

**BOARD OF DIRECTORS REPORT  
SEMESTER I 2019  
According to Annex 31 of NSC Regulation no. 1/2006**

Report date:16.08.2019

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

Social offices: Bucharest, Sector 1, 24 Piatra Morii Str.,

Phone/fax number: 021.539.46.00 / 021.539.46.01

Sole Registration Code with Trade Registry: RO 2695737

Trade Registry Number: J40/3315/2009

Subscribed and paid up share capital: 4,556,611 lei

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

## 1. Economic and financial statement

The financial statements have been prepared in accordance with the requirements of the Law 82/1991 republished and the Order no.2844/2016. The financial statements have not been reviewed by an independent auditor.

### 1.1. The comparative economic and financial statement analysis

**a) Balance sheet items:** assets which represent at least 10% of the total assets; cash and equivalents; reinvested profits; total current assets; liabilities status; total current liabilities:

Balance sheet summary	01.01.2019	30.06.2019	% out of total assets 30.06.2019
<b>Total assets</b>	<b>3.171.102</b>	<b>3.211.943</b>	
Fixed assets	2.173.377	2.173.377	68%
Current assets	997.725	1.038.566	32%
Total liabilities	3.257.929	3.380.005	102%
Shareholders' equity	(86.827)	(168.062)	-2%

**b) profit of loss account:** net sales; gross revenues; cost and expenses representing at least 20% of net sales or gross revenues; risk and other expenses provisions; reference to any sale or closing of an activity sector performed in the last 6 months or is about to be performed in the following 6 months, dividends declared and paid:

Profit and loss account summary	30.06.2018	30.06.2019
Turnover	31.075	0
Other operating revenues	7.621	0

Expenses related to raw materials and consumables	53.291	0
Payroll expenses	347.988	104.000
Value adjustments of fixed assets	94.447	0
Third party expenses	1.095.007	18.076
Other operating expenses	37.739	0

## 2. Elements of perspective on the company's activity

### a. 2.1. 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.

Although there were significant delays to the expected cash inflows of the company during the second quarter, mainly as loans reimbursements from the subsidiaries (which are based on the subsidiaries revenues), the issue is expected to be resolved within the second semester.

### 2.2. 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

No current capital expenses that can affect the financial position of the company have been performed.

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

There were no events, transactions or economic changes that could significantly affect the revenues from the main activity.

## 3. Changes that affect the capital and the administration of the company

In October 2017, the company decided through the Extraordinary General Meeting to approve the increase of the share capital with a maximum of 1,000,000 lei by issuing a maximum number of 10,000,000 new shares. The subscription period ended on 09.03.2018. The number of subscribed shares was 9,506,626 lei. The share price was 0.55 lei / share in the preference period and 0.56 lei / share in the subscription period, resulting in an increase of the share capital by 950,662.60 lei and an increase of the capital premium by the amount of 4,341,214, 43 lei.

The subscribed and paid share capital amounts to 4.556.611 RON.

The share capital structure as at 30.06.2019:

Shareholders	Numar actiuni	Procent (%)
Green SouthEast Europe Investments	14.907.177	32.7155
Framecell Limited	5.044.930	11.0717
Legal persons	14.655.380	32.1629
Physical persons	10.958.623	24.0499
Total	45.566.110	100.0000

### **3.1. Description of the cases in which the company could not respect its financial obligations during semester I 2019**

Although there were delays in the expected cash inflows, as depicted in section 2.1., the company has discussed with all third parties that constitute the payables of the company and all financial obligations will be settled/rescheduled within the second semester.

### **3.2. Description of any changes regarding the rights of the securities issues by the company holders**

All the shareholders of the company SC NATURA QUATTUOR ENERGIA HOLDING SA. benefited of the same rights.

### **4. Significant transactions**

In the case of share issuers, information regarding the major transactions concluded by the issuer with the persons acting together or in which these persons have been involved during the relevant period.

There were not such cases.

Member of the Board of Directors  
Arntiana Veizi

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## STATEMENT OF FINANCIAL POSITION

As at 30.06.2019

	01-Jan-19	30-Jun-19
<b>ASSETS</b>		
Tangible assets	-	-
Real estate properties	1.483.120	1.483.120
Intangible assets	-	-
Loans receivables	-	-
Financial assets	690.257	690.257
Deffered tax assets	-	-
<b>Total fixed assets</b>	<b>2.173.377</b>	<b>2.173.377</b>
Inventories	-	-
Loans receivables	853.181	853.181
Trade and other receivables	126.464	167.305
Prepayments	16.541	16.541
Cash and cash equivalents	1.539	1.539
<b>Total current assets</b>	<b>997.725</b>	<b>1.038.566</b>
<b>Total assets</b>	<b>3.171.102</b>	<b>3.211.943</b>
Share capital	4,556,611	4,556,611
Capitalized loans	0	-
Capital adjustments (IAS 29)	1,304,446	1,304,446
Share premiums	8,405,391	8,405,391
Reevaluation rezerves	1,385,008	1,385,008
Legal reserves	24,479	24,479
Other reserves	14,459	14,459
Retained earnings / (Accumulated losses)	(11.038.212)	(15.777.222)
Result for the year	(4.739.010)	(81.235)
<b>Total shareholders equity</b>	<b>(86.827)</b>	<b>(168.062)</b>
Loans and borrowings	-	-
Bonds	-	-
Deffered tax liabilities	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>
Trade and other payables	2,140,062	2,262,138
Loans and borrowings	1,117,867	1,117,867
Bonds	-	-
<b>Total current liabilities</b>	<b>3.257.929</b>	<b>3.380.005</b>
<b>Total liabilities</b>	<b>3.257.929</b>	<b>3.380.005</b>
<b>Total shareholders Equity and Liabilities</b>	<b>3.171.102</b>	<b>3.211.943</b>

