



ENERGOPETROL COMPANY SA



HEADQUARTERS Campina, STR. Scaffolding, NO. 32 Prahova, zip code listed company 105600 Bucharest Stock  
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TAX CODE RO-1323700

Society the reorganization in judicial reorganisation, en redressement

Manager's report

FINANCIAL YEAR ENDED 31.12.2018

A. Company Overview

SC Compania Energopetrol SA is a joint stock company with Romanian private capital that works in accordance with Law no. 31/1990, republished with subsequent amendments. The company is registered at ORC under nr.J / 29 / 3/1991, with unique registration code RO 1.3237 million, with headquarters in the town of Campina Street. Scaffolding no. 32 and has a share capital, paid-in amount of 5,061,637 lei, representing 2,024,655 shares with a nominal value of 2.50 lei / share. Regulated market where the issued securities are traded: BVB- Class II symbol ENP. The company management was provided during 2018 according to Law 85/2006, republished appointed administrator under the supervision of the receiver. During 2018 the shareholding structure has not changed, presenting itself as follows:

	balance at December 31, 2018	%
EMPLOYEES ASSOCIATION	2470595	48.79
	400.640	7.92
SIF Muntenia		
Other shareholders	2190402	43.29
<b>TOTAL</b>	<b>5061637</b>	<b>100.00</b>

On 25.04.2018 the General Meeting of Shareholders of the Company Energopetrol SA, following which they decided the following:

- noted the special administrator's report for 2017;
- took note of the audit report for 2017;
- approved the financial statements for 2017 based on the reports submitted by the Special Administrator and Financial Auditor;
- To set the income and expenses for 2018;
- approved the discharge of Special Administrator for the financial year 2017;
- approved the extension of the mandate of the External Audit Expert Audit SRL SC for a period of one year, ie on 16.05.2018 up to 15.05.2019;
- approved on 05.21.2018 as registration date of shareholders who are affected by harsh judgments General Meeting of Shareholders dated 05.18.2018 and the ex-date;
- authorization of Mr Av. Andrew John to perform legal formalities for publication, registration and make the necessary amendments to the legal authorities.

**The company management was provided and supervised during the year 2018:**

Trustee of the company ANDREI IOAN IPURL, the certificate issued by the Court on 07.24.2015 Prahova, file 5081/105/2013 opening insolvency proceedings.

By decision of the General Assembly of Shareholders of the Company Energopetrol SA No. 2 / 03.09.2013, he was appointed special administrator and Mr. Mircea Celescu according to Decision EGM 08.12.2014 registered at ORC Prahova the certificate mentions 8559 / 02.13.2015 was appointed Trustee in Mr. Basil Dan-Nicolae. By decision of the General Meeting of Shareholders of the Company Energopetrol SA 05.05.2015 approved the resignation of Mr. Nicholas Basil Dan-function special administrator of the company and the appointment of Mr. Mircea as administrator Celescu special.

The main activity of the company is carrying out electrical works CAEN code 4321.

Energopetrol company specializes in the execution of construction and installation services in:

- ✓ transport equipment and a distribution electricity networks overhead and underground, with voltages up to 400 kV;
- ✓ shareholders and installation of power, lighting and automation (electro, electro and electrical) in normal environments and classified;
- ✓ determining the quality and defects of insulation corrosion by measuring its specific construction buried in the ground or mounted;
- ✓ installation of cathodic protection Terán metal structures and groundwater;
- ✓ atmospheric discharge protection systems;
- ✓ and the remote telecommunication installations or of the radio physical channel;
- ✓ automatic control and data acquisition (SCADA);
- ✓ servicing, maintenance, upgrades and retrofits for installations in the fields of activity;
- ✓ verification, testing and measurement equipment prophylactic electro, automation and cathodic protection;
- ✓ design, technical expertise, commissioning, for targets in the field of activitate. In recent years, besides the traditional areas of activity the company has adapted to the demands of a competitive economy investment in modern technology and addressing new areas of activity.

Its activity is carried out through the branches of the territory:

- branch Liliesti
- Moinesti branch

#### **A.1. Evolution ENERGOPETROL COMPANY SA company in terms of judicial reorganization**

Due to financial difficulties the company is facing, by signing Prahova Court, Commercial and Administrative Section II dated 07.24.2013, pronounced in the case of insolvency no. 5081/105/2013 has ordered the opening of insolvency proceedings at the request of the debtor SC Compania Energopetrol SA, as trustee Andrew John IPURL.

By decision of the General Assembly of Shareholders of the Company Energopetrol SA No. 2 / 03.09.2013, he was appointed special administrator Celescu Mr. Mircea.

The report prepared by Mr Andrew John IPURL trustee in date 09/10/2013 the causes and circumstances that led to the insolvency of the debtor SC COMPANY ENERGOPETROL SA considered the company Energopetrol SA company has etreal opportunities reorganization, which is why it was proposed to continue the period of noticeție in order to deposit the special administrator of the debtor reorganization plan, as it etexpressed intentionțtake procedural delay.

The Extraordinary General Meeting of Shareholders of the Company Energopetrol SA 08.12.2014 approved the resignation from office of Mr. Mircea Celescu special administrator of the company and the appointment of Mr. Basil Dan-Nicolae especially as administrator.

By decision of the General Meeting of Shareholders of the Company Energopetrol SA 05.05.2015 approved the resignation of Mr. Nicholas Basil Dan-function special administrator of the company and the appointment of Mr. Mircea as administrator Celescu special.

In 2018 the company drafted and sent Mr. trustee Andrew John IPURL activity reports including:

1. Economic situation of the debtor company;
2. Sales carried out;
3. The organizational structure;
4. Current work carried out by the company in the month;
5. Status of litigations and customers unearned and steps taken in this regard, from month to month;
6. Current debt situation;
7. Cash flow related to each month

The final table of claims against SC COMPANY ENERGOPETROL SA has been filed in the case file and was shown the door court on 01.18.2016, in accordance with Art. 74 para. (1) of the Insolvency Law, which was published in the Insolvency Proceedings Bulletin no. 1070 / 19.01.2016

**On 02/19/2016, considering that following the vote expressed, all four categories of creditors or class of creditors employees, creditors of salary category category category secured creditors and unsecured creditors voted for approval of the reorganization of the company, prepared and proposed by special administrator Mr. Eng. Celescu Mircea, registered at the receiver no. 154 / 02.04.2016, it was approved, in accordance with the provisions of ATR. 100 of Law no. 85/2006. Through the civil sentence no. 499 / 25.04.2016 was ordered confirm the reorganization plan of SC Compania Energopetrol SA.**

Payment schedule included in Annex. 1 to reorganization plan shows that all creditors will receive 100% of the amount by which have signed the statement of affairs.

Summary Schedule. 1, amounts expressed in RON is:

Nr. crt	Denumirea creditorului	ANUL 1				ANUL 2				ANUL 3				TOTAL
		TRIM I	TRIM II	TRIM III	TRIM IV	TRIM I	TRIM II	TRIM III	TRIM IV	TRIM I	TRIM II	TRIM III	TRIM IV	
1	CREANTE GARANTATE	0.00	0.00	0.00	41,314.13	302,970.25	504,950.42	706,930.59	504,950.42	378,712.81	631,188.02	883,663.23	635,778.48	4,590,458.36
2	CREANTE SALARIALE	0.00	0.00	0.00	0.00	0.00	35,423.00	0.00	0.00	0.00	0.00	0.00	0.00	35,423.00
3	CREANTE BUGETARE	0.00	0.00	0.00	3,609.50	28,026.74	46,711.23	65,395.72	46,711.23	35,033.42	58,389.04	81,744.65	59,026.01	424,647.53
4	CREANTE CHIROGRAFARE	0.00	0.00	0.00	18,763.99	154,802.90	258,004.84	361,206.78	258,004.84	193,503.63	322,506.05	451,508.47	437,323.41	2,455,624.92
	<b>TOTAL GENERAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>63,687.62</b>	<b>485,799.89</b>	<b>845,089.49</b>	<b>1,133,533.09</b>	<b>809,666.49</b>	<b>607,249.87</b>	<b>1,012,083.11</b>	<b>1,416,916.36</b>	<b>1,132,127.90</b>	<b>7,506,153.81</b>

Also in accordance with Annex. 4 Plan of Reorganization was staggered and current debt to the State Budget in the amount of: 2,170,476.00 lei

NR. CRT	SUMA DATORATA (LEI)	ANUL I				ANUL II				ANUL III				TOTAL	
		TRIM I	TRIM II	TRIM III	TRIM IV	TRIM I	TRIM II	TRIM III	TRIM IV	TRIM I	TRIM II	TRIM III	TRIM IV		
<b>DATORII LA BUGEIUL DESTAT</b>															
1	RETINERI LA SURSA	73,071.00	548.03	913.39	1,278.74	913.39	8,220.49	8,220.49	8,220.49	8,220.49	9,133.88	9,133.88	9,133.88	9,133.88	73,071.00
2	DATORATE DE	752,314.00	5,642.36	9,403.93	13,165.50	9,403.93	84,635.33	84,635.33	84,635.33	84,635.33	94,039.25	94,039.25	94,039.25	94,039.25	752,314.00
3	TVA	1,247,727.00	9,357.95	15,596.59	21,835.22	15,596.59	140,369.29	140,369.29	140,369.29	140,369.29	155,965.88	155,965.88	155,965.88	155,965.88	1,247,727.00
4	CALCULATE LA	97,364.00	730.23	1,217.05	1,703.87	1,217.05	10,953.45	10,953.45	10,953.45	10,953.45	12,170.50	12,170.50	12,170.50	12,170.50	97,364.00
	<b>TOTAL BUGEIUL DESTAT</b>	<b>2,170,476.00</b>	<b>16,278.57</b>	<b>27,130.95</b>	<b>37,983.33</b>	<b>27,130.95</b>	<b>244,178.55</b>	<b>244,178.55</b>	<b>244,178.55</b>	<b>244,178.55</b>	<b>271,309.50</b>	<b>271,309.50</b>	<b>271,309.50</b>	<b>271,309.50</b>	<b>2,170,476.00</b>

Duration of the reorganization plan is three years from the remains irrevocable decision confirming it, in accordance with Art. 95 para. (3) of the Law no.85 / 2006, with the possibility of extension under the law.

During the implementation of the reorganization plan the company will retain full management of its operations, including the right to dispose of the assets of its surveillance activity by its insolvency administrator appointed Andrew John IPURL law.

Funding Reorganization Plan will be made on the following main sources:

- Profits from continuing their activity SC COMPANY ENERGOPETROL SA with modifications set forth in the Plan;
- amortization included in cost without cash outflow, which remain available to the company as own funding;
- certain existing balance of their claims from the approval of the plan;
- of assets that are not essential reorganization SC COMPANY ENERGOPETROL SA;
- proceeds of debt collection disputes hereunder that the company is currently pending.

All instruments are favored by the reorganization plan.

These types of claims are considered to be disadvantaged because they are rescheduled over a period greater than 30 days after confirmation of the plan. Although these are more disadvantaged debts, it plans a fair and equitable treatment apply the cumulative conditions provided by art. 101 par. (2) of Law no. 85/2006.

Since the civil sentence no. 499 / 25.04.2016 was ordered confirm the reorganization plan of SC Compania Energopetrol SA up on 31/12/2018 the company paid out in Annex 1 to the reorganization plan the amount of 6,574,619 lei, remaining payment amount of 962.229 lei .

## B. The evolution of the company's activity in 2018

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards adopted by the European Union („IFRS ") effective at the reporting date of the Company's quarterly or December 31, 2018 and in accordance with the provisions of Order no. 2844/2016 for the approval of accounting regulations compliant with International Financial Reporting standards applicable to companies whose securities are admitted to trading on a regulated market, with subsequent modifications and clarifications. These provisions are consistent with the requirements of International Financial Reporting standards adopted by the European Union.

The financial statements contain a statement of financial position, profit or loss and other comprehensive income, statement of changes in equity, cash flow statement and notes.

The financial statements were prepared and reported in national currency RON. For valuation of property traded currency valuation at 31.12.2018 was performed on reference rates communicated by the National Bank of Romania:

1 EURO = 4.6639 lei

1 USD = 4.0736 RON

**B1. Company's financial position is as follows:**

-lei-				
Nr. crt.		31 decembrie 2018	31 decembrie 2017	DINAMICA 2018/2017 %
<b>1.</b>	<b>ACTIVE</b>			
	Imobilizari corporale	3.234.252	4.514.100	71,64
	Imobilizari necorporale	0	0	0
	Investitii in entitati afiliate	2.300	2.300	100,00
	Alte active financiare	588.081	620.424	94,79
	<b>ACTIVE IMOBILIZATE</b>	<b>3.824.633</b>	<b>5.136.524</b>	<b>74,46</b>
	Stocuri	1.434.155	1.544.630	92,84
	Creante comerciale si alte creante	479.193	1.176.522	40,72
	Numerar si echivalente de numerar	267.355	499.657	53,51
	<b>ACTIVE CIRCULANTE</b>	<b>2.180.703</b>	<b>3.220.809</b>	<b>67,71</b>
	Alte active	0	89.523	0
	<b>TOTAL ACTIVE</b>	<b>6.005.336</b>	<b>8.446.856</b>	<b>71,09</b>
<b>2.</b>	<b>CAPITALURI PROPRII</b>			
	Capital social	5.061.637	5.061.637	100,00
	Ajustari ale capitalului social			
	Rezerva legala	89.536	89.536	100,00
	Rezerva din reevaluare	3.771.340	4.886.899	77,17
	Alte rezerve	1.143.197	1.143.197	100,00
	Alte elemente de capitaluri proprii(ct 1034)	-385.079	-504.131	76,38
	Rezultatul reportat	-9.422.454	-8.637.712	109,08
	Rezultatul reportat repr surplusul reevaluarii mijloacelor fixe iesite( ct 1175)	3.765.621	2.650.062	142,09
	Rezultatul reportat provenit din trecerea la aplicarea IFRS mai putin IAS	4.442.780	4.442.780	100,00
	Rezultatul reportat provenit din adoptarea pentru prima data a IAS29	-4.441.617	-4.441.617	100,00
	Rezultatul reportat repr erori contabile	-5.743.615	-5.743.615	100,00
	Rezultatul exercitiului	2.279.919	-784.742	290,53
	Repartizarea profitului			
<b>3.</b>	<b>DATORII</b>			
	Datorii comerciale si alte datorii	4.735.584	5.204.103	90,99
	Imprumuturi pe termen scurt	297.796	1.593.593	18,68
	Venituri in avans	0	292.592	0
	Datoria cu impozitul pe profit curent			
	Provizioane	25.612	25.612	100,00
	<b>DATORII PE TERMEN SCURT</b>	<b>5.058.992</b>	<b>7.115.900</b>	<b>71,09</b>
	Datorii comerciale pe termen lung	0	1.582.396	0
	Imprumuturi pe termen lung	0	1.082.135	0
	Venituri inregistrate in avans pe termen lung	-	-	
	Datoria cu impozitul pe profit amanat	385.079	504.131	76,38
	<b>DATORII PE TERMEN LUNG</b>	<b>385.079</b>	<b>3.168.662</b>	<b>12,15</b>
	<b>Total datorii si capitaluri proprii</b>	<b>6.005.336</b>	<b>8.446.856</b>	<b>71,09</b>

Patrimony 31.12.2018 (6,005,336 lei) Is down from the at 01.01.2018 (8,446,856 lei) and correspond to liabilities property (RON 6,005,336).

I) **Of assets** 31.12.2018 recorded a decrease to 28.9%. Company assets consist of:

## 1) **Fixed assets**

Net value declines in 2018 compared to 2017 is due to depreciation recorded on costs and selling the following tasks, as follows:

- Following the tender minute nr.1511 / 04.08.2017 decided the sale of land of 1,609 sqm located in Campina, str. Industry No. 3 bis, jud. Prahova together with the buildings located on it at a price of 64.120 euros . Purchase agreement was concluded on 31.1.2018.
- Minutes after the auction nr.391 / 02.09.2018 decided the sale of land of 988 square meters located in Campina, str. Industry No. 3 bis, jud. Prahova with buildings located on it at a price of 57.520 euros.
- Also in 2018, were sold transport vehicles were not in good working order.
- Minutes after the auction 612 / 02.26.2018 decided the sale of land of 1,063 sqm located in Campina, str. Industry No. 3 bis, jud. Prahova with buildings located on it at a price of 43.600 euros.
- Minutes after the auction 944 / 04.02.2018 decided the sale of flat no. 25 located in Moreni priced at 11,000 euros.
- Following the auction report 1519 / 06.06.2018 decided the sale of the land area of 10.371 sqm located in Tg Mures, str. Dam, 9, Mures County with buildings located on it at a price of 450,000 euros.
- Following the auction report 1352 / 05.18.2018 decided the sale of land of 2,143 sqm located in Campina, str. Industry No. 3 bis, jud. Prahova with buildings located on it at a price of 150,000 euros.
- Following the auction report 2285 / 30.08.2018 decided the sale of land of 3,321 sqm located in Baicoi, district Liliesti County. Prahova price of 39519.90 euros.
- Following the auction report 2934 / 10.15.2018 decided the sale of land of 1,405 sqm located in Campina, str. Industry No. 3 bis, jud. Prahova with buildings located on it at a price of 70.440 euros.
- Following the auction report 2787 / 09.28.2018 decided the sale of land of 1,782 sqm located in Campina, str. Industry No. 3 bis, jud. Prahova with construction placed on it at the price of 172.480 euros.
- Following the auction report 3102 / 11.02.2018 decided the sale of land of 1,293 sqm located Baicoi County. Prahova with bachelors placed him at a price of 35,000 euros.

## 2) **Current assets**

31.12.2018 previous year, current assets are 24.40% lower.

The main changes in the balance sheet item "Current assets" were:

- a) the value of stocks decreased by about 9%, as a result of execution of works;
- b) receivables balance decrease with 58.23%, following the receipt of the executed works;
- c) decrease in available funds of 46.49% due to payment of debts related to contracts in progress

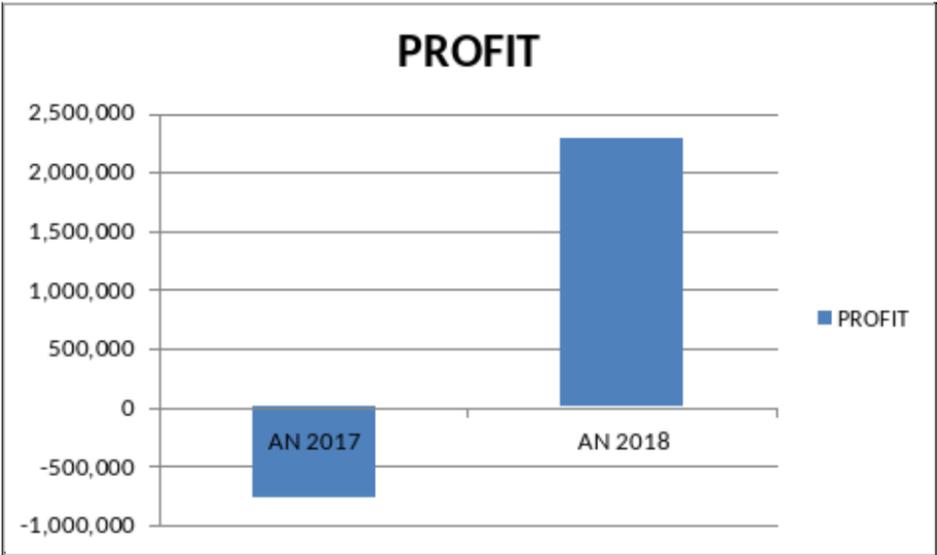
## **II) Passive elements** They are shown as follows:

a) In 2018, SC Compania Energopetrol SA has established other provisions for risks and charges, in addition to existing ones totaling 25 612 lei.

b) On 31.12.2018 total debt of the company decreased by 45.63% compared to 31.12.2017. Of the total debt of 5,418,459 RON 5.03338 million lei maturities under 1 year and 385 079 RON maturities longer than one year.

Whose debt maturities greater than one year is related deferred tax revaluation reserve revaluation since 31.12.2003, which will be paid at the time it revalued tangible assets as a result of the sale and disposal.

c) equity increased due to the positive outcome of the period, respectively accounting profit of 2,279,919, considering that in 2017 there was an accounting loss of 784.742 lei.



