



SOCEP S.A.
QUARTERLY REPORT
ON FINANCIAL STATEMENTS
AS AT 09/30/2017

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 - STATEMENT OF FINANCIAL POSITION
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**QUARTERLY REPORT
ON FINANCIAL STATEMENTS
COMPLYING TO C.N.V.M. REGULATION NO.1/2006
FOR THE THIRD QUARTER OF 2017**

Report Date	11/15/2017
Name of Shares Issuer	SOCEP S.A.
Registered Office	Constanța, Incinta Port, Dana 34
Phone/fax	0241 602242 / 0241 693759
Fiscal Code	RO 1870767
Company Number in the Trade Register	J 13 / 643 / 1991
Subscribed Share Capital	34,342,574.40 lei split in 343,425,744 registered dematerialized shares with a nominal value of 0.10 lei/share
Trading Market	B.V.B., Standard category, symbol SOCP

SYNTHESIS OF ECONOMIC AND FINANCIAL INDICATORS

1. FINANCIAL AND ECONOMIC STATE

a) **The main elements of the Balance Sheet** and of the Profit and Loss Account, compared to the same time period of the previous year, are below listed:

ECONOMIC INDICATORS		UNIT	09/30/2016	09/30/2017
I.	TOTAL ASSETS	lei	163,091,257	174,628,545
1.1.	Fixed Assets	”	114,677,067	123,670,691
1.2.	Stocks	”	525,206	1,876,329
1.3.	Receivables	”	18,913,167	13,665,735
1.4.	Cash and Bank Accounts	”	12,920,794	10,238,930
1.5.	Accruals and prepaid expenses	”	274,015	234,948
1.6.	Short Term Investments	”	15,781,008	24,941,913
II.	TOTAL LIABILITIES	lei	163,091,257	174,628,545
2.1.	Shareholders’ Equity	”	132,651,641	137,735,519
2.2.	Total Debts	”	29,658,039	36,402,635
2.3.	Upfront Revenues	”	35,531	33,712
2.4.	Provisions	”	746,046	456,679

b) Profit and Loss Account

	INDICATORS	UNIT	09/30/2016	09/30/2017	%
I.	TURNOVER	lei	50,945,165	47,733,288	93.7
II.	TOTAL REVENUES	"	52,982,549	51,592,002	97.4
III.	TOTAL EXPENSES	"	41,007,685	46,527,365	113.5
IV.	GROSS PROFIT	"	11,974,864	5,064,637	42.3

Following item are the assets with a minimum 20% share – out of total assets: buildings (20.5%), various type of technical equipment (30.1%), cash and cash equivalents (20.1%). Expense items with a minimum 10% share – out of net sales (turnover) are the personnel expense –without taking into account the reintegrated employees' cost– (39%), the external services expense (26%), the materials and supplies expense (12%) and the depreciation expenses (13%).

At the end of third quarter 2017 company recorded provisions in a total amount of 456,679 lei, as follows:

- Provisions for employees benefits	= 450,895 lei
- Other types of provisions	= 5,784 lei.

Provision for employees benefits in an amount of 450,895 lei has been created for the bonuses granted to the employees at the retirement date – according to SOCEP Labor Contract (*Contract Colectiv de Muncă la nivel de societate*) – meaning the equivalent of three basic wages.

c) Financial and Economic Indicators

INDICATORS	CALCULATION PROCEDURE	RESULTS	
		09/30/2016	09/30/2017
1. Current Ratio	Current Assets/Current Liabilities	7.70	4.67
2. Indebtedness degree	Loan Capital ----- x 100	16.26	18.87
	Equity Capital		
2. Indebtedness degree	Loan Capital ----- x 100	13.99	15.87
	Committed Capital		
3. Rotation Speed of Customers' debts	Customers' Average Balance ----- x 270 Turnover	104.90	83.23
4. Rotation Speed of Fixed Assets	Turnover/Fixed Assets	0.44	0.39

2. BUSINESS ANALYSIS

2.1. During the reported period the harbor cargo traffic increased by 13.26% compared to same period of previous year, meaning 267 thousand tons of cargo. The benchmarking on different types of cargo is below listed:

TYPES OF CARGO		UNIT	09/30/2016	09/30/2017	%
I.	HARBOR CARGO TRAFFIC	thousand tons	2,013	2,280	113.26
1.1.	General Cargo	”	1,157	1,346	116.34
1.2.	Containerized Cargo	”	753	639	84.86
1.3.	Bauxite	“	103	295	286.41
II.	TOTAL NUMBER OF CONTAINERS		64,432	57,137	88.68
III.	TOTAL TEU-s		111,810	100,794	90.15

From the above mentioned benchmarking, it is noticeable the significant increase in the share of general cargo. This type of cargo increased by 16.34%, compared to same period of last year. Also, the bauxite recorded a revival with an increase of 194 thousand tons meaning 186.41%. Both containerized cargo and bauxite have decreased, compared to third quarter of last year.

The benchmarking on different types of services has following results:

TYPES OF SERVICES		UNIT	09/30/2016	09/30/2017	%
I.	TOTAL TURNOVER	lei	50,945,165	47,733,288	93.7
1.1.	Handling Operation	”	45,850,367	43,923,281	95.8
1.2.	Storage Operation	”	4,329,578	3,205,632	74.0
1.3.	Other types of services	”	525,120	374,279	71.3
1.4.	Zona Sud Agigea	”	240,100	230,096	95.8

Within the total turnover, each service type maintained its share, compared to same period of last year. However, benchmarking shows a decrease of both turnover by 6.3% and of gross profit by 57.7%, compared to same period of 2016.

2.2. Capital expenses until 09/30/2017 have aimed mainly purchasing of new equipment for the container terminal, modernization of running track for PORTAINER crane BERTH 51-52. Purpose of modernization was rehabilitation of this running track in order to provide carrying capacity for the newly purchased STS Crane. In same respect, company is pursuing its investment policy by acquiring new equipment in order to renew the machinery park, to improve productivity, such as: mobile belt conveyor, front loader, tire changer, vehicle mounted terminals for trucks etc. (Trial putting into operation and Final reception of 1 STS and 2 RTG-s in November 2017).

Capital expenses are also to be found in the Investment Program and have been paid from company resources and loans.

2.3. For the near future there are no events, transactions or economic changes which might significantly alter operating revenues.

3. SIGNIFICANT TRANSACTIONS

No events which could significantly influence the financial position and company performances have occurred.

