

QUARTERLY REPORT
According to NSC Regulation No. 1 / 2006
QUARTER I 2017

Report date:15.05.2017

Name of the company: S.C. NATURA QUATTUOR ENERGIA HOLDINGS SA

Social offices: Bucharest, 5-7, Dimitrie Pompei St., Sector 2

Phone/fax number: 021.539.46.00/ 021 310 06 05

Sole Registration Code with Trade Registry RO 2695737

Trade Registry Number J40/3315/2009

Subscribed and paid up share capital: 3.605.948,40 lei

Regulated market on which the securities issued are traded: BSE Market

STATEMENT OF FINANCIAL POSITION
as at 31.03.2017

	01-Jan-17	31-Mar-17
ASSETS		
Tangible assets	2,645,155	2,599,771
Real estate properties	-	-
Intangible assets	121	88
Loans receivables	7,456,339	6,177,852
Financial assets	1,571,559	1,571,559
Deffered tax assets	77,776	77,776
Total fixed assets	11,750,950	10,427,046
Inventories	-	-
Loans receivables	-	-
Trade and other receivables	1,742,193	1,785,864
Prepayments	23,718	22,529
Cash and cash equivalents	54,877	17,077
Total current assets	1,820,788	1,825,470
Total assets	13,571,738	12,252,516
Share capital	4,910,395	4,910,395
Share premiums	4,064,177	4,064,177
Reevaluation rezerves	1,555,744	1,555,744
Legal reserves	24,479	24,479
Other reserves	14,459	14,459
Retained earnings / (Accumulated losses)	(4,538,647)	(6,990,323)
Result for the year	(2,451,676)	(604,208)
Total shareholders equity	3,578,931	2,974,723
Loans and borrowings	5,369,120	4,643,001
Bonds	2,724,660	2,730,660
Deffered tax liabilities	-	-
Total non-current liabilities	8,093,780	7,373,661

Trade and other payables	886,413	970,449
Loans and borrowings	740,148	797,150
Bonds	272,466	136,533
Total current liabilities	1,899,027	1,904,132
Total liabilities	9,992,807	9,277,793
Total shareholders Equity and Liabilities	13,571,738	12,252,516

ASSETS, LIABILITIES AND EQUITY STATEMENT
as at 31.03.2017

Element name		No.row	Sold an curent la:	
			01.01.2017 Audited	31.03.2017 Unaudited
A		B	1	2
A.	NON-CURRENT ASSETS			
	I. INTANGIBLE ASSETS			
	1. Development expenses (ct. 203-2803-2903)	1	0	0
	2. Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets (acc. 205+208-2805-2808-2905-2906-2908)	2	121	88
	3. Commercial estate (ct. 2071)	3	0	0
	4. Prepayments (ct. 4094)	4	0	0
	5. Intangible exploration and evaluation of mineral resources (206-2806-2907)	5	0	0
	TOTAL (rows 01 to 05)	6	121	88
	II. TANGIBLE ASSETS			
	1. Lands and buildings (acc. 211+212-2811-2812-2911-2912)	7	1,925,426	1,925,426
	2. Tehnical instalations and machines (acc. 213+223-2813-2913)	8	644,798	607,914
	3. Other instalations, equipment and furniture (acc. 214+224-2814-2914)	9	74,930	66,430
	4. Real estate investments (ct. 215-2815-2915)	10	0	0
	5. Tangible assets under execution (acc. 231-2931)	11	0	0
	6. Real estate investments under execution (acc. 235-2935)	12	0	0
	7. Tangible exploration and evaluation of mineral resources (acc. 216-2816-2916)	13	0	0
	8. Productive plants (acc 241-284-294)	14	0	0
	9. Prepayments (ct. 4093)	15	0	0
	TOTAL (row 07 at 15)	16	2,645,155	2,599,771
	III. BIOLOGICAL ASSETS (acc. 241-284-294)	17	0	0
	IV. FINANCIAL ASSETS			
	1. Investments in subsidiaries (acc. 261-2961)	18	1,571,559	1,571,559
	2. Loans granted to entities in the group (acc. 2671+2672-2964)	19	7,456,339	6,177,852
	3. Shares in associates and jointly controlled entities (acc. 262+263-2962)	20	0	0
	4. Loans granted to associates and jointly controlled entities (acc. 2673+2674-965)	21	0	0
	5. Other long term investments (acc. 265+266-2963)	22	0	0
	6. Other loans (acc. 2675*+2676*+2677+2678*+2679*-2966*-2968*)	23	0	0
	TOTAL (row 18 at 23)	24	9,027,898	7,749,411
	FIXED ASSETS - TOTAL (row 07+16+17+24)	25	11,673,173	10,349,270
B.	CURRENT ASSETS			
	I. INVENTORIES			

1. Raw materials and consumables (acc. 301+302+303+/-308+321+322+323+328+351+358+381+/-388-391-392-3951-3958-398)	26	0	0
2. Assets held for sale (acc. 311)	27	0	0
3. Production under execution (acc. 331+341+/-348*-393-3941-3952)	28	0	0
4. Finished products and merchandise (acc. 327+345+346+347+/-348*+354+357+371+-378-3945-3946-3953-3954-3957-397-4428)	29	0	0
5. Prepayments (acc. 4091)	30	0	0
TOTAL (rd. 26 la 30)	31	0	0
II.RECEIVABLES (Amounts to be cashed after a period greater than one year must be shown separately for each item)			
1. Trade receivables1 (acc. 2675*+2676*+2678*+2679*-2966*-2968*+411+413+418-491)	32	1,521,110	1,527,093
2. Advances paid(acc. 4092)	33	8,425	8,425
3. Amounts receivable from group entities (acc. 451*-495)	34	18,176	28,052
4. Amounts receivable from associates and jointly controlled entities (acc. 453-495*)	35	0	0
5. Claims resulting from derivatives transactions (acc. 465)	36	0	0
6. Other receivables (acc. 425+4282+431**+437**+4382+441**+4424+4428**+444**+445+446**+447**+4482+4582+461+473**-496+5187)	37	272,259	300,069
7. Subscribed capital and not paid (acc. 456-495*)	38	0	0
TOTAL (rows. 32 la 38)	39	1,819,970	1,863,640
III. SHORT-TERM INVESTMENTS (acc. 505+506+507+508-595-596-598+5113+5114)			
IV. CASH AND BANK ACCOUNTS (acc. 5112+512+531+532+541+542)			
CURRENT ASSETS - TOTAL (rows 31+39+40+41)	42	1,874,847	1,880,717
C. PREPAID EXPENSES (ct. 471) (rd. 44 + 45)	43	23,718	22,529
Short term portion (from acc 471*)	44	23,718	22,529
Long term portion (from acc 471*)	45	0	0
D. DEBTS: TO BE PAID IN A PERIOD OF UP TO ONE YEAR			
1. Debenture loans, presenting separately from the issue of convertible bond loans (acc. 161+1681-169)	46	272,466	136,533
2. Amounts owed to credit institutions (acc. 1621+1622+1624+1625+1627+1682+5191+5192+5198)	47	0	0
3. Advances collected for orders(acc. 419)	48	0	0
4. Trade payables ---- suppliers (acc. 401+404+408)	49	192,744	223,988
5. Bills to pay (acc. 403+405)	50	0	0
6. Debts from financial leasing operations (acc. 406)	51	0	0
7. Amounts owed to group entities(acc. 1661+1685+2691+451***)	52	958,413	1,013,927
8. Amounts owed to associates and jointly controlled entities (acc. 1663+1686+2692+453***)	53	0	0
9. Liabilities resulting from operations with derivatives (acc. 465)	54	0	0
10.Other debts including tax and social security (acc. 1623+1626+167+1687+2693+421+422+423+424+426+427+4281+431***+437***+4381+441***+4423+4428***+444***+446***+447***+4481+455+456***+457+4581+462+473***+509+5186+5193+5194+5195+5196+5197)	55	475,404	529,684
TOTAL (rows 46 at 55)	56	1,899,027	1,904,132
E. NET CURRENT ASSETS/NET CURRENT LIABILITIES (rows 42+44-	57	-463	-885

