

**Quarterly Report according to  
National Securities Commission Regulation no. 1/2006  
3<sup>rd</sup> QUARTER of 2017  
Date of report for 13.11.2017**

S.C. PREBET AIUD S.A.

Registered Office : AIUD, Str. ARENEI, Nr.10, Jud. ALBA

Phone number : 0258 / 861661 ; fax : 0258 / 861454

Number and date of registration in the Trade Register Office : J01/121/1991

Tax Identification Number : RO 1763841

1. ECONOMIC AND FINANCIAL STATEMENT

a. STATEMENT OF FINANCIAL POSITION

	<b>01.01.2017</b>	<b>30.09.2017</b>
Tangible assets	<b>13.061.174</b>	<b>14.146.369</b>
Financial assets	-	-
<b>TOTAL FIXED ASSETS</b>	13.061.174	<b>14.146.369</b>
Stocks	<b>4.561.611</b>	<b>4.994.553</b>
Trade receivables	<b>11.259.940</b>	<b>10.910.725</b>
Cash and cash equivalents	<b>8.172.328</b>	<b>7.366.633</b>
Other assets	-	-
<b>TOTAL CURRENT ASSETS</b>	23.993.879	<b>23.271.911</b>
<b>1.TOTAL ASSETS</b>	37.055.053	<b>37.418.280</b>
Share capital	<b>8.199.548</b>	<b>8.199.548</b>
Adjustment of capital	<b>57.644.064</b>	<b>57.644.064</b>
Other components of own capital	<b>- 647.854</b>	<b>- 647.854</b>
Share premium	-	-
Revaluation reserves	<b>3.779.677</b>	<b>3.716.085</b>
Reserves	<b>14.858.327</b>	<b>16.080.724</b>
Retained earnings except that form the adoption for the first time of IAS 29	<b>- 63.521.958</b>	<b>5.344.529</b>
Retained earnings from the adoption for the first time of IAS 29	<b>5.280.937</b>	<b>- 63.521.958</b>
Profit at the end of the reporting period	<b>2.647.696</b>	<b>1.278.314</b>
Distribution of profit	-149.815	-

<b>2.TOTAL EQUITY</b>	<b>28.090.622</b>	<b>28.093.314</b>
Long terms loans	-	-
Deferred income tax liability	604.251	604.251
<b>TOTAL LONG - TERM LIABILITIES</b>	<b>604.251</b>	<b>604.251</b>
Trade paybles and other paybles	3.758.047	4.593.226
Short term loans	-	-
Current income of liability	-	-
<b>TOTAL SHORT – TERM LIABILITIES</b>	<b>3.758.047</b>	<b>4.593.226</b>
<b>Subsides for investment</b>	<b>1.820.652</b>	<b>1.712.211</b>
<b>Provisions</b>	<b>2.781.481</b>	<b>2.415.287</b>
<b>3.TOTAL LIABILITIES</b>	<b>37.055.053</b>	<b>37.418.280</b>

b. STATEMENT OF REVENUE AND EXPENDITURE

	<b>30.09.2016</b>	<b>30.09.2017</b>
<b>NET TURNOVER</b>	<b>22.366.138</b>	<b>18.624.802</b>
Income cost products stocks	( 386.917 )	240.716
Incomes from production of tangible assets	0	328.424
Other income	247.224	207.673
<b>OPERATING REVENUE – TOTAL</b>	<b>22.226.445</b>	<b>19.401.615</b>
Raw materials and consumables used	10.591.232	9.802.092
Other material expenses	61.239	55.279
Other external expenses ( for energy and water )	717.041	685.685
Expenses on goods	136.270	78.572
Trade discounts received	( 29.915 )	-6.454
Staff costs , of which :	5.279.805	5.155.448
- Wage and allowances	4.265.669	4.172.611
- Expenses on social security and welfare	1.014.136	982.837
Value adjustment on intangible and tangible assets , property investment and biological assets measured at cost.	705.123	780.082
Expenses	705.123	780.082
Revenues	0	0
<b>Value adjustments on current assets</b>	<b>- 65.005</b>	<b>- 13.655</b>
- Expenses	1.703	-
- Revenues	66.708	13.655

<b>Other operating expenses , of which</b>	1.475.693	1.719.978
- Expenses on external supply	1.265.999	1.541.330
- Other taxes , duties and similar expenses	146.096	111.955
- Other expenses	63.598	65.430
<b>Adjustments for provisions</b>	589.492	- 366.023
<b>OPERATING EXPENSES – TOTAL</b>	<b>19.460.975</b>	<b>17.890.824</b>
<b>OPERATING PROFIT OR LOSS</b>	2.765.470	1.510.791
Revenues from participating interests	0	0
Other financial revenues	20.156	34.698
<b>FINANCIAL REVENUES</b>	<b>20.156</b>	<b>34.698</b>
Interest expenses	0	0
Other financial expenses	27.241	61.082
<b>FINANCIAL EXPENSES</b>	<b>27.241</b>	<b>61.082</b>
<b>FINANCIAL PROFIT OR LOSS</b>	<b>- 7.085</b>	<b>- 26.114</b>
<b>TOTAL REVENUE</b>	<b>22.246.601</b>	<b>19.436.583</b>
<b>TOTAL EXPENSES</b>	<b>19.488.216</b>	<b>17.951.906</b>
<b>GROSS PROFIT</b>	<b>2.758.385</b>	<b>1.484.677</b>
<b>TAX REVENUE</b>	<b>412.067</b>	<b>206.501</b>
<b>NET PROFIT</b>	<b>2.346.318</b>	<b>1.278.176</b>

