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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
NATURA QUATUOR ENERGIA HOLDINGS SA (free translation)[1]

Report on the Individual Financial Statements-

Qualified Opinion

[1] We have audited the accompanying individual financial statements of **NATURA QUATUOR ENERGIA HOLDINGS SA** (hereinafter referred to as "the Company"), which comprise the individual statement of financial position as at 31 December 2016 and the individual statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

[2] In our opinion, except for the effects of the matter described in paragraph [3] below, from *Basis for qualified opinion* the accompanying individual financial statements give a true and fair view of the individual financial position of **NATURA QUATUOR ENERGIA HOLDINGS SA** as at 31 December 2016 and its individual financial performance and its individual cash flows for the year then ended in accordance with Ministry of Public Finances Order no. 2844/2016 "for the approval of the accounting regulations in accordance with the International Financial Reporting Standards" and related regulations.

Basis for qualified opinion

[3] As at 31 December 2016, Accounts Receivable include an amount of RON 1.453.152 due from a single customer that is long overdue and the full recoverability of which is doubtful. No provision for potential uncollectability has been recognized against above receivable balance.
Based on the information received from the management of the Company regarding the assumptions used in assessing the recoverability of this amount, we were unable to determine the impact on the Company's individual financial statements, of a potential adjustment for impairment that might have been necessary in order to present the balance at its estimated recoverable value.

[4] We conducted our audit in accordance with International Standards on Auditing ("International Standards of Auditing" or "ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Romania, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

[1] TRANSLATOR'S EXPLANATORY NOTE: The above translation of the audit report is provided as a free translation from Romanian, which is the official and binding version.

Emphasis of matters

[5] Without further qualifying our opinion, we draw attention to *Loans receivable from affiliated* companies amounting to RON 7.456.339, for which there is an uncertainty with regards to their recoverability. The recoverability of the loans granted to affiliated companies was assessed by the management based on certain assumptions, professional judgments, expectations of future events, which are believed to be reasonable under the circumstances, and other factors. In the opinion of management and at the date of issue of the accompanying financial statements, the carrying value of the loans do not exceed their estimated recoverable amount on the predominant basis that the major assumptions and judgements will materialize, without material adverse effects. In the event that any of the assumptions, professional judgments, expectations of future events and other factors do not materialize, as planned, this may cause a material adjustment to the individual financial statements of the Company, the impact of which cannot be reasonably estimated at present.

[6] The financial statements as at 31 December 2016 contain transactions with related parties. The fiscal legislation in Romania include the "market value concept", accordingly the transactions between related parties need to be made on an arm's length basis. The Romanian entities having transactions with related parties need to prepare and to make available to tax authorities, at their request, the transfer pricing file. At the date of approval of the financial statements, the Company is in progress of preparing a transfer pricing file. The management considers that the company will not suffer any penalties in case of a transfer pricing fiscal control.
Nevertheless, the impact of a potential different interpretation of fiscal authorities cannot be reliably estimated. This impact might be significant for the financial position and/or financial performance of the Company.

Key Audit Matters

[7] Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	**Audit approach**
Investments in Subsidiaries Investments in Subsidiaries are carried at cost in the accompanying individual financial statements which as at 31 December 2016 reflected a balance of RON 1.751.559. The recoverability of the investments in subsidiaries was assessed by the management based on certain assumptions, professional judgments, expectations of future events, which are believed to be reasonable under the circumstances, and other factors. Based on the impairment tests performed, the carrying amounts of investments in subsidiaries do not exceed their recoverable amounts, on the basis that the current business plans of the subsidiaries will materialize	We have reviewed the main assumptions and the professional judgements made by the management in performing the impairment tests and we have found them reasonable under the current circumstances.

without material adverse effects. There are inherent uncertainties in all such impairment test calculations and the actual results of which may differ from those forecasted.	

Responsibilities of Management and Those Charged with Governance for the Financial Statements

[8] Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with OMFP 2844/2016 "for the approval of the accounting regulations in accordance with the International Financial Reporting Standards" and related regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

[9] In preparing the financial statements, management is responsible for evaluating the Company's ability to continue as a going concern, for disclosure, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

[10] Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or aggregated, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

[11] As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

[12] We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

[13] We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

[14] From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation prohibits public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on conformity of the Administrators' Report with the Individual Financial Statements

[15] According article 34, point 2, letter a) and b) of the Ministry of Public Finances Order no. 2844/2016 regarding the approval of the accounting regulations compliant with the International Financial Reporting Standards ("OMFP 2844/2016"), we have read the Administrators' Report attached to the individual financial statements. The Administrators' Report is not part of the individual financial statements.

In the Administrators' Report:

a) We have not identified information that present material disagreement with the information presented in the attached individual financial statements.
b) The administrator report is prepared according with applicable legal requirements respectively Chapter III "Administrator report" points 15-19 from OMFP 2844/2016.
c) Based on our knowledge and understanding acquired during our audit of financial statements for the year ended as at 31 December 2016, with regard to the company and its environment, we did not identify information significantly misstated.

The engagement partner on the audit resulting in this independent auditor's report is Ruxandra Bilius.

Refer to the original signed

Romanian Version

Auditor:
RUXANDRA BILIUS
CAFR authorization no. 1996/2006
on behalf of:

BAKER TILLY KLITOU AND PARTNERS S.R.L.
CAFR authorization no. 384/2003

Bucharest, 23 March 2017

This is a translation of the official Romanian version. For any in inconsistencies between the Romanian and the English versions, interested persons should be aware of the fact that the Romanian version prevails over the English one.

Natura Quattuor Natura Quattuor Energia Holdings SA

Individual Financial Statements
for the financial year ended as of
31 December 2016

Prepared according to
the requirements of Order no. 2844/2016 of the Ministry of Public Finance for approving the accounting regulations according to International Financial Reporting Standards applicable to trading companies whose shares are admitted to trading on a regulated market as further amended

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	Nota	31 December 2016	31 December 2015
ASSETS			
Non current assets			
Tangible assets	**9**	2.645.154	1.973.435
Intabgible assets		121	399
Investments in subsidiaries	**10**	481.099	49.095
Investments in associates	**10**	1.089.650	1.089.650
Long term loans		7.456.339	-
Deffered tax assets		77.776	-
Total non current assets		**11.750.949**	**3.112.579**
Current assets			
Loans granted	**12**	-	5.561.251
Commercial receivables and other receivables	**11**	1.742.193	4.819.860
Accrued expenses		23.718	15.421
Cash and cash equivalents	**13**	54.877	26.737
Total current assets		**1.820.788**	**10.423.269**
Total assets		**13.571.738**	**13.535.848**
EQUITY AND LIABILITIES			
Equity			
Share capital	**14**	3.605.949	3.605.949
Share capital adjustments for hiperinflation (according to IAS 29)		1.304.446	1.304.446
Share capital premiums		4.064.177	4.064.177
Revaluation reserves	**9**	1.555.744	1.549.831
Legal reserves		24.479	24.479
Other reserves		14.459	14.459
Other retained earnings		(6.990.323)	(4.538.647)
Total equity		**3.578.931**	**6.024.694**
Long term liabilities			
Loans		5.369.120	-
Bonds	**16**	2.724.660	-
Deferred income tax	**23**	-	231.064
Total long term liabilities		**8.093.780**	**231.064**
Current liabilities			
Loans	**15**	740.148	3.879.496
Commercial liabilities and others	**17**	886.413	387.277
Bonds	**16**	272.466	3.013.317
Total current liabilities		**1.899.027**	**7.280.090**
Total liabilities		**9.992.807**	**7.511.154**
Total equity and liabilities		**13.571.738**	**13.535.848**

Individual financial statements presented under pages 1 to 41 were approved by the management on 23 March 2017 and signed on its behalf by:

Tsamis Georgios
President of the Board of Administrators

Notes under pages 7 - 41 are part of these individual financial statements.

	Nota	2016	2015
Revenues from services	**18**	-	1.980.139
Other revenues		48.971	28.649
Total revenues		**48.971**	**2.008.788**
Third party services	**19**	(768.863)	(468.560)
Expenses with employees' benefits	**20**	(1.114.692)	(978.883)
Other operational expenses	**21**	(538.340)	(331.826)
Total operational expenses		**(2.421.895)**	**(1.779.269)**
Operational profit		**(2.372.924)**	**229.519**
Financing costs		(453.432)	(413.665)
Interest revenues		204.631	196.045
Foreign exchange differences		(42.185)	25.872
Other financial elements, net		(97.732)	(350.914)
Financial result	**22**	**(388.718)**	**(542.662)**
(Gross loss)		**(2.761.642)**	**(313.143)**
Expenses with deferred income tax	**23**	309.966	(78.309)
Tax on profit		**309.966**	**(78.309)**
(Net loss) / Net profit of the period		**(2.451.676)**	**(391.452)**
Other elements of the total result			
Elements that will not be re-classified as profit or loss in the future			
Differences from re-evaluation of tangible assets (land)	**9**	7.038	(71.665)
Liability referring to deferred income tax from re-evaluation reserves	**9, 23**	(1.125)	11.466
Other elements of total result of the exercise, after taxes		**5.913**	**(60.199)**
Total result of the period		**(2.445.763)**	**(451.651)**
Yield per share			
Basic yield per share (RON/ share)	**28**	(0.068)	(0.011)

Notes under pages 7 - 41 are part of these individual financial statements

	Share capital	Share capital adjustments	Share capital premiums	Re-evaluation reserves	Legal reserves	Other reserves	Brought forward result	Total
Balance as of 1st January 2015	**2.917.692**	**1.304.446**	**1.948.711**	**1.610.030**	**24.479**	**14.459**	**(4.147.195)**	**3.672.622**
Total result of the period								
Net profit of the period	-	-	-	-	-	-	(391.452)	(391.452)
Other elements of the total result								
Re-evaluation reserves not recognized during the administration period	-	-	-	(71.665)	-	-	-	(71.665)
Liability referring to deferred income tax from re-evaluation reserves	-	-	-	11.466	-	-	-	11.466
Total other elements of total result	**-**	**-**	**-**	**(60.199)**	**-**	**-**	**-**	**(60.199)**
Total result of the period								
	688.257		2.115.466	-	-	-	-	2.803.723
Balance as of 31 December 2015	**688.257**	**-**	**2.115.466**	**-**	**-**	**-**	**-**	**2.803.723**
Balance as of 1st Januarv 2016								
	3.605.949	**1.304.446**	**4.064.177**	**1.549.831**	**24.479**	**14.459**	**(4.538.647)**	**6.024.694**
Total result of the period	**3.605.949**	**1.304.446**	**4.064.177**	**1.549.831**	**24.479**	**14.459**	**(4.538.647)**	**6.024.694**
Net loss of the period								
Other elements of total result								
Re-evaluation reserves not recognized during the administration period	-	-	-	-	-	-	(2.451.676)	(2.451.676)
Liability referring to deferred income tax from re-evaluation reserves								
Total other elements of total result	-	-	-	7.038	-	-	-	7.038
Total result of the period				(1.125)				(1.125)
Share capital increase	-	-	-	**5.913**	-	-	-	**5.913**
Total transactions with shareholders								
Balance as of 31 December 2016	-		-	-	-	-	-	-
Balance as of 1st January 2015	-	-	-	-	-	-	-	-
	3.605.949	**1.304.446**	**4.064.177**	**1.555.744**	**24.479**	**14.459**	**(6.990.323)**	**3.578.931**

Notes under pages 7 - 41 are part of these individual financial statements .

	Note	2016	2015
Cash flow from operating activities			
(Net loss) of the period		(2.451.676)	(391.452)
Adjustments for:			
Expenses with impairment of tangible assets	**9**	116.258	22,426
Expenses with impairment of nontangible assets		409	-
Gain related to sale of intangible assets		(711)	-
Loss related to impairment of investments in subisidiaries		345.567	-
Loss related to impairment of financial assets, net	**22**	-	350.914
Loss related to impairment of receivables, net		-	297.372
Expenses with deferred income tax	**23**	(309.966)	78.309
Financing costs	**22**	453.432	413.665
Interest income	**22**	(204.631)	(196.045)
Foreign exchange differences	**22**	42.185	(25.872)
		(2.009.133)	**549.317**
Modifications in:			
Commercial receivables and other receivables		3.038.908	(1.945.052)
Commercial liabilities and other liabilities		499.135	189.906
Cash from operating activities		**1.528.910**	**(1.205.830)**
Interest paid		(453.432)	(319.131))
Net cash from operating activities		**1.075.478**	**(1.542.961)**
Cash flow from investment activities			
Acquisition of tangible assets	**9**	(777.240)	(16.125)
Acquisition of non tangible assets		(131)	133
Acquisition of financial assets		(778.381)	(38.164)
Proceeds from disposal of tangible assets		(2.987)	-
Amounts received from loans granted		-	266,676
Loans granted to affiliates		(1.895.088)	(487.758)
Income from interests		204.631	6.230
Net cash flow from interests		**(3.249.196)**	**(269.008)**
Cash flow from financing activities			
Reimbursement of loans		(2.955.018)	(1.136.540)
Disbursements of loans		5.168.599	2.944.548
Amounts received from bond issue		-	-
Net cash flow from financing activities		**2.213.581**	**1.808.008**
Net decrease of cash and cash ecquivalents		**39.863**	**14.039**
Cash and cash ecquivalents on 1 January	**13**	26.737	16.316
Effect of exchange rate variation on cash		(11.723)	(3.618)
Cash and cash ecquivalents on 31 December	**13**	**54.877**	**26.737**

Notes under pages 7 - 41 are part of these individual financial statements

Nota 1. Reporting Entity

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 was listed on RASDAQ market. Starting with March 2014 the Company is listed on the regulated market of Bucharest Stock Exchange, Standard category, under the trading symbol SCPS.

The shareholding structure as of 31 December 2016 as well as changes occurred after the balance sheet date are presented under Note 14.

The Company controls several entities and prepares consolidated financial statements.

Nota 2. Basis of preparation

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

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

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

Individual annual financial statements compliant to OMPF 1286/2012 for the year 2014 have been prepared by restating the accounting information organized under the accounting regulations compliant with Directive IV of the European Economic Community, approved by the Minister of Finance no. 3055/2009 approving the accounting regulations compliant with European Directives, as amended ("OMPF 3055/2009").

The Company's significant accounting policies, including changes during the current year are presented in Notes 6 and 7.
Basic Assumptions

These individual financial statements have been prepared under the going concern assumptions and accruals.

a) On going concern

These individual financial statements have been prepared under the going concern assumption, which assumes that the Company will continue in the foreseeable future. To evaluate the applicability of this assumption, the management analyzes projections of future cash inflows. Based on this analysis, the management believes that the Company will continue its activity in the foreseeable future (and therefore the application of the going concern assumption in the preparation of these financial statements is justified) due to the following assumptions:

- The Management believes that the support provided by the shareholders will be sufficient to allow the activity and pay debts in the ordinary course of business operation, without requiring substantial sales of assets, determined by external factors, forced interruption of its operations or other similar actions.
  - The Company has outstanding loans amounting to 3,879,496 lei, of which teh amount of 3,617,564 lei is due to the company's shareholders, namely Framecell Limited and Green Southeast Europe Investments. In March 2016 the Company received support letters from Framecell Limited and Green Southeast Europe Investments, by which they express their engagement for continuing to offer financial support for continuing Natura Quattuor Energia Holdings SA's operations for at least one year period since the issuing date of the respective letters.

For the year ended at 31 decembrie 2016 the Company recorded a net loss of 2.451.676 lei (in 2015 ammounting to 391.452 lei), while the Company's tangible assets exceed its short-term debts with 78.239 lei (in 2015 ammounting to 3.143.179 lei).

a) Accruel accounting

The Company prepares its financial statements using accrual accounting, except for cash flow information. When using accrual accounting, items are recognized as assets, liabilities, equity, revenues and expenses when they comply with the definitions and recognition criteria.

Fundamental qualitative characteristics of financial information

The information presented in the individual financial statements for the year ended 31 December 2015 have the following basic qualitative features:

a) Relevant

Relevant financial information are those that have the ability to generate a difference in the decisions made by users.

Materiality principle

Items that have significant value are presented separately in the financial statements. Information is material if its omission or inaccurate presentation could influence decisions that users make on the basis of financial information about a specific reporting entity.

b) Accurate representation

Accurate representation requires that the information presented is complete, neutral and without errors.

The principle of prudence

The preparation of financial statements took into account:

- All adjustments due to impairments in evaluation of the assets;
- all obligations and potential losses that emerged during the financial year ended.

The principle of substance over form

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

The principle of non compensation

The values of the elements representing assets were not compensated values of elements representing liabilities or revenues with expenses, unless compensation is provided or permitted by IFRS.

Nota 3. Functional and presentation currency

The individual financial statements are presented in Romanian lei ("Lei" or "RON"), which is the functional currency of the Company. All financial information presented in RON have been rounded to the nearest RON, unless otherwise indicated.

Nota 4. Use of estimates and professional judgement

The preparation of financial statements in accordance with IFRS requires Management to use proffessional judgements, estimates and assumptions that affect the enforcing of accounting policies and reported value of assets, liabilities, revenues and expenses. The actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate was revised and in future affected periods.

Information on significant professional judgments enforcing accounting policies that significantly affect the amounts recognized in the individual financial statements are included in the following notes:

Note 23 - the recognition of deferred tax: availability of future taxable profit will be deducted from tax losses

Note 9 - depreciation test of tangible assets: key assumptions underlying the determination of the recoverable amount

Note 7 - estimates of useful life times of tangible and intangible assets;

Valuation at fair value

Certain accounting policies of the Company and presentation of information requires the determination of fair value for both financial assets and liabilities and for non-financial ones.

For the valuation of assets or liabilities at fair value, the Company uses as much as possible on observable market information. The fair value hierarchy categorizes the inputs to valuation techniques used in measuring the fair value into three levels, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the valuation date;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs for the asset or liability.

If the input data for measuring the fair value of an asset or liability can be classified into several levels of hierarchy of fair value, fair value valuation is categorized in its entirety on the same level fair value hierarchy as input to lowest level of uncertainty that is significant for the entire assessment.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period in which the change occurred.

Additional information about assumptions used in fair value valuation are included in the following notes:

Nota 5. Note 9 – Tangible assets
Nota 6. Note 24 – Financial instruments

Nota 5. Bases of valuation

The individual financial statements are prepared at the historical cost, except for the following significant elements of the individual situation of financial position:

- Lands are valuated at the relevant value;
- The share capital is adjusted according to International Accounting Standard ("IAS") 29 *Financial reporting in hyperinflationary economies* to adjust Romanian hyperinflationary economy effects, bottoming out at 31 December 2003..

Nota 6. Modifications of accounting policy

The company consistently applied the accounting policies set out in Note 7 for all periods presented in these individual financial statements .

Nota 7. Significant accounting policies

The accounting policies set out below have been applied consistently by the Company for all periods presented in these individual financial statements.

Below is the index of significant accounting policies, details of which are available in the following pages.

(a) Foreign currency

Foreign currency transactions are translated into the functional currency of the Company at exchange rates at the transaction date. Monetary assets and liabilities at the reporting date which are denominated in foreign currencies are translated to the functional currency at the exchange rate of that date. Foreign exchange gains or losses on monetary items are calculated as the difference between amortized cost in the functional currency at the beginning of the year, adjusted by the amount of effective interest receipts and payments made during the year, and the amortized cost in foreign currency translated at the exchange rate of the year end.

Non-monetary assets and liabilities denominated in a foreign currency that are measured at fair value are translated to the functional currency at the exchange rate at the date when the fair value was determined. Non-monetary items denominated in a foreign currency that are measured at historical cost are translated using the exchange rate at the transaction date.

Foreign exchange differences arising from conversions are recognized in individual profit or loss statement and other elements of total result.

(b) Financial instruments

(i) Non-derivative financial instruments

The Company initially recognizes commercial claims and other claims at the date on which they were generated. All other financial assets (including assets designated at fair value through profit or loss individual situation and other comprehensive income) are recognized initially on the trade date when the Company becomes party to the contractual terms of the instrument.

The Company recognizes a financial asset when the contractual rights expire on cash flows from the asset are transferred or when the rights to receive cash flows of the financial asset's contractual cash in a transaction in which the risks and rewards of ownership of the financial asset are transferred significantly. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the individual situation of financial position is presented net value only when the Company has a legal right to offset the amounts and intends either to settle on a net basis, or to realize the asset and settle the obligation at the same time. Any such compensation is based on legal provisions and to third parties involved.

The Company has the following non-derivative financial assets: loans granted, trade receivables and other receivables, shares in affiliated entities, cash and cash equivalents.

Loans granted, trade receivables and other claims

Loans granted and receivables are financial assets with fixed or determinable payments that are not traded on an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method less any amount of impairment losses (see Note 7 (e) (i)).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits redeemable at maturity of up to three months from the date of incorporation, which are subject to an insignificant risk of changes in fair value that are used by the Company in managing its short-term commitments.

For the presentation in the cash flow individual statement, bank overdrafts that are repayable on demand are considered cash equivalents, as are part of the Company’s cash management.

(i) Non-derivative financial liabilities

The Company initially recognizes debt instruments issued and subordinated liabilities on the date it is initiated. All other liabilities are recognized initially on the trade date when the Company becomes party to the contractual terms of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, canceled or expired.

The Company classifies non-derivative financial liabilities under other financial liabilities. These financial liabilities are

recognized initially at fair value less directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities include loans, trade payables and other payables.

(ii) Share capital

Ordinary shares

Ordinary shares are classified as part of equity. Incremental costs directly attributable to issue of ordinary shares are recognized as a deduction from equity net of tax effects.

Redemption and reissue of share capital (treasury shares)

When share capital recognized as equity is repurchased part of the value of consideration paid, which includes other directly attributable costs, net of tax effects, it is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a reserve on their own shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and surplus or deficit recorded after the transaction is presented as the first capital.

Dividends

Dividends are recognized as a liability in the period in which their distribution is approved

(c) Tangible assets

(i) Recognition and valuation

After recognition as an asset, items included in tangible assets (excluding land) are valued at cost less acumulated amortization and accumulated impairment losses. Land are accounted at a revalued amount, this being its fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure directly attibutable to the acquisition of the asset The cost of assets built by the Company itself includes the following:

- cost of materials and direct personnel costs;
- other costs directly attributable to bringing the asset to the required stage;
- when the Company is required to move the asset and restore the surroundings, the estimated costs of dismantling and removing the items and restoring the space in which they are located; and
- cost of capitalized borrowing.

The cost also includes transfers from other elements of total result of gains or losses related to cash flow hedges related to foreign currency purchases of property and equipment that qualifies for hedge accounting application.

When certain components of property and equipment have different useful life, they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of tangible assets (calculated as the difference between net disposal proceeds and the carrying amount of the item) is recognized in the individual statement of profit or loss and other elements of the total result.

(ii) Subsequent expenses

Subsequent expenses are capitalized only when it is probable that they will generate future economic benefits for the Company. Expenses on repairs and maintenance are recognized as they are incurred, in individual statement of profit or loss and other elements of total result.

(iii) Depreciation of tangible assets

Items of tangible assets are depreciated beginning with the date they are available for use or are in working order, and for assets

built by the Company itself, from the date that the asset is completed and ready for use.

Depreciation is calculated to recover the cost of items of tangible assets less their estimated residual value using the straight-line method for useful life. Depreciation is generally recognized in the individual statement of profit or loss, unless the amount is included in the accounting amount of another asset. Assets acquired under lease are depreciated over the shorter of the lease term and the useful life unless that is estimated with a reasonable degree of certainty that the Company will obtain ownership at the end of the lease. Land is not depreciated.

- Useful lives for the current and comparative period are as follows:
  - vehicles 4 years
  - computers 3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necesarry. Residual values of tangible assets are estimated at zero.

(iv) Reevaluation

Land is re-evaluated with sufficient regularity to ensure that the accounting amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

At re-evaluation, any accumulated depreciation at the date of re-evaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

If the accounting amount of an asset is increased as a result of a revaluation, the increase shall be recognized in other elements of the total result and accumulated in equity under the heading of revaluation reserve. However, the increase shall be recognized in the period to the extent that it reverses a revaluation decrease of the same asset previously recognized in individual statement of profit or loss and other elements of the total result.

If the accounting amount of an asset is impaired as a result of a revaluation, the decrease shall be recognized in individual statement of profit or loss and other elements of the total result. However, the decrease shall be recognized in other elements of the total result to the extent that the revaluation surplus shows a credit balance for the asset. Reduction recognized in other elements of the total result reduces the amount accumulated in equity under the heading of revaluation reserve.

Revaluation reserve, included in equity in respect of an item of property is transferred directly to retained earnings when the asset is derecognised. This may involve transferring the entire surplus when the asset is removed from service or disposed of. Transfers from revaluation surplus to retained earnings is not made by the individual statement of profit or loss and other elements of the total result.

(a) Intangible assets

Intangile assets acquired by the Company having a determined useful life are measured at cost less accumulated amortization and accumulated impairment losses.

(i) Subsequent expenses

Subsequent costs are capitalized only when it increases the future economic benefits embodied in the value of the asset to which they are intended. All other expenses, including expenses on internally generated goodwill and brands are recognized in individual statement of profit or loss and other elements of the total result.

(i) Amortization of intangible assets

With the exception of goodwill, intangible assets are amortized in the individual statement of profit or loss and other elements of the total result using the straight line method for the useful life.

The useful life of intangible assets for the current and comparative periods are between 3 and 6 years. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting date and adjusted if necessary.

(d) Impairment

(i) Non-derivative financial assets

A financial asset that is not classified at fair value through the individual statement of profit or loss and other elements of the total result is tested at each reporting date to determine whether there is objective evidence regarding the existence of impairment.

A financial asset is considered impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and this event had a negative impact on expected future cash flows of the asset and the loss can be estimated reliably.

Objective evidence indicating that financial assets are impaired include:
- failure to pay by the debtor;
- indications that a debtor or issuer will enter bankrupt;
- adverse changes in the payment status of borrowers (payment delays of more than 360 days).

Financial assets carried at amortized cost

The Company considers evidence of impairment for financial assets measured at amortized cost (loans granted and that trade receivables and other receivables) at specific assets.

An impairment loss related to a financial asset measured at amortized cost is calculated as the difference between its accounting value and the present value of expected future cash flows discounted using the original effective interest rate of the asset. Individual losses are recognized the individual statement of profit or loss and other elements of the total result and reflected in an allowance account against receivables and loans.

If subsequently the fair value of the asset increases and the increase can be attributed objectively to an event occurring after the recognition of the impairment loss, the impairment is reversed, reversed amount is recognized in profit or loss.

(ii) Non-financial assets

The accounting value of the Company's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is evidence of the existence of impairment. Indications of impairment of assets are considered minimum of:

External sources of information

- there are observable indications that the asset's market value has declined significantly more than during the period would have been expected as a result of time or use.
- occurred during significant changes with an adverse effect on the Company, or such changes will occur in the near future technological, market, economic or legal environment in which the Company operates or in the market to which an asset is dedicated.
- market interest rates or other market rates of return on investments have increased during the period, the increases are likely to affect the discount rate used to calculate the value in use of an asset and thereby reduce the recoverable amount significantly.
- the carrying value of net assets of the Company is its high market capitalization.

Internal sources of information

- there is evidence of obsolescence or physical damage of an asset.
- during significant changes have taken place, with a negative effect on the Company, or is expected that such changes will occur in the near future, depending on the degree of how the asset is used or is expected to be used . Such changes include situations where an asset becoming idle, plans to discontinue or restructure the business to which the asset is dedicated to planning the disposal of the asset before the previously expected date, and reassessing the useful life of an asset as determined, not undetermined.
- evidence is available from internal reporting on the fact that the economic performance of an asset is, or will be weaker than expected.

If any such evidence exists, the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite useful lives are tested annually for impairment. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and fair value less costs to sell. In determining value in use, expected future cash flows are discounted to determine the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit . For impairment testing, assets that can not be tested individually are grouped in the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets (" cash-generating unit "). For the purpose of impairment testing of goodwill, cash-generating units to which they were allocated to goodwill are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes, subject to a ceiling operating segment level. Goodwill acquired in a business combination is allocated to groups of cash-generating units that are expected to benefit from the synergies of the combination.

Impairment losses are recognized in profit or loss of individual and other comprehensive income. Impairment losses recognized in respect of cash-generating units are first Use to reduce the carrying amount of goodwill allocated to the units, if any, and then pro rata to-downs of other assets in the unit.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment had been recognized.

(e) Employees' benefits

(i) Short term employees' benefits

Short-term employee benefits are measured without being updated and expense is recognized as the related services are rendered. A liability is recognized at the amount expected to be paid under short-term plans to grant cash bonuses or profit sharing if the Company has a legal or constructive obligation to pay this amount for services previously provided by employees and the obligation can be estimated reliably.

(i) Contributions

In the normal course of business, the Company makes payments to state funds for health, pension and unemployment state on account of its employees at statutory rates. All employees of the Company are members of the Romanian State pension plan. These costs are recognized in the income statement together with the salary. Employees paid by the contract are responsible for paying contributions, as in their case not provided for stopping the power.

The Company does not operate any other retirement plan or benefits after retirement.

(a) Provisions for risk and expenses

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by updating the expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(f) Lease

(i) Determining whether an agreement contains a lease

When initiating an agreement, the Company determines whether an agreement is or contains leasing. An asset is subject leasing operations if:

- fulfilling the terms of the agreement depends on the use of a particular asset; and
- after the agreement the right to use the asset is transferred.

When initiating or revaluation agreement, the Company separates payments and other types of consideration required by such an agreement in the lease and the related operation on other elements based on their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments credible, then an asset and a liability are recognized at an amount equal to the fair value of the asset underlying the contract. Subsequently, the liability is reduced as payments are made and an imputed financial cost of debt is recognized by the Company using the Company's incremental borrowing rate loans.

(ii) Lease payments

Payments made under operating leases are recognized in profit or loss of individual and other comprehensive income over the lease term on a straight. Operating leases incentives received are recognized as an integral part of the total lease expenses during the lease.

Minimum lease payments made under a finance lease are allocated between the finance charge and the reduction of the outstanding debt. Finance expense is allocated to each period during the lease term so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Revenues

(i) *Revenues from services*

Revenues from services are recognized in the period in which they were provided in correspondence with the stage of completion. Provision of services including execution of works includes any other operations that can not be considered as delivery of goods.

The stage of completion of the work is determined on the basis of work situations that accompany invoices, records or other documents reception attest stage of fulfillment and reception services provided.

Financial revenues and expenses

Financial revenues comprises interest income. Interest income is recognized in profit or loss accrual basis using the effective interest method.

Financial expenses comprise interest expense on borrowings and bank charges.

All borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in the fabrication of individual profit or loss and other comprehensive income using the effective interest method.

Gains and losses from foreign exchange differences on financial assets and liabilities are reported on a net basis as either finance income or finance expense in function and currency fluctuations: net gain or net loss.

(k) Tax

Income tax expenses comprise current tax and deferred tax. Current tax and deferred tax are recognized in the individual statement of profit or loss of and other elements of the total result unless they are related to business combinations or to items recognized directly in equity or in other elements of the total result.

(i) Current tax

Current tax is the tax expected to be paid or deducted for income tax or deductible loss realized (a) in the current year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment regarding the payment obligations relating to income tax related to previous years.

(ii) Deferred tax

Deferred tax is recognized on temporary differences arising between the carrying amount of assets and liabilities used in the financial reporting purposes and the tax base used to calculate the tax. Deferred tax is not recognized for the following temporary differences:

- the initial recognition of assets and liabilities arising from transactions that are not business combination and that affects profit or loss accounting (a) or fiscal (a);
- differences arising from investments in subsidiaries, associates and jointly controlled entities to the extent that the Company can control the timing of reversal of temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising from the initial recognition of goodwill.

Evaluation of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of assets and liabilities. The Company evaluates deferred tax arising from investment property using the assumption that the carrying value of the property will be recovered entirely through sale.

Deferred tax is calculated using tax rates that are expected to be applicable to the resumption of temporary differences, based on tax rates enacted or substantively enacted at the reporting date.

Deferred tax receivables and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and receivables and whether they are related to taxes levied by the same tax authority for the same company subject to taxes or different tax entities, but they intend to settle claims and current tax liabilities on a net basis or whose assets and liabilities will be realized simultaneously in tax.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that the future profits that can be used to cover the tax loss. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit.