	56-74-77-80)				
F.	TOTAL ASSETS LESS CURRENT LIABILITIES (rows 25+57)	58	11,672,710	10,348,384	
G.	DEBTS: TO BE PAID IN A PERIOD OF MORE THAN ONE YEAR				
	1. Debenture loans, presenting separately from the issue of convertible bond loans (acc. 161+1681-169)	59	2,724,660	2,730,660	
	2. Amounts owed to credit institutions (acc. 1621+1622+1624+1625+1627+1682+5191+5192+5198)	60	0	0	
	3. Advances collected for orders (acc. 419)	61	0	0	
	4. Trade payables ---- suppliers (acc. 401+404+408)	62	0	0	
	5. Bills to pay (acc. 403+405)	63	0	0	
	6. Debts from financial leasing operations (acc. 406)	64	0	0	
	7. Sume datorate entitatilor din grup (ct. 1661+1685+2691+451***)	65	4,977,443	4,276,068	
	8. Amounts owed to associates and jointly controlled entities (acc. 1663+1686+2692+453***)	66	0	0	
	9. Liabilities resulting from operations with derivatives (acc. 4651)	67	0	0	
	10. Other debts including tax and social security (acc. 1623+1626+167+1687+2693+421+422+423+424+426+427+4281+431***+437***+4381+441***+4423+4428***+444***+446***+447***+4481+455+456***+457+4581+462+473***+509+5186+5193+5194+5195+5196+5197)	68	391,677	366,933	
	TOTAL rows 59 at 68)	69	8,093,780	7,373,661	
H.	PROVISIONS				
	1. Provisions for employee benefits (acc. 1517)	70	0	0	
	2. Other provisions (acc. 1511+1512+1513+1514+1518)	71	0	0	
	TOTAL (rows 70+71)	72	0	0	
I.	INCOME COLLECTED IN ADVANCE				
	1. Subsidies for investments (acc. 475)(row 73+74)	73	0	0	
	Short term portion (from acc 475*)	74	0	0	
	Long term portion (from acc 475*)	75	0	0	
	2. Deferred income (acc. 472) --- total (rows 70+71), which:	76	0	0	
	Short term portion (acc. 472*)	77	0	0	
	Long term portion (acc. 472*)	78	0	0	
	3. Income received in advance for assets transferred from customers (acc. 478)	79	0	0	
	Short term portion (from acc 478*)	80	0	0	
	Long term portion (from acc 478*)	81	0	0	
	TOTAL (rows 73+76+79)	82	0	0	
J.	CAPITAL AND RESERVES				
	I. CAPITAL				
	1. Subscribed capital paid (acc. 1012)	83	3,605,948	3,605,948	
	2. Subscribed capital unpaid (acc. 1011)	84	0	0	
	3. Subscribed capital representing financial liabilities ² (acc. 1027)	85	0	0	
	4. Adjustments of capital (acc. 1028)	SOLD C	86	1,304,446	1,304,446
		SOLD D	87		
	5. Other elements of equity (acc. 1027)	SOLD C	88	0	0
		SOLD D	89		
	TOTAL (rows 83+84+85+86-87+88-89)	90	4,910,395	4,910,395	
	II. SHARE PREMIUM (acc. 104)	91	4,064,177	4,064,177	
	III. REVALUATION RESERVES (acc. 105)	92	1,555,744	1,555,744	
	IV. REZERVES				
	1. Legal reserves (acc. 1061)	93	24,479	24,479	
	2. Statutory or contractual reserves (acc. 1063)	94	0	0	
	3. Other rezerves (acc. 1058)	95	14,459	14,459	

TOTAL (rows 93 at 95)		96	38,938	38,938
Exchange difference on translating individual annual financial statements in a currency different from the presentation currency Functional(acc. 1072)	SOLD C	97	0	0
	SOLD D	98		
Own shares(acc. 109)		99	0	0
Earnings related to own equity instruments(acc. 141)		100	0	0
Losses related to own equity instruments (acc. 149)		101	0	0
V. REPORTED RESULT, RETAINED EARNINGS EXCEPT FOR THE FIRST TIME ADOPTION OF IAS 29 (acc. 117)	SOLD C	102		
	SOLD D	103	3,234,200	5,685,877
VI. REPORTED RESULT FROM ADOPTION FOR THE FIRST TIME OF IAS 29 (acc. 118)	SOLD C	104		
	SOLD D	105	1,304,446	1,304,446
VII. PROFIT OR LOSS AT THE END OF REPORTING PERIOD (acc. 121)	SOLD C	106	0	0
	SOLD D	107	2,451,676	604,208
Distribution of profit (acc. 129)		108	0	0
EQUITY --- TOTAL (rows 90+91+92+96+97-98-99+100-101+102-103+104-105+106-107-108)		109	3,578,931	2,974,723
Private patrimony (ct. 1023)		110	0	0
Public patrimony (ct. 1026)		111	0	0
EQUITY --- TOTAL (rd. 109+110+111)		112	3,578,931	2,974,723

STATEMENT OF COMPREHENSIVE INCOME

as of 31.03.2017

	31-mar-16	31-mar-17
Revenues from services rendered	-	-
Other revenues	8,576	9,113
Total revenues	8,576	9,113
Third party services	(176,525)	(187,755)
Personnel expenses	(280,930)	(288,921)
Other operating expenses	(7,915)	(51,183)
Fair value gains / (losses) from investment properties, net	-	-
Total operating expenses	(465,370)	(527,859)
Operating result	(456,765)	(518,746)
Financing costs	(106,064)	(122,674)
Financing income	51,864	52,308
Foreign exchange expense, net	(36,351)	(15,096)
Other financial items, net	-	-
Financial result	(90,551)	(85,462)
Gross profit	(547,345)	(604,208)
Current income tax expense	-	-
Deferred income tax expense	-	-
Total income tax	-	-
Net profit / (loss) for the period	(547,345)	(604,208)
Other comprehensive income	-	-
Total comprehensive income	(547,345)	(604,208)

PROFIT AND LOSS STATEMENT

as of 31.03.2017

Indicators		No.ro w	Reporting period	
			31.03.201 6 Unaudite d	31.03.201 7 Unaudite d
A		B	1	2
1	Net turnover (rows 02+03-04+05)	1	8,546	9,113
	Sold production (acc. 701+702+703+704+705+706+708)	2	8,546	9,113
	Income from sale of goods (acc. 707)	3	0	0
	Granted trade discounts (acc. 709)	4	0	0
	Income from subsidies related to turnover (acc. 7411)	5	0	0
2	Income related to cost of product inventories (acc. 711)			
	SOLD C	6	0	0
	SOLD D	7		