**EXPLANATORY NOTE:**

**I. SITUATION OF ASSETS, LIABILITIES AND EQUITY OF S.C. PREBET AIUD S.A ON 30.09.2017 IN COMPARISON TO 01.01.2017**

The value of the fixed assets of the Company in the reporting period, namely 01.01.2019 - 30.09.2019 increased from 13.061.174 lei 14.146.369 lei the increase of 1.085.195 lei being due to the fact that during the analyzed period the volume of amortization was higher than the volume of investments.

The value of the net current assets of the company in the reporting period (01.01.2017-30.09.2017) decreased from 20.091.244 lei to 18.534.097 lei , the decrease of 1.577.147 lei is partially due to the reduction of trade receivables and liquid assets.

The company's total amount of debts( wich are totally current liabilities ) for the reporting period (01.01.2017-30.09.2017) increased from 3.758.047 lei to 4.593.226 lei , the increase of 835.179 lei representing debts to the suppliers , debts to the state budget , advances cashed from the clients.

The value of trade receivables of the Company in the reporting period, namely 01.01.2017 - 30.09.2017 decreased from 11.259.940 lei to 10.910.725 lei, with a difference of 349.215 lei.

This diminution the commercial receivables was due to the diminishing of turnover in this period due to several factors including the lack of demand resulting from the reduction of investments in the road and railway infrastructure in Romania.

Cash and bank accounts (liquid assets) of the Company in the reporting period, namely 01.01.2017 - 30.09.2017, decreased from 8.172.328 lei to 7.366.633 lei, with a decrease of 805.695 lei.

## **II. SITUATION OF MAIN INDICATORS OF S.C. PREBET AIUD S.A. ON 30.09.2017 IN COMPARISON WITH 30.09.2016**

The reduction in the volume of investment in infrastructure in Romania has led to a decrease in the demand for prefabricated both in the road and railway infrastructure.

This led to a decrease in the turnover and total revenues of our company, partly anticipated by the company's management since the drafting of the Income and Expenses Budget for 2017, subject to approval by the General Meeting of Shareholders.

Despite all the difficulties encountered, the Board of Directors and the executive management of the Company have made and will make sustained efforts, assuring the shareholders and potential investors to achieve the objectives proposed by the BVC, especially the profit.

In comparison with the economic - financial situation for the similar period of 2016, the achievements over the reporting period were much better.

The main decrease was registered in the turnover indicator, from the value of 22.366.138 lei to the value of 18.624.802 lei, with a difference of 3.741.336 lei, the percentage of realization 83,27%.

Among the factors that contributed to this situation we mention:

- In the first part of the analyzed period, unlike the similar period last year, the temperature was very low, which made our beneficiaries (the builders) unable to work on the construction sites.
- Lack of demand for products, our beneficiaries demanding the postponement of the delivery of the contract products.

The total revenue indicator decrease of 2.810.018lei (87.37%), decreasing from 22.246.601 lei to 19.436.583 lei.

The total expenditures amounting to 17.951.906 lei were lower by 1.536.310 lei, in the amount of 92.12% compared to 19.488.216 lei.

Related to this, there were decreases in the consumption of raw materials and personnel and personnel expenses, expenses on provisions.

Gross profit recorded a sharp decline from 2.765.470 lei at 1.484.677 lei due to lower revenues.

However, there is a premise that the gross profit set by BVI for 2017 will be achieved.

## **2. ANALYSIS OF THE TRADING COMPANY ACTIVITY**

2.1 Below we shall present and analyze all events or uncertainty factors that affect or could affect the company's business compared to the same period of the last year.

**Among the risks to which the company was exposed we name:**

- Risk of emerging market;
- Risk of political instability;
- Risk of changes to tax legislation;
- Risk of default payment (credit);
- Risk related to permits and licenses;
- Economic and financial risk;
- Competition risk;
- Operational risk.

**Risk of emerging market:**

Although Romania is a Member State of the European Union, even if this status ensures premises for continuing the structural reforms and improvement for the the business environment, there are risks (unanticipated events), associated with an emerging market economy as it is still considered Romania, able to significantly affect the activity of the company, its development opportunities and its financial perspectives. Among the features of an emerging market those that could affect most of our company's activities are the volatility of interest rate and of the exchange rate, even if the evolutions in the analyzed period suggest some stability of these financial variables.