## STATEMENT OF COMPREHENSIVE INCOME

As of 30.06.2019

	<u>31-Dec-18</u>	<u>30-Jun-19</u>
Revenues from services rendered	-	-
Other revenues	53.985	-
<b>Total revenues</b>	<b>53.985</b>	<b>-</b>
Third party services	(1.019.378)	(18.076)
Personnel expenses	(949.578)	-
Other operating expenses	(811.640)	(104.000)
Fair value gains / (losses) from investment properties, net	-	-
<b>Total operating expenses</b>	<b>(2.780.596)</b>	<b>(122.076)</b>
<b>Operating result</b>	<b>(2.726.611)</b>	<b>(122.076)</b>
Financing costs	(230.004)	(35.687)
Financing income	221.681	76.528
Foreign exchange expense, net	11.684	-
Other financial items, net	(1.133.500)	-
<b>Financial result</b>	<b>(1.130.139)</b>	<b>40.841</b>
<b>Gross profit</b>	<b>(3.856.750)</b>	<b>(81.235)</b>
Current income tax expense	(1.460)	-
Deferred income tax expense	(880.800)	-
<b>Total income tax</b>	<b>(882.260)</b>	<b>-</b>
<b>Net profit / (loss) for the period</b>	<b>(4.739.010)</b>	<b>(81.235)</b>
<b>Other comprehensive income</b>		
<b>Items that will never be reclassified to profit and loss</b>		
Revaluation of property, plant and equipment	(529.870)	-
Deferred tax liability on revaluation reserve	285.581	-
<b>Other comprehensive income for the period</b>	<b>(244.289)</b>	<b>-</b>

*Total comprehensive income*

**(4.983.299)**

**(81.235)**

## STATEMENT OF CHANGES IN EQUITY

	December 2017	June 2018	December 2018	June 2019
Share capital	3.605.948	4.556.611	4.556.611	4.556.611
Capitalized loans	1.750.844			
Share capital adjustment	1.304.446	1.304.446	1.304.446	1.304.446
Share premiums	4.064.177	8.405.391	8.405.391	8.405.391
Revaluation reserves	1.629.297	1.629.297	1.385.008	1.385.008
Other reserves	38.938	38.938	38.938	38.938
Retained earnings	(6.990.323)	(11.038.212)	(11.038.212)	(15.777.222)
Profit/loss	(4.047.889)	4.249.626	(4.739.010)	162.917
Distributed profit				
Total equity	1.355.439	9.146.099	(86.827)	76.090

## Explanatory notes:

### NOTE 1: FIXED ASSETS

- lei -

Fixed assets element*	Gross Value **				Impairments*** ( depreciations and impairments for depreciation or loss of value )			
	Balance as at 01.01.2018	Increase	Transfers and other decreases	Balance as at 30.06.2018	Balance as at 01.01.2018	Impairments registered during the financial exercise	Reductions or restatements	Balance as at 30.06.2018
Establishment expenses	0	0	0	0	0	0	0	0
Development and research expenses	0	0	0	0	0	0	0	0
Other non tangible assets	2,343	0	0	2,343	2,343	0		2,343
Licenses, patterns	0	0	0	0	0	0	0	0
Advance payments and other non current	0	0	0	0	0	0	0	0
<b>Total non tangible assets</b>	<b>2,343</b>	<b>0</b>	<b>0</b>	<b>2,343</b>	<b>2,343</b>	<b>0</b>	<b>0</b>	<b>2,343</b>
Land	2,012,991	0	0	2,012,991	0	0	0	0
Buldings and special constructions	87,343	0	0	87,343	1,532	9,194	0	10,726
Equipments	0	0	0	0	0	0	0	0
Measure and control equipment	0	0	0	0	0	0	0	0
Transportation means	740,960	0	587,530	153,430	236,392	70,962	242,703	64,651
Furniture and office appliances	141,530	0	28,460	113,070	93,497	14,291	23,975	83,813
Advance payments and current assetis in progress	0	0	0	0	0	0	0	0
<b>Total tangible assets</b>	<b>2,982,824</b>	<b>0</b>	<b>615,990</b>	<b>2,366,834</b>	<b>331,421</b>	<b>94,447</b>	<b>266,678</b>	<b>159,190</b>
Participation titles	1,671,309	256,507	824,775	1,103,041	0	0	0	0
<b>Financial assets</b>	<b>1,671,309</b>	<b>256,507</b>	<b>824,775</b>	<b>1,103,041</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total fixed assets</b>	<b>4,656,476</b>	<b>256,507</b>	<b>824,775</b>	<b>3,472,218</b>	<b>333,764</b>	<b>94,447</b>	<b>266,678</b>	<b>161,533</b>

## GROSS VALUE OF ASSETS

Asset element	Balance as of 01 January 2019	Balance as of 30 June 2019
Non tangible assets	<b>997.725</b>	<b>1.038.566</b>
Tangible assets	1.483.120	1.483.120
Financial assets	690.257	690.257
<b>TOTAL NET VALUE</b>	<b>3.171.102</b>	<b>3.211.943</b>

## Tangible Assets

The tangible assets of the company as at 30 June 2019 contain a land located in Mogosoaia locality, obtained following the merger by absorption process ended as of 31 December 2010.