3	Income from asset production and real estate investments (rows 09+10)	8	0	0
4	Income from production of tangible and intangible assets (acc. 721+722)	9	0	0
5	Income from real estate investments production (acc. 725)	10	0	0
6	Income from current assets (or disposal groups) held for sale (acc. 753)	11	0	0
7	Income from tangible and intangible assets reevaluation (acc. 755)	12	0	0
8	Income from real estate investments (acc. 756)	13	0	0
9	Income from biological assets and agricultural products (acc. 757)	14	0	0
10	Income from subsidies (acc. 7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)	15	0	0
11	Other operating income (acc. 758+7419)	16	31	0
	of which, income from investment subsidies (acc 7584)	17	0	0
OPERATING INCOME -- TOTAL (rows 01+06-07+08+11+12+13+14+15+16)		18	8,576	9,113
12	a) Expenses related to raw materials and consumables(acc. 601+602-7412)	19	0	566
	Other expenses with materials (acc. 603+604+608)	20	2,904	865
	b) Other external expenses (energy and water) (acc. 605-7413)	21	1,328	3,809
	c) Expenses related to stocks (acc. 607)	22	0	0
	Received trade discounts (acc. 609)	23	0	0
13	Staff expenses (rows 25+26), in which:	24	280,930	288,921
14	a) Wages and salaries (acc. 641+642+643+644+7414)	25	232,858	239,364
	b)Expenses related to social security and welfare (acc. 645-7415)	26	48,072	49,557
15	a) Value adjustments on tangible and intangible assets, investment properties and biological assets measured at cost (rows 28-29)	27	4,971	45,417
	a.1) Expenses (acc. 6811+6813+6816+6817)	28	4,971	45,417
	a.2) Income(acc. 7813+7816)	29	0	0
	b) Value adjustments on assets (rows 30-31)	30	0	0
	b.1) Expenses (acc. 654+6814)	31	0	0
	b.2) Income (acc. 754+7814)	32	0	0
16	Other operating costs (rows 34 to 42)	33	175,239	188,281
17	15.1) Expenses related to external supply (acc.611+612+613+614+621+622+623+624+625+626+627+628-7416)	34	175,197	183,974
	15.2) Expenses related to taxes, duties and similar; expenses representing transfers and contributions due under special regulations (acc. 635+6586)	35	0	2,364
	15.3) Expenses with environmental protection (acc. 652)	36	0	0
	15.4) Expenses related to assets (or disposal groups) held for sale (acc. 653)	37	0	0
	15.5) Expenses from revaluation of tangible and intangible assets (acc. 655)	38	0	0
	15.6) Expenses from real estate investments (acc. 656)	39	0	0
	15.7) Expenses related to biological assets and agricultural products (acc. 657)	40	0	0
	15.8) Expenses related to disasters and other similar events (acc. 6587)	41	0	0
	15.9) Other expenses (acc. 6581+6582+6583+6585+6588)	42	42	1,943

	Value adjustments for provisions (rows 44-45)	43	0	0
	-- Expenses (acc. 6812)	44	0	0
	-- Income (acc. 7812)	45	0	0
OPERATING COSTS -- TOTAL (rows 19 to 22-23+24+27+30+33+43)		46	465,371	527,859
OPERATING PROFIT OR LOSS		47	0	0
	-- Profit (rows 17-45)	48	456,795	518,746
	-- Loss (rows 45-17)	48	456,795	518,746
1 6	Income from shares held in subsidiaries (acc. 7611)	49	0	0
1 7	Income from shares held in associated entities (ct. 7612)	50	0	0
1 8	Income from shares held in associated and jointly controlled entities (acc. 7613)	51	0	0
1 9	Income from operations with securities and other financial instruments (acc. 762)	52	0	0
2 0	Income from operations with derivatives (acc. 763)	53	0	0
2 1	Income from exchange rate differences (acc. 765)	54	119,265	155,594
2 2	Income from interest rates (acc. 766*)	55	51,864	52,308
	-- out which revenues from group entities	56	51,862	50,058
2 3	Income from subsidies for interest due (acc 7418)	57	0	0
2 4	Income from short term investments (acc 7617)	58	0	0
2 5	Other financial income (acc. 7615+764+767+768)	59	0	0
FINANCIAL INCOME -- TOTAL (rows 49+50+51+52+53+54+55+57+58+59)		60	171,129	207,902
2 6	Value adjustments on financial assets and financial investments held as current assets (rows 62-63)	61	0	0
	-- Expenses (acc. 686)	62	0	0
	-- Income (acc. 786)	63	0	0
2 7	Expenses on operations with securities and financial instruments (acc. 661)	64	0	0
2 8	Expenses related to operations with derivatives(acc. 662)	65	0	0
2 9	Expenses regarding interest rates (acc. 666*-7418)	66	106,064	122,674
	-- out which expenses in relation to group entities	67	25,816	36,025
3 0	Other financial expenses (acc. 663+664+665+667+668)	68	155,616	170,690
FINANCIAL EXPENSES -- TOTAL (rows 61+64+65+66+68)		69	261,680	293,364
FINANCIAL PROFIT OR LOSS:		70	0	0
	-- Profit (rows 60-69)	71	90,550	85,462
	-- Loss (rows 69-60)	71	90,550	85,462
TOTAL INCOME (rows 18+60)		72	179,705	217,015
TOTAL EXPENSE (rows 46+69)		73	727,050	821,223
3 1	GROSS PROFIT OR LOSS	74	0	0
	-- Profit (rows 72-73)	75	547,345	604,208
	-- Loss (rows 73-72)	75	547,345	604,208
3 2	Current income tax (acc. 691)	76	0	0
3 3	Deferred income tax (acc. 692)	77	0	0
3	Deferred income tax assets (acc. 792)	78	0	0

4				
3	Other taxes not shown above (acc. 698)	79	0	0
5				
3	NET PROFIT OR LOSS FOR THE REPORTING PERIOD:			
6	-- Profit (rows 74-76-77+78-79)	80	0	0
	-- Loss (rows 75+76+77-78+79) (rows 76+77+79-74-78)	81	547,345	604,208

STATEMENT OF CHANGES IN EQUITY

	December 2015	March 2016	December 2016	March 2017
Share capital	3.605.948	3.605.948	3.605.948	3.605.948
Share capital adjustment	1.304.446	1.304.446	1.304.446	1.304.446
Share premiums	4.064.177	4.064.177	4.064.177	4.064.177
Revaluation reserves	1.549.831	1.549.831	1.555.744	1.555.744
Other reserves	38.938	38.938	38.938	38.938
Retained earnings	(4.147.195)	(3.401.986)	(4.538.647)	(6.990.323)
Profit/loss	(391.451)	(547.345)	(2.451.676)	(604.208)
Distributed profit				
Total equity	6.024.695	6.614.009	3.578.931	2.974.723

The financial statements were not audited as of 31.03.2017

Explanatory notes:

NOTE 1: FIXED ASSETS

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Fixed assets element*	Gross Value**				Impairments*** (depreciations and impairments for depreciation or loss of value)			
	Balance as of 01.01.2017	Increase ****	Transfers and other decreases	Balance as of 31.03.2017	Balance as of 01.01.2017	Impairments registered during the financial exercise	Reductions or restatements	Balance as of 31.03.2017
Establishment expenses	0	0	0	0	0	0	0	0
Development and research expenses	0	0	0	0	0	0	0	0
Other non tangible assets	2,343	0	0	2,343	2,222	33		2,255
Licenses, patterns	0	0	0	0	0	0	0	0
Advance payments and other non current assets	0	0	0	0	0	0	0	0
Total non tangible assets	2,343	0	0	2,343	2,222	33	0	2,255
Land	1,925,426	0	0	1,925,426	0	0	0	0
Buildings and special constructions	0	0	0	0	0	0	0	0
Equipments	0	0	0	0	0	0	0	0
Measure and control equipment	0	0	0	0	0	0	0	0
Transportation means	736,829	0	0	736,829	92,031	36,885	0	128,916
Furniture and office appliances	135,133	0	0	135,133	60,203	8,500	0	68,703
Advance payments and current assets in progress	0	0	0	0	0	0	0	0
Total tangible assets	2,797,388	0	0	2,797,388	152,234	45,385	0	197,619
Participation titles	1,571,559	0	0	1,571,559	0	0		0
Financial assets	7,827,189	0	0	7,827,189	0	0	0	0
TOTAL FIXED ASSETS	10,626,920	0	0	10,626,920	154,456	45,418	0	199,874

GROSS VALUE OF ASSETS

Asset element	Balance as of 01 January 2017	Balance as of 31 March 2017
Non tangible assets	2.343	2.343
Tangible assets	2.797.388	2.797.388
Financial assets	9.105.676	7.827.189
TOTAL NET VALUE	11.905.407	10.626.920

Tangible Assets

The tangible assets of the company as at 31 March 2017 contain a land located in Mogosoaia locality, obtained following the merger by absorption process ended as of 31 December 2010.

Financial assets

As at 31 March 2017, the Company owns participation titles in the following entities:

Entity	Country of registration	Object of activity	Percentage owned	Cost	Provision	Net value
Codlea Alpha Solar	Romania	Renewable energy production	95%	950		950
NQE Zalokosta (fost Codlea Unu Solar)	Romania	Renewable energy production	99%	990		990
Codlea Bravo Solar	Romania	Renewable energy production	99%	990		990
NQE Hydro (fost Deal Solar)	Romania	Renewable energy production	95.24%	1.000		1.000
NQE Solar Habitat (fost Nqe Aqua)	Romania	Real Estate Development	83.33%	135.767		135.767
Deal Properties SRL	Romania	Renewable energy production	24.62%	1.089.650		1.089.650
NQE Central Habitat	Romania	Real Estate Development	51%	510		510
NQE Solar 2	Romania	Real Estate Development	95.2%	1.190		1.190
Greek Production of Olympus	Greece	Agriculture	88.36%	332.751		332.751
Vospolimno Holdings	Greece	Activitati ale holdingurilor	100%	6.771		6.771
NQE Developments	Romania	Real Estate Development	99%	990		990
Total				1.571.559		1.571.559

NOTE 2: PROVISIONS

Provision	Balance as at 01 January 2017	Transfer in the account	Transfer from the account	Balance as at 31 March 2017
Provisions for financial assets	-	-		
Total	-	-		

NOTE 3: PROFIT DISTRIBUTION

As at 31 March 2016, respectively as at 31 martie 2017, the Company registered the following results:

Profit distribution	Financial exercise ended as at	Financial exercise ended as at
----------------------------	---------------------------------------	---------------------------------------

	31 March 2016	31 March 2017
Retained earnings to be distributed at the beginning of the financial year		
Net/to be distributed Profit/(loss)	(547.345)	(604.208)
- legal reserve		
- Accounting losses cover		
Not distributed Profit/(loss), retained earnings not distributed at the end of the financial exercise	(547.345)	(604.208)

NOTE 4: ANALYSIS OF THE OPERATING RESULT

	Financial exercise ended as at 31 March 2016	Financial exercise ended as at 31 March 2017
1. Net turnover	8.546	9.113
2. Cost of sold goods and services supplied, of which (3 + 4 + 5)	(465.370)	(527.859)
3. Expenses related to the core activity	(465.370)	(527.859)
4. Expenses related to secondary activities		
5. Indirect expenses related to production		
6. Gross result related to the net turnover (1 - 2)	(456.824)	(518.746)
7. Selling expenses		
8. General and administration expenses		
9. Other operating revenues	30	
10. Operating result (6 - 7 - 8 + 9)	(456.794)	(518.746)

NOTE 5: RECEIVABLES AND LIABILITIES STATEMENT

Receivables

	Receivables	Balance as at 01 January 2017	Balance as at 31 March 2017	Liquidity term for the period ended as at 31 March 2017	
				Below 1 year	Over 1 year
	Trade receivables				
1	Trade receivables –affiliates/other related parties	18.176	28.052	28.052	-
2	Trade receivables –third parties	1.521.110	1.527.093	1.527.093	-
3	Total Trade receivables	1.539.286	1.555.145	1.555.145	-
4	Depreciation impairments for trade receivables				-
5=3-4	Trade receivables, net	1.539.286	1.555.145	1.555.145	-
	Other receivables				

6	Amounts to be received from affiliates					-
7	Amounts to be received from entities with participation interests and other related parties					-
8	Other receivables	202.907	230.719	230.719		-
9	Total other receivables	1.742.193	1.785.864	1.785.864		-
10	Impairments for other receivables					
11=9-10	Other receivables, net	-	-	-		-
12	Subscribed and not paid up share capital	-	-	-		-
13	Total trade receivables and other receivables	1.742.193	1.785.864	1.785.864		-

Trade receivables are not interest bearing and generally have a payment term of 30-60 days. Trade receivables outstanding at 31 March 2017, will be collected during 2017.

Liabilities

	Liabilities	Balance as at 01 January 2017	Balance as at 31 March 2017	Maturity term for the balance as at 31 March 2017		
				Below 1 year	1 - 5 years	Over 5 years
1	Debenture loans	2,997,126	2.867.193	136.533	2.730.660	-
2	Amounts due to credit institutions	-				-
3	Advance payments received for orders					-
4	Trade liabilities – suppliers affiliates and other related parties					-
5	Trade liabilities – third party suppliers	690,859	698.847	331.914	366.933	-
6=3+4+5	Total trade liabilities	690,859	698.847	331.914	366.933	-
7	Commerce liabilities					-
8	Amounts due to affiliates	5,935,856	5,289,995	1,013,927	4,276,068	-
9	Amounts due to entities with participation interests and other related parties	-				-
10	Other liabilities including fiscal debts and other debts related to social insurances	368,966	421.758	421.758	-	--
11=7+8+9+10	Total	6,304,822	5.711.753	1.435.685	4.276.068	

NOTE 6: ACCOUNTING PRINCIPLES, POLICIES AND METHODS

- **Significant accounting principles**

The financial statements for the period ended as at 31 March 2017 have been prepared in accordance with the following accounting principles:

On going concern principle

The company will continue to operate normally in the foreseeable future without becoming unable to continue the activity or to significantly reduce it.

Consistency principle

Application of the same rules, methods, rules for assessing, recording and presentation in the accounts of assets, ensuring comparability of the financial information.

Prudence principle

In preparing the financial statements there were taken into account:

- All adjustments due to depreciation in valuation of assets;
- All foreseeable liabilities and potential losses that arose during the financial period ended.

Matching principle

All revenues and expenses of the exercise were taken into account, without taking into consideration the date of receipt or payment.