**Risk of political instability:**

Political instability may result in delaying the implementation of structural reforms aimed to support a sustainable development of the Romanian economy and to promote the creation of an economic and financial infrastructure that increases attractiveness of foreign direct investments and/or the portfolio. A negative perception of the Romanian political class can influence the volume, character and structure of investments in Romania, foreign and/or domestic. Political instability may have wide negative effect on confidence of resident or non-resident investors, regarding the degree of liquidity and capitalization including the stock exchange quotations.

**Risk of changes to tax legislation:**

The risk of political instability in Romania, leads to the risk of changing in the tax legislation, leading to a further possible negative impact on the company's activity and/or gains made by investors from owning or trading of shares (raising taxes, introducing of new taxes, reduction or suspension of tax incentives, etc.). There is a risk that the company or the investors in its shares, to be exposed in the future

to quotas increased by taxes or new taxes (additional) that can not be currently predicted or estimated.

**Risk of default payment (credit):**

The risk of default (credit) is the risk that the company would incur a financial loss as a result of non-fulfillment the contractual obligations by a customer or in counterparty to a financial instrument, and this risk mainly result from trade receivables.

Company's exposure to credit risk is influenced mainly by the individual characteristics of each client. To counter this risk factor the company applied and applies restrictive policies of delivery to uncertain customers, subject to payment by them in advance of the products delivered and/or the issuance by them of certain payment instruments (guaranteed promissory notes in own name and/or letters of bank guarantee).

### **Risk related to permits and licenses:**

The company's activity is subject to the obtaining of permits and licenses specific to the business domain, namely the production of precast and prestressed concrete for road and railway communications routes. Any changes in the conditions required to be insured by the company or in the maintenance requirements of these permits and licenses, including changes in criteria for obtaining or renewal thereof, may adversely affect the company's business or financial outlooks.

### **Economic and financial risk:**

The activity, financial situation and company's perspectives depend on the development level of economy and the capital market in Romania, and consequently on the volume and value of transactions in the capital market. The international financial crisis affecting economies and worldwide capital markets could have negative effects that are difficult to be assessed within Romanian economy, national currency and within the market that operates the company (the issuer), resulting in lowering the volume and the transaction value, namely decreasing the price of Financial Traded Instruments. Negative effects on the Romanian economy could lead to diminishing of the purchasing power and financial resources of companies and individuals in Romania, including those that are trading on the Bucharest Stock Exchange, where the company is listed. Liquidity and prices over regulated capital markets in Romania are affected directly or indirectly by the evolution of international capital markets. The risk of regional instability amid armed conflicts, can also cause substantial financial losses that are hard to be anticipated at the time of preparation of this analysis.

### **Competition risk:**

Board of directors of the Company considered that the date of this analysis, there is a risk of competition to the markets where it operates. To mitigate its effects and consequences, Prebet company must deliver to customers high quality products at an affordable price, achievable goals constantly in reducing expenses through a judicious use of resources, both material and human.

### **Operational risk:**

Operational risk is the risk of direct or indirect losses, arising from a variety of causes associated with processes, personnel, technology and infrastructure of the company and also to certain external factors other than credit risk, market risk and liquidity risk, as those coming from legal and regulatory requirements and generally accepted standards of organizational behavior.

Operational risks arise from all the company's operations. The main responsibility of developing and implementing operational control risks belongs to the Company's management. The responsibility is supported by the development of general standards of the company that manages the operational risk, considering the following directions:

- Separation requirements of responsibilities by their individualization;
- Compliance with the legal requirements relevant regulation;
- Periodic review of operational risk it poses which the society is exposed to and the implementation of controls and procedures to prevent the identified risks;
- Reporting requirements of operational losses and proposals to remedy the causes that generated them;
- Preparation of development plans and professional training;
- Establishing ethical standards;
- Preventing the risk of litigation including insurance where it applies

2.2 After the years 2013-2014, when was held a wide-ranging refurbishment of the company, by acquiring six goals contained in the investment program,,Introduction of New Technologies and the Technological Modernization of the Company Prebet" program supported by accessing European funds during year 2016 will be held project investment according to B.V.C.

3. Changes that affect the share capital and the management of the trading company: **Was not appropriate.**

3.1 Describe any situation in which the company was found in the impossibility to observe its financial obligations during that period: **Was not appropriate.**

3.2 Description of any change regarding the rights of holders of securities issued by the company: Was not appropriate.

4. Significant transactions: **Was not appropriate.**

Administrator,

Name and first name : RACASAN STEFAN  
Title : General Manager

Signature

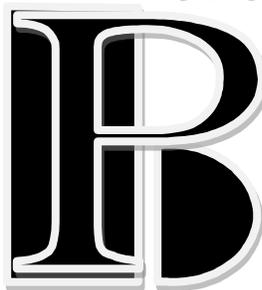
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Prepared by,

Name and first name : CIMPEAN IOAN  
Title : Economic Manager

Signature

# S.C. PREBET AIUD S.A.



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SR EN ISO 9001 : 2008  
Certificat seria SMC Nr.046



## Statement of S.C. PREBET AIUD S.A. Board of Administration

S.C. PREBET AIUD S.A. Board of Administration states hereby that it is liable for the financial statements issued on September 30<sup>th</sup> , 2017.