(i) Fiscal exposures

For the determination of current and deferred tax, the Company takes into account the impact of uncertain fiscal positions and the possibility of additional taxes and interest. This assessment is based on estimates and assumptions and may involve a series of judgments about future events. New information may become available, thus causing the Company to change their reasoning in terms of estimating the accuracy of existing tax liabilities; Such changes in tax obligations affecting tax expense in the period in which such determination is made.

Nota 8. New standards and interpretations not yet adopted by the Company[1]

A number of new standards, amendments to standards and interpretations effective for annual periods beginning after January 1, 2016 and have not been considered in the preparation of these financial statements. The Management does not expect that these amendments and interpretations to affect the individual financial statements of the Company.

1. Noi standarde si interpretari asa cum sunt aprobate de catre Uniunea Europeana

Nota 9. Imobilizari corporale

Reconcilierea valorii contabile a imobilizarilor corporale

	Land	Cars, equipment and vehicles	Furniture and instalations	Assets under execution	Total
Expense					
Balance as of 1 January 2015	1.990.052	8.653	71.332	-	2.070.037
Acquisitions	-	-	14.737	-	14.737
Revaluation increase/ (decrease)	(71.664)	-			(71.664)
Transfers	-	-		-	-
Balance as of 31 December 2015	**1.918.388**	**8.653**	**86.069**	**-**	**2.013.110**
Cumulated depreciation and cumulated depreciation losses					
Balance as of 1 January 2015	-	3.245	15.392	-	18.637
Decpreciation during the year	-	2.163	18.874	-	21.037
Balance as of 31 December 2015	**-**	**5.408**	**34.266**	**-**	**39.674**
Accounting values					
of 1 January 2015	**1.990.052**	**5.408**	**55.940**	**-**	**2.051.401**
as of 31 December 2015	**1.918.388**	**3.245**	**51.803**	**-**	**1.973.435**
Expense					
Balance as of 1 January 2016	1.918.388	8.653	86.069	-	2.013.110
Aquisitions	-	733.397	49.064	-	782.461
Concessions	-	(5.220)	-	-	(5.220)
Revaluation increase/ (decrease)	7.038	-			7.038
Balance as of 31 December 2016	**1.925.426**	**736.830**	**135.133**	**-**	**2.797.389**
Cumulated depreciation and cumulated depreciation losses					
Balance as of 1 January 2016	-	5.408	34.266	-	39.674
Disposal depreciation	-	(3.698)	-	-	(3.698)
Depreciation during the year	-	90.321	25.937	-	116.258
Balance as of 31 December 2016	**-**	**92.031**	**60.203**	**-**	**152.234**
Accounting values					
of 1 January 2016	**1.918.388**	**3.245**	**51.803**	**-**	**1.973.435**
as of 31 December 2016	**1.925.426**	**644.798**	**74.930**	**-**	**2.645.154**

Reevaluarea cladirilor si terenurilor

As of 31 December 2016 the land owned by the Company in Mogosoaia, Ilfov County, with a surface of 8,002.34 sq m was revaluated by Eurovalue Property Invest SRL, external, independent valuators, authorized by Uniunea Nationala a Evaluatorilor Autorizati din Romania (“ANEVAR”).
The revaluation method used was that of sales comparison, the estimated market value being of 424,000 EUR.
The price per square meter was calculated according to the observable prices in comparable properties transactions, adjusted for the location and condition.
As of 31 December 2015, the re-evaluation was performed according to the same revaluation method, the estimated value of the land being of 440,000 EUR.

As of 31st December 2016, respectively as of 31st December 2014, the Company does not have any mortgaged assets in favour of third parties.

Modifications in the revaluation reserves

Changes in revaluation reserve during the financial year are presented below:

	2016	2015
Revaluation reserves as of 1 January	1.549.831	1.610.030
Revaluation reserves derecognized during the administration period	7.038	(71.665)
Reverse of liability for the deferred income tax from revaluation reserves	(1.125)	11.466
Revaluation reserve as of 31 December	**1.555.744**	**1.549.831**

Revaluation reserves are non-distributable until the sale / disposal of tangible assets to which they refer .

Impairment losses

During 2015, according to the revaluation report for the land the management decided to register an impairment loss of 71,665 lei lei by decreasing the revaluation reserves. During 2014, the management recognized an impairment loss of 180,541 lei by decreasing the revaluation reserves .

Nota 10. Financial assets

	31 December 2016	31 December 2015
Investment in subsidiaries	481.909	49.095
Investments in affiliates	1.089.650	1.089.650
	1.571.559	**1.138.745**

The Company own participations to the following affliates:

	31 December 2016	
	Ownership right	Gross value
Vospolimno Holdings Limited	100%	6.771
NQE Hydro SRL	95%	1.000
NQE Zalokosta SRL	99%	990
Codlea Alpha Solar SRL	95%	950
Codlea Bravo Solar SRL	99%	990
Deal Properties SRL	25%	1.089.650
Greek Production of Olympus	88%	332.751
NQE Solar Habitat SRL	83%	135.767
NQE Central Habitat	51%	510
NQE Solar 2 SRL	95%	1.190
NQE Developments SRL	99%	990
		1.571.559

	31 decembrie 2015	
	Ownership right	**Gross value**
Vospolimno Holdings Limited	100%	6.771
NQE Hydro SRL	99%	990
NQE Zalokosta SRL	99%	990
Codlea Alpha Solar SRL	99%	990
Codlea Bravo Solar SRL	99%	990
Deal Properties SRL	25%	1.089.650
Greek Production of Olympus	85%	37.464
NQE Solar Habitat SRL	80%	200
NQE Central Habitat	51%	510
NQE Solar 2 SRL	95%	190
		1.138.745

	Registartion country	**Type of activity**
Vospolimno Holdings Limited	Cipru	Holding activities
NQE Hydro SRL	Romania	Green energy
NQE Zalokosta SRL	Romania	Green energy
Codlea Alpha Solar SRL	Romania	Green energy
Codlea Bravo Solar SRL	Romania	Green energy
Deal Properties SRL	Romania	Green energy
Greek Production of Olympus	Grecia	Agriculture
NQE Solar Habitat SRL	Romania	Real estate development
NQE Central Habitat	Romania	Real estate development
NQE Solar 2 SRL	Romania	Real estate development
NQE Developments SRL	Romania	Real estate development

Company's exposure to credit and market risks and information regarding the fair value of other investments are presented in Note 24.

Nota 11. Commercial receivables and other receivables

	31 December 2016	31 December 2015
Receivables		
Commercial receivables	1.460.661	4.427.676
Receivables related to affiliates	22.717	18.336
Other receivables	58.223	57.741
Total receivables	**1.541.601**	**4.503.753**
Receivable assets		
State budget receivables	192.167	303.263
Advances to suppliers	8.425	12.844
Total other receivables	**200.592**	**316.107**
	1.742.193	**4.819.860**

Details regarding affiliates receivables can be found in Note 27.

Company's exposure to credit and market risks and information regarding the fair value of the commercial receivables are presented in Note 24.

Nota 12. Imprumuturi acordate

	31 December 2016	31 December 2015
Deal Properties SRL (Romania)	1.931.370	1.934.833
NQE Hydro SRL (Romania)	1.415.111	1.259.097
NQE Zalokosta SRL (Romania)	173.753	1.146.720
Vospolimno Holdings Limited (Cipru)	14.986	-
NQE Solar Habitat SRL (Romania)	1.971.714	299.617
Codlea Bravo Solar SRL (Romania)	71.608	8.237
Codlea Alpha Solar SRL (Romania)	619.863	159.043
Hygeia Soil	-	1.000
Greek Production of Olympus	249.760	158.358
NQE Central Habitat	11.353	11.311
Related interest (Romania)	705.287	550.035
Related interest (Greece and Cyprus)	40.228	33.000
Total loans	**7.456.339**	**5.561.251**

Detalii in legatura cu imprumuturile acordate catre parti afiliate se regasesc in Nota 27.

Company's exposure to credit and market risks and information regarding the fair value of the loans granted are presented in Note 24.

Following the management review on the business plans of subsidiaries, loans from the balance at 31.12.2016 were reclassified as long-term loans.

Terms and maturity of loans granted

Terms and conditions of loans granted are the following:

Debtor	Currency	Value (currency)	Nominal interest	Maturity year	Nominal and accounting value	
					31 December 2016	31 decembrie 2015
Deal Properties SRL	RON	1.125.000	0.0%	2017	42.060	42.060
Deal Properties SRL	EUR	184.000	3.5%	2017	610.767	702.059
Deal Properties SRL	EUR	28.000	3.5%	2017	127.151	126.686
Deal Properties SRL	EUR	232.028	3.5%	2017	1.053.662	1.049.811
Deal Properties SRL	EUR	2.700	3.5%	2017	12.261	12.216
Deal Properties SRL	EUR	17.500	3.5%	2017	79.469	
Deal Properties SRL	RON	2.000	3.5%	2017	2.000	2.000
Deal Properties SRL (1)	EUR	203.884	0.0%	2017	-	-
Deal Properties SRL	RON	4.000	3.5%	2017	4.000	-
NQE Hydro SRL	RON	493.840	3.5%	2017	493.840	493.840
NQE Hydro SRL	RON	16.000	3.5%	2017	16.000	16.000
NQE Hydro SRL	RON	2.500	3.5%	2017	2.500	-
NQE Hydro SRL	EUR	152.600	3.5%	2017	692.972	690.439
NQE Hydro SRL	EUR	13.000	3.5%	2017	59.034	58.819
NQE Hydro SRL	EUR	33.200	3.5%	2017	150.765	-
NQE Zalokosta SRL	RON	67.174	3.5%	2017	67.174	67.174
NQE Zalokosta SRL	RON	81.180	3.5%	2017	81.180	81.180
NQE Zalokosta SRL	EUR	219.000	4.0%	2016	-	990.866
NQE Zalokosta SRL	EUR	2.400	3.5%	2017	10.899	
NQE Zalokosta SRL	RON	7.500	3.5%	2017	7.500	7.500
NQE Zalokosta SRL	RON	7.000	3.5%	2017	7.000	-
Vospolimno Holdings Limited	EUR	3.300	3.5%	2017	14.986	-
NQE Solar Habitat SRL	EUR	50.000	4.0%	2016	-	226.225
NQE Solar Habitat SRL	RON	1.000	4.0%	2016	-	1.000
NQE Solar Habitat SRL	RON	14.500	3.5%	2017	14.500	-
NQE Solar Habitat SRL	EUR	16.000	3.5%	2016	-	72.392
NQE Solar Habitat SRL	EUR	431.000	3.5%	2017	1.957.214	-
Codlea Bravo Solar SRL	RON	2.800	3.5%	2017	2.800	2.800
Codlea Bravo Solar SRL	RON	2.500	3.5%	2017	2.500	-
Codlea Bravo Solar SRL	EUR	1.202	3.5%	2017	5.457	5.438
Codlea Bravo Solar SRL	EUR	13.400	3.5%	2017	60.851	-
Codlea Alpha Solar SRL	RON	17.200	4.0%	2016	-	17.200
Codlea Alpha Solar SRL	RON	2.500	3.5%	2017	2.500	-
Codlea Alpha Solar SRL	EUR	31.350	4.0%	2016	-	141.843
Codlea Alpha Solar SRL	EUR	135.950	3.5%	2017	617.363	-
Hygeia Soil	RON	1.000	0.0%	2016	-	1.000
Greek Production of Olympus	EUR	35.000	3.5%	2016	-	158.358
Greek Production of Olympus	EUR	55.000	3.5%	2017	249.760	-
NQE Central Habitat	EUR	2.500	3.5%	2017	11.353	11.311

SRL						
NQE Solar 2 SRL	RON	2.000	3.5%	2017	2.000	-
NQE Solar 2 SRL	EUR	54.900	3.5%	2017	249.306	-
Related interest					745.515	583.034
Total					**7.456.339**	**5.561.251**

Valoarea contabila a imprumuturilor este egala cu valoarea nominala a acestora pentru 31 decembrie 2016 si 31 decembrie 2015.

In cursul anului 2015 Societatea a convertit imprumutul catre Deal Properties SRL in suma de 1.082.940 lei in aport la capitalul social al Deal Properties SRL. (Nota 10).

As far as the loan to Deal Properties SRL is concerned, as of 31st December 2015 the Company registered adjustments for impairment amounting to 97.732 lei (350.914 lei at 31 decembrie 2015) (see Note 22).

Nota 13. Cash and cash equivalent

	31 December 2016	**31 December 2015**
Current accounts	54.688	26.318
Cash	189	419
	54.877	**26.737**

Current accounts are held with commercial Romanian banks. As of 31 December 2015 and 31 December 2014, the Company has not open lines of credit or overdraft facilities, and has not concluded any deposit agreements.

Nota 14. Share capital

	31 decembrie 2016	**31 decembrie 2015**
Statutory share capital	3.605.949	3.605.949
Adjustments due to hiperinflation (IAS 29)	1.304.446	1.304.446
	4.910.395	**4.910.395**

Shareholding structure at the end of reporting periods was the following :

	31 December 2016			
	Number of shares	**Face value in RON**	**Total value in RON**	**Ownership right**
Green Southeast Europe Investments SA	8.260.715	0,10	826.072	22.91%
Framecell Limited	5.596.758	0,10	559.676	15.52%
IEBA Trust SA	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%
	36.059.484		**3.605.949**	**100%**

	31 decembrie 2015			
	Number of shares	**Face value in RON**	**Total value in RON**	**Ownership right**
Coronedo Limited	3.824.104	0,10	382.410	10,60%
Framecell Limited	7.395.758	0,10	739.576	20.51%
Green Southeast Europe Investments SA	6.199.290	0,10	619.929	17,19%
IEBA Trust SA	2.847.239	0,10	284.724	7,90%
Unstop Holdings LTD	1.741.000	0,10	174.100	4.83%
Other shareholders	14.052.093	0,10	1.405.210	38.97%
	36.059.484		**3.605.949**	**100%**

During 2015, the Company performed a share capital increase with a number of 6,882,569 shares. The nominal price per shre amounted to 0.4 lei/share, resulting a share capital increase with 688,257 lei and an increase of the equity premium with 2,115,466 lei.

The share capital increase was performed by the conversion of the loans granted by Coronedo Limited, amounting to 360,450 lei the equivalent of 901,125 shares and the loan granted by Framecell Limited, amounting to 2,443,272 lei, the equivalent of 5,981,444 shares.

From the total share capital, 3,585,380.20 lei represent contributions in cash and the amount 20.568,20 lei represent contributions in kind.

All shares are ordinary and rank equally with regard to the Company's residual assets. The nominal value of a share is 0.1 RON. Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote for every 1 share held within the shareholders meetings of the Company.

La data de 31 Decembrie 2010, S.C. Delta Fox Proprietati SRL, S.C. India Tango Proprietati SRL, S.C. Delta Papas SRL, S.C. Sierra Golf Proprietati SRL au fuzionat prin absorbite cu compania Scapis SA.

Procesul de fuziune a avut loc conform proiectului de fuziune prin absorbtie al SC Scapis SA cu societatile S.C. Delta Fox Proprietati SRL, S.C. India Tango Proprietati SRL, S.C. Delta Papas SRL, S.C. Sierra Golf Proprietati SRL. din data de 26 Noiembrie 2010, al hotararilor Adunarii Generale a Asociatilor ale S.C. Delta Fox Proprietati SRL, S.C. India Tango Proprietati SRL, S.C. Delta Papas SRL, S.C. Sierra Golf Proprietati SRL din 30 Decembrie 2010 si a hotararii Adunarii Generale a Actionarilor S.C. Scapis SA din 30 Decembrie 2010, in conformitate cu Legea 31/1990 privind Societatile Comerciale cu modificarile si completarile ulterioare.

In urma procesului de fuziune, elementele de activ si pasiv ale societatilor absorbite au fost transferate catre societatea absorbanta, Scapis SA, cu data efectiva a fuziunii 31 Decembrie 2010.In schimbul absorbtiei elementelor de activ si pasiv a societatilor Delta Fox Proprietati SRL, India Tango Proprietati SRL, Delta Papas SRL, Sierra Golf Proprietati SRL, compania absorbanta Scapis SA (redenumita ulterior Natura Quattuor Energia Holdings sa) a emis la data de 26 Mai 2011 un numar de 28.276.915 actiuni noi cu o valoare nominala de 0.1 lei/ actiunea.

Majorarea capitalului social in urma procesului de fuziune a fost in valoare de 2.827.692 lei.

Dividends

During the financial years ended as of 31 December 2015 and 31 December 2014, the Company has not declared and paid dividends to its shareholders.

Nota 15. Loans

This note provides information about the contractual terms of the Company's interest-bearing borrowings. For more information on the Company's exposure to interest rate risk, currency risk and liquidity risk, see Note 24.

	31 December 2016	31 December 2015
Tsamis Georgios	-	-
Framecell Limited	120.339	40.721
Green Southeast Europe Investments	4.627.199	3.576.843
Coronedo Limited	-	-
Panagiotis Diamandis	-	76.917
Argyrios Volis	153.393	36.196
Nteventzis Stavros	454.110	-
Related interest	27.046	148.819
Total borrowings	**5.382.087**	**3.879.496**

Termenii si scadentele imprumuturilor primite

Termenii si conditiile imprumuturilor in sold sunt urmatoarele:

Creditor	Moneda	Valoare (moneda)	Dobanda nominala	Anul scadentei	Valoarea nominala si contabila	
					31 December 2016	31 December 2015
Green Southeast Europe Investments	EUR	257.350	3.5%	2016	-	1.164.380
Green Southeast Europe Investments	EUR	533.200	3.5%	2017	988.870	2.412.463
Green Southeast Europe Investments	EUR	801.200	3.5%	2017	3.638.329	-
Framecell Limited	EUR	137.550	3.5%	2016	-	40.721
Framecell Limited	EUR	26.500	3.2%	2017	120.339	-
Panagiotis Diamandis	EUR	17.000	0.0%	2016	-	76.917
Argyrios Volis	EUR	8.000	0.0%	2016	-	36.196
Argyrios Volis	EUR	31.500	0.0%	2017	153.393	-
Related interest	RON				243.528	148.819
Total					**5.146.459**	**3.879.476**

The accounting amount of borrowings is equal to their nominal value on 31 December 2016 and 31 December 2015

Nota 16. Bonds

	31 December 2016		31 December 2015	
	of which:		*of which:*	
	Long term	**Short term**	**Long**	**Short**
Bonds				
Fragkiskos Kanellopoulos	908.220	-	-	904.900
Prineas Panagiotis	908.220	-	-	904.900
Framecell Limited	-	-	-	-
Kalemkeris Pavlos	454.110	-	-	452.450
Savvopoulos Vasileios	454.110	-	-	452.450
Related interest	-	272.466	-	298.617
Total liabilities related to bonds	**2.724.660**	**272.466**	**-**	**3.013.317**

Nominal value of a bond is EUR 100,000 and the total value of bonds issued is 600,000 euros. Bonds will be redeemed in full at maturity, 30 June 2019, at their nominal value. The bonds bear interest, 12.0% annually, interest is paid quarterly.

Nota 17. Commercial liabilities and other liabilities

	31 decembrie 2016	31 decembrie 2015
Financial liabilities		
Commercial liabilities	192.744	113.241
Liabilities to the personnel	142.705	99.120
Liabilities to Greek Production	324.720	-
Other liabilities	88.331	77.309
Total financial liabilities	**748.500**	**289.670**
Non financial liabilities		
Liabilities related to the budget of state	137.913	97.607
Total commercial liabilities and related	**886.413**	**387.277**

Details regarding liabilities to affiliates can be found in Note 27.

Company's exposure to foreign currency and liquidity risks related to commercial liabilities and other liabilities is presented in Note 24.

Nota 18. Revenues from services

	2016	2015
Consultancy services	-	1.980.139
	-	**1.980.139**

Nota 19. Third party services

	2016	2015
Expenses related to utilities	14.196	13.073
Expenses related to maintenance and reparations	34.614	31.171
Expenses related to rents	146.794	118.354
Expenses related to insurances	29.454	179
Expenses related to professional services	128.860	150.467
Expenses related to transportation of goods and personnel	61.693	13.958
Bank commissions	11.067	11.736
Expenses related to post and telecommunications	7.315	4.406
Other third party services	334.870	125.216
	768.863	**468.560**

Consulting expenses include investment services, audit professional services, legal and notary advice. Audit services for the year ended 31 December 2014 were provided by KPMG Audit SRL, fees are confidential and based on contract.

Nota 20. Expenses with employees benefits

	2016	2015
Expenses related to salaries	918.195	809.080
Expenses related to mandatory social securities	196.497	169.803
	1.114.692	978.883

Remuneration of key management personnel includes salaries and contributions (social and medical contributions, uemployment contributions and other similar contributions). Management is employed on a contractual basis.

Nota 21. Other operating expenses

	2016	2015
Expenses generated by consumption of materials	31.274	8.336
Expenses related to the provision of VAT receivable and non-payable	-	297.372
Taxes and penalties	27.342	2.355
Expenses related to the impairment and amortization of assets	115.145	22.426
Other operating expenses	19.012	1.337
	192.773	**331.826**

Nota 22. Financial result

	2016	2015
Revenues related to interests	204.631	196.045
Expenses related to interests	(453.432)	(413.665)
Losses related to impairment of loans	(97.732)	(350.914)
Foreign exchange differences, net	(42.185)	25.872
Net financial result	**(388.718)**	**(542.662)**

The losses related to the impairment of the loans granted amounting to 350,914 lei for 2015 (702,007 lei for 2014) refer to the loan granted to Deal Properties SRL, accounted at amortised cost .

Nota 23. Taxes

Taxes recognized in the profit and loss account

	2016	2015
Expenses related to deferred income tax	(309.966)	78.309
Income tax	**(309.966)**	**78.309**

Reconciliaton of effective taxation quota

	2016		2015	
Result before tax, profit/(loss)		**2.761.642**		**313.143**
Income tax computed using the local tax quota	16%	198.379	16%	(50.103)
Expenses and non deductible adjustments	9%	111.587	9%	(28.206)
Expenses related to deferred income tax	**25%**	**309.966**	**25%**	**(78.309)**

The Company does not have any element for which to have constituted liabilities related to deferred income tax.

Temporary cumulative differences that generate deferred income tax

	31 decembrie 2016		31 decembrie 2015	
	Temporary cumulative differences	**Receivables/ (liabilities) related to deferred income tax**	**Temporary cumulative differences**	**Receivables/ (liabilities) related to deferred income tax**
Tangible assets	1.827.317	(292.371)	(1.820.278)	(291.245)
Fiscal loss	(2.313.411)	370.145	376.126	60.180
	(486.094)	**77.776**	**(1.444.152)**	**(231.065)**

Movements in deferred tax balances

	Net balance as of 1 January	Recognized in the current result	Recognized in other elements of the total result	Sold la 31 decembrie		
				Net	Active	Datorii
2016						
Tangible assets	(291.245)		(1.125)	(292.371)		(292.371)
Fiscal loss	60.180	309.966		370.146	370.146	
Net fiscal receivables/ (liabilities)	**(231.065)**	**309.966**	**(1.125)**	**77.776**	**370.146**	**(292.371)**
2015						
Tangible assets	(302.711)		11.466	(291.245)		(291.245)
Fiscal loss	138.489	(78.309)		60.180	60.180	
Net fiscal receivables/ (liabilities)	**(164.222)**	**(78.309)**	**11.466**	**(231.065)**	**60.180**	**(291.245)**

Nota 24. Financial instruments – Fair values and risk management

(a) Accounting classifications and fair values

The following table shows the accounting amounts and the fair value of financial assets and liabilities.. This table does not include the fair values of financial assets and liabilities that are valuated at fair value if their accounting amounts are a reasonable approximation of fair values.

	Nota	31 decembrie 2016		31 decembrie 2015	
		Accounting value	Fair value	Accounting value	Fair value
Financial assets not valuated at fair value					
Commercial receivables and other receivables	**11**	1.742.193	1.742.193	4.819.860	4.819.860
Cash and cash equivalent	**13**	54.877	54.877	26.737	26.737
Loans granted	**12**	7.456.339	7.456.339	5.561.251	5.561.251
		9.253.409	**9.253.409**	**10.407.848**	**10.407.848**
Financial liabilities not valuated at fair value					
Borrowings	**15**	5.639.120	5.639.120	3.879.496	3.879.496
Bonds		740.148	740.148		
Commercial liabilities and other liabilities	**16**	2.724.660	2.724.660	3.013.317	3.013.317
Financial assets not valuated at fair value		272.466	272.466		
Commercial receivables and other receivables	**17**	886.413	884.413	378.277	387.277
		10.262.807	**10.262.807**	**7.280.090**	**7.280.090**

On December 31, 2016 the company management decided to reclassify presentation short / long term loans received abiding considering the following aspects:
-all loans granted by the Company to provide short-term, following the due date, if the amounts are not repaid, the loan agreements automatically extend to both parties agree on another 11 (Eleven months).
-all loans received by the Company are flexible repayment terms considering the source of origin
-imprumuturile be reimbursed by the creditors only if their borrowers cashed
Considering the above, by applying the principle of substance over form economiciului, management decided that these loans are classified as long-term, because the nature of the company's activity involves a longer time horizon to collect and repay these amounts respectively. But they are not excluded early repayment if the company can and will want this.
Considering these issues in terms of recording these instruments in financial statements, the carrying value of loans considered to be equal to their nominal value at 31 December 2016. Furthermore, the net impact of the company's exposure in terms of long-term funding not generate significant differences in presentation or when applying fair value.

(b) Management of financial risk

The Company is exposed to the following risks from using financial instruments:

- Credit risk
- Liquidity risk
- Market risk

General framework related to risk management

The company has no formal commitments to combat financial risks. Despite the non-existence of formal commitments, financial risks are monitored by the top management, with the focus on the needs of the Company to effectively compensate opportunities and threats.

Company's risk management policies are defined to ensure the identification and analysis of risks faced by the Company, establishing appropriate limits and controls, and set adequate risk monitoring and compliance limits. Policies and risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and procedures standards and management, to develop an orderly and constructive control environment in which all employees understand their roles and obligations.

The company is considering risk management within an integrated risk management fulfilling the BSE requirements (Corporate Governance Code).

Credit risk

Credit risk is the risk that the Company must incur a financial loss as a result of failure to fulfill contractual obligations by a customer or counterparty to a financial instrument, and this risk results primarily from trade receivables and financial investments of the Company.

Financial assets, which may submit the Company to credit risk are primarily trade receivables, cash and cash equivalents and loans. The Company has implemented a series of policies that ensure that the sale is made by customer service with a corresponding collection.

The carrying amount of financial assets represents the maximum exposure to credit risk.

The maximum exposure to credit risk at the reporting date was:

	Nota	31 decembrie 2016	31 decembrie 2015

The maximum exposure to credit risk related to trade receivables and other receivables at the reporting date by geographic region was :

	31 decembrie 2016	31 decembrie 2015
Romania	284.500	392.184
Cipru	1.457.693	4.427.676
	1.742.193	**4.819.860**

The maximum exposure to credit risk at the reporting date on loans granted in each region was :

	31 decembrie 2016	31 decembrie 2015
Romania	7.151.365	5.369.893
Cipru, Grecia	304.974	191.358
	7.456.339	**5.561.251**

Impairment losses

The situation of the trade receivables and other receivables at the reporting date was :

	31 decembrie 2016		
	Gross value	**Adjustment for depreciation**	**Accounting value**
Unmatured		-	
Overdue 1-30 days	11.634	-	11.634
Overdue between 31-90 days	6.681	-	6.681
Overdue between 91-120 days	6.177	-	6.177
Overdue between 121-365 days	10.180	-	10.180
Overdue more than one year	1.707.521	-	1.707.521
	1.742.193	**-**	**1.742.193**

	31 decembrie 2015		
	Gross value	**Adjustment for depreciation**	**Accounting value**
Unmatured	2.368.660	-	2.368.660
Overdue 1-30 days	-	-	-
Overdue between 31-90 days	1.665	-	1.665
Overdue between 91-120 days	5.018	-	5.018
Overdue between 121-365 days	639.408	-	639.408
Overdue more than one year	1.805.109	-	1.805.109
	4.819.860	**-**	**4.819.860**

The Company has not recorded provision for impairment of trade receivables and other receivables at 31 December 2016 and 31 December 2015.

Situatia vechimii imprumuturilor acordate la data raportarii a fost:

	31 decembrie 2016		
	Gross value	**Adjustment for depreciation**	**Accounting value**
Unmatured	8.606.992	(1.150.653)	7.456.339
Overdue 1-30 days	-	-	-
Overdue between 31-90 days	-	-	-
Overdue between 91-120 days	-	-	-
Overdue between 121-365 days	-	-	-
Overdue more than one year	-	-	-
	8.606.992	**1.150.653**	**7.456.339**

	31 decembrie 2015		
	Gross value	**Adjustment for depreciation**	**Accounting value**
Unmatured	1.000.439	-	1.000.439
Overdue 1-30 days	12.216	-	12.216
Overdue between 31-90 days	-	-	-
Overdue between 91-120 days	1.281.347	-	1.281.347
Overdue between 121-365 days	2.574.757	-	2.574.757
Overdue more than one year	1.745.413	(1.052.921)	692.492
	6.614.172	**(1.052.921)**	**5.561.251**

Movement in provision for impairment of loans given was as follows :

	2016	**2015**
Balance at January 1	1.052.921	707.007
Reversals of impairment losses	-	-
Impairment losses recognized	97.732	350.914
Balance at 31 December	**1.150.653**	**1.052.921**

Cash and cash equivalents

On December 31, 2015, the Company held cash and cash equivalents in the amount of 26,737 lei (31 December 2014: 16,316 lei), representing the maximum exposure to credit risk on these assets. Cash and cash equivalents are maintained with banks and financial institutions in Romania

Riscul de lichiditate

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled in cash or another financial asset transfer. Society approach on liquidity risk is to ensure, so far as is possible, always hold sufficient liquidity to meet liabilities when they fall due, both under normal and stress conditions, without incurring unacceptable losses or threatening the reputation of the Company.

The following table shows the contractual maturities of financial liabilities at end waste reporting period, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows							
		Total	less than a month	between 1 and 3 months	between 3 and 6 months	between 6 and 12 months	between 1 and 2 years	between 2 and 5 years	over 5 years
31 decembrie 2016									
Loans	740.148	740.148				740.148			
Trade liabilities and other liabilities	886.413	886.413	886.413						
Bonds	272.466	272.466			272.466				
Total short term	**1.899.027**	**1.899.027**	**886.413**		**272.466**	**740.148**			
Total long term	**8.093.780**	**8.093.780**						**8.093.780**	
31 decembrie 2015									
Loans	3.879.496	3.879.496	151.699		36.196	3.691.601			
Trade liabilities and other liabilities	387.277	387.277	387.277						
Bonds	3.013.317	3.013.317	-		3.013.317				
Total short term	**7.280.090**	**7.280.090**	**538.976**		**3.049.513**	**3.691.601**			

Market risk

Market risk is the risk that variation in market prices, such as foreign exchange, interest rate and price of equity instruments to affect the Company's income or the value of financial instruments held. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and simultaneously to optimize ROI (return on investment).

Currency risk

The Company may be exposed to exchange rate fluctuations through loans, cash loans receivable and trade payables denominated in foreign currency.

The Company's functional currency is RON. The Company is exposed to currency risk through sales, acquisitions and other borrowings that are denominated in a other currency than the functional currency, mainly EUR.

Summary quantitative data on the Company's exposure to currency risk reported in the Company's management based on risk management policy is as follows:

	EUR	RON	Total
31 decembrie 2016			
Monetary assets			
Cash and cash equivalents	1.235	53.642	54.877
Trade receivables and other receivables	1.457.693	284.500	1.742.193
Loans granted	6.708.785	747.554	7.456.339
	8.167.713	**1.085.696**	**9.253.409**
Monetary debt			
Loans	6.109.251	17	6.109.268
Trade payables and other payables	324.720	561.693	886.413
Bonds	2.997.126	-	2.997.126
	9.431.097	**561.710**	**9.992.807**
Net exposure	**(1.263.384)**	**523.986**	**(739.398)**
31 decembrie 2015			
Monetary assets			
Cash and cash equivalents	3.349	23.388	26.737
Trade receivables and other receivables	4.427.676	392.184	4.819.860
Loans granted	4.720.068	841.182	5.561.251
	9.151.093	**1.256.755**	**10.407.848**
Monetary debt			
Loans	3.879.479	17	3.879.496
Trade payables and other payables		387.276	387.276
Bonds	3.013.317	-	3.013.317
	6.892.796	**387.293**	**7.280.089**
Net exposure	**2.258.297**	**869.461**	**3.127.759**

The Company has not entered into hedging contracts in respect of obligations in foreign currency or exposure to interest rate risk,

The main exchange rates used during the year were:

	31 decembrie 2016	Mediu pentru 2016	31 decembrie 2015	Mediu pentru 2015
EUR	4.5411	4.4900	4.5245	4.4450
USD	4.3033	4.0569	4.1477	4.0057

Sensitivity analysis

A depreciation / appreciation by 10% of the leu against these foreign currencies at December 31, 2014 and December 31, 2015 would have increased / decreased profit by the amounts shown below. This analysis is based on variations in exchange rates that the Company consider reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of sales and acquisitions expected. The analysis was performed in the same way in 2013, with the difference that at that time were used other reasonably possible variations in exchange rates, as indicated below.