## Financial assets

As at 30 June 2019, the Company owns participation titles in the following entities:

Entity	Country of registration	Object of activity	Percentage owned	Cost	Provision	Net value
Codlea Alpha Solar	Romania	Renewable energy production	95%	950		950
NQE Zalokosta (fost Codlea Unu Solar)	Romania	Renewable energy production	99%	990		990
Codlea Bravo Solar	Romania	Renewable energy production	99%	990		990
NQE Hydro (fost Deal Solar)	Romania	Renewable energy production	95.24%	1.000		1.000
Deal Properties SRL	Romania	Renewable energy production	24.62%	1.089.650		1.089.650
NQE Central Habitat	Romania	Real Estate Development	51%	510		510
NQE Solar 2	Romania	Real Estate Development	95.2%	1.190		1.190
Vospolimno Holdings	Greece	Activitati ale holdingurilor	100%	6.771		6.771
NQE Developments	Romania	Real Estate Development	99%	990		990
<b>Total</b>				<b>1.103.041</b>		<b>1.103.041</b>

The company sold its participation in Nqe Solar Habitat sa on 18.06.2018 and its participation in Greek Production of Olympus on 22.05.2018.

## **NOTE 2: PROVISIONS**

Provision	Balance as at 01 January 2019	Transfer in the account	Transfer from the account	Balance as at 30 June 2019
Provisions for financial assets	-	-		
<b>Total</b>	-	-		

## **NOTE 3: PROFIT DISTRIBUTION**

As at 30 June 2018, respectively 30 June 2019, the Company registered the following results:



Profit distribution	Financial exercise ended as at 31 Dec 2018	Financial exercise ended as at 30 June 2019
Retained earnings to be distributed at the beginning of the financial year		
<b>Net/to be distributed Profit/(loss)</b>	<b>(4.739.010)</b>	<b>(81.235)</b>
- legal reserve		
- Accounting losses cover		
<b>Not distributed Profit/(loss), retained earnings not distributed at the end of the financial exercise</b>	<b>(4.739.010)</b>	<b>(81.235)</b>

#### NOTE 4: ANALYSIS OF THE OPERATING RESULT

	Financial exercise ended as at 31 Dec 2018	Financial exercise ended as at 30 June 2019
<b>1. Net turnover</b>	<b>53.985</b>	<b>0</b>
<b>2. Cost of sold goods and services supplied, of which (3 + 4 + 5)</b>	<b>(2.780.596)</b>	<b>(122.076)</b>
3. Expenses related to the core activity	(2.780.596)	(122.076)
4. Expenses related to secondary activities		
5. Indirect expenses related to production		
<b>6. Gross result related to the net turnover (1 - 2)</b>	<b>(2.726.611)</b>	<b>(122.076)</b>
7. Selling expenses		
<b>8. General and administration expenses</b>		
9. Other operating revenues		
<b>10. Operating result (6 - 7 - 8 + 9)</b>	<b>(2.726.611)</b>	<b>(122.076)</b>

#### NOTE 5: RECEIVABLES AND LIABILITIES STATEMENT

##### Receivables

	Receivables	Balance as at 01 January 2019	Balance as at 30 June 2019	Liquidity term for the period ended as at 30 June 2019	
				Below 1 year	Over 1 year
	<b>Trade receivables</b>				
1	Trade receivables –affiliates/other related parties	49.158			-
2	Trade receivables –third parties	543.366			-
3	<b>Total Trade receivables</b>	<b>592.524</b>			-
4	Depreciation impairments for trade receivables				-
5=3-4	<b>Trade receivables, net</b>	<b>592.524</b>			-
	<b>Other receivables</b>				
6	Amounts to be received from affiliates				-

7	Amounts to be received from entities with participation interests and other related parties				-
8	Other receivables	410.968	<b>126.464</b>	<b>126.464</b>	-
<b>9</b>	<b>Total other receivables</b>	<b>410.968</b>			-
10	Impairments for other receivables				
<b>11=9-10</b>	<b>Other receivables, net</b>				-
12	Subscribed and not paid up share capital	-			-
<b>13</b>	<b>Total trade receivables and other receivables</b>	<b>1.003.492</b>	<b>126.464</b>	<b>126.464</b>	-

Trade receivables are not interest bearing and generally have a payment term of 30-60 days. Trade receivables outstanding at 30 June 2019, will be collected during 2019.

## Liabilities

	Liabilities	Balance as at 01 January 2019	Balance as at 30 June 2019	Liquidity term for the period ended as at 30 June 2019		
				Below 1 year	1 - 5 Years	Over 5 years
1	Debenture loans	3,019,486				-
2	Amounts due to credit institutions	-				-
3	Advance payments received for orders					-
4	Trade liabilities – suppliers affiliates and other related parties					-
5	Trade liabilities – third party suppliers	1.495.175	1.633.188	1.633.188		-
<b>6=3+4+5</b>	<b>Total trade liabilities</b>	<b>1.495.175</b>	<b>1.633.188</b>	<b>1.633.188</b>		-
7	Commerce liabilities					-
8	Amounts due to affiliates	6.484.432	1.117.867	1.117.867		-
9	Amounts due to entities with participation interests and other related parties	-				-
10	Other liabilities including fiscal debts and other debts related to social insurances	431.927				--
<b>11=7+8+9+10</b>	<b>Total</b>	<b>6.916.359</b>	<b>2.751.055</b>	<b>2.751.055</b>		

## NOTE 6: ACCOUNTING PRINCIPLES, POLICIES AND METHODS

- **Significant accounting principles**

The financial statements for the period ended as at 30 June 2019 have been prepared in accordance with the following accounting principles:

On going concern principle

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

Consistency principle

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

## Prudence principle

In preparing the financial statements there were taken into account:

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

## Matching principle

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

## Valuation of asset and liability items

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

## Offsetting principle

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

## Substance over form principle

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

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

- **Basis of preparation of financial statements**

### **a) General information**

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

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

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

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

### **b) Use of accounting estimates**

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

Effect of change of accounting estimates is calculated prospectively and is included in the determination of net earnings related: to the period in which the change was made, if it is the only period affected; period in which the change was made and subsequent periods if the change affects them all

## **c) Foreign exchange**

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

The exchange rate used for converting balances denominated in foreign currency at 30 June 2019 was 1 EUR = 4.6611 RON.