4. EVENTS OCCURRED AFTER THE REPORTING PERIOD

It is noticeable that, subsequently to financial statements preparation date, the SOCEP SA Supervisory Board took following decisions concerning the SOCEP SA Executive Board structure:

- Concluding a new Mandate Contract for Human Resources Manager, with Mr. Corneliu Nădrag valid for 10/18/2017 – 08/18/2019;
- Revocation - starting on 11/27/2017 - of Mr. Fănel Ștefănescu from his position as Operations Manager and from his membership in SOCEP SA Executive Board;
- Appointment of Mr. Gabriel Codeț - in the position of Operations Manager and as member of SOCEP SA Executive Board.

5. APPROVALS AND ANNEXES

Present Report has been authorized for publication by the Executive Board, on 11/15/2017. The explanatory notes are part of the individual financial statements.

Annexes:

- Statement of Financial Position on 09/30/2017
- Statement of Comprehensive Income la 09/30/2017
- Explanatory Notes to the Financial Statements on 09/30/2017.

The Individual Financial Statements as at 09/30/2017 have been prepared in accordance with International Financial Reporting Standards adopted by European Union and O.M.F.P. No.2844/2016, as amended and subsequently supplemented.

Financial Reports are not audited.

STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30-th 2017

		= Lei =	
	NOTE	01/01/2017	09/30/2017
NON-CURRENT ASSETS			
- Tangible assets	1	84,093,191	89,706,909
- Intangible assets	2	956,269	772,586
- Financial assets available for sale	3	436,318	434,336
- Investments in subsidiaries and associates	4	30,061,230	30,061,230
- Other long term investments	5	2,079,732	2,302,830
- Real estate investments	1	392,800	392,800
TOTAL ACTIVE NECURENTE		118,019,540	123,670,691
CURRENT ASSETS			
- Stocks	6	591,879	1,876,328
- Clients and other receivables	7	10,168,495	13,665,735
- Profit tax receivables	14	45,886	-
- Accrued charges	8	121,231	234,948
- Cash and cash equivalents	9	34,250,754	35,180,843
TOTAL CURRENT ASSETS		45,178,245	50,957,854
TOTAL ASSETS		163,197,785	174,628,545
EQUITY			
- Share capital	10	34,342,574	34,342,574
- Share capital adjustment	10	164,750,632	164,750,632
- Reserves	11	39,159,046	38,246,572
- Retained earnings	12	62,640,858	67,638,163
- Retained earnings from the adoption of IAS 29	10	(164,750,632)	(164,750,632)
- Other elements of equity	13	(2,636,120)	(2,491,790)
TOTAL EQUITY		133,506,358	137,735,519
LIABILITIES			
Non-current liabilities			
- Deferred tax liabilities	14	2,114,535	2,047,215
- Deferred income	16	-	-
- Provisions for employee benefits	18	450,895	450,895
- Long term bank loans	15	20,271,775	23,489,344
TOTAL NON-CURRENT LIABILITIES		22,837,205	25,987,454

Current liabilities

- Suppliers and other liabilities	17	4,087,941	4,434,438
- Long term bank loans	15	2,732,980	5,922,897
- Interest on long-term loans	15	27,337	34,559
- Current income tax owed	14	-	474,182
- Provisions	18	5,784	5,784
- Deferred income	16	180	33,712
TOTAL CURRENT LIABILITIES		6,854,222	10,905,572
TOTAL LIABILITIES		29,691,427	36,893,026
TOTAL EQUITY AND LIABILITIES		163,197,785	174,628,545

**STATEMENT OF COMPREHENSIVE INCOME
AS AT SEPTEMBER 30-th 2017**

= Lei =

	Note	09/30/2016	09/30/2017
Income	19	50,945,165	47,733,288
Other income	20	745,121	3,002,204
Raw materials and consumables	21	(5,674,324)	(5,748,174)
Cost of sold goods	22	(22,040)	(23,976)
Services provided by third parties	23	(10,049,778)	(12,264,828)
Employee benefits expense	24	(17,893,067)	(20,559,897)
Impairment and amortization expense	25	(4,697,084)	(6,213,055)
Other expenses	26	(643,173)	(754,739)
Other gains/losses from operations - net	27	(172,833)	313,671
Profit/(loss) from operation		12,537,987	5,484,494
Financial income	28	35,093	40,206
Financial expense	29	(98,202)	-
Other financial gains/losses (net)	30	(500,014)	(460,063)
Profit before tax		11,974,864	5,064,637
Income tax expense	14	(1,809,515)	(833,810)
PROFIT AS AT THE THIRD QUARTER		10,165,349	4,230,827
OTHER COMPREHENSIVE INCOME ELEMENTS			
- elements to be subsequently reclassified under profit or loss			
Gains or losses on financial assets available for sale	3	10,307	(1,982)
Deferred income tax related to other comprehensive income elements	14	(1,649)	317
OTHER COMPREHENSIVE INCOME ELEMENTS FOR THIRD QUARTER (without tax)		8,658	(1,665)
TOTAL COMPREHENSIVE INCOME FOR THIRD QUARTER		10,174,007	4,229,162

Notes on Individual Financial Statements

As at September 30-th 2017

All the amount are mentioned in Lei (RON) unless otherwise stated

OVERVIEW

Founded in 1991 as a joint stock company that was based on a functional terminal specialized in container and raw materials operation for metallurgy, SOCEP SA is one of the largest port operators in Constanta Port. Its activity is structured on two distinct operating terminals: container terminal (300 000 TEU - annual operating capacity) and general cargo terminal (3 million tons general cargo per unit and bulk cargo - annual operating capacity).

SOCEP S.A. has the following identification data:

- Registered office: Constanța, Incinta Port, Dana 34;
- Trade Register number: J 13/643/1991;
- Tax Identification Number: RO 1870767;
- Main business: cargo handling, NACE code 5224;
- Share capital: 34,342,574.40 lei, divided in 343,425,744 uncertified shares; the nominal value of one share is 0.10 lei;
- Legal form: Joint stock Company, listed on Bucharest Stock Exchange Standard category, symbol "SOCP";
- Type of ownership: private capital owned by individuals and legal entities.

In accordance with the decision of the Extraordinary General Meeting of Shareholders dated 14 December 2012, the company is managed starting from 15 December 2012 in a two-tier system by a duly operating Supervisory Board and Executive Board. Both Boards are acting within the framework of law.