**B2. Statement of Comprehensive Income**

Nr. crt.	INDICATORI	DEC. 2018	DEC. 2017	Dinamica 2018/2017	
				Valoare (lei)	%
1	Venituri din vanzari	630.019	1.448.524	-818.505	43,49
2	Costul vanzarilor	1.061.833	2.697.005	-1.635.172	39,37
3	<b>Marja bruta</b>	-431.814	-1.248.481	-816.667	34,58
4	Alte venituri din exploatare	5.203.298	4.248.509	954.789	122,47
5	<b>Cheltuieli de distributie</b>	0	0	0	0
6	Cheltuieli administrative	620.056	803.885	-183.829	77,13
7	Alte cheltuieli de exploatare	1.882.801	2.913.871	1.031.070	64,61
8	<b>Rezultatul din exploatare</b>	2.268.627	-717.728	2.986.355	316,08
9	Venituri financiare	11.292	6.686	4.606	168,89
10	Cheltuieli financiare	0	73.700	-73.700	0
11	<b>Rezultat financiar net</b>	11.292	-67.014	78.306	16,85
	<b>Venituri totale</b>	5.844.609	5.703.719	140.890	102,47
	<b>Cheltuieli totale</b>	3.564.690	6.488.461	-2.923.771	54,94
12	<b>PROFIT DIN ACTIVITATEA CURENTA</b>	2.279.919	-784.742	3.064.661	290,53
13	Cheltuiala cu impozitul pe profit	0	0	0	0
14	<b>Profitul net al perioadei</b>	2.279.919	-784.742	3.064.661	290,53
	<b>Rezultatul net total al perioadei</b>	2.279.919	-784.742	3.064.661	290,53
15	<b>Alte elemente ale rezultatului global, din care</b>	-	-	-	-
16	-cresteri/scaderi ale rezervei din reevaluarea imobilizarilor corporale, neta de impozit amanat	-1.115.559	-969.786	-147.773	115,03
17	-transferul rezervei din reevaluare la rezultatul reportat ca urmare a scoaterii din evidenta a activelor corporale reevaluate	1.115.559	969.786	147.773	115,03
18	<b>Total rezultat global aferent perioadei</b>	2.279.919	-784.742	3.064.661	290,53
19	Rezultatul de baza pe actiune	1,13	-0,39	1,52	289,74
20	Rezultatul diluat pe actiune	1,13	-0,39	1,52	289,74

At the end of 2018 the company recorded a profit of 2,279,919 lei, divided as follows:

- from operating activities 2,268,627 lei
- from financial activity 11 292 lei

**total revenue** made in 2018 it was 2.47% higher than the revenues obtained in 2017.

Analyzing data, turnover in the year is 630 019 lei, the largest share with a work Electrical Power Revenue from sales of assets 31.12.2018 are worth 5,116,046 lei.

**total expenditure** for the year 2018 were 45.06% lower than the level recorded in 2018.

Operating expenses SC COMPANY ENERGOPETROL SA have the largest share in total expenses and are represented by all the resources consumed to achieve the company's activity. 31.12.2018 their value is 3.56469 million lei.

In the analyzed period was an increase of raw materials and materials costs due to the execution of contracts in progress and a decrease in external supply costs, due to lower turnover. Also it notices a decrease in salary expenses due to workforce downsizing as work in progress.

### B.3. Dynamic staff:

	31.12.2018	31.12.2017
Average number of employees	27	39
Expenditure on wages and salaries	590.114	985.375
Social security costs	31.028	245.614

### B.4. corporate Governanta

The company's management believes that a high level of transparency of the relationship between management and shareholders, along with investor protection, are prerequisites necessary to sustain long-term development strategy of the Company and maximize shareholder value. The Company applies the principles of corporate governance best adapted to the activity and its specific needs.

The Company believes that the strict application of the legal framework (L.31 / 1990 - Company Law, republished; L.297 / 2004 - Capital Market Law amended and supplemented; NSC Regulation. 6/2009 regarding the rights of shareholders; Regulation 1/2006 regarding issuers) and the articles of association, offers the best principles of corporate governance adapted to the activity and its specific needs. Since the company did not apply additional corporate governance practices of the national legal framework, not considered necessary to adopt a code of corporate governance separately.

### B.5 Internal Controlul

Compania Energopetrol SA in SC, during 2018 the internal control activities made an integral part of management that aims at achieving the company objectives. Control targeted enforcement and internal control procedures at all levels and functional: approval, authorization, verification, evaluation of operating performance, security of assets, segregation of duties.

As in previous years, and in 2018 the company management followed designing, implementing and maintaining internal control relevant to the effective exercise of the whole, and for the preparation and fair presentation of elementor heritage and performance of the company in the financial so that it does not contain material misstatement.

A major concern was the selecting and applying appropriate accounting policies in order to achieve effective internal control.

Internal control has focused on the following components:

- a clear definition of responsibilities, resources and procedures, modalities and information systems, tools and practices appropriate;
- Internal dissemination of reliable knowledge of which allowed everyone to exercise their responsibilities;
- a system for analyzing the main risks identified in the company's objectives and, secondly, to ensure the existence of procedures to manage these risks;
- appropriate control activities for each process designed to reduce the risks likely to affect achievement of company objectives;
- a permanent monitoring of internal control device, and an examination of its operation.

The purpose of internal control was achieved by ensuring consistency of objectives, identifying key factors for success and communication society leaders, real-time information on the performance and prospects.

### B6. Assessment on impact of activity of the issuer on the environment

According to art. Article 8 of the GD 573/2002 does not require environmental authorization:

"Based on the affidavit or, where appropriate, registration document activity formulated and submitted by the trader, the competent authority for environmental protection shall, according to the environmental impact of activities subject to authorization, one of the following alternatives for continuation of proceedings : not issue an environmental permit for activities with significant environmental impact under Art. 6 letter a), and this will be recorded in the space provided for the environmental permit of the Annex to the certificate of registration by the words "No authorization is required"; "

The objective of the company on the identification and control of environmental aspects associated with activities taking place in society, to ensure compliance with legal requirements and prevent pollution is to minimize waste production and manage them safely when their appearance can be avoided.

#### B.7. Status of litigations in which SC COMPANY ENERGOPETROL SA is involved

Nr. Crt.	Folder	Instance	Year	complainant	Defendant	Object	Procedural stage
1	5081	Tribe. Prahova	2013	The company Energopetrol		at the request of the debtor insolvency	background
2	5034	Tribe. Prahova	2014	The company Energopetrol	CONFIND SRL	claims	background
4	2575	High Court of Cassation and Justice	2016	The company Energopetrol	MULTIPROD Energo SRL	Termination of contract claims	Appeal

#### C. Proposed

Given those presented in this report are proposed for approval AGOA.

Financial 1.Situatiile of 2018 consisting of:

Situation financial pozitiviei

Situation profit or loss and other comprehensive income

Situation Changes in Equity

Situation cash flows

-Note to the financial statements

2.Bugetul income and expenditure for 2019

#### D. perspectives

Our concern is to prepare the company for a return to an appropriate level in economic activity, based on the need to modernize the infrastructure of Romania electro -energetice.

In this regard we offer consulting and maintenance operators who bought overhead lines. We can illustrate Brent contract with Exploration & Production SRL for a period of two years.

We prepare for increased production of medium voltage cells because we are able to patent owners 120 594.

At the same time we want to develop design work for electro energy.

Compania Energopetrol SA company made steps for recovery of its property assets. All these steps have been and continue to be performed by company Energopetrol SA, in order to capitalize goods and payment of the proceeds to creditors, reorganization and closure of the company back in normal economic cycle:

- I received an application from Mr Ungureanu on the land purchase area of 600sqm with office building located on it located in Ploiesti, jud. Prahova, priced at 59,000 euros. The auction took place, following after receiving full to sign the sale -cumparare.

- I've received embraced Mr. Florin on buying the apartment no.35 located in Moreni, jud. Dambovita price of 9,000 euros. The auction took place, following after receiving full to sign the sale -cumparare.

- We've received Mr. John Murariu on buying the apartment no.14 located in Moreni, jud. Dambovita price of 7,200 euros. The auction took place, following after receiving full to sign the sale -cumparare.

- I've received Mrs. Daniela Nastase on buying the apartment no.13 located in Moreni, jud. Dambovita price of 8,000 euros. The auction took place, following after receiving full to sign the sale -cumparare.

- We continued work on the City Bragadiru for framing our land in the "yard-building".

-I mounted banners and we contacted several real estate agencies that have made known that the company is selling land with buildings and utilities.

We've posted land for sale on these sites:

OLX.ro

LA JUMATE.ro

ANIMAGRO.ro

HOMEZZ.ro

BRAILA -Ads .com

Anunturi-Galati-gratuite.ro

Property city tau.ro

ITALY ANNOUNCEMENTS .com

WIZMO. ro

PUBLI 24.ro

**SPECIAL ADMINISTRATOR**

**ING. Mircea CELESCU**

## DECLARATION OF CORPORATE GOVERNANCE

Code provisions	Compl ies	Does not compl y or partial ly compli es	Reason for non- compliance
<p><b>A.1</b> All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A.</p>		X	INSOLVENCY
<p><b>A.2</b> Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.</p>		X	INSOLVENCY
<p><b>A.3</b> The Board of Directors or the Supervisory Board should have at least five members.</p>		X	INSOLVENCY

<p><b>A.4</b> The majority of the members of the Board of Directors should be non-executive.</p> <p>At least one member of the Board of Directors or Supervisory Board should be independent, in the case of Standard Tier companies. Not less than two non-executive members of the Board of Directors or Supervisory Board should be independent, in the case of Premium Tier Companies. Each member of the Board of Directors or Supervisory Board, as the case may be, should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in character and judgement in practice and according to the following criteria:</p> <p><b>A.4.1.</b> Not to be the CEO/executive officer of the company or of a company controlled by it and not have been in such position for the previous five years;</p> <p><b>A.4.2.</b> Not to be an employee of the company or of a company controlled by it and not have been in such position for the previous five (5) years;</p> <p><b>A.4.3.</b> Not to receive and not have received additional remuneration or other advantages from the company or from a company controlled by it, apart from those corresponding to the quality of non-executive director;</p> <p><b>A.4.4.</b> Is not or has not been an employee of, or has not or had not any contractual relationship, during the previous year, with a significant shareholder of the company, controlling more than 10% of voting rights or with a company controlled by it;</p> <p><b>A.4.5.</b> Not to have and not have had during the previous year a business or professional relationship with the company or with a company controlled by it, either directly or as a customer, partner, shareholder, member of the Board/ Director, CEO/executive officer or employee of a company having such a relationship if, by its substantial character, this relationship could affect his/her objectivity;</p> <p><b>A.4.6.</b> Not to be and not have been in the last three years the external or internal auditor or a partner or salaried associate of the current external financial or internal auditor of the company or a company controlled by it;</p> <p><b>A.4.7.</b> Not to be a CEO/executive officer in another company where another CEO/executive officer of the company is a non-executive director;</p> <p><b>A.4.8.</b> Not to have been a non-executive director of the company for more than twelve years;</p> <p><b>A.4.9.</b> Not to have family ties with a person in the situations referred to at points A.4.1. and A.4.4.</p>		X	INSOLVENCY
<p><b>A.5</b> A Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.</p>		X	INSOLVENCY

<b>A.6</b> Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.		X	INSOLVENCY
<b>A.7</b> The company should appoint a Board secretary responsible for supporting the work of the Board.		X	INSOLVENCY
<b>A.8</b> The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.		X	INSOLVENCY
<b>A.9</b> The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.		X	INSOLVENCY
<b>A.10</b> The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors or of the Supervisory Board.		X	INSOLVENCY
<b>A.11</b> The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.		X	INSOLVENCY
<b>B.1</b> The Board should set up an audit committee, and at least one member should be an independent non-executive. The majority of members, including the chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven and adequate auditing or accounting experience. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent.		X	INSOLVENCY
<b>B.2</b> The audit committee should be chaired by an independent non-executive member.		X	INSOLVENCY
<b>B.3</b> Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.		X	INSOLVENCY
<b>B.4</b> The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.		X	INSOLVENCY
<b>B.5</b> The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.		X	INSOLVENCY
<b>B.6</b> The audit committee should evaluate the efficiency of the internal control system and risk management system.		X	INSOLVENCY
<b>B.7</b> The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.		X	INSOLVENCY

<b>B.8</b> Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by cyclical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.		X	INSOLVENCY
<b>B.9</b> No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	X		
<b>B.10</b> The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.		X	INSOLVENCY
<b>B.11</b> The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	X		
<b>B.12</b> To ensure the fulfilment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.		X	INSOLVENCY
<b>C.1</b> The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. The remuneration policy should be formulated in such a way that allows stakeholders to understand the principles and rationale behind the remuneration of the members of the Board and the CEO, as well as of the members of the Management Board in two-tier board systems. It should describe the remuneration governance and decision-making process, detail the components of executive remuneration (i.e. salaries, annual bonus, long term stock-linked incentives, benefits in kind, pensions, and others) and describe each component's purpose, principles and assumptions (including the general performance criteria related to any form of variable remuneration). In addition, the remuneration policy should disclose the duration of the executive's contract and their notice period and eventual compensation for revocation without cause. The remuneration report should present the implementation of the remuneration policy vis-à-vis the persons identified in the remuneration policy during the annual period under review. Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.		X	INSOLVENCY
<b>D.1</b> The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:		X	INSOLVENCY
<b>D.1.1</b> Principal corporate regulations: the articles of association, general shareholders' meeting procedures;	X		

<b>D.1.2</b> Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions;		X	INSOLVENCY
<b>D.1.3</b> Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non-compliance with the present Code;	X		
<b>D.1.4</b> Information related to general meetings of shareholders: the agenda and supporting materials; the procedure approved for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional CVs; shareholders' questions related to the agenda and the company's answers, including the decisions taken;	X		
<b>D.1.5</b> Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables investors to make investment decisions;	X		
<b>D.1.6</b> The name and contact data of a person who should be able to provide knowledgeable information on request;	X		
<b>D.1.7</b> Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.	X		
<b>D.2</b> A company should have an annual cash distribution or dividend policy, proposed by the CEO or the Management Board and adopted by the Board, as a set of directions the company intends to follow regarding the distribution of net profit. The annual cash distribution or dividend policy principles should be published on the corporate website.	X		
<b>D.3</b> A company should have adopted a policy with respect to forecasts, whether they are distributed or not. Forecasts means the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website.	X		
<b>D.4</b> The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	X		
<b>D.5</b> The external auditors should attend the shareholders' meetings when their reports are presented there.	X		
<b>D.6</b> The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.		X	INSOLVENCY

<b>D.7</b> Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	X		
<b>D.8</b> The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	X		
<b>D.9</b> A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/ conference calls.	X		
<b>D.10</b> If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.		X	

**Financial statements respecting the OMPF 2844/2016 that comply with International Financial Reporting Standards - 31.12.2018**

**(All amounts are expressed in RON, where otherwise stated)**

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**Statement of financial position  
at December 31, 2018 RON**

LEI

Nr. crt.		NOTA	31 decembrie 2018	31 decembrie 2017
<b>1.</b>	<b>ACTIVE</b>			
	Imobilizari corporale	5	3.234.252	4.514.100
	Imobilizari necorporale	4	0	0
	Investitii in entitati afiliate	6	2.300	2.300
	Alte active financiare	7	588.081	620.424
	<b>ACTIVE IMOBILIZATE</b>		<b>3.824.633</b>	<b>5.136.524</b>
	Stocuri	9	1.434.155	1.544.630
	Creante comerciale si alte creante	8	479.193	1.176.522
	Numerar si echivalente de numerar	10	267.355	499.657
	<b>ACTIVE CIRCULANTE</b>		<b>2.180.703</b>	<b>3.220.809</b>
	Alte active	8	0	89.523
	<b>TOTAL ACTIVE</b>		<b>6.005.336</b>	<b>8.446.856</b>
<b>2.</b>	<b>CAPITALURI PROPRII</b>			
	Capital social	11	5.061.637	5.061.637
	Ajustari ale capitalului social			
	Rezerva legala	11	89.536	89.536
	Rezerva din reevaluare	11	3.771.340	4.886.899
	Alte rezerve	11	1.143.197	1.143.197
	Alte elemente de capitaluri proprii(ct 1034)	15	-385.079	-504.131
	Rezultatul reportat		-9.422.454	-8.637.712
	Rezultatul reportat repr surplusul reevaluarii mijloacelor fixe iesite( ct 1175)	11	3.765.621	2.650.062
	Rezultatul reportat provenit din trecerea la aplicarea IFRS mai putin IAS	11	4.442.780	4.442.780
	Rezultatul reportat provenit din adoptarea pentru prima data a IAS29	11	-4.441.617	-4.441.617
	Rezultatul reportat repr erori contabile	11	-5.743.615	-5.743.615
	Rezultatul exercitiului	11	2.279.919	-784.742
	Repartizarea profitului			
<b>3.</b>	<b>DATORII</b>			
	Datorii comerciale si alte datorii	13	4.735.584	5.204.103
	Imprumuturi pe termen scurt	14	297.796	1.593.593
	Venituri in avans		0	292.592
	Datoria cu impozitul pe profit curent	-		
	Provizioane	12	25.612	25.612
	<b>DATORII PE TERMEN SCURT</b>		<b>5.058.992</b>	<b>7.115.900</b>
	Datorii comerciale pe termen lung	13	0	1.582.396
	Imprumuturi pe termen lung	14	0	1.082.135
	Venituri inregistrate in avans pe termen lung		-	-
	Datoria cu impozitul pe profit amanat	15	385.079	504.131
	<b>DATORII PE TERMEN LUNG</b>		<b>385.079</b>	<b>3.168.662</b>
	<b>Total datorii si capitaluri proprii</b>	-	<b>6.005.336</b>	<b>8.446.856</b>

SPECIAL ADMINISTRATOR  
ING. Mircea CELESCU

DRAWN  
ROXANA .ENACHE

**The situation profit or loss and other comprehensive income  
for the year ended December 31, 2018**

<b>Nr. crt.</b>	<b>INDICATORI</b>	<b>NOTA</b>	<b>DECEMBRIE 2018</b>	<b>DECEMBRIE 2017</b>
1	Venituri din vanzari	16	630.019	1.448.524
2	Costul vanzarilor	17	1.061.833	2.697.005
3	<b>Marja bruta</b>		-431.814	-1.248.481
4	Alte venituri din exploatare	16	5.203.298	4.248.509
5	<b>Cheltuieli de distributie</b>	-	0	0
6	Cheltuieli administrative	-	620.056	803.885
7	Alte cheltuieli de exploatare	17	1.882.801	2.913.871
8	<b>Rezultatul din exploatare</b>		2.268.627	-717.728
9	Venituri financiare	18	11.292	6.686
10	Cheltuieli financiare	18	0	73.700
11	<b>Rezultat financiar net</b>		11.292	-67.014
12	<b>PROFIT DIN ACTIVITATEA CURENTA</b>		2.279.919	-784.742
13	Cheltuiala cu impozitul pe profit	19	0	0
14	<b>Profitul net al perioadei</b>	-	2.279.919	-784.742
	<b>Rezultatul net total al perioadei</b>		2.279.919	-784.742
15	<b>Alte elemente ale rezultatului global, din care</b>		-	-
16	-cresteri/scaderi ale rezervei din reevaluarea imobilizarilor corporale, neta de impozit amanat		-1.115.559	-969.786
17	-transferul rezervei din reevaluare la rezultatul reportat ca urmare a scoaterii din evidenta a activelor corporale reevaluate		1.115.559	969.786
18	<b>Total rezultat global aferent perioadei</b>		2.279.919	-784.742
19	Rezultatul de baza pe actiune	20	1,13	-0,39
20	Rezultatul diluat pe actiune	20	1,13	-0,39
20	Rezultatul diluat pe actiune	20	-0,54	-0,90