Subject to the financial statements issued on September 30<sup>th</sup> , 2017, S.C. PREBET AIUD S.A. Board of Administration confirms the followings :

- a) The financial statements at September 30<sup>th</sup>, 2017 are issued according to the International Financial Reporting Standards as they were adopted for European Union.
- b) The accounting policies used to issuing the financial statement at September 30<sup>th</sup> , 2017 according to the applicable accounting regulations.
- c) The financial statement issued on September 30<sup>th</sup> , 2017 offer an accurate image about financial position , financial performance and other information subject to the activity performed.
- d) The compant perform it's activity under continuity conditions.
- e) The financial statement issued on September 30<sup>th</sup> , 2017, have not been audited.

This statement is in accordance with the provisions of the Order of the Minister of Public Finance no. 2844/2016.

Administrator,

Name and surname : RACASAN STEFAN  
Position : General Manager

Signature

Company stamp

Prepared by,

Name and surname : CIMPEAN IOAN  
Position : Economic Manager

Signature

## ECONOMIC AND FINANCIAL RATIOS

<b>Ratio Name</b>	<b>Method of Calculation</b>	<b>Rezultat</b>
1. Current liquidity ratios	Current Assets / Current Liquidities	$23.271.911 : 4.593.226 = 5,07$
2. Gearing ratio	Loan Capital ( t0 + t1 ) / Own Capital ( t0 = t1 )	—
3. Receivables turnover	Average balance customer / turnover x 270	$8.641.335 : 18.624.802 \times 270 = 125$
4. Fixed assets turnover	Turnover / Intangible Assets	$18.624.802 : 14.146.369 = 1,32$

Economic Manager  
Ec. CIMPEAN IOAN

COUNTY : ALBA	TYPE OF COMPANY : JOIN STOCK COMPANY
LEGAL ENTITY : S.C. PREBET AIUD S.A.	MAIN ACTIVITY
ADDRESS : ARENEI Street , No. 10, Loc. AIUD , Jud. ALBA	( group name CAEN ) : MANUFACTURE OF CONCRETE PRODUCTS FOR CONSTRUCTION
PHONE : 0258 / 861 661 , FAX : 0258 / 861 454	CAEN CODE: 2361
TRADE REGISTER REGISTRATION NO : J01 / 121 / 1991	Unique registration code : RO1763841

CODE 10 ► STATEMENT OF ASSETS, LIABILITIES AND EQUITY on 30.09.2017 (lei)			
Item name	Nr. rand	Current balance on:	
		01.01.2017	30.09.2017
A	B	1	2
<b>A. FIXED ASSETS</b>			
<b>I. INTANGIBLE ASSETS</b>			
1. Development expenses (acct. 203 - 2803 - 2903)	01	-	-
2. Concessions, patents, licenses, trademarks, similar rights and assets and other intangible assets (acct. 205 + 208 - 2805 - 2808 - 2905 - 2906 - 2908)	02	-	-
3. Goodwill (acct. 2071)	03	-	-
4. Earnests (acct. 4094)	04	-	-
5. Intangible assets for exploration and evaluation of mineral resources (acct. 206 - 2806 - 2907)	05	-	-
<b>TOTAL: (row 01 to 05)</b>	<b>06</b>	-	-
<b>II. TANGIBLE ASSETS</b>			
1. Land and buildings (acct. 211 + 212 - 2811 - 2812 - 2911 - 2912)	07	6.117.716	5.925.716
2. Plant and machinery (acct. 213 + 223 - 2813 - 2913)	08	6.653.410	7.577.983
3. Other fixtures, tools and furniture (acct. 214 + 224 - 2814 - 2914)	09	19.646	16.527
4. Investment in property (acct. 215 - 2815 - 2915)	10	-	-
5. Tangible assets in progress (acct. 231 - 2931)	11	-	447.461
6. Investment in property in progress (acct. 235 - 2935)	12	-	-
7. Tangible assets for exploration and evaluation of mineral resources (216 - 2816 - 2916)	13	-	-
8. Earnests ( acct. 4093)	14	270.402	178.682
<b>TOTAL: (row 07 to 14)</b>	<b>15</b>	<b>13.061.174</b>	<b>14.146.369</b>