The Supervisory Board consists of 5 members. The Supervisory Board members are:

- Dușu Nicolae - President
- Dușu Ion - Vice-President
- Samara Stere - Member
- Carapiti Dumitru - Member
- Stanciu Ion - Member.

Since 10/11/2016, according to Supervisory Board decision, the Executive Board consists of 5 members. At the reporting date 11/30/2017, the Executive Board had following structure:

- Barbarino Marius - General Manager
- Ștefănescu Fănel - Operations Manager
- Nebi Camelia - Financial Manager
- Teodorescu Lucian Ștefan - Maintenance Manager
- Nădrag Corneliu - Human Resources Manager.

Mr. Marius Barbarino holds the office of Executive Board President.

FUNDAMENTALS OF PREPARATION

Declaration of Conformity

The financial statements of SOCEP S.A. have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Fundamentals of evaluation

The financial statements have been prepared under the historical cost convention, except for re-valued fixed assets (buildings). When transition to International Financial Reporting Standards implementation completed, the company's share capital was adjusted to inflation according to IAS 29 "Financial reporting in hyperinflationary economies". The adjustment was made until 31 December 2003, when the Romanian economy ceased to be considered hyperinflationary.

Business continuity

According to studies performed, management board members consider that the company has adequate resources to continue operating for the foreseeable future. Therefore, the company adopted principle of business continuity in preparing the financial statements.

Functional currency and presentation currency

The financial statements of the company are shown in lei (RON) and the presentation currency is the same as the functional currency.

Use of estimates and professional judgments

The preparation of financial statements according to IFRS requires the management to use certain estimates, judgments and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and on other factors deemed reasonable in the context of such estimates. The results of these estimates form the basis for judgments about the carrying amounts of assets and liabilities that cannot be obtained from other sources of information. Actual results may differ from these estimates.

SIGNIFICANT ACCOUNTING POLICIES AND METHODS

Transactions in foreign currency

Foreign currency transactions are exchanged into the functional currency using the exchange rates at the dates of the transactions. Gains and losses resulting from foreign exchange differences on the settlement of such transactions and from the conversion of monetary assets and liabilities expressed in foreign currencies at the exchange rate from the date of statement of financial position are reflected in profit or loss for that period.

Monetary assets and liabilities denominated in foreign currency at the date of statement of financial position are converted into the functional currency using the exchange rate on the date of statement of financial position.

Gains and losses on exchange rate, related to cash and cash equivalents, are presented in the statement of comprehensive income under "other financial gains or losses, net". All other gains and losses on exchange rate are presented under "other operating gains and losses, net".

Segment reporting

Reporting by business segment is made in a manner consistent with internal reporting to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of operating segments, is the Supervisory Board.

Tangible assets

Tangible assets are initially recognized at their respective cost, which includes costs directly attributable to their acquisition or production.

Subsequent to initial recognition, buildings are assessed at re-valued amount, determined by periodic assessments conducted every three years by external independent assessors, less subsequent amortization and impairment. During building revaluation, any accrued impairment at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is recorded as re-valued amount of the asset. Increases in the carrying amount arising from the revaluation of buildings are credited to revaluation reserve reflected under the equity category. Reductions compensating increases in value related to the same asset are reflected in the debit of revaluation reserves and other reductions are reflected in profit or loss for the period. The amounts recorded in the revaluation reserve are transferred to retained earnings as the asset is being depreciated. All other tangible assets are assessed subsequent to initial recognition at their cost, less accrued impairment and impairment adjustment.

Expenses subsequent to initial recognition of a tangible asset are added to their carrying amount only when future economic benefits associated to that asset are likely to be entered and the cost of the asset can be assessed reliably.

Repair and maintenance expenses are recorded in the period in which they are incurred.

Land is not depreciated. Impairment of other items of tangible assets is determined based on linear impairment method and useful lives are as follows:

- Special buildings and structures: 8-60 years;
- Technological equipment: 4-18 years;
- Devices and equipment for measurement, control and adjustment: 5-18 years;
- Means of transport: 2-15 years;
- Furniture, office equipment, protective equipment for human and material values and other tangible assets: 4-15 years;
- Computers and peripherals: 2-4 years.

Since the company's management estimates that the tangible assets will be used to the end of their physical life, their residual value is zero.

Intangible Assets

On initial recognition, intangible assets are valued at cost determined on the basis of IAS 38 "Intangible Assets". Subsequent to initial recognition, intangible assets are measured at cost less the accumulated impairment. The company has not conducted any revaluations of intangible assets.

Licenses acquired for the rights of using computer software are capitalized on the basis of the costs incurred with the acquisition and commissioning of the software in question. These costs are amortized over their estimated useful life (usually 3 years).

The costs of maintaining computer software programs are recognized as expenses in the period in which they are incurred.

Impairment of non-financial assets

Assets subject to amortization are reviewed for impairment losses whenever there are circumstances that indicate that their carrying amount may not be recoverable. An impairment loss is the difference between the carrying amount and the recoverable amount of that asset. The recoverable amount is the greater between the asset's usage value and its fair value, less any sale costs.

Financial instruments

Financial assets and liabilities include equity instruments as financial assets available for sale, equity instruments in subsidiaries and associates, customers and other receivables, cash and cash equivalents, suppliers and other debts.

Financial assets available for sale

Financial assets available for sale are non-derivatives that are specifically classified in this category or not fit in another category of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months from the end of the reporting period.

Financial assets available for sale are valued at cost.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are valued at their respective cost. The company did not recognize impairment adjustments for them.

Receivables from customers and similar accounts

Receivables from customers and similar accounts are non-derivative financial assets with fixed or determinable receipts that are not listed on an active market. They are included under current assets (customers and other receivables).

Stocks

Stocks are stated at the lower between cost and net realizable value. Cost is determined using the weighted average cost method (CMP). In the normal course of business, net realizable value is estimated based on selling price less costs involved.

Trade receivables (customers)

Customer receivables are usually collected in a period of less than one year and are therefore treated as current assets.

Cash and cash equivalents

Cash and cash equivalents consist of liquidities in cash and current accounts, deposits with a maturity of less than 3 months and other securities. The available foreign currency cash and bank deposits in foreign currencies are measured and presented in the statement of financial position using the exchange rate announced by the NBR and valid at the date of the financial position statement.