SPECIAL ADMINISTRATOR  
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DRAWN  
ROXANA.ENACHE

**STATEMENT OF CHANGES IN EQUITY**

on 31.12.2018

	<b>Social capital</b>	<b>Capital adjustments (CT 1028)</b>	<b>Other elements of equity (CT 1034)</b>	<b>reserves</b>	<b>Retained earnings and current</b>	<b>Equity</b>
<b>January 1, 2018</b>	<b>5061637</b>	<b>0</b>	<b>(504.131)</b>	<b>6119631</b>	<b>(12514843)</b>	<b>-1,837,706</b>
The overall result					2279919	2279919
Allocations legal reserve						
Imp related deferred transfer revaluation reserve in earnings summary			119.052			119.052
Increases in assets revaluation reserve						
Transfer the revaluation reserve in retained earnings				-1,115,559	1115559	
Distribution result for the year employee profit sharing						
<b>December 31, 2018</b>	<b>5061637</b>	<b>0</b>	<b>(385.079)</b>	<b>5004072</b>	<b>(9,119,365)</b>	<b>561.265</b>

**STATEMENT OF CHANGES IN EQUITY**

on 31.12.2017

	<b>Social capital</b>	<b>Capital adjustments (CT 1028)</b>	<b>Other elements of equity (CT 1034)</b>	<b>reserves</b>	<b>Retained earnings and current</b>	<b>Equity</b>
<b>January 1, 2017</b>	<b>5061637</b>	<b>0</b>	<b>(615.927)</b>	<b>7089417</b>	<b>(12699888)</b>	<b>-1,164,759</b>
The overall result					-784 742	-784 742
Allocations legal reserve						
Imp related deferred transfer revaluation reserve in earnings summary			111.795			111.795
Increases in assets revaluation reserve						
Transfer the revaluation reserve in retained earnings				-969 786	969.786	
Distribution result for the year employee profit sharing						
<b>December 31, 2017</b>	<b>5061637</b>	<b>0</b>	<b>(504.131)</b>	<b>6119631</b>	<b>(12514843)</b>	<b>-1,837,706</b>

SPECIAL ADMINISTRATOR  
ING. Mircea CELESCU

DRAWN  
ROXANA ENACHE

**CASH FLOW  
STATEMENT  
(Indirect method)**

- lei -

		<b>Year ended</b>	<b>Year ended</b>
	<b>Elements to consider</b>	<b>31.12.2017</b>	<b>31.12.2018</b>
+	The net result from exercise	(784.742)	2279919
+	Depreciation and provisions included in costs	248.574	191.331
-	Changes in inventories	(94.259)	(139.522)
-	variation claims	(2,542,306)	(668.282)
+	Variation suppliers and customers creditors	(1,321,150)	(1,695,722)
=	<b>FLOW OF OPERATION OF ACTIVITY (A)</b>	<b>779.247</b>	<b>1583332</b>
-	Variation assets	(1,171,683)	(1,311,891)
=	The flow investing activities (B)	1171683	1311891
+	Variation in loans and similar debts	(1,600,660)	(2,377,932)
+	Variation in other liabilities	(314.656)	(474.245)
+	Variation capital	-	-
=	The flow financial activity (C)	(1,915,316)	(2,852,177)
-	Variation other active elements	(59.226)	(89.523)
+	Variation in other liabilities	155.813	(364.871)
=	<b>OTHER ACTIVITIES IN THE CASH FLOW (D)</b>	<b>215.039</b>	<b>(275.348)</b>
	<b>CASH FLOW TOTAL (A + B + C + D) = D2-D1</b>	<b>250.653</b>	<b>(232.302)</b>
D1	Cash at beginning of year	249.004	499.657
D2	Cash at end of period	499.657	267.355

SPECIAL ADMINISTRATOR  
ING. Mircea CELESCU

DRAWN  
ROXANA.ENACHE

**Notes to the financial statements**  
**31.12.2018**

**1. Reporting entity**

Name of issuing company:	Compania Energopetrol SA
Social headquarters:	Campina city street. No scaffolding. 32
Phone / fax:	0742 220 111; Fax: 0244 336851
Unique code of tax registration:	EN 1323700
Number in the Trade Register	J29 / 3/1991
Capital subscribed and paid:	5.061.637,50lei
Regulated market where the issued securities are traded:	BVB- Class II symbol ENP.

At the request of SC Compania Energopetrol SA, registered before the Court Prahova no. 5081/105/2013, the conclusion dated 07.24.2013, has decided to open the general procedure of insolvency of the debtor ENERGOPETROL COMPANY SA, trustee was appointed Andrei Ioan IPURL.

**The causes and circumstances that led to the state of insolvency of the company:**The company's activity is based on electro-energy work. Theoretically 15-20% of any investment is the supply.

Since the beginning of the crisis (2008), although the company has completed the activity authorizing the most complex works electro-energy, high voltage works, the market has deteriorated continuously, and not always respecting competition held are rules.

To continue operations, the company participated in about 200 auctions a year, some of which were won. In 2013, in particular the work could earn from between 50-60% of the control value and even below 50%. In these circumstances, if the projects were well prepared, it would be able to have a minimum profit.

In reality this work is electrical voltage and the additional works were absolutely necessary not granted. In some cases had to resort to lengthy and costly legal processes to recover the amounts due, for example work station 110kV Campina.

An important factor that contributed to the insolvency partner association attitude SC Conf SRL, who as leader of the association has allowed the partner SC Compania Energopetrol SA to work in a contract with OMV Petrom 23,000,000 euros.

During this period a large number of customers the company encountered major financial problems themselves, which led to their insolvency. Amounts owed by them, could not be recovered.

Participation in another type of work "supplier credit" contracted in euros (as requested by client also SDEE Electrica Muntenia Nord) generated significant losses due to exchange rate variations during the credit. These losses, which were caused by the global economic crisis could not be foreseen at the time of concluding such contracts, for example contract in August 2008 with Campina 110kV station when the was 3,1758lei and collecting over two years sequenced 3 years when the course exceed 4 lei.

All this economic climate made hostile society to pay debt becoming harder and had to resort to bank loans. Bank loans generally have terms which may be incurred when the work is hard won with marginally.

Therefore the main cause of the situation in which the company is the very small number of works auctioned by potential beneficiaries of society and unregulated competition over public procurement law.

It was considered that should continue work as work performed by company ENERGOPETROL SA are vital to the national economy (works Electrical Power).

We can mention the behavior of multinationals that have changed certain existing rules in construction and assembly, disfavoring manufacturer (component materials and parts that were purchased directly by the beneficiary country of origin).

The company took restructuring measures in due time, but nevertheless could not cope with the situation in the Romanian economy.

we agreeetand it will failletand beyondetira this time because in a market economyȚDo not be without electro-energy investment in oil and gas fields in the Saare experience ENERGOPETROL COMPANYȚUh, one of the leading providers in the field at nationalȚlevel.

By decision of the General Assembly of Shareholders of the Company Energopetrol SA No. 2 / 09.03.2013, he was appointed Special Administrator Celescu Mr. Mircea.

The report prepared by Mr Andrew John IPURL trustee in date 09/10/2013 the causes etand roundcomplicatedcountries that have led to the emergenceȚtake stcomplicatedcountry insolvencyyour the debtor SC COMPANY ENERGOPETROL SA considered Compania Energopetrol SA company has etreal opportunities reorganization, which is why it was proposed to continue the period of noticeȚie in order to deposit the special administrator of the debtor reorganization plan, as it etexpressed intentionȚtake procedural delay.

On 09/10/2013 Mr. Andrew John IPURL trustee filed by creditors Prahova Court preliminary table SC COMPANY ENERGOPETROL SA, following the lodgement of their claims against the debtor's property.

During January 2018- December 2018 the company through special administrator, wrote and sent Mr. trustee Andrew John IPURL activity reports including:

1. Economic situation of the debtor company;
2. Sales carried out;
3. The organizational structure;
4. Current work carried out by the company in the month;
5. Status of litigations and customers unearned and steps taken in this regard, from month to month;
6. Current debt situation;
7. Cash flow related to each month

By decision of the General Assembly of Shareholders of the Company Energopetrol SA 08.12.2014 approved the resignation from office of Mr. Mircea Celescu special administrator of the company and the appointment of Mr. Basil Dan-Nicolae especially as administrator.

By decision of the General Meeting of Shareholders of the Company Energopetrol SA 05.05.2015 approved the resignation of Mr. Basil Dan-Nicholas function special administrator of the company and the appointment of Mr. Mircea as administrator Celescu special.

The final table of claims against SC COMPANY ENERGOPETROL SA has been filed in the case file and was shown the door court on 01.18.2016, in accordance with Art. 74 para. (1) of the Insolvency Law, which was published in the Insolvency Proceedings Bulletin no. 1070 / 19.01.2016

**On 02/19/2016, considering that following the vote expressed, all four categories of creditors or class of creditors employees, creditors of salary category category category secured creditors and unsecured creditors voted for approval of the reorganization of the company, prepared and proposed by special administrator Mr. Eng. Celescu Mircea, registered at the receiver no. 154 / 02.04.2016, it was approved, in accordance with the provisions of ATR. 100 of Law no. 85/2006. Through the civil sentence no. 499 / 25.04.2016 was ordered confirm the reorganization plan of SC Compania Energopetrol SA.**

Payment schedule included in Annex. 1 to reorganization plan shows that all creditors will receive 100% of the amount by which have signed the statement of affairs.

Summary Schedule. 1, amounts expressed in RON is:

Nr. crt	Denumirea creditorului	ANUL 1				ANUL 2				ANUL 3				TOTAL
		TRIM I	TRIM II	TRIM III	TRIM IV	TRIM I	TRIM II	TRIM III	TRIM IV	TRIM I	TRIM II	TRIM III	TRIM IV	
1	CREANTE GARANTATE	0.00	0.00	0.00	41,314.13	302,970.25	504,950.42	706,930.59	504,950.42	378,712.81	631,188.02	883,663.23	635,778.48	4,590,458.36
2	CREANTE SALARIALE	0.00	0.00	0.00	0.00	0.00	35,423.00	0.00	0.00	0.00	0.00	0.00	0.00	35,423.00
3	CREANTE BUGETARE	0.00	0.00	0.00	3,609.50	28,026.74	46,711.23	65,395.72	46,711.23	35,033.42	58,389.04	81,744.65	59,026.01	424,647.53
4	CREANTE CHIROGRAFARE	0.00	0.00	0.00	18,763.99	154,802.90	258,004.84	361,206.78	258,004.84	193,503.63	322,506.05	451,508.47	437,323.41	2,455,624.92
	<b>TOTAL GENERAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>63,687.62</b>	<b>485,799.89</b>	<b>845,089.49</b>	<b>1,133,533.09</b>	<b>809,666.49</b>	<b>607,249.87</b>	<b>1,012,083.11</b>	<b>1,416,916.36</b>	<b>1,132,127.90</b>	<b>7,506,153.81</b>

Also in accordance with Annex. 4 Plan of Reorganization was staggered and current debt to the State Budget in the amount of: 2,170,476.00 lei

NR. CRT	SUMA DATORATA (LEI)	ANUL I				ANUL II				ANUL III				TOTAL
		TRIM I	TRIM II	TRIM III	TRIM IV	TRIM I	TRIM II	TRIM III	TRIM IV	TRIM I	TRIM II	TRIM III	TRIM IV	
	<b>DATORII LA BUGETUL DE STAT</b>													
1	RETINERI LA SURSA	73,071.00	548.03	913.39	1,278.74	913.39	8,220.49	8,220.49	8,220.49	8,220.49	9,133.88	9,133.88	9,133.88	73,071.00
2	DATORATE DE	752,314.00	5,642.36	9,403.93	13,165.50	9,403.93	84,635.33	84,635.33	84,635.33	84,635.33	94,039.25	94,039.25	94,039.25	752,314.00
3	TVA	1,247,727.00	9,357.95	15,596.59	21,835.22	15,596.59	140,369.29	140,369.29	140,369.29	140,369.29	155,965.88	155,965.88	155,965.88	1,247,727.00
4	CALCULATE LA	97,364.00	730.23	1,217.05	1,703.87	1,217.05	10,953.45	10,953.45	10,953.45	10,953.45	12,170.50	12,170.50	12,170.50	97,364.00
	<b>TOTAL BUGETUL DE STAT</b>	<b>2,170,476.00</b>	<b>16,278.57</b>	<b>27,130.95</b>	<b>37,983.33</b>	<b>27,130.95</b>	<b>244,178.55</b>	<b>244,178.55</b>	<b>244,178.55</b>	<b>244,178.55</b>	<b>271,309.50</b>	<b>271,309.50</b>	<b>271,309.50</b>	<b>2,170,476.00</b>

Duration of the reorganization plan is three years from the remains irrevocable decision confirming it, in accordance with Art. 95 para. (3) of the Law no.85 / 2006, with the possibility of extension under the law.

During the implementation of the reorganization plan the company will retain full management of its operations, including the right to dispose of the assets of its surveillance activity by its insolvency administrator appointed Andrew John IPURL law.

Funding Reorganization Plan will be made on the following main sources:

- Profits from continuing their activity SC COMPANY ENERGOPETROL SA with modifications set forth in the Plan;

- amortization included in cost without cash outflow, which remain available to the company as own funding;
- certain existing balance of their claims on plan approval
- of assets that are not essential reorganization SC COMPANY ENERGOPETROL SA;
- proceeds of debt collection disputes hereunder that the company is currently pending.

All instruments are favored by the reorganization plan.

These types of claims are considered to be disadvantaged because they are rescheduled over a period greater than 30 days after confirmation of the plan. Although these are more disadvantaged debts, it plans a fair and equitable treatment apply the cumulative conditions provided by art. 101 par. (2) of Law no. 85/2006.

- Since the civil sentence no. 499 / 04.25.2016 was ordered confirm the reorganization plan of SC Compania Energo petrol SA, on 07/06/2016 and 06/09/2016, according to Annex. 4 "staggering current liabilities to the state budget" plan of reorganization has made payment in the amount of 16.278 lei for the first quarter, year I.
- On 09/22/2016, according to Annex. 4 "staggering current liabilities to the state budget" plan of reorganization has made payment in the amount of 27.132 lei, the second quarter of Year I.
- On 16.11.2016,06.12.2016 and 29/12/2016, according to Annex. 4 "staggering current liabilities to the state budget" plan of reorganization was made payment amounting to 37.985 lei, the third quarter of Year I.
- On 04.25.2017 according to Appendix. 1 "program payments SC Compania Energo petrol SA receivables" of the reorganization plan and Annex. 4 "debt rescheduling current State Budget" rate paid to the fourth quarter of Year I, namely:

LEI 52057.99, Annex no.1  
 , Annex No.4 27130.95 LEI  
 TOTAL 79180.94 LEI

- Following the protocol of auction nr.1518 / 08.11.2016 decided the sale of flat no. 3 of Campina, str. Rash, 5 to the price of 200,592.00 lei. This apartment was mortgaged to the supplier SC Control Trading SRL. According to the reorganization plan approved when property guaranteed capitalization, the company will pay in advance, the entire claim of the creditor whose warranty has been harnessed, without waiting for the due date of each installment. Consequently after selling the apartment No.3, the company has paid SC Control Trading SRL on 09.19.2016 amount of 185,748.20 lei, which represents prepayment rates by quarter / year 3.
- 2017 was made by CEC Bank SA (secured creditor) a payment amounting to 78841.58 lei. On 08/03/2017 I earned second-rate 54721.58 lei and consequently was made by CEC Bank SA (secured creditor) a payment amounting to 54721.58 lei. On 05.10.2017 was made by CEC Bank SA (secured creditor) a payment amounting to 54721.58 lei, following the receipt of rate III, and on 06/06/2017 was made by CEC Bank SA (lender guaranteed) last paid on the sales of 36848.48 lei. Minutes after the auction nr.803 / 08.05.2017 decided the sale of land of 1,004 sqm located in Campina, str. Industry No. 3 bis, jud. Prahova by Mr. Adrian Nicolae Vintila. Given that ended on 15/05/2017 sale purchase agreement, on 17.05.2017 I paid amounting to 170,726.78 lei CEC Bank, as lender of security has been harnessed. Minutes after the auction 916 / 19.05.2017 decided the sale of land of 2,177 sqm with related buildings, located in Campina, str. Industry No. 3 bis, jud. Prahova by Mr. Anton Dragos. Given that ended on 21/06/2017 sale purchase agreement, on 27.06.2017 I paid amounting to 611,419.59 lei CEC Bank, as lender of security has been harnessed.

Consequently CEC Bank have made the following payments:

76841.58	02/13/2017
2,000.00	02/14/2017
54721.58	08/03/2017
54721.58	05/10/2017
36848.48	06/06/2017
170,726.78	05/17/2017
611,239.20	06/27/2017

**which represents advance payment of all rates of the reorganization plan.**

- Good capitalization of the land area of 4857 sqm located in Baicoi, Str. Infratirii, Site Liliesti County. Prahova in price of 199,812.12 lei we conducted by Garanti (creditor gatantat) two payments on 09.13.2017 or 09.20.2017 in worth 195,815.88 lei corresponding quarter rate which is 1/2 year worth 146,423.93 lei and partial prepayment rate corresponding to Q2 / year 2 49391.95 lei.
- The appreciation of the apartment area of 42 sqm 11 block of singles Moreni, jud. Dambovita price of 32120.20 lei I conducted on 09.06.2017 a payment amounting to 32120.20 lei Kärpät Expert SRL (secured creditor) which is partly related to quarter rate 1 / year 2.
- **At DGRFP Ploiesti I** paid the rate for the first quarter 1 / year 2 worth 17193.73 lei, as follows:

8454.00	07/13/2017
3393.00	07/17/2017
4682.00	07/24/2017
292.00	27/07/2017
373.00	02/08/2017

- On 22.09.2017 we made a payment amounting to 95071.00 lei representing partially corresponding quarter rate 1 / year 2, as follows:

<b>Beneficiary</b>	<b>Amount (lei)</b>
Karp Expert SRL debt guaranteed-rate difference	37228.94
Băicoi City Hall budget debt	6246.00
City Hall Boldesti - Scaieni budget debt	1972.00
AAAS Bucharest debt budget	2025.76
Moreni Municipality budget debt	1008.00
FSA budget debt	578.32
Moinești Municipality Territorial Administrative Unit budget debt	414.00
Territorial Administrative Unit of debt budget Ianca	189.00
Townhall Leordeni budgetary debts	126.00
Down Hall wheel budgetary debts	95.00
Townhall Bascov budgetary debts	82.00
Townhall Berka budget debt	82.00
Hall Bilten budgetary debts	25.00
Campulung City Hall budget debt	20.00
SC Control Trading SRL rate-limited unsecured debt	44978.98
	<b>95071.00</b>

- Annex no. 4 "staggering current liabilities to the state budget" plan of reorganization have made these payments, for the first quarter 1 / year 2:

<b>date</b>	<b>Amount (lei)</b>
02/08/2017	642.00
08/03/2017	8769.00
08/09/2017	4436.00
08/17/2017	126.00
08/21/2017	3929.00
23/08/2017	1883.00
08/24/2017	8249.00
31/08/2017	1494.00
05/09/2017	922.00
07/09/2017	10,000.00
28/09/2017	18379.00
<b>TOTAL</b>	<b>58849.00</b>

- The appreciation of flat no. 14 located in Campina, Str. Rash, no. 5, nr. 54, et. 4, Prahova County priced at 40,000 euros I paid the secured creditor SC Control Trading SRL amount of 128,321.98 lei which represents advance payment of all rates of the reorganization plan.