**S.C. PREBET AIUD S.A. – FINANCIAL STATEMENTS (all amounts are expressed in Romanian lei )**

<b>III. BIOLOGICAL ASSETS</b> (acct. 241 - 284 - 294)	16	-	-
<b>IV. FINANCIAL ASSETS</b>			
1. Shares in subsidiaries (acct. 261 - 2961)	17	-	-
2. Loans to group entities (acct. 2671 + 2672 - 2964)	18	-	-
3. Shares in associates and jointly controlled entities (acct. 262 + 263 - 2962)	19	-	-
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
4. Loans granted to associates and jointly controlled entities (acct. 2673 + 2674 - 2965)	20	-	-
5. Other long term investments (acct. 265 + 266 - 2963)	21	-	-
6. Other loans (acct. 2675* + 2676* + 2677 + 2678* + 2679* - 2966* - 2968*)	22	-	-
<b>TOTAL: (row 17 to 22)</b>	23	-	-
<b>FIXED ASSETS — TOTAL (row 06 + 15 + 16+ 23)</b>	24	13.061.174	14.146.369
<b>B. CURRENT ASSETS</b>			
<b>I. STOCKS</b>			
1. Raw materials and consumables (acct. 301 + 302 + 303 +/- 308 + 321 + 322 + 323 + 328 + 351 + 358 + 381 +/- 388 - 391 - 392 - 3951 - 3958 - 398)	25	1.054.315	1.236.667
2. Assets held for sale (acct. 311)	26	-	-
3. Production in progress (acct. 331 + 341 +/- 348* - 393 - 3941 - 3952)	27	-	-
4. Finished goods and merchandise (acct. 327 + 345 + 346 + 347 +/- 348* + 354 + 357 + 371 +/- 378 - 3945 - 3946 - 3953 - 3954 - 3957 - 397 - 4428)	28	3.505.855	3.757.886
5. Earnests (acct. 4091)	29	1.441	-
<b>TOTAL (row 25 at 29)</b>	30	4.561.611	4.994.553
<b>II. RECEIVABLES</b> (The amounts to be received after more than one year must be shown separately for each item)			
1. Trade receivables (ct. 2675* + 2676* + 2678* + 2679* - 2966* - 2968* + 411 + 413 + 418 - 491)	31	10.725.655	10.412.763
2. Earnests paid (acct. 4092)	32	-	-
3. Amounts receivable from group entities (acct. 451 ** - 495*)	33	-	-
4. Amounts receivable from associates and jointly controlled entities (acct. 453 – 495*)	34	-	-
5. Receivables arising from derivatives transactions (acct. 4652)	35	-	-

**S.C. PREBET AIUD S.A. – FINANCIAL STATEMENTS (all amounts are expressed in Romanian lei )**

6. Other receivables (acct. 425 + 4282 + 431** + 437** + 4382 + 441** + 4424 + 4428** + 444** + 445 + 446** + 447** + 4482 + 4582 + 461 + 4662 + 473** - 496 + 5187)	36	534.285	497.962
7. Capital subscribed and not paid (acct. 456 - 495*)	37	-	-
<b>TOTAL (row 31 to 37)</b>	<b>38</b>	<b>11.259.940</b>	<b>10.910.725</b>
<b>III. SHORT-TERM INVESTMENTS</b> (acct. 505 + 506 + 507 + din ct. 508 - 595 - 596 - 598 + 5113 + 5114)	39	-	-
<b>IV. CASH AND BANK ACCOUNTS</b> (of acct. 508 + acct. 5112 + 512 + 531 + 532 + 541 + 542)	40	8.172.328	7.366.633
<b>CURRENT ASSETS – TOTAL (row 30 + 38 + 39 + 40)</b>	<b>41</b>	<b>23.993.879</b>	<b>23.271.911</b>
<b>C. PREPAYMENTS (acct. 471) ( row 43+44)</b>	<b>42</b>	<b>-</b>	<b>-</b>
Amounts taken over in a period of up to one year (of acct. 471*)	43	-	-
Amounts taken over in a period exceeding one year (of acct. 471*)	44	-	-
<b>D. DEBTS: AMOUNTS TO BE PAID IN A PERIOD OF UP TO ONE YEAR</b>			
1. Debenture loans, presenting separately the convertible debenture loans (acct. 161 + 1681 - 169)	45	-	-
2. Amounts owed to credit institutions (acct. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	46	-	-
3. Advances cashed for orders (acct. 419)	47	390.583	683.993
4. Trade payables - suppliers (acct. 401 + 404 + 408)	48	2.592.667	2.729.110
5. Bills payable (acct. 403 + 405)	49	-	-
6. Liabilities from financial lease (acct. 406)	50	-	-
7. Amounts owed to group entities (acct. 1661 + 1685 + 2691 + 451***)	51	-	-
8. Payables to associates and jointly controlled entities (acct. 1663 + 1686 + 2692 + 453***)	52	-	-
9. Liabilities resulting from derivatives transactions (acct. 4651)	53	-	-
10. Other creditors including tax and social security (acct. 1623 + 1626 + 167 + 1687 + 2693 + 2695 + 421 + 422 + 423 + 424 + 426 + 427 + 4281 + 431*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 457 + 4581 + 462 + 4661 + 473*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	54	774.797	1.180.123
<b>TOTAL (row 45 to 54)</b>	<b>55</b>	<b>3.758.047</b>	<b>4.593.226</b>
<b>E. NET CURRENT ASSETS / NET CURRENT LIABILITIES (row 41 + 43 - 55 - 73 - 76 - 79)</b>	<b>56</b>	<b>20.091.244</b>	<b>18.534.097</b>