	31 decembrie 2016			31 decembrie 2015		
	Accounting value	Effect of depreciation	Effect of appreciation	Accounting value	Effect of depreciation	Effect of appreciation
Monetary assets and liabilities						
EUR	(1.263.384)	126.338	(126.338)	2.258.297	(225.830)	225.830
Impact	**(1.263.384)**	**126.338**	**(126.338)**	**2.258.297**	**(225.830)**	**225.830**

Interest rate risk

	31 decembrie 2016			
	Accounting value	Variable rate	Fixed rate	Non-interest bearing
Monetary assets				
Trade receivables and other receivables	1.742.193			1.742.193
Cash and cash equivalents	54.877			54.877
Loans granted	7.456.339		7.414.279	42.060
	9.253.409		**7.414.279**	**1.839.130**
Monetary debt				
Loans	6.109.268		5.699.764	409.504
Trade payables and other payables	886.413			886.413
Bonds	2.997.126		2.724.660	272.466
	9.992.807		**8.424.424**	**1.568.383**

	31 decembrie 2015			
	Accounting value	**Variable rate**	**Fixed rate**	**Non-interest bearing**
Monetary assets				
Trade receivables and other receivables	4.819.860			4.819.860
Cash and cash equivalents	26.737			26.737
Loans granted	5.561.251		4.713.690	847.561
	10.407.848		**4.713.690**	**5.694.158**
Monetary debt				
Loans	3.879.496		3.617.564	261.932
Trade payables and other payables	387.276			387.276
Bonds	3.013.317		2.714.700	298.617
	7.280.089		**6.332.264**	**947.825**

As of the reporting date, the exposure to interest rate risk for the interest bearing financial instruments, as reported by the management of the Company was the following :

	Accounting value	
	31 decembrie 2016	**31 decembrie 2015**
Fixed rate instruments		
Financial assets	7.414.279	4.713.690
Financial liabilities	(8.424.424)	(6.332.264)
	(1.010.145)	**(1.618.574)**
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-

Fair value to sensitivity analysis for fixed interest rate instruments

The Company does not account for financial assets and liabilities with fixed interest rate at fair value through profit or loss and not designate derivatives (interest rate swaps) as hedging instruments under a model of accounting operations fair value hedge against risks. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Nota 25. Equity agreements

As of 31 December 2016 the Company does not have any equity agreements .

Nota 26. Contingent assets and liabilities

The Company does not have any contingent assets and liabilities as of 31 December 2016.

Nota 27. Affiliates

Shareholders

The shareholders structure at 31 December 2016 and 31 December 2015 is presented in Note 14.

Company subsidiaries

The shareholders structure and subsidiaries of the Company is the following:

	Registration country	Field of activity	31 December 2015	31 December 2014
Vospolimno Holdings Limited	Cipru	Holding activities	√	√
NQE Hydro SRL	Romania	Green energy	√	√
NQE Zalokosta SRL	Romania	Green energy	√	√
Codlea Alpha Solar SRL	Romania	Green energy	√	√
Codlea Bravo Solar SRL	Romania	Green energy	√	√
Deal Properties SRL (asociat)	Romania	Green energy	√	√
NQE Solar Habitat SRL	Romania	Real estate development	√	√
Parking Zalokosta SASU	Grecia	Lease of parking spaces		√
Hygeia Soil SRL	Romania	Agriculture	√	√
NQE Solar 2 SRL:	Romania	Real estate development	√	√
Greek Production of Olympus	Grecia	Agriculture	√	√
NQE Central Habitat	Romania	Real estate development	√	√
NQE Developments SRL	Romania	Real estate development	√	

Affiliates

The affiliates of the Company are as follows :

	Type of relationship	Country of origin
Tsamis Georgios	Administrator	Grecia
Argirios Volis	Administrator	Grecia
Panagiotis Diamandis	Actionar	Grecia
Nteventzis Stavros	Actionar	Grecia
Savvopoulos Vasileios	Actionar	Grecia
Framecell Limited	Actionar	Cipru
Coronedo Limited	Actionar	Cipru
Green Southeast Europe Investments	Actionar	Luxemburg
Codlea Alpha Solar SRL	Subsidiara	Romania
NQE Zalokosta SRL	Subsidiara	Romania
Codlea Bravo Solar SRL	Subsidiara	Romania
NQE Hydro SRL	Subsidiara	Romania
Deal Properties SRL	Asociat	Romania

Vospolimno Holdings Limited	Subsidiara	Cipru
NQE Solar Habitat SRL	Subsidiara	Romania
NQE Solar 2 SRL	Subsidiara	Romania
NQE Central Habitat	Subsidiara	Romania
Hygeia Soil SRL	Subsidiara	Romania
NQE Developments SRL	Subsidiara	Romania
Greek Production of Olympus	Subsidiara	Grecia
IEBA Trust SA	Actionar	Romania

Transactions with affiliates

(i) Sale of goods and services

	2016	**2015**
NQE Solar Habitat SRL	3.342	3.301
Codlea Alpha Solar SRL	3.342	3.301
Codlea Bravo Solar SRL	3.342	3.301
NQE Zalokosta SRL	3.342	3.301
NQE Hydro SRL	3.342	3.301
Deal Properties SRL	3.342	3.301
Hygeia Soil SRL	3.234	3.195
NQE Solar 2 SRL	3.234	2.396
NQE Central Habitat SRL	3.501	
	30.021	**25.395**

(i) Acquisition of goods and services

	2016	**2015**
IEBA Trust SA	-	45.000
	-	**45.000**

(i) Commercial receivables and other types of receivables

	31 decembrie 2016	**31 decembrie 2015**
NQE Solar Habitat SRL	672	2.387
Codlea Alpha Solar SRL	-	342
Codlea Bravo Solar SRL	3.337	342
NQE Zalokosta SRL	3.337	342
NQE Hydro SRL	3.337	2.387
Deal Properties SRL	2.002	-
Hygeia Soil SRL	-	4.290
NQE Solar 2 SRL	1.291	2.970
NQE Central Habitat SRL	4.201	-
	18.177	**13.060**

(ii) ommercial liabilities and other types of liabilities

	31 decembrie 2016	**31 decembrie 2015**
IEBA Trust SA	-	45.000

Greek Production of Olympus	324.720	-
	324.720	**45.000**

(i) Loans granted

	31 decembrie 2016	**31 decembrie 2015**
Deal Properties SRL	1.931.370	1.934.833
NQE Hydro SRL	1.415.111	1.259.097
NQE Zalokosta SRL	173.753	1.146.720
Vospolimno Holdings Limited	14.986	-
NQE Solar Habitat SRL	1.971.714	299.617
NQE Solar 2 SRL	251.306	-
Codlea Bravo Solar SRL	71.608	8.237
Codlea Alpha Solar SRL	619.863	159.043
Hygeia Soil	-	1.000
Greek Production of Olympus	249.760	158.358
NQE Central Habitat	11.353	11.311
Related interest	745.515	583.035
	7.456.339	**5.561.251**

(i) Revenues from interest

	2016	**2015**
Deal Properties SRL	76.103	79.403
NQE Hydro SRL	51.022	48.534
NQE Zalokosta SRL	27.080	44.870
Vospolimno Holdings Limited	-	6.092
NQE Solar Habitat SRL	21.805	10.755
Codlea Bravo Solar SRL	1.583	-
Codlea Alpha Solar SRL	15.320	4.098
Greek Production of Olympus	7.016	2.293
NQE Central Habitat SRL	422	-
NQE Solar 2 SRL	4.146	-
	204.496	**196.045**

(i) Loans and bonds

	31 decembrie 2016	**31 decembrie 2015**
Coronedo Limited	-	-
Framecell Limited	120.339	40.721
Green Southeast Europe Investments	4.627.199	3.576.843
Tsamis Georgios	-	-
Panagiotis Diamandis	-	76.917
Argirios Volis	153.393	36.196

Savvopoulos Vasileios (obligatiuni)	454.110	452.450
Related interest	256.094	148.819
	5.611.135	**4.331.946**

(viii) Expenses related to interest

	2016	**2015**
Coronedo Limited	-	3.169
Framecell Limited	2.015	1.552
Green Southeast Europe Investments	99.788	87.599
Savvopoulos Vasileios (obligatiuni)	53.918	53.558
	155.721	**145.878**

Transactions with management

Compensation of key management personnel includes salaries and contributions (social contributions and healthcare, unemployment contributions and other similar activities). Management is employed on a contractual basis, as described in Note 20.

As of December 2016 the Company has no obligations related to post retirement benefits to former directors or managers. No loans were granted to directors or executives.

Nota 28. Yield per share

	2016	**2015**
Profit/loss of the exercise	(2.451.676)	(391.452)
Number of ordinary shares at the beginning and end of the period	36.059.484	36.059.484
Gross yield per share (RON/ share)	**(0.068)**	**(0.011)**

The company proposes to cover the loss of 2014 with profits of future years.

Nota 29. Subsequent events

The Company's management believes there are no events after December 31, 2016 until the date of approval of these financial statements that would require their presentation or adjustment.

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Email: info@nqeholdings.com

ANNUAL REPORT

According to NSC Regulation No. 1/2006

For the year 2016

Report date:	23 March 2016
Name of trading company:	SC NATURA QUATTUOR ENERGIA HOLDINGS SA
Social offices:	5-7 Dimitrie Pompeiu Bvd, District 2, Bucharest
Phone/fax number:	0768.560.813 / 021.310.06.05
Trade Registry number:	J40/3315/2009
Sole Registration code:	2695737
Fiscal attribute:	RO
Paid up share capital:	3,605,948.40
Issuer's NSC Code:	55057
Position under NSC Registry:	3357
NSC Code of the shares:	33571
Class of shares:	Ordinary, nominative
Type:	Shares
Number of shares:	36,059,484
Face value:	0.10 RON
Trading market:	BSE regulated market, STANDARD Tier

1. Analysis of the Company's activity

1.1. Presentation of the Company

a) Description of the core activity

S.C. NATURA QUATTUOR ENERGIA HOLDINGS SA is a joint stock company established in 1990, the social offices being registered in Bucharest, 5-7 Dimitrie Pompeiu 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 field of activity is "Activities of holding companies" NACE Code 6420.

b) Specification date of incorporation of the Company

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Date of establishment S.C. SCAPIS S.A.: 19.10.1990 through Decision no. 318 of Teleorman County Prefecture; in 2012, the company changes its name in S.C. NATURA QUATTUOR ENERGIA HOLDINGS SA.

c) Description of any merger or significant reorganization of the Company, of its subsidiaries or controlled companies, during the financial year.

During 2016, the company has established a new subsidiary named NQE Developments srl. The subsidiary was created to insure the management of the real-estate developments of the company.

d) Description of acquisitions and / or disposal of assets

During year 2016, the company changed the participation quota in the following subsidiaries:

- In NQE Hydro, from 99% to 95.24%
- In Codlea Alpha Solar, from 99% to 95%
- In NQE Solar Habitat, from 80% to 83.33%
- In NQE Solar 2, from 95% to 95.2%
- In Greek Production of Olympus, from 83.74% to 88.36%

e) Description of the main results of evaluation of the company's activity:

It is presented in the report of the individual financial statements dated 31.12.2016.

The main results are the following:

A) Tangible assets

The tangible assets of the Company at 31 December 2016 contain a land, located in Mogosoaia, acquired through the merger process by absorption, whose value according to the evaluation report on 31.12.2016 is 1,925,426 RON.

B) Financial assets

In 2016, the company holds participations to the share capital of the following subsidiaries:

Entity name	Country in which it is registered	Object of activity	Percentage owned
Codlea Alpha Solar	Romania	Renewable Energy Production	95%
NQE Zalokosta (fost Codlea Unu Solar)	Romania	Renewable Energy Production	99%
Codlea Bravo Solar	Romania	Renewable Energy Production	99%
NQE Hydro (fost	Romania	Renewable Energy	95.24%

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Deal Solar)		Production	
NQE Solar Habitat (fost NQE Aqua)	Romania	Real Estate Development	83.33%
Deal Properties SRL	Romania	Renewable Energy Production	24.62%
Vospolimno Holdings	Greece	Activities of holding companies	100%
NQE Central Habitat	Romania	Real Estate Development	51%
NQE Solar 2	Romania	Real Estate Development	95.20%
Greek Production of Olympus Herbs	Greece	Agricultural production and distribution	88.36%
NQE Developments	Romania	Real Estate Development	99%

C) Trade receivables

Trade receivables are not interest bearing and generally have a term of payment between 30-120 days.

	Receivables	**Balance at 31 December 2015**	**Balance at 31 December 2016**
1	Trade receivables clients	4,432,951	1,465,202
2	Short term loans	5,561,251	-
3	Advances to suppliers	12,844	8,425
4	Trade receivables affiliated parties	13,061	18,176
5	Refundable VAT	302,700	191,604
6	Other receivables	58,304	58,786
	TOTAL	**10,381,111**	**1,742,193**

The trade receivables clients as at 31.12.2016 will be received during 2017.

D) Commercial liabilities and other liabilities

	Liabilities	**Balance at 31 December 2015**	**Balance at 31 December 2016**	**The maturities for the balance at 31 December 2016**		
				Under 1 year	**1 - 5 years**	**Over 5 years**
1	Loans from bonds issue	3,013,317	2,997,126	272,466	2,724,660	-

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2	Amounts owed to credit institutions		-	-	-	-
3	Advances collected in the orders account				-	-
4	Commercial liabilities - affiliated entities suppliers and other related parts				-	-
5	Commercial liabilities - third-party suppliers	113,241	690,859	299,182	391,677	-
6=3+4+5	***Total Commercial liabilities***	**113,241**	**690,859**	**299,182**	**391,677**	**-**
7	Commercial bill to be paid				-	-
8	Amounts due to affiliated entities	3,879,479	5,935,856	958,413	4,977,443	-
9	Amounts owed to entities with participating interest and other related parties	-	-	-	-	-
10	Other liabilities including tax and social insurance	505,117	368,966	368,966	-	--
11=7+8+9+10	**Total**	**4,384,596**	**6,304,822**	**1,327,379**	**4,977,443**	

E) Share capital

On 31 December 2016, the Company's share capital is as follows:

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%**

The share capital complies with the requirements of current legislation regarding companies.

During 2015, following a shareholders' decision dated 28 August 2014, the company increased its subscribed share capital by 688,256.9 RON, from 2,917,691.5 RON to 3,605,948.4 RON, through the issuance of 6,882,569 new shares. The shareholders had the

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option of participating to the share capital increase either by cash contribution, or capitalization of outstanding loans. The share premium account increased by 2,115,466 RON.

F) Results

On 31 December 2016, the Company recorded the following results:

Indicators	2015	2016
Operating revenues	2,008,788	48,971
Financial revenues	805,902	687,697
Total revenues	***2,814,690***	***736,668***
Operating expenses	1,779,269	2,076,327
Financial expenses	1,348,564	1,421,983
Total expenses	***3,127,832***	***3,498,310***
Operating result	229,519	(2,027,356)
Financial result	(542,662)	(734,286)
Gross result	(313,142)	(2,761,642)
Current income tax	0	0
Deferred income tax	(78,309)	309,966
Net Profit /Loss	**(391,452)**	**(2,451,676)**

G) Taxes and charges

As of 31 December 2016, the Company registered the deferred income tax revenue amounting to 309,966 RON.

1.1.1. **Elements of general evaluation**

a) In 2016 the Company registers a loss amounting to (2,451,676) RON;

b) Turnover: 33,256 RON;

c) Exports - Services

d) Costs – total expenses in 2016 amounted to 3,498,310 RON;

e) % of market share – not the case;

f) Liquidity – at the end of 2016, SC NQE Holdings SA, had cash available amounting to 54,877 RON;

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1.1.2. Evaluation of Company's technical degree

Not the case

1.1.3. Evaluation of the technical-material supply

Not the case

1.1.4. Evaluation of the sales activity

Not the case

1.1.5. Evaluation of issues related to Company's employees/personnel

a) In 2016, S.C. NQE Holdings S.A. had an average of 5 employees.

1.1.6. Evaluation of issues related to the impact of the core activity over the environment

Not the case

1.1.7. Evaluation of the research and development activity

Not the case

1.1.8. Evaluation of the Company's activity related to risk management

The main risks the Company is subject to and the policies used are detailed herein below.

i) Market risk

Romanian economy is in transition and in the current economic crisis there is uncertainty about the future evolution of politics and economic development. The Company's management cannot 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) Risk related to economic environment

The process of adjusting the values depending on the risk that occurred on international financial markets in 2008 - 2010 has affected their performance, leading to an increased uncertainty about future economic developments.

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

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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 ones under conditions similar to those applied to earlier transactions.

Identification and evaluation of investments influenced by a lending market short in liquidity, the analysis 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 these bring their own challenges.

Borrowers of the Company may also be affected by the liquidity crisis situations that might affect the ability to meet their current liabilities. Deterioration of operating conditions for borrowers may also affect the management of cash flow forecasts and assessment of the impairment of financial assets and non-financial assets. To the extent that information is available, the 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 coordinated by governments and central banks for adopting special measures aiming to counter the growing aversion toward risk and restore normal functioning of the market.

The Company's management cannot 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.

The 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 and industrial markets. The Company's management believes that it takes all necessary measures to support Company's activity growth 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 shareholders to support the Company's operations in Romania.
- daily cash flows monitoring and assessment of its impact over its creditors

iii) Foreign currency risk

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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 RON. Currently there is no market outside Romania for conversion of RON into other currencies. The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of company. The functional currency of the company is the Ron. Generally, the debt of the company is mainly denominated in currencies that match the cash flows generated by the underlying operations of the company – primarily euro.

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 presented at their net value, ie less provision for doubtful receivables. 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 there are no significant concentrations of credit risk.

v) Liquidity risk

Liquidity risk, also called funding risk, is the risk that a company has difficulties 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 one.

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

1.1.9. Elements of perspective on the company's activity

a. Presentation and analysis of trends, items, events or uncertainty factors that affect or could affect the liquidity of the company compared to the same period of previous year.

The company does not face the elements, events or uncertainty factors that may affect the liquidity of the company compared to the same period last year. In addition, shareholders have committed to support the company's operations in 2016.

There were no other significant events recorded after the end of the financial year of 2016.

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b. Presentation and analysis of the effects of current or anticipated capital expenditure on the financial status of the company compared to the same period last year

Not the case

c. Presentation and analysis of events, transactions, economic changes that significantly affect revenues from the core activity.

The ability of the company's affiliates to achieve profit and to pay dividends can significantly affect revenues from the core activity.

2. Tangible assets of the Company

At 31.12.2016 S.C. NATURA QUATTUOR ENERGIA HOLDINGS SA. owns the following tangible assets:

Land in Mogosoaia locality owned as land banking

Description of the land

Address	Mogosoaia locality, Ilfov county, Plot 324, parcels 131-132, cadastral no. 1929
Utilities	Electricity: yes Water: close Gas: yes Sewage: no
Characteristics	Surface: 8,002.34 m^2 Length: 485.16 m Width: 16.28 m Access: road access Shape: regular Type of land: within the built limits

The company also owns 5 cars, out of which 4 were acquired during 2016. The acquisition value of the 4 new vehicles is 733,398 Ron.

3. Market of the securities issued by the Company

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3.1. Specifying the markets in Romania and other countries where the securities issued by the company are traded.

The securities issued by the company are traded on the regulated market of the Bucharest Stock Exchange, Standard category. Shares of the company are in a total number of 36,059,484 with a nominal value of 0.10 RON.

As at 31.12.2014, a IAS 29 adjustment amounting to 1.304.446,15 was performed to the share capital.

3.2. Description of the Company's policy regarding dividends. Specification of dividends due / paid / accumulated in the last 3 years and, if applicable, the reasons for possible decrease of dividends during the last three years.

During the last 3 years (2014, 2015 and 2016), no dividends were calculated.

3.3. Description of any activities of the Company to purchase its own shares.

Not the case

3.4. In case the company has subsidiaries, specify the number and nominal value of the shares issued by the parent company held by subsidiaries.

Not the case

3.5. In case the company issued bonds and / or other debt securities, presentation of how the company pays its obligations to the holders of such securities.

The company has not issued bonds in 2016. The bonds due in June 2016 were extended until June 2019.

Following the revaluation, the value of existing bonds is amounting to 2,724,600 RON and the due interest to 272,466 RON.

4. Corporate governance

4.1. General Meeting of Shareholders

The main rules and procedures of the GMS are laid down in Chapter 4 of the Constitutive Act of the company, published on the Company's corporate website.

The GMS shall be convened by the Board of Directors. whenever this is necessary, in accordance with the provisions of law. The date of the GMS may not, as per the law

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requirements, be within less than 30 (thirty) days after publishing the convening notice in the Official Gazette of Romania, part IV. The convening notice shall be also published in one of the widely-distributed newspapers in Romania. In exceptional cases, when the Company's interest requires it, the Board of Directors may convene the GMS. The convening notice will be disseminated to the Bucharest Stock Exchange and the Financial Supervisory Authority in accordance with capital markets regulations.

The convening notice will also be made available on the Company's website, together with any explanatory document related to items included on the GMS agenda. The annual financial statements are made available starting with the date of the convening notice of the Ordinary GMS convened to resolve upon them.

General Meeting of the Shareholders organization The GMS is usually chaired by the President of the Board of Directors, who may designate another person to chair the meeting. The chairman of the GMS designates two or more technical secretaries to verify the fulfillment of the formalities required by law for carrying out the GMS and for drafting the minutes thereof.

The minutes of the meeting, signed by the President and by the secretaries, shall ascertain the fulfilment of the formalities relating to the convening notice, the date and place of the GMS, the agenda, the shareholders present, the number of shares, a summary of the issues discussed, the resolutions passed and, upon the request of the shareholders, the statements made by such shareholders during the GMS.

The resolutions of the GMS shall be drafted pursuant to the minutes and shall be signed by the President of the Board of Directors or by another person appointed by the President. In observance of capital market regulations, the resolutions of the GMS will be disseminated to the Bucharest Stock Exchange and the Financial Supervisory Authority (former National Securities Commission) within 24 hours after the event. The resolutions will also be made available on the Company's website.

4.2. General Meeting of the Shareholders main duties

The competences of the **ordinary** General Shareholders Meeting include:

a) discuss, approve or amend the annual financial statements, based on the reports presented by the Board of Directors and by the financial auditor and decide upon distribution of profits as dividends;

b) elect and revoke members of the Board of Directors;

c) appoint and revoke the financial auditor of the Company and decide the minimum periods of the financial audit contract;

d) establish the remuneration to which members of the Board of Directors are entitled, for the ongoing financial year;

e) assess the activity of the members of the Board of Directors and decide on the release on the management performed by the Board of Directors for the preceding financial year;

f) establish the income and expenditure budget and, if applicable, the business plan for the next financial year;

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g) decide on the pledge, lease or closure of one or more units of the Company;

h) decide on other matters that are included on the agenda of the meeting and that are in the competence of the ordinary General Shareholders Meeting by law.

The competence of the **extraordinary** General Shareholders Meeting is to decide on the following matters:

a) change in the legal form of the Company;

b) relocation of the registered seat of the Company abroad;

c) changes in the Company's main business activities as set forth in Art. 2 of the AoAs;

d) increase of the Company's share capital, except where the increase is decided by the Board of Directors in accordance with Art. 5.2 of the AoAs;

e) reduction of the Company's share capital;

f) merger of the Company with any other company/companies or the split–up/spin-off of the Company, unless, under the applicable law, the shareholders' approval for a specific type of merger or split-up/spin-off is not necessary;

g) liquidation and early dissolution of the Company;

h) conversion of shares from one class to another;

i) issuance of bonds;

j) conversion of one category of bonds into another category or into shares;

k) amendments to the AoAs;

l) prior approval of the main terms and conditions of any transaction/series of transactions of acquisition, disposal, exchange encumbrance of any fixed assets of the Company, the book value of which exceeds, individually or in aggregate during one financial year, twenty (20) per cent. of the Company's total fixed assets, less receivables, as determined based on figures included in the last financial statements published by the Company;

m) prior approval of the main terms and conditions of any lease, for a period of more than 1 year to one person or to a group of persons qualified as involved persons or to persons acting in concert, of the Company's tangible assets the book value of which exceeds, individually or in aggregate, twenty (20) per cent. of the Company's total fixed assets, less receivables, as determined based on figures included in the last financial statements published by the Company;

n) prior approval of the main terms and conditions of any associations for a period of more than 1 year involving amounts that exceed, individually or in aggregate, twenty (20) per cent. of the Company's total fixed assets, less receivables, as determined based on figures included in the last financial statements published by the Company;

o) prior approval of the main terms and conditions of any legal deeds for the acquisition, disposal, lease, exchange or encumbrance of Company's assets, the book value of which exceeds fifty (50) percent of the book value of the Company's assets determined based on figures included in the last financial statements published by the Company;

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p) admission of the shares issued by the Company to trading on any other spot regulated market/multilateral trading facility;

q) any acquisition or alienation by any member/members of the Board of Directors or by a Company's director in his/her own name of assets from or to the Company, the value of which exceeds 10% of the net asset value of the Company, based on figures included in annual financial statements of the Company for the year preceding such operation;

r) other matters that are included on the agenda of the meeting and are assigned to the extraordinary General Shareholders Meeting by law.

The following duties are delegated to the Board of Directors and decisions on these matters will be adopted by the Board of Directors in accordance with the legal and statutory requirements:

a) increase of the share capital, in accordance with Art. 5.2 of the AoAs;

b) change in the Company's secondary business activities as set forth in Art. 3 of the AoAs;

c) relocation of the Company's registered seat, to any other location in Romania

All documents and information related to the items included on the agenda of the shareholders meeting and to the means of exercise by the shareholders of their rights in the meeting shall be published on the Company's website with at least 30 days prior to the date when the meeting set out in the convening notice for the first convening.

The annual financial statements, the annual reports of the Board of Directors, as well as the proposal for the distribution of dividends shall be made available to the shareholders at the registered seat of the Company and shall be published on the web site of the Company as of the date of publication of the convening notice for the ordinary general shareholders meeting.

Each shareholder may address in writing questions to the Board of Directors related to the activity of the Company prior to the date when the meeting is held and such questions may be answered during the meeting or the answers may be posted on the Company's website in section "Frequently Asked Questions".

In case the convening notice includes a proposal for the appointment of members of the Board of Directors, the Company shall make available to the shareholders the information on the name, domicile location and professional qualification of the persons proposed as candidates for members in the Board of Directors and such list may be consulted and supplemented by the shareholders up to the 10th calendar day prior to the date of the meeting in the first convening.

When the agenda of the meeting includes proposals for the amendment of the AoAs, the convening notice shall include the full text of such proposals.

4.3. Presentation of the Company's administrators and the following information for each administrator:

Board of Directors Organization

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The Company has a one tier board, respectively the Board of Directors who acts in accordance with the applicable law and the Articles of Association (hereinafter AoAs).

The Board of Directors is composed of five (5) members appointed by the ordinary general shareholders' meeting for a four-year term, with the possibility of being re-elected for subsequent mandates. The ordinary general shareholders' meeting shall take a decision to change the number of members composing the Board of Directors from five (5) members to three (3) members and vice versa.

The candidates for the position of a member of the Board of Directors may be nominated by the shareholders or by the other members of the Board of Directors in office.

Each member of the Board of Directors shall sign with the Company a mandate agreement for the term of their mandate as members of the Board of Directors, that will state the rights and obligations and duties of the respective member towards the Company and the remuneration received by the respective member.

In case a member of the Board of Directors is an employee of the Company on the date of taking up the office of member of the Board of Directors, his/her individual labor agreement is suspended for the entire term for which the respective member acts as member of the Board of Directors.

In the event of a vacancy in the Board of Directors, the Board of Directors shall elect an interim member until the general meeting of shareholders having on the agenda the appointment of a Board of Directors member is held.

The Board of Directors shall assemble in regular meetings, called by the BoD Chairman, once every 3 months. Notice of the regular meetings is sent to the members of the Board of Directors at least three (3) calendar days prior to the proposed date of the regular meeting.

When required, special meetings of the Board of Directors may be called either by the BoD Chairman, upon the justified request of two members of the Board of Directors or by the General Manager of the Company, in each case with at least one (1) calendar day prior written notice to each member of the Board of Directors.

The notices for the Board of Directors meetings shall be provided in writing, by courier, registered mail or electronic mail and shall include the proposed agenda with the supporting materials, the location of the meeting and such other supplementary documentation as the BoD Chairman shall deem appropriate. Board of Directors meetings may be held at any time without notice if all the members of the Board of Directors are present or if those not present expressly waive the requirement to receive notice of the meeting in writing.

The Board of Directors may hold meetings by telephone or video conference or by correspondence. The content of the minutes drafted following such meeting by telephone or video conference of the Board of Directors shall be confirmed in writing by all members of the Board of Directors attending the meeting.

The Board of Directors:

(i) is legally convened if at least two (2) of the members of the Board of Directors are present or represented and decisions may be taken with the affirmative vote of the at

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least two (2) members of the Board of Directors present or represented at the meeting, in case of a Board of Directors composed of three (3) members; and

(ii) is legally convened if at least three (3) of the members of the Board of Directors are present or represented and decisions may be taken with the affirmative vote of the at least two (2) members of the Board of Directors present or represented at the meeting, in case of a Board of Directors composed of five (5) members.

The members of the Board of Directors may be represented in the Board of Directors meetings by other members of the Board of Directors with the authority of a special power of attorney.

Minutes of the meetings of the Board of Directors are kept at every meeting, containing the name of the participants, the agenda of the meeting, the deliberations, the decisions made, the number of votes cast and any dissenting opinions. The minutes are entered into the register of the Board of Directors meetings and signed by the BoD Chairman or the person presiding the meeting and by at least one other member of the Board of Directors present at the meeting and by the secretary of the meeting.

The Board of Directors is responsible for the performance of all necessary and useful acts for the accomplishment of the Company's object of activity, save for those duties reserved by law to the shareholders' meetings.

The management of the Company is delegated by the Board of Directors to the General Manager of the Company.

The Board of Directors has the following main duties, that may not be delegated to the General Manager:

a) establishes the main business and development lines of the Company;

b) establishes the accounting policies and the policies for the financial control system and approves financial planning;

c) appoints and revokes directors, supervises the activity of the directors and establishes the remuneration thereof;

d) draws up the annual report, organises the shareholders meetings and implements the resolutions passed by the shareholders meetings;

e) files for the commencement of the insolvency proceedings;

f) fulfils the duties delegated to it by the general shareholders meeting as set out in Art. 6.4 of the AoAs;

g) decides upon the establishment of secondary units that are not legal persons, such as branches, agencies, representative offices in Romania and abroad; and

h) represents the Company in relations of the Company with the Company's directors.

The members of the Board of Directors are jointly liable towards the Company for:

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a) true character of the disbursements made by the shareholders to the Company;

b) true character of the paid dividends;

c) existence of the registries required by law and correct record-keeping thereof;

d) exact performance of the shareholders resolutions;

e) strict performance of the duties imposed on them by law and by the AoAs.

a) CV (name, age, qualification, professional experience, position and seniority);

Administrative management is ensured by a Board of Directors consisting of five members elected for a four year period, as follows:

ADMINISTRATOR	QUALITY
TSAMIS GEORGIOS	PRESIDENT
TSELEPIS DIMITRIOS	VICE-PRESIDENT
KAHAN ZVI ERMANNO	VICE-PRESIDENT
VOLIS ARGYRIOS	MEMBER
GAVRIILIDIS THEODOROS	MEMBER

Since October 2012, Mr. Argyrios Volis was appointed General Manager.

