



ELECTROARGES SA
Individual financial statements on
March 31st 2020
prepared in accordance with IFRS
adopted by the European Union

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STATEMENT OF COMPREHENSIVE INCOME ON MARCH 31st 2020
(expressed in lei, unless specified otherwise)

	March 31st 2020	March 31st 2019
Income from contracts	63,160,609	52,295,976
Other operating income	487,941	289,589
Changes in inventories	218,558	256,735
Raw materials and consumables	(47,453,430)	(41,348,237)
Expenses on personnel	(4,921,894)	(5,808,758)
Amortization	(2,181,800)	(976,095)
Other operating expenses	(6,021,590)	(3,430,975)
Operating profit	3,288,394	1,278,235
Financial income	527,897	3,180,835
Financial expenses	(781,458)	(1,434,348)
Profit before taxation	3,034,833	3,024,722
Expenses with the tax on profit	561,326	478,604
Profit	2,473,507	2,546,118
BASIC/DILUTED PER SHARE EARNINGS	0.0355	0.0365

CHAIRMAN OF THE BOARD OF DIRECTORS,

Full name, Signature

STEFAN CONSTANTIN

PREPARED BY,

Full name, Signature

SCARLAT ROXANA

STATEMENT OF FINANCIAL POSITION ON MARCH 31st 2020

(expressed in lei, unless specified otherwise)

	March 31st 2020	December 31st 2019
Assets		
Fixed assets		
Tangible assets	53,607,897	53,860,817
Intangible assets	745,244	660,384
Financial assets	40,617,049	40,617,049
Deferred tax	-	-
Fixed assets	1,461,213	1,461,213
TOTAL FIXED ASSETS	96,431,403	96,599,463
Current assets		
Inventories	18,452,072	17,475,452
Trade and other receivables	48,489,894	37,279,516
Other financial assets	25,209	15,803
Cash and cash equivalents	2,599,101	3,269,415
TOTAL CURRENT ASSETS	69,566,276	58,040,186
TOTAL ASSETS	165,997,679	154,639,649
Trade and other payables	66,874,746	55,191,083
Short-term loans from banking institutions	7,820,875	10,779,181
Financial leasing	2,317,310	2,107,741
Employee benefits short-term due share	175,605	248,494
Long-term loans from banking institutions – current maturity	132,024	211,238
Payables with tax on profit	815,246	253,920
TOTAL SHORT-TERM PAYABLES	78,135,806	68,791,657
Long-term loans from banking institutions	-	-
Subsidies	1,982,008	2,192,823
Employee benefits long-term due share	535,079	535,079
Leasing	7,375,251	7,624,062
Deferred tax on profit	1,299,542	1,299,542
TOTAL LONG-TERM PAYABLES	11,191,880	11,651,506
TOTAL PAYABLES	89,327,686	80,443,163
NET ASSETS	76,669,993	74,196,486

	March 31st 2020	December 31st 2019
Share capital	6,976,465	6,976,465
Legal reserves	1,617,005	1,617,005
Net reserves of revaluation	10,330,316	10,872,567
Other reserves	44,897,047	43,030,790
Retained earnings	12,867,160	11,699,659
TOTAL EQUITY	76,669,993	74,196,486
TOTAL PAYABLES	165,997,679	154,639,649

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STATEMENT OF CHANGES IN EQUITY ON MARCH 31st 2020
 (expressed in lei, unless specified otherwise)

	Share capital	Profit/loss related to the sale or cancellation of equity instruments	Revaluation reserves	Legal reserves	Other reserves	Other equity	Retained earnings	Total
January 1st 2019								
Total comprehensive income	-	-	10,872,567	-	-	-	5,954,967	16,827,534
Dividends distributed	-	-	-	-	-	-	(8,371,758)	(8,371,758)
Allocations of other reserves	-	-	-	-	2,985,644	-	(2,985,644)	-
December 31st 2019	6,976,465	1,132,496	10,872,567	1,617,005	36,048,639	5,849,655	11,699,659	74,196,486
Other comprehensive income items	-	-	(542,250)	-	-	-	-	(542,250)
Profit of the financial year	-	-	-	-	-	-	2,473,507	2,473,507
March 31st 2020	6,976,465	1,132,496	10,330,316	1,617,005	36,048,639	5,849,655	14,715,417	76,669,993

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CASH FLOW STATEMENT ON MARCH 31st 2020
(expressed in lei, unless specified otherwise)