Share capital

The share capital includes ordinary shares recorded at nominal value. Any excess of fair value received over the nominal value of issued shares is recognized as share premium.

The company recognizes changes in share capital under the terms specified by the legislation in force and only after their approval by the General Meeting of Shareholders and their registration with the Trade Register.

Dividend distribution

The distribution of dividends is recognized as a liability in the company's financial statements for the period in which such dividends are approved by shareholders.

Trade payables (suppliers)

Trade payables are obligations to pay for goods or services acquired in the ordinary course of business from suppliers. They are classified as current liabilities. Payables arising from foreign currency transactions are measured in lei based on the exchange rate at the transaction date. Payables in foreign currency are measured using the exchange rate as communicated by NBR and valid at the date of the financial position statement.

Deferred current income tax

Tax expense for the period includes current tax and deferred tax.

Current income tax expense is calculated based on tax regulations in force at the date of the statement of financial position.

Deferred income tax is determined taking into account the temporary differences arising between the carrying amounts and tax bases of assets and liabilities. Deferred income tax is determined using tax rates provided by the legislation in force to apply in the period when the temporary difference is achieved.

Deferred tax recorded as receivable is recognized only in as much as a future taxable profit is likely to be obtained, from which temporary differences can be deducted.

Employee benefits

In the normal course of business, the company makes payments to the Romanian State on behalf of its employees for pension, health and unemployment funds. All company employees are members of the Romanian State pension plan. Wages, salaries, contributions to pension funds and social security of the Romanian state, annual leave and paid sick leave, bonuses and non-monetary benefits are accumulated during the year in which the related services are rendered by company employees.

The company grants to its employees, in case of retirement or early retirement, an end-of-career reward of three base monthly salaries as received in the retirement month.

Provisions

Provisions are recognized when the company has a legal or implicit obligation arising from past events, when a disbursement of resources incorporating economic benefits is necessary to settle the obligation, and when a reliable estimate can be made regarding the amount of the obligation.

Provisions are measured at the updated value of the expenses expected to be required to settle that obligation using a pre-tax rate that reflects current market assessments of the time value of money and the obligation-specific risks. Increase in the provision due to passage of time is recognized as financial charges on provision updating.

Income recognition

Income is assessed at the fair value of the amount received or to be received from the sale of goods and provision of services in the company's ordinary course of business.

Income is recognized when their value can be reliably assessed, when future economic benefits are likely to be achieved for the entity and when specific criteria are met for the recognition of each category of income.

a) Income from provided operations

Income from provided port operations is recognized according to the stage of completion of the transaction at the end of the reporting period. Thus, income is recognized in the accounting periods in which services are provided.

The operations under way, not invoiced to customers, are recorded into account 418 "Customer invoices to be issued" and are presented in the statement of financial position under "customers and other receivables".

b) Income from sale of goods

Income from sale of goods is recognized when the company transfers the significant risks and rewards related to the ownership of goods. In case of the company, the transfer of ownership right occurs upon delivery of products.

c) Interest income

Interest income is recognized using accrual accounting effective interest method.

d) Income from rents

Income from rents is recognized on an accrual basis in accordance with the economic substance of the contracts involved.

NOTE 1. TANGIBLE ASSETS

Change in gross value, amortization and book value for each category of fixed assets is as follows:

	Land and buildings	Plant and machinery	Furniture, accessories and other equipment	Real estate investment	Assets in progress	Tangible assets advances	Total
As at 01/01/2017							
Cost or reassessed value	35,927,999	57,301,948	435,182	392,800	7,345,248	29,267,544	130,670,721
Cumulative amortization	(4,716,066)	(41,178,152)	(290,512)	-	-	-	(46,184,730)
Net carrying value	31,211,933	16,123,796	144,670	392,800	7,345,248	29,267,544	84,485,991
As at 09/30/2017							
Initial net carrying value	31,211,933	16,123,796	144,670	392,800	7,345,248	29,267,544	84,485,991
Receipts	6,578,975	40,357,929	111,557	-	3,021,322	8,559,638	58,629,421
Disbursements	-	(845,239)	(3,059)	-	(9,515,263)	(37,533,202)	(47,896,763)
Amortization for disbursements	-	843,245	3,059	-	-	-	846,304
Amortization expense	(1,977,341)	(3,956,364)	(31,539)	-	-	-	(5,965,244)
Final net carrying value	35,813,567	52,523,367	224,688	392,800	851,307	293,980	90,099,709
As at 09/30/2017							
Cost or reassessed value	42,506,974	96,814,638	543,680	392,800	851,307	293,980	141,403,379
Cumulative amortization	(6,693,407)	(44,291,271)	(318,992)	-	-	-	(51,303,670)
Net carrying value	35,813,567	52,523,367	224,688	392,800	851,307	293,980	90,099,709



Tangible assets have been recognized at the time of entry, at their cost, and subsequently revaluations were performed based on H.G. 26/92, H.G. 500/94, H.G. 983/98, H.G. 403/2000 and H.G. 1553/2004.

The company constructions were last revaluated on 31 December 2014 by an independent assessor, recording an increase of unrealized revaluation differences in the amount of 3,968,145 lei.

For the revaluation differences deferred taxes have been also taken into account.

Up to 09/30/2017 total investments in an amount of 40,385,449 lei have been put into operation, as follows:

- General and Bulk Cargo Terminal (front loaders – 2 pcs, access control system, cleaning equipment, HYUNDAI forklifts – 4 pcs, bunkers – 2 pcs, ship-loader, mobile belt conveyers – 10 pcs, bulk cargo unloading installation, heating system etc.) in a total amount of 1,787,227 lei;
- Container terminal (vehicle mounted terminals for trucks – 16 pcs, container handling bridge, RTG equipment – 2 pcs, grab etc.) in a total amount of 38,469,340 lei;
- Auxiliary executory department, repair workshop, tool shop (tire changer, access control system, 30 tons beam) in a total amount of 128,882 lei.

In same respect, the company had internally manufactured 3 vats for bulk cargo, with a total cost of 107,466 lei.

During the three quarters of 2017, fixed asset modernization works have been completed, in a total amount of 6,555,546 lei. The main modernization operation was related to the PORTAINER running track in 51-52 BERTH. The purpose of modernization was the rehabilitation for providing optimum bearing capacity to the new STS.

In the same period, fixed assets in total amount of 844,901 lei have been scrapped. Among those, the significant discarded equipment were tractor units (5 pcs), FADROMA units (2 pcs), forklifts (3 pcs). All these discarded equipment were physically worn out and obsolescent as well.