Tsamis Georgios - MSc.), economist, began his business career as an investment consultant and project manager in various companies, joining the Company in 2009. He obtained his Bachelor in Business Administration from the University of Northumbria Newcastle

Kahan Zvi Ermanno – He is a businessman who, after graduation, owned and operated a family business in the textile industry, which has developed in two states, namely in Israel and Italy, owning production units which, at full capacity, benefited from a total of over 1000 employees. Manufactured goods were exported to most European countries and the USA. Currently, Mr. Ermanno collaborates with various companies providing business consulting services, while holding also the position of Vice-President of the Board of Directors of the NQE, starting in October 2014.

Volis Argyrios - (Dr.), economist, started his business career as Investment Consultant and Project Manager in various companies, while he joined the Company in 2010. His contribution stems from his academic research on Capital Markets and especially in the field of Portfolio and Risk Management, as well as Capital Markets Efficiency. He has

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completed his PhD in Finance at the Athens University of Economics and Business, and holds an MSc in International Securities, Investment and Banking, by the ISMA Centre, Reading University.

Dimitrios Tselepis is vice-president and CEO of the company starting April 2016. He has over 20 years of banking experience in Greece, serving as district manager in Business Banking Network and senior manager in Corporate Banking and Recovery Unit (Millennium Bank, Piraeus bank). He holds a bachelor in Chemistry from the University of Ioannina and MBA from the University of Stirling UK.

Theodoros Gavriilidis is member of the Board starting April 2016. He has over 20 years of Banking and Corporate Business experience, in Corporate and Retail Banking (Aspis Bank, Millennium Bank, Alpha Bank). He holds an MBA from Hellenic Management Association in Thessaloniki.

During the last 5 years, the administrators were not involved in litigations or administrative procedures.

b) any agreement, understanding or family connection between the administrator and another person due to whom that administrator was appointed in the position;

Not the case

c) participation of the administrator to the share capital of the Company;

Not the case

d) list of affiliates.

Name	Type of Relationship	Country of origin
Tsamis Georgios	Administrator	Greece
Argyrios Volis	Administrator	Greece
Panagiotis Diamandis	Shareholder	Greece
Nteventzis Stavros	Shareholder	Greece
Savvopoulos Vasileios	Shareholder	Greece
Framecell Limited	Shareholder	Cyprus
Coronedo Limited	Shareholder	Cyprus

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Green Southeast Europe Investments	Shareholder	Luxembourg
Codlea Alpha Solar	Subsidiary	Romania
Nqe Zalokosta	Subsidiary	Romania
Codlea Bravo Solar	Subsidiary	Romania
Nqe Hydro	Subsidiary	Romania
Deal Properties SRL	Subsidiary	Romania
Vospolimno Holdings	Subsidiary	Greece
Nqe Solar Habitat	Subsidiary	Romania
Nqe Solar 2	Subsidiary	Romania
Nqe Central Habitat	Subsidiary	Romania
Hygeia Soil	Subsidiary	Romania
Nqe Developments	Subsidiary	Romania
Greek Production of Olympus	Subsidiary	Greece
Ieba Trust	Shareholder	Romania

4.4. Corporate Governance Code

During 2016, the company was aiming to comply with the Corporate Governance Code issued by BSE in September 2015, which entered into force starting with 4th January 2016. At present, the new Code's provisions are subject to a careful analysis within the Company, and the Company's compliance with them is evaluated in details.

The declaration "Apply or explain" is updated as per addendum no.1 and presents the status of Company's compliance with the new provisions of the BSE CGC. The Company will continue to evaluate the stipulations of the Code and any future progress that the Company will make in achieving the compliance with it will be reported to the capital market.

According to the Company's policy and to the Code's provisions on ethics and professional conduct, the Audit Committee ensures that the Company's activity is conducted with honesty and integrity, including by approving the procedure for integrity warning. The scope of integrity warning is that of protecting the Company from ethical misconduct, fraud or any other aspects of non-compliance that may lead to image and/or commercial damages or may trigger legal penalties, so reducing the fame and profitability of the Company.

5. Financial accounting statement

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We attach to this annual report, the balance sheet ended on 31.12.2016, prepared according to the methodological norms issued by the Ministry of Finance in accordance with Art. 30 of the Accounting Law no 82/1991.

Economic and financial analysis for 2016 is as follows:

A) Balance sheet elements

Elements	2015	2016
Total assets	***13,535,848***	***13,571,738***
Tangible assets	3,112,579	11,750,950
Inventory	0	0
Receivables	10,381,111	1,742,193
Cash and bank accounts	26,737	23,718
Accrued expenses	15,421	54,877
Total liabilities	***13,535,848***	***13,571,738***
Equity	6,024,695	3,578,931
Total liabilities	7,511,153	9,992,807

B) Profit and loss account

Elements	2015	2016
Operating revenues	2,008,788	48,971
Financial revenues	805,902	687,697
Total revenues	***2,814,690***	***736,668***
Operating expenses	1,779,269	2,076,327
Financial expenses	1,348,564	1,421,983
Total expenses	***3,127,832***	***3,498,310***
Operating result	229,519	(2,027,356)

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Financial result	(542,662)	(734,286)
Gross result	(313,142)	(2,761,642)
Deferred income tax	78,309	309,966
Net Profit /Loss	**(391,452)**	**(2,451,676)**

C) ANALYSIS OF MAIN FINANCIAL-ECONOMIC RATIOS

	2015	**2016**
1. Liquidity ratios		
Current liquidity ratio	1.43	0.95
Immediate liquidity ratio	1.43	0.95
2. Risk ratios		
Gearing ratio	1.14	2.50
Interest coverage ratio	N/A	N/A

6. The description of main characteristics of internal control and risk management systems related to the financial reporting process

The compliance mainly – but without limitation - aims at the following aspects:

- compliance with the legislation in force;
- enforceability of Company management's decisions;
- good operation of Company's internal;
- reliability of financial information;
- streamline the operations of the entity;
- prevention and risk control.

As a result, internal control procedures aim at:

- on the one hand, compliance of the Company's activity and the behavior of the personnel with the legislation, values, standards and internal rules of the Company;
- On the other hand, verifies if accounting, financial and management information communicated is accurate and reflect the activity and situation of the Company.

The purpose is to provide coherent internal control objectives, identify key factors of success and communicate to the Company's management, in real-time, the information on those performances. Efforts to implement a satisfactory compliance are related to the application of good practices.

Compliance activities are part of the management process through which the Company aims to achieve objectives. Compliance aims at enforcement of compliance procedures at all levels: approval, authorization, verification, evaluation of operational performance,

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securing assets, separation of functions outlined in the manual and guides of internal procedures. The Company also follows the smooth running of operations in practice both prior to the completion, during budget formulation, and thereafter effecting transactions through budgetary control.
The company has a human resources policy that tracks issues related to the recruitment of qualified personnel, career management, continuing education, individual evaluations, promotions and corrective actions. Bonus policy is related to and encourages individual and collective performance of employees.
The audit committee consists of Mr. Tsamis Georgios and Mr. Kahan Zvi Ermanno.

Financial and accounting compliance is a major element of internal control practiced by the Company. It is intended to ensure that the accounts and a financial follow up of its activities to meet the defined objectives. It also covers the entire process of obtaining and communication of accounting and financial information and contribute to a reliable and consistent with legal requirements.
Accounting compliance of the Company aims to ensure:

- compliance of accounting and financial information published with the rules applicable;
- enforcement of management guidelines prepared in connection with this information;
- asset protection;
- prevention and detection of fraud and accounting and financial irregularities;
- reliability of published annual financial statements and other information communicated to the market.

The Economic Director supervises the smooth running of the Company's financial and accounting activities, to reflect fairly the financial position and performance of the company in the financial statements. Updating knowledge in parallel with the evolution of accounting and tax legislation is done through participation in professional conferences and workshops. The Economic Director is also responsible for adapting staffing and skills of its accounting department to the size and type of business."

On 12 March 2014 the Company was accepted to trading on the regulated market of Bucharest Stock Exchange, Shares Standard Category.

President of the Board of Administrators

Tsamis Georgios

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Addendum no.1

The Board of Administrators of NATURA QUATTUOR ENERGIA HOLDINGS S.A. informs on the status of conforming with the provisions of the new Corporate Governance Code of Bucharest Stock Exchange as of 31.12.2016:

Principle	Provisions	Complies	Reason for not complying
A1	All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company.	NO	The responsibilities of the Board are established according to the Establishment Deed of the Company. The Internal Regulation of the Board is under development
A2	Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.	NO	The management of the conflict of interest is established according to the Establishment Deed of the Company. The Internal Regulation of the Board is under development
A3	The Board of Directors or the Supervisory Board should have at least five members.	YES	
A4	The majority of the members of the Board of Directors should be non-executive. At least one member of the Board of Directors or Supervisory Board should be independent, in the case of Standard Tier companies. Not less than two non-executive members of the Board of Directors or Supervisory Board should be independent, in the case of Premium Tier Companies. Each member of the Board of Directors or Supervisory Board, as the case may be, should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which	YES	

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	he/she is considered independent in character and judgement in practice and according to the criteria.		
A 5	A Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.	YES	
A 6	Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.	YES	
A 7	The company should appoint a Board secretary responsible for supporting the work of the Board.	YES	The Company has a general secretariat that directly reports to the Board
A 8	The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.	NO	Although, until present the Company did not have a special policy regarding the evaluation of the BoD members, the Genearl Shareholders' meeting performs the analysis of Board management. In 2017, the Company will establish a policy regarding the evaluation of the Board.
A 9	The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.	PARTIAL	This information was contained within the annual Administrators' Report.
A 10	The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors or of the Supervisory Board	YES	
A 11	The Board of Premium Tier companies should set up a nomination committee	N/A	The Company is included in the Standard category.

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	formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.		
B 1	The Board should set up an audit committee, and at least one member should be an independent non-executive.	YES	
B 2	The audit committee should be chaired by an independent non-executive member.	YES	
B 3	Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.	YES	
B 4	The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.	YES	
B 5	The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties	YES	
B 6	The audit committee should evaluate the efficiency of the internal control system and risk management system.	YES	
B 7	The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team	YES	
B 8	Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by cyclical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.	YES	
B 9	No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company	YES	

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	with shareholders and their related parties.		
B 10	The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.	YES	
B 11	The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	NO	Until present the Company did not consider neccessary to estabish a separate internal audit division. The internal audit is performed by the audit committee.
B 12	To ensure the fulfillment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.	NO	Until present the Company did not consider neccessary to estabish a separate internal audit division. The internal audit is performed by the audit committee.
C 1	The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review.	PARTIAL	The information regarding the remuneration policy is contained within the annual Administrators' Report.
D 1	The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors	YES	
D 1.1	Principal corporate regulations: the articles of association, general	YES	

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	shareholders' meeting procedures;		
D.1.2.	Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions;	YES	
D.1.3.	Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non-compliance with the present Code;	YES	
D.1.4.	Information related to general meetings of shareholders: the agenda and supporting materials; the procedure approved for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional CVs; shareholders' questions related to the agenda and the company's answers, including the decisions taken;	YES	
D.1.5.	Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables investors to make investment decisions;	YES	
D.1.6.	The name and contact data of a person who should be able to provide knowledgeable information on request;	YES	
D.1.7.	Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.	YES	
D.2	A company should have an annual cash distribution or dividend policy, proposed by the CEO or the Management Board and adopted by the Board, as a set of directions the company intends to follow regarding the distribution of net profit. The annual cash distribution or dividend	PARTIAL	The dividend policy is mentioned under the Establishment Deed and complies with the legislation in force. Until present (for the period the Company is listed on the Standard Tier) the Company did not distribute dividends.

Bulevardul Dimitrie Pompei, nr. 5-7, etaj 5, Corp. B,
Sector 2, Bucuresti
Tel: (+40) 768.560.813, Fax: (+40) 21.310.06.05
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Capital social: 3,605,948.40RON
Email: info@nqeholdings.com

	policy principles should be published on the corporate website.		
D.3.	A company should have adopted a policy with respect to forecasts, whether they are distributed or not.	NO	The policy with respect to forecasts will be submitted to the BoD for analysis during 2017.
D.4.	The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	YES	
D.5.	The external auditors should attend the shareholders' meetings when their reports are presented there.	YES	
D.6	The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	YES	
D.7.	Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	YES	
D.8.	The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	YES	
D.9.	A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/ conference calls.	NO	The Board of Directors will analyze the necessity of organizing such events.

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D.10.	If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	NO	Until now it was not the case.

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STATEMENT

This statement is given according to art. 112[1] para. 1(c) of NSC Regulation no. 1/2006, as amended, concerning the individual financial statements of NATURA QUATTUOR ENERGIA HOLDINGS S.A. prepared as of 31 December 2016 regarding the extent to which they present fairly, in all material respects, the financial position of NATURA QUATTUOR ENERGIA HOLDINGS S.A. as of 31 December 2016 and of its financial performance, cash flows for the financial year ended on that date, as required by accounting rules in Romania, namely Accounting Law no. 82/1991 republished and NSC order no. 13/2011 approving the Regulation no. 4/2011, with subsequent amendments and the accounting policies described in the unconsolidated financial statements.

Confirm knowingly and confidently that the unconsolidated annual financial statements which comply with the regulations listed above, provide a fair and accurate image of the assets, financial position and profit and loss account of the Company and that the Board of Directors Report contains a correct analysis of the company's performance development and a description of the principal risks and uncertainties specific to the activity run by the company.

Tsamis Georgios	Melintescu Marius
Administrator	Financial Director

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
NATURA QUATTUOR ENERGIA HOLDINGS SA (free translation)[1]

Report on the Consolidated Financial Statements-

Qualified Opinion

[1] We have audited the accompanying consolidated financial statements of **NATURA QUATTUOR ENERGIA HOLDINGS SA** and its subsidiaries (hereinafter referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2016 and the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

[2] In our opinion, except for the effects of the matter described in paragraphs [3] and [4] below, from *Basis for qualified opinion* the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of **NATURA QUATTUOR ENERGIA HOLDINGS SA** as at 31 December 2016 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Ministry of Public Finances Order no. 2844/2016 "for the approval of the accounting regulations in accordance with the International Financial Reporting Standards" and related regulations.

Basis for qualified opinion

[3] As at 31 December 2016, Accounts Receivable include an amount of RON 1.453 thousand due from a single customer that is long overdue and the full recoverability of which is doubtful. No provision for potential uncollectability has been recognized against above receivable balance.
Based on the information received from the management of the Group regarding the assumptions used in assessing the recoverability of this amount, we were unable to determine the impact on the Group's consolidated financial statements, of a potential adjustment for impairment that might have been necessary in order to present the balance at its estimated recoverable value.

[4] As at 31 December 2016 and 2015, the Group has decided to and measure long term financial assets and liabilities at their nominal value instead of amortized cost as required by IAS 39 "Financial Instruments". The effects of this departure from application of IAS 39 "Financial Instruments" are significant to the consolidated financial statements as mentioned in Note 27 *Financial instruments - Fair values and risk management.*

[1] TRANSLATOR'S EXPLANATORY NOTE: The above translation of the audit report is provided as a free translation from Romanian, which is the official and binding version.

[5] We conducted our audit in accordance with International Standards on Auditing ("International Standards of Auditing" or "ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Romania, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion

Emphasis of a matter

[6] The financial statements as at 31 December 2016 contain transactions with related parties. The fiscal legislation in Romania include the "market value concept", accordingly the transactions between related parties need to be made on an arm's length basis. The Romanian entities having transactions with related parties need to prepare and to make available to tax authorities, at their request, the transfer pricing file. At the date of approval of the financial statements, the Group is in progress of preparing a transfer pricing file. The management considers that in case of a transfer pricing fiscal control, no material assessments will occur.
Nevertheless, the impact of a potential different interpretation of fiscal authorities cannot be reliably estimated.

Key Audit Matters

[7] Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	**Audit approach**
Loans granted Loans granted are stated at historical cost in the consolidated financial statements as at 31 December 2016, amounting to RON 5,007,258. A significant part is due by the affiliate Deal Properties SRL where the Group holds a receivable amounting to RON 3,497,138 related to an investment in a photovoltaic park. During 2016, the Group sold its participation in the Parking Zalokosta SASU subsidiary, while the respective receivable balance due from the former subsidiary amounts on December 31, 2016 to RON 1,510,520 and has not been settled through to the date of this report. These receivables were reviewed by the management from the perspective of recoverability, in order to determine whether a	We have reviewed the main assumptions and the professional judgements made by the management in performing the impairment tests and we have found them reasonable under the current circumstances.

potential value adjustment should be recognized in the accompanying financial statements. The recoverability of these balances was determined by management on the basis of certain assumptions, professional judgments, probabilities of future events that are considered reasonable under the circumstances, and other factors. Based on the assessments performed, the carrying amount of the loans granted does not exceed its recoverable amount. There are inherent uncertainties in all such impairment test calculations and the actual results of which may differ from those forecasted.	

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

[8] Management of the Group is responsible for the preparation and fair presentation of the financial statements in accordance with OMFP 2844/2016 "for the approval of the accounting regulations in accordance with the International Financial Reporting Standards" and related regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

[9] In preparing the financial statements, management is responsible for evaluating the Group's ability to continue as a going concern, for disclosure, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

[10] Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, consolidated or aggregated, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

[11] As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

[12] We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

[13] We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

[14] From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation prohibits public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on conformity of the Administrators' Report with the Consolidated Financial Statements

[15] According article 34, point 2, letter a) and b) of the Ministry of Public Finances Order no. 2844/2016 regarding the approval of the accounting regulations compliant with the International Financial Reporting Standards ("OMFP 2844/2016"), we have read the Administrators' Report attached to the consolidated financial statements. The Administrators' Report is not part of the consolidated financial statements.
In the Administrators' Report:
a) We have not identified information that present material disagreement with the information presented in the attached consolidated financial statements.
b) The administrator report is prepared according with applicable legal requirements respectively

Chapter III "Administrator report" points 15-19 from OMFP 2844/2016.

c) Based on our knowledge and understanding acquired during our audit of financial statements for the year ended as at 31 December 2016, with regard to the group and its environment, we did not identify information significantly misstated.

The engagement partner on the audit resulting in this independent auditor's report is Ruxandra Bilius.

Refer to the original signed

Romanian Version

Auditor:
RUXANDRA BILIUS
CAFR authorization no. 1996/2006
on behalf of:

BAKER TILLY KLITOU AND PARTNERS S.R.L.
CAFR authorization no. 384/2003

Bucharest, 23 March 2017

NATURA QUATTUOR ENERGIA HOLDINGS SA

Consolidated Financial Statements
as at and for the year ended
December 31, 2016

Prepared in accordance with
the requirements of Order no. 2844/2016 of the Ministry of Public Finance for approving the Accounting Regulations compliant with International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market and subsequent amendments

Continut

	Note	31 December 2016	31 December 2015
ASSETS			
Fixed assets			
Property, plant and equipment	**9**	4,189,833	2,123,540
Intangible assets		32,018	39,620
Investment property	**10**	7,101,372	1,995,305
Loans receivable	**15**	5,007,258	3,338,872
Financial Assets	**12**	128,214	414,998
Investments in associates	**11**	344,608	665,873
Non-current assets		**16,803,303**	**8,578,207**
Current assets			
Inventories		132,098	71,003
Trade receivables and other receivables	**13**	2,478,610	4,996,332
Other assets	**16**	79,625	2,517,121
Cash and cash equivalents	**14**	590,955	1,200,071
Total current assets		**3,281,288**	**8,784,527**
Total assets		**20,084,591**	**17,362,735**
LIABILITIES AND EQUITY			
Equity			
Share capital	**17**	4,910,395	4,910,395
Share premium		4,064,177	4,064,177
Translation reserve		(2,709)	(3,958)
Revaluation reserve	**9**	1,602,085	1,596,418
Legal reserves		24,479	24,479
Others reserves		14,459	14,459
Retained earnings		(10,659,532)	(6,279,781)
Total shareholders' equity		**(46,646)**	**4,326,189**
Non-controlling interest	**30**	533,276	35,993
Total equity		**486,630**	**4,362,182**
Non-current liabilities			
Loans and borrowings	**18**	10,049,760	1,131,126
Bonds	**19**	2,724,660	2,714,700
Other long term liabilities		-	-
Deffered tax liabilites	**27**	137,269	368,947
Long-term liabilities		**12,911,689**	**4,214,772**
Current liabilities			
Loans and borrowings	**18**	5,104,586	6,823,012
Trade payables and other payables	**20**	1,309,220	1,664,151
Bonds	**19**	272,466	298,617
Total current liabilities		**6,686,272**	**8,785,780**
Total liabilities		**19,597,961**	**13,000,553**
Total equity and liabilities		**20,084,591**	**17,362,735**

The consolidated financial statements presented on pages 1 to 56 were approved by the Board of Directors on March 23, 2017 and signed on its behalf by:

Tsamis Georgios
President of the Board of Directors

The notes contained in pages 9-54 are an integral part of these consolidated financial statements.

	Note	2016	2015
Revenues from services	**21**	25,938	1,980,139
Rental income		6,576	3,748,830
Other income		(1,280)	6,973
Total revenues		**31,234**	**5,735,942**
Third-party services expenses	**22**	(2,036,646)	(3,500,931)
Employee benefits expenses	**23**	(1,368,781)	(1,963,013)
Other operating expenses	**24**	(818,216)	(517,331)
Gain from fair value evaluations of investment properties	**10**	482,051	54,555
Total operating expenses		**(3,741,591)**	**(5,926,720)**
Operating result		**(3,710,357)**	**(190,778)**
Financing costs		(803,385)	(590,701)
Financial income		162,646	111,089
Expenses for exchange rate differences		(125,633)	(8,372)
Other financial items, net		(182,959)	-
Financial result	**25**	**(949,330)**	**(487,984)**
Share in profit / (loss) related to investments accounted for using the equity method (after tax)		(279,762)	13,871
Gross loss		**(4,939,449)**	**(664,891)**
Current income tax expense	**26**	(2,600)	(10,809)
Deferred income tax expense	**26**	232,838	(87,038)
Profit Tax		**230,238**	**(97,847)**
Net Profit / (loss) for the period		**(4,709,212)**	**(762,738)**
Attributable interests without control		(329,461)	(100,735)
Attributable to parent company shareholders		(4,379,750)	(662,003)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Differences from the revaluation of tangible assets	**9**	6,825	(105,622)
Differences from restatement of operations in another currency		1,249	(3,406)
Deferred tax liability related to revaluation reserves	**9, 26**	(1,160)	16,900
The share of items that will not be reclassified subsequently to profit or loss related to investments accounted for using the equity method (after tax)		-	-
Other comprehensive income for the period after taxation		**6,914**	**(92,128)**
Total comprehensive income for the period		**(4,702,298)**	**(854,866)**
Attributable to interests without control		(329,463)	(101,019)
Attributable to shareholders of the mother company		(4,372,835)	(753,847)
Earnings per share			
Basic earnings per share (RON / share)	**35**	(0.1215)	(0.0184)

The notes contained in pages 9-54 are an integral part of these consolidated financial statements.

	Adjusted capital	Share premium	Restatement reserve	Revaluation reserve	Legal reserves	Other reserves	Reported result	Total equity	Interests without control	Total capital
Balance at January 1, 2015	**4,222,138**	**1,948,711**	**(552)**	**1,684,856**	**24,479**	**14,459**	**(5,617,778)**	**2,276,313**	**129,632**	**2,405,945**
Total comprehensive income for the period										
Loss of the period	-	-	-	-	-	-	(662,003)	(662,003)	(100,733)	(762,736)
Other comprehensive income										
Revaluation reserves derecognised in the reporting period	-	-	-	(105,283)	-	-	-	(105,283)	(340)	(105,623)
Differences from translation of operations in another currency	-	-	(3,406)	-	-	-	-	(3,406)	-	(3,406)
Deferred tax asset related to the revaluation reserve	-	-	-	16,845			-	16,845	54	16,899
Total other comprehensive income	**-**	**-**	**(3,406)**	**(88,438)**	**-**	**-**	**-**	**(91,844)**	**(286)**	**(92,129)**
Total comprehensive income for the period	**-**	**-**	**(3,406)**	**(88,438)**	**-**	**-**	**(662,003)**	**(753,847)**	**(101,019)**	**(854,866)**
Transactions with shareholders										
	688,257	2,115,466	-	-	-	-	-	2,803,723	-	2,803,723
Establishment of entities with interests without control	-	-	-	-	-	-	-	-	7,380	7,380
Total transactions with shareholders	**688,257**	**2,115,466**	**-**	**-**	**-**	**-**	**-**	**2,803,723**	**7,380**	**2,811,103**
Balance at December 31, 2015	**4,910,395**	**4,064,177**	**(3,958)**	**1,596,418**	**24,479**	**14,459**	**(6,279,781)**	**4,326,189**	**35,993**	**4,362,182**

The notes contained in pages 9-54 are an integral part of these consolidated financial statements.

	Adjusted capital	Share premium	Restatement reserve	Revaluation reserve	Legal reserves	Other reserves	Reported result	Total equity	Interests without control	Total capital
Balance at January 1, 2016 (unaudited)	**Capital social ajustat**	**Prime de capital**	**Rezerve de translatare**	**Rezerva din reevaluare**	**Rezerve legale**	**Alte rezerve**	**Rezultatul reportat**	**Total capital propriu**	**Interese fara control**	**Total capital**
Total comprehensive income for the period	**4,910,395**	**4,064,177**	**(3,958)**	**1,596,418**	**24,479**	**14,459**	**(6,279,781)**	**4,326,189**	**35,993**	**4,362,182**
Loss of the period										
Other comprehensive income										
Revaluation reserve recognized in the reporting period	-	-	-	-	-	-	(4,379,750)	(4,379,750)	(329,461)	(4,709,211)
Revaluation reserves derecognised in the reporting period										
Differences from translation of operations in another currency	-	-	-	6,827	-	-	-	6,827	(2)	6,825
The share of items that will not be reclassified subsequently to profit or loss related to investments accounted for using the equity method (after tax)	-	-	-	-	-	-	-	-	-	-
Deferred tax asset related to the revaluation reserve	-	-	1,249	-	-	-	-	1,249	-	1,249
Total other comprehensive income	-	-	-	(1,160)	-	-	-	(1,160)	-	(1,160)
Total comprehensive income for the period	**-**	**-**	**1,249**	**5,667**	**-**	**-**	**-**	**6,916**	**(2)**	**6,914**
Transactions with shareholders	**-**	**-**	**1,249**	**5,667**	**-**	**-**	**(4,379,750)**	**(4,372,834)**	**(329,463)**	**(4,702,297)**
Acquisition of interests without control										
Sale of interests without control										
Total transactions with shareholders	-	-	-	-	-	-	-	-	826,746	826,746
Balance at December 31, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**826,746**	**826,746**

The notes contained in pages 9-54 are an integral part of these consolidated financial statements..

	Note	2016	2015
Cash flows from operating activities			
Loss for the Period		(4,709,212)	(762,738)
Adjustments for:			
Depreciation expense of tangible	**9**	135,027	90,221
Amortization expense of intangible assets		2,077	11,425
Impairment losses on financial assets, net	**11**		
Impairment losses on assets			154,585
Gain from acquisition of subsidiaries			-
The share of loss related to investments accounted for using the equity method		279,762	(13,871)
Gain from fair value measurement of investment properties	**10**	(1,277,598)	(54,555)
Income tax expenses	**26**	(230,238)	97,847
Interest expenses	**25**	803,385	590,701
Interest income	**25**	(162,646)	(111,089)
Exchange rate differences	**25**	47,870	47,870
		(5,111,572)	**50,396**
Changes in:			
Other assets		2,248,185	(393,641)
Trade receivables and other receivables		2,581,719	(1,923,695)
Trade payables and other liabilities		(173,886)	939,509
Cash used in operating activities		**(455,554)**	**(1,327,251)**
Interest paid		(985,870)	(388,107)
Corporate tax paid		-	-
Net cash used in operating activities		**(1,441,424)**	**(1,715,358)**
Cash flows from investing activities			
Acquisition of tangible assets	**9**	(2,228,285)	(100,202)
Acquisitions of intangible assets		5,523	(30,271)
Acquisitions of real estate investments	**10**	(3,794,587)	-
Acquisitions of subsidiaries, net of cash and cash equivalents purchased		415,000	-
Disposals of subsidiaries, net of cash and cash equivalents disposed		-	-
Investments in other companies		-	(307,663)
Amounts received from loans granted		-	268,926
Loans granted		-	(91,499)
Interest received		98,649	57,009
Net cash used in investing activities		**(5,503,701)**	**(203,700)**
Cash flows from financing activities			
Repayments of loans		(1,668,386)	(1,194,614)
Drawdown of loans		7,152,339	3,779,091
Amounts received from bonds		(16,191)	-
Acquisitions of interests without control		868,247	-
Net cash from (used in) financing activities		**6,336,009**	**2,584,477**
Increase / (decrease) in net cash and cash equivalents		**(609,116)**	**665,419**
Cash and cash equivalents at January 1	**14**	1,200,071	534,652
Effect of foreign exchange rate fluctuations on cash			
Cash and cash equivalents at 31 December	**14**	**590,955**	**1,200,071**

The notes contained in pages 9-54 are an integral part of these consolidated financial statements.

Note 1. Reporting entity

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 Activities of holding companies " 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 was listed on RASDAQ market. Starting with March 2014 the Company is listed on the regulated market of Bucharest Stock Exchange, Standard category, under the trading symbol SCPS.

The structure of shareholders on December 31, 2016 and December 31, 2015 is presented in Note 17. The company is not ultimately controlled by a single entity.

The consolidated financial statements of the Company for the year ended 31 December 2016 comprise the Company and its subsidiaries (together with the Company called the "Group") and the Group's interests in associates and joint ventures.

Subsidiaries and Associates of the Company, and the nature of their activity are as follows:

	Country of registration	**Nature of business**	**December 31, 2016**	**December 31, 2015**
Vospolimno Holdings Limited	Cyprus	Activities of holding companies	√	√
NQE Hydro SRL	Romania	Renewable energy	√	√
NQE Zalokosta SRL	Romania	Renewable energy	√	√
Codlea Alpha Solar SRL	Romania	Renewable energy	√	√
Codlea Bravo Solar SRL	Romania	Renewable energy	√	√
Deal Properties SRL (associate)	Romania	Renewable energy	√	√
NQE Solar Habitat SRL	Romania	Real estate development	√	√
Parking Zalokosta SASU	Greece	Renting parking spaces	√	√
Hygeia Soil SRL	Romania	Agriculture	√	√
NQE Central Habitat SRL	Romania	Real estate development	√	
NQE Solar 2 SRL	Romania	Real estate development	√	
Greek Production of Olympus Herbs Ike	Greece	Agriculture	√	
NQE Developments	Romania	Real estate development	√	

During 2016, the Group established the following entities:

- SC NQE Developments SRL whose main activity is real estate development, with a contribution to the share capital of 99%

On July 18, 2016, the Group sold its stake in Parking Zalokosta SASU to three individuals, of which two related parties. The 75% stake was sold for the amount of 85,985 LEI. Following the sale of the subsidiary, the Group renegotiated the loan agreement, the amount borrowed for the creation of the goodwill guarantee amounting to EUR 525,000 being rescaded: EUR 220,000 being paid on 13.07.2017, while the remaining amount of EUR 305,000 having a maturity until 30.08.2021.

On May 25, 2016, the share capital increase for the subsidiary Hygea Soil SRL was approved for the amount of 835,510 lei, out of which 409,400 lei through the in-kind contribution of a land in Teleorman County and 426,110 lei by cash contribution by SC Codlea Alpha Solar. At the same time, Codlea Alpha Solar has increased its stake from 50.75% to 51%.

Also, during 2016, the Group changed its participation in the following entities, as follows:
- In NQE Hydro, from 99% to 95.24%
- In Codlea Alpha Solar, from 99% to 95%
- In NQE Solar Habitat, from 80% to 83.33%
- In NQE Solar 2, from 95% to 95.2%
- In Greek Production of Olympus, from 83.74% to 88.36%

Note 2. Basis of preparation

These consolidated financial statements have been prepared in accordance with the requirements of Order no. 2844/2016 of the Vice-Minister of the Ministry of Public Finance for approving the accounting regulations compliant with International Financial Reporting Standards (hereinafter "IFRS"), applicable to trading companies whose securities are admitted to trading on a regulated market and subsequent amendments.