- The appreciation of the apartment no.15 area of 56 sqm block singles Moreni, jud. Dambovita I paid the secured creditor Karp Expert SRL amount of 42607.44 lei on 21.11.2017.
- On 12/12/2017 we paid the rate difference corresponding quarter 1 / year 2 and the rate corresponding to the second quarter of Year 2 as follows:

<b>Nr. crt.</b>	<b>Beneficiary</b>	<b>payment specification</b>	<b>The amount</b>
1.	Garanti Bank SA	Payment rate difference the second quarter of Year 2	194,647.94 lei
2.	Karp Expert SRL	Payment rate difference the second quarter of Year 2	72974.46 lei
3.	City Hall Baicoi	Rate payment corresponding to the second quarter of Year 2	10410.00 lei
4.	City Hall Boldesti - Scaieni	Rate payment corresponding to the second quarter of Year 2	3286.00 lei
5.	AAAS Bucharest	Rate payment corresponding to the second quarter of Year 2	3376.27 lei
6.	Moreni City Hall	Rate payment corresponding to the second quarter of Year 2	1679.00 lei
7.	FSA	Rate payment corresponding to the second quarter of Year 2	963.86 lei
8.	Moinești Municipality Territorial Administrative Unit	Rate payment corresponding to the second quarter of Year 2	690.00 lei
9.	Territorial Administrative Unit of Ianca	Rate payment corresponding to the second quarter of Year 2	314.00 lei
10.	Townhall Leordeni	Rate payment corresponding to the second quarter of Year 2	210.00 lei
11.	Wheel Lower Hall	Rate payment corresponding to the second quarter of Year 2	159.00 lei
12.	Townhall Bascov	Rate payment corresponding to the second quarter of Year 2	137.00 lei
13.	Townhall Berka	Rate payment corresponding to the second quarter of Year 2	136.00 lei
14.	Hall Bilten	Rate payment corresponding to the second quarter of Year 2	42.00 lei
15.	Campulung City Hall	Rate payment corresponding to the second quarter of Year 2	34.00 lei
16.	SC Control Trading SRL	Payment rate difference related to the first quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	240,083.53 lei
17.	SC Prelchim SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	1135.74 lei
18.	SC Elcas Prodimpex SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	27790.22 lei
20.	SC Home Energy SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	18240.05 lei
21.	SC Services Energy Muntenia SA	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	14796.65 lei
22.	SC Luxten Lighting Company Ltd	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	7510.88 lei
2. 3.	GDF Suez Energy Romania SA	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	7179.28 lei

24.	SC GV Electro Total SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	5979.42 lei
25.	SC Precon SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	5023.88 lei
26.	SC Expert Audit SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	4332.66 lei
27.	SC Electroechipament SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	3668.25 lei
28.	SC Electricity Distribution Branch	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	3329.35 lei
29.	SC Litind SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	1935.74 lei
30.	SC Geran Serv Construct SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	1849.88 lei
31.	SC Electric LT SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	1484.97 lei
32.	SC Sabela Expert SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	1280.40 lei
33.	SC antelope SA	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	1303.59 lei
34.	SC Spedition Edugab SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	1192.90 lei
35.	SC Lin Impex SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	1176.84 lei
36.	SC Orange Romania SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	1139.88 lei
37.	Free and Independent Trade Union Energopetrol	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	1120.06 lei
38.	SC Techno FOF SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	1120.30 lei
39.	SC Teron Systems SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	1066.41 lei
40.	SC, automated SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	1039.54 lei
41.	SC Hidro Prahova SA	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	607.22 lei
42.	SC Adgas Install SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	882.07 lei
43.	SC Petroconstruct Service SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	636.31 lei
44.	SC Sandiliv SRL	Rate payment corresponding quarter of Year 2	851.14 lei

		and pay rate corresponding to the second quarter of Year 2	
45.	National Research Institute	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	851.14 lei
46.	BSE SA	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	843.80 lei
47.	SC Electroconstructia Elco Bucuresti SA	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	796.28 lei
48.	National Institute for the Control of Boilers	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	687.46 lei
49.	SC Energo Power SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	578.44 lei
50.	Sc Somi - 93 SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	611.07 lei
51.	SC Economic Local SA	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	603.22 lei
52.	SC Aquatim Timisoara	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	595.86 lei
53.	About Coni SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	567.42 lei
54.	SC Lideras Gas SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	240.06 lei
55.	SC Edugab Prod SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	456.84 lei
56.	SC Electrica SA	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	259.81 lei
57.	SC Green Zone Tec SRL (former DPAAC Tecuci)	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	438.05 lei
58.	SC PROLEASING Motors SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	426.85 lei
59.	SC SWISO Sistem	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	388.12 lei
60.	SC Cargus International SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	237.87 lei
61.	SC TMUCB SA	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	333.03 lei
62.	Central Depository	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	320.61 lei
63.	Iris Flower Association	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	255.76 lei
64.	SC Selket SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter	215.51 lei

		of Year 2	
65.	SC Spain SRL	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	156.19 lei
66.	SC Electrica Serv SA - (SISE) "Muntenia Nord"	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	111.49 lei
67.	About Company Public Utilities Danube SA	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	25.60 lei
68.	SC "Electrica" SA	Rate payment corresponding quarter of Year 2 and pay rate corresponding to the second quarter of Year 2	71.12 lei
69.	State Budget	Rate payment corresponding to the second quarter of Year 2	15039.00 lei
70.	State Budget	Rate payment corresponding to the second quarter of Year 2	13618.00 lei
71.	Cash withdrawal for salary claims	Rate payment corresponding to the second quarter of Year 2	35423.00 lei
			<b>720,968.29 lei</b>

- Annex no. 4 "staggering current liabilities to the state budget" plan of reorganization were done on 12.12.2017 next payable on Quarter 1 / year 2 and Q2 / year 2:

Nr. crt.		The amount
1.	PAYROLL TAX for the outstanding salaries (Annex 4 of the reorganization plan "debt rescheduling current State Budget")	22500.00 lei
2.	TAX The salaries for back wages (Annex 4 of the reorganization plan "debt rescheduling current State Budget")	20317.00 lei
3.	CAS associated employment outstanding salaries (Annex 4 of the reorganization plan "debt rescheduling current State Budget")	48932.00 lei
4.	UNEMPLOYMENT EMPLOYEE for the outstanding salaries (Annex 4 of the reorganization plan "debt rescheduling current State Budget")	2046.00 lei
5.	Employee health related (Annex 4 of the reorganization plan "debt rescheduling current State Budget")	25026.00 lei
6.	CAS associated employment outstanding salaries (Annex 4 of the reorganization plan "debt rescheduling current State Budget")	154,037.00 lei
7.	UNEMPLOYMENT back wages associated employment (Annex 4 of the reorganization plan "debt rescheduling current State Budget")	8087.00 lei
8.	Employee health related salaries (Annex 4 of the reorganization plan "debt rescheduling current State Budget")	93763.00 lei
9.	FNUASS for the outstanding salaries (Annex 4 of the reorganization plan "debt rescheduling current State Budget")	2648.00 lei
10.	ACCIDENTS FD corresponding outstanding wages (Annex 4 of the reorganization plan "debt rescheduling current State Budget")	3803.00 lei
11.	FD GUARANTEE for the outstanding salaries (Annex 4 of the reorganization plan "debt rescheduling current State Budget")	6998.00 lei
		<b>388,157.00 lei</b>

- In 02.19.2018, 03.14.2018 and 21.03.2018 has paid the amount of 343,655.84 lei Garanti Bank SA accounting for the third quarter rate, Year II.

- On 04.18.2018 was paid the amount of 91000.00 lei Kärpät Expert SRL rate representing the third quarter, partly Year II.
- On 14.05.2018 was paid the amount of 50208.93 lei Kärpät Expert SRL rate representing the third quarter, partly Year II.
- On 20.06.2018 was paid the amount of 20605.73 lei Kärpät Expert SRL representing the third quarter rate, Year II-rest.
- On 08.08.2018 was paid the sum of 1,464,457.88 lei Garanti SA which represents advance payment of all rates of the reorganization plan.
- On 07.08.2018 was paid the amount of 202,268.32 lei representing Karp Expert SRL rate corresponding to the fourth quarter of Year II and the rate for the first quarter, Year III
- On 17.09.2018 was paid the amount of 801,993.13 lei, as follows:

Nr. No.	name of creditor	Year 2		3rd year	Total payments on 9/17/2018	Notifications
		Trim III due 25.01.2018	Trim IV due 25.04.2018	Trim due 07/25/2018 I (partial)		
	<b>budgetary debts</b>					
1	DGRFP Ploiesti	40118.69	28656.21	21493.10	<b>90268.00</b>	Payment updated according to the reorganization plan
2	City Hall Baicoi	14572.97	10409.26	7807.77	<b>32790.00</b>	Payment updated according to the reorganization plan
3	City Hall Boldesti - Scaieni	4599.52	3285.37	2464.11	<b>10349.00</b>	Payment updated according to the reorganization plan
4	AAAS Bucharest	4726.77	3376.27	2532.20	<b>10635.24</b>	Payment updated according to the reorganization plan
5	Moreni City Hall	2350.04	1678.60	1259.36	<b>5288.00</b>	Payment updated according to the reorganization plan
6	FSA	1349.41	963.86	722.90	<b>3036.17</b>	Payment updated according to the

						reorganizatio n plan
7	Moinești Municipality Territorial Administrative Unit	965.99	689.99	518.02	<b>2174.00</b>	Payment updated according to the reorganizatio n plan
8	Territorial Administrative Unit of Ianca	439.64	314.03	236.33	<b>990.00</b>	Payment updated according to the reorganizatio n plan
9	Townhall Leordeni	293.06	209.33	157.61	<b>660.00</b>	Payment updated according to the reorganizatio n plan
10	Wheel Lower Hall	221.61	158.29	119.10	<b>499.00</b>	Payment updated according to the reorganizatio n plan
11	Townhall Bascov	190.96	136.40	102.64	<b>430.00</b>	Payment updated according to the reorganizatio n plan
12	Townhall Berka	189.57	135.41	102.02	<b>427.00</b>	Payment updated according to the reorganizatio n plan
13	Hall Bilten	57.60	41.14	31.26	<b>130.00</b>	Payment updated according to the reorganizatio n plan
14	Campulung City Hall	46.66	33.33	25.01	<b>105.00</b>	Payment updated according to the reorganizatio n plan
	<b>TOTAL DEBT BUDGET</b>	70122.49	50087.49	37571.43	<b>157,781.41</b>	
	<b>unsecured claims</b>					
1	SC Control Trading SRL	249,429.69	178,164.07	25,000.00	<b>452,593.76</b>	
2	SC Prelchim SRL	993.78	709.84		<b>1703.62</b>	
3	SC Elcas Prodimpex SRL	24316.44	17368.89		<b>41685.33</b>	
4	SC Energopetrol Com SA	0.00	0.00		<b>0.00</b>	

5	SC Home Energy SRL	15960.05	11400.03		<b>27360.08</b>	
6	SC Services Energy Muntenia SA	12947.07	9247.91		<b>22194.98</b>	
7	SC Luxten Lighting Company Ltd	6572.02	4694.30		<b>11266.32</b>	
8	GDF Suez Energy Romania SA	6281.87	4487.05		<b>10768.92</b>	
9	SC GV Electro Total SRL	5232.00	3737.14		<b>8969.14</b>	
10	SC Precon SRL	4395.90	3139.93		<b>7535.83</b>	
11	SC Expert Audit SRL	3791.08	2707.92		<b>6499.00</b>	
12	SC Electroechipament SRL	3209.72	2292.66		<b>5502.38</b>	
13	SC Electricity Distribution Branch	2913.18	2080.84		<b>4994.02</b>	
14	SC Litind SRL	1693.77	1209.84		<b>2903.61</b>	
15	SC Geran Serv Construct SRL	1618.65	1156.18		<b>2774.83</b>	
16	SC Electric LT SRL	1299.35	928.11		<b>2227.46</b>	
17	SC Sabela Expert SRL	1120.35	800.25		<b>1920.60</b>	
18	SC antelope SA	1140.64	814.74		<b>1955.38</b>	
19	SC Spedition Edugab SRL	1043.79	745.56		<b>1789.35</b>	
20	SC Lin Impex SRL	1029.74	735.53		<b>1765.27</b>	
21	SC Orange Romania SRL	997.40	712.43		<b>1709.83</b>	
22	Free and Independent Trade Union Energopetrol	980.06	700.04		<b>1680.10</b>	
2. 3	SC Techno FOF SRL	980.26	700.19		<b>1680.45</b>	
24	SC Teron Systems SRL	933.11	666.51		<b>1599.62</b>	
25	SC, automated SRL	909.60	649.71		<b>1559.31</b>	
26	SC Hidro Prahova SA	531.32	379.51		<b>910.83</b>	
27	SC Adgas Install SRL	771.81	551.29		<b>1323.10</b>	
28	SC Petroconstruct Service SRL	556.77	397.69		<b>954.46</b>	
29	SC Sandiliv SRL	744.74	531.96		<b>1276.70</b>	
30	National Research Institute	744.74	531.96		<b>1276.70</b>	
31	BSE SA	738.33	527.38		<b>1265.71</b>	
32	SC Electroconstructia Elco Bucuresti SA	696.75	497.68		<b>1194.43</b>	
33	National Institute for the Control of Boilers	601.52	429.66		<b>1031.18</b>	
34	SC Energo Power SRL	506.13	361.52		<b>867.65</b>	
35	Sc Somi - 93 SRL	534.69	381.92		<b>916.61</b>	
36	SC Economic Local SA	527.81	377.01		<b>904.82</b>	
37	SC Aquatim Timisoara	521.38	372.41		<b>893.79</b>	
38	About Coni SRL	496.50	354.64		<b>851.14</b>	
39	SC Lideras Gas SRL	210.06	150.04		<b>360.10</b>	
40	SC Edugab Prod SRL	399.74	285.53		<b>685.27</b>	

41	SC Electrica SA	227.33	162.38		<b>389.71</b>	
42	SC Green Zone Tec SRL (former DPAAC Tecuci)	383.30	273.78		<b>657.08</b>	
43	SC PROLEASING Motors SRL	373.49	266.78		<b>640.27</b>	
44	SC SWISO Sistem	339.61	242.58		<b>582.19</b>	
45	SC Cargus International SRL	208.14	148.67		<b>356.81</b>	
46	SC TMUCB SA	291.40	208.15		<b>499.55</b>	
47	Central Depository	280.53	200.38		<b>480.91</b>	
48	Iris Flower Association	223.79	159.85		<b>383.64</b>	
49	SC Selket SRL	188.57	134.70		<b>323.27</b>	
50	SC Spain SRL	136.67	97.62		<b>234.29</b>	
51	SC Electrica Serv SA - (SISE) "Muntenia Nord"	97.56	69.68		<b>167.24</b>	
52	About Company Public Utilities Danube SA	22.40	16.00		<b>38.40</b>	
53	SC "Electrica" SA	62.23	44.45		<b>106.68</b>	
	<b>Total unsecured claims</b>	361,206.83	258,004.89	25,000.00	<b>644,211.72</b>	
	<b>GRAND TOTAL</b>	<b>431,329.32</b>	<b>308,092.38</b>	<b>62571.43</b>	<b>801,993.13</b>	

- On 10.24.2018 was paid the amount of 144,477.37 lei representing Karp Expert SRL rate corresponding to the second quarter of Year 3
- On 11.05.2018 was paid the amount of 168,503.65 lei representing change rate due on 07.25.2018.
- On 29.11.2018 was paid the amount of 760,436.63 lei SC Control Trading Ltd, which is the full payment of all rates of the reorganization plan.
- On 12.12.2018 was paid the sum of 50,000.00 lei Kärpät Expert SRL representing partially the third quarter rate, Year 3, due in ian.2019.

SC Compania Energopetrol SA holds stakes in capital of other companies, the situation is as follows:

company name	Percentage holding in December 31, 2017	Percentage holding in December 31, 2018	The investment in December 31, 2017	The investment in 31st of December 2018
Energopetrol Ploiesti SRL	20% of the head. social	20% of the head. social	50	50
FACC SRL Campina	25% of the head. social	25% of the head. social	250	250
SC Crysenic Energy SRL	30% of head office	30% of head office	2000	2000
Other				
			2,300	2,300

## 2. Basis of preparation

### (a) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards adopted by the European Union („IFRS") effective at the reporting date the Company semester or December 31, 2018 and in accordance with the provisions of Order no. 2844/2016 for the approval of accounting

regulations compliant with International Financial Reporting standards applicable to companies whose securities are admitted to trading on a regulated market, with subsequent modifications and clarifications. These provisions are consistent with the requirements of International Financial Reporting standards adopted by the European Union.

The financial statements contain a statement of financial position, profit or loss and other comprehensive income, statement of changes in equity, cash flow statement and notes.

**According OMFP 881/2012** on the application by companies whose values are admitted to trading on a market regulated International Financial Reporting Standards and Minister of Finance no. 2844/2016 for the approval of accounting regulations compliant with International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market for furniture, companies whose securities are admitted to trading on a regulated market are required, starting with fiscal year 2012 must apply International financial Reporting standards (IFRS) in preparing the annual financial statements.

**(b) Basis of measurement**

The financial statements are presented in RON ( "Romanian Lei") have been prepared on a historical cost basis except for the revaluation of fixed assets (tangible) and elements of capital, legal reserves and other reserves from net profit were adjusted accordance with International Accounting Standard ( "IAS") 29 "financial reporting in hyperinflationary economies" until 31 December 2003.Situatiile statements have been prepared the principles of business continuity.

**(C) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the economic environment in which the entity operates ( "the functional currency"), meaning lion. The financial statements are presented in RON, which is the functional currency and presentation currency of the Company.

**(d) foreign currencies**

Operations denominated in foreign currencies are recorded in RON at the official exchange rate on the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of the statement of financial position are expressed in lei at the exchange rate of the day. Gains or losses from the translation and settlement of these assets and liabilities denominated in foreign currency using the exchange rate at the end of the financial year are recognized in the result of exercise. Non-monetary assets and liabilities that are measured at historical cost in foreign currencies are recorded in lei at the exchange rate at the transaction date.

The conversion differences are presented in profit or loss.

The exchange rates of the main currencies were as follows:

CURRENCY	Course December 31, 2018	Course December 31. 2017
EUR	4.6639	4.6597
USD	4.0736	3.8915

**(E) Use of estimates and judgments**

Preparation of financial statements in accordance with IFRS as adopted by EU requires the management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated judgments are based on historical experience and various other factors considered to be indicative of the circumstances and the result of these factors form the basis for judgments used in determining the carrying amounts of assets and liabilities for which there are no other sources available evaluation. Actual results may differ from the estimated values.

Estimates and judgments are reviewed periodically. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the current and future periods if the revision affects both the current period and future periods. Efecteau change current periodIt is recognized as income or expense in the current period. If any, effect on future periods is recognized as income or expense in those future periods.

Management believes that any deviations from these estimates will not have a significant influence on the financial statements in the near future.

Estimates and assumptions are used primarily for impairment of fixed assets, estimating lifeUtilize an asset depreciable the allowance for impairment of receivables, provisioning; to recognize deferred income tax assets.

In accordance with IAS 36, both intangible and tangible assets are analyzed to identify any indications of impairment at the balance sheet date. If the carrying amount of an asset exceeds the recoverable amount, an impairment loss is recognized to reduce the carrying amount of the asset to the recoverable amount. If the reasons recognized impairment loss disappear in subsequent periods, the carrying value of the asset is increased to the net carrying amount that would have been determined had no impairment loss had been recognized.

Evaluation for doubtful debts is made individually and based on the best estimate of the present value of cash flows that are expected to be received. The company is reviewing its trade receivables and other hazards at each financial position date to assess if you need to record in the income statement depreciated value. In particular judgment of the management is required to estimate the amount and coordination of future cash flows when determining the impairment loss. These estimates are based on assumptions about several factors and actual results may differ, resulting in future changes adjustments.

Deferred tax assets are recognized for tax losses, to the extent that it is probable that there will be taxable profit that can be covered. There is a need to exercise professional judgment to determine the amount of deferred tax assets that can be recognized, based on probability in terms of time and level of future taxable income as well as future tax planning strategies.

### 3. Legal principles and general accounting policies

According to International Accounting Standard IFRS 8 "Accounting policies, changes in accounting policies and errors" Accounting policies are the specific principles, bases, conventions, rules and practices applied by the entity in preparing and presenting financial statements.

The company has selected and applied accounting policies consistently for similar transactions, other events and similar conditions, unless a standard or an interpretation requires or it allows specifically categorization of items for which it may be appropriate different policies. If a standard or an interpretation requires or permits such categorization, must be selected and applied for each category, consistently, appropriate accounting policy.

Company changes an accounting policy only if the change:

- It is required by a standard or an interpretation; or
- results in financial statements providing reliable and more relevant information on effect transactions in DISCLOSURES, other events or conditions on the positive financial, performance financial or cash flows of the entity.

