jointly controlled entities, settlements with shareholders' capital, dividends and settlements from transactions in stake (acc. 453 + 456 + 457 + 4581)	175	1,371,429	9,175,699
- other liabilities related to natural or legal persons, other than liabilities in connection with public institutions (state institutions) <sup>2)</sup> (from acc. 462 + acc. 4661+ from acc. 472 + from acc. 473)	176	301,739	210,258
- income subsidies not to be resumed (from acc. 472)	177		
- amounts payable for financial assets and short-term investments (acc. 269 + 509)	178		
- advance income related to assets received by transfer from customers (acc. 478)	179		
Interest due (acc. 5186)	180		
The amount of loans received from economic operators*****)	181		
Capital subscribed and fully paid (acc. 1012) out of which:	182	8,085,027	6,976,465
- listed shares <sup>3)</sup>	183	6,197,534	6,976,465
- unlisted shares <sup>4)</sup>	184	1,887,493	
- equity interest	185		
- capital subscribed and fully paid by non-residents (from acc.1012)	186		
Patents and licenses (from acc.205)	187		
<b>IX. Information on expenses with collaborators</b>	Row no.	<b>March 31 previous year</b>	<b>March 31 current year</b>
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
Expenses with collaborators (acc. 621)	188	211,399	295,903
<b>X. Information on public domain assets</b>	Row no.	<b>March 31 previous year</b>	<b>March 31 current year</b>
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
Value of state public domain assets under management	189		

Value of state public domain assets under concession		190			
Value of state public domain assets under lease		191			
<b>XI. Information on the private state property subject to inventory in accordance with the Ordinance no. 668/2014 of the Public Finances Minister</b>		<b>Row no.</b>	<b>March 31 previous year</b>	<b>March 31 current year</b>	
<b>A</b>		<b>B</b>	<b>1</b>	<b>2</b>	
Net book value of assets <sup>5)</sup>		192			
<b>XII. Paid share capital</b>	<b>Row no.</b>	<b>March 31 previous year</b>		<b>March 31 current year</b>	
		<b>Amount (col.1)</b>	<b>%<sup>6)</sup> (col.2)</b>	<b>Amount (col.3)</b>	<b>%<sup>6)</sup> (col.4)</b>
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Paid share capital (acc. 1012) <sup>6)</sup> (row 194 + 197 + 201 + 202 + 203 + 204), out of which:	193	8,085,027	X	6,976,465	X
- owned by public institutions (row 195 + 196), out of which:	194		0		0
- owned by public institutions with central subordination;	195		0		0
- owned by public institutions with local subordination;	196		0		0
- owned by state capital corporations, out of which:	197		0		0
- completely state-owned capital;	198		0		0
- majority state-owned capital;	199		0		0
- minority state-owned capital;	200		0		0
- owned by autonomous administrations	201		0		0
- owned by private equity corporations	202	5,205,787	64.39	3,563,033	51.07
- owned by natural persons	203	2,879,240	35.61	3,413,432	48.93
- owned by other entities	204		0		0
		<b>Row no.</b>	<b>Amounts (lei)</b>		
<b>A</b>	<b>B</b>		<b>2016</b>	<b>2017</b>	

A	B	1	2
<b>XIII. Dividends/payments due to the state or local budget, to be allocated out of the profit of the financial year by the national companies or corporations and the autonomous companies or corporations, out of which:</b>	205		
- to central public institutions;	206		
- to local public institutions;	207		
-to other shareholders to whom the state / territorial administrative units/ public institutions have direct / indirect equity shares or regardless of their share.	208		
	Row no.	<b>Amounts (lei)</b>	
<b>A</b>	<b>B</b>	<b>2016</b>	<b>2017</b>
<b>XIV. Dividends/payments due to the state or local budget, transferred during the reporting period from the profit of the national companies and corporations and the autonomous companies and corporations, out of which:</b>	209		
-dividends/payments from the profit of the previous financial year, of which transferred:	210		
- to central public institutions;	211		
- to local public institutions;	212		
- to other shareholders to whom the state / territorial administrative units/ public institutions have direct / indirect equity shares or regardless of their share	213		
-dividends/payments from the profit of the financial years prior to the previous year, of which transferred:	214		
- to central public institutions;	215		
- to local public institutions;	216		
-to other shareholders to whom the state / territorial administrative units/ public institutions have direct / indirect equity shares or regardless of their share	217		
<b>XV. XV. Receivable taken by assignment from legal persons *****)</b>	Row no.	<b>Amounts (lei)</b>	
		<b>2016</b>	<b>2017</b>
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
Receivables taken by assignment from legal persons (at fair value), out of which:	218	1,593,466	1,593,466
- receivables taken by assignment from affiliated legal persons	219		
Receivables taken by assignment from legal persons (at acquisition cost), out of which:	220	1,274,773	1,274,773
- receivables taken by assignment from affiliated legal persons	221		
<b>XVI. Income from agricultural activities *****)</b>	Row no.	<b>Amounts (lei)</b>	
		<b>2016</b>	<b>2017</b>
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>