According to VMPFO 2844/2016, International Financial Reporting Standards represent the standards adopted under the procedure stipulated by the European Commission Regulation no. 1606/2002 of the European Parliament and of the Council as of 19 July 2002 on the application of international accounting standards.

The Group's significant accounting policies, including changes in the current year are presented in Notes 6 and 7.

Basic assumptions

These consolidated financial statements have been prepared under the on going concern assumptions and accruals.

a) On going concern

These consolidated financial statements have been prepared under the on going concern assumption, which assumes that the Group will continue its activity in the foreseeable future. To evaluate the applicability of this assumption, the management analyzes projections of future cash inflows. Based on this analysis, the management believes that the Group will continue its activity in the foreseeable future (and therefore the application of the on going concern assumption in the preparation of these financial statements is justified) due to the following assumptions:

- The Management believes that the support provided by the shareholders will be sufficient to allow the activity and pay debts in the ordinary course of business operation, without requiring substantial sales of assets, determined by external factors, forced interruption of its operations or other similar actions.
- The Group has short-term loans in the amount of 5,104,586 lei, of which the amount 2,511,810 lei is due to affilates.
- In January 2017 the Company received letters of support from Framecell Limited and Green Southeast Europe Investments, through which they express their commitment to continue providing financial support for continuing Group operations for at least one year from the date of issue of the letters.

For the year ended at December 31, 2016 the Group recorded a loss of 4,709,212 lei (2015: 762,738 lei). The Group’s short term liabilities exceed its current assets with 3,404,984 lei (2015: with 1,253 lei).

a) Accrual accounting

The Group prepares its financial statements using accrual accounting, except for cash flow information. When using accrual accounting, items are recognized as assets, liabilities, equity, revenues and expenses when they comply with the definitions and recognition criteria.

Fundamental qualitative characteristics of financial information

The information presented in the individual financial statements for the year ended 31 December 2016 have the following basic qualitative features:

a) Relevant

Relevant financial information are those that have the ability to generate a difference in the decisions made by users.

The principle of materiality

Items that have significant value are presented separately in the financial statements. Information is material if its omission or inaccurate presentation could influence decisions that users make on the basis of financial information on a specific reporting entity.

b) Accurate representation

Acurate representation requires that financial information submitted are comprehensive, neutral and without errors.

Prudence

At preparing the consolidated financial statements, the following have been taken into consideration:

- all value adjustments due to depreciation in valuing assets;
- all foreseeable obligations and potential losses that arose during the financial year ended.

Substance over form principle

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

Non-balancing

The values of the assets were not compensated with the values of the liabilities or income against expenses, unless compensation is provided or permitted by IFRS.

Note 3. Functional and presentation currency

The consolidated financial statements are presented in Romanian lei ("Lei" or "RON"), which is the functional currency of the Group. All financial information presented in RON has been rounded to the nearest RON, unless otherwise indicated.

Note 4. Use of estimates and professional judgement

Preparation of consolidated financial statements in conformity with IFRS requires the use by management of professional judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

(a) Assuption and uncertainties related to estimates

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate was revised and in future periods affected.

Information on uncertainties due to assumptions and estimates that involve a significant risk on the need for adjustments in subsequent financial year are included in these notes:

Note 7 (i) and (e)- estimates of useful lives of tangible and intangible assets;

Note 9 - test of depreciation of tangible assets: - assumptions that were the base of determining the recoverable value

Note 9 - depreciation of tangible assets: - assumptions about the value of tangible assets revalued.

Note 10 - classifying land between stocks and real estate investments;

Note 11 – investments in entities under common control. At December 31, 2015 and December 31, 2016 the Group believes that holding joint control of Deal Properties SRL Society, with a stake of 45% and taking into account the provisions of the Articles of Association and Investment Agreement concluded between participants;

Note 13 - impairment test of trade receivables and other receivables: key assumptions that were the basis for determining the recoverable amount;

Note 26- recognition of deferred tax asset: the availability of future taxable profit will be deductible from tax losses.

Fair value measurement

Certain accounting policies of the Group and requirements of presenting information require determination of fair value for both financial and the non-financial assets and liabilities.

The group has established a control framework on fair value measurement.

For the valuation of assets or liabilities at fair value, the Group uses observable market information, where possible. The fair value hierarchy categorizes the inputs used in valuation techniques to assess the fair value on three levels, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs for the asset or liability.

If the input data for measuring the fair value of an asset or liability can be classified on different levels of the hierarchy of fair value, fair value measurement is categorized in its entirety to the same level of the hierarchy of fair value as the input with the lowest level of uncertainty that is significant for the entire evaluation.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period in which the change occurred.

Additional information about the assumptions used in the valuation at fair value are included in the following notes:

Note 9– Tangible assets

Note 10 – Investment Property

Note 27 – Financial Instruments

Note 5. Valuation Basis

The consolidated financial statements are prepared under the historical cost, except for the following significant items in the consolidated statement of financial position:

- land and buildings are measured at revalued amount;
- real estate investments are measured at fair value.

The share capital is adjusted in accordance with International Accounting Standard ("IAS") 29 *Financial reporting in hyperinflationary economies*, in order to adjust effects of the Romanian hyperinflationary economy ended at December 31, 2003.

Note 6. Changes in accounting policies

All the Group entities have consistently applied the accounting policies set out in Note 7 to all periods presented in these consolidated financial statements.

Note 7. Significant accounting policies

The accounting policies set out below have been applied by all Group entities, consistently to all periods presented in these consolidated financial statements.

(a) Basis of consolidation

(i) Business Combinations

Business combinations are accounted for using the purchase method at the acquisition date, namely when control is acquired by the Group. Control is the power to govern financial and operating policies of an entity to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Group assesses goodwill at the acquisition date as:

- fair value of transferred consideration; plus
- recognized value of the interests in the entity acquired without control; plus
- if the business combination is achieved in stages, the fair value of the equity instruments acquired pre-existing entity; minus
- Net amount recognized (generally fair value) of the identifiable assets acquired and liabilities assumed

If the excess is negative, an acquisition on favorable terms is recognized immediately in the consolidated statement of profit or loss and other comprehensive income.

In the transferred consideration one will not include amounts relating to the effective settlement of a pre-existing relationships. Such values are recognized, usually in the consolidated statement of profit or loss and other comprehensive income.

Transaction costs other than those associated with the issuance of debt or equity instruments, the Group related to a business combination are recorded in the consolidated statement of profit or loss and other comprehensive income when incurred.

Contingency any consideration is valued at fair value at the acquisition date. If the consideration contingent element is classified as equity, then it is reassessed and its subsequent settlement is accounted for within equity. Otherwise, subsequent changes of fair value of the contingent are recorded in the consolidated statement of profit or loss and other comprehensive income.

If premiums for certain payments based on shares (premium replacement) should be replaced with premiums owned by employees of the acquiree (first companies acquired) and refers to services previously provided, then the whole or part of the amount of premiums replacement of the Buyer is included in measuring the consideration transferred in the business combination. Determining the included value is based on market value of the replacement premiums compared with market value of the acquiree's premiums and as the replacement premiums refer to services priorly rendered / or future services.

(ii) Interest without control

For each business combination, the Group chooses to evaluate interests in entities that it does not control in purchased entities, either:

- at fair value, or
- the value of quota held in the acquiree's identifiable net assets, which are measured and, in general, at fair value.

Changes in the Group's interests in a subsidiary that do not result in loss of control are accounted for as transactions with equity holders in their capacity as owners. The adjustments made to non-controlling interests are based on the quota of the net assets of the subsidiary. No adjustments are made to the goodwill and no gain or loss is not recognized in the consolidated statement of profit or loss and other comprehensive income.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the time they start exercising control and until its termination.

(iv) Loss of control

When control is lost, the Group derecognizes the assets and liabilities of the subsidiary, interests without control and other components of equity related to the subsidiary. Any surplus or deficit resulting from loss of control is recognized in the consolidated profit or loss and other comprehensive income. If the Group retains interests in company previously considered as subsidiary, then those interests are measured at fair value when control was lost. Later, that interest retained is accounted for as an investment accounted for by the equity method (see Note 7 (a) (v)) or as a financial asset available for sale (see Note 7 (c) (i)) depending on the level of influence retained.

(v) Investments in associates and entities under common control
(Investments accounted for using the equity method)

Associates are those entities over which the Group exercises significant influence but does not control or joint control over financial and operational policies. Significant influence is presumed to exist when the Group holds between 20 and 50% of the voting rights in another entity. Entities under common control are those entities over whose activities the Group exercises joint control established by contractual agreement and requiring a unanimous agreement for taking decisions on financial and operational strategies.

Investments in associates and entities under common control are accounted for using the equity method and are initially recognized at cost. Transaction costs are included in investment costs.

The consolidated financial statements include a quota on Group profit or loss and other comprehensive income of investments accounted for using the equity method, after adjustments to align the accounting policies with those of the Group, since the date on which it started up to date when the significant influence or control ceases.

When the quota of losses related to the Group exceeds its stake in investment accounted for by the equity method, the carrying amount of the investment, including any long term quota thereof is reduced to zero and recognition of further losses is discontinued except if the group has an obligation or made payments on behalf of the entity in which it has invested.

(vi) Transactions eliminated on consolidation

The Group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in the consolidated financial statements. Unrealized profits on transactions with associates accounted for using the equity method are eliminated with the investments in associates. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there are no indications of impairment.

(b) Foreign currency

Transactions in foreign currencies are translated into the functional currencies of Group entities at exchange rates at the transaction date. Monetary assets and liabilities that are denominated in foreign currency on the reporting date are translated to the functional currency at the exchange rate on that date. Gains or losses on foreign exchange monetary items are calculated as the difference between amortized cost in the functional currency at the beginning of the year, adjusted by the amount of effective interest payments and collections made during the year and the amortized cost in foreign currency converted at the exchange rate of the end of the year.

Non-monetary assets and liabilities denominated in a foreign currency that are measured at fair value are translated to the functional currency at the exchange rate at the date when the fair value was determined. Non-monetary items in a foreign currency that are measured at historical cost are translated using the exchange rate at the transaction date.

Foreign exchange differences resulting from the conversion are recognized in the consolidated profit or loss and other comprehensive income.

(c) Financial instruments

(i) Nonderivative financial instruments

The Group initially recognizes trade receivables and other receivables on the date on which they were generated. All other financial assets (including assets designated at fair value through the consolidated statement of profit or loss and other comprehensive income) are initially recognized on the trade date when the Group becomes a party to the contractual terms of the instrument.

The Group derecognizes a financial asset when it expires contractual rights on the cash flows generated by the asset or when transferred rights to receive cash flows Contractual cash financial asset in a transaction in which the risks and benefits of ownership of the asset are transferred significantly. Any interest in transferred financial asset that is created or retained by the Group is recognized as a separate asset or liability.

Financial assets and liabilities are offset, and in the consolidated statement of financial position net value is presented only when the Group has a legal right to offset the amounts and intends either to settle on a net basis, or to realize the asset and settle the obligation simultaneously. Any such compensation is based on legal provisions and third parties involved Agreement.

The Group has the following non-derivative financial assets: loans granted, trade receivables and other receivables and financial assets available for sale.

Loans granted, trade receivables and other receivables

Loans granted and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans granted and receivables are measured at amortized cost using the effective interest method less the amount of impairment losses (see Note 7 (g) (i)).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and redeemable deposits with maturities of up to three months from the date of establishment, and which are subject to an insignificant risk of changes in fair value that are used by the Group in managing its commitments in the short term.

In order to present the consolidated statement of cash flows, bank overdrafts that are repayable on demand are considered cash equivalents, as are part of the Group's cash management.

Financial assets available for sale

Financial assets available for sale are non-derivative financial assets that are designated as available for sale or not classified in any of the previous categories. Financial assets available for sale are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at cost.

Financial assets available for sale are tested for impairment at the end of each period (see Note 7 (h) (i)).

(ii) Nonderivative financial liabilities

The Group initially recognizes debt instruments issued and subordinated liabilities on the date they are initiated. All other liabilities are initially recognized on the trade date, when the Group becomes party to the contractual terms of the instrument.

The Group derecognizes a financial liability when its contractual obligations are discharged or canceled or expired.

The Group classifies non-derivative financial liabilities in the category of other financial liabilities. These financial liabilities are initially recognized at fair value less directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities comprise borrowings, debt instruments issued, overdrafts and trade payables and other liabilities.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents on the consolidated statement of cash flows, whose accounting policy is presented in Note 7 (c)(i).

(iii) Share capital

Ordinary shares

Ordinary shares are classified as part of equity. Incremental costs directly attributable to issue of ordinary shares are recognized as a deduction from equity net of tax effects.

Redemption and reissue of share capital (treasury shares)

When share capital recognized as equity is repurchased, the value of the consideration paid, which includes other directly attributable costs, net of tax effects, is recognized as a deduction from equity. The shares bought back are classified as treasury

shares and are presented as a reserve on its own shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and surplus or deficit recorded after the transaction is presented as share premium.

Dividends

Dividends are recognized as a liability in the period in which their distribution is approved.

(d) Tangible assets

(i) Recognition and Measurement

After recognition as an asset, items included in tangible assets (excluding land) are valued at cost less accumulated amortization and accumulated impairment losses. Land is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and any accumulated impairment losses.

The cost includes expenses directly attributable to the acquisition of the asset. The cost of assets constructed by the Group includes the following:

- cost of materials and direct personnel costs;
- other costs directly attributable to bringing the asset to the stage of pre-established use;
- when the Group has the obligation to move the asset and restore related space an estimate of the costs of dismantling and removing the items and restoring the space where they were located; and
- capitalized borrowing costs.

Cost also includes transfers from other comprehensive income of gains or losses resulted from covering the cash flow related to foreign currency purchases of property and equipment that qualify for application of hedge accounting.

When certain components of property and equipment have different useful life, they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on the disposal of tangible assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the consolidated statement of profit or loss and other comprehensive income.

(ii) Reclassification as investment property

When a property use is changed from owned property used by the owner into a real estate investment the property is revalued at fair value and is reclassified as investment property. Any gain resulting from the revaluation is recognized in the consolidated profit or loss and other comprehensive income to the extent the gain reverses a previous impairment loss related to that property, part of the gain remains being recognized in other comprehensive income and presented in equity in the revaluation reserve without being reclassified once the referred asset reclassification. Any loss is recognized immediately in the consolidated statement of profit or loss and other comprehensive income.

(iii) Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that they will generate future economic benefits for the Group. Repairs and maintenance expenses are recognized in the consolidated profit or loss and other comprehensive income as they are incurred.

(iv) Depreciation of tangible assets

Items of tangible assets are amortized from the date they are available for use or are in working order and the assets constructed by the Group in its own regime, the date that the asset is completed and ready for use.

Depreciation is calculated to recover the cost of items of tangible assets less their estimated residual value using the straight line method for the useful life. Depreciation is generally recognized in the consolidated profit or loss and other comprehensive income, unless the amount is included in the carrying value of another asset. Assets acquired under lease are depreciated over the shorter of the lease term and the useful life unless it is estimated with reasonable certainty that the Group will obtain ownership at the end of the lease. Land is not depreciated.

Useful lives for the current and comparative periods are as follows:

- buildings 40 ani

- machines, equipment and vehicles 3–5 ani
- furniture and equipment 3–12 ani

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary. Residual values of tangible assets are estimated at zero.

(i) Reevaluation

Land is revalued with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Upon valuation, any accumulated depreciation at the date of revaluation is eliminated from the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

If the carrying amount of an asset is increased as a result of revaluation, the increase shall be recognized in other comprehensive income and accumulated in equity under the heading of revaluation reserve. However, the increase shall be recognized in the period result to the extent that it reverses a revaluation decrease of the same asset previously recognized in the consolidated statement of profit or loss and other comprehensive income.

If the carrying amount of an asset is impaired as a result of a revaluation, the decrease shall be recognized in the consolidated profit or loss and other comprehensive income. However, the decrease shall be recognized in other comprehensive income to the extent that the revaluation surplus shows a credit balance for the asset. Reducing recognized in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation reserve.

The revaluation reserve, included in equity in respect of an item of property and equipment is transferred directly to retained earnings when the asset is derecognised. This may involve transferring the entire surplus when the asset is removed from operation or transferred. Transfers from revaluation surplus to retained earnings is not made through the consolidated statement of profit or loss and other comprehensive income.

(e) Intangible assets and goodwill

(i) Goodwill

Goodwill arising from acquisition of subsidiaries is included in intangible assets. To assess the initial recognition of goodwill see Note 7(a)(i).

Further evaluation

Goodwill is measured at cost less accumulated impairment losses. In respect of investments accounted for using the equity method, the carrying amount of goodwill is included in the carrying amount of the investment and each impairment loss related to such investments is allocated to the carrying amount of investments accounted for using the equity method as a whole.

(ii) Other intangible assets

Intangible assets acquired by the Group and which have determined useful life are measured at cost less accumulated amortization and accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent costs are capitalized only when they increase the value of future economic benefits embodied in the asset to which it is intended. All other expenditure, including expenditure on internally generated goodwill and brands are recognized in the consolidated profit or loss and other comprehensive income when they are incurred.

(iv) Amortization of intangible assets

Except the goodwill, intangible assets are amortized in the consolidated statement of profit or loss and other comprehensive income using the straight line method for the useful life.

The useful life of intangible assets for the current and comparative periods are between 3 and 6 years. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting date and adjusted if necessary.

(f) Investment properties

Investment properties are properties owned either to be rented or for capital appreciation or both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are initially measured at cost and subsequently at fair value and any change is recognized in the consolidated statement of profit or loss and other comprehensive income. Valuation at fair value is determined based on a valuation by an independent valuer.

Cost includes expenditure that is directly attributable to the acquisition of real estate investments. The cost of real estate investments made in direct labor cost includes direct materials and labor plus other costs directly attributable to bringing the investment property to a working state intended for sale, and capitalized borrowing costs.

Property is transferred from investment property to inventories if and only if there is a change in use evidenced by commencement of development with a view to sale. If the group decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognised. Similarly, if the Group begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property and is not reclassified as owner-occupied property during the redevelopment.

When the use of a property changes so that it is reclassified as tangible asset or stock, the fair value at the date of reclassification becomes cost accounting purposes subsequent property.

(g) Depreciation

(i) Non-derivative financial assets

A financial asset is classified at fair value through the consolidated statement of profit or loss and other comprehensive income, including investments in entities accounted for using the equity method is tested at each reporting date to determine whether there is objective evidence regarding the existence of impairment.

A financial asset is considered impaired when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and this event had a negative impact on future cash flows expected from the asset and the loss can be estimated reliably.

Objective evidence indicating that financial assets are impaired include:

- failure to pay by the debtor;
- indications that a borrower or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers (payment delay of over 360 days).

Financial assets carried at amortized cost

The Group considers evidence of impairment for financial assets measured at amortized cost (loans to and receivables) at the level of specific assets.

An impairment loss related to a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of expected future cash flows discounted using the original effective interest rate of the asset. Losses are recognized in the consolidated profit or loss and other comprehensive income and reflected in an allowance account against receivables and loans.

If subsequently, the fair value of the asset increases and the increase can be attributed objectively to an event that occurred after the recognition of the impairment loss, the impairment is reversed, reversed amount is recognized in profit and loss.

Financial assets available for sale

Financial assets available for sale, which include investments in related parties, are reviewed for impairment at the end of each reporting period. The cost of investment is reduced to their recoverable amount, which management believes is the net asset value of the company's affiliated investment was made, weighted by the percentage of ownership. If related companies in which the investment was made has negative net assets, the recoverable amount of it is void. Impairment losses are recognized in the consolidated profit or loss and other comprehensive income. The amount of any reversal of any write-down of investments, due to the increase in net assets is recognized as a reduction in loss in the period in which the reversal occurs, up to a maximum initial value acquisition.

Investments in associates (investments accounted for using the equity method)

Impairment loss of investments accounted for using the equity method are evaluated by comparing the recoverable amount of the investment with its value contabila.O impairment loss is recognized in the consolidated profit or loss and other comprehensive income. An impairment loss is reversed if the estimates used to determine the recoverable value have changed favorably.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, tangible assets (land) and deferred tax liabilities, are reviewed at each reporting date to determine whether there is evidence regarding the existence of impairment. Indications of impairment of assets are considered minimum of:

External sources of information

- there are observable indications that the market value of the asset has declined significantly over the period more than had been expected as a result of the passage of time or of use.
- occurred during significant changes with an adverse effect on the Group, or such changes will occur in the near future technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated.
- market interest rates or other market rates of return on investments have increased during the period, the increases are likely to affect the discount rate used to calculate the value in use of an asset and thereby reduce the recoverable amount significantly.
- the carrying value of the net assets of the Group is superior to its market capitalization.

Internal sources of information

- no evidence of obsolescence or physical damage of an asset.
- during the period have been significant changes with an adverse effect on the Group, and it is expected that such changes will occur in the near future, depending on the extent or manner in which an asset is used or is expected to be used. Such changes include the asset becoming idle, plans to discontinue or restructure the business to which the asset is dedicated, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as determined and not undetermined.
- internal reports make available evidence of that the economic performance of an asset is or will be weaker than expected.

If such evidence exists, the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite useful lives are tested annually for impairment. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and fair value less costs to sell. In determining value in use, future cash flows expected are discounted to determine the present value using a discount rate before tax that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. For impairment testing, assets that can not be tested individually are grouped at the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets (' cash-generating unit "). For the purpose of impairment testing of goodwill, cash-generating units to which they were allocated goodwill are aggregated so that the level at which tests the impairment reflects the lowest level at which goodwill is monitored for internal reporting, provided capping the operational segment level. Goodwill acquired in a business combination is allocated to groups of cash generating units that is expected to benefit from synergies of combining.

Impairment losses are recognized in the consolidated profit or loss and other comprehensive income. Impairment losses recognized in respect of cash-generating units are the first to use the write-downs of goodwill allocated to the units, if any, and then pro rata to write-downs of other assets in the unit.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment had been recognized.

(h) Employee benefits

(i) Short-term Benefits

Short-term employee benefits are assessed and updated and the expense is recognized as the related services are rendered. A liability is recognized at the amount expected to be paid within some short-term plans to grant bonuses in cash or profit sharing if the Group has a legal or constructive obligation to pay this amount for services previously provided by employees and the obligation can be estimated reliably.

(ii) Contributions

In the normal course of business, the Group makes payments to state funds for health, pension and unemployment on behalf of its employees at statutory rates. All employees of the Group are members of the pension plan of the Romanian state. These costs are recognized in the consolidated statement of profit or loss and other comprehensive income together with wages recognition. Employees remunerated on a contract basis are responsible for paying contributions, because in their case is not expected to be kept at the source.

The Group does not operate any other retirement plan or benefits after retirement.

(i) Stocks

Inventories consist mainly of consumables, goods and materials.

Inventories are valued at the lower of cost and net realizable value.

The cost of inventories is determined based on the weighted average cost method. The cost of inventories includes all acquisition costs and other expenses related to bringing inventories to the location and condition in which there are.

Consumables used for repairs and maintenance of the electricity network are included in profit or loss when consumed and are presented in "Repair, maintenance and equipment".

(j) Provisions for risks and charges

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by updating expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(k) Leasing

(i) Determining whether an arrangement contains a lease

When initiation of an arrangement, the Group determines whether the arrangement is or contains a leasing operation. An asset is subject to leasing operations if:

- fulfilling the terms of the arrangement depends on the use of a specific asset; and
- the arrangement transfers the right to use the asset.

Initiation or revaluation arrangement, the Group separates payments and other types of consideration of such an arrangement stipulated in the related lease operation and those associated with other elements based on their relative fair values. If the Group concludes a financial lease that it is impracticable credible separation of payments, then an asset and a liability are recognized at an amount equal to fair value of the asset that is the base of the contract. Subsequently, the liability is reduced as payments are made and a financial cost imputed to debt is recognized by the Group using marginal interest rate oof the Group loans.

(ii) Lease payments

Payments made under operating lease contracts are recognized in the consolidated statement of profit or loss and other comprehensive income linearly over the lease term. Incentives related to operational leasing contracts received are recognized as an integral part of the total lease expenses during the lease.

Minimum lease payments made under a finance lease are allocated between financial expense and the reduction of outstanding debt. Financial expense is allocated to each period during the lease term so as to achieve a constant periodic rate of interest on the remaining balance of debt.

(l) Income

(i) Revenues from sale of electricity

Revenues from sale of electricity produced by the Group are recognized when the Group has delivered energy in the electricity transmission network.

(ii) Revenue from services

Revenues from services rendered are recognized in the consolidated profit or loss and other comprehensive income in proportion to the stage of completion of the transaction at the reporting date. Stage of completion is assessed in relation to the analysis performed works.

(iii) Rental income

Revenues from royalties and rents are recognized on an accrual basis under contract.

(m) Financial income and expenses

Financial revenues include interest income. Interest income is recognized in profit or loss on an accrual basis using the effective interest method.

Financial expenses comprise interest expense on borrowings and bank charges.

All borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in the consolidated production of profit or loss and other comprehensive income using the effective interest method.

Gains and losses from foreign exchange differences on financial assets and liabilities are reported on a net basis as finance income and finance expense in either currency fluctuations function: net gain or net loss.

(n) Tax

Income tax expenses comprise current tax and deferred tax. Current tax and deferred tax are recognized in the consolidated profit or loss and other comprehensive income unless they are related to business combinations or to items recognized directly in equity or other comprehensive income.

(i) Current tax

Current tax is the tax that is expected to be paid or deducted for taxable income or deductible losses carried (a) in the current year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment regarding the payment obligations on tax related to previous years.

(ii) Deferred tax

Deferred tax is recognized for temporary differences arising between the carrying amount of assets and liabilities used for financial reporting purposes and the tax base used for tax calculation. Deferred tax is not recognized for the following temporary differences:

- the initial recognition of assets and liabilities arising from transactions that are not business combination and that affects accounting profit or loss or tax;
- differences resulting from investments in subsidiaries, associates and jointly controlled entities to the extent that the Group can control the timing of reversal of temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising from the initial recognition of goodwill.

Evaluation of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of assets and liabilities. Group assesses deferred tax arising from investment property using the assumption that the carrying value of the property will be recovered entirely through sale.

Deferred tax is calculated using tax rates that are expected to be applicable to the resumption of temporary differences, based on

tax rates enacted or substantively enacted at the reporting date.

Assets and liabilities deferred tax are offset only if there is a legally enforceable right to offset debts and receivables current tax and whether they are related to taxes levied by the same fiscal authority for the same entity in the Group subject to taxes or tax entity different but they intend to settle current tax receivables and liabilities on a net basis or whose assets and liabilities of the tax will be conducted simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future profits that can be used to cover the tax loss. Deferred tax receivables are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit.

(iii) Tax exposure

For determining the current and deferred tax, the Group takes into account the impact of uncertain tax positions and the possibility of additional taxes and interest. This assessment is based on estimates and assumptions and may involve a series of judgments about future events. New information may become available, thereby modifying their judgment group in which estimate the accuracy of existing tax liabilities; Such changes in tax liabilities affect the tax expense in the period in which such determination is made.

(o) Revaluation reserve

The difference between the revalued amount and the net book value of tangible assets is recognized as revaluation reserve in equity.

If the carrying amount of an asset is increased as a result of a revaluation, this increase is recorded and accumulated in equity in revaluation reserves. However, the increase is recognized in profit or loss to the extent that it offsets a decrease in the same amount of the asset previously recognized in profit or loss.

If the carrying amount of an asset is impaired as a result of a revaluation, the decrease is recognized in profit or loss. However, the decrease is recognized in equity in revaluation reserves if there is a credit balance in the revaluation reserve for that asset.

The revaluation reserve is transferred to retained earnings in an amount corresponding asset utilization (as depreciation) and asset disposal.

(p) Dividend

Dividends are recognized as a deduction from equity in the period in which their distribution is approved and are recognized as a liability to the extent that are unpaid at the reporting date. Dividends are disclosed in the notes to the financial statements when their distribution is proposed after the reporting date and before the date of issuance of the financial statements.

(q) Subsequent events

The events that occurred after the reporting date of 31 December 2016, which provide additional information about conditions that existed at the reporting date (events that cause adjustments to the financial statements) are reflected in the consolidated financial statements. The events that occurred after the reporting dates and providing information about the conditions occurring after the reporting data (events that do not cause adjustments to the financial statements) are presented in the notes to the consolidated financial statements when significant. When the going concern assumption is not appropriate during or after the reporting period financial statements are not prepared on a going concern basis.

Note 8. New standards and interpretation that have not been adopted yet by the Group

A number of new standards, amendments to standards and interpretations effective for annual periods beginning after 1 January 2016, and which were not considered in the preparation of these consolidated financial statements.

- Amendaments to IAS 1 (Requirements Presentation);
- Amendaments to IAS 16 and IAS 38 (Clarification of acceptable methods of depreciation and amortization);
- Amendaments to IAS 16 and IAS 41 (Productive plants);
- Amendaments to IAS 19 (Defined benefit plans: Employee benefits).
- Amendaments to IAS 27 (Equity method in the individual financial statements);
- Amendaments to IFRS 11 (Accounting for the acquisition of interests in joint operation);
- IFRS 9 (Financial instruments);
- IFRS 15 (Recognition of revenue from contracts with customers)

- Annual improvements to the International Financial Reporting Standards (IFRS), 2012-2014 Cycle.
- Annual improvements to the International Financial Reporting Standards (IFRS), Cycle 2010-2012.

None of the above standards are not expected to have a significant impact on the Group's consolidated financial statements.

Note 9. Assets

Reconciliation of the carrying amount of property and equipment

Cost

	Lands	Machinery & Equipment	Furniture and equipment	Assets under construction	Building improvements	Total
Balance at January 1, 2015	2,170,099	8,653	71,333	143,522	-	2,393,607
Acquisitions	-	-	89,139	11,063	-	100,202
Increases / (decreases) from revaluation	(105,622)	-	-	-	-	(105,622)
Balance at December 31, 2015	**2,064,477**	**8,653**	**160,472**	**154,585**	**-**	**2,388,187**
Accumulated depreciation and accumulated impairment losses						
Balance at January 1, 2015	-	3,245	15,393	-	-	18,638
Depreciation during the year	-	2,163	88,057	-	-	90,221
Impairment losses	-	-	-	154,585	-	154,585
Translation reserve	-	-	1,204	-	-	1,203
Balance at December 31, 2015	**-**	**5,408**	**104,654**	**154,585**	**-**	**264,647**
Carrying amount						
at January 1, 2015	**2,170,099**	**5,408**	**55,940**	**143,522**	**-**	**2,374,969**
at December 31, 2015	**2,064,477**	**3,245**	**55,818**	**-**	**-**	**2,123,540**

	Lands	Machinery & Equipment	Furniture and equipment	Assets under construction	Building improvements	Total
Balance at January 1, 2016	**2,064,477**	**8,653**	**160,472**	**154,585**	**-**	**2,388,187**
Acquisitions	**223,190**	**1,729,222**	**263,120**	**7,290**	**5,463**	**2,228,285**
Increases / (decreases) from revaluation	**-**	**(5,220)**	**(36,343)**		**-**	**(41,563)**
Balance at December 31, 2016	**6,825**	**-**	**-**	**-**	**-**	**-**
Balance at January 1, 2016	**2,294,492**	**1,732,655**	**387,250**	**161,875**	**5,463**	**4,581,735**
Amortizare cumulata si pierderi din depreciere cumulate						
Balance at January 1, 2016	-	5,408	104,654	154,585	-	264,647
Depreciation during the year	-	107,253	27,775	-	-	135,027
Impairment losses	-	(7,504)	-	-	-	-
Translation reserve	-	-	(268)	-	-	(268)
Balance at December 31, 2016	**-**	**105,156**	**132,161**	**154,585**	**-**	**391,902**

Carrying amount						
at January 1, 2016	**2.064.477**	**3,245**	**55,818**	**-**	**-**	**2,123,540**
at December 31, 2016	**2.294.492**	**1,627,499**	**255,089**	**7,290**	**5,463**	**4,189,833**

Reevaluation of land

As at December 31, 2016, the plots of land owned by the Group were revalued as follows:

- ✓ Land owned in Mogosoaia, Ilfov county with an area of 8002.34 square meters has been reassessed by Eurovalue Property Invest SRL, external, independent evaluators, certified by the National Association of Certified Appraisers in Romania. Method of revaluation used was the comparison of sales, the estimated market value being 424.000 EUR (December 31, 2015: 424.000 EUR), for which the Group recorded a revaluation surplus by increasing the revaluation reserve with 7,038 lei (2015: decrease with 71,664 lei). Price per square meter was calculated on the basis of observable prices in comparable property transactions, adjusted for location and condition. Land value at acquisition cost before revaluation is 98.112 LEI.