The company has no tangible assets acquired in financial leasing.

According to Loan Contract with BRD for financing the PACECO project, the company has mortgaged four KOMATSU loaders and one HYSTER forklift with a total amount of 3,125,079 lei.

The agreed mortgage remains in effect until SOCEP SA will become the rightful owner of the assets purchased with the loan in question, meaning one PORTAINER (STS) Crane and two TRANSTAINER (RTG) Cranes.

NOTE 2. INTANGIBLE ASSETS

	<u>Computer licenses and software</u>
As at 01 January 2017	
Cost	1,256,179
Accumulated amortization	(299,910)
Net carrying value	956,269
As at 30 September 2017	
Initial net carrying value	956,269
Receipts	25,129
Disbursements	(66,333)
Amortization for disbursements	66,333
Amortization expense	(247,811)
Final net carrying value	733,587
As at 30 September 2017	
Cost	1,214,975
Accumulated amortization	(481,388)
Net carrying value	733,587

The intangible assets include software licenses and one trademark. Licenses are depreciated in a linear manner over a useful life of maximum 3 years and the trademark over 8 years.

Intangible assets are measured at cost reduced by accumulated depreciation.

Until the end of third quarter, intangible assets in an amount of 66,333 lei have been written off. Mainly, they were expired licenses or unusable onto the new IT equipment due to their incompatibility.

As at 09/30/2017, the company had advances in total amount of 38,999 lei for intangible assets. This amount represents a payment in advance for the software acquired for General cargo Terminal.

NOTE 3. FINANCIAL ASSETS AVAILABLE FOR SALE

Financial assets available for sale include equity instruments held in:

- ROCOMBI SA BUCHAREST and ROFERSPED SA BUCHAREST companies. The share granted by these is 4.2857% in ROCOMBI SA BUCHAREST and 3.0909% in ROFERSPED SA BUCHAREST. The securities of the two companies are not listed on BSE and are net asset value-measured.

- INVESTIȚII ȘI MANAGEMENT PORT CONSTANȚA company. The share granted by these is 7.58 % of the company's share capital. Shares are not listed on BSE and are net asset value -measured.

- ELECTRICA SA. The share granted by these is 0.002 %. Shares are listed on BSE and are measured at fair value.

EQUITY SECURITIES

	ROCOMBI SA	ROFERSPED SA	INVESTIȚII ȘI MANAGEMENT PORT CONSTANȚA	ELECTRICA SA	TOTAL
Value as at 01/01/2017	104,553	227,144	17,673	86,948	436,318
Value increases	-	-	-	-	-
Fair value increases	-	-	-	-	-
Value decreases	-	-	-	(1,982)	(1,982)
Value as at 09/30/2017	104,553	227,144	17,673	84,966	434,336

Financial assets available for sale listed on BSE are revaluated quarterly, depending on the rate in that quarter's last trading day.

NOTE 4. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The company holds equity instruments (shares) in the following companies:

Company name	Type of relation	Country of incorporation	Percentage held (%)	Reference date for relation	Type of combination
SOCEFIN S.R.L.	Subsidiary	Romania	100.00 %	04/02/2012	Contribution to the establishment
TRANSOCEP TERMINAL S.A.	Associated entity	Romania	22.22 %	01/18/1996	Contribution to the establishment

Investments in subsidiaries and associates are valued at their cost. The company did not recognize adjustments for their impairment.

	Equity securities SOCEFIN	Equity securities TRANSOCEP	Total
As at 01/01/2017	30,000,000	61,230	30,061,230
Receipts	-	-	-
Disbursements	-	-	-
As at 09/30/2017	30,000,000	61,230	30,061,230

NOTE 5. OTHER LONG TERM INVESTMENTS

In order to comply with Rental Agreement C.N."A.P.M."-00082-IDP-01 concluded between SOCEP and C.N. Maritime Ports Administration S.A. Constanta, the company has constituted guarantee-bank deposits, both by bank guarantee – consignment of the amounts into a C.N."A.P.M."-S.A. current account and by a letter of guarantee valid for more than 1 year with total amount of 2,302,830 lei.

NOTE 6. STOCKS

Stocks held on 09/30/2017 are mainly composed of consumables. Their values were:

	01/01/2017	09/30/2017
Consumables	1,143,486	2,427,955
Goods	855	835
Adjustments for stock impairment	(552,462)	(552,462)
Total	591,879	1,876,328

It should be noted that stocks category includes some spare parts purchased in previous years, which are slowly moving. Specifically for them the company formed some adjustments for stock impairment amounting to 1,876,328 lei. Also, the company has purchased in September, spare parts in a total amount of 1,126,479 lei for PACECO Project.

NOTE 7. CUSTOMERS AND OTHER RECEIVABLES

	01/01/2017	09/30/2017
Trade receivables (customers)	12,822,202	16,606,936
Adjustments for customer receivables impairment	(3,846,550)	(3,352,848)
Trade receivables – carrying value	8,975,652	13,254,088
Guarantees for less than 1 year	27,972	25,335
Other receivables	1,281,119	502,560
Adjustments for impairment sundry debtors	(116,248)	(116,248)
Other receivables - carrying value	1,164,871	386,312
Total	10,168,495	13,665,735

Both trade receivables and other receivables are current assets.

The evolution of adjustments for customer receivables impairment and for sundry debtors' impairment at the end of third quarters of 2017 was as follows:

	09/30/2017	
	Adjustments for impairment of customer receivables	Adjustments for impairment of sundry debtors
Balance as at 1 January 2017	3,846,550	116,248
Increases	-	-
Decreases	(493,702)	-
Balance as at 30 September 2017	3,352,848	116,248

Income resulting from the adjustment for trade receivables impairment is included under other gains/losses from operations – net.

Other receivables include:

	01/01/2017	09/30/2017
Advances for stocks and services	9,003	22,644
Taxes and charges to recover and other receivables	33,154	57,443
VAT to be recovered	120,833	-
Sundry debtors	1,118,129	422,473
Total	1,281,119	502,560

We mention that the company, as at 09/30/2017 has lodged guarantees amounting 25,335 lei, as follows:

- 25,335 lei – equivalent of USD 6,500 in favor of C.N. „A.P.M.” - S.A. CONSTANȚA, as per concession contract no.94 of 11/12/1997.