**S.C. PREBET AIUD S.A. – FINANCIAL STATEMENTS (all amounts are expressed in Romanian lei )**

<b>F.</b>	<b>TOTAL ASSETS LESS CURRENT LIABILITIES (row 24 + 56)</b>	<b>57</b>	<b>33.152.418</b>	<b>32.680.466</b>
<b>G.</b>	<b>DEBTS: AMOUNTS TO BE PAID IN A PERIOD OF MORE THAN ONE YEAR</b>			
	1. Debenture loans, presenting separately the convertible debenture loans (acct. 161 + 1681 - 169)	58	-	-
	2. Amounts owed to credit institutions (acct. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	59	-	-
	3. Advances cashed for orders (acct. 419)	60	-	-
	4. Trade payables - suppliers (acct. 401 + 404 + 408)	61	-	-
	5. Bills payable (acct. 403 + 405)	62	-	-
	6. Liabilities from financial lease (acct. 406)	63	-	-
	7. Amounts owed to group entities (acct. 1661 + 1685 + 2691 + 451***)	64	-	-
	8. Payables to associates and jointly controlled entities (acct. 1663 + 1686 + 2692 + 453***)	65	-	-
	9. Liabilities resulting from derivatives transactions (acct. 4651)	66	-	-
	10. Other creditors including tax and social security (acct. 1623 + 1626 + 167 + 1687 + 2693 + 2695 + 421 + 422 + 423 + 424 + 426 + 427 + 4281 + 431*** + 437*** + 4381 + 441*** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 455 + 456*** + 457 + 4581 + 462 + 4661 + 473*** + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	67	604.251	604.251
	<b>TOTAL (row 58 to 67)</b>	<b>68</b>	<b>604.251</b>	<b>604.251</b>
<b>H.</b>	<b>PROVISIONS</b>			
	1. Provisions for employee benefits (acct. 1517)	69	196.872	196.872
	2. Other provisions (acct. 1511 + 1512 + 1513 + 1514 + 1518)	70	2.584.609	2.218.406
	<b>TOTAL (row 69 + 70)</b>	<b>71</b>	<b>2.781.481</b>	<b>2.415.278</b>
<b>I.</b>	<b>REVENUES IN ADVANCE</b>			
	1. Investment subsidies (acct. 475) (row 73+74)	<b>72</b>	<b>1.820.652</b>	<b>1.712.211</b>
	Amounts taken over in a period of up to one year (of acct. 475*)	73	144.588	144.588
	Amounts taken over in a period exceeding one year (of acct. 475*)	74	1.676.064	1.567.623
	2. Deferred income (acct. 472) - total (row 76 + 77), of which:	<b>75</b>	<b>-</b>	<b>-</b>
	Amounts taken over in a period of up to one year (acct. 472*)	76	-	-

**S.C. PREBET AIUD S.A. – FINANCIAL STATEMENTS (all amounts are expressed in Romanian lei )**

Amounts taken over in a period exceeding one year (acct. 472*)	77	-	-
3. Income received in advance for assets transferred from customers (acct. 478) ( row 79+80)	78	-	-
Amounts taken over in a period of up to one year (of acct. 478*)	79	-	-
Amounts taken over in a period exceeding one year (of acct. 478*)	80	-	-
<b>TOTAL (row 72 + 75 + 78)</b>	<b>81</b>	<b>1.820.652</b>	<b>1.712.211</b>
<b>J. CAPITAL AND RESERVES</b>			
<b>I. CAPITAL</b>			
1. Paid subscribed capital (acct. 1012)	82	8.199.548	8.199.548
2. Unpaid subscribed capital (acct. 1011)	83	-	-
3. Subscribed capital for financial liabilities <sup>2</sup> (acct. 1027)	84	-	-
4. Capital adjustments (acct. 1028)	BALANCE C 57.644.064 BALANCE D 44.0	57.644.064	57.644.064
4. Capital adjustments (acct. 1028)	BALANCE D -	-	-
5. Other elements of equity (acct. 103)	BALANCE C -	-	-
	BALANCE D 647.854	647.854	647.854
<b>TOTAL (row 82 + 83 + 84 + 85 - 86 + 87- 88)</b>	<b>89</b>	<b>65.195.758</b>	<b>65.195.758</b>
<b>II. CAPITAL PREMIUMS</b> (acct. 104)	90	-	-
<b>111. REVALUATION RESERVES</b> (acct. 105)	91	3.779.677	-
<b>IV. RESERVES</b>			
1. Legal reserves (acct. 1061)	92	2.511.870	2.511.870
2. Statutory or contractual reserves (acct. 1063)	93	-	-
3. Other reserves (acct. 1068)	94	12.346.457	13.568.854
<b>TOTAL (row 92 at 94)</b>	<b>95</b>	<b>14.858.327</b>	<b>16.080.724</b>
Exchange differences on translating individual annual financial statements in a different presentation currency from the functional currency (acct. 1072)	BALANCE C -	-	-
	BALANCE D 97	-	-