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

## **d) Comparative statements**

The financial statements as at 30 June 2019 are compatible with the financial statements prepared on 30 June 2018.

## **e) Intangible assets**

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

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

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

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

## **f) Tangible assets**

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

On 31 December 2017, the Company recorded a valuation of land, in accordance with OMF 1286/2015 compiled by SC EURO VALUE PROPERTIES SRL, authorized independent evaluator. Evaluation of tangible assets (land) was achieved by market value method.

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

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

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

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

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

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

#### **g) Financial assets**

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

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

#### **h) Trade receivables**

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

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

#### **i) Cash and cash equivalents**

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

#### **j) Loans**

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

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

#### **k) Liabilities**

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

#### **l) Provisions for risks and expenditure**

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

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

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

#### **m) Share capital**

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

#### **n) Legal reserve**

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

#### **o) Revaluation reserve**

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

The last revaluation was performed by the Company on 31 December 2017, in order to bring the value of land owned by the Company at their fair value. According to the Ministry of Public Finance Order no. 1286/2015, land evaluation was performed by an independent certified appraiser.

#### **p) The result of period**

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

#### **q) Dividends**

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

#### **r) Taxes and fees**

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

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

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

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

#### **s) Financial instruments**

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

#### **t) Revenues**

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

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

#### **u) Operating expenses**

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

#### **v) Financial expenses**

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

#### **w) Borrowing costs**

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

#### **x) Related parties**

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

#### **y) Correction of accounting errors**

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

#### **z) Events after the balance sheet date**

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

#### **aa) Debt and Contingent liabilities**

A contingent liabilities is :

- a possible obligation that arises from past events prior to balance date and whose existence will be confirmed only after the appearance or non-appearance of one or more uncertain future events that may not be entirely under the control of the Company; or
- obligation that arises from past events prior to balance date, but is not recognized because:
- is not sure outflow of resources will be required to settle the debt; or

amount of debt can not be evaluated with sufficient reliability. Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements; This is shown when an entry is probable that future economic benefits.

#### **bb) Going concern**

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

On 30 June 2019, the Company recorded a loss in value of 81.235 lei.

The Management believes that the support offered by the shareholders is not clearly expected to be sufficient to allow the activity and to pay the debts during the ordinary course of the business operation, and for this reason, to ensure a certain minimum liquidity for the fulfillment of the obligations, the shareholders, decided on 10.01.2019, to sell the participation that the company holds in Deal Properties srl and, at the same time, to exchange the ownership of the land owned by Hygeia Soil srl with the social shares of the other associates to maintain 100 % of the profitability of the project. Until this date, the decisions of the general meeting of 10.01.2019 have not been implemented.

## NOTE 7: PARTICIPATIONS AND FINANCING SOURCES

### Share Capital

Share capital structure of the Company as at 30 June 2019 is the following :

Shareholders	No. Of shares	Nominal value in RON	Total value RON	Percentage owned
Green Southeast Europe Investments	14.907.177	0,10	1.490.718	32.72%
Framecell Ltd	5.044.930	0,10	504.493	11.07%
Legal persons	14.655.380	0,10	1.465.538	32.16%
Physical persons	10.958.623	0,10	1.095.862	24.05%
<b>Total</b>	<b>45.566.110</b>		<b>4.556.611</b>	<b>100.00%</b>

Share capital structure of the Company as at 1 January 2019 is the following :

Shareholders	No. Of shares	Nominal value in RON	Total value RON	Percentage owned
Green Southeast Europe Investments	14.907.177	0,10	1.490.718	32.72%
Framecell Ltd	5.044.930	0,10	504.493	11.07%
Legal persons	14.655.380	0,10	1.465.538	32.16%
Physical persons	10.958.623	0,10	1.095.862	24.05%
<b>Total</b>	<b>45.566.110</b>		<b>4.556.611</b>	<b>100.00%</b>

The share capital respects the conditions provided by the legislation in force regarding the companies, less the condition that the net assets of the company are greater than half of the subscribed share capital. Also, being listed on the Bucharest Stock Exchange, the company must have the value of its capital from the last financial year equal to at least the equivalent in lei of 1 million euros calculated at the reference rate of the NBR.

In October of 2017, the company decided through the Extraordinary General Meeting to approve the increase of the share capital with a maximum of 1,000,000 RON by using a maximum of 10,000,000 new shares. On December 29th 2017, two of the company's shareholders expressed their firm commitment to subscribe for shares in the preference period as follows: Green Southeast Europe Investments SA 2,365,213 new shares worth 1,300,849.55 RON, and Framecell Limited 818,172 new shares amounting to 449,994.60 RON, through the capitalization of maturing, liquid and due loans. The subscription period has ended on March 9th 2018. The number of subscribed shares was 9,506,626 RON. The share price was 0.55 RON/share in the preference period and 0.56 RON/share in the subscription period, resulting in an increase of the share capital by 950,662.60 RON and an increase of the capital premium by the amount of 4,341,214.43 RON.

In 2015, following the Shareholder's Decisions of August 28th 2014, the company increased its registered capital by 688,256.90 RON, from 2,917,691.50 RON to 3,605,948.40 RON by issuing 6,822,569 new shares. Shareholders have had the option of participating in the share capital increase by cash contribution on capitalization of outstanding loans. The capital premium increased by 2,115,466 RON.