Indirect method

- LEI-

Indicator	Cash flow 31.12.2019	Cash flow 31.03.2020
+/- Net business income	2,036,989	2,473,507
+ Amortization included in costs	4,121,408	2,181,800
- Changes in inventories (+/-)	(-)3,750,288	(+)976,620
- Changes in receivables (+/-)	(+)6,873,841	(+)11,210,378
+ Changes in suppliers and client lenders (+/-)	(-)221,662	(+)9,730,770
- Changes in assets (+/-)	(-)26,774	(-)2,160,217
+ Changes in liabilities	(-)248,502	(-)233,448
A = Cash flow from operating activity	(+)2,591,454	(+)4,125,848
+ Amounts from the sell of assets and fixed assets	47,103	272,392
- Acquisitions of tangible assets	22,366,324	2,001,563
+ =B Cash flow from investment activity	(-)22,319,221	(-)1,729,171
+ Changes in loans(+/-) out of which:	(+)11,342,892	(-)3,076,762
* Short-term credits	(+)4,246,925	(-)2,827,951
+ Paid dividends	4,267,504	9,771
+ = C Cash flow from financial activity	(+)15,610,396	(-)3,066,991
+ Liquid assets at the beginning of 2019	7,386,786	3,269,415
+ Net cash flow (A+B+C)	(-)4,117,371	(-)670,314
= Liquid assets at the end of the period	3,269,415	2,599,101

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FINANCIAL INDICATORS ON MARCH 31st 2020
 (all amounts expressed in lei, unless specified otherwise)

CAPITAL PROFITABILITY AND RETURN

March 31st 2020

Equity efficiency

Net profit (A)	2,473,507
Equity (B)	76,669,993
A/B	3.23%

Operating profit rate

Gross profit (A)	3,034,833
Operating income (B)	63,867,108
A/B	4.75%

Net profit rate

Net profit (A)	2,473,507
Total income (B)	64,395,005
A/B	3.84%

Total assets rate

Gross profit (A)	3,034,833
Total assets (B)	165,997,679
A/B	1.83%

SOLVENCY

March 31st 2020

Payable rate

Total payables (A)	89,327,686
Total assets (B)	165,997,679
A/B	53.81%

Financial autonomy rate

Equity (A)	76,669,993
Total assets less net current liabilities (B)	87,861,873
A/B	87.26%

LIQUIDITY AND WORKING CAPITAL

March 31st 2020

Overall liquidity rate

Current assets (A)	69,566,276
Current liabilities (B)	78,135,806
A/B	89.03%

Fast liquidity rate

Current assets (A)	69,566,276
Inventories (B)	18,452,072
Current liabilities (C)	78,135,806
(A-B)/C	65.42%

Clients collection period

Trade receivables (A)	19,592,536
Met turnover (B)	63,160,609
A/B*90 days	28 days

Inventories immobilization period

Inventories (A)	18,452,072
Net turnover (B)	63,160,609
A/B*90 days	26 days

Suppliers payment period

Suppliers (A)	34,395,067
Material expenses (B)	47,453,430
A/B*90 days	65 days

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QUARTERLY REPORT ELECTROARGES SA – first quarter 2020

Electroarges SA was founded in 1971, urmand and began to operate 2 years later. In 1991, Electroarges became a joint stock company, with majority state capital.

The company's activity consists of:

- Production of electrical consumer goods, household appliances, professional appliances for hotel and industrial facilities, portable electrical tools, devices, tools and tool kits, vibrators for concrete compacting and car equipment.
- Electroarges SA developed a series of collaborations for the execution of parts, subassemblies and products for several home and foreign companies.
- Maintenance and repairs for more than 400 molds, which is ELECTROARGES SA's internal requirement.
- Execution of metal stamps and test equipment and tools for ELECTROARGES SA's current production and new products.
- Execution of metal stamps and test equipment and tools for internal and external clients.

Regarding the industrial equipment, Electroarges SA has the means and facilities necessary for the design of plastic products, the design and execution of molds, tools and devices necessary for product assimilation and manufacturing.

1. ELECTROARGES SA ECONOMIC AND FINANCIAL STATEMENT ON MARCH 31st 2020

1.1. BALANCE ENDED ON 31.03.2020

Assets	March 31st 2020	December 31st 2019
Fixed assets	96,431,403	96,599,463
Current assets	69,566,276	58,040,186
TOTAL ASSETS	165,997,679	154,639,649
Current payables	78,135,806	68,791,657
Long-term payables	11,191,880	11,651,506
TOTAL PAYABLES	89,327,686	80,443,163
NET ASSETS	76,669,993	74,196,486

Share capital and reserves	March 31st 2020	December 31st 2019
Share capital	6,976,465	6,976,465
Other items of equity	5,849,655	5,849,655
Revaluation reserves	10,330,316	10,872,567
Other reserves	37,665,644	37,665,644
Earnings related to equity instruments	1,132,496	1,132,496
Retained earnings	12,867,160	10,287,920
Business income	2,473,507	2,036,989
Profit distribution	(625,250)	(625,250)
TOTAL EQUITY	76,669,993	74,196,486

On 31.03.2020, an increase by 2,473,507 lei in net assets can be observed compared to 2019, an increase due mainly to the increase in current assets.