**S.C. PREBET AIUD S.A. – FINANCIAL STATEMENTS (all amounts are expressed in Romanian lei )**

Own actions (acct. 109)	98	-	-
Gains related to equity instruments (acct. 141)	99	-	-
Losses related to equity instruments (acct. 149)	100	-	-
<b>V. REPORTED RESULT, EXCEPT THE REPORTED RESULT FROM ADOPTION FOR THE FIRST TIME OF IAS 29</b> (ct. 117)	<b>BALANCE C</b> 101	5.280.937	5.344.529
	<b>BALANCE D</b> 102	-	-
<b>VI. REPORTED RESULT FROM ADOPTION FOR THE FIRST TIME OF IAS 29</b> (acct. 118)	<b>BALANCE C</b> 103	-	-
	<b>BALANCE D</b> 104	63.521.958	63.521.958
<b>VII. PROFIT OR LOSS AT THE END OF THE REPORTING PERIOD</b> (acct. 121)	<b>BALANCE C</b> 105	2.647.696	1.278.176
	<b>BALANCE D</b> 106	-	-
Distribution of profit (acct. 129)	107	149.815	-
<b>EQUITY - TOTAL</b> (row 89 + 90 + 91 + 95 + 96 - 97 - 98 + 99 - 100 + 101 - 102 + 103 - 104 + 105 - 106 - 107)	108	28.090.622	28.093.314
Public patrimony (acct. 1026)	109	-	-
<b>CAPITALS - TOTAL (row 108 + 109)</b>	110	28.090.622	28.093.314

Administrator,

Name and first name : RACASAN STEFAN  
Title : General Manager

Signature

Stamp of the unit

Prepared by,

Name and first name : CIMPEAN IOAN  
Title : Economic Manager

Signature

**S.C. PREBET AIUD S.A. – FINANCIAL STATEMENTS (all amounts are expressed in Romanian lei )**

<b>CODE 20 ► REVENUE AND EXPENDITURE STATEMENT on 30.09.2017</b>					
<b>Indicator's name</b>		<b>Nr. rand</b>	<b>(lei)</b>		
			<b>Reporting period</b>		
			<b>01.01.2016 - 30.09.2016</b>	<b>01.01.2017 - 30.09.2017</b>	
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>		
1	Net turnover (row 02 + 03 - 04 + 05)	01	22.366.138	18.624.802	
	Production sold (acct. 701 + 702 + 703 + 704 + 705 + 706 + 708)	02	22.254.790	18.623.733	
	Income from sale of goods (acct. 707)	03	154.826	87.769	
	Trade discounts granted (acct. 709)	04	43.478	86.700	
	Income from operating grants related to turnover (acct. 7411)	05	-	-	
2	Income related to cost products stocks (acct. 711)	BALANCE C	06	-	240.716
		BALANCE D	07	386.917	-
3	Revenues from production of assets and investment property (row 09 + 10)	08	-	-	
4	Revenues from the production of tangible and intangible assets (acct. 721 + 722)	09	-	328.424	
5	Income from real estate investment production (acct. 725)	10	-	-	
6	Income from fixed assets (or groups for disposal) held for sale (acct. 753)	11	-	-	
7	Income from revaluation of intangible and tangible assets (acct. 755)	12	-	-	
8	Income from real estate investments (acct. 756)	13	-	-	
9	Income from biological assets and agricultural products (acct. 757)	14	-	-	
10	Income from operating grants (acct. 7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)	15	-	6.035	
11	Other operating revenues (acct. 758 + 751)	16	247.224	201.638	
	- of which, income from investment grants (acct. 7584)	17	108.441	108.441	
<b>OPERATING INCOME - TOTAL (row 01 + 06 - 07 + 08 +11 +12 +13 +14 +15 +16)</b>		<b>18</b>	<b>19.935.564</b>	<b>22.226.445</b>	
12	a) Cheltuieli cu materiile prime și materialele consumabile (acct. 601 + 602)	19	10.591.232	9.802.092	
	Other material expenses (acct. 603 + 604 + 608)	20	61.239	55.279	
	b) Other external charges (for energy and water) (acct. 605)	21	717.041	685.685	
	c) Expenditure on goods (acct. 607)	22	136.720	78.572	