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

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



As at 30 June 2019 the Company has no obligations related to post retirement benefits to former directors or managers. No loans were granted to directors or executives. The members of the administration, management and supervision of the company did not receive loans.

During 2019 the Company had a total of 1 employee.

Manager remuneration expenses recorded during the years 2018 - 2019 are:

	Financial exercise ended as at 30 June 2018	Financial exercise ended as at 30 June 2019
Expenses related to Manager remuneration	123.654	50.602
<b>Total</b>	<b>123.654</b>	<b>50.602</b>

	Financial exercise ended as at 30 June 2018	Financial exercise ended as at 30 June 2019
Expenses related to employees remuneration	334.957	32.592
Expenses related to social securities	13.031	20.800
<b>Total</b>	<b>347.988</b>	<b>53.398</b>

#### NOTE 9: ANALYSIS OF THE MAIN ECONOMIC-FINANCIAL INDICATORS

	30 June 2019
Current Liquidity	0.18
Debt-to-equity	0.09
Receivables turnover - customers	-
Liabilities turnover - suppliers	-
Intangible assets turnover	-
Total assets turnover	-

#### NOTE 10: OTHER INFORMATION

##### a) Information on the Company

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

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

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

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

The shareholding structure as at 30 June 2019 is presented under Note 7.

##### b) Information on affiliated and other related parties

## Type of transactions with affiliates and other related parties

Name	Type of relation	Transaction type	Contry of origin
Argyrios Volis	Administrator	Loans received	Grecia
Stavros Nteventzis	Shareholder	Loans received	Grecia
Kalemkeris Pavlos	Shareholder	Loans received	Grecia
Framecell Limited	Shareholder	Loans received	Cipru
Coronedo Limited	Shareholder	Loans received	Cipru
Green Southeast Europe	Shareholder	Loans received	Luxemburg
Codlea Alpha Solar	Subsidiary	Loans granted	Romania
NQE Zalokosta (Codlea Unu Solar)	Subsidiary	Loans granted	Romania
Codlea Bravo Solar	Subsidiary	Loans granted	Romania
NQE Hydro (Deal Solar)	Subsidiary	Loans granted	Romania
Deal Properties SRL	Subsidiary	Loans granted	Romania
NQE Central Habitat	Subsidiary	Loans granted	Romania
NQE Solar 2	Subsidiary	Loans granted	Romania
Hygeia Soil	Subsidiary	Loans granted	Romania
Vospolimno Holdings	Subsidiary	Loans granted	Grecia
NQE Developments	Subsidiary	Loans granted	Romania
Ieba Trust	Shareholder	Services	Romania

## Amounts due and receivables from affiliates and other related parties

### Amounts due to affiliates

	Balance as at 30 June 2019
Green Southeast Europe Investments	0
Stavros Nteventzis	466.930
Argyris Volis	105.749
Savvopoulos Vasileios (Obligatiuni)	26.092
Kalemkeris Pavlos (Obligatiuni)	26.092
<b>Total</b>	<b>624.863</b>

### Receivables from affiliates as at 30 June 2019:

During 2017-2018 the Company granted loans to companies in which it holds securities as participation interests in order for them to obtain work permits for development projects in renewable energy.

Name	Type of transaction	Amount	Interest
Vospolimno Holdings	Loans granted		
NQE Hydro (fost Deal Solar)	Loans granted		
Codlea Alpha Solar	Loans granted	675.076	45.037
NQE Zalokosta (fost Codlea Unu Solar)	Loans granted		
Codlea Bravo Solar	Loans granted	124.060	9.008
Deal Properties SRL	Loans granted		
Deal Properties	Assignment of receivables		
NQE Central Habitat	Loans granted		
NQE Solar 2	Loans granted		

Hygeia Soil	Loans granted		
NQE Developments	Loans granted		
Green Southeast Europe Investments	Sale of participations		
<b>TOTAL</b>		<b>799.136</b>	<b>54.045</b>

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

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

**d) Informatii despre impozitul pe profit**

Tax on income	FINANCIAL EXERCISE	
	30 June 2018	30 June 2019
Accounting profit	4.249.626	(81.235)
Deductions and taxable income		
Non deductible expenses		
Tax losses carried forward	(5.635.002)	
Fiscal liability		
Taxable profit	<b>(1.385.376)</b>	
Tax on income		
Fiscal liability		
<b>Fiscal Loss</b>	<b>(1.385.376)</b>	<b>(81.235)</b>

**e) Total of sales**

**Sales on geographical regions:**

	Sales 30 June 2018	Sales 30 June 2019
Local sales	31.075	0
<b>Total sales</b>	<b>31.075</b>	<b>0</b>

**f) Subsequent events**

Not the case.

**h) Cash and bank accounts**

	30 June 2018	30 June 2019
Bank accounts RON	972	124
Bank accounts in currency	26	37
Cash in RON	4.934	1.915
Cash in currency	418	152
<b>Total cash and bank accounts</b>	<b>6.350</b>	<b>2.228</b>

**NOTA 11. CONTINGENT LIABILITIES**

## **(a) Litigations**

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

On June 28, 2017, the Bucharest Court admitted the company's request and found that Natura Quatuor Energia Holdings has the right to be repaid with the sum of 321.648 lei. The decision of the court is subject to appeal within 15 days from the communication.

A couple of commercial litigations occurred due to delays concerning payments. Two legal actions are open regarding penalties for delayed payments. The company is expecting to close amicably all remaining litigations within the second semester.