A summary of significant accounting policies have been applied consistently to all periods presented in the financial statements:

#### a) Intangible and tangible assets; real estate investments

*Intangible assets* acquired by the company are measured at cost less accumulated amortization and accumulated impairment losses.

The company has chosen as its accounting policy for assessing intangible assets after initial recognition, the cost model.

The company opted to use the straight-line method for amortization of intangible amortization immobilization.

To determine whether an intangible asset at cost is impaired, the company applies IAS 36. An impairment loss is recognized immediately in profit or loss.

In order to present the income statement, gains or losses arising with discontinuation or exit of an intangible asset is determined as the difference between revenues from the asset and its value depreciated, including costs of its removal from the records, and must be presented as a net amount in profit or loss under IAS 38.

**Property and equipment** They are initially recognized at cost of acquisition or construction and is stated net of accumulated depreciation and accumulated impairment losses.

The cost of purchased tangible assets is the value of the consideration given to acquire the assets and other costs directly attributable to bringing the asset to the location and condition necessary for them to work in the manner intended by management.

The company chose to use for evaluation after initial recognition of tangible assets revaluation model. Under the revaluation model, an item of property whose fair value can be measured reliably shall be carried at a

revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and any accumulated impairment losses

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

The fair value of land and buildings is usually determined from market-based evidence by an assessment carried out by professionally qualified valuers.

The fair value of items of property and equipment is usually their market value determined by appraisal.

Frequency of revaluations depends on changes in fair value of tangible assets revalued. If the fair value of an asset differs significantly from the carrying amount, it should be reassessed.

When an item of property and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated by the company as follows: is restated a rate level with the change in the gross carrying amount of the asset, therefore that the carrying amount of the asset after revaluation equals its revalued amount.

Therefore, the frequency depends on changes in the re-evaluation of property fair

body. If the fair value of an item of tangible assets revalued at the balance sheet differs significantly from its carrying amount, a further revaluation is necessary. If the fair values are volatile, as can be for land and buildings, frequent revaluations may be required. If the fair values are stable over a long period of time, as may be the case with plant and equipment, assessments may be required less often. IAS 16 suggests that annual reassessments may be needed if there are significant changes and volatile values.

If an item of property and equipment is revalued the entire class of property and equipment to which that asset belongs shall be revalued.

Depreciation of an asset begins when it is available for use, ie when it is in the location and condition necessary for it to function in the manner intended by management.

Depreciation of an asset ceases at the first time between the date the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the asset is derecognised. Therefore, depreciation does not cease when the asset is used or is decommissioned, unless it is fully depreciated.

Land and buildings are separable assets and are accounted for separately, even when they are acquired together.

Land is not depreciated.

If the cost of land includes the costs of dismantling, removal, restoration costs are depreciated over when they get benefits as a result of carrying these costs.

The depreciation method used reflects the expected pattern of consumption of future economic benefits of the asset by unit. At the end of each financial year to revise the amortization method and when there has been a significant change in the expected pattern of consumption of future economic benefits that changes to reflect the pace of change.

SC Compania Energo petrol SA uses linear amortization method.

The residual value, life and depreciation method are reviewed at the date of the financial statements.

The useful life of tangible assets at the date of these financial statements are within the limits prescribed in GD 2139/2004 and are estimated by management to be correct.

Depreciation is calculated following useful lives for different categories of assets:

### **Tangible Duration (years)**

construction 10-50

Technological equipment 3-15

Systems and equipment for measuring, control and regulation 3-10

Vehicles 2-10

Furniture, office equipment, team. protection of human values and mat 2-5

### *Depreciation policy applied by the company*

In accordance with IAS 36, both intangible and tangible assets are investigated to identify any indications of impairment at the balance sheet date. For intangible assets with indefinite useful life, impairment tests are performed annually, even if there is no indication of impairment. If the carrying amount of an asset exceeds the recoverable amount, an impairment loss is recognized to reduce the carrying amount of the asset at the recoverable amount. If the reasons recognized impairment loss disappear in subsequent periods, the carrying value of the asset is increased to the net carrying amount that would have been determined had no impairment loss had been recognized.

The carrying amount of an item of property and equipment is derecognised on disposal or when no future benefits are expected from its use or disposal. The revaluation surplus included in equity in respect of an item of property is transferred directly to retained earnings when the asset is derecognised on disposal or scrapping.

The gain or loss arising on derecognition of an item of property should be included in profit or loss when the item is derecognised

If sold repeatedly elements of tangible assets that were held for rental to others, these assets will be transferred at book value on stocks when they cease to be rented and are held for sale. Revenues from the sale of these assets are recognized as income in accordance with IAS 18 "Revenue"

#### **a) Commercial**

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of assets, liabilities and contingent liabilities recognized.

Goodwill is not amortized but is tested for impairment at least once a year. Goodwill impairment losses are immediately recognized against income and are not reversed in subsequent periods.

#### **b) Leasing**

Tangible assets include assets held under a finance lease. As the company enjoys the benefits associated with ownership, assets must be capitalized at the lower of the present value of minimum lease payments and their fair value and subsequently amortized over the useful life or the lease term, if it is less than useful life. Simultaneously recognizes a liability equal to the amount capitalized and future lease payments are divided into finance leases and expenses mainly (repayment element).

All lease agreements not classified as finance leases are treated as operating leases and payments are included in the expenditure period.

#### **c) Financial assets**

Compania Energopetrol SA Campina apply IFRS 9 - Financial Instruments entered into force since January 1, 2018 and which is used for classification of financial assets, the entity's business model and cash flow characteristics of the financial asset under the contract.

Classification of financial assets under IFRS 9 Financial instruments consist of:

a). financial asset measured at amortized cost if the conditions are fulfilled below:

- financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows and

- contractual terms of the financial asset gives rise to certain data, cash flows that are solely payments of principal and interest relating to the principal amount due

b). financial asset at fair value through other comprehensive income if conditions are fulfilled below

- financial asset is held within a business model whose objective is accomplished both by collecting contractual cash flows and sale of financial assets;

- contractual terms of the financial asset generates, on certain dates, cash flows that are solely payments of principal and interest relating to the principal amount due

c). a financial asset at fair value through profit or loss unless it is measured at amortized cost in accordance with paragraph a) or at fair value through other comprehensive income in accordance with point b)

With the exception of trade receivables covered by IFRS 15, a financial asset or financial liability is assessed initially at fair value and in the case of a financial asset or financial liability not at fair value through profit or loss plus or lower transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

After initial recognition, subsequent measurement of financial assets is to:

- amortized cost;

- fair value through other comprehensive income or

- fair value through profit or loss

Financial assets include shares in subsidiaries, associates and jointly controlled entities, loans to these entities, other investments held as fixed assets and other loans.

Company presents investments in other entities at cost. The company also has investments in companies in participatie or associates.

#### **d) Investments in associates**

Subsidiaries are entities controlled by the company. IFRS 10 - Consolidated Financial Statements defines the principle of control and establishes control as the basis for consolidation. IFRS 10 establishes the application of the principle of control to identify whether an investor controls an investee entity and therefore must consolidate the investee entity.

An investor controls an investee entity if and only if the investor has all the following:

- a) authority over the investee entity;
- b) exposure or rights to variable income based on its participation in the investee entities;
- c) the ability to use authority over the investee entity to influence the investor's income

#### **e) Interest on borrowings**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset production are capitalized until the asset is ready for use or for sale. All other costs of borrowing are expensed in the income statement for the period in which they arise. The interest expenses are recorded using the effective interest. During fiscal years 2018 and 2017 have not been capitalized interest expenses in assets.

#### **f) Government Grants**

In accordance with IAS 20, government grants are only recognized when there is sufficient certainty that the conditions attaching to them will be met and that the grants will be received. Subsidies that meet these criteria are presented as other liabilities and are recognized systematically in the income statement over the useful life of the asset to which it relates.

#### **g) Stocks**

**In accordance with IAS 2 Inventories, they are** assets are:

- held for resale in the ordinary course of business
- under production for such sale or
- as materials and other supplies that will be used in the production process or services

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the normal business, less estimated costs of completion and sale. For damaged or slow moving stocks allowance is based on management estimates.

Up and resume the impairment costs is done based on the profit and loss account.

Company to determine the cost of the materials first-in-first-out (FIFO)

#### **h) and other assets Claims**

Except for derivative instruments which are recognized at fair value and items denominated in a foreign currency are translated at closing rates, receivables and other assets are carried at amortized cost. This value can be considered a reasonable estimate of fair value, given that in most cases the maturity is less than one year. Long-term receivables are discounted using the effective interest method.

In order to present the annual financial statements, receivables are measured at probable receivable.

When it is estimated that a claim will not collect full accounting adjustments for depreciation is recorded, in the amount not be retrieved.

Deregistration of receivables occurs as a result of disposal of cashing them or to a third party. Current receivables can be deducted from recording and compensating mutual receivables and liabilities between third parties, under the law.

The decrease in receivables whose record collection periods are prescribed is done after the company obtained documents showing that all legal steps have been taken to settle their special administrator approval.

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

In terms of the Statement of Cash Flows, it is considered that cash is cash in hand and current bank accounts. Cash equivalents represent deposits and highly liquid investments with high, with maturities of less than three months.

#### **j) debt**

A liability is a present obligation of the Company arising from past events and the settlement is expected to result in an outflow of resources embodying economic benefits.

A liability is recognized in accounting and presented in financial statements when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation (probability) when the value that will make this settlement can be measured reliably (the reliability).

We need to distinguish between short-term debt and long term debt.

**current liabilities** those duties are to be paid over a period of up to one year.

A liability shall be classified as short-term debt, known as a current liability when:

- a) It is expected to be settled during the normal operating cycle of the company; or
- b) held primarily for trading;
- c) It is due within 12 months from the balance sheet date;
- d) the company has no unconditional right to defer settlement of the liability for at least 12 months from the balance sheet date.

**All other liabilities should be classified under current liabilities** *Even in situations where they must be settled within 12 months from the balance sheet date if:*

- *the original term was for a period longer than 12 months;*
- *the company plans to refinance long-term bonds;*
- and*
- *intention is supported by an agreement to refinance or reschedule payments, which is completed before the financial statements are approved for publication.*

Liabilities are carried at amortized cost, except for derivative instruments which are stated at fair value.

Long-term liabilities are discounted using the effective interest method. The discount rate used for this purpose is the rate ruling at the end of the year representing debt instruments with similar maturities. The carrying amount of other liabilities is their fair value because they are predominantly short-term.

The Company derecognizes a liability when its contractual obligations are discharged or canceled or expires.

If goods and services provided in connection with the activities have not yet been invoiced but if the delivery was made and value available, that obligation is recorded as a liability (rather than as provisions).

**The amounts representing dividends due are recorded in earnings** so that, after approval by the general meeting of shareholders of the destinations to be reflected in account 457 "Dividends payable".

#### **k) Income tax including deferred**

Income tax for the period comprises current tax and deferred tax.

Income tax is recognized in the statement of comprehensive income or in other comprehensive income if the tax is recognized in equity relating to items.

##### ***Current income tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Debt Company for current tax is calculated using tax rates that have been enacted or a bill at the end. Currently the tax rate is 16%.

##### ***deferred tax***

Deferred tax is provided using the balance sheet represents assets and liabilities on temporary differences (differences between the carrying amounts shown in the balance sheet of the Company and its tax base). Tax loss carry-forwards in the calculation of the deferred tax claim. A deferred tax asset is recognized only to the extent that it is probable taxable profits in the future, after offsetting tax loss of previous years and income tax recoveries.

Receivables and deferred income tax liabilities are offset when there is a right and when relate to income taxes levied by the same taxation authority. If the probability of occurrence of deferred income tax asset is greater than 50%, then the debt is taken into account. Otherwise there is a value adjustment for deferred tax.

## 1) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar items.

### Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are met:

- The company transferred to the buyer the significant risks and rewards of ownership of the goods;
- The company no longer manages the goods sold at the level it would have done if ownership over them and do not even have effective control over them;
- amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- transaction costs can be measured reliably.

A first element issue in accounting for revenue is determining when to recognize such income. Income from ordinary activities is recognized when it is probable that societatății take over the future economic benefits and these benefits can be measured reliably.

The amount of revenue arising from a transaction It is usually determined by agreement between the entity and the buyer or user of the asset. It is measured at the fair value of the consideration received or receivable, taking into account the amount of any trade discounts and volume rebates granted.

The consideration is in the form of cash or cash equivalents, and the amount of revenue is the amount of cash or cash equivalents received (e) or to be received (e). However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable.

This is the situation that applies to the delivery contracts provided credit provider if the company can offer the buyer a loan without interest or accept from this commercial paper with an interest rate lower than the market as consideration for sale goods.

For commercial contracts concluded as deferred payment provider the difference between the fair value and the nominal value of the consideration is recognized as interest income. The fair value of contraprestațtake is determined by discounting all future receipts using an imputed rate of interest.

### Services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction closing date of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are met:

- the amount of revenue can be reliably measured;
- it is probable that economic benefits associated with the transaction will flow to the entity;
- stage of completion of the transaction at the balance sheet date can be measured reliably; and
- costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue recognition according to the stage of completion of the transaction is "percentage of completion method". Under this method, revenue is recognized in the accounting periods in which the services are provided. Recognition of revenue on this basis provides useful information on the extent of performance activity and performance during a period.

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the entity .When an uncertainty arises about the collectability of an amount already included in revenue, the amount can not be collected or the amount whose recovery has ceased to be probable is recognized as an expense rather than as an adjustment to the amount of revenue originally recognized.

When the outcome of a transaction involving the rendering of services can not be estimated reliably, revenue shall be recognized only to the extent of the expenses recognized that are recoverable.

**Rental income** of investment property are recognized in the income statement linearly over the lease.

### Dividends and interest

Dividend income is recognized when it established the shareholder's right to receive payment. Dividend income is recorded on a gross including tax on dividends is recognized as a current income tax expense.

Interest income is recognized on an accrual basis by reference to the principal outstanding and the effective interest rate, the rate that exactly discounts estimated future cash receipts.

## **m) Provisions, Contingent Liabilities and Contingent Assets**

Provision is made for current obligations to third parties when it is probable that the obligation will be settled and the amount required to settle the obligation can be estimated reliably. Provisions for individual obligations is at an amount equal to the best estimate of the amount required to settle the obligation.

Provisions are grouped into categories and are accounting for:

- a)** litigation;
- b)** guarantees to customers;
- c)** disposal of tangible assets and other actions related thereto;
- d)** reorganization;
- e)** employee benefits;
- f)** other provisions

When, based on the analysis made by management with lawyers on the chances of loss of process by the company, it is concluded that the chances of loss are estimated more than 51% to the estimated provision constitutes credible.

*Provisions for guarantees to customers* it is based on estimates made by management and sales department of the repair costs within warranty.

The expenditure on repairs during the warranty period is determined as a percentage of the turnover of the reporting year.

### *Provisions for restructuring*

Obligation to restructure arises where a company:

also has mess of a detailed formal plan for restructuring to be highlighted: the activity or part of activity referred main locations affected, the location, function and approximate number of employees who will receive compensation for termination of their activity, costs involved, time which will implement the restructuring plan

It created a legitimate expectation to those affected that the restructuring will be done by starting to implement that plan restructuring or by communicating its main features to those who will be affected by restructuring

Restructuring provision includes only the direct costs related to restructuring.

### *Provisions for employee benefits*

For the remaining outstanding annual leave for other long-term benefits to employees (if they are stipulated in the employment contract), as well as those granted to the termination of employment are recorded in the financial year provisions. When their recognition as liabilities towards employees, the provision will be reversed by appropriate revenue accounts.

### *other provisions*

*In case identified* liabilities with uncertain timing or amount that qualify for recognition as provisions under IAS 37 but do not appear in any of the categories identified above are recorded other provisions.

At the end of each reporting period provision shall be reviewed and adjusted to reflect the current best estimate wish .When it finds in analysis that is not likely to be required outflow of resources embodying economic benefits to settle the obligation, the provision should canceled.

**The Company did not recognize a provision for operating losses** .Previzionarea of operating losses indicate that certain operating assets may be impaired in this case we test these assets in accordance with IAS 36 Impairment of Assets.

## **n) Employee benefits**

### ***Benefits by the terms short***

Obligations with short-term benefits granted to employees are not updated and are recognized in comprehensive income as the services are provided.

Short-term benefits granted to employees include salaries, insurance premiums and contributions to the tremen sociale.Beneficiile short are recognized as expense when the services are prestate.Se recognize a Provision for amounts expected to be paid as premiums in cash short or scheme staff participation in profit as the company

currently has a legal or constructive obligation to pay those amounts as a result of past service rendered by employees and whether that obligation can be estimated reliably.

### ***Determined contributions plans***

The company makes payments on behalf of their employees to the pension system of the Romanian state, health insurance and unemployment benefit in the normal course of business.

All company employees are members and have the obligation to contribute to the pension system of the Romanian state. All related contributions are recognized in profit or loss when efectuate. Societatea alperioadei has no further obligations otherwise.

The company does not operate any independent pension scheme and therefore has no obligations in this sens. Societatea is not engaged in any other system benefits angajare. Societatea post has no obligation to provide further services or former present employees.

Company employees provide benefits in the form of profit participation.

Currently there is no plan that societatatii be provided that the obligation to provide benefits in the form of an entity's own shares (or other equity instruments).

#### **a) Result for the year**

In accounting, the cumulative profit or loss is determined at the beginning of the year.

Result for the year is calculated as the difference between income and expenditure exercise.

The final result of the financial year is fixed at its closure and represents the final balance of profit and loss

Profit distribution is carried out in accordance with the laws in force. Reserves from profit amounts representing the current financial year, on the basis of legal provisions, eg legal reserve established under Law 31/1990 registered at the end of the current year. Accounting profit remaining after this allocation is taken at the beginning of the financial year following that for which financial statements are prepared annual account 1171 'earnings representing retained earnings or uncovered losses "where are distributed to other destinations decided by the general meeting of shareholders, with legal provisions..

#### **p) Earnings per share**

IAS 33 "Earnings per share" requires that if an entity presents consolidated financial statements and separate financial statements, presentation of earnings per share is drawn only on the consolidated information. If it chooses to disclose earnings per share based on its separate financial statements shall disclose such information on earnings per share only in the statement of comprehensive income. In this case it must disclose earnings per share in the consolidated financial statements.

The Company does not present consolidated financial statements.

Company shows earnings per share ( "CPA") basis for its ordinary shares. CPA basis is calculated by dividing earnings or loss attributable to (a) holders of ordinary shares of the weighted average number of ordinary shares outstanding during the period.

Weighted average of ordinary shares outstanding during the period is the number of shares outstanding at the beginning of the period Adjusted number of shares repurchased or issued during the period multiplied by a time-weighting factor.

The time-weighting factor is the number of days that the shares were in circulation as a proportion of the total number of days in the period.

#### **r).Dividende**

The share of profits that is paid according to the law, each shareholder is dividend. Dividends distributed to shareholders, proposed or declared after the balance sheet date, and other similar distributions of profit made, are not recognized as a liability at the balance sheet date, but when set as a shareholder to collect them.

Accounting profit remaining after allocating the legal reserve made in up to 20% of the share capital is taken in retained earnings at the beginning of the financial year following that for which prepare annual financial statements, where will be assigned to other destinations legal accorm AGA decision.

Emphasis in Accounting destinations accounting profit is made in the next year by the General Meeting of Shareholders approved the distribution of profits by recording amounts representing dividends due to shareholders or partners, reserves and other destinations, according to the law. The recordings made on the distribution of profit can not return.

Accounting for dividends are considered IAS 10.

#### **s) .Capital and reserves.**

Capital and reserves (equity) is entitled shareholders the assets of an entity after deducting all liabilities. Equity include: capital contributions, share premium, reserves, retained earnings, the result of the financial year.

**Social capital** composed of common shares is recorded at the value established on the basis of the constitution.

Own shares repurchased under the law are presented in the balance sheet as an adjustment to equity.

Gains or losses related to the issuance, redemption, sale, transfer free of charge or cancellation of equity instruments of the entity (stocks, shares) are recognized directly in equity line "Gains / losses relating to equity instruments" .