**S.C. PREBET AIUD S.A. – FINANCIAL STATEMENTS (all amounts are expressed in Romanian lei )**

	Trade discounts received (acct. 609)	23	29.915	- 6.454
13	Staff costs (row 25+ 26), of which:	24	5.279.805	5.155.448
	<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
	a) Salaries and compensations (acct. 641 + 642 + 643 + 644)	25	4.265.669	4.172.611
	b) Expenses on insurance and social protection (acct. 645)	26	1.014.136	982.837
14	a) Value adjustments on intangible and tangible assets, real estate investments and biological assets measured at cost (row 28 - 29)	27	705.123	780.082
	a.1) Expenditure (acct. 6811 + 6813 + 6816 + 6817)	28	705.123	780.082
	a.2) Income (acct. 7813 + 7816)	29	-	-
	b) Value adjustments on current assets (row 31- 32)	30	- 65.005	- 13.655
	b.1) Expenditure (acct. 654 +6814)	31	1.703	-
	b.2) Income (acct. 754 +7814)	32	66.708	13.655
15	Other operating expenditure (row 34 to 42)	33	1.475.693	1.719.978
	15.1. Expenditure on external supply (acct. 611 + 612 + 613 + 614 + 615+ 621 + 622 + 623 + 624 + 625 + 626 + 627 + 628)	34	1.265.999	1.541.330
	15.2. Expenditure for other taxes and similar; expenditure representing transfers and contributions due under special acts (acct. 635 + 6586)	35	146.096	111.955
	15.3. Expenditure on environmental protection (acct. 652)	36	1.252	12.263
	15.4. Expenditure related to fixed assets (or group for disposal) held for sale (acct. 653)	37	-	-
	15.5. Expenditure from revaluation of intangible and tangible assets (acct. 655)	38	-	-
	15.6. Expenditure for real estate investments (acct. 656)	39	-	-
	15.7. Expenditure on biological assets and agricultural products (acct. 657)	40	-	-
	15.8. Expenditure related to calamities and other similar events (acct. 6587)	41	-	-
	15.9. Other expenditure (acct. 6581 + 6582 + 6583 + 6585 + 6588)	42	62.346	65.430
	Adjustments for provisions (row 44 - 45)	43	589.492	- 366.023
	- Expenditure (acct. 6812)	44	1.027.529	185.026
	- Income (acct. 7812)	45	438.037	551.229
	<b>OPERATING EXPENSES - TOTAL (row 19 to 22 - 23 + 24 + 27 + 30 + 33 + 3)</b>	46	19.460.975	17.890.824

**S.C. PREBET AIUD S.A. – FINANCIAL STATEMENTS (all amounts are expressed in Romanian lei )**

<b>OPERATING PROFIT OR LOSS:</b>				
	- Profit (row 18 - 46)	47	2.765.470	1.510.791
	- Loss (row 46 - 18)	48	-	-
16	Income from shares held in subsidiaries (acct. 7611)	49	-	-
17	Income from shares in associates (acct. 7612)	50	-	-
18	Income from shares in associates and jointly controlled entities (acct. 7613)	51	-	-
19	Income from operations with securities and other financial instruments (acct. 762)	52	-	-
20	Income from derivatives operations (acct. 763)	53	-	-
21	Income from foreign exchange differences (acct. 765)	54	12.680	29.658
22	Interest income (acct. 766*)	55	7.369	5.293
	- of which, revenues from group entities	56	-	-
23	Income from operating grants for interest due (acct. 7418)	57	-	-
24	Income from short-term financial investments (acct. 7617)	58	-	-
25	Other financial income (acct. 7615 + 764 + 767 + 768)	59	107	17
	<b>FINANCIAL INCOME - TOTAL (row 49 + 50 + 51 + 52 + 53 + 54 + 55 + 57 + 58 + 59)</b>	60	20.156	34.698
26	Value adjustments on financial assets and financial investments held as current assets (row 62 - 63)	61	-	-
	- Expenses (acct. 686)	62	-	-
	- Income (acct. 786)	63	-	-
27	Expenses on operations with securities and other financial instruments (acct. 661)	64	-	-
28	Expenses on derivatives transactions (acct. 662)	65	-	-
29	Interest charges (acct. 666*)	66	-	-
	- of which, expenditure in relation to group entities	67	-	-
30	Other financial expenses (acct. 663 + 664 + 665 + 667 + 668)	68	27.241	61.082
	<b>FINANCIAL EXPENSES - TOTAL (row 61 + 64+ 65 + 66 + 68)</b>	69	27.241	61.082

**S.C. PREBET AIUD S.A. – FINANCIAL STATEMENTS (all amounts are expressed in Romanian lei )**

<b>FINANCIAL PROFIT OR LOSS:</b>				
	- Profit (row 60 - 69)	70	-	-
	- Loss (row 69 - 60)	71	7.085	26.114
	<b>TOTAL INCOME (row 18 + 60)</b>	72	22.246.601	19.436.583
	<b>TOTAL EXPENSES (row 46 + 69)</b>	73	19.488.216	17.951.906
31	<b>GROSS PROFIT OR LOSS:</b>			
	- Profit (row 72 - 73)	74	2.758.385	1.484.677
	- Loss (row 73 - 72)	75	-	-
32	Current income tax (acct. 691)	76	412.067	206.501
33	Deferred income taxes (acct. 692)	77	-	-
34	Income from deferred tax (acct. 792)	78	-	-
35	Other taxes not shown on the above items (acct. 698)	79	-	-
36	<b>NET PROFIT OR LOSS FOR THE REPORTING PERIOD:</b>			
	- Profit (row 74 - 76 - 77 + 78 - 79)	80	2.346.318	1.278.176
	- Loss (rd. 75 + 76 + 77 - 78 + 79) (rd. 76 + 77 + 79 - 74 - 78 )	81	-	-

Administrator,

Name and first name : RACASAN STEFAN  
Title : General Manager

Signature

Stamp of the unit

Prepared by,

Name and first name : CIMPEAN IOAN  
Title : Economic Manager

Signature