## **(b) Tax**

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

## **(c) Transfer pricing**

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

## **(d) Fiscal legislation in Romania**

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

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

## **NOTE 12. RISK MANAGEMENT**

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

### **i) Market risk**

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

### **ii) Economic environment risk**

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

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

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

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

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

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

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

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

### **iii) Foreign currency risk**

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

### **iv) Credit risk**

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

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

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

### **v) Liquidity risk**

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

The Company's policy regarding liquidity is to maintain sufficient liquidity so that the obligations on the due dates can be paid. Assets and liabilities are analyzed according to the period remaining until the contractual maturities.

However, the liquidity risk of the company at this stage is significantly associated with the liquidity risk of its principal or shareholder, which supports the operation of the company, until the projects mature and provide income. Currently, the company is facing a liquidity risk, which the shareholders are trying to overcome.

Arntiana Veizi
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Member of the Board
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## STATEMENT

This statement is given according to art. 113 letter D 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 at 30 June 2019 regarding the extent to which they present fairly, in all material respects, the financial position of NATURA QUATTUOR ENERGIA HOLDINGS S.A. as at 30 June 2019 and of its financial performance, cash flows for the financial semester 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 individual semester 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.

Arntiana Veizi  
Member of the Board

**BOARD OF DIRECTORS REPORT  
SEMESTER I 2019  
Consolidated financial statements**

Report date: 16.08.2019

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

Social offices: Bucharest, Sector 1, 24 Piatra Morii Str.,

Phone/fax number: 021.539.46.00 / 021.539.46.01

Sole Registration Code with Trade Registry: RO 2695737

Trade Registry Number: J40/3315/2009

Subscribed and paid up share capital: 4,556,611 lei

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

**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, Sector 1, 24 Piatra Morii Str. 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 the 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.

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.



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.

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.

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 Semester I 2019.

**c) Description of acquisitions and/or sale of assets**

Not applicable for Semester I 2019.

**d) Description of the main evaluation results of group companies' activities:**

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 31.12.2018 by Eurovalue Property Invest SRL, ANEVAR certified valuator, the estimated market value being of 424.000 Euro, and the liquidation value 318,000 Euro (1,483,120 lei).

CODLEA BRAVO SOLAR SRL owns a land in Codlea, Brasov County, evaluated as of 31.12.2018 by the same valuation company at the estimated market value of 35.500 Euro, and the liquidation value 26,600 Euro (126,506 lei).

**B) Real estate investments**

HYGEIA SOIL owns a land in Jud. Teleorman evaluated as of 31.12.2018 by Eurovalue Property Invest srl at the estimated market value of 104,000 Euro and the liquidation value 78,000 Euro (370,960 lei).

## C) Financial assets

As at 30.06.2019, 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

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 at 31 December 2018	Balance as at 30 June 2019
1	Bond issue loans	0	0
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	2.553.503	2.553.503
<b>6=3+4+5</b>	<b>Total trade payables</b>	<b>2.553.503</b>	<b>2.553.503</b>
7	Amounts due to third parties	2.654.990	2.654.990
8	Amounts due to affiliates		
9	Amounts due to participation interest entities and other related parties		
10	Other liabilities including fiscal debts and other debts related to social securities		
<b>11=7+8+9+10</b>	<b>Total</b>	<b>5.208.493</b>	<b>5.208.493</b>

## F) Share capital

As at 30 June 2019, the share capital is made up of the statutory equity amounting to 4,556,611 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	14.907.177	0,10	1.490.718	32.72%
Framecell Ltd	5.044.930	0,10	504.493	11.07%
Legal persons	14.655.380	0,10	1.465.538	32.16%
Physical persons	10.958.623	0,10	1.095.862	24.05%
<b>Total</b>	<b>45.566.110</b>		<b>4.556.611</b>	<b>100.00%</b>

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

## G) Results

As at 30 June 2019, the Company recorded the following consolidated results:

Indicators	01.01.2019	30.06.2019
Operating revenues	223.800	0
Financial revenues	694.125	48.566
<b>Total revenues</b>	<b>367.693</b>	<b>48.566</b>
Operating expenses	(7.278.660)	(326.772)
Financial expenses	(422.707)	(43.484)
<b>Total expenses</b>	<b>(7.701.368)</b>	<b>(370.856)</b>
Operating result	(7.054.861)	(326.772)
Financial result	271.418	5.082
Investments quota	(34.888)	3.674
Gross result	(6.818.331)	(325.454)
Current income tax	(4.643)	(332)
Deferred income tax	(871.749)	(3.292)
<b>Net Profit /Loss</b>	<b>(7.694.723)</b>	<b>(329.076)</b>

## H) Taxes and charges

As at 30 June 2019, consolidated, the group registers deferred income tax amounting to 3.292 RON.

### 1.1.1. Elements of general evaluation

- a) In 30.06.2019, consolidated, the group registers a loss amounting to (329.076) RON;
- b) Turnover: 0 RON;
- c) Type of revenues: Services - rents
- d) Expenses – Total expenses in 30.06.2019 amounted to (370.856) RON;
- e) % of market share –not applicable;
- f) Liquidity – at 30.06.2019, consolidated, the group had cash available amounting to 2.228 RON;

### 1.1.2. Evaluation of Company's technical degree

Not applicable

### 1.1.3. Evaluation of the technical-material supply

Not applicable

### 1.1.4. Evaluation of the sales activity

Not applicable

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

a) During semester I 2019, consolidated, the group had an average of 3 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
- 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 effectively 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. However, the liquidity risk of the company at this stage is significantly associated with the liquidity risk of its principal or shareholder, which supports the operation of the company, until the projects mature and provide income. Currently, the company is facing a liquidity risk, which the shareholders are trying to overcome

#### **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**

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 shareholders have not officially committed to support the group's operations in 2019.