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

**Revaluation reserves.** After recognition as an asset, an item of tangible assets whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be credited directly to equity under the line item "revaluation reserves". However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

If the carrying amount of an asset is diminished as a result of a revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be debited directly to equity in the line item "revaluation reserves" to the extent that any credit balance in the revaluation surplus for that asset.

The revaluation surplus included in equity in respect of an item of property and equipment may be transferred directly to retained earnings when the asset is recognized.

Starting May 1, 2009 revaluation reserves of fixed assets, including land, performed after January 1, 2004, which are deducted from taxable income through depreciation or expenditure on assets sold and / or disposed of, is taxed together depreciation tax deduction or decrease when the management of these assets, as appropriate.

#### **Legal reserves**

Under 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 this level has been reached, the company may make additional allocations of net profits only. The legal reserve is deductible limit of 5% of the accounting profit before income tax determination.

The entity was set up under Law No.31 / 1990 on commercial companies.

In the first set of financial statements prepared in accordance with IFRS, the Company has applied IAS 29- "Financial Reporting in hiperinflationoste economy" and adjusted historical cost of capital, legal reserves and other reserves, the effect of inflation until December 31, 2003.

#### **t). related parties**

A person or a close family member of that person is considered related to a company if that person:

- (i) has control or joint control over the Company;
- (ii) It has significant influence over the Company; or
- (iii) a member of staff - key management.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that entity.

An entity is affiliated with the Society if it meets any of the following conditions:

- Entity and the Company are members of the same group (which means that each company Mom branch and subsidiary of the same group is linked to the other)
- An entity is associate or joint venture of the other entity (or associate or joint in participatie a member of the group of which the other entity)

- Both entities are joint ventures of the same third
- An entity is joint venture of a third entity and the other is a third party entities associated Entiat.
- The entity isa post-employment benefit plan for the benefit of employees of the reporting entity or affiliated entities reporting entity. If the reporting entity is itself such a plan, employers sponsors are asemnea, affiliates reporting entity.
- The entity is controlled or jointly controlled by a person affiliated
- A person having control influenteza significantly affiliated entity or a member of key management personnel of the entity (or parent of the entity).

Information on relationships with related parties, subsidiaries and associates are presented in note 22.

#### **u) Changes in accounting policies**

##### **The initial application of new amendments to existing standards effective for the current reporting period:**

The following amendments and interpretations to existing standards issued by IASB applicable to the current reporting period:

- **IFRS 9 "Financial Instruments"**(Effective for annual periods beginning on or after January 1, 2018);
- **IFRS 15 "Revenue from Contracts with Customers"**Amendment (effective for annual periods beginning on or after January 1, 2018);
- **Amendamentela IFRS 2 "Share-based Payment"** - Classification and measurement-based payment transactions of shares (effective for annual periods beginning on January 1, 2018 or after);
- **Amendamentela IAS 40 "Investment Property "** - Transfers to Investment Property (effective for annual periods beginning on or after January 1, 2018);
- **Amendamentela IFRS 1 and IAS 28 due to the "Improvements to IFRS (2014-2016 cycle)"** resulting in the draft annual improvement of IFRS (IFRS 1, IFRS 12 and IAS 28), primarily to eliminate inconsistencies and clarifying wording (amendments to IFRS 1 and IAS 28 to be applied for annual periods beginning with or after January 1, 2018);
- **IFRIC 22"Foreign currency transactions and consideration in advance"** (Effective for annual periods beginning on or after January 1, 2018).

##### **New standards and amendments to existing standards that have been issued but not yet adopted**

The date of approval of these financial statements the following new standard, changes in interpretations of existing standards were issued sin sheep but not yet adopted:

- **Amendamentela IFRS 9 "Financial Instruments"** - Features prepay negative compensation (effective for annual periods beginning on January 1, 2019 or after)
- **Amendamentela IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in joint ventures and joint ventures "**- The sale or contribution of assets between an investor and the associate or joint venture and subsequent amendments (effective date postponed indefinitely until the research project on the equity method will be completed)
- **Amendamentela IAS 19 "Employee Benefits"**PLAN modification, reduction or maintenance (effective for annual periods beginning on January 1, 2019 or after);
- **IAS Amendamentela 28 "Investments in joint ventures and joint ventures "** - Interest long-term associations and joint ventures (effective for annual periods beginning on or after January 1, 2019)

- **Amendments to various standards "Improvements to IFRSs (cycle 2015-2017)"** improvement in the draft annual IFRS (IFRS 3, IFRS 11, IAS 12 and IAS 23), primarily to eliminate inconsistencies and to clarify formulations (effective for annual periods beginning on or after January 1, 2019)
- **IFRIC 23 "Uncertainty in income tax treatment "** (Effective for annual periods beginning on January 1, 2019 or after).

#### **The initial application of new amendments to existing standards effective for the current reporting period**

The following amendments and interpretations to existing standards issued by IASB and adopted by the EU applies to the current reporting period:

- **IFRS 9 "Financial instruments"** - adopted by the EU on November 22, 2016 (effective for annual periods beginning on January 1, 2018 or thereafter);
- **IFRS 15 "Revenue from Contracts with Customers"** and - Amendments to IFRS 15 "Entry into force of IFRS 15" - adopted by the EU on September 22, 2016 (effective for annual periods beginning on January 1, 2018 or thereafter)
- **Amendmentela IFRS 2 "Share-based Payment"** - Classification and evaluation based payment transactions Action - adopted by the EU on February 27, 2018 (effective for annual periods beginning on January 1, 2018 or after)
- **IFRS 15 "Revenue from Contracts with Customers"** and - Clarification to IFRS 15 Revenue from contracts with customers - adopted by the EU on October 31, 2017 (effective for annual periods beginning on January 1, 2018 or thereafter)
- **Amendments to IAS 40 "Investment Property "** - Transfers from investment property - adopted by the EU on March 14, 2018 (effective for annual periods beginning on January 1, 2018 or thereafter);
- **Amendments to IFRS 1 and IAS 28 due to the "Improvements to IFRS (2014-2016 cycle)"** resulting in the draft annual improvement of IFRS (IFRS 1, IFRS 12 and IAS 28), primarily to eliminate inconsistencies and clarifying wording - adopted by the EU on February 7, 2018 (Amendments to IFRS 1 and IAS 28 applies annual periods beginning on January 1, 2018 or after);
- **IFRIC 22 "Foreign currency transactions and consideration in advance"** adopted by the EU on March 28, 2018 (effective for annual periods beginning on or after January 1, 2018).

#### **Standards and amendments to existing standards issued by IASB and adopted by the EU but not yet effective**

- **Amendments to IFRS 9 "Financial Instruments"** - Prepayments of negative compensation (effective for annual periods beginning on January 1, 2019 or after)

#### **New standards and amendments to existing standards issued by the IASB but not yet adopted by the EU**

Currently IFRS, as adopted by the EU do not differ significantly from the regulations adopted by the IASB, except for the following new standards and amendments to existing standards have not been adopted for use in the EU:

- **IFRS 14 "deferral accounts related to regulated activities"** (effective for annual periods beginning on or after January 1, 2016) - The European Commission has decided not to launch the adoption of this standard interim and wait for the final standard,
- **Amendments to IFRS 10 "Consolidated Financial Statements" And IAS 28" Investments in Associates and Joint Ventures "** - sale or contribution of assets between an investor and the associate or joint venture and subsequent amendments (effective date postponed indefinitely until the research project on the equity method the equity will be completed)
- **Amendmentela IAS 19 "Employee Benefits"** PLAN modification, reduction or maintenance (effective for annual periods beginning on January 1, 2019 or after);

- Amendments to IAS 28 "Investments in joint ventures and joint ventures" - long-term interest in joint and joint ventures (effective for annual periods beginning on or after January 1, 2019)
- **Amendments to various standards "Improvements to IFRSs (cycle 2015-2017)"** improvement in the draft annual IFRS (IFRS 3, IFRS 11, IAS 12 and IAS 23), primarily to eliminate inconsistencies and to clarify formulations (effective for annual periods beginning on or after January 1, 2019)
- **IFRIC 23 "Uncertainty in income tax treatment "**(Effective for annual periods beginning on January 1, 2019 or after).

The company anticipates that the adoption of these new standards and amendments to existing standards will have no significant impact on the financial statements in the period of initial application.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated.

**More details on individual standards, amendments and interpretations to existing standards that can be used as appropriate:**

- **IFRS 9 "Financial Instruments"**; July 24, 2014 issued by the IASB replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes requirements for recognition, measurement, depreciation, derecognition, general concepts of accounting hedging.

**Classification and Measurement-** IFRS 9 introduces a new approach to the classification of financial assets, an approach that takes into account cash flow characteristics of the business model and the asset is owned. This approach is based on a unique principle replaces the requirements of the basic rules of IAS 39. The new model also requires a single impairment model is applied to all financial instruments.

**depreciation-** IFRS 9 introduced a new model of impairment, the loss expected, which will require a timely recognition of expected credit losses. Basically, the new standard requires companies to record the expected credit losses while recognizing the financial instrument and recognize expected losses throughout the life of the instrument.

**Hedge Accounting-** IFRS 9 introduces a model totally changed for hedge accounting, with improved presentation regarding the risk management activity. The new model represents a significant revision of hedge accounting that align with the accounting treatment of business risk management.

**Accounting exposure to credit risk -**IFRS 9 eliminates volatility in profit or loss that was caused by changes in the credit risk associated with debt opted for presentation at fair value. This change in accounting requires that gains resulting from the reduction of credit risk related to these liabilities are not recognized in profit or loss.

- **IFRS 14 "deferral accounts related to regulated activities"** issued by the IASB on 30 January 2014. This standard is intended to allow entities adopting IFRS for the first time and now recognize deferral accounts related to regulated activities in accordance with previous GAAP principles, continue to do so and after the transition to IFRS.
- **IFRS 15 "Revenue from contracts with customers"**and other future amendments (effective for periods beginning on or after January 1, 2018) was issued by the IASB on May 28, 2014 (September 11, 2015 the IASB postponed the effective date to January 1, 2018). IFRS 15 specifies how and when they recognize revenue, but also requires entities to provide users financial statements more information. The standard replaces IAS 18 - Revenue IAS 11 - Construction contracts and a number of interpretations related income. Applying this standard is mandatory for all companies applying IFRS for almost all contracts with customers; the main exceptions are leases, financial instruments and insurance contracts. The basic principle of this standard is that entities recognize revenue so that they indicate exactly consideration for the transfer of goods or services to customers (ie pay) that the entity expects to receive. The new standard also requires enhanced disclosures of income, provides guidance for transactions that previously were not comprehensively addressed (eg
- **IFRS 16 "Leases"**(Effective for periods beginning on or after January 1, 2019) was issued by the IASB on January 13, 2016. Under IFRS 16 lessee recognizes a right to use and lease debt. The right of use is treated similarly to other non-active and consequently impaired. Lease debt is initially valued at lease payments due

under the lease terms, low default rate of the contract if it can be easily determined. If the interest rate can not be determined, the lessee will use the loan's interest. As with the predecessor IFRS 16, IAS 17, parts leases classified as operating or finance. A lease is classified as a finance lease if it transfers all the risks and rewards of ownership. Otherwise, a lease is classified as operating leases. For finance leases the lessor would recognize revenue over the contract period based on a pattern reflecting a constant periodic rate of return on the net investment. A lessor recognize lease payments as income operational linear or, if deemed more representative, depending on how the benefits of the asset is reduced. For finance leases the lessor would recognize revenue over the contract period based on a pattern reflecting a constant periodic rate of return on the net investment. A lessor recognize lease payments as income operational linear or, if deemed more representative, depending on how the benefits of the asset is reduced. For finance leases the lessor would recognize revenue over the contract period based on a pattern reflecting a constant periodic rate of return on the net investment. A lessor recognize lease payments as income operational linear or, if deemed more representative, depending on how the benefits of the asset is reduced.

- **Amendments to IFRS 2 "Share-based Payment"** classification and assessment based payment transactions relating to shares (issued by the IASB on June 20, 2016, effective for periods beginning on or after January 1, 2018). The amendments include requirements for the accounting for: (a) the effect of classification or assessment under share-based payments with cash settlement; (B) net settlement transactions representing withholding tax obligations; and (c) amend the terms and conditions that affect classification based payment transaction with shares in settlement cash settlement through equity instruments.
- **Amendments to IFRS 9 "Financial Instruments"** - prepayment negative compensation issued by the IASB on 12 October 2017. The amendment modifies the existing requirements in IFRS 9 on the lapses to allow measurement at amortized cost (or, depending on the business model, at fair value through other elements comprehensive income) even if negative compensation payments. Under the amendments, sign prepaid value is not relevant, for example the interest rate prevailing at the time of termination, may make a payment in favor of the Contracting Party carrying out early repayment. The calculation of such compensation should be the same as in case of prepayment penalties and if prepayment gain.
- **Amendments to IFRS 10 "Consolidated Financial Statements"** and IAS 28 - Investments in Associates and Joint Ventures - the sale or contribution of assets between the investor and an associate or joint venture has been issued by the IASB in on September 11, 2014 (on December 17, 2015 the IASB deferred entry in force indefinitely. Amendments shows a conflict between the requirements of IAS 28 and IFRS 10 clarifies the situation of a transaction with a partner or recognizing gain or loss recognized depends on whether the asset is sold or provided as input.
- **Amendamentela IAS 19 "Employee Benefits"** PLAN modification, reduction or maintenance issued by the IASB on 7 February 2018 (effective for annual periods beginning on January 1, 2019 or after). Amendments must use the updated assumptions from this review to determine current service cost and net interest for the rest of the reporting period after changing the plan.
- **Amendments to IAS 28 "Investments in joint ventures and joint ventures"** - long-term interest in joint ventures and issued by the IASB on 12 October 2017. Amendments were introduced to clarify that an entity apply IFRS 9 requirements including its depreciation term interest in a joint or combined in venture which is part of the net investment in associates or joint ventures, but that does not apply the equity method. The amendments remove also paragraph 41, as the Council considered that only reiterated the requirements of IFRS 9 and created confusion on accounting for long-term interest.
- **Amendments to IAS 40 "Investment Property"** - Transfers from investment property issued by the IASB on 8 December 2016. The amendment specifies that an entity shall transfer a property or investment property when, and only when there is evidence of a change in use. A change of use occurs if the property meets, or ceases to meet the definition of investment property. A change in management's intent to use property itself is not evidence of a change in use. The amendments also specify that the list of evidence in paragraph 57 was designated as a non-exhaustive list of examples rather than exhaustive earlier.
- **Amendments to various standards "Improvements to IFRSs (cycle 2014-2016)"** Issued by the IASB on 8 December 2016. Amendments to various standards resulting from the annual improvement project of IFRS (IFRS 1, IFRS 12 and IAS 28), primarily to eliminate inconsistencies and clarifying wording. The changes include: (i) eliminate exemptions short paragraphs E3-E7 of IFRS 1, because they reached their goal, (ii) clarify the scope of IFRS 12, stating that the requirements preyntare of IFRS 12, except for points B10-B16, apply

interest entity listed in paragraph 5 which are classified as held for sale as held for distribution and discontinued operations in accordance with IFRS 5 "Non-current assets held for sale and discontinued Operations "

- **Amendments to various standards "Improvements to IFRSs (cycle 2015-2017)"** issued by the IASB on 12 December 2017. Amendments to various standards resulting from the annual improvement project of IFRS (IFRS 3, IFRS 11, IAS 12 and IAS 23) is primarily to eliminate inconsistencies and clarify formulation. The amendments clarify that an undertaking revise its previously held interest in a joint operation when it obtains control of activity (IFRS 3); a company does not revise its previously held interest in a joint operation when it obtains joint control of the undertaking (IFRS 11); a company account for all income tax consequences of dividends in the same way (IAS 12); and an enterprise dealing in the general loans,
- **IFRIC 22 "Foreign currency transactions and consideration in advance"** issued by the IASB on 8 December 2016. The interpretation states that the date of the transaction in order to determine the exchange rate, is the date of initial recognition of the asset prepayment non-monetary liability or deferred tax .. If there are several payments or receipts in advance, a transaction date is set for each payment or collection.
- **IFRIC 23 "Uncertainty in income tax treatment"** issued by the IASB on 7 June 2017. It can be unclear how the tax law applies to a particular transaction or a circumstance or a tax authority will accept the tax treatment of the company. IAS 12 Income Taxes specifies the accounting for current tax and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements of IAS 12 specifying the coverage of the effects of uncertainty in accounting for income taxes.

**The Company anticipates that the adoption of these standards, revisions and interpretations will have a significant impact on the financial statements in the period of initial application.**

#### **4. Intangible assets**

Intangible assets include software, licenses and various software and are recorded in accounts 205 "Concessions, licenses purchased" and account 208 "Other intangible assets"; They are offset by the straight line; They are shown at historical cost less depreciation and any value adjustments. For periods there were no value adjustments. On transition to IFRS application were not adjusted for inflation in accordance with IAS 29 that do not come from a time when the Romanian economy was a hyperinflationary economy.

The Company does not hold intangible assets generated internally or acquired through a government grant and also does not have intangible assets with a long life Utilize determined.

The company does not have assets classified as detheld for sale or included in a group that failure classified as detheld for sale in accordance with IFRS 5.

All intangible assets held on 31.12.2018 are fully recovered.

The situation intangible assets 31.12.2018 is as follows:

Name of fixed assets,	gross value				Value adjustments (Amortizations and adjustments for depreciation or loss of value)				Net book value	
	balance at January 1, 2018	increases	Disposals, transfers and other reductions	balance at December 31, 2018	balance at 1st January 2018	Adjustments recorded during the financial year	Discount s or replays	balance at December 31, 2018	balance at January 1, 2018	Balance at 31 December 2018
<b>0</b>	<b>1</b>	<b>2</b>		<b>4 = 1 + 2 -3</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8 = 5 + 6 -7</b>	<b>9 = 1-5</b>	<b>10 = 4-8</b>
<b>a) Intangible assets</b>										
Establishment and development expenses, patents, licenses, goodwill	42.399			42.399	42.399			42.399	0	0
Other intangible assets	42.682			42.682	42.682			42.682	0	0
<b>Total intangible assets</b>	<b>85.081</b>			<b>85.081</b>	<b>85.081</b>			<b>85.081</b>	<b>0</b>	<b>0</b>

## 5. Tangible

The company chose the date of transition to IFRS in accordance with IFRS 1 exemption to foloseasaca about the cost involved. Under this optional waivers, an entity adopts IFRS for the first time URLs may choose to use a revaluation under previous GAAP of an item of tangible assets on or before the date of transition to IFRSs as deemed cost, if the revaluation was the date of the revaluation broadly comparable to the fair value, cost or amortized cost IFRS adjusted to reflect, for example, changes in a general or specific price.

For presentation at fair value on 31.12.2012 was performed revaluation of fixed assets for the category Construction.

Revaluation Report was prepared based on the standards and work methodology recommended by ANEVAR by company Quantum votes.

Purpose of the report was to estimate the fair value method used the cost method. Valuation Approaches thereby cost method is in this case a basic approach, given the specialized nature of the assets, and the situation of blockage general real estate market in this period, the financial crisis resulting obviously blocking investment projects even in progress, both the effects and duration of the current crisis is very difficult to estimate.

Subsequently there have been other revaluation.