Valuation of asset and liability items

In order to establish the total value corresponding to a separate balance sheet position the individual value of the asset or liability element was determined.

Offsetting principle

The values of the assets were not balanced against the values of the liability items, ie income and expenses.

Substance over form principle

The information presented in the financial statements reflect the economic reality of events and transactions, not only their legal form.

The financial statements comprise the balance sheet, income statement, statement of changes in equity structure, cash flow statement and notes to the financial statements.

- **Basis of preparation of financial statements**

a) General information

These individual financial statements have been prepared in accordance with the requirements of Order no. 1286/2012 for the approval of accounting regulations in accordance with International Financial Reporting Standards (hereinafter "IFRS"), applicable to companies whose securities are admitted to trading on a regulated market and subsequent amendments.

According to the Minister of Public Finance no. 881/2012, starting with fiscal year 2014, the company has the obligation to apply International Financial Reporting Standards in preparing the individual annual financial statements.

Date of Transition to International Financial Reporting Standards was 1 January 2013.

The accounting records on which these financial statements have been prepared are made in lei ("RON") , at the historical cost, unless the fair value was used, according to the accounting policies of the Company and in accordance with OMF 1286/2015.

These financial statements are presented in lei ("RON") unless specifically not mentioned another currency used.

b) Use of accounting estimates

For preparation of financial statements, the Company's management makes certain estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and revenues and expenses reporting period. Actual results could differ from those estimates. Estimates are used, among other things, registration: provisions for doubtful debts, inventory impairment, depreciation / amortization, restructuring, tax, litigation, and other risks and expenses. These estimates are based, where appropriate, on the rules and methodologies issued by the competent authorities, in force when preparing financial statements.

Effect of change of accounting estimates is calculated prospectively and is included in the determination of net earnings related:

to the period in which the change was made, if it is the only period affected;

period in which the change was made and subsequent periods if the change affects them all

c) Foreign exchange

The transactions made in foreign currencies are translated into RON at the exchange rate ruling at the transaction date.

The exchange rate used for converting balances denominated in foreign currency at 31 March 2017 was 1 EUR = 4.5511 RON.

Monetary assets and liabilities denominated in foreign currency (cash and other similar items, such as bank deposits, receivables and payables in foreign currencies) should be evaluated and reported using the exchange rate of the National Bank of Romania valid on the date of closing the financial exercise. Exchange rate differences, favorable or unfavorable, between the date of registration of foreign currency debts or liabilities or the rate at which were reported in previous financial statements and the exchange rate of the closing date of the financial exercise, are recorded in financial income or expense, respectively.

d) Comparative statements

The financial statements as at 31 March 2017 shows the compatibility with the financial statements prepared on 31 March 2017.

e) Intangible assets

Concessions, patents, licences, trademarks and similar rights and assets

Concessions, patents, licences, trademarks and similar rights and assets are recorded in the accounts of intangible assets in the amount of intake or acquisition cost, respectively. In this situation assimilate input value fair value.

Concessions received are reflected as intangible assets when the concession contract establishes a length and a value determined for the concession. Depreciation concession will be recorded during its use, established according to contract.

Patents, licenses and other intangible assets are amortized using the straight-line method for a period of 5 years.

f) Tangible assets

Current assets are assets generating future economic benefits and held for more than one year. Land company are carried at revalued amount, reduced by the loss of value adjustments recorded.

On 31 December 2016, the Company recorded a valuation of land, in accordance with OMF 1286/2015 compiled by SC EURO VALUE PROPERTIES SRL, authorized independent evaluator. Evaluation of tangible assets (land) was achieved by market value method.

Decreasing the carrying amounts of land revalued were recorded in equity to revaluation reserves.

The initial cost of property and equipment consists of the purchase price, including import duties and non-recoverable purchase taxes and any costs directly attributable to bringing the asset to location and operating conditions. Expenditure incurred after the asset has been put into operation, such as repairs and maintenance and administrative costs, are normally recorded in the income statement in the period in which they occurred. In case it can be demonstrated that these expenses resulted in an increase in future economic benefits expected to be obtained from the use of an item of fixed assets initially valued over performance standards, the expenditure is capitalized as additional cost.

The initial cost of a tangible can be included initially estimated dismantling costs and relocation of to deregistration, as well as restoring the site on which it is positioned restraint, when such amounts can be estimated reliably and related entity has an obligation dismantling, removal and restoration of tangible fixed assets of the site. The expected costs of dismantling and moving tangible fixed assets, and those with site restoration are recognized in current asset value, in correspondence with an allowance account.

Economic lifetime is the period in which an asset is expected to be available for use by an entity or the number of units produced what are expected to be obtained by using asset.

Depreciation is the systematic allocation of the depreciable amount of an asset over its remaining useful life. The life and depreciation method are reviewed periodically, so there is a consistent expectations regarding the economic benefits of such assets.

Land is not depreciated as it is deemed to have an indefinite life..

g) Financial assets

The financial assets include shares in affiliated entities, loans granted to affiliated entities, participating interests, loans granted to entities which the company is linked by virtue of participating interests and other investments held as fixed assets and other loans.

The financial assets are initially recorded at cost or acquisition value as determined by their contract. The financial assets are subsequently recorded at the entry value less value adjustments for impairment.

h) Trade receivables

Trade receivables are recognized and carried at original invoice amount less valuation allowances for uncollectible amounts. Adjustments for impairment is established when there is evidence that the Company will not be able to collect receivables originally agreed maturity.

The Company reviews its trade receivables recorded a specific provision to clients that the company is in dispute.

i) Cash and cash equivalents

Cash and cash equivalents consist of cash, bank accounts, short-term bank deposits, checks and notes being deposited to banks being recorded at cost.

j) Loans

Short and long term loans denominated in foreign currencies are initially recorded in the reporting currency (leu), applying the foreign currency amount the exchange rate between the reporting currency and foreign currency at the transaction date.

The short-term long-term loans is classified in the "debt to be paid within a period of up to one year" and included together with interest accrued to the balance sheet date in "Amounts owed to credit institutions" under current liabilities.

k) Liabilities

Commercial obligations are recorded at cost, which represents the value of the obligation will be paid in future for goods and services received, whether or not billed to the Company.

l) Provisions for risks and expenditure

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and duty can be estimated reliably.

The provision for taxes is constituted for payment amounts to the state budget, given that those amounts do not appear reflected as a liability in the relationship with the state.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate of Management in this regard. Where to settle an obligation is no longer probable that an outflow of resources, provision must be canceled by resuming revenue.

m) Share capital

The company recognizes changes in the share capital only after their approval by the General Meeting of Shareholders.

n) Legal reserve

In accordance with the legislation in Romania, companies must assign a value equal to at least 5% of profit before tax in legal reserves until they reach 20% of the share capital. When that has been achieved. The Company may make additional allocations depending on their needs.

o) Revaluation reserve

The revaluation reserves were initially established in accordance with HG 1553/2003, in order to reflect the surplus resulting from the revaluation of fixed assets.

The last revaluation was performed by the Company on 31 December 2014, in order to bring the value of land owned by the Company at their fair value. According to the Ministry of Public Finance Order no. 1286/2015, land evaluation was performed by an independent certified appraiser .

p) The result of period

All the elements of nature income and expenses recognized in the current period are included in determining net result of financial year.

q) Dividends

Dividends are recognized as a liability in the period in which their distribution is approved. Distributions are made after approving the financial statements.

r) Taxes and fees

The Company recorded current income tax in accordance with Romanian legislation in force at the date of the financial statements. Debts relating to taxes are recorded in the period to which it relates.