  The land acquired in Codlea Bravo in 2014 with an area of 17.996 square meters has been evaluated by the same appraisers company mentioned above, using the method of sales comparison at a value of 32.123 EUR (December 31, 2015: 32,388 EUR), recording a loss depreciation of RON 504 (2015: loss of 33,958 lei). Land value at acquisition cost before revaluation is 90.067 LEI.

According to the evaluation assets at fair value revalued land are located at Level 3, determined based on the assumptions used in determining fair value.

During 2016, the Company decided to terminate the hydrological project in Siriu Locality. Expenses capitalized in assets under construction were included in impairment losses in the amount of 154.585 lei.

Changes in reserves from revaluation

Changes in reserves from revaluation during the financial year are presented below:

	2016	**2015**
Revaluation reserve on January 1	1,596,418	1,684,856
Revaluation reserves derecognised in the reporting period		(105,283)
Revaluation reserves recorded during the year	6,827	-
Deferred tax liability related to revaluation reserve	(1,160)	16,845
Revaluation reserve at December 31	**1,602,085**	**1,596,418**

Revaluation reserves are non-distributable until their realization through sale / scrapping of tangible assets referred.

Decreases in total revaluation reserve of 2 lei (2015: 340 lei) are allocated to Non-controlling interest.

Note 10. Investment properties

Reconciliation of book value of real estate investments

	2016	**2015**
Balance at January	1,995,305	1,940,749
Acquisition	4,624,016	-
Sales	-	-
Changes in fair value	482,053	54,556
Balance at December 31	**7,101,373**	**1,995,305**

Investment properties comprise a 26.766 sqm land area acquired by the Group during 2014 in Stefanestii de Jos and three plots of land with a surface of 62,309 sq.m. purchase in 2016 also in Stefanestii de Jos locality.

The land acquired by NQE Solar Habitat during the year 2014 and 2016 respectively in the total area of 89,075 sqm were evaluated by the same company of valuators, using the method of revenue comparison, at a value of EUR 1,471,400 (equivalent to RON 6,681,800). The value of the plots of land at acquisition cost before revaluation, is 5,404,177 LEI.

The fair value of investment properties are situated at Level 3 evaluation, based on assumptions used for determining fair value.

The land capitalized in Hygeia Soil during the year 2016, with a surface area of 210,000 square meters, was evaluated by the same company of valuators using the sales comparison method at a value of EUR 92,400 (equivalent to 419,598 LEI). The value of the land upon capitalization is 409,400 LEI.

Note 11. Investments accounted for using the equity method

	December 31, 2016	December 31, 2015
Investments accounted for using the equity method	344,608	665,873
	344,608	**665,873**

On March 8, 2013 the Group acquired 85% of the share capital of Deal Properties Ltd, whose main activity is the production of solar energy. On July 12, 2013 The group gave up control of the company, retaining a stake of 45%. The Group considers this investment as investment in entities under common control, on the grounds that the activity Deal Properties Ltd, group exercise joint control established by contractual agreement and requiring a unanimous agreement for taking decisions on financial and operational strategies.

A summary of financial information of Deal Properties SRL is as follows:

	December 31, 2016	December 31, 2015
Participation quota	**45%**	**45%**
Fixed assets	5,560,881	6,412,388
Current assets	374,993	403,738
Long-term liabilities	(1,340,848)	(1,499,587)
Current liabilities	(3,841,495)	(3,931,142)
Net assets	**753,531**	**1,385,397**
Group share in net assets (45%)	**333,630**	**628,511**
Income	641,227	739,227
(Loss) / Profit	(631,865)	30,698
Other comprehensive income		-
Total comprehensive	**(631,865)**	**30,698**
Group's share in other comprehensive income (45%)	**(279,762)**	**13,871**

Reconciliation of the carrying amount of the investment in Deal Properties LLC is as follows:

	December 31, 2016	December 31, 2015
The investment on January 1	665,873	652,002
The fair value of the investment after ceding control	-	-
Investing in credits	-	-
Transferred investment to loans (*)	(41,503)	-

The overall result for the Group	(279,762)	13,871
The investment value at 31 December	**344,608**	**665,873**

According to the unanimous decision of Shareholders of Deal Properties SRL dated 8 June 2015, the amount of 4,404,130 lei representing loans granted by shareholders was converted into share capital of Deal Properties SRL. 1,993,370 lei of the total amounts converted into share capital is related to loans provided by NQE Group, the difference of 2,410,160 lei represents the conversion of loans into share capital from other shareholders.

On 31 December 2014, a total of 2,035,430 lei, of which loans totaling 1,125,000 lei and receivables amounting to 910,430 lei owed to the Group by the company Deal Properties SRL was transferred into investments owned.

Note 12. Financial assets

	December 31, 2016	December 31, 2015
Other financial assets, net (1)	128,214	107,333
Financial investment in Didras SA (2)	-	307,665
	128,214	**414,998**

(1) The amount of 128,214 lei is composed of 129,564 lei as guarantee paid by the Group in accordance with the lease signed with Greek Production of Olympus Herbs for developing the company's activity and (1,350) lei financial assets.

(2) In 2015 the Group, through its subsidiary Parking Zalokosta, acquired bonds worth 68,000 EUR from Didras Luxembourg Holdings SA. The bonds mature in March 2018 and have a fixed interest rate of 9% p.a. In 2016 the Group sol dits participation in Parking Zalokosta.

Note 13. Trade receivables and other receivables

	December 31, 2016	December 31, 2015
Monetary assets		
Trade receivables	1,465,202	4,476,779
Afiliates receivables	2,003	-
Different debitors	170,768	21,247
Other receivables	2,316	1,833
Total monetary assets	**1,640,289**	**4,499,859**
Non-monetary assets		
Receivables relating to VAT	825,753	462,999
Advances to suppliers	8,425	29,331
Income tax receivable	4,413	4,143
Total non-cash assets	**838,321**	**496,473**
Total trade receivables and other receivables	**2,478,610**	**4,996,332**

The Group's exposure to credit and market risks and information regarding fair value on receivables and other receivables trade is presented in Note 27.

Note 14. Cash and cash equivalents

	December 31, 2016	December 31, 2015
Current bank accounts	543,467	320,144
Cash at hand	47,488	879,927

	590,955	**1,200,071**

Current accounts are opened to commercial banks. On 31 December 2016 and 31 December 2015, the Group does not have any lines of credit or overdraft facilities.

Note 15. Loans granted

	December 31, 2015	**December 31, 2014**
Deal Properties SRL	3,082,023	2,987,754
Interest of Deal Properties SRL	415,115	351,118
Parking Zalokosta	1,405,016	-
Interest of Parking Zalokosta	105,104	-
	5,007,258	**3,338,872**

Terms and maturities of loans given

The terms and conditions of outstanding loans are as follows:

Debtor	**Currency**	**Value (currency)**	**Nominal interest**	**Maturity Year**	**Nominal and accounting value**	
					31 December 2016	**31 December 2015**
Deal Properties SRL	EUR	184,000	3.5%	2017	835,562	832,508
Deal Properties SRL	EUR	28,000	3.5%	2017	127,151	126,686
Deal Properties SRL	EUR	232,028	3.5%	2017	1,053,662	1,049,811
Deal Properties SRL	LEI	2,000	3.5%	2017	44,060	44,060
Deal Properties SRL	LEI	4,000	3.5%	2017	4,000	-
Deal Properties SRL	EUR	203,884	0%	2017	925,858	922,473
Deal Properties SRL	EUR	2,700	3.5%	2017	12,261	12,216
Deal Properties SRL	EUR	17,500	3.5%	2017	79,469	-
Dobanzi Deal Properties SRL	EUR/ LEI	-	-		415,115	351,118
Parking Zalokosta	EUR	309,400	4.15%	2021/30	1,405,016	-
Interest Parking Zalokosta	EUR	23,145	-	2021/30	105,104	-
Total					**5,007,258**	**3,338,872**

All loans granted to the company Deal Properties are granted for a short term, following that on the due date, if the amounts are not repaid, the loan agreements automatically extend with the parties' consent for another 11 (eleven) months.
Considering the above, by applying the principle of substance over form economic, the management decided to classify these loans as long-term ones, as the company's activity Deal Properties requires a long time horizon to repay these amounts to the Group. Nevertheless, anticipated refunds are not excluded, if the company Deal Properties will be able and willing to do this.
On approving the financial statements loans granted to this company were extended to reach the maturity during 2017.
Considering these issues from the perspective of recording these instruments in the financial statements, there was considered that the carrying value of the loans must be equal to their nominal value on December 31, 2016 and December 31, 2015.

Note 16. Other assets

	December 31, 2016	December 31, 2015
Monetary assets		
Short-term bank deposits (1)	-	2,171,760
Deposits of guarantees from third parties	55,908	225,233
Total monetary assets	**55,908**	**2,396,993**
Non-monetary assets		
Expenses in advance	23,718	120,128
	79,625	**2,517,121**

(1) The Group had a term deposit at Eurobank Ergasias Bank, Greece, which served as collateral for the renting contract for the parking in Zalokosta Street, Athens, Greece. The guarantee is due on November 14, 2017. On 31.12.2016 the company Parking Zalokosta was no longer part of the Group.

Note 17. Share capital and reserves

	December 31, 2016	December 31, 2015
Statutory share capital	3,605,949	3,605,949
Adjustments related to hyperinflation (IAS 29)	1,304,446	1,304,446
	4,910,395	**4,910,395**

Shareholders' structure at the end of the reporting periods was as follows:

	31 December 2016			
	Number of shares	**Nominal value in lei**	**The total value in lei**	**Ownership right**
Green Southeast Europe Investments SA	8,260,715	0.10	826,072	22.91%
Framecell Limited	5,596,758	0.10	559,676	15.52%
IEBA Trust SA	3,557,239	0.10	355,724	9.86%
Cornerstone Investments	3,057,000	0.10	305,700	8.48%
Unstop Holdings LTD	2,116,000	0.10	211,600	5.87%
Alti actionari	13,471,772	0.10	1,347,177	37.36%
	36,059,484		**3,605,948**	**100%**

	December 31, 2015			
	Number of shares	**Nominal value in lei**	**The total value in lei**	**Ownership right**
Coronedo Limited	3,824,104	0.10	382,410	10.60%
Framecell Limited	7,395,758	0.10	739,576	20.51%
Green Southeast Europe Investments SA	6,199,290	0.10	619,929	17.19%
IEBA Trust SA	2,847,239	0.10	284,724	7.90%
Unstop Holdings LTD	1,741,000	0.10	174,100	4.83%
Other shareholders	14.052.093	0.10	1,405,210	38.97%
	36,059,484		**3,605,949**	**100%**

Between June 10, 2015 - July 28, 2015 the Company increased its statutory capital by issuing 6,882,569 shares with a face value of 0.10 lei / share, of which 1,813,088 shares at a price of 0.40 lei / share and 5,069,481 shares at 0.41 lei / share.

Statutory share capital was increased by the amount of 688,256 lei and share premium to the amount of 2,115,466 lei. The share capital increase was carried out by converting loans from Coronedo Limited in the amount of 360,450 lei, the equivalent of 901,125 shares and the loan from Framecell Limited in the amount of 2,443,272 lei, equivalent to 5,981,444 shares.

Of the share capital 3,585,380.20 lei represent cash contributions and in-kind contributions 20,568,200 lei.

All shares are ordinary and rank equally with regard to the Company's residual assets. The nominal value of a share is 0.1 lei. Holders of ordinary shares are entitled to receive dividends as declared from time to time, and have the right to one vote for every 1 share held within the shareholders meetings of teh company.

Dividends

During the years ended at 31 December 2016 and 31 December 2015, the Company has not declared and has not paid dividends to its shareholders.

Reevaluations reserves

The last evaluaton of the Companie's lands took place at 31.12.2016. A description of the reserves reelatuation can be found in Note 9.

Legal reserves:

- legal reserves –5% of the profit before tax according to the statutory individual financial statements of the companies within the Group until legal reserves reach 20% of the total registered capital of each company in accordance with the legal provisions. These reserves are profit tax deductible and are not distributable.

Other reserves:

- other reserves constituted according to the legislation in force.

Note 18. Loans received

This note provides information about the contractual terms of the Group's interest-bearing loans, valued at amortized cost. For more information about the Group's exposure to interest rate risk, currency risk and liquidity risk, see Note 27. Received lawns.

	December 31, 2016	December 31, 2015
Long term loans		
Loans for the affiliate parties	9,368,595	-
Third party loans	681,165	1,131,126
	10,049,760	**1,131,126**
Short term loans		
Loans for the affiliate parties	2,511,810	5,203,392
Third party loans	2,426,664	1,297,174
Related interests	166,112	322,446
	5,104,586	**6,823,012**
Total loans	**15,154,346**	**7,954,138**

Terms and conditions of long-term outstanding loans

The terms and conditions of long-term outstanding loans are as follows:

Lender	Currency	Amount (curenccy)	Interest rate	Due date	Nominal and accounting value	
					December 31, 2016	December 31, 2014
5						
Long term loans received from third parties						
Proteus Holdings	EUR	150,000	9.0%	2019	681,165	678,676
Total long term loans					**681,165**	**678,676**
Long term loans received from affiliates						
Ermanno Zvi Kahan	EUR	100,000	9.0%	2019	454,110	452.450
Cornerstone Investments	EUR	430,000	8.0%	2018	1,952,674	-
Cornerstone Investments	EUR	100,000	8.0%	2018	454,110	-
Green Southeast Europe Investments	EUR	93,200	3.0%	2017	423,231	-
Green Southeast Europe Investments	EUR	83,000	3.0%	2017	376,911	-
Green Southeast Europe Investments	EUR	257,350	3.2%	2017	1,168,652	-
Green Southeast Europe Investments	EUR	533,200	3.2%	2017	2,421,314	-
Green Southeast Europe Investments	EUR	228,410	3.2%	2017	1,037,233	-
Green Southeast Europe Investments	EUR	76,300	3.0%	2017	346,486	-
Green Southeast Europe Investments	EUR	19,500	4.0%	2017	88,551	-
Green Southeast Europe Investments	EUR	12,000	4.0%	2019	54,493	
Framecell Limited	EUR	26,500	3.2%	2017	120,339	-
Dobanzi aferente					470,490	-
Total imprumuturi pe termen lung					**9.368.595**	**452.450**

Terms and maturities of short-term loans received

Terms and maturities of short-term loans received are the following:

Lender	Currency	Amount (curenccy)	Nominal interest rate	Maturity year	Nominal and accounting value	
					31 December 2016	31 December 2015
Short term loans						
Third party loans						
Hellenic Granite SA	EUR	120,000	0.0%	2015	-	542,940
Hellenic Granite SA	EUR	25,000	0.0%	2016	-	113,112
Enolia Solar Systems S.A.	EUR	3,500	0.0%	2013	15,894	15,836
Enolia Solar Systems S.A.	EUR	3,500	0.0%	2013	15,894	15,836
Enolia Solar Systems S.A.	EUR	3,500	0.0%	2013	15,894	15,836
Fyssas Panagiotis	EUR	1,200	4.0%	2014	5,449	5,429

Dimitrios Stavridis	EUR	100,000	3.5%	2017	454,110	-
Anastasios Drakos	RON	5,351	0.0%	2017	5,351	-
Panagopoulos Lampros	EUR	25,000	4.0%	2017	113,527	-
Karastergios Eleftherios	EUR	30,000	4.0%	2017	136,233	-
Tachiris Anastasios	EUR	15,000	4.0%	2017	68,116	-
Ramananis Georgios	EUR	25,000	4.0%	2017	113,527	-
Lemonidis Fokionas	EUR	200,000	4.0%	2017	908,220	-
Aliferis Nikolaos	EUR	16,500	4.0%	2017	74,928	-
Spyrou Nikolaos	EUR	50,000	4.0%	2016	227,055	226,225
Kostopoulou Aikaterini	EUR	80,000	4.0%	2016	272,466	361,960
Total third party loans					**2,426,664**	**1,297,174**
Affiliated party loans						
Volis Argyrios	EUR	8,000	0.0%	2016	-	36,196
Volis Argyrios	EUR	31,500	0.0%	2017	153,393	-
Volis Argyrios	EUR	27,490	0.0%	2017	124,835	-
Hellenic Granite SA	EUR	120,000	0.0%	2015	544,932	-
Hellenic Granite SA	EUR	25,000	4.0%	2016	113,528	-
Andrei Mihai Lucian	RON	9,500	0.0%	2017	9,500	-
Stavros Ntzeventis	EUR	100,000	5.0%	2017	454,110	-
Panagiotis Diamandis	EUR	17,000	0.0%	2016	-	76,917
Panagiotis Diamandis	EUR	20,000	3.0%	2017	90,822	-
Haiduc Rodica	EUR	20,000	4.0%	2017	90,822	-
Haiduc Rodica	EUR	14,000	3.0%	2017	63,575	-
Savvopoulos Nikolaos	EUR	50,000	4.0%	2017	227,055	-
Palaiodimopoulos Michail	EUR	1,200	4.0%	2014	-	5,429
Palaiodimopoulos Michail	RON	250	0.0%	2017	250	-
Nae-Serban Ileana-Teodora	EUR	10,850	0.0%	2015	-	1,860
Nae-Serban Ileana-Teodora	RON	2,213	0.0%	2017	2,213	-
Nae-Serban Ileana-Teodora	RON	191	0.0%	2017	191	-
Nae-Serban Ileana-Teodora	EUR	25,000	0.0%	2017	113,527	-
Miron Alexandru	RON	4,535	0.0%	2017	-	5,829
Miron Alexandru	EUR	4,000	4.0%	2016	-	6,553
Marius Melintescu	RON	831	0.0%	2017	831	
Cornerstone Investments	EUR	115,000	8.0%	2017	522,226	-
Green Southeast Europe Investments	EUR	93,200	3.5%	2017	-	421,683
Green Southeast Europe Investments	EUR	83,000	3.5%	2017	-	375,534
Green Southeast Europe Investments	EUR	49,000	3.5%	2017	-	221,701
Green Southeast Europe Investments	EUR	257,350	3.5%	2017	-	1,164,380
Green Southeast Europe Investments	EUR	533,200	3.5%	2017	-	2,412,463
Green Southeast Europe Investments	EUR	76,300	4.0%	2017	-	345,219
Green Southeast Europe Investments	EUR	19,500	0.0%	2017	-	88,228
Framecell Limited	EUR	5,000	3.5%	2017	-	22,623
Framecell Limited	EUR	1,500	3.5%	2017	-	6,787
Framecell Limited	EUR	2,500	3.5%	2017	-	11,311
Anastasios Drakos	EUR	3,500	3.5%	2015	-	679
Total loans from affiliates					**2,511,810**	**5,203,392**
Related interest					166,112	322,446
Total short term loans					**5,104,586**	**6,823,012**

Total loans	**15,154,346**	**7,954,138**

The carrying value of loans is equal to their nominal value on December 31, 2016 and December 31, 2015.

All loans received were used in full.

Loans with a total value of 2,803,722 lei, of which 2,443,272 RON (549,050 EUR) from Framecell Limited and 360,450 RON (81,000 EUR) from Coronedo Limited were converted into share capital during 2015.

Note 19. Bonds

	December 31, 2016		**December 31, 2015**	
	from which:		*from which:*	
	long term	**short term**	**long term**	**short term**
Bounds				
Fragkiskos Kanellopoulos	908,220	-	-	904,900
Prineas Panagiotis	908,220	-	-	904,900
Kalemkeris Pavlos	454,110	-	-	452,450
Savvopoulos Vasileios	452,450	-	-	452,450
Related interest	272,466		-	298,617
Total related debts	**2,997,126**		**-**	**3,013,317**

The nominal value of a bond is EUR 100,000 and the total value of bonds issued is 600,000 EUR. Bonds will be redeemed in full on maturity date 30 June 2016, at their nominal value. Bonds are 12% interest bearing, annual interest is paid every six months.
On June 30, 2016, bonds were extended on the same terms of interest, 3 years with maturity on June 30, 2019.

Note 20. Trade payables and other liabilities

	December 31, 2016	**December 31, 2015**
Currency debts		
Commercial debts	324,842	1,078,213
Staff debts	142,692	100,120
Other debts	649,507	167,149
Total currency debts	**1,117,041**	**1,345,482**
Non-curency debts		
Debt budget	192,179	318,669
Client received advances	-	-
Total non-curenccy debts	**192,179**	**318,669**
Total debts	**1,309,220**	**1,664,151**

Details about debts to related parties can be found in Note 34. The Group's exposure to currency risk and liquidity risk related to trade payables and other liabilities is presented in Note 27.

Note 21. Incomes

	December 31,	**December 31,**

	2016	2015
Consulting services (1)	25,938	1,980,139
Rental parking spaces (2)	6,576	3,748,830
Other services	(1,280)	6,973
	31,234	**5,735,942**

(1) Group provides consulting services to potential investors in Southeast Europe, providing information and analysis about business climate, regulations, banking, macroeconomic environment, especially in the renewable energy sector.

(2) Parking Zalokosta subsidiary acquired by the Group in December 2014 has the object of providing parking spaces for rent in Athens (Greece). It rents a multi-storey parking complex under a contract concluded for a period of 15 years. On 18 July 2016 the Group sold its participation in Parking Zalokosta SASU.

Note 22. Expenses for services provided by third parties

	2016	2015
Utilities expenses	14,196	13,073
Maintenance and repairs expenses	109,035	230,681
Rent expenses	590,515	2,589,043
Insurance costs	38,319	34,854
Professional services expenses	246,204	254,015
Transport of goods and personnel expenses	167,556	54,916
Banking fees	19,973	16,367
Legal services	107,266	1,767
Other services provided by third parties	743,582	306,215
	2,036,646	**3,500,931**

Costs of services include professional investment services, professional services of audit, legal consultancy and notarial. Audit services for the year ended at December 31, 2016 were provided by the Group's statutory auditor fees are confidential and based on agreement.

Note 23. Employee benefits expenses

	2016	2015
Salary expenses	1,157,065	1,619,390
Expenses for compulsory social security contributions	211,716	343,623
	1,368,781	**1,963,013**

Remuneration of key management personnel includes salaries and contributions (social contributions and medical, unemployment contributions and other similar contributions). Company management is committed on a contractual basis.

Salary expenses decreased as a result of the fact that the Group sold the subsidiary Parking Zalokosta SASU in July 2016.

Note 24. Other operational expenses

	2016	2015
Material consumption expenses	122,266	18,138
Other taxes	153,566	29,881
Depreciation of tangible assets expenses	131,222	90,221
Amortization of intangible assets	2,077	11,425
Penalties	24,100	750
Impairment of assets in progress	-	154,585
Expenses associated with the provision of VAT receivable and under settlement	-	23,276
Other operating expenses	384,985	189,056
	818,216	**517,332**

Note 25. Financial result

	2016	2015
Interest income	162,646	111,089
Gain from acquisition of shares in the company Parking Zalokosta	-	-
Interest expenses	(803,385)	(590,701)
Exchange rate differences, net	(125,633)	(8,372)
Gain/loss from sale of financial assets	162,538	-
Provision for loans granted	(345,497)	-
Net financial result	**(949,330)**	**(487,983)**

Note 26. Taxes

Taxes recognized in profit or loss

	2016	2015
Tax expenses in the reporting period	2,600	10,809
Deferred income tax expense	(232,838)	87,038
Profit tax	**(230,238)**	**97,847**

The reconciliation of the tax rate effective

	2016		2015	
Result before tax profit / (loss)		**(4,939,449)**		**(664,891)**
Profit tax calculated using the local tax rate of the entity	16%	(790,312)	16%	(106,382)

Non-deductible expenses and adjustments	(11%)	560,074	(35%)	204,229
Income tax expenses	**5%**	**230,238**	**(19%)**	**97,847**

The Group has no items for which no deferred tax asset was.

Cumulative temporary differences that generate deferred tax

	December 31, 2016		**December 31, 2015**	
	Cumulative temporary differences	**Receivables / (Debts) Deferred income tax**	**Cumulative temporary differences**	**Receivables / (Debts) Deferred income tax**
Tangible assets	(1,827,321)	(292,371)	(1,876,303)	(300,208)
real estate investments	(1,344,028)	(215,044)	(805,743)	(128,919)
Tax loss	2,313,411	370,146	376,126	60,180
	857,938	**137,270**	**(2,305,920)**	**(368,947)**

Movements in deferred tax balances

	Net Balance January 1	**Recognized in the current profit**	**Recognized in other comprehensive income**	**Balance at December 31**		
				Net	**Active**	**Datorii**
2016						
Tangible assets	(300,208)		7,836	(292,371)		(292,371)
Real estate investments	(128,919)	(77,128)	(8,998)	(215,044)		(215,044)
Fiscal losses	60,180	309,966		370,146	370,146	
Net fiscal Receivables/ (debts)	**(368,947)**	**232,838**	**1,162**	**137,270**	**370,146-**	**507,415**
2015						
Tangible assets	(317,108)	-	16,900	(300,208)	-	(300,208)
Real estate investments	(120,190)	(8,729)	-	(128,919)	-	(128,919)
Fiscal losses	138,489	(78,309)	-	60,180	60,180	
Net fiscal Receivables/ (debts)	**(298,808)**	**(87,038)**	**16,900**	**(368,947)**	**60,180**	**(429,127)**

Note 27. Financial Instruments - Fair value and risk management

(a) Accounting classifications and fair values

The following table shows the carrying amounts and the fair value of financial assets and liabilities. This table does not include the fair values of financial assets and liabilities that are not measured at fair value if their carrying amounts are a reasonable approximation of fair values.

	Note	31 December 2016			31 December 2015		
		Accounting value	Fair value	Hierarchy level	Accounting value	Fair value	Hierarchy level
Financial assets not valuated at fair value							
Cash and cash equivalents	**14**	590,955	590,955		1.200.071	1.200.072	-
Trade receivables and other receivables	**13**	2,478,610	2,478,610	-	4,996,332	4,996,332	-
Financial assets	**12**	128,214	128,214		414,998	384,193	
Other assets	**16**	79,625	79,625	-	2,517,121	2,517,120	-
Granted loans	**15**	5,007,258	4,703,679	2	3,338,872	3,338,872	2
		8,284,662	**7,981,083**		**12,467,394**	**12,436,589**	
Financial liabilities not valuated at fair value							
Loans	**18**	15,154,346	14,614,909	2	7,954,138	8,112,532	2
Other long-term liabilities		-	-	-	-	-	-
Trade liabilities and other debts	**20**	1,309,220	1,309,220	-	1,664,151	1,664,151	-
Bonds	**19**	2,997,126	3,359,018	2	3,013,317	3,566,825	2
		19,460,692	19,283,147		**12,631,606**	**13,343,508**	

The fair values of loans were calculated by technical present value of cash flows.

Interest rates used to update the estimated cash flows are based on the average market interest rates for new loans to non-financial corporations reporting date (Source: www.bnr.ro):

	December 31, 2016	December 31, 2015
EURO loans	5.80%	3.45%
RON loans	4.10%	4.70%

(b) Financial Risk Management

The Group is exposed to these risks using financial instruments:

- credit risk
- liquidity risk
- market risk

The general framework for risk management

The Group has no formal commitments to combat financial risks. Despite the non-existence of formal commitments, financial risks are monitored by top management, with the focus on the needs of the Group to offset the effective opportunities and threats.

Group risk management policies are defined to ensure the identification and analysis of risks facing the Group, establishing appropriate limits and controls, and risk monitoring and compliance limits set. Policies and risk management systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training standards and procedures and management to develop an orderly and constructive control environment in which all employees understand their roles and obligations.

The group is considering risk management within an integrated risk management, go to fulfill the requirements of Bucharest Stock Exchange (Code of Corporate Governance).

Credit risk

Credit risk is the risk that the Group to incur a financial loss as a result of non-fulfillment of contractual obligations by a customer or counterparty to a financial instrument, and this risk mainly result from trade receivables and financial investments of the Group.

Financial assets, which may subject the Group to credit risk are mainly trade receivables, cash and cash equivalents, other assets and loans granted. The Company has implemented a series of policies that ensure that the sale of services are made to customers with an appropriate collection.

The carrying amount of financial assets represents the maximum exposure to credit risk. The maximum exposure to risk at the reporting date was:

	Note	December 31, 2016	December 31, 2015
Cash and cash equivalents	**14**	590,955	1,200,071
Trade receivables and other receivables	**13**	2,478,610	4,996,332
Other assets	**16**	79,625	2,517,121
Loans granted	**15**	5,007,258	3,338,872
		8,156,448	**12,052,396**

Trade receivables and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management has taken into account the demographics of the customer base of the Group, including the risk of default characteristic of the industry and the country in which the customer operates, given that these factors influence credit risk.

The Company has established a credit policy under which each new customer is analyzed individually in terms of creditworthiness before ii be offered standard payment terms of the Group. Analysis carried out by the Group includes external ratings, if available, and in some cases, references provided by banks.

In order to monitor credit risk of customers, the Group monitors monthly payment delays and take measures deemed necessary, on a case cazExpunerea maximum credit risk related to trade receivables and other receivables at the reporting date by geographic region was:

	December 31, 2016	December 31, 2015
Romania	456,796	461,517
Cyprus	1,457,693	4,427,676
Greece	564,121	107,139
	2,478,610	**4,996,332**

The maximum exposure to credit risk on loans granted to the reporting date by geographic region was:

	December 31, 2016	December 31, 2015

Romania	3,497,138	3,338,872
Greece	1,510,120	-
	5,007,258	**3,338,872**

Impairment losses

The situation seniority and other receivables trade receivables at the reporting date was:

	December 31, 2015		
	Gross value	**Adjustment for depreciation**	**Carrying amount**
Unmatured	2,353,718	-	2,353,718
Overdue beteween 1-30 days	-	-	-
Overdue between 31-90 days	1,665	-	1,665
Overdue between 91-120 days	5,018	-	5,018
Outstanding between 121-365 days	830,822	-	830,822
Overdue more than one year	1,805,109	-	1,805,109
	4,996,332		**4,996,332**

	December 31, 2016		
	Gross value	**Adjustment for depreciation**	**Carrying amount**
Unmatured	931,003	-	931,003
Overdue beteween 1-30 days	-	-	-
Overdue between 31-90 days	-	-	-
Overdue between 91-120 days	-	-	-
Outstanding between 121-365 days	89,914	-	89,914
Overdue more than one year	1,457,693	-	1,457,693
	2,478,610	**-**	**2,478,610**

The Group has not recorded provisions for impairment of trade receivables and other receivables 31 December 2015 respectively December 31, 2014. The company's management has made an analysis of receivables outstanding at December 31, 2016, the company decided to significant amounts of new understandings rescheduling the amounts, moreover management believes that the amounts in question are unbreakable under new agreement.

The situation of loans granted to the reporting date was:

	December 31, 2015		
	Gross value	**Adjustment for depreciation**	**Carrying amount**
Unmatured	3,338,872	-	3,338,872
	3,338,872	**-**	**3,338,872**

	December 31, 2016		
	Gross value	**Adjustment for depreciation**	**Carrying amount**
Unmatured	5,007,258	-	5,097,172

	5,007,258	**-**	**5,097,172**

The Group has not recorded provisions for impairment of loans granted on 31 December 2016 respectively December 31, 2015.

Cash and cash equivalents

31 December 2016, the Company held cash and cash equivalents in the amount of 590,955 lei (December 31, 2015: 1,200,071 lei), representing the maximum exposure to credit risk of these assets. Cash and cash equivalents are maintained with banks and financial institutions in Romania, Greece and Cyprus.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting its obligations associated with financial liabilities that are settled in cash or another financial asset transfer. The Group's approach with regard to liquidity risk is to ensure, to the extent possible, that always hold sufficient liquidity to meet liabilities when they become due, both under normal conditions and under stress without incurring unacceptable losses or jeopardizing the Group's reputation.