Situation tangible 31.12.2018

Denumirea activului imobilizat	Valoare bruta				Ajustari de valoare (amortizari si ajustari pentru depreciere sau pierdere de valoare)				Valoare contabila neta	
	Sold la 1 ianuarie 2018	Cresteri	Cedari, transferuri si alte reduceri	Sold la 31 decembrie 2018	Sold la 1 ianuarie 2018	Ajustari inregistrate in cursul exercitiului financiar	Reduceri sau reluari	Sold la 31 decembrie 2018	Sold la 1 ianuarie 2018	Sold la 31 decembrie 2018
0	1	2	4 = 1 + 2 -3	5	6	7	8 = 5 + 6 - 7	9=1-5	10=4-8	
<b>Imobilizari corporale</b>										
Terenuri si amenajari teren	1.407.029		406.742	1.000.287					1.407.029	1.000.287
Constructii	4.310.708	30.684	1.196.236	3.145.156	1.233.968	184.749	483.773	934.944	3.076.739	2.210.210
Echipeamente tehnologice si masini	3.967.678		430.890	3.536.788	3.948.522	4.766	430.890	3.522.398	19.156	14.391
Alte imobilizari corporale	152.526		1.994	150.532	141.351	1.812	1.994	141.169	11.176	9.364
Imobilizari in curs	0		0	0						
<b>Total imobilizari corporale</b>	<b>9.837.941</b>	<b>30.684</b>	<b>2.035.862</b>	<b>7.832.763</b>	<b>5.323.841</b>	<b>191.327</b>	<b>916.657</b>	<b>4.598.511</b>	<b>4.514.100</b>	<b>3.234.252</b>
					0					

**5.1** Declines net worth at December 31, 2018 compared to 2017 is due to depreciation recorded on the following costs and selling assets, as follows:

- Following the tender minute nr.1511 / 04.08.2017 decided the sale of land of 1,609 sqm located in Campina, str. Industry No. 3 bis, jud. Prahova together with the buildings located on it at a price of 64.120 euros . Purchase agreement was concluded on 31.1.2018.
- Minutes after the auction nr.391 / 02.09.2018 decided the sale of land of 988 square meters located in Campina, str. Industry No. 3 bis, jud. Prahova with buildings located on it at a price of 57.520 euros.
- Also in 2018, were sold transport vehicles were not in good working order.
- Minutes after the auction 612 / 02.26.2018 decided the sale of land of 1,063 sqm located in Campina, str. Industry No. 3 bis, jud. Prahova with buildings located on it at a price of 43.600 euros.
- Minutes after the auction 944 / 04.02.2018 decided the sale of flat no. 25 located in Moreni priced at 11,000 euros.
- Following the auction report 1519 / 06.06.2018 decided the sale of the land area of 10.371 sqm located in Tg Mures, str. Dam, 9, Mures County with buildings located on it at a price of 450,000 euros.
- Following the auction report 1352 / 05.18.2018 decided the sale of land of 2,143 sqm located in Campina, str. Industry No. 3 bis, jud. Prahova with buildings located on it at a price of 150,000 euros.
- Following the auction report 2285 / 30.08.2018 decided the sale of land of 3,321 sqm located in Baicoi, district Liliesti County. Prahova price of 39519.90 euros.
- Following the auction report 2934 / 10.15.2018 decided the sale of land of 1,405 sqm located in Campina, str. Industry No. 3 bis, jud. Prahova with buildings located on it at a price of 70.440 euros.
- Following the auction report 2787 / 09.28.2018 decided the sale of land of 1,782 sqm located in Campina, str. Industry No. 3 bis, jud. Prahova with construction placed on it at the price of 172.480 euros.
- Following the auction report 3102 / 11.02.2018 decided the sale of land of 1,293 sqm located Baicoi County. Prahova with bachelors placed him at a price of 35,000 euros.

<b>Name active</b>	<b>Contract type Warranty</b>	<b>Bank financing</b>
Campina 1.Teren + office building, scaffolding, No. 32, York	Credit line	Karp Expert SRL
2.Teren + building Moreni Dambovita	Guarantee agreement	Karp Expert SRL

## **6 .Investitii in associates**

The act or shares held in affiliated companies that are worth 2,300 lei on 31.12.2018. None of the companies that made these investments are not quoted on the securities.

SC Compania Energo petrol SA Situation participation in the equity of other companies are as follows:

<b>company name</b>	<b>Percentage holding in December 31, 2017</b>	<b>Percentage holding in December 31, 2018</b>	<b>The investment in December 31, 2017</b>	<b>The investment at December 31, 2018</b>	<b>listed entity</b>
FACC SRL Campina	25% of the head. social	25% of the head. social	300	300	N
Crysenic Energy SRL	30% of the head. social	30% of the head. social	2000	2000	N
Other			0	0	

<b>TOTAL</b>			<b>2,300</b>	<b>2,300</b>	
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#### 7. Other financial assets

This category recorded performance guarantees to customers under contracts concluded. They are measured at cost and are tested annually for impairment.  
31.12.2018 value is 588.081 lei.

#### 8. claims and other active

Receivables are recorded at nominal value and are recognized in the accounting, each person or entity. Foreign currency receivables have been assessed based on the exchange rate in effect at year-end, and foreign exchange differences are recognized as income or expenses in the period.

*trade receivables They are worth 479 193 lei 31.12.2018:*

	receivables	balance at 31st of December 2017	balance at December 31, 2018	Term liquidity the balance of December 31, 2018	
				Under the 1 year	Over 1 year
	<b>trade receivables</b>				
1	Trade receivables, with the entities in the group	1870596	0	0	
2	Trade receivables - third parties	471.628	431.600	431.600	
<b>3</b>	<b>Total trade receivables</b>				
4	Trade receivables Provisions	1598018	71.681	71.681	
<b>5 = 3- 4</b>	<b>Trade receivables, net</b>	<b>744.206</b>	<b>359.919</b>	<b>359.919</b>	
	<b>Other receivables and debits</b>				
6	Receivables from related parties				
7	Receivables from entities with participating interests				
<b>8</b>	<b>other receivables</b>	<b>432.316</b>	<b>119.274</b>	<b>119.274</b>	
9	Provisions other receivables				
<b>10 = 8-9</b>	<b>Other receivables, net</b>	<b>432.316</b>	<b>119.274</b>	<b>119.274</b>	
<b>11</b>	<b>Subscribed capital unpaid</b>				
<b>12</b>	<b>Total trade and other receivables</b>	<b>1176522</b>	<b>479.193</b>	<b>479.193</b>	

Trade receivables to be collected under 1 year were generally a period of collection between 30-120 days.  
31.12.2018 Provisions for doubtful are worth 71 681 lei up as follows:

- for doubtful debts amounting to 71.681 lei constituted provision: 71.681 lei (up to 31.12.2009)

Movements on account of impairment of receivables were as follows:

	31.12.2017	31.12.2018
	<b>71.681</b>	<b>1598018</b>
Increases during the year	1526337	
Amounts past expense		1526337
Reversal during the year		
	<b>1598018</b>	<b>71.681</b>

*Rotation speed of loans customers 31.12.2018 to 31.12.2017.*

	31.12.2018	31.12.2017
Rotation speed customer flow	250.05	590.20

#### 9.Stocuri

Company to determine the cost of the materials first-in-first-out (FIFO)

	December 31, 2018			December 31, 2017		
	Cost	adjustments	Net value	Cost	adjustments	Net value
1. Material raw materials and consumables	1429624	0	1429624	1540099	0	1540099
2. Avansuri	0	0	0	0	0	0
3. Produce and finished goods	4531	0	4531	4531	0	4531

31.12.2018 there were no impairment adjustments to their driving estimating that they can be used or recovered during the next value in the financial statements.

#### 10. Cash and cash equivalents

On 31.12.2018 cash and cash equivalents are worth 267 355 lei, and consist of:

	Balance at 31.12.2018	Balance at 31.12.2017
	<b>267.355</b>	<b>499.657</b>
cash cashier	4125	2070
Current bank accounts	263.230	497.587
Cash advances	0	0
cash equivalents (food stamps, tax stamps)	0	0

#### 11. Capitaluri own

*Social capital*

	balance at 31st of December 2017	balance at December 31, 2018
	Number	Number
Ordinary shares subscribed	2024655	2024655
Capital subscribed preferred shares		
	<i>RON</i>	<i>RON</i>
Par value ordinary shares	2.50	2.50
Par value preferred shares		
	<i>RON</i>	<i>RON</i>
Value capital	5061637	5061637

Company's share capital is fully paid at December 31, 2018.

#### Ownership structure

	balance at	%	balance at	%
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	31st of December 2017		December 31, 2018	
EMPLOYEES ASSOCIATION	2470595	48.79	2470595	48.79
SIF Muntenia	400.640	7.92	400.640	7.92
Other shareholders	2190402	43.29	2190402	43.29
<b>TOTAL</b>	<b>5061637</b>	<b>100</b>	<b>5061637</b>	<b>100</b>

In 2018 there were issued stocks and bonds, they have not repurchased shares.

### Administrators, Directors and Supervisory Board

Due to financial difficulties the company is facing, by signing Prahova Court, Commercial and Administrative Section II dated 07.24.2013, pronounced in the case of insolvency no. 5081/105/2013 was ordered opening of the insolvency of the debtor SC Compania Energopetrol SA, as trustee Andrew John IPURL.

By decision of the General Assembly of Shareholders of the Company Energopetrol SA no. 2 / 09.03.2013, was appointed Special Administrator Celescu Mr. Mircea.

The report prepared by Mr Andrew John IPURL trustee in date 09/10/2013 the causes and circumstances that led to the insolvency of the debtor SC COMPANY ENERGOPETROL SA considered Compania Energopetrol SA company has a real chance of reorganization, which is why it was proposed to continue the observation period in order to deposit the special administrator of the debtor reorganization plan, as it has expressed the intention to procedural delay.

The Extraordinary General Meeting of Shareholders of the Company Energopetrol SA 08.12.2014 approved the resignation from office of Mr. Mircea Celescu special administrator of the company and the appointment of Mr. Basil Dan-Nicolae especially as administrator.

By decision of the General Meeting of Shareholders of the Company Energopetrol SA 05.05.2015 approved the resignation of Mr. Nicholas Basil Dan-function special administrator of the company and the appointment of Mr. Mircea as administrator Celescu special.

There are no contractual obligations to pay pensions to former managers and administrators.

All employees are included in the pension plan of the Romanian state.

No advances or loans granted to directors or administrators during 01.01.2018-31.12.2018.

No further obligations assumed by the company on behalf of directors or administrators.

In accordance with IAS 29 "Financial reporting in hyperinflationary economies", the Company adjusted the historical cost of capital by inflation effect until 31 December 2003.

They eliminated revaluation differences included in capital by the end of 2003, the amount of 4.44278 million (1028 = 105) and were transferred to retained earnings revaluation reserves respective (105 = 1175)

The resulting effect is:

- from January 1, 2011: increase capital adjustments related to the amount of 34.855.478lei and offsetting entries in the amount of 118 34.855.478lei account "Retained earnings from the adoption of IAS 29 for the first time", so equity remain unchanged. The situation is even dates 31.12.2011 and 31.12.2012 (118 = 1028).

On 26/04/2013, the meeting decided AGOA partially covering the amount resulting from application of IAS 29 amounting to 30,412,698 lei:

	31.12.2017	31.12.2018
Rezultat reportat pierdere din aplicarea pentru prima data IAS 29	-34,855,478	-34,855,478
Ajustari capital social-aplicarea pentru prima data a IFRS	30,412,698	30,412,698
Diferenta ramasa neacoperita	-4,442,780	-4,442,780

**legal reserves** the Company 31.12.2018 amount to 89.536 lei following the creation of the legal reserve (5% of accounting profit established according to Law 571/2003 with subsequent modifications and Law 31/1990 amended and supplemented).

31.12.2018 Company recorded "other reserves" account in 1068 the amount of 1,143,197 lei representing reserves for own financing sources.

**Revaluation reserves** They amount to 3.77134 million lei on 31.12.2018. We mention that on 31.12.2012 all company buildings were revalued.

105 ct Balance on 31.12.2017 4,886,899

increases 0

1,115,559 Decrease

105 ct balance on 31/12/2018 3,771,340

During 01.01.2018-31.12.2018 company recorded an accounting profit of 2,279,919 RON, considering that during 01.01.2017-31.12.2017 there was an accounting loss of 784.742 lei.

The company recorded losses of -5,743,615 lei earnings from correction of accounting errors in prior periods or from amounts included in CT 418 "invoiced" without support in contracts in progress.

## 12.Provizioane

name of provision	balance at December 31, 2017	Account transfer	Transfer from account	balance at December 31, 2018
Provisions for litigation				
Provisions for guarantees to customers	0			0
Provisions for taxes	9655			9655
Other provisions for risks and charges	15.957			15.957
<b>Total</b>	<b>25.612</b>			<b>25.612</b>

## 13.Imprumuturi and other payables

Liabilities are recorded at nominal value and are recognized in the accounting, each person or entity. Foreign currency liabilities have been assessed based on the exchange rate in effect at year-end, and foreign exchange differences are recognized as income or expenses in the period.

31.12.2018 debt situation is as follows:

	Datorii	Sold la 31 decembrie 2017	Sold la 31 decembrie 2018	Termen de exigibilitate pentru soldul de la 31.12.2018		
				Sub 1 an	1 - 5 ani	Peste 5 ani
1	Imprumuturi din emisiunea de obligatiuni					
2	Sume datorate institutiilor de credit	2.675.728	297.796	297.796		
3	Avansuri incasate in contul comenzilor					
4	Datorii comerciale - furnizori entitati din cadrul grupului	643	0	0	0	
5	Datorii comerciale - furnizori terti	3.164.850	1.469.771	1.469.771	0	
<b>6=3+4+</b>	<b>Total datorii comerciale</b>	<b>5.841.221</b>	<b>1.767.567</b>	<b>1.767.567</b>	<b>0</b>	
7	Efecte de comert de platit					
8	Sume datorate entitatilor afiliate					
9	Sume datorate entitatilor cu interese de participare					
10	Alte datorii inclusiv datorii fiscale si datorii privind asigurari sociale	4.125.137	3.650.892	3.265.813	385.079	
<b>11</b>	<b>Total</b>	<b>9.966.358</b>	<b>5.418.459</b>	<b>5.033.380</b>	<b>385.079</b>	

Whose debt maturities between 1 and 5 years, is related deferred tax revaluation reserve revaluation since 31.12.2003, which will be paid at the time it revalued tangible assets, following their sale or cassation.

Line other accounts payable amounting to 3,265,813 lei is detailed below:

liability	balance at December 31, 2018	Maturities		
		Under 1 year	15 years	Over 5 years
Salaries and similar debts	49.453	49.453		
Liabilities to shareholders	49.080	49.080		
other fees	2754815	2754815	0	
leasing	0	0		
Deferred income tax liability	385.079		385.079	
other liabilities	27.386	27.386		

#### 14. Amounts owed to credit institutions

##### Short and medium term loans

Description	loan type	date agreement	Maturity	Curr ency	Main	Credit balance 31.12.2018	The interest rate	real estate securities
Karp EXPERT SRL	Credit line divested of BCR SA	02/01/2013	03/08/2013	RON	1,300,000	297.796	ROBOR 3M + 5% per year	Campina Headquarters Building + land Golf + block singles Moreni
<b>Total</b>						<b>297.796</b>		

#### 15. Impozite postponed

Due to the fact that tangible assets have been revalued subsequent to 31.12.2003 and amounts were recorded in account 105 "Revaluation reserves of tangible assets", thus modifying the carrying amount of the asset, but in terms of tax under the Tax Code in force "revaluation reserves of fixed assets, including land, performed after **on the** January 1, 2004, which are deducted from taxable income through depreciation or expenditure on assets sold and / or disposed of, is taxed simultaneously with the deduction of tax depreciation or at the time of decreasing the management of these assets "Temporary differences arise between the carrying amount of assets and their tax base.

These differences result in restatements made in respect of deferred tax liabilities:

##### Statement of financial position

Elements	December 31, 2017	31 decembrie 2018
1 revaluation reserve value revaluation since 31.12.2003	3150819	2406744
2. Datorie of deferred income tax (16%)	504.131	385.079

#### 16. Operating income

	31.12.2018	31.12.2017	DIFERENTE
Cifra de afaceri	630.019	1.448.524	-743.175
Alte venituri din exploatare	5.203.298	4.248.509	2.471.985
<b>Total venituri din exploatare</b>	<b>5.833.317</b>	<b>5.697.033</b>	<b>1.728.810</b>

The main activity of SC Compania Energopetrol SA is the electro-energy work.  
Services offered by the company are:

- Install electricity transmission and distribution overhead and underground networks with voltages from 0.4 to 400 kW.
- shareholders and execution power plants, lighting and automation in normal environments and classified.
- execution of cathodic protection installations of underground metal structures, or mounted on the ground.
- Install protection against atmospheric discharge.
- automated execution control and data acquisition (SCADA)
- servicing, maintenance, modernization, and upgrading installations in the industry

Turnover has the following structure:

	<b>sales 01.01.2018- 31.12.2018</b>	<b>sales 01.01.2017- 31.12.2017</b>
	<b>630.019</b>	<b>1448524</b>
electro works	587.963	1374976
sale goods	1116	32.238
Other incomes	40.940	41.310

#### 17. Operating expenses

	<b>01.01.2018- 31.12.2018</b>	<b>01.01.2017- 31.12.2017</b>	<b>Diferente</b>
Chelt. cu materii prime si materiale consumabile	397.470	299.213	98.257
Chelt. Cu energia si apa	39.410	41.360	-1.950
Chelt. Privind marfurile	1.116	32.655	-31.539
Reduceri comerciale	-2.840	-5.948	-3.108
<b>Total cheltuieli materiale</b>	<b>435.156</b>	<b>367.280</b>	<b>-67.876</b>
Chelt. cu salariile si indemnizatiile	590.114	985.375	-395.261
Chelt. cu asigurari si protectia sociala	31.028	245.614	-214.586
<b>Total cheltuieli cu personalul</b>	<b>621.142</b>	<b>1.230.989</b>	<b>-609.847</b>
Ajustari de valoare-amortizare	191.331	248.574	-57.243
Ajustari de valoare-depreciere	0	0	0
Ajustari de valoare privind activele circulante	0	1.863.084	-1.863.084
<b>Total amortizare si depreciere</b>	<b>191.331</b>	<b>2.111.658</b>	<b>-1.671.753</b>
Chelt. privind prestatiile externe	625.591	1.367.963	-742.372
Chelt. cu impozite si taxe	311.386	286.512	24.874
Alte cheltuieli	1.380.084	1.050.359	329.725
<b>Total alte cheltuieli din exploatare</b>	<b>2.317.061</b>	<b>2.704.834</b>	<b>-387.773</b>
Ajustari privind provizioanele		0	
<b>Total cheltuieli din exploatare</b>	<b>3.564.690</b>	<b>6.414.761</b>	<b>-2.850.071</b>

Most of the works performed are awarded the tender, usually offer the most advantageous financial offer being declared castigatoare. Nivelul price is determined based on technical and commercial unit and, in general, auctions are won by the companies with a very political coherence procurement of materials and equipment with traditional suppliers and a corresponding organizational policy and legal use supply munca. In this company has secured a number of suppliers of materials and equipment with competitive prices depending on payment method and time of payment, grant discounts.

#### 18. Venituri and financial expenses

	01.01.2018- 31.12.2018	01.01.2017- 31.12.2017	differences
Interest income	34	28	6
Income from exchange rate differences	11.258	6658	<b>4,600</b>
<b>Total financial income</b>	<b>11.292</b>	<b>6686</b>	<b>4,606</b>

	01.01.2018- 31.12.2018	01.01.2017- 31.12.2017	differences
Expense on interest	0	56.001	-56 001
Losses from exchange rate differences	0	17.699	-17 699
<b>Total financial expenses</b>	<b>0</b>	<b>73.700</b>	<b>-73 700</b>

Foreign currency assets and liabilities have been assessed based on the exchange rate in force at the end of each month of the year, and foreign exchange differences are recognized as income or expenses in the period.

#### 19. Impozit profit

**On 31.12.2017 the company recorded an accounting loss in value of 784.742 lei**

Related Items revenue: 698.535 lei

Non-deductible expenses 262 188 lei

**Taxable income 175 981 lei**

Since the company registered tax loss, according to the statements 101, as follows:

-An 2013 3.026.311 RON

-An 2014 1.670.984 RON

-An 2015 1.239.398 RON

-An 2016 1.071.052 RON

and in accordance with art. 31 para. 1 of the Tax Code: "The annual loss as established by the declaration of income tax, the taxable income derived recover over the next seven years consecutive" that the company does not owe tax on the taxable profit. Profitul 2017 will cover 175 981 lei loss tax for year 2013.

**31.12.2018, the company registered profit worth 2,279,919 lei accountant**

Related Items revenue: 744.079 lei

Non-deductible expenses 266 096 lei

**Taxable income 3,290,094 lei**

Since the company registered tax loss, according to the statements 101, as follows:

-An 2013 2.850.330 RON

-An 2014 1.670.984 RON

-An 2015 1.239.398 RON

-An 2016 1.071.052 RON

and in accordance with art. 31 para. 1 of the Tax Code: "The annual loss as established by the declaration of income tax, the taxable income derived recover over the next seven years consecutive" that the company does not owe tax on the taxable profit. Profitul 2018 will cover 2.85033 million lei the fiscal loss for year 2013 and 439 764 lei tax loss for year 2014.