Calculation of current tax is based on the results reported in the income tax declaration drawn up based on the Company's financial statements, prepared in accordance with Romanian accounting standards and adjusted for certain items according to the legislation.

Current income tax is calculated as a percentage of accounting profit obtained under Romanian legislation, adjusted for certain positions by tax legislation (with deductible expenses and tax deductible expenses or taxable income and taxable income) at a rate of 16%.

For current liabilities (legal or constructive) relating to payment of debts to the state and other local authorities, resulting from past events, for which extinction is likely to be needed an outflow of resources or a reduction of receivables that affect the economic benefits are recognized provisions for taxes if a reliable estimate can be made of the value of these obligations.

s) Financial instruments

Financial instruments used by the Company consist primarily of cash, term deposits, receivables, payables and amounts owed to credit institutions. The instruments of this type are evaluated according to specific accounting policies presented in Note 6 "principles, policies and accounting methods".

f) Revenues

Revenues are recorded when the significant risks and rewards of owning the goods are transferred to the customer's property. The amounts representing revenues do not include sales tax (VAT), but include commercial discounts granted

Revenues from services are recognized in the period in which they were provided in correspondence with the stage of completion.

u) Operating expenses

Operating expenses represent amounts paid or payable, net of VAT, caused by construction activity basis and are recognized in the period to which it relates.

v) Financial expenses

Financial expenses comprise interest on loans contracted for the financial year in progress, and exchange rate differences.

w) Borrowing costs

Interest expenses are recognized in the income statement in the period to which it relates.

x) Related parties

They are considered related parties those associates who have by ownership, by contractual rights through family relationships or otherwise, ability to control, direct or indirect, or influence significantly the other part. (Note 10 (b))

y) Correction of accounting errors

According to OMF Order 1286/2015 with subsequent modifications, prior period errors are omissions and misstatements in the financial statements of the Company for one or more prior periods arising from mistake to use, or not to use, credible information that was available at the time the financial statements for those periods were approved for issue. Such errors include the effects of mathematical mistakes, mistakes of application of accounting policies, ignorance or misinterpretation of events. Correcting errors in accounting is performed by the Company on account of retained earnings and recorded in the annual financial statements.

z) Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Company's position at the balance sheet date (events which lead to the adjusting the financial statements) are reflected in the financial statements. Events after the balance sheet date which are not adjusting the financial statements are presented in notes if they are significant.

aa) Debt and Contingent liabilities

A contingent liabilities is :

- a possible obligation that arises from past events prior to balance date and whose existence will be confirmed only after the appearance or non-appearance of one or more uncertain future events that may not be entirely under the control of the Company; or
- obligation that arises from past events prior to balance date, but is not recognized because:
- is not sure outflow of resources will be required to settle the debt; or
- amount of debt can not be evaluated with sufficient reliability. Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements; This is shown when an entry is probable that future economic benefits.

bb) Going concern

These financial statements have been prepared on a going concern basis which assumes that the Company will continue in the foreseeable future.

On 31 March 2017, the Company recorded a loss in value of 604.208 lei.

Management believes that the support provided by shareholders and cashing in the trade receivables will be sufficient to allow the activity and debt repayment in the normal course of operating activity, without the need for substantial sales of assets, determined by external factors forced interruption of its operations or other similar actions .

NOTE 7: PARTICIPATIONS AND FINANCING SOURCES

Share Capital

Share capital structure of the Company as at 31 March 2017 is the following :

Shareholders	No. Of shares	Nominal value in RON	Total value RON	Percentage owned
Green Southeast Europe Investments	8.260.715	0,10	826.072	22.91%
Framecell Ltd	5.596.758	0,10	559.676	15.52%
Legal persons	12.678.955	0.10	1.267.896	35.16%
Physical persons	9.523.056	0.10	952.305	26.41%
Total	36.059.484		3.605.949	100.00%

Share capital structure of the Company as at 1 January 2017 is the following:

Shareholders	No. Of shares	Nominal value in RON	Total value RON	Percentage owned
Green Southeast Europe Investments	8,260,715	0,10	826,072	22.91%
Framecell Limited	5,596,758	0,10	559,676	15.52%
SSIF Ieba Trust	3,557,239	0,10	355,724	9.86%
Cornerstone Investments Limited	3,057,000	0,10	305,700	8.48%
Unstop Holdings Ltd	2,116,000	0,10	211,600	5.87%
Other shareholders	13,471,772	0,10	1,347,177	37.36%
Total	36,059,484		3,605,948	100.00%

As of 30 September 2010 S.C. Delta Fox Proprietati SRL, S.C. India Tango Proprietati SRL, S.C. Delta Papas SRL, S.C. Sierra Golf Proprietati SRL merged by absorption with Scapis SA.

The merger process took place according to the merger by absorption prospectus of SC Scapis SA with the companies S.C. Delta Fox Proprietati SRL, S.C. India Tango Proprietati SRL, S.C. Delta Papas SRL, S.C. Sierra Golf Proprietati SRL. as of 26 November 2010, to the General Associates Resolutions of S.C. Delta Fox Proprietati SRL, S.C. India Tango Proprietati SRL, S.C. Delta Papas SRL, S.C. Sierra Golf Proprietati SRL as of 30 December 2010 and the General Shareholders Meeting Resolution of S.C. Scapis SA as of 30 December 2010, compliant with Law 31/1990 regarding trading companies as further amended.

Following the merger, the assets and liabilities of the absorbed companies were transferred to the acquiring company, Scapis SA, the effective date of the merger being 31 December 2010.

In exchange for absorbing the assets and liabilities of the companies Delta Fox Proprietati SRL, India Tango Proprietati SRL, Delta Papas SRL, Sierra Golf Proprietati SRL, the absorbing company Scapis SA (subsequently renamed to Natura Quattuor Energia Holdings) issued on May 26, 2011 a total of 28,276,915 new shares with a nominal value of 0.1 RON / share.

The share capital increase following the merger process was amounted to 2.827.692 RON.

During 2015, the company has increased its share capital from 2.917.691,50 Ron to 3.605.948,40 Ron. Also, the share premium increase by 2.115.466 Ron.

NOTE 8: INFORMATION ON EMPLOYEES, MEMBERS OF THE ADMINISTRATION, MANAGEMENT AND SUPERVISION BODIES

Remuneration of the Board of Directors is made according to the Board of Directors resolution.

As at 31 March 2017 the Company has no obligations related to post retirement benefits to former directors or managers. No loans were granted to directors or executives. The members of the administration, management and supervision of the company did not receive loans.

During 2017 the Company had a total of 7 employees.

Manager remuneration expenses recorded during the years 2016 - 2017 are:

	Financial exercise ended as at 31 March 2016	Financial exercise ended as at 31 March 2017
Expenses related to Manager remuneration	19.248	92.358
Total	19.248	92.358

	Financial exercise ended as at 31 March 2016	Financial exercise ended as at 31 March 2017
Expenses related to employees remuneration	232.858	239.364
Expenses related to social securities	48.072	49.557
Total	280.390	288.921

NOTE 9: ANALYSIS OF THE MAIN ECONOMIC-FINANCIAL INDICATORS

	31 martie 2017
Current Liquidity	0.96
Debt-to-equity	2.48
Receivables turnover - customers	-
Liabilities turnover - suppliers	-
Intangible assets turnover	-
Total assets turnover	-

NOTE 10: OTHER INFORMATION

a) Information on the Company

S.C. Natura Quattuor Energia Holdings SA ("Company") is a joint stock company established in 1990, with the social offices in Bucharest, 5-7 Dimitrie Pompei Bvd., District 2, Romania. The Company is registered with the Trade Registry under no. J40/3315/2009.