The following table shows the contractual maturities of financial liabilities waste at the end of the reporting period, including estimated interest payments and excluding the impact of netting agreements:

		Contractual cash flows					
	Accounting value	**Total**	**less than a month**	**between 1 and 6 months**	**between 6 and 12 months**	**between 1 and 2 years**	**between 2 and 5 years**
December 31, 2015							
Loans	7,954,136	8,411,111	3,667,005	1,531,972	1,802,753	101,801	1,307,581
Other long-term liabilities	-	-	-	-	-	-	-
Trade payables and other liabilities	1,664,151	1,664,151	1,664,151	-	-	-	-
Bonds	3,013,317	3,176,199	298,617	2,877,582	-	-	-
	12,631,604	**13,251,461**	**5,629,773**	**4,409,554**	**1,802,753**	**101,801**	**1,307,581**
December 31, 2016							
Loans	15,154,346	15,154,346	224,592	190,669	4,689,326	8,859,991	1,189,768
Trade payables and other liabilities	1,309,220	1,309,220	1,309,220	-	-	-	-
Bonds	2,997,126	2,997,126	272,466	-	-	-	2,724,600
	19,460,692	**19,460,692**	**1,806,278**	**190,669**	**4,689,326**	**8,859,991**	**3,914,368**

Market risk

Market risk is the risk that variation in market prices, such as foreign exchange, interest rate and price of equity instruments, affecting the Group's income or the value of securities held. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and simultaneously to optimize your ROI.

Currency risk

The Group is exposed to currency risk due to sales, acquisitions and other loans that are denominated in a currency other than the functional group entities (Romanian leu), primarily euro.

Summary of quantitative data on the Group's exposure to currency risk management reported to the Group based on risk management policy is as follows:

	EUR (RON equivalent)	RON	Total
December 31, 2015			
Monetary assets			
Cash and cash equivalents	1,147,570	52,502	1,200,072
Trade receivables and other receivables	4,534,815	461,517	4,996,332
Other assets	2,234,730	282,390	2,517,120
Granted loans	3,293,338	45,534	3,338,872
	11,210,453	**841,943**	**12,052,396**
Monetary liabilities			
Loans	7,948,307	5,829	7,954,136
Other long-term liabilities	-	-	-
Trade payables and other liabilities	773,240	890,911	1,664,151
Bonds	3,013,317	-	3,013,317
	11,734,864	**896,740**	**12,631,604**
Net exposure	**(524,411)**	**(54,797)**	**(579,208)**

	EUR (RON equivalent)	RON	Total
December 31, 2016			
Monetary assets			
Cash and cash equivalents	493,241	97,714	590,955
Trade receivables and other receivables	2,021,814	456,796	2,478,610
Other assets	-	79,625	79,625
Granted loans	4,957,643	49,615	5,007,258
	7,472,698	**683,750**	**8,156,448**
Monetary liabilities			
Loans	15,131,475	22,871	15,154,346
Trade payables and other liabilities	651,723	657,497	1,309,220
Bonds	2,997,126	-	2,997,126
	18,780,324	**680,368**	**19,460,692**
Net exposure	**(11,307,626)**	**3,382**	**(11,304,244)**

The Group does not hedge contracts concluded in respect of obligations in foreign currency or exposure to interest rate risk.

The main exchange rates used during the year were:

	December 31, 2016	Average for 2016	December 31, 2015	Average for 2016
EUR	4.5411	4.4900	4.5245	4.4450
USD	4.3033	4.0569	4.1477	4.0057

Sensitivity analysis

A 10% depreciation of the RON against these foreign currencies at December 31, 2016 and December 31, 2015 would have increased profit by the amounts shown below. This analysis is based on variations in exchange rates that the Group believes reasonably possible at the end of the reported. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of expected sales and acquisitions. The analysis was performed in the same way in 2014, with the difference that at that time were used other reasonably possible variations of exchange rates, as indicated below.

	December 31, 2016			December 31, 2015		
	Accounting value	**The deppreciation**	**Assessment effect**	**Accounting value**	**The deppreciation**	**Assessment effect**
Monetary assets and liabilities						
EUR	(11,307,626)	1,130,763	(1,130,763)	(524,411)	52,411	(52,411)
Impact	**(11,307,626)**	**1,130,763**	**(1,130,763)**	**(524,411)**	**52,411**	**(52,411)**

Risk rate interest

	December 31, 2015			
	Accounting value	**Variable rate**	**Fix rate**	**Not bearing interest**
Monetary assets				
Monetary receivables and other receivables	1,200,072	-	-	1,200,072
Trade receivables and other receivables	4,996,332	-	-	4,996,332
Other assets	2,517,120	-	2,171,760	345,360
Granted loans	3,338,872	-	2,065,281	1,273,591
	12,052,396	**-**	**4,237,041**	**7,815,355**
Monetary liabilities				
Loans	7,954,136	-	6,130,238	1,823,899
	-		-	-
Comercial loans and other loans	1,664,151	-	-	1,664,151
Obligations	3,013,317	-	2,714,700	298,617
	12,631,604	**-**	**8,844,938**	**3,786,667**

	December 31, 2016			
	Accounting value	**Variable rate**	**Fix rate**	**Not bearing interest**
Monetary actives				
Cash and cash equivalents	590,955	-	-	590,955
Trade receivables and other receivables	2,478,610	-	-	2,478,610
Othera ssets	79,625	55,908	-	23,717
Granted loans	5,007,258	-	3,519,122	1,488,136
	8,156,448	**55,908**	**3,519,122**	**4,581,418**
Monetary liabilities				
Loans	15,154,346	-	13,510,504	1,643,842
Trade payables and other liabilities	1,309,220	392,393	105,722	811,105
Bonds	2,997,126	-	2,724,660	272,466
	19,460,692	**392,393**	**16,340,886**	**2,727,413**

On the reporting date, exposure to the interest rate risk related to interest bearing financial instruments as reported by the Group's management was as follows:

	Accounting Value

	December 31, 2016	December 31, 2015
Fixed rate instruments		
Financial assets	3,519,122	4,237,041
Financial liabilities	16,340,886	8,844,938
	(12,821,764)	**(4,607,897)**
Variable rate instruments		
Financial assets	55,908	-
Financial liabilities	392,393	-
	(336,485)	**-**

Sensitivity analysis of the fair value of instruments with fixed interest rates

The Group does not account for financial assets and liabilities with fixed interest rate at fair value through profit or loss and designates derivatives (swaps on interest rates) as hedged risk in a model of accounting operations fair value hedge against risks. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis of cash flows for variable rate instruments

The Group has no assets or financial liabilities with variable interest rate at December 31, 2016 respectively December 31, 2015.

Note 28. Entities within the Group

Significant subsidiaries of the Group

	Registration country	31 December 2016	% owned	31 December 2015	% owned	Main activity
Vospolimno Holdings Limited	Cyprus	6,771	100%	6,771	100%	Activities of holding companies
NQE Hydro SRL	Romania	1,000	95%	990	99%	Renewable energy
NQE Zalakosta SRL	Romania	990	99%	990	99%	Renewable energy
Codlea Alpha Solar SRL	Romania	950	95%	990	99%	Renewable energy
Codlea Bravo Solar SRL	Romania	990	99%	990	99%	Renewable energy
Parking Zalokosta SASU	Greece	-	-	80,564	74%	Rental of parking spaces
Hygeia Soil SRL	Romania	406,743	48.45%	2,030	50%	Agriculture
NQE Solar Habitat SRL	Romania	135,767	83%	200	80%	Real estate development
NQE Solar 2 SRL	Romania	1,190	95%	190	95%	Real estate developmen
NQE Central Habitat SRL	Romania	510	51%	510	51%	Real estate developmen
Greek Production of Olympus Herbs Ike	Greece	332,751	88%	37,464	83%	Agriculture
		887,662		**131,689**		

On December 31, 2016 and December 31, 2015 values are indicated in Romanian lei.

Note 29. Acquisition of subsidiares

- During 2016 there were not purchased new branches, but there were established the following entities:

Name of the subsidiary	Country	Establishment date	Object of activity	Contribution to registered capital (LEI)	Contribution to registered capital (%)
SC NQE Developments SRL	Romania	15 December 2016	Real estate development	990	99%

The company is involved in the management of real estate development, starting with the selection and proposal for potential beneficiaries of the construction land to be developed until the investment closure, including related services such as the construction and management of investment vehicles, offering complex services to potential investors Real estate developers.

Note 30. Note 30. Interests without control

31 December 2016	Hygeia Soil	Greek Production of Olympus Herbs Ike	Solar Habitat	Parking Zalokosta	Other	Intra-group eliminations	Total
Participation quota	**51.55%**	**11.64%**	**16.67%**	**0.00%**			
Fixed assets	812,283	915,216	6,689,065				
Current assets	98,493	965,803	454,861				
Long-term liabilities	1,632	-	2,718,572				
Current liabilities	422,261	2,812,273	3,817,075				
Net assets	**486,883**	**(931,703)**	**608,278**				
Contribution of minor shareholders to the share capital increase		**356,193**					
Net assets related to non-controlling interests	**250,988**	**247,743**	**101,400**		**(66,855)**		**533,276**
Income	-	-					
Profit / (loss)	(308,978)	(1,311,550)	127,950				
Other comprehensive income	-	-	-				
Total comprehensive income	**(308,978)**	**(1,311,550)**	**127,950**				**-1,492,578**
Profit allocated to the interests without control	(159,278)	(165,573)	21,329		(25,939)		(329,461)
Other comprehensive income allocated interests without control	-	-	-		468		468

Total comprehensive income attributable to non-controlling interests	**(159,278)**	**(165,573)**	**21,329**		**(25,471)**	**(328,993)**
Cash flows from operating activities	(1,048,778)	(642,629)				
Cash flows of investment activity		(685,884)	(4,543,595)			
Cash flows of financial activity	1,070,848	1,105,048	4,996,684			
Net movement in cash and cash equivalents	**22,070**	**(223,465)**	**453,089**			

31 December 2015	**Hygeia Soil**	**Greek Production of Olympus Herbs Ike**	**Solar Habitat**	**Parking Zalokosta**	**Other**	**Intra-group eliminations**	**Total**
Participation quota	**49.76%**	**15.25%**	**20.00%**	**25.75%**			
Fixed assets	1,108	107,332	1,995,305	324,407			
Current assets	176,960	398,474	1,796	3,178,428			
Long-term liabilities	-	-	128,919	2,519,070			
Current liabilities	217,717	875,214	1,389,739	848,694			
Net assets	**(39,649)**	**(369,408)**	**478,442**	**135,071**			
Net assets related to interests without control	**(19,729)**	**(56,335)**	**95,688**	**34,781**	**(18,412)**	**-**	**35,993**
Income	-	-	-	3,742,336			
Profit / (loss)	(42,972)	(407,811)	(49,033)	11,788			
Other comprehensive income	-	-	-	-			
Total comprehensive income	**(42,972)**	**(407,811)**	**(49,033)**	**11,788**	**(473,711)**		**(961,739)**
Profit allocated to non-controlling interests	(21,382)	(62,191)	(9,807)	3,035	(10,389)		(100,734)
Other comprehensive income allocated interests without control	-	-	-		471		471
Total comprehensive income attributable to non-controlling interests	**(21,382)**	**(62,191)**	**(9,807)**	**3,035**	**(9,918)**		**(101,263)**
Cash flows from operating activities	(157,727)	(601,412)	(33,891)	(1,774,174)			

Cash flows of investment activity	-	-	-	(307,666)		
Cash flows of financial activity	153,982	859,655	34,972	2,519,070		
Net movement in cash and cash equivalents	**(3,745)**	**258,243**	**1,081**	**437,230**		

Note 31. Operating Leasing

Lease as tenant

(1) On July 1, 2014 the Group had operational leasing for a period of 49 years through its subsidiary Hydro Solar SRL 2 2 plots of land in the village Siriu, Jud. Buzau for the construction of small hydropower plant.

Annual fee amounts to EUR 19,800, including VAT.
The operational leasing contracts were terminated starting with 26.06.2016.

(2) On June 11, 2015 the Group founded the subsidiary Greek Production of Olympus Herbs Ike that has as main object of activity agriculture. In the period June to December 2015 Greek Production of Olympus Herbs Ike has signed a total of 44 operational leases for renting plots of agricultural land for a period of 9 years.

At the end of the reporting period, the future minimum rates irrevocable operating leases are due as follows:

	31 December 2016	31 December 2015
Less than a year	93,851	93,851
Between one and five years	375,405	375,405
More than five years	281,554	375,405
	750,771	**844,622**

Note 32. Commitments of equity

Group policy is to maintain a solid base of equity in order to maintain investor confidence and to sustain future investments.

The Group's management strictly monitors the rate of indebtedness and also the dividend granted to shareholders.

	31-Dec-16	31-Dec-15
Loans	15,154,346	7,954,136
Bonds	2,997,126	3,013,317
Cash and cash equivalents	(590,955)	(1,200,072)
Other assets	(79,625)	(2,517,120)
Adjusted net debt	17,480,892	7,250,261
Total capital and net debt	(46,646)	4,326,189

Total capital	17,434,246	11,576,450
Debt ratio	**100.27%**	**62.63%**

Note 33. Conditionalities

(a) Litigation and disputes

On December 23, 2016, Natura Quattuor Energia Holdings filed a lawsuit against the Public Finance Division, sector 3 and DGRFP Bucharest, requesting the annulment of some tax administrative acts related to the VAT reimbursement procedure made in 2015. The company requests VAT reimbursement in the amount of 321,948 lei. The first term of trial was set on 31.05.2017**.**

(b) Environment tax

Fiscal controls are frequent in Romania and Greece, consisting thorough check of records kept by the taxpayer. Such checks sometimes occurs after months or even years to determine the payment obligations. Consequently, companies might be due to taxes and significant fines. In addition, tax legislation is subject to frequent changes, and authorities often manifest inconsistency in interpretation of legislation.

Income tax statements may be subject to revision and correction by the tax authorities, generally for a period of five years after their completion date.

The Group's management believes that adequate reserves were established for all significant tax liabilities.

(C) Commitments loan agreements

According to loan agreements entered into between the Group and Proteus Holdings in the amount of EUR 150,000 and Ergima Finance Limited in the sum of EUR 100,000, the Group has taken a RMGC 's commitment to sell 20% and 14% stake in the share capital of NQE Zalakosta SRL at face value.

Note 34. Realted parties

Shareholders

Ownership structure on 31 December 2016 respectively December 31, 2015 is presented in Note 17.

Related parties

The Group's related parties are as follows:

	Nature of relationship	Country of origin
Tsamis Georgios	Administrator	Greece
Ermanno Zvi Kahan	Administrator	Israel
Argyrios Volis	Administrator, Associate	Greece
Gavriilidis Theodoros	Administrator	Greece
Dimitrios Tselepis	Administrator	Greece
Panagiotis Diamandis	Associate	Greece
Framecell Limited	Associate	Cipru
Coronedo Limited	Associate	Cipru
Green Southeast Europe Investments	Associate	Luxemburg
IEBA Trust SA	Associate	Romania
Mirica-Constantinescu Cristian	Associate	Romania
Iancu Catalin-Jianu-Dan	Associate	Romania
Iancu Ludmila	Associate	Romania

Rodica Haiduc	Related party	Romania
Unstop Holdings Limited	Associate	Cyprus
Gaia Pro Invest SRL	Affiliate	Romania
Deal Properties SRL	Associate	Romania
Miron Alexandru	Administrator, Associate	Romania
Nae Serban Ileana Teodora	Administrator, Associate	Romania
Palaiodimopoulos Michail	Administrator, Associate	Greece
Marius Melintescu	Administrator	Romania
Mihai Andrei Lucian	Administrator	Romania
Stone Tribune Co	Associate	Marshall Islands
Ask Management Limited	Administrator	Cyprus
Marika Katholou	Associate	Greece
Trigono Consultants	Associate	Greece
Dimitrios Papachristou	Associate	Greece
Savvopoulos Nikolaos	Associate	Greece
Theodoridis Georgios	Administrator	Greece
Chalatziouka Efthimia	Administrator	Greece
Savvopoulos Vasileios	Associate	Greece
Nteventzis Stavros	Associate	Greece
Cornerstone Investments	Associate	Greece
Hellenic Granite Company	Associate	Greece
Didras Holdings Luxembourg SA	Affiliate	Luxemburg

Transactions with associates

(i) Sale of goods and services

	2016	**2015**
Deal Properties SRL	3,342	3,301
Total	**3,342**	**3,301**

(ii) Loans granted

	2016	**2015**
Deal Properties SRL	3,597,138	3,338,872
Total	**3,597,138**	**3,338,872**

(iii) Interest income

	2016	**2015**
Deal Properties SRL	76,103	79,403
Total	**76,103**	**79,403**

Transactions with related parties

(i) Purchases of goods and services

	2016	**2015**
IEBA Trust SA	-	45,000
Gaia Pro Invest SRL	-	68,072

Trigono Consultants	-	45,000
Total	**-**	**158,000**

(ii) Liabilities Trade and other payables

	31 December 2016	**31 December 2015**
IEBA Trust SA	-	45,000
Gaia Pro Invest SRL	4,135	171,580
Miron Alexandru		
Nae Serban Ileana Teodora	-	7,214
Total	**4,135**	**223,794**

(iii) Loans and Bonds

	31 December 2016	**31 December 2015**
Framecell Limited	147,385	65,636
Green Southeast Europe Investment	6,226,028	5,173,377
Coronedo Limited	13,623	22,253
Cornerstone Investments	3,083,556	-
Hellenic Granite	658,460	-
Panagiotis Diamandis	90,822	76,917
Ermanni Zvi Kahan	506,177	-
Stavros Nteventzis	466,676	-
Savvopoulos Nikolaos	227,055	-
Nae Serban Ilean Teodora	115,931	1,860
Tsamis Georgios	-	-
Miron Alexandru	-	12,995
Mihai Andrei Lucian	9,500	-
Melintescu Marius	831	-
Rodica Haiduc	154,397	
Palaidimopoulos Michail	250	6,054
Savvopoulos Vasileios (bonds)	459,559	
Volis Argyrios	278,228	36,196
	12,438,478	**5,395,288**

(iv) Interest expenses

	2016	**2015**
Framecell Limited	2,015	1,552
Green Southeast Europe Investments	162,708	124,407
Coronedo Limited	-	3,169
Cornerstone Investments	152,832	
Ermanno Zvi Kahan	3,410	-
Savvopoulos Vasileios	53,918	
Stavros Nteventzis	12,421	
Palaiodimopoulos Michail	-	213
Miron Alexandru	-	602
	387,304	**129,943**

Transactions with key management personnel

Remuneration of key management personnel includes salaries and contributions (social contributions and medical, unemployment contributions and other similar contributions). Group management is employed on a contractual basis, as described in Note 23. The expenditure incurred by the company in 2016 with key staff remuneration was 628,351 LEI (2015: 394,567 LEI). 31 December 2016 the Group has no liabilities related to post retirement benefits to former directors or managers. No loans were granted to directors or managers.

Note 35. Earnings per share

	2016	2015
Loss for the period	(4,379,750)	(662,003)
Number of ordinary shares at the beginning and end of the period	36,059,484	36,059,484
Basic earnings per share (RON / share)	(0.1215)	(0.0184)

Diluted earnings per share equals basic earnings per share, as the Group does not record potential ordinary shares.

Note 36. Subsequent Events

There are no subsequent events to the balance sheet date.

Note 37. Operating Segments

The group identified four strategic segments, which are reported. They act in different industries and have separate management.

Urmatorul sumar descrie operatiunile fiecarui segment:

Reportable segments	Description of
Administrative	Identifying sources of financing, and management of investment projects
Renewable energy	Renewable energy
Real estate development	Development of real estate properties for sale or rent
Agriculture	agricultural activities

Other operations include holding entity, Vospolimno Holdings, which has not yet reached the threshold for reportable segments in 2016 or 2015.

31 December 2016	**Administrative**	**Energy**	**Real estate developme nt**	**Parking**	**Agriculture**	**Total reportable segments**	**Other segments**	**Total**
Foreign income	48,260	-	-	-	25,941	74,202	-	
Total income	**48,260**	**-**	**-**	**-**	**25,941**	**74,202**	**-**	**74,202**
Profit (loss) before tax segment	**(2,761,640)**	**(554,250)**	**196,181**	**-**	**(1,618,896)**	**(4,738,605)**	**(21,594)**	**(4,760,199)**
Financial income	204,631	86,404	4	-	-	291,039	-	291,039
Financing costs	(453,432)	(277,596)	(161,612)	-	(38,899)	(931,538)	(239)	(931,777)
Share in profit / (loss) related to investments accounted for using the equity method	(279,762)	-	-	-	-	(279,762)		(279,762)
Gain from fair value measurement of investment properties	-	-	471,854	-	10,198	482,051		482,051
Segment assets	**13,493,962**	**3,448,710**	**5,866,413**	**-**	**2,791,795**	**25,600,880**	**-**	**25,600,880**
Investments accounted for using the equity method	344,606					344,606		344,606
capital investments								
Segment liabilities	**(9,915,027)**	**(5,250,907)**	**(6,348,263)**	**-**	**(3,234,984)**	**(24,749,182)**	**(83,725)**	**(24,832,906)**

31 December 2015	**Administrative**	**Energy**	**Property developme nt**	**Parking**	**Agriculture**	**Total reportable segments**	**Other segments**	**Total**
Foreign income	2,008,788	-	-	3,742,336	-	5,751,124	6,913	-
Total income	**2,008,788**	**-**	**-**	**3,742,336**		**5,751,124**	**6,913**	**5,758,037**
Profit (loss) before tax segment	**(469,760)**	**(492,992)**	**(105,532)**	**19,671**	**(450,783)**	**(1,499,396)**	**(13,673)**	**(1,513,069)**
Financial income	196,045	97,569	-	25,247	-	318,861	6,428	325,289
Financing costs	(413,665)	(220,759)	(25,244)	(136,649)	(591)	(796,908)	(6,108)	(803,016)
Share in profit / (loss) related to investments accounted for using the equity method	13,870	-	-	-	-	13,870	-	13,870
Gain from fair value measurement of investment properties	-	-	54,556	-	-	54,556	-	54,556
Segment assets	**12,445,999**	**3,121,336**	**1,193,628**	**3,502,835**	**683,874**	**20,947,671**	**(6)**	**22,947,665**
Investments accounted for using the equity method	665,872	-	-	-	-	665,872	-	665,872
capital investments	1,973,835	152,127	1,995,986	16,741	1,108	4,139,796	-	4,139,796
Segment liabilities	**(7,511,154)**	**(5,287,178)**	**(1,530,601)**	**(3,367,764)**	**(1,092,931)**	**(18,789,628)**	**(61,253)**	**(18,850,881)**

The reconciliation of the amounts reportable segments presented with consolidated values:

1. Revenues

	2016
Revenues of re[prtable segments	74,202
Revenues for other segments	-
Elimination of inter-segment revenues	(42,968)
Consolidated revenues	**31,234**

2. Gross profit / (loss)

	2016
Gross loss related to reportable segments	(4,738,605)
Gross loss related to other segments	(21,594)
Profit/(loss) share related to investments accounted for by equivalent comparison	(279,762)
Gain from revaluation of real estate investments at fair value	482,051
Elimination of inter-segment gross profit /(loss)	(371,546)
Unallocated amounts	(9,994)
Consolidated gross loss	**(4,939,449)**

3. Assets

	2016
Assets of reportable segments	25,600,880
Assets of other segments	-
Elimination of inter-segment assets	(5,507,240)
Unallocated amounts	(9,049)
Total consolidated assets	**20,084,591**

4, Liability

	2016
Liabilities of reportable segments	24,749,182
Liabilities of other segments	83,725
Elimination of inter-segment liabilities	(5,234,945)
Unallocated amounts	-
Consolidated total liabilities	**19,597,961**
Debt reportable segments	

5. Other elements

	Reportable segments	Other segments	Impairment	Consolidated values
Financial income	291,039	-	(128,393)	162,646
Financing costs	(931,538)	(239)	128,393	(803,385)
Share in profit / (loss) related to investments accounted for using the equity method	(279,762)	-	-	(279,762)
Gain from fair value measurement of Investment properties	482,051	-	-	482,051

Geographic information about the income and assets of the Group is as follows:

(i) Incomes

	2016	2015
Romania	31,234	1,993,607
Greece	-	3,742,336
	31,234	**5,735,942**

(ii) *Assets*

	31 December 2016	31 December 2015
Romania	10,537,571	4,296,307
Greece	785,652	16,741
	11,323,223	**4,313,048**

Assets excluding financial assets.

The Group has revenue coming from clients (with a share of over 10% of total sales):

	2016	2015
Venemon Limited	-	1,435,567
Weckhand Limited	-	544,572
Derrylink Limited	-	-
Others	-	3,755,803
	-	**5,735,942**

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Capital social: 3,605,948.40RON
Email: info@nqeholdings.com

Board of directors

REPORT

Consolidated financial statements for the year 2016

Report date:	23 March 2017
Name of trading company:	SC NATURA QUATTUOR ENERGIA HOLDINGS SA
Social offices:	Str. Dimitrie Pompeiu, nr. 5-7 , Sector 2, Bucuresti
Phone/fax number:	0768.560.813 / 021.310.06.05
Trade Registry number:	J40/3315/2009
Sole Registration code:	2695737
Fiscal attibute:	RO
Pai dup share capital:	3,605,948.40
Issuer's NSC Code:	55057
Position under NSC Registry:	3357
NSC Code of the shares:	33571
Class of shares:	Ordinary, nominative
Type:	Actiuni
Number of shares:	36,059,484
Face value:	0,10 RON
Trading market:	BSE regulated market, Standard Category

1. Analysis of the Group's activity

1.1. Presentation of the Group

a) Identification data and description of core activities

NATURA QUATTUOR ENERGIA HOLDINGS SA is a joint stock company established in 1990, the social offices being registered in Bucharest, 5-7 Dimitrie Pompeiu Bvd., District 2, Romania. The Company is registered with the Trade Registry under no. J40/3315/2009.

The Articles of Incorporation of NATURA QUATTUOR ENERGIA HOLDINGS SA stipulates under art. 5 "Field and object of activity of the company" that the main field of activity is "Activities of holding companies" CAEN Code 6420.

NATURA QUATTUOR ENERGIA HOLDINGS SA holds participation interests in teh following subsidiaries:

S.C. CODLEA ALPHA SOLAR SRL is a limited liability company established in 2012, the head office being registered at Bucharest, 5-7. Dimitrie Pompeiu St., Sector 2, Romania. The company is registered at the Trade Register under number J40/ 8871/2012.

NQE HOLDINGS

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Capital social: 3,605,948.40RON
Email: info@nqeholdings.com

The Establishment Deed of SC CODLEA ALPHA SOLAR SRL stipulates under art. 5 "Object of activity" that the core activity of the company is "Production of electricity" CAEN code 3511.

S.C. NQE ZALOKOSTA SRL (former CODLEA UNU SOLAR) is a limited liability company established in 2012, the head office being registered at Bucharest, 5-7. Dimitrie Pompeiu St., Sector 2, Romania. The company is registered at the Trade Register under number J40/9014/2012.

The Establishment Deed of S.C. NQE ZALOKOSTA SRL stipulates in art. 5 "Object of activity" that the core activity of the company is "Management consultancy activities" CAEN Code 7022.

S.C. CODLEA BRAVO SOLAR SRL is a limited liability company established in 2012, the head office being registered at Bucharest, 5-7. Dimitrie Pompeiu St., Sector 2, Romania. The company is registered at the Trade Register under number J40/8982/2012.

The Establishment Deed of S.C. CODLEA ALPHA SOLAR SRL stipulates in art. 5 "Object of activity" that the core activity of the company is "Production of electricity" CAEN code 3511.

S.C. NQE HYDRO SRL (former DEAL SOLAR) is a limited liability company established in 2012, the head office being registered at Bucharest, 5-7. Dimitrie Pompeiu St., Sector 2, Romania. The company is registered at the Trade Register under number J40/8981/2012.

The Establishment Deed of S.C. NQE HYDRO SRL stipulates in art. 5 "Object of activity" that the core activity of the company is "Production of electricity" CAEN code 3511.

S.C. NQE SOLAR HABITAT SRL (former NQE AQUA) is a limited liability company established in 2012, the head office being registered at Bucharest, 5-7. Dimitrie Pompeiu St., Sector 2, Romania. The company is registered at the Trade Register under number J40/10112/2012.

The Establishment Deed of S.C. NQE SOLAR HABITAT SRL stipulates under art. 5 "Object of activity" that the core activity of the company is "Development of building projects" CAEN Code 4110.

VOSPOLIMNO HOLDINGS LIMITED is a company established in 2012, the head office being registered Nicosia, Cyprus, 11 Boumpoulinas St., 3rd floor. The company has the registration number 310963. The main object of activity is "Activities of holding companies".

S.C. HYGEIA SOIL SRL is a limited liability company established in 2014, the head office being registered at Bucharest, 5-7. Dimitrie Pompeiu St., Sector 2, Romania. The company is registered at the Trade Register under number J40/14682/2014.

The Establishment Deed of S.C. HYGEIA SOIL SRL prevede in art. 5 "Obiectul de activitate" stipulates under art. 5 "Object of activity" that the core activity of the company is "Management consultancy activities" CAEN Code 7022.

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Email: info@nqeholdings.com

S.C. NQE SOLAR 2 SRL is a limited liability company established in 2014, the head office being registered at Bucharest, 5-7. Dimitrie Pompeiu St., Sector 2, Romania. The company is registered at the Trade Register under number J40/4590/2015.

The Establishment Deed of S.C. NQE SOLAR 2 SRL stipulates under art. 5 "Object of activity" that the core activity of the company is "Production of electricity" CAEN code 3511

S.C. NQE CENTRAL HABITAT SRL is a limited liability company established in 2014, the head office being registered at Bucharest, 5-7. Dimitrie Pompeiu St., Sector 2, Romania. The company is registered at the Trade Register under number J40/15064/2015.

The Establishment Deed of S.C. NQE CENTRAL HABITAT SRL stipulates under art. 5 "Object of activity" that the core activity of the company is "Development of building projects" CAEN Code 4110.

GREEK PRODUCTION OF OLYMPUS HERBS is a company established in 2015, the head office being registered in Greece, Aikaterini, Agiou Antoniou 16, 60100. The company is registered under number 038744530. The main object of activity is production and distribution of agricultural products.

S.C. NQE DEVELOPMENTS SRL is a limited liability company established in 2016, the head office being registered at Bucharest, 5-7. Dimitrie Pompeiu, Sector 2, Romania. The company is registered at the Trade Registry under number J40/16458/2016.

The Establishment Deed of S.C. NQE DEVELOPMENTS SRL stipulates under art. 5 "Object of activity" that the core activity of the company is "Development of building projects" CAEN Code 4110.

b) Description of any merger or significant reorganization of the company, its subsidiaries or controlled companies during the financial year

Not applicable for 2016.

c) Description of acquisitions and/or sale of assets

During 2016, the Group has established the following entities:

- SC NQE Developments SRL whose object of activity is development of building projects with a share capital participation of 99%

In July 2016, the Group has sold the participation held in Parking Zalokosta SASU.

Also, during 2016, the comapny has modified it's participation in the following entities:

- in NQE Hydro, from 99% to 95.24%
- in Codlea Alpha Solar, from 99% to 95%
- in NQE Solar Habitat, from 80% to 83.33%
- in NQE Solar 2, from 95% to 95.2%

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- in Greek Production of Olympus, from 83.74% to 88.36%

d) Description of the main evaluation results of group companies' activities:

This is presented in the Consolidated Financial Statements as of 31.12.2016 Report. The main results are the following:

A) Tangible assets

NATURA QUATTUOR ENERGIA HOLDINGS SA owns a land in Mogosoaia, Ilfov County, re-evaluated as of 31.12.2016 by Eurovalue Property Invest SRL, ANEVAR certified valuator, the estimated market value being of 424,000 Euro (ecquivalent of 1.925.426 Ron).

CODLEA BRAVO SOLAR SRL owns a land in Codlea, Brasov County, evaluated as of 31.12.2016 by the same valuation company at the estimated market value of 32,123 Euro (equivalent of 145.874 Ron).

B) Real estate investments

NQE SOLAR HABITAT SRL owns 4 lands in Stefanestii de Jos, evaluated as of 31.12.2016 by Eurovalue Property Invest srl at the estimated market value of 1.471.400 Euro (equivalent of 6.681.800 Ron).

HYGEIA SOIL owns a land in Jud. Teleorman evaluated as of 31.12.2016 by Eurovalue Property Invest srl at the estimated market value of 92.400 Euro (equivalent of 419.598 Ron).