NOTE 8. ACCRUED CHARGES

Accrued charges were generated by the advance payment of local taxes and fees, of insurance for tangible assets and liability insurance, subscriptions, contributions and various fees.

NOTE 9. CASH AND CASH EQUIVALENTS

	01/01/2017	09/30/2017
Cash and bank accounts	6,728,809	10,238,930
Short-term bank deposits	27,521,945	24,941,913
Total	34,250,754	35,180,843

Cash and cash equivalents in foreign currency were measured in the financial statements based on exchange rates valid on 09/30/2017, i.e. 4. 5991 lei/Euro and 3.8977 lei/USD.

NOTE 10. SHARE CAPITAL

The company's share capital is fully subscribed and has a value of 34,342,574.40 lei. It consists of 343,425,744 dematerialized registered shares. The nominal value of a share is 0.10 lei. After the application of IFRS, the company's share capital was adjusted to inflation. The adjustment amount is 164,750,632 lei.

NOTE 11. RESERVES

Company reserves consist of unrealized revaluation surplus and reserves.

After the transition to IFRS implementation, company policy is to recognize for retained earnings the revaluation surplus for depreciable assets as they are amortized or sold.

	Reserves from revaluation of tangible assets	Legal reserves	Reserves from distribution of net profit	Reserves from tax reductions, exchange rate differences and reinvested profit	TOTAL
As at 01/01/2017	17,939,190	6,774,506	10,047,519	4,397,832	39,159,046
Profit distribution (earnings for third qtr.)	-	-	-	-	-
Surplus from revaluation realized	(912,474)	-	-	-	(912,474)
Investment property revaluation reserve at fair value	-	-	-	-	-
Reserves from reinvested profit	-	-	-	-	-
As at 09/30/2017	17,026,716	6,774,506	10,047,519	4,397,832	38,246,572

Reserves from asset revaluation consist of differences from revaluation of unrealized tangible assets.

Legal reserves were formed under the law.

Reserves from profit distributions come from the legal distribution of a portion of the net profit from its own funding sources for the period 2001-2005.

Reserves from tax reductions and foreign exchange differences amounting 4,397,832 lei come from:

- Tax reductions as per H.G. 402/2000 and Law 189/2001	= 3,858,117 lei
- Amount related to exchange rate differences resulting from the assessment of liquidity in foreign currencies calculated according to Decision No.3 / 2002 of the Ministry of Public Finance	= 452,887 lei
- Reserves from reinvested profit	= 86,828 lei.

NOTE 12. RETAINED EARNINGS

	Retained earnings from undistributed profits	Retained earnings from first-time adoption of IAS 29	Retained earnings from surplus realized from revaluation reserves	Retained earnings from implementation of IFRS, less IAS 29	TOTAL
As at 01/01/2017	49,720,362	(1,282,715)	12,363,714	1,839,497	62,640,858
Result at third quarter	4,230,827	-	-	-	4,230,827
The revaluation surplus realized	-	-	912,474	-	912,474
Income tax related to the revaluation surplus realized	-	-	(145,996)	-	(145,996)
As at 09/30/2017	53,951,189	(1,282,715)	13,130,192	1,839,497	67,638,163

NOTE 13. OTHER EQUITY ELEMENTS

	Deferred income tax recognized in equity account	Differences from the change in fair value of financial assets available for sale	TOTAL
As at 01/01/2017	(2,914,870)	278,750	(2,636,120)
Deferred tax income related to change in fair value of financial assets available for sale	317	-	317
Change in fair value of financial assets available for sale	-	(1,982)	(1,982)
Deferred income tax related to revaluation surplus realized	145,995	-	145,995
As at 09/30/2017	(2,768,558)	276,768	(2,491,790)

NOTE 14. DEFERRED INCOME TAX AND CURRENT INCOME TAX

a) Deferred income tax

Deferred tax assets were recognized for stock adjustments, receivables adjustments and provisions.

Deferred tax liabilities were recognized in reserves from revaluation and changes in fair value of financial assets available for sale.

Change of assets and liabilities related to deferred income tax during first nine months of 2017, without taking into account the compensation of balances related to the same tax authority, is:

Deferred income tax assets

Deferred income tax assets	Stocks (stock adjustments)	Receivables (receivable adjustments)	Provisions	Shares depreciation adjustments	Total
As at 01/01/2017	88,394	634,047	73,069	4,825	800,335
Recorded/credited in profit or loss for the period	-	(78,992)	-	-	(78,992)
Recorded/debited in profit or loss for the period	-	-	-	-	-
As at 09/30/2017	88,394	555,055	73,069	4,825	721,343

Deferred income tax liabilities

Deferred income tax liabilities	Revaluation reserves	Financial assets available for sale	Total
As at 01/01/2017	2,870,270	44,600	2,914,870
Recorded/credited in profit or loss for the period	-	-	-
Recorded/debited in profit or loss for the period	(145,995)	-	(145,995)
Recorded/credited in other elements of comprehensive income	-	-	-
Recorded/debited in other elements of comprehensive income	-	(317)	(317)
As at 09/30/2017	2,724,275	44,283	2,768,558

b) Current income tax

	09/30/2016	09/30/2017
Balance on 01 January	965,850	(45,886)
Increases	1,945,196	900,814
Decreases	(2,489,293)	(380,746)
Balance on 30 September	421,753	474,182

c) Expense with current income tax

	09/30/2016	09/30/2017
Profit before tax	11,974,864	5,064,637
Deductions - reserve fund	(598,743)	(94,009)
Nontaxable income	(208,406)	(617,526)
Nondeductible expenses	384,423	1,260,348
Elements similar to income	912,474	912,474
Taxable profit	12,464,612	6,525,924
Income tax calculated at 16%	1,994,338	1,044,148
Sponsorships carried from 2016	-	(37,186)
Sponsorships of current year	(35,250)	(54,042)
Deduction of reinvested profit	(13,892)	(52,106)
Current income tax expense	1,945,196	900,814

d) Income tax expenses

	09/30/2016	09/30/2017
Current income tax expenses	1,945,196	900,814
Deferred income tax expense	17,774	83,100
Deferred income tax revenues	(153,455)	(150,104)
Income tax expenses	1,809,515	833,810

NOTE 15. BANK LOANS

The company has contracted a bank loan amounting to 35,090,000 lei on 10/05/2015 from BRD. This loan was used for partial payment of the import letter of credit amounting to 8,710,550 Euro (opened at BRD on the request of SOCEP, in favor of beneficiary PACECO ESPAÑA S.A., as per credit letter issue contract no. 209763/05.10.2015). Until 09/30/2017, the company used from this loan 30,844,755 lei and already returned an amount of 1,432,514 lei. At 09/30/2017 there is a balance of 29,412,241 lei, out of which the amount of 5,922,897 lei has a maturity less than 1 year. Balance for interest related to the loan as recorded on 09/30/2017 is in an amount of 34,559 lei.