Income from agricultural activities	222		
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► **Signatures**

**Administrator**

Full name  
STEFAN CONSTANTIN

**Prepared by**

Full name  
SCARLAT ROXANA

Position  
11-Economic Director

Registration no. with the professional body

Signature

\*) For the status of "legal person associates" the provisions of art. 258 letter b) of Law no. 227/2015 on the Tax Code shall be considered, as amended and supplemented.

\*\*) Subsidies to stimulate employment (transfers from the state budget to the employer) - represent the amounts granted to employers to pay graduates of educational institutions, stimulate the unemployed who get a job before the expiration of the unemployment period, stimulate employers to offer indefinite employment contracts to the overly 45-year old unemployed, unemployed single parents or unemployed who within 3 years from the date of employment qualify to apply for partial early retirement or for a pension for old age or for other situations provided by legislation on unemployment insurance system and stimulation of employment.

\*\*\*) To be completed with the expenses for research and development, respectively the basic research, the applied research, technology development and innovation, as established by Government Ordinance no. 57/2002 on scientific research and technological development, approved with amendments by Law no. 324/2003, as amended and supplemented.

Expenses shall be completed according to the Implementing Regulation (EU) No. 995/2012 of the Commission of 26 October 2012 laying down the detailed rules for the implementation of Decision No. 1608/2003 / EC of the European Parliament and of the Council concerning the production and development of community statistics on science and technology, published in the Official Journal of the European Union, series L no. 299 / 27.10.2012.

\*\*\*\*) To be completed with the expenses for innovation activity under the Implementing Regulation (EU) No. 995/2012 of the Commission of 26 October 2012 laying down detailed rules for the implementation of Decision No. 1608/2003 / EC of the European Parliament and of the Council concerning the production and development of community statistics on science and technology, published in the Official Journal of the European Union, series L no. 299 / 27.10.2012.

\*\*\*\*\*) In the category of economic operators are not included entities regulated and supervised by the National Bank of Romania and the Financial Supervisory Authority, the companies reclassified to the public administration sector and non-profit institutions serving households.

\*\*\*\*\*) For receivables taken by assignment from legal persons both their nominal value and their purchase cost shall be completed.

For the status of "affiliated legal persons" shall be considered the provisions of art. 7 pt. 26 letters c) and d) of the Law no.227 / 2015 regarding the Fiscal Code, as further amended and supplemented.

\*\*\*\*\*) According to art. 11 of the Delegated Regulation (EU) No. 639/2014 of the Commission of 11 March 2014 supplementing Regulation (EU) No. 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes under the common agricultural policy and amending Annex X to the above Regulation "(1) ... income from agricultural activities is the income obtained by a farmer in his agricultural activity within the meaning of Article 4 paragraph (1) letter (c) of the abovementioned Regulation (R (EU) 1307/2013), under his farm, including Union support from the European Agricultural Guarantee (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) and any national support granted for agricultural activities, with the exception of the complementary national direct payments under articles 18 and 19 of the Regulation (EU) No. 1307/2013. Income from the farm agricultural products processing under article 4 paragraph (1) letter (d) of the Regulation (EU) No. 1307/2013 is considered income from agricultural activities provided that the processed products remain the property of the farmer and that such processing to result in another agricultural product within the meaning of article 4 paragraph (1) letter (d) of the Regulation (EU) no. 1307/2013.

Any other income is considered income from non-agricultural activities.

(2) For the purposes of paragraph (1) "income" means gross income before deducting the related costs and taxes. ...".

- 1) Includes rent paid for land occupied (crops, pastures, meadows, etc.) and related premises (terraces etc.) belonging to private owners or government units, including rent for use of the water for recreation or other purposes (fishing etc.)
- 2) At "Other liabilities related to natural and legal persons, other than liabilities in connection with public institutions (state institutions)" subsidies on the income in the account balance 472.
- 3) Securities conferring property rights on companies, which are negotiable and traded under the law.
- 4) Securities conferring property rights on companies, which are not traded.
- 5) To be completed by the economic operators who incidental to the provisions of the Ordinance no. 668/2014 for the approval of the Specification for the preparation and updating of the centralized inventory of real estate owned by the state and of the real rights subject to inventory, as further amended and supplemented.
- 6) In section "XII Paid Share Capital", row 194-204, in col. 2 and col. 4 the entities will register the percentage corresponding to the share capital held in the total paid up share capital registered at row 193.