The Articles of Incorporation of S.C. NATURA QUATTUOR ENERGIA HOLDINGS SA stipulates under art. 5 "Field and object of activity of the Company" that the main object of activity of the Company is Holding activities " NACE Code 6420.

In 2012, the Company changed its name into S.C. NATURA QUATTUOR ENERGIA HOLDINGS SA, from formerly SC Scapis SA.

The Company is listed on the regulated market of Bucharest Stock Exchange, Standard category, under the trading symbol SCPS.

The shareholding structure as at 31 March 2017 is presented under Note 7.

b) Information on affiliated and other related parties

Type of transactions with affiliates and other related parties

Nume	Natura relatiei	Tip tranzactii	Tara de origine
Tsamis Georgios	Administrator	Loans received	Greece
Argyrios Volis	Administrator	Loans received	Greece
Panagiotis Diamandis	Shareholder	Loans received	Greece
Stavros Nteventzis	Shareholder	Loans received	Greece
Savvopoulos Vasileios	Shareholder	Loans received	Greece
Framecell Limited	Shareholder	Loans received	Cyprus
Coronedo Limited	Shareholder	Loans received	Cyprus
Green Southeast Europe	Shareholder	Loans received	Cyprus
Codlea Alpha Solar	Subsidiary	Loans granted	Romania
NQE Zalokosta (Codlea Unu Solar)	Subsidiary	Loans granted	Romania
Codlea Bravo Solar	Subsidiary	Loans granted	Romania
NQE Hydro (Deal Solar)	Subsidiary	Loans granted	Romania
NQE Solar Habitat (Nqe Aqua)	Subsidiary	Loans granted	Romania
Deal Properties SRL	Subsidiary	Loans granted	Romania
NQE Central Habitat	Subsidiary	Loans granted	Romania
NQE Solar 2	Subsidiary	Loans granted	Romania
Hygeia Soil	Subsidiary	Loans granted	Romania
Greek Production of Olympus	Subsidiary	Loans granted	Greece
Vospolimno Holdings	Subsidiary	Loans granted	Greece
NQE Developments	Subsidiary	Loans granted	Greece

Amounts due and receivables from affiliates and other related parties

Amounts due to affiliates

	Balance as at 31 March 2017
Framecell Limited	148.661
Green Southeast Europe Investments	4.127.407
Coronedo Limited	13.653
Stavros Nteventzis	473.315
Georgios Tsamis	45.511
Argyris Volis	156.728
Greek Production of Olympus	324.720
Savvopoulos Vasileios (Obligatiuni)	496.070
Total	5.786.065

Receivables from affiliates as at 31 March 2017:

During 2016-2017 the Company granted loans to companies in which it holds securities as participation interests in order for them to obtain work permits for development projects in renewable energy.

Name	Type of transaction	Amount	Interest
Vospolimno Holdings	Loans granted	15.929	32.352
NQE Hydro (fost Deal Solar)	Loans granted	1.420.799	174.976
Codlea Alpha Solar	Loans granted	665.927	18.050
NQE Zalokosta (fost Codlea Unu Solar)	Loans granted	162.854	79.964
Codlea Bravo Solar	Loans granted	71.754	2.479
Deal Properties SRL	Loans granted	2.261.445	426.151
Deal Properties	Assignment of receivables	927.896	
NQE Solar Habitat (fost NQE Aqua)	Loans granted	303.238	23.312
Greek Production of Olympus	Loans granted	386.844	12.776
NQE Central Habitat	Loans granted	11.578	547.1
NQE Solar 2	Loans granted	260.958	6.425
Hygeia Soil	Loans granted	-	-

NQE Developments	Loans granted	62.100	155
TOTAL		6.551.321	777.184

c) Method for conversion of assets, liabilities, income and expenses from foreign currency to local currency

Description under Note 6, paragraph c) „Foreign exchange”

d) Information on tax on income

Tax on income	FINANCIAL EXERCISE	
	31 martie 2016	31 martie 2017
Accounting profit	(547.345)	(604.208)
Deductions and taxable income		
Non deductible expenses		
Tax losses carried forward	(805.390)	(2.305.598)
Fiscal liability		
Taxable profit	(1.352.735)	(2.909.806)
Tax on income		
Fiscal liability		
Fiscal Loss	(1.352.735)	(2.909.806)

e) Total of sales

Sales on geographical regions:

	Sales 31 March 2016	Sales 31 March 2017
Local sales	8.546	9.113
Total sales	8.546	9.113

f) Subsequent events

Not the case.

h) Cash and bank accounts

	01 January 2017	31 March 2017
Bank accounts RON	53.566	10.407
Bank accounts in currency	1.121	146
Cash in RON	76	6.410
Cash in currency	114	114
Total cash and bank accounts	54.877	17.077

NOTA 11. CONTINGENT LIABILITIES

(a) Litigations

On December 23, 2016, Natura Quatuor Energia Holdings filed a lawsuit against the Public Finance Division, District 3 and DGFRP Bucharest, requesting the annulment of some administrative tax documents related to the VAT reimbursement procedure done in 2015. The company requests VAT reimbursement in the amount of 321.948 lei. The first trial term was set on 31.05.2017.

(b) Tax

The taxation system in Romania is in a phase of consolidation and harmonization with European legislation. However, there are still different interpretations of tax legislation. In some cases, the tax authorities may have different approaches to certain issues, the calculation of additional taxes and interest and penalties for late payment (0.06% per day from 1 January 2014). In Romania, tax periods remain open for tax control for 5 years. The Company's management believes that tax liabilities in these financial statements are appropriate.

(c) Transfer pricing

Fiscal legislation in Romania contains rules on transfer pricing between related parties since 2000. The current legislative framework defines the "market value" for transactions between related parties, and the methods of transfer pricing. As a result, it is expected that the tax authorities to initiate thorough verification of transfer prices, to ensure that the taxable and / or customs value of imported goods are not distorted by the effect of prices charged in relationships with affiliates. The Company can not assess the outcome of such review

(d) Fiscal legislation in Romania

Due to the fact that the tax law suffers frequently changes in Romania and because for some of the legal provisions there are several possible interpretations, in case of a tax audit, the way the company's management has interpreted these provisions may not correspond to the interpretations of supervisory bodies.

Although the management believes that taxes and fees were correctly calculated there is still the risk that the tax authorities have a different interpretation of the tax provisions in question and the effect of this difference of opinion on the accompanying financial statements to be materially.

NOTE 12. RISK MANAGEMENT

The main risks to which the Company is subject and the policies applied are detailed below.

i) Market risk

Romanian economy is in transition, and in the current economic crisis there is uncertainty about the future evolution of policy and economic development. The Company's management can not predict the changes that will take place in Romania and their effects on the financial situation, the results of operations and cash flows of the Company.

ii) Economic environment risk

The process of adjusting the risk-adjusted values held in international financial markets in 2008 - 2011 has affected their performance leading to heightened uncertainty about future economic developments.