NOTE 16. DEFERRED INCOME

Under the deferred income category, the company recognizes donations for investments and revenues from rents invoiced in advance.

	01/01/2017	09/30/2017
Donations for investments	-	-
Other revenues	180	33,712
TOTAL	180	33,712

NOTE 17, SUPPLIERS AND OTHER DEBTS

The suppliers and other payables statement is as follows:

	01/01/2017	09/30/2017
Trade payables, out of which:	1,416,374	2,069,137
Suppliers for fixed assets	20,287	10,508
Salaries due	460,204	631,965
Unclaimed Dividends	353,150	348,196
Social security and other taxes	1,075,132	978,083
Other payables	783,081	407,057
Total	4,087,941	4,434,438

Social security and other taxes, which are due in October 2017, have the following values:

	01/01/2017	09/30/2017
Social security	789,832	633,411
Salary tax	284,561	225,257
VAT	-	119,415
Tax on dividends	739	-
TOTAL	1,075,132	978,083

On 09/30/2017, the company has no outstanding debts for which interests or late payment penalties should be paid.

NOTE 18. PROVISIONS

The situation of provisions is as follows:

	01/01/2017	09/30/2017
Provisions for employee benefits	450,895	450,895
Other provisions	5,784	5,784
TOTAL	456,679	456,679

The provision for employee benefits in the amount of 450,895 lei is formed for the amounts to be granted to company employees, equivalent to three base salaries for each, as received on retirement date,

NOTE 19. INCOME (Turnover)

The company has achieved over 99% of its turnover from operations carried out in both terminals, general cargo terminal and container terminal,

	09/30/2016	09/30/2017
Income from port performed port operations	50,483,900	47,323,404
Income from rents	380,320	319,685
Other income (sale of goods)	80,945	119,810
Discounts	-	(29,611)
TOTAL	50,945,165	47,733,288

Turnover detailed by port terminals as determined by company management, is as follows:

	09/30/2016	09/30/2017
I. GENERAL CARGO		
Cargo handling	26,997,422	26,396,774
Storage	3,933,574	2,897,245
Other services	324,550	310,843
Zona Sud Agigea	240,100	230,096
TOTAL	31,495,646	29,834,958
II, CONTAINERS		
Handlings	18,852,945	17,526,507
Storage	396,004	308,387
Other services	200,570	63,436
TOTAL	19,449,519	17,898,330
III, TOTAL COMPANY		
Handlings	45,850,367	43,923,281
Storage	4,329,578	3,205,632
Other services	525,120	374,279
Zona Sud Agigea	240,100	230,096
TOTAL	50,945,165	47,733,288

NOTE 20. OTHER INCOME

	09/30/2016	09/30/2017
Despatch and penalties	479,847	2,461,025
Income from dividends	97,316	98,151
Miscellanea	167,958	443,028
TOTAL	745,121	3,002,204

Other income included amounts from invoicing despatch (due for early operation of ships), i.e, 396,951 lei, penalties calculated for failure to pay in due time for provided port operations and

invoiced to customers, in the amount of 2.064.074 lei and PACECO penalties according to contract (Euro 241,000).

NOTE 21. RAW MATERIALS AND CONSUMABLES

	09/30/2016	09/30/2017
Expenses with consumables	4,376,195	4,519,644
Expenses with other materials	320,109	269,999
Expenses with materials not stored	1,757	1,452
Expenses with energy and water	976,263	957,079
TOTAL	5,674,324	5,748,174

NOTE 22. COST OF SOLD GOODS

	09/30/2016	09/30/2017
Expenses with goods	22,040	23,976

NOTE 23. SERVICES PROVIDED BY THIRD PARTIES

	09/30/2016	09/30/2017
Maintenance and repair expenses	326,651	517,242
Rent expenses	2,894,978	4,193,169
Insurance expenses	217,516	194,680
Entertainment and advertising expenses	134,657	101,767
Expenses with charges and fees	1,125,013	911,236
Cargo and staff transportation expenses	88,550	92,304
Travel expenses	154,447	83,396
Postal and telecommunication expenses	91,910	87,578
Bank service expenses	75,502	26,831
Rail cars shifting expenses	281,786	298,602

Port service expenses	3,222,474	4,208,639
Sanitation expenses	161,889	258,772
Occupational safety expenses	61,265	49,459
Fire protection, safety expenses	658,912	689,042
Computer service expenses	94,260	100,267
Expenses with subscriptions, contributions	41,082	43,089
Audit, consultancy, BSE expenses	55,130	174,054
Expenses with authorizations	103,392	101,138
Schooling/training expenses	53,047	13,232
Other expenses	207,317	120,331
TOTAL	10,049,778	12,264,828

NOTE 24. EMPLOYEE BENEFIT COST

EXPENSES	09/30/2016	09/30/2017	Out of which expenses related to Court Decision No.10/CM/18.05.2017
Salaries and meal vouchers	14,488,062	16,452,186	1,579,392
Social security expenses	3,405,005	4,107,711	549,312
TOTAL	17,893,067	20,559,897	2,128,704

Benefits for Executive Board and Supervisory Board members:

CHELTUIELI	09/30/2016	09/30/2017
Executive Board benefits	454,530	460,775
Social security related to Executive Board benefits	102,895	108,224
Supervisory Board benefits	367,200	579,976
Social security related to Supervisory Board benefits	84,217	133,226
TOTAL	1,008,842	1,282,201

AVERAGE NUMBER OF EMPLOYEES	09/30/2016	09/30/2017
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435

428

NOTE 25. AMORTIZATION EXPENSES

	09/30/2016	09/30/2017
Expenses with the amortization of intangible assets	16,218	247,811
Expenses with the amortization of tangible assets	4,680,866	5,965,244
TOTAL	4,697,084	6,213,055

NOTE 26. OTHER EXPENSES

Other expenses include expenses with other taxes, losses on bad debts, compensation of damages, fines and penalties, donations and other operating expenses,