##### **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.

#### **Subsequent events**

No events subsequent to the balance sheet date.

## **2. Tangible assets of the Company**

On 30.06.2019, the group owns the following tangible assets:

- A plot of land in Mogosoaia with a surface of 8,002.4 sqm held by Natura Quattor Energia Holdings sa
- A plot of land in Codlea with a surface of 17,996 sqm held by Codlea Bravo Solar SRL
- A plot of land in jud Teleorman with a surface of 210.000 mp held by Hygeia Soil srl.

## **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 45,566,110 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 (2016, 2017, 2018), 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 during semester I 2019.

## **4. Corporate governance**

### **4.1. Shareholders general assembly**

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;
- 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;
- 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.

#### **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 2 members, elected for a term of four years as follows:

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##### **ADMINISTRATOR**

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ARNTIANA VEIZI

VOLIS ARGYRIOS

Since October 2012, Mr. Argyrios Volis was appointed General Manager, while he resigned from his position on April 2019. A new General Manager will be appointed upon the establishment of the new Board of Directors, to be voted on 08.08.2019

Mr Ionut Paraschiv was resigned on 13.03.2019

During the last 5 years, the administrators were not involved in litigations or administrative procedures. Currently, the management is conducted by Argyrios Volis and Arntiana Veizi until the next general meeting in August 2019

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 Nqe Zalokosta SR: (former Codlea Unu Solar) has been ensured in 2014 by Anastasios Drakos, in 2015 by Nikolaos Sofianos and, beginning with april 2016 by Mihai Andrei-Lucian. Mihai Andrei-Lucian is part of the Nqe Holdings team, working in the financial-accounting department. The company is currently without a manager.

Administrative management of teh companies Codlea Bravo Solar, NQE Solar 2 and NQE Solar Habitat SRL (former NQE Aqua) was ensured by Nae – Serban Ileana – Teodora. The companies Codlea Bravo Solar and NQE Solar 2 are currently without a manager

Administrative management of Deal Properties SRL is ensured by a board of directors made up of two members: Mr. Marius Melintescu and Vladimir Boroukaev. Vladimir Boroukaev is the financial manager of Novard group of companies.

Administrative management of NQE Central Habitat SRL is ensured by Marius Melintescu and Michail Palaodimopoulos. The company is currently without a manager.

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.

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.

**d) list of persons affiliated to the group.**

	<b>Nature of relationship</b>	<b>Country of origin</b>
	Administrator,	
Argyrios Volis	Associate	Greece
Panagiotis Diamandis	Associate	Greece
Framecell Limited	Associate	Cipru
Coronado 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
Unstop Holdings Limited	Associate	Cyprus
Deal Properties SRL	Associate	Romania

Palaiodimopoulos Michail  
Marius Melintescu  
Mihai Andrei Lucian  
Stone Tribune Co  
Savvopoulos Nikolaos  
Savvopoulos Vasileios  
Kalemkeris Pavlos  
Nteventzis Stavros  
Cornerstone Investments  
Hellenic Granite Company  
Didras Holdings Luxembourg SA

Administrator,  
Associate Greece  
Administrator Romania  
Administrator Romania  
Associate Marshall Islands  
Associate Greece  
Associate Greece  
Associate Greece  
Associate Greece  
Associate Greece  
Associate Greece  
Affiliate Luxembourg

## 5. Financial consolidated statements

Economic and financial analysis at as 30 June 2019 is as follows:

### A) BALANCE SHEET ELEMENTS

Indicators	01.01.2019	30.06.2019
<b>Total assets</b>	<b>3.526.812</b>	<b>3.526.812</b>
Tangible assets	1.970.964	1.970.964
Inventory	-	-
Liabilities	1.555.848	1.555.848
Cash and bank accounts	8.545	8.545
<b>Total liabilities</b>	<b>3.526.812</b>	<b>3.526.812</b>
Equity	(2.469.274)	(2.469.274)
Total debts	5.996.086	5.996.086

### B) Profit and loss account

Indicators	01.01.2019	30.06.2019
Operating revenues	223.800	0
Financial revenues	694.125	48.566
<b>Total revenues</b>	<b>367.693</b>	<b>48.566</b>
Operating expenses	(7.278.660)	(326.772)
Financial expenses	(422.707)	(43.484)
<b>Total expenses</b>	<b>(7.701.368)</b>	<b>(370.856)</b>
Operating result	(7.054.861)	(326.772)
Financial result	271.418	5.082
Investment quota	(34.888)	3.674
Gross result	(6.818.331)	(325.454)
Current income tax	(4.643)	(332)
Deferred income tax	(871.749)	(3.292)
<b>Net Profit /Loss</b>	<b>(7.694.723)</b>	<b>(329.076)</b>

### C) ANALYSIS OF MAIN FINANCIAL – ECONOMIC INDICATORS

	30.06.2018	30.06.2019
Current liquidity ratio	0.35	0.19
Gearing ratio	0.35	0.19

## 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.

This Report of the Board of Directors was approved on 16 August 2019.