**20. Rezultatul per share** Earnings per share - basic is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator), the weighted average number of ordinary shares outstanding (the denominator) during the period.

<b>5. Indicators earnings per share</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
Earnings per share	1.13	-0.39
Diluted earnings per share	1.13	-0.39

## The employment 21. Numar

a) Employees: The average number of employees developed as follows:

	<b>31.12.2018</b>	<b>31.12.2017</b>
<b>TOTAL</b>	27	39
tesa	6	8
Production Manager	15	26
indirectly productive	6	5

b) Spending on wages and taxes recorded in the period 01.01.2018-31.12.2018 and 01.01.2017-31.12.2017 are:

	<b>01.01.2018-31.12.2018</b>	<b>01.01.2017-31.12.2017</b>
Expenditure on wages and salaries	590.114	985.375
Social security costs	31.028	245.614

Society does not have a personal pension program specifically contributes to the national pension program as required by law.

## 22. Tranzactii with related parties

<b>company name</b>	<b>nature of the relationship</b>	<b>type of transaction</b>	<b>Country of origin</b>	<b>Headquarters</b>
FACC SRL		Sales / purchases of goods and services	Romania	Str. Industry 3 Campina

Mention that FACC Ltd is in liquidation.

## 23. Commitments and contingent

The Company's management believes that ongoing litigation on 31.12.2018 will not have a significant impact on operations and financial position of the Company.

## 24. Risk management

### Capital risk management

The capital structure of the Company Energopetrol SA. It consists of equity (including capital adjusted earnings (including net profit for the year) and other reserves as shown in the "Statement of changes in equity") and debt (including short and long term loans)

Goals SC Compania Energopetrol on managing capital aimed at protecting the firm's ability to and be able to operate in the future under normal circumstances so as to bring profit to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce capital expenditures .

To maintain or adjust the capital structure, the company adjusted its dividend granted to shareholders, refund capital to shareholders, issue new shares or sell assets

reduce debt.

Like other entities operating in the same field, the company monitors capital on the basis of indebtedness coefficient. (See Nota25). On 31.12.2018 indebtedness is 0 because the company has no long-term loans payable and loans or loans that have a repayment term of less than one year, no extension to the time.

In the conduct of its business and the company is exposed to the following risks:

- Credit risk
- Liquidity risk
- Market risk
- Currency risk
- operational risk
- Tax risk

### **The general risk management**

Due to financial difficulties the company is facing, by signing Prahova Court, Commercial and Administrative Section II dated 07.24.2013, pronounced in the case of insolvency no. 5081/105/2013 was ordered opening of the insolvency of the debtor SC Compania Energopetrol SA, as trustee Andrew John IPURL

By decision of the General Assembly of Shareholders of the Company Energopetrol SA No. 2 / 09.03.2013, he was appointed Special Administrator Celescu Mr. Mircea.

The Extraordinary General Meeting of Shareholders of the Company Energopetrol SA 08.12.2014 approved the resignation from office of Mr. Mircea Celescu special administrator of the company and the appointment of Mr. Basil Dan-Nicolae especially as administrator.

By decision of the General Assembly of Shareholders of the Company Energopetrol SA 05.05.2015 approved the resignation of Mr. Nicholas Basil Dan-function special administrator of the company and the appointment of Mr. Mircea as administrator Celescu special.

According to Law 85/2006, "after the opening of the general meeting of shareholders / associates debtor legal person shall appoint, at their expense, a representative natural or legal person, special administrator to represent the interests of society and their and participate in the proceedings on behalf of the debtor. After raising the right to manage the debtor is represented by the judicial administrator / liquidator to manage and trade, and the trustee's mandate will be reduced to represent the interests of shareholders / associates.

The special administrator shall:

- a) the debtor's intention to propose a plan, according to art. 28 para. (1) h) in conjunction with Art. 33 para. (2);
- b) participate, as the representative of the debtor, in judging the actions referred to in art. 79 and 80;
- c) to make objections to the procedure regulated by the present law;
- d) proposed a plan of reorganization;
- e) manages the debtor under surveillance receiver, after confirmation of the plan;
- f) after bankruptcy, participate in inventory, document signing, receives the final report and closing balance sheet and attend meeting convened to resolve objections and approval of the report;
- g) receiving the notification of the closure procedure. "

### **Credit risk**

Credit risk is the risk that the Company will incur a financial loss due to non-fulfillment of contractual obligations by a customer or counterparty to a financial instrument, and this risk mainly result from the Company's trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the country in which it operates. Company customers operating in Romania.

The Company monitors credit risk exposure by age analysis claims that records and works for the recovery of past due date or obsolete.

Stabilestete society representing an adjustment for impairment losses estimates on trade receivables, other receivables and investments. The main components of these adjustments are a specific loss component individually significant exposures.

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

The carrying amount December 31, 2018 December 31, 2017

Trade receivables and other receivables 479 193 1176522

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

**Losses depreciere-** see Note 8, which states that there were depreciieri worth 71.681 lei bad debt within the contractual older than 365 days, from clients at risk of not cashing.

An age analysis of trade receivables at 31.12.2018 is presented as follows:

### **December 31, 2018**

#### **RON Gross value Depreciation**

Current between 0 and 30 days 89 353 -

Age 30-60 days 7328 -

60-90 days 13 166 -

between 90-120 days 256 833 -

more than 120 days 184 194 71 681

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Total receivables 550 874 71 681

\* Value of 184.194 lei represents clients insolvency and bankruptcy.

#### **Liquidity risk**

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

Currently the company operates under the law 85/2006 on insolvency.

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

#### **31.12.2018 Cash flow Value**

##### **total contract accounting for less than 1 year 1 - 5 years**

Loans 297,796 297,796 297,796 0

trade payables

and other liabilities 4,735,584 4,735,584 4,350,505 385,079

#### **Market risk**

Market risk is the risk that the variation in market prices, such as foreign exchange, interest rate and price of the main raw materials costs affect the Company.

##### **exposure interest rate risk**

Company's risk exposure to changes in interest rates relates primarily to loans bearing variable interest that the Company has long-term. (See Note 14)

#### **Currency risk**

Sensitivity analysis

An appreciation / depreciation by 10% to RON currency at December 31, 2018 compared to the currencies presented would not have been an increase (decrease) in profit. This analysis assumes that all other variables, in particular interest rates, remain constant.

## operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated processes, personnel, technology and infrastructure company and from external factors other than credit risk, market and liquidity, such as from legal and regulatory requirements and generally accepted standards of organizational behavior.

Operational risks from all Company operations. The main responsibility of developing and implementing operational risk controls of the entity's management. Responsibility is supported by the Company's development of general standards of operational risk management in the following areas:

- Requirements of separation of duties;
- Alignment with regulatory and legal requirements
- Documentation of controls and procedures
- Requirements periodic review operational risk it poses to society and the adequacy of controls and procedures to address the risks identified
- Requirements for reporting operational losses and proposed remedial causes that have generated
- Develop business continuity plans
- Development and professional training
- Setting ethical standards
- Preventing the risk of litigation, including insurance where applicable
- Mitigation, including effective use of insurance where appropriate.

## Tax risk

Since January 1, 2007, following the accession to the European Union, the Company had to obey EU regulations and accordingly prepared to apply the changes to European legislation.

The Company has implemented these changes, but how 's implementation shall remain open to tax audit for five years or seven years from the financial year 2011.

Interpretation of texts and practical implementation of new procedures applicable tax regulations harmonized with the European legislation, could vary from entity to entity, and there is a risk that in some cases tax authorities could take a different position from that of the Company.

It is possible that the Company will continue to be subject to tax audits as the issue of new tax legislation.

## 25.INDICATORI ECONOMIC AND FINANCIAL

	31.12.2018	31.12.2017
Current liquidity	0.43	0.47
Immediate liquidity indicator	0.15	0.24
<b>2. risk indicators</b>		
Gearing ratio (loans TL / Equity)	0	-58.89%
Interest coverage indicator	0	-9.65
<b>3. Activity indicators</b>		
The rotation speed of the stock	0.74	1.71
Rotation speed customer flow	250.05	590.20
Rotation speed of credit providers	851.51	797.64
Rotation speed of fixed assets	0.16	0.28
Rotation speed of total assets	0.10	0.17
<b>4. Profitability indicators</b>		
Return on equity	4.06	0.94
Gross margin on sales	360.09%	-49.54%
<b>5. Indicators earnings per share</b>		
Earnings per share	1.13	-0.39

## 26. Segments

An operating segment is a distinct component of the Company that engages in activities following which could get revenue and record expenses, including revenues and expenses related to transactions with any of the other components of the company and is subject to risks and rewards that are different from those of the other segments.

Since the shares of SC Compania Energopetrol SA are traded on the BSE, and the company applies IFRS, it presents the annual financial statements and the interim reports made in accordance with IAS 34 Interim Financial Reporting, information on business segments, about the products and its services, on geographic areas in which it operates and the main customers.

In accordance with the IFRS 8 "segments", one operating segment is a component of an entity:

- that engages in business activities from which it can get revenues from which can incur (including income related to transactions with other components of the same entity)
- whose results of activities are examined regularly by the entity's chief operating decision maker in order to take decisions about allocating resources to segments and assessing its performance and for which discrete financial information is available.
- Considering the criteria for identifying business segments and quantitative thresholds described in IFRS 8 SC Compania Energopetrol SA has identified the business segments for which to submit information separately, the entire activiatile society representing one segment, namely the realization of the object core business: making electrical installations CAEN code 4321.

Revenue from turnover amounting to 630.019 lei following geographical distribution:

- Prahova 115 898 lei
- Calarasi 105 192 lei
- Dolj 212.031 lei
- Bacau 48 374 lei
- Bucharest 148 524 lei

## 27. Events after the reporting

As stated in previous reports will in the next period to capitalize on these assets for which they were interested buyers:

- I received an application from Mr Ungureanu on the land purchase area of 600sqm with office building located on it located in Ploiesti, jud. Prahova, priced at 59,000 euros. The auction took place, following after receiving full to sign the sale -cumparare.

- I've received embraced Mr. Florin on buying the apartment no.35 located in Moreni, jud. Dambovita price of 9,000 euros. The auction took place, following after receiving full to sign the sale -cumparare.

- We've received Mr. John Murariu on buying the apartment no.14 located in Moreni, jud. Dambovita price of 7,200 euros. The auction took place, following after receiving full to sign the sale -cumparare.

- I've received Mrs. Daniela Nastase on buying the apartment no.13 located in Moreni, jud. Dambovita price of 8,000 euros. The auction took place, following after receiving full to sign the sale -cumparare.

- We continued work on the City Bragadiru for framing our land in the "yard-building".

-I mounted banners and we contacted several real estate agencies that have made known that the company is selling land with buildings and utilities.

We've posted land for sale on these sites:

OLX.ro

LA JUMATE.ro

ANIMAGRO.ro

HOMEZZ.ro

BRAILA -Ads .com

Anunturi-Galati-gratuite.ro

Property city tau.ro

ITALY ANNOUNCEMENTS .com

WIZMO. ro

PUBLI 24.ro

SPECIAL ADMINISTRATOR  
ING. Mircea CELESCU

DRAWN  
ROXANA ENACHE

## STATEMENT

In accordance with Article 30 of the Accounting Law no.82 / 1991 were prepared annual financial statements 31.12.2018 to:

Legal entity: SC COMPANY ENERGOPETROL SA  
Prahova County  
Address: town of Campina, str. Scaffolding, 32, tel. 0742 220 111  
Trade register number: J29 / 3 / 15.01.1991  
Ownership: 34 - joint stock company  
Activity mainly: 4321- Electrical installation  
Fiscal identification code: RO1323700

Special administrator Ing. Celescu Mircea liable for annual financial statements 31.12.2018 and confirms that:  
The accounting policies used in preparing the annual financial statements are in accordance with International Financial Reporting Standards adopted by the European Union ( "IFRS") effective on the annual report of the Company, ie 31.12.2018

The financial statements present fairly the financial position, financial performance and other information related to the work.

Legal person operating in accordance with the law 85/2006 on insolvency.

SPECIAL ADMINISTRATOR  
ING. Mircea CELESCU

## INDEPENDENT AUDITOR'S REPORT

By,

**The Company's shareholders ENERGOPETROL SA Campina  
COMPANY reorganization**

**Report on the audit of financial statements 31.12.2018**

### ***Qualified opinion***

1. We have audited the financial statements of ENERGOPETROL COMPANY SA Campina-society reorganization (the "Company"), headquartered in Campina, str.Schelelor, 32, identified the unique tax registration pine 1.3237 million comprising statement of financial position date of December 31, 2018, the situation of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date and the notes, including a summary of significant accounting policies.
2. 31.12.2018 Financial statements are identified as follows:  
  
Net assets / Equity: 561.265 lei;  
Net profit: 2,279,919 lei.
3. In our opinion, except for the effects of the matters described in the "Basis for qualified opinion" in our report, the accompanying financial statements give a true Society on December 31, 2018 and its financial performance and cash flows for the year ended at this time, according to OMPF 2844/2016 requirements for approval of accounting regulations in accordance with IFRS accounting.

### ***Basis for qualified opinion***

4. As discussed in Note 5 "Property and equipment" the company recorded a reduction in the value of tangible assets on 31.12.2018 net of 3,234,252 lei to the amount of 4.5141 million lei, on December 31, 2017 . the difference results from both the registration cost of annual depreciation for the year 2018 and due to sales of such assets. Tangible assets have not been revalued at the reporting date, according to its accounting policies approved by the Board of Directors and have not been adjusted according to the requirements of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".  
We have no certainty that the company is currently valued at their fair values at the reporting date and considers that still remain risks arising from the performance of the judicial reorganization procedure, regarding the use and / or development of these assets.
5. We conducted our audit in accordance with International Standards on Auditing ( "ISA"), EU Regulation. 537 of the European Parliament and the Council (hereinafter "Regulation") and Law no.162 / 2017 (the "Act "). Our responsibilities under these standards are described in detail in the "liability of auditors in an audit of Financial Statements" in our report. We are independent of the company, according to the Code of Ethics for Professional Accountants issued by the Council for International Standards of Ethics for Accountants (code IESBA), according to the ethical requirements relevant to the audit of financial statements in Romania, including Regulation and Law, and we met according to these requirements and ethical responsibilities under the Code IESBA.

### ***Significant uncertainty relating to business continuity.***

6. Drawing attention to any changes in equity according to which the Company presents on December 31, 2018 equity whose value is reduced to less than half of the share capital, even if the 2018 year result was a profit of 2,279,919 RON. Current year profit was achieved from the sale of assets under the restructuring plan, the company managed to cover so some of the debt. However, the above issues in conjunction with the development of service agreements specific to the activity with insufficient income to cover running costs, indicate the existence of uncertainties that could questions the ability of the Company to continue its work. Our opinion is not modified in this regard.

### ***Key aspects of audit***

7. Key audit issues are those issues that, in our professional reasoning, had the greatest importance for financiaredin audit of the current period. These issues were addressed in the context of the overall financial statement audit and their opinion formation noastreasupra not provide a separate opinion on these issues. Except as described in the "Basis for qualified opinion", we determined that no other key audit issues to be communicated in our report.

### ***Other information - Directors' Report***

8. Administrators are responsible for the preparation and presentation of other information. Those other information comprises the Directors' Report, but do not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements cover and such other information and unless explicitly stated in our report, we do not express any conclusion insurance on them.

In connection with the audit of financial statements for the year ended December 31, 2018, our responsibility is to read the other information and, in doing so, to assess whether the other information are significant inconsistencies with the financial statements or with the knowledge that we 've I obtained during the audit, or if they appear to be materially misstated.

Regarding Directors' Report, read and report whether it was prepared, in all material respects, in accordance with the requirements OMPF 2844/2016 to approve accounting regulations conform to international standards of accounting, paragraphs 15-19.

Based on the work to be performed exclusively during the audit of financial statements, in our opinion:

- a) The information presented in the Directors' Report for the financial year for which financial statements have been prepared are consistent, in all material respects, with the financial statements;
- b) Directors' Report has been prepared, in all material respects, in accordance with the requirements OMPF 2844/2016 to approve accounting regulations conform to international standards of accounting, paragraphs 15-19.

In addition, based on our knowledge and understanding about the company and its environment, acquired during the audit of financial statements for the year ended on December 31, 2018, we are asked to report if we have identified significant distortions in the Directors' Report. We have nothing to report on this aspect.

### ***Responsibilities of management and governance of persons responsible for financial statements***

9. Management is responsible for preparing financial statements that give a true and fair view in accordance with the requirements OMPF 2844/2016 to approve accounting regulations conform to international standards of accounting, paragraphs 15-19 and for such internal control as management deems necessary enable the preparation of financial statements free from material misstatement, whether due to fraud or error.
10. In preparing financial statements, management is responsible for assessing the company's ability to continue its work to present, if appropriate, on issues related to business continuity and using accounting on a going concern basis unless management either intends to liquidate the company or to stop operations or has no realistic alternative beyond.
11. Persons responsible governance to supervise the financial reporting process of the Company.

### ***Auditor's responsibilities in an audit of financial statements***

12. Our goals is to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as issuing an auditor's report which includes our opinion. Reasonable assurance is a high level of assurance, but there is no guarantee that an audit conducted in accordance with ISA will always detect a material misstatement, if any. Distortion can be caused either by fraud or error and are considered significant if it can be expected, reasonably, that they, individually or in aggregate, will influence the economic decisions of users taken on the basis of these financial statements.
13. As part of an audit in accordance with ISA exercised professional judgment and maintain professional skepticism throughout the audit. Also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Detection risk of material misstatement due to fraud is higher than the detection of a material misstatement due to error because fraud may involve collusion, forgery, deliberate omissions, false statements and avoiding internal control.

- Understand internal control relevant to the audit, in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Company.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - A conclusion on the appropriateness of the use by management of accounting on a going concern basis and determine, based on audit evidence obtained, whether a material uncertainty exists regarding events or conditions that may cast significant doubt on the ability of the Company to continue its work. If we conclude that there is a significant uncertainty, we must draw attention in presentations related auditor's report on the financial statements or, if such disclosures are inadequate to change our opinion. Our conclusions are based on the audit evidence obtained until the auditor's report. However,
  - Evaluate the presentation, structure and content of financial statements, including disclosures, and the extent to which financial statements reflect transactions and events underlying them in a manner that will result in a fair presentation.
14. Communicate those responsible for governance, among other things, the planned scope and timing of the audit and the main findings of the audit, including any significant deficiencies in internal control that we identified during the audit.
15. We also provide those charged with governance a statement about our compliance with ethical requirements regarding independence and communicate them to all relationships and other matters that may be considered reasonably that could affect our independence and, where appropriate, related safety measures.
16. Among the issues we release those charged with governance, we determine those aspects that have greater importance in the audit of the financial statements of the current period and therefore is key audit issues. We describe these issues in our report, unless legislation or regulations prevent public presentation appearance that or if, in extremely rare circumstances, we consider that a matter should be communicated in our report as envisaged in reasonable that the public interest be outweighed by the negative consequences of this communication.

**Report on other legal and regulatory provisions**

17. I was appointed by the General Meeting of Shareholders on 26.04.2018 was audited financial statements of ENERGOPETROL SA Campina for the year ended 31 December 2018 was signed Addendum No. 3 / 05.09.2018 the service contract no. 48 / 15.01.2016. Durata our total commitment was 1 year.

Confirm that:

- In conducting our audit we have maintained independence from the audited entity.
- We have provided the Company non audit services prohibited under Article 5 (1) of the EU Regulation nr.537 / 2014.

Ploiesti, 25.03.2019

**In the name**

AUDIT EXPERT SRL Ploiesti

Registered at the Chamber of Financial Auditors of Romania with the number 50/ 2001

**CEO**

**Constantin Maria** registered CAFR

number 184/2001

signatory

Gene Gheorghiu registered CAFR

number 2810/2009