The structure of tangible assets on 31.03.2020 is as follows:

Tangible assets	March 31st 2020	December 31st 2019
Land and buildings	21,517,059	22,270,848
Technical installations and machines	21,331,789	22,315,677
Other installations, equipment and furniture	466,720	340,919
Tangible assets in progress	7,232,471	5,619,614
TOTAL	50,548,039	50,547,058

Tangible assets in progress have increased, and the value of land, buildings and technical installations has decreased compared to 2019.

The structure of inventories on 31.03.2020 is as follows:

Inventories	March 31st 2020	December 31st 2019
Raw materials and consumables	16,049,371	15,238,320
Production in progress and semi-finished products	516,912	501,841
Finishes products and merchandise	1,885,789	1,735,291
TOTAL	18,452,072	17,475,452

31.03.2020 registers an increase of stocks by 976,620 lei compared to 2019, due to the increase of raw materials and consumables.

Receivables	March 31st 2020	December 31st 2019
Trade receivables	19,592,536	13,183,109
Other receivables	23,699,890	17,492,942
TOTAL	43,292,426	30,676,051

Electroarges SA's trade receivables increased on 31.03.2020 compared to 31.12.2019.

The structure of payables on 31.03.2020 is as follows:

Payables	March 31st 2020	December 31st 2019
Trade payables	66,874,746	55,191,083
Loans from banking institutions	7,820,875	10,779,181
Other payables	3,440,185	2,821,393
Total short-term payables	78,135,806	68,791,657
Subsidies	1,982,008	2,192,823
Financial leasing	7,375,251	7,624,062
Other payables	1,834,621	1,834,621
Total long-term payables	11,191,880	11,651,506
TOTAL	89,327,686	80,443,163

The obligations towards the state budget and the local budgets, respectively taxes, special funds and other taxes were paid at the due terms.

On 31.03.2020, a decrease by 2,958,306 lei in the debt to credit institutions can be observed compared to 31.12.2019.

1.2. PROFIT & LOSS ACCOUNT ON 31.03.2020

	March 31st 2020	March 31st 2019
Income from sales	63,160,609	52,295,976
Other operating income	487,941	289,589
Changes in inventories	218,558	256,735
Total operating expenses	(60,578,714)	(51,564,065)
Operating profit/(loss)	3,288,394	1,278,235
Net financial income/(expenses)	(253,561)	1,746,487
Profit/(Loss) before taxation	3,034,833	3,024,722
Tax expenses	561,326	478,604
Profit/(Loss)	2,473,507	2,546,118

On 31.03.2020, there is an operating profit greater by 2,010,159 lei compared to 31.03.2019, due to the increase in turnover.

The turnover increased by 10,864,633 lei on 31.03.2020 compared to 31.03.2019.

Also, on 31.03.2020 there is a financial loss in the amount of 253,561 lei.

The structure of operating expenses on 31.03.2020 is as follows:

Operating expenses	March 31st 2020	March 31st 2019
Raw materials and consumables	47,453,430	41,348,237
Expenses on personnel	4,921,894	5,808,758
Amortization	2,181,800	976,095
Other operating expenses	6,021,590	3,430,975
TOTAL	60,578,714	51,564,065

Raw materials and consumables increased by 6,105,193 lei and expenses on personnel decreased by 886,864 lei on 31.03.2020 compared to 31.03.2019.

1.3. FINANCIAL INDICATORS

CAPITAL PROFITABILITY AND RETURN

March 31st 2020

Equity efficiency A/B	3.23%
Net profit (A)	2,473,507
Equity (B)	76,669,993
Operating profit rate A/B	4.75%
Gross profit (A)	3,034,833
Operating income (B)	63,867,108
Net profit rate A/B	3.84%
Net profit (A)	2,473,507
Total income (B)	64,395,005
Total assets rate A/B	1.83%
Gross profit (A)	3,034,833
Total assets (B)	165,997,679

March 31st 2020

SOLVENCY

Payable rate A/B	53.81%
Total payables (A)	89,327,686
Total assets (B)	165,997,679
Financial autonomy rate A/B	87.26%
Equity (A)	76,669,993
Total assets less net current payables (B)	87,861,873

LIQUIDITY AND WORKING CAPITAL

March 31st 2020

Overall liquidity rate A/B	89.03%
Current assets (A)	69,566,276
Current payables (B)	78,135,806
Fast liquidity rate (A-B)/C	65.42%
Current assets (A)	69,566,276
Inventories (B)	18,452,072
Current payables (C)	78,135,806
Clients collection period A/B*90 days	28
Trade receivables (A)	19,592,536
Net turnover (B)	63,160,609
Inventories immobilization period A/B*90 days	26
Inventories (A)	18,452,072
Net turnover (B)	63,160,609
Suppliers payment period A/B*90 days	65
Suppliers (A)	34,395,067
Material expenses (B)	47,453,430

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