Member of the Board of Directors  
Arntiana Veizi

SEMESTERLY REPORT CONSOLIDATED STATEMENTS  
According to NSC Regulation No. 1 / 2006  
QUARTER I 2019

Report date: 16.08.2019

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

Social offices: Bucharest, Sector 1, 24 Piatra Morii Str.,

Phone/fax number: 021.539.46.00 / 021.539.46.01

Sole Registration Code with Trade Registry: RO 2695737

Trade Registry Number: J40/3315/2009

Subscribed and paid up share capital: 4,556,611 lei

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

**STATEMENT OF FINANCIAL POSITION**  
as at 30.06.2019

	<b>01-Jan-19</b>	<b>30-Jun-19</b>
	(Audited)	(Not audited)
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	466.390	466.390
Intangible assets	-	-
Investment property	1.970.964	1.970.964
Loans receivables	680.929	680.929
Bonds	-	-
Financial assets	-	-
Investment in associates	242.523	242.523
Deferred tax asset	-	-
<b>Total Non current Assets</b>	<b>3.360.806</b>	<b>3.360.806</b>
<b>Current assets</b>		
Inventories	-	-
Loans receivables	-	-
Trade and other receivables	140.920	140.920
Other assets	16.541	16.541
Cash and cash equivalents	8.545	8.545
<b>Total Current Assets</b>	<b>166.006</b>	<b>166.006</b>
<b>Total Assets</b>	<b>3.526.812</b>	<b>3.526.812</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' Equity</b>		
Share capital	5.861.057	5.861.057
Share premiums	8.405.391	8.405.391
Translation reserve	(3.988)	(3.988)
Revaluation reserves	1.385.008	1.385.008
Legal reserves	24.479	24.479
Other reserves	14.459	14.459
Retained earnings / (Accumulated losses)	(10.677.486)	(10.677.486)
Result for the year	(7.411.526)	(7.411.526)
<b>Total shareholders' equity</b>	<b>(2.402.606)</b>	<b>(2.402.606)</b>
Non-controlling interest	(66.668)	(66.668)
<b>Total equity</b>	<b>(2.469.274)</b>	<b>(2.469.274)</b>

<b>Non-current liabilities</b>		
Loans and borrowings	787.593	787.593
Bonds	-	-
Other long term liabilities	-	-
Deferred tax liabilities	-	-
<b>Total Non-current liabilities</b>	<b>787.593</b>	<b>787.593</b>
<b>Current liabilities</b>		
Trade and other payables	2.553.503	2.553.503
Loans and borrowings	2.654.990	2.654.990
Bonds	-	-
<b>Total Current liabilities</b>	<b>5.208.493</b>	<b>5.208.493</b>
<b>TOTAL Liabilities</b>	<b>5.996.086</b>	<b>5.996.086</b>
<b>TOTAL Shareholders' Equity and Liabilities</b>	<b>3.526.812</b>	<b>3.526.812</b>

## STATEMENT OF COMPREHENSIVE INCOME as of 30.06.2019

	<b>01-Jan-19 (audited)</b>	<b>30-Jun-19 (not audited)</b>
Revenues from services rendered	-	-
Rental income	28.586	
Other revenues	195.213	
<b>Total revenues</b>	<b>223.800</b>	
Third party services	(1.230.113)	(171.684)
Personnel expenses	(1.507.007)	(128,260)
Other operating expenses	(4.119.376)	(43,400)
Fair value gains / (losses) from investment properties, net	(422.164)	20.572
<b>Total operating expenses</b>	<b>(7.278.660)</b>	<b>(326.772)</b>
<b>Operating result</b>	<b>(7.054.861)</b>	<b>(326.772)</b>
Financing costs	(433.266)	-33,670
Financing income	143.893	48,566
Foreign exchange expense, net	10.559	-9,814
Other financial items, net	550.232	
<b>Financial result</b>	<b>271.418</b>	<b>5,082</b>
Share of profit of equity-accounted investees, net of tax	(34.888)	3,674
<b>Gross profit</b>	<b>(6.818.331)</b>	<b>(325.454)</b>
Current income tax expense	(4.643)	(332)
Deferred income tax expense	(871.749)	(3292)
<b>Total income tax</b>	<b>(876.392)</b>	<b>(3,624)</b>

<b>Net profit / (loss) for the period</b>	<b>(7.694.723)</b>	<b>(329.076)</b>
thereof attributable to non-controlling interests	(283.197)	(50.520)
thereof attributable to the owners of the parent	(7.411.526)	(278,556)
<b>Other comprehensive income</b>		
<b>Items that will never be reclassified to profit and loss</b>		
Revaluation of property, plant and equipment	(305.560)	90.890
Foreign currency translation differences for foreign operations	49.754	
Deferred tax liability on revaluation reserve	-	(14,542)
<b>Other comprehensive income for the period</b>	<b>(255.806)</b>	<b>76.346</b>
<b>Total comprehensive income</b>	<b>(7.950.529)</b>	<b>(252.730)</b>
thereof attributable to non-controlling interests	(283.197)	(50,580)
thereof attributable to the owners of the parent	(7.667.332)	(202,150)

**The financial statements were not audited as at 30.06.2019.**

Antiana Veizi
Member of the Board

## Explanatory notes

### 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, Sector 1, 24 Piatra Morii Str. 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 company is not ultimately controlled by a single entity.

The consolidated financial statements of the Company for the year ended 30 June 2019 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:

	<u>Country of registration</u>	<u>Nature of business</u>	<u>June 30, 2019</u>	<u>December 31, 2018</u>
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	√	√
Hygeia Soil SRL	Romania	Agriculture	√	√
NQE Central Habitat SRL	Romania	Real estate development	√	√
NQE Solar 2 SRL	Romania	Real estate development	√	√
NQE Developments	Romania	Real estate development	√	√

### 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.

### **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.

### **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 to all periods presented in these consolidated financial statements.

### **Note 7. Significant accounting policies**

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



## STATEMENT

This statement is given according to art. 113 letter D 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 at 30 June 2019 regarding the extent to which they present fairly, in all material respects, the financial position of NATURA QUATTUOR ENERGIA HOLDINGS S.A. as at 30 June 2019 and of its financial performance, cash flows for the financial semester 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 semester 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.

Arntiana Veizi  
Member of the Board