The current global credit and liquidity crisis that began in mid-2008 led inter alia to a lower level and difficult access to capital market funding, lower liquidity levels in the Romanian banking sector, higher interbank lending rates, adjusting product prices. The significant losses suffered by global financial market could affect the Company's ability to obtain new loans and refinance its existing in conditions similar to those applied to earlier transactions.

Identification and evaluation of investments influenced by a market liquidity shortages, the determination of compliance with debt agreement and other contract covenants, evaluation of significant uncertainties, including the uncertainties related to the ability of the Company to continue to operate for a reasonable period of time following the lower demand, all bring their own challenges.

Company borrowers may also be affected by the liquidity crisis situations that might affect the ability to meet its current liabilities. Deteriorating operating conditions for borrowers may also affect the management of cash flow forecasts and assessment of the impairment of financial assets and financial assets. To the extent that information is available, management has reflected revised estimates of expected future cash flows in its impairment

Ongoing fears that deteriorating financial conditions could contribute in a later stage to a decrease in confidence prompted additional efforts are coordinated by governments and central banks to adopting special measures aiming to counter the growing aversion toward risk and restore normal functioning of the market.

The Company's management can not predict events that could have an effect on the industrial sector in Romania and consequently what effect it may have on these unconsolidated financial statements.

Management is unable to reliably estimate the effects on the Company's financial statements resulting from deteriorating financial market liquidity, impairment of financial assets influenced by the illiquid market conditions and high volatility of currency and financial markets and industrial. The Company's management believes to have taken all necessary measures to support growth in the Company's activity under current market conditions by:

- preparing strategies for managing the liquidity crisis and establishing measures to meet potential liquidity crisis;
- constant monitoring of liquidity;
forecasting of current liquidity;
- obtaining a commitment from the shareholder to support the Company's operations in Romania.
- daily monitoring of cash flows and its creditors impact assessment

iii) Foreign currency risk

Starting with 1 January 2004 Romania is no longer regarded as a hyperinflationary economic environment. However, there is a risk of depreciation of the value of net monetary assets denominated in USD. Currently there is no market outside Romania for the conversion of local currency into other currencies.

iv) Credit risk

Credit risk is the risk that a third party, part of a commercial relationship, does not fulfill an obligation, which will cause the other side to record a financial loss.

Receivables from the main activity are shown net, ie less allowance for doubtful debts. Credit risk related to receivables is limited due to the large number of clients in the portfolio of clients of the company. As a result, the Company's management believes that the Company does not present significant credit risk.

During its activity, the Company is exposed to credit risk, mainly due to credit, especially due to the current unstable environment generated by the global economic crisis and local management closely monitors credit risk exposure regularly. Credit risk related to trade receivables is low due to large number of clients that make up the customer base of the Company. Therefore, management estimates that no significant concentrations of credit risk.

v) Liquidity risk

Liquidity risk, also called funding risk, is the risk that a company has difficulty in accumulating funds to meet commitments associated with financial instruments. Liquidity risk can occur due to the inability to quickly sell a financial asset at a value close to the fair.

The Company's policy on liquidity is to maintain sufficient liquidity so that obligations can be paid on the due dates. Assets and liabilities are analyzed by contractual maturities for the remainder (note 5).

Volis Argyrios
General Manager

SC PKF CONSULTOR TAX SRL
22 – AUTHORIZED LEGAL ENTITIES, CECCAR MEMBER(7873/2012)

QUARTERLY REPORT CONSOLIDATED STATEMENTS
According to NSC Regulation No. 1 / 2006
QUARTER I 2017

STATEMENT OF FINANCIAL POSITION
as at 31.03.2017

	01-Jan-17	31-Mar-17
ASSETS		
Non current assets		
Property, plant and equipment	4,189,833	4,177,172
Intangible assets	32,018	30,746
Investment property	7,101,372	7,975,696
Loans receivables	5,007,258	5,452,361
Financial assets	128,214	129,564
	344,608	318,217
Deferred tax asset	-	-
Total Non current Assets	16,803,303	18,083,756
Current assets		
Inventories	132,098	132,098
Loans receivables	-	-
Trade and other receivables	2,478,610	2,517,421
Other assets	79,625	80,243
Cash and cash equivalents	590,955	91,834
Total Current Assets	3,281,288	2,821,596
Total Assets	20,084,591	20,905,352
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' Equity		
Share capital	4,910,395	4,910,395
Share premiums	4,064,177	4,064,177
Translation reserve	(2,709)	(1,403)
Revaluation reserves	1,602,085	1,602,822
Legal reserves	24,479	24,479
Other reserves	14,459	14,459
Retained earnings / (Accumulated losses)	(6,279,780)	(10,659,532)
Result for the year	(4,379,752)	(1,022,368)
Total shareholders' equity	(46,646)	(1,066,971)
Non-controlling interest	533,276	476,389
Total equity	486,630	(590,582)
Non-current liabilities		
Loans and borrowings	10,049,760	11,694,876
Bonds	2,724,660	2,730,660
Other long term liabilities	-	-
Deferred tax liabilities	137,269	134,697
Total Non-current liabilities	12,911,689	14,560,233
Current liabilities		
Trade and other payables	1,309,220	1,495,071
Loans and borrowings	5,104,586	5,304,097

Bonds	272,466	136,533
Total Current liabilities	6,686,272	6,935,701
TOTAL Liabilities	19,597,961	21,495,934
TOTAL Shareholders' Equity and Liabilities	20,084,591	20,905,352

STATEMENT OF COMPREHENSIVE INCOME
as of 31.03.2017

	<u>01-Jan-17</u>	<u>31-Mar-17</u>
Revenues from services rendered	25,938	-
Rental income	6,576	1,654
Other revenues	(1,280)	-
Total revenues	31,234	1,654
Third party services	(2,036,646)	(242,353)
Personnel expenses	(1,368,781)	(479,844)
Other operating expenses	(818,216)	(68,757)
Fair value gains / (losses) from investment properties, net	482,051	(16,393)
Total operating expenses	(3,741,591)	(807,348)
Operating result	(3,710,357)	(805,693)
Financing costs	(803,385)	(243,903)
Financing income	162,646	38,155
Foreign exchange expense, net	(125,633)	(43,601)
Other financial items, net	(182,959)	-
Financial result	(949,330)	(249,349)
Share of profit of equity-accounted investees, net of tax	(279,762)	(26,131)
Gross profit	(4,939,449)	(1,081,173)
Current income tax expense	(2,600)	(547)
Deferred income tax expense	232,838	2,623
Total income tax	230,238	2,076
Net profit / (loss) for the period	(4,709,212)	(1,079,097)
thereof attributable to non-controlling interests	(329,461)	(56,729)
thereof attributable to the owners of the parent	(4,379,750)	(1,022,368)
Other comprehensive income		
Items that will never be reclassified to profit and loss		
Revaluation of property, plant and equipment	6,825	320
Foreign currency translation differences for foreign operations	1,249	1,306
Deferred tax liability on revaluation reserve	(1,160)	(51)
Other comprehensive income for the period	6,914	1,575
Total comprehensive income	(4,702,298)	(1,077,522)
thereof attributable to non-controlling interests	(329,463)	(56,726)
thereof attributable to the owners of the parent	(4,372,835)	(1,020,796)

The financial statements were not audited as of 31.03.2017.

Volis Argyrios
General Manager

SC PKF CONSULTOR TAX SRL
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