	09/30/2016	09/30/2017
Expenses with taxes and charges	477,549	448,760
Losses from receivables	-	-
Damages, fines, penalties	33,195	23,800
Sponsorships	35,250	54,042
Other operating expenses	97,179	228,137
TOTAL	643,173	754,739

NOTE 27. OTHER OPERATIONAL GAINS/LOSSES – NET

	09/30/2016	09/30/2017
Income from disposal of assets	40,065	6,318
Expenses on disposal of assets	(7,992)	(1,994)
Income from provisions	1,190	-
Expenses from provisions	-	-
Income from adjustments of stocks and customer receivables	109,900	519,376
Expenses for adjustments of stocks and customer receivables	(46,622)	(25,674)
Income from exchange rate differences, less those for cash and cash equivalents	205,907	100,469

Expenses from exchange rate differences, less those for cash and cash equivalents	(475,281)	(284,824)
TOTAL	(172,833)	313,671

NOTE 28. FINANCIAL INCOME

Financial income includes income from interests and other income,

	09/30/2016	09/30/2017
Income from interests	33,760	34,280
Other financial income	1,333	5,926
TOTAL	35,093	40,206

NOTE 29. FINANCIAL EXPENSE

	09/30/2016	09/30/2017
Interest expense	98,202	-
TOTAL	98,202	-

NOTE 30. OTHER FINANCIAL GAINS/LOSSES – NET

The net financial gain (loss) is determined as the difference between income and expenses related to different exchange rates applied to cash and cash equivalents in foreign currency,

	09/30/2016	09/30/2017
Income from different exchange rates	1,011,197	709,515
Expenses from different exchange rates	(1,511,211)	(1,169,578)
Net financial gains (losses)	(500,014)	(460,063)

NOTE 31. TRANSACTIONS WITH AFFILIATED PARTIES

At the end of third quarter of 2017, the company had transactions with the following affiliated parties: SC TRANSOCEP TERMINAL SA CONSTANȚA, SC CASA DE EXPEDIȚII

PHOENIX S,A, CONSTANȚA, SC CELCO CONSTANȚA SA, SC SULINA ESTIVAL 2002 SA and DDN GLOBAL SRL CONSTANȚA, The connection with TRANSOCEP TERMINAL S,A, CONSTANȚA is generated by the 22,22% stake in the capital and the presence in the Executive Board of TRANSOCEP TERMINAL S,A, The connection with CASA DE EXPEDIȚII PHOENIX SA CONSTANȚA, CELCO CONSTANȚA SA, SULINA ESTIVAL 2002 SA and DDN GLOBAL SRL CONSTANȚA is resulting from the existence of common members in their management bodies.

Sales of goods and services

a) TRANSOCEP TERMINAL SA

	09/30/2016	09/30/2017
Sales of goods	-	-
Sales of services	14,109	14,377
Sales of fixed assets	-	-
TOTAL (TVA INCLUS)	14,109	14,377

b) CASA DE EXPEDIȚII PHOENIX SA

	09/30/2016	09/30/2017
Sales of goods	-	-
Sales of services	199,129	262,307
Sales of fixed assets	-	-
TOTAL (TVA INCLUS)	199,129	262,307

c) CELCO SA

	09/30/2016	09/30/2017
Sales of goods	-	-
Sales of services	-	62,346
Sales of fixed assets	-	-
TOTAL (TVA INCLUS)	-	62,346

Purchases of goods and services

a) CASA DE EXPEDIȚII PHOENIX SA

	09/30/2016	09/30/2017
Purchases of goods	-	623,267
Purchases of services	-	1,770,610
Purchases of fixed assets	-	-
TOTAL (TVA INCLUS)	-	2,393,877

b) TRANSOCEP TERMINAL SA

	09/30/2016	09/30/2017
Purchases of goods	-	-
Purchases of services	-	84,523
Purchases of fixed assets	-	-
TOTAL (TVA INCLUS)	-	84,523

c) DDN GLOBAL SRL

	09/30/2016	09/30/2017
Purchases of goods	-	-
Purchases of services	-	120,645
Purchases of fixed assets	-	-
TOTAL (TVA INCLUS)	-	120,645

d) SULINA ESTIVAL 2002 SA

	09/30/2016	09/30/2017
Purchases of goods	-	-
Purchases of services	-	500
Purchases of fixed assets	-	-
TOTAL (TVA INCLUS)	-	500

Balances on 30-th of September 2017 resulting from sales/purchases of goods/services

a) TRANSOCEP TERMINAL SA CONSTANȚA (associated entity)

	09/30/2016	09/30/2017
Receivable	4,732	-
Payable	-	-
TOTAL	4,732	-

b) CASA DE EXPEDIȚII PHOENIX SA CONSTANȚA

	09/30/2016	09/30/2017
Receivable	-	-
Payable	142,203	43,470
TOTAL	142,203	43,470

NOTE 32, ECONOMIC AND FINANCIAL INDICATORS

INDICATORS	CALCULATION PROCEDURE	RESULTS	
		09/30/2016	09/30/2017
1, Current liquidity	Current assets/Current liabilities	7.70	4.67
	Borrowed capital ----- x 100 Equity	16.26	18.87
2, Indebtedness	Borrowed capital ----- x 100 Committed capital	13.99	15.87
3, Rotation speed of customers debts	Average balance of customers ----- x 270 Turnover	104.90	83.23
4, Rotation speed of fixed assets	Turnover/Fixed assets	0.44	0.39

EVENTS OCCURRED AFTER THE REPORTING PERIOD



We specify that, subsequently to financial statements preparation date, the SOCEP SA Supervisory Board took following decisions concerning the SOCEP SA Executive Board structure:

- Concluding a new Mandate Contract for Human Resources Manager, with Mr. Corneliu Nădrag valid for 10/18/2017 – 08/18/2019;
- Revocation - starting on 11/27/2017 - of Mr. Fănel Ștefănescu from his position as Operations Manager and from his membership in SOCEP SA Executive Board;
- Appointment of Mr. Gabriel Codeț - in the position of Operations Manager and as member of SOCEP SA Executive Board.

No events which could significantly influence the financial position and company performances have occurred.

Quarterly Financial Statements are not audited.

GENERAL MANAGER,
MARIUS BARBARINO

ECONOMIC MANAGER,
CAMELIA NEBI