C) Financial assets

In 2016, the Group owns the following investments in affiliates under common control:

Denumire entitate	Tara in care este inregistrata	Obiectul de activitate	Procent detinut
Deal Properties SRL	Romania	Productie energie regenerabila	45%

S.C. DEAL PROPERTIES SRL is a limited liability company established in 2007, the head office being registered at Bucharest, 5-7. Dimitrie Pompeiu St., Sector 2, Romania. The company is registered at the Trade Register under number J40/4562/2007.

The Establishment Deed of S.C. DEAL PROPERTIES SRL stipulates in Ch. III "Object of activity" that the core activity of the company is "Production of electricity" CAEN code 3511.

D) Trade receivables

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Trade receivables are not interest bearing and generally have a term of payment between 30-120 days.

E) Trade payable and other liabilities

	Liabilities	**Balance as of 31 December 2015**	**Balance as of 31 December 2016**	**Maturties for the balance as of 31 December 2016**		
				Bellow 1 year	**1-5 years**	**More than 5 years**
1	Bond issue loans	3.013.317	2.997.126	272.466	2.724.660	
2	Amounts due to credit institutions					
3	Advance payments for orders					
4	Trade payables - related parties suppliers and other related parties					
5	Trade payables - third-party providers	1.078.213	822.956	431.279	391.677	
6=3+4+5	***Total trade payables***	**1.078.213**	**822.956**	**431.279**	**391.677**	
7	Amounts due to third parties	2.496.062	3.175.427	2.494.262	681.165	
8	Amounts due to affiliates	5.458.075	11.978.919	2.610.325	9.368.594	
9	Amounts due to participation interest entities and other related parties					
10	Other liabilities including fiscal debs and other debts related to social securities	954.885	623.533	486.264	137.269	
11=7+8+9+10	**Total**	**8.909.022**	**15.777.879**	**5.590.851**	**10.187.028**	

F) Share capital

On 31 Decembrie 2016, the share capital is made up of the statutory equity amounting to 3,605,949 Ron and adjustments related to hyperinflation (IAS 29) amounting to 1,304,446 RON .

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%

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Framecell Limited	5.596.758	0,10	559.676	15.52%
IEBA Trust SA IEBA	3.557.239	0,10	355.724	9.86%
Cornerstone Investments	3.057.000	0,10	305.700	8.48%
Unstop Holdings LTD	2.116.000	0,10	211.600	5.87%
Other sharholders	13.471.772	0,10	1.347.177	37.36%
Total	**36,059,484**		**3,605,948**	**100.00%**

The share capital complies with the requirements of current legislation on companies.

G) Results

On 31 December 2016, the Company recorded the following consolidated results:

Indicators	2015	2016
Operating revenues	5.735.942	31.234
Financial revenues	111.089	162.646
Total revenues	***5.847.031***	***193.880***
Operating expenses	(5.926.720)	(3.741.591)
Financial expenses	(599.073)	(1.111.976)
Total expenses	***(6.525.793)***	***(4.853.567)***
Operating result	(190.778)	(3.710.357)
Financial result	(487.984)	(949.330)
Investments quota	13.871	(279.762)
Gross result	(664.891)	(4.939.449)
Current income tax	(10.809)	(2.600)
Deferred income tax	(87.038)	232.838
Net Profit /Loss	**(762.738)**	**(4.709.212)**

H) Taxes and charges

As at 31 Decembrie 2016, consolidated, the group registers deferred income tax amounting to (232.838) lei.

1.1.1. Elements of general evaluation

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a) In 2016, consolidated, the group registers a loss amounting to (4.709.212) RON;

b) Turnover: 31.234 RON;

c) Type of revenues: Services - rents

d) Expenses – Total expenses in 2016 amounted to 4.856.167 RON;

e) % of market share –not applicable;

f) Liquidity – at the end of 2016, consolidated, the group had cash available amounting to 590.955 RON;

1.1.2. Evaluation of Company's technical degree

Not applicable

1.1.3. Evaluation of the technical-material supply

1.1.4. Not applicable

1.1.4. Evaluation of the sales activity

The main services supplied in 2016 were those of professional consultancy to foreign clients and renting parking spaces.

1.1.5. Evaluation of issues related to group Company's employees/personnel

a) In 2016, consolidated, the group had an average of 13 employees.

1.1.6. Evaluation of issues related to the impact of the core activity over the environment

Not applicable

1.1.7. Evaluation of the research and development activity

Not applicable

1.1.8. Evaluation of the group's activity related to risk management

The main risks the group is subject to and the policies used are detailed herein below.

The Group is exposed to the following risks related to the use of financial instruments:

- Credit risk

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- Liquidity risk
- Market risk

The Group has no formal commitments to combat financial risks. Despite the non-existence of formal commitments, financial risks are monitored by the top management, with the focus on the needs of the Group to effective offset opportunities and threats. Group's risk management policies are defined so as to ensure the identification and analysis of risks facing the Group, establishing limits and appropriate controls, as well as risk monitoring and compliance with the limits set. Policies and risk management systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures aims at developing an orderly and constructive control environment in which all employees understand their roles and obligations.

The group is considering risk management within an integrated risk management, for complying with the requirements of Bucharest Stock Exchange (Corporate Governance Code.

Credit risk

Credit risk is the risk that the Group to incur a financial loss as a result of non-fulfillment of contractual obligations by a customer or counterparty to a financial instrument, and this risk mainly results from trade receivables and financial investments of the Group.

Financial assets, which may subject the Group to credit risk are mainly trade receivables, cash and cash equivalents, other assets and loans. The Company has implemented a series of policies that ensure that the sale of services is made to customers with an appropriate collection.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting its obligations associated with financial liabilities that are settled in cash or another financial asset transfer. The Group's approach with regard to liquidity risk is to ensure, to the extent possible, that always hold sufficient liquidity to meet liabilities when they become due, both under normal and stress conditions without incurring unacceptable losses or jeopardizing the Group's reputation.

Market risk

Market risk is the risk that variation in market prices, such as foreign exchange, interest rate and price of equity instruments, affect the Group's income or the value of financial instruments held. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and simultaneously to optimize the return on investments.

Currency risk

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The Group is exposed to currency risk due to sales, acquisitions and other loans that are denominated in a currency other than the functional one of the Group entities (Romanian leu), primarily the euro.

1.1.9. Elements of perspective on the company's activity

a. Presentation and analysis of trends, items, events or uncertainty factors that affect or could affect the liquidity of the company compared to the same period of previous year.
The group does not face the elements, events or uncertainty factors that may affect the liquidity of the group compared to the same period last year. In addition, shareholders have committed to support the group's operations in 2016.

b. Presentation and analysis of the effects of current or anticipated capital expenditure on the financial status of the company compared to the same period last year
Not applicable.

c. Prezentarea si analizarea evenimentelor, tranzactiilor schimbarilor economice care afecteaza semnificativ veniturile din activitatea de baza

The ability of the company's subsidiaries to achieve profit and to pay dividends can significantly affect revenues from the core activity.

In December 2014, the Group acquired participations in the Company Parking Zalakosta, having as main activity "rental of parking spaces." Earnings from Parking Zalokosta amounted to 3,742,336 RON in 2015. In July 2016, the Group has sold the participation held in Parking Zalokosta SASU.

d. Subsequent evens
No events subsequent to the balance sheet date.

2. Tangible assets of the Company

On 31.12.2016, the group owns the following tangible assets:

- A plot of land in Mogosoaia with a surface of 8,002.4 sqm held by Natura Quattuor Energia Holdings sa
- A plot of land in Codlea with a surface of 17,996 sqm held by Codlea Bravo Solar SRL
- Four plots of land in Stefanestii de jos with a surface of 89.075 mp held by Nqe Solar Habitat srl
- A plot of land in jud Teleorman with a surface of 210.000 mp held by Hygeia Soil srl.

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The Group also owns 5 automobiles, out of which 4 have been aquisitioned during 2016. The total aquisition value of the 4 automobiles is 733,398 RON.

3. Securities market

3.1. Specifying the markets in Romania and other countries where the securities issued by the company are traded

The securities issued by the company are traded on the regulated market of the Bucharest Stock Exchange, Standard Category. Shares of the company are in a total number of 29,176,915 with a nominal value of 0.10 RON.

On 31 December 2014 the share capital of the company was restated according to IAS 29, amounting to 1,304,446.15.

3.2. Description of the groups policy regarding dividends. Specification of dividends due/ paid/accumulated in the last 3 years and, if applicable, the reasons for possible decrease of dividends during the last three years.

During the last 3 years (2014, 2015, 2016), no dividends were calculated.

3.3. Description of any activities of the group to purchase its own shares.

Not applicable

3.4. In case the group has subsidiaries, specify the number and nominal value of the shares issued by the parent company held by subsidiaries.

Not applicable

3.5. In case the group issued bonds and / or other debt securities, presentation of how the company pays its obligations to the holders of such securities.

The group has not issued bonds in 2016. Following the revaluation, the value of existing bonds amounts to 2.724.660 ron, for which interest was calculated amounting to 272.466 lei. The maturity was extended until 30.06.2019.

4. Corporate governance

4.1. Shareholders general assembly

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The main rules and procedures of the SGA are provided in Chapter 4 of the Constitutive Act of the Company published on the website of the Company.

SGA shall be convened by the Board of Directors whenever necessary, in accordance with law. The date of the Assembly may not, in accordance with regulatory requirements, to be within less than thirty (30) days from the publication of the convening notice in the Official Gazette of Romania, Part IV. The convening notice must also be published in one of the newspapers widely distributed in Romania. In exceptional cases, when the Company's interest requires, the Board may convene SGA. The convening notice will be sent to the Bucharest Stock Exchange and the FSA, according to the regulation of capital markets.

The convening notice will be also made available on the Company's web site, together with any explanatory document on the items included on the agenda of the SGA. The annual financial statements are made available starting with the convening date of the Ordinary SGA convened to decide on them.

Organizing General Meeting of Shareholders

The SGA is usually chaired by the President of the Board, who may designate another person to chair the meeting. SGA President appoints two or more technical secretaries to check the formalities required by law for the GMS and prepare the minutes thereof.

The minutes of the meeting signed by the president and secretaries certify the compliance with the formalities relating to the convening notice, the date and place of the Meeting, the agenda, the shareholders present, the number of shares, a summary of the issues discussed, decisions taken and on request, shareholders statements made by shareholders in the SGM.

SGA decisions are drafted in accordance with the minutes and signed by the President of the Board or by another person appointed by the president. In compliance with capital market regulations, SGM resolutions will be sent to the Bucharest Stock Exchange and the Financial Supervision Authority (formerly the National Securities Commission) within 24 hours after the event. Decisions will also be made available on the Company's web site.

4.2. Responsibilities of the Shareholders General Assembly

The Company's governing body is the shareholders' general assembly. The shareholders' general assemblies are ordinary and extraordinary.

Competencies of shareholders' general ordinary assemblies include:

a) discuss, approve or amend the annual financial statements, based on reports of the Board of Directors and the auditor and decision on the distribution of profits as dividends;

b) election and recall of the Board of Directors;

c) appoint and revoke the financial auditor of the Company and establish the minimum term of the audit contract;

d) determining the remuneration due to the Board members for the current financial year;

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e) assessing the management of the Board members and the decision on the discharge of the Board members for the preceding financial year;

f) approval of the income and expenses budget and, if necessary, of the work program for the next financial year;

g) approval of pledging, renting or dissolution of one or more units of the Company;

h) decisions on other issues included in the agenda of the meeting in accordance with the law

The competencies of shareholders' general extraordinary assembly are to adopt decisions regarding the following aspects:

a) changing the legal form of the Company;

b) moving the registered office of the Company in another country;

c) changing the main activity of the Company, as established in Art. 2 of the Articles of Association;

d) share capital increase, unless the increase is decided by the Board in accordance with Art. 5.2 of this Charter;

e) reduction of the share capital of the Company;

f) the Company's merger with any other company / any other companies or division / separation of the Company, except that, according to applicable law, the decision of shareholders for a certain type of merger or division / separation is unnecessary;

g) dissolution and liquidation of the Company;

h) conversion of shares from one category to another;

i) the issuance of bonds;

j) converting bonds from one category to another or into shares;

k) changes in the Articles of Association;

l) prior approval of the main terms and conditions of any transaction / series of transactions involving the acquisition, alienation, exchange, constituting a guarantee against assets classified as assets of the Company, whose book value exceeds, individually or cumulated budget year, twenty (20) percent of the total assets of the Company, less debt, as this value will be determined based on the latest financial statements published by the Company;

m) the prior approval of the main terms and conditions of any rentals of tangible assets for a period longer than one year, whose book value exceeds, individually or cumulatively over the same counterparty or persons involved or acting in concert, exceeds twenty (20) percent of the total assets of the Company, less debt, as this value will be determined based on the latest financial statements published by the Company;

n) the prior approval of the main terms and conditions of any association for a longer period of 1 year involving values that exceed, individually or cumulatively, twenty (20) percent of the total assets of the Company, less debt, as it value will be determined based on the latest financial statements published by the Company;

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a) the prior approval of the main terms and conditions of any legal act having as object the acquisition, alienation, lease, exchange, constituting the guarantee of the assets in the Company, whose book value exceeds fifty (50) percent of the book value of assets Company determined according to data recorded in the last annual financial statements published by the Company;

p) admission to trading of shares issued by the Company on any other regulated market / multilateral trading platform;

q) any acquisition or alienation by / to any member / members / of the Board of Directors or to / by any director / directors / of the Company, in its own name of goods to or from the Company having a value to exceed ten (10) percent of the Company's net asset value, determined according to data recorded in the financial statements of the Company for the previous year of such operations;

r) other issues included in the agenda of the meeting and that fall, according to law, under the responsibilities of the extraordinary general meeting of shareholders

The following attributions are delegated to the Board of Directors and the related decisions will be taken by the Board of Directors according to statutory and legal requirements:

a) share capital increase, in accordance with Art. 5.2 of the Establishment Deed;
b) change of the secondary activity of the Company, in compliance with Art. 3 of the Establishment Deed;
c) moving the registered office of the Company at any other address in Romania.

All documents and information relating to the items included on the agenda of the shareholders meeting and how shareholders may exercise their rights in the meeting will be published on the website of the Company at least 30 days before the date set for the meeting indicated in convening the first meeting of the assembly.

Annual financial statements, annual reports of the Board of Directors and the proposed dividend distribution will be made available to shareholders at the registered office of the Company and will be published on the Company's website from the date of publication the convening ordinary general meeting of shareholders.

Each shareholder may submit written questions to the Board of Directors on the Company's activity before the date on which the assembly will take place, and the answers will be provided during the meeting or can be posted on the Company's website in the section "Frequently Asked Questions"

If the convening contains a proposal for election of Board members, the Company will make available to shareholders' information on the name, domicile and professional qualifications of the persons proposed for the position of member of the Board of Directors and this list will be consulted and completed by shareholders to the 10th calendar day preceding the date set for the first meeting of the assembly.

When the agenda of the meeting includes proposals to amend the Articles of Association, the notice will contain the full text of the proposed amendment.

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4.3. Presentation of the Group's administrators:

a) CV (name, surname, age, qualifications, professional experience, position and seniority)

Administrative management of the mother company, Natura Quattuor Energis Holdings, is secured by a Board of Directors consisting of 5 members, elected for a term of four years as follows:

ADMINISTRATOR	CALITATEA
TSAMIS GEORGIOS	PREDSIDENT
TSELEPIS DIMITRIOS	VICE-PRESIDENT
KAHAN ZVI ERMANNO	VICE-PRESIDENT
VOLIS ARGYRIOS	MEMBER
GAVRIILIDIS THEODOROS	MEMBER

Starting October 2012, Mr. Argyrios Volis was appointed General Manager of the company.

Tsamis Georgios - (MSc.), economist, began his business career as an investment consultant and project manager in various companies, joining the Company in 2009. He obtained his Bachelor in Business Administration from the University of Northumbria Newcastle.

Kahan Zvi Ermanno - is a businessman who, after graduation, owned and operated a family business in the textile industry, which has developed in two states, namely in Israel and Italy, accounting production units which, at full capacity, benefiting from a total of over 1000 employees. Manufactured goods were exported to most European countries and the USA. Currently, Mr. Ermanno collaborates with various companies providing business consulting services, while also holding the position of Vice-chairman of the NQE, starting in October 2014.

Argyrios Volis (PhD) – economist, started his business career as Investment Consultant and Project Manager in various companies, while he joined the Company in 2010. His contribution stems from his academic research on Capital Markets and especially in the field of Portfolio and Risk Management, as well as Capital Markets Efficiency. He has completed his PhD in Finance at the Athens University of Economics and Business, and holds an MSc in International Securities, Investment and Banking, by the ISMA Centre, Reading University.

Dimitrios Tselepis is the vice-president and CEO of the company starting with april 2016. He has a 20 years experience in the banking sector in Greece, working as Section Manager in

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Business Network and senior manager in Corporate and Recovery (Millennium Bank and Piraeus Bank). He has a bachelors degree in chemistry at the University in Ioannina and an MBA at the University in Sterling, UK.

Theodoros Gavriilidis is a member of the board since april 2016. He has a 20 years experience in the banking and corporate sector (Aspis Bank, Millennium bank, Alpha Bank). He has an MBA at Hellenic Management Association in Thessaloniki.

Administrative management of Codlea Alpha Solar is ensured by Mr. Alexandru Miron.

Alexandru Miron is a graduate of the University of Bucharest-Law School. He has an experience of about 20 years in real estate development industry as well as in construction field. Between 1991 and 2000 he occupied top-level positions in the management of Olympic Properties & Investments SRL and OPI Construct S.A. (building and development companies). He was working also with the Romanian subsidiaries of Technical Olympic Group of Companies and Quality Living Developers S.A., between 2000 and 2009, as Head of the Legal Department and Marketing & Commercialization Department. He was involved in the coordination and implementation of the corporate actions of the group: setting up of subsidiary SPV companies, land acquisition, land development, corporate restructuring, etc. He has a long experience in marketing & commercialization of real estate projects, coordinating for more than 15 years these activities in OPI SRL, Lamda Olympic, Technical Olympic and Quality Living Developers.

The administrative management of N qe Zalokosta SR: (former Codlea Unu Solar) has been ensured in 2014 by Anastasios Drakos, in 2015 by Nikolaos Sofianos and, begining with april 2016 by Mihai Andrei-Lucian. Mihai Andrei-Lucian is part of the Nqe Holdings team, working in the financial-accounting department. Mihai Andrei-Lucian also ensures the administrative management of Nqe Hydro (former Deal Solar) formerly insured in 2015 by Anastasios Drakos.

Administrative management of teh companies Codlea Bravo Solar, NQE Solar 2 and NQE Solar Habitat SRL (former NQE Aqua) is ensured by Nae – Serban Ileana – Teodora.

Nae – Serban Ileana – Teodora has been working in the set-up, project management and development of the real estate business, as Corporate Manager, since 2004. She was involved in the planning, organization and investment stages, being responsible for designing and monitoring the implementation of the companies' business plans and the acquisition of real estate assets by foreign and local investors. She is responsible for the execution, organization, and coordination of the corporate and legal aspects of the Company and its subsidiaries. Teodora holds a Bachelor degree in foreign languages (English and Spanish, with "Spiru Haret" University of Bucharest) and a Master degree in Finance and Management in the Context of European Union Integration (with "Titu Maiorescu" University).

Administrative management of Deal Properties SRL is ensured by a board of directors made up of three members: Mr. Marius Melintescu, Nae-Serban Ileana Teodora and Vladimir Boroukaev. Vladimir Boroukaev is the financial manager of Novard group of companies.

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Administrative management of NQE Central Habitat SRL is ensured by Marius Melintescu and Michail Palaiodimopoulos.

Administrative management of NQE Developments srl is ensured by Michail Palaiodimopoulos.

Administrative management of Vospolino Holdings Ltd is ensured by the company ASK Management Limited.

Administrative management of Hygeia Soil SRL is ensured by Marius Melintescu.

Marius Melintescu is a graduate of the Academy of Economic Studies in Bucharest, with a specialization in Finance, Insurance, Banking, and the Stock Exchange. He, also, holds a Master degree in Financial Management and Analysis from the same academy. Over his 10-year experience in the financial field in Romania, he has worked in the media & advertising, food and real-estate industries, for local and international companies.

Administrative management of Greek Production of Olympus Herbs is ensured by Theodoridis Georgios, Michail Palaiodimopoulos and Chalatziouka Efthimia.

During the last 5 years, the administrators were not involved in litigation or administrative proceedings.

b) any agreement, understanding or family connection between the administrator and another person due to whom that administrator was appointed in the position;

Not applicable

c) participation of the administrator to the share capital of the companies in the Group as at 31.12.2016:

Alexandru Miron holds 1% of the share capital of the companies NQE Zalokosta SRL (former Codlea Unu Solar) and Codlea Alpha Solar srl.

Mihai Andrei Lucian holds 4.76% of the share capital of the company Nqe Hydro (former Deal Solar).

Nae Serban Ileana Teodora holds 0.8% of the share capital of NQE Solar 2 srl.

Michalis Palaiodimopoulos holds 1% of the share capital of Codlea Bravo Solar srl and Nqe Developments srl.

Argyrios Volis holds 16.67% of the share capital of Nqe Solar Habitat srl.

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d) list of persons affiliated to the group.

	Relationship nature	Country of origin
Tsamis Georgios	Administrator	Greece
Ermanno Zvi Kahan	Administrator	Israel
Argyrios Volis	Administrator, Associate	Greece
Gavriilidis Theodoros	Administrator	Greece
Dimitrios Tselepis	Administrator	Greece
Panagiotis Diamandis	Associate	Greece
Framecell Limited	Associate	Cyprus
Coronedo Limited	Associate	Cyprus
Green Southeast Europe Investments	Associate	Luxembourg
IEBA Trust SA	Associate	Romania
Mirica-Constantinescu Cristian	Associate	Romania
Iancu Catalin-Jianu-Dan	Associate	Romania
Iancu Ludmila	Associate	Romania
Rodica Haiduc	Affiliate	Romania
Unstop Holdings Limited	Associate	Cyprus
Gaia Pro Invest SRL	Affiliate	Romania
Deal Properties SRL	Associate	Romania
Miron Alexandru	Administrator, Associate	Romania
Nae Serban Ileana Teodora	Administrator, Associate	Romania
Palaiodimopoulos Michail	Administrator, Associate	Greece
Marius Melintescu	Administrator	Romania
Mihai Andrei Lucian	Administrator, Associate	Romania
Stone Tribune Co	Associate	Marshall Islands
Ask Management Limited	Administrator	Cyprus
Marika Katholou	Associate	Greece
Trigono Consultants	Associate	Greece
Dimitrios Papachristou	Associate	Greece
Savvopoulos Nikolaos	Associate	Greece
Theodoridis Georgios	Administrator	Greece

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Chalatziouka Efthimia	Administrator	Greece
Savvopoulos Vasileios	Associate	Greece
Nteventzis Stavros	Associate	Greece
Cornerstone Investments	Associate	Greece
Hellenic Granite Company	Associate	Greece
Didras Holdings Luxembourg SA	Affiliate	Luxembourg

4.4. Corporate Governance Code

In 2016, the mother company concentrated on compliance with the Corporate Governance Code issued by BSE valid for 2016. The provisions of the new Code are currently undergoing a careful analysis process within the Company, and the Company's degree of compliance with them is thoroughly assessed.

"Apply or Explain" declaration is updated on 20 January 2016 (Annex 1) and shows the status of the Company's compliance with the new provisions of the BSE CGC. The Company will continue to evaluate the Code and any subsequent progress that the Company will make in achieving compliance with them will be reported to the capital market. Consistent with the Company's policies and the Code of Ethics and Professional Conduct, the Audit Committee ensures that the Company's business is conducted with honesty and integrity including the approval procedure for warning integrity. The aim is to protect the Company's integrity warning of ethical misconduct, fraud and any issues of non-compliance that could harm the image and/or trade or would lead to legal sanctions, reducing prestige and profitability of the Company.

5. Financial consolidated statement

Economic and financial analysis for 2016 is as follows:

A) BALANCE SHEET ELEMENTS

Indicators	2015	2016
Total assets	***17.362.735***	***20.084.591***

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Tangible assets	8.578.207	16.803.303
Inventory	71.003	132.098
Liabilities	7.513.453	2.558.235
Cash and bank accounts	1.200.071	590.955
Total liabilities	***17.362.735***	***20.084.591***
Equity	4.362.182	486.630
Total debts	13.000.553	19.597.961

B) Profit and loss account

Indicators	2015	2016
Operating revenues	5.735.942	31.234
Financial revenues	111.089	162.646
Total revenues	***5.847.031***	***193.880***
Operating expenses	(5.926.720)	(3.741.591)
Financial expenses	(599.073)	(1.111.976)
Total expenses	***(6.525.793)***	***(4.853.567)***
Operating result	(190.778)	(3.710.357)
Financial result	(487.984)	(949.330)
Investment quota	13.871	(279.762)
Gross result	(664.891)	(4.939.449)
Current income tax	(464)	(2.600)
Deferred income tax	(149.486)	232.838
Net Profit /Loss	**(946.179)**	**(4.709.212)**

C) ANALYSIS OF MAIN FINANCIAL – ECONOMIC INDICATORS

	2015	2016
Current liquidity ratio	1.00	0.49

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Gearing ratio	1.00	0.49

6. Description of the main features of compliance and risk management systems in relation to the financial reporting process

The compliance mainly – but without limitation - aims at the following aspects:

- compliance with the legislation in force;
- enforceability of Group company management's decisions;
- good operation of the Group Companies;
- reliability of financial information;
- streamline the operations of the entity;
- prevention and risk control.

As a result, internal control procedures aim at:

- on the one hand, compliance of the Group Companies' activity and the behavior of the personnel with the legislation, values, standards and internal rules of the Group;
- On the other hand, verifies if accounting, financial and management information communicated is accurate and reflect the activity and situation of the Group Companies.

The purpose is to provide coherent internal control objectives, identify key factors of success and communicate to the Group Companies' management, in real-time, the information on those performances. Efforts to implement a satisfactory compliance are related to the application of good practices.

Compliance activities are part of the management process through which the Group Companies aim to achieve objectives. Compliance aims at enforcement of compliance procedures at all levels: approval, authorization, verification, evaluation of operational performance, securing assets, separation of functions outlined in the manual and guides of internal procedures. The companies also follow the smooth running of operations in practice both prior to the completion, during budget formulation, and thereafter effecting transactions through budgetary control.

The Group Companies have a human resources policy that tracks issues related to the recruitment of qualified personnel, career management, continuing education, individual evaluations, promotions and corrective actions. Bonus policy is related to and encourages individual and collective performance of employees.

Financial and accounting compliance is a major element of internal control practiced by the group. It is intended to ensure that the accounts and a financial follow up of its activities to meet the defined objectives. It also covers the entire process of obtaining and communication of accounting and financial information and contribute to a reliable and consistent with legal requirements.

Accounting compliance of the group aims to ensure:

- compliance of accounting and financial information published with the rules applicable;
- enforcement of management guidelines prepared in connection with this information;
- asset protection;
- prevention and detection of fraud and accounting and financial irregularities;
- reliability of published annual financial statements and other information communicated to the market.

On 12 March 2014 the Company was accepted to trading on the regulated market of Bucharest Stock Exchange, Standard Category.

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This Report of the Board of Directors was approved on 23 March 2017.

President of the Board of Directors

Tsamis Georgios

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Addendum no.1

The Board of Administrators of NATURA QUATTUOR ENERGIA HOLDINGS S.A. informs on the status of conforming with the provisions of the new Corporate Governance Code of Bucharest Stock Exchange as of 31.12.2016:

Principle	Provisions	Complies	Reason for not complying
A1	All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company.	NO	The responsibilities of the Board are established according to the Establishment Deed of the Company. The Internal Regulation of the Board is under development
A2	Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.	NO	The management of the conflict of interest is established according to the Establishment Deed of the Company. The Internal Regulation of the Board is under development
A3	The Board of Directors or the Supervisory Board should have at least five members.	YES	
A4	The majority of the members of the Board of Directors should be non-executive. At least one member of the Board of Directors or Supervisory Board should be independent, in the case of Standard Tier companies. Not less than two non-executive members of the Board of Directors or Supervisory Board should be independent, in the case of Premium Tier Companies. Each member of the Board of Directors or Supervisory Board, as the case may be, should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered	YES	

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	independent in character and judgement in practice and according to the criteria.		
A 5	A Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.	YES	
A 6	Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.	YES	
A 7	The company should appoint a Board secretary responsible for supporting the work of the Board.	YES	The Company has a general secretariat that directly reports to the Board
A 8	The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.	NO	Although, until present the Company did not have a special policy regarding the evaluation of the BoD members, the Genearl Shareholders' meeting performs the analysis of Board management. In 2017, the Company will establish a policy regarding the evaluation of the Board.
A 9	The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.	PARTIAL	This information was contained within the annual Administrators' Report.
A 10	The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors or of the Supervisory Board	YES	
A 11	The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board	N/A	The Company is included in the Standard category.

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	appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.		
B 1	The Board should set up an audit committee, and at least one member should be an independent non-executive.	YES	
B 2	The audit committee should be chaired by an independent non-executive member.	YES	
B 3	Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.	YES	
B 4	The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.	YES	
B 5	The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties	YES	
B 6	The audit committee should evaluate the efficiency of the internal control system and risk management system.	YES	
B 7	The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team	YES	
B 8	Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by cyclical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.	YES	
B 9	No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	YES	
B 10	The Board should adopt a policy ensuring that any transaction of the	YES	

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	company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.		
B 11	The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	NO	Until present the Company did not consider neccessary to estabish a separate internal audit division. The internal audit is performed by the audit committee.
B 12	To ensure the fulfillment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.	NO	Until present the Company did not consider neccessary to estabish a separate internal audit division. The internal audit is performed by the audit committee.
C 1	The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review.	PARTIAL	The information regarding the remuneration policy is contained within the annual Administrators' Report.
D 1	The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors	YES	
D 1.1	Principal corporate regulations: the articles of association, general shareholders' meeting procedures;	YES	
D.1.2.	Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions;	YES	

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D.1.3.	Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non-compliance with the present Code;	YES	
D.1.4.	Information related to general meetings of shareholders: the agenda and supporting materials; the procedure approved for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional CVs; shareholders' questions related to the agenda and the company's answers, including the decisions taken;	YES	
D.1.5.	Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables investors to make investment decisions;	YES	
D.1.6.	The name and contact data of a person who should be able to provide knowledgeable information on request;	YES	
D.1.7.	Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.	YES	
D.2	A company should have an annual cash distribution or dividend policy, proposed by the CEO or the Management Board and adopted by the Board, as a set of directions the company intends to follow regarding the distribution of net profit. The annual cash distribution or dividend policy principles should be published on the corporate website.	PARTIAL	The dividend policy is mentioned under the Establishment Deed and complies with the legislation in force. Until present (for the period the Company is listed on the Standard Tier) the Company did not distribute dividends.
D.3.	A company should have adopted a policy with respect to forecasts, whether they are distributed or not.	NO	The policy with respect to forecasts will be submitted to the BoD for analysis during 2017.
D.4.	The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should	YES	

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	take effect, at the earliest, as of the next general meeting of shareholders.		
D.5.	The external auditors should attend the shareholders' meetings when their reports are presented there.	YES	
D.6	The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	YES	
D.7.	Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	YES	
D.8.	The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	YES	
D.9.	A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/ conference calls.	NO	The Board of Directors will analyze the necessity of organizing such events.
D.10.	If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	NO	Until now it was not the case.

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STATEMENT

This statement is given according to art. 112[1] para. 1(c) of NSC Regulation no. 1/2006, as amended, concerning the consolidated financial statements of NATURA QUATTUOR ENERGIA HOLDINGS S.A. prepared as of 31 December 2016 regarding the extent to which they present fairly, in all material respects, the financial position of NATURA QUATTUOR ENERGIA HOLDINGS S.A. as of 31 December 2016 and of its financial performance, cash flows for the financial year ended on that date, as required by accounting rules in Romania, namely Accounting Law no. 82/1991 republished and NSC order no. 13/2011 approving the Regulation no. 4/2011, with subsequent amendments and the accounting policies described in the consolidated financial statements.

Confirm knowingly and confidently that the consolidated annual financial statements which comply with the regulations listed above, provide a fair and accurate image of the assets, financial position and profit and loss account of the Company and that the Board of Directors Report contains a correct analysis of the company's performance development and a description of the principal risks and uncertainties specific to the activity run by the company.

Tsamis Georgios	Melintescu Marius
Administrator	Financial Director