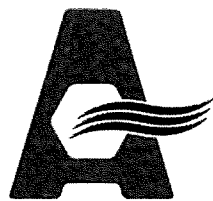


ARMĂTURA S.A.

**SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED ON 30 SEPTEMBER 2019**

**PREPARED IN ACCORDANCE WITH
THE INTERNATIONAL FINANCIAL REPORTING STANDARDS
ADOPTED BY THE EUROPEAN UNION**



ARMATURA

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ARMĂTURA SA
STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2019
(all amounts are expressed in Lei)

	<u>01 January</u> <u>2019</u>	<u>30 September</u> <u>2019</u>
Assets		
Non-current assets		
Tangible assets	30 346 332	25 112 172
Intangible assets	9 239	8 987
Property Investment	-	4 742 938
Total non-current assets	<u>30.355.571</u>	<u>29.864.097</u>
Current assets		
Inventories	4 058 368	4 655 505
Clients and other receivables	659 424	385 441
Cash and cash equivalents	458 044	79 261
Short-term financial assets	-	<u>109 804</u>
Current assets - Total	<u>5.175.836</u>	<u>5.230.011</u>
Assets -Total	<u>35.531.407</u>	<u>35.094.108</u>
Equity and liabilities		
Share capital	18 110 957	18 110 957
Reserves	21 335 091	21 335 091
Retained earnings	<u>-40 835 609</u>	<u>-42 828 163</u>
Total equity	<u>- 1.389.561</u>	<u>-3.382.115</u>
Long-term liabilities		
Loans		
Deferred tax liabilities	3 006 772	3 006 772
Trade and other liabilities	-	-
	3.006.772	3.006.772

ARMĂTURA SA
STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2019
(all amounts are expressed in Lei)

	<u>01 January 2019</u>	<u>30 September 2019</u>
Current liabilities		
Trade and other payables	9 597 502	10 346 056
Capital settlements with shareholders	100	100
Loans	24 148 638	24 960 432
Provisions for risks and expenses	<u>167 956</u>	<u>162 863</u>
Total current liabilities	<u>33.914.196</u>	<u>35.469.451</u>
Total liabilities	<u>36.920.968</u>	<u>38.476.223</u>
Total equity and liabilities	<u>35.531.407</u>	<u>35.094.108</u>

ARMĂTURA S.A.

STATEMENT OF REVENUE AND EXPENSES
FOR THE QUARTER ENDED ON 30 SEPTEMBER 2019
(in LEI)

	Period ended 30 September 2019	Period ended 30 September 2018
Revenue	5 454 286	6 839 498
Other operating income	27 173	25 516
Variation in stocks of finished goods and work in progress	588 341	-326 523
Raw materials and consumables	-3 758 879	-3 500 213
Cost of goods	-24 601	-215 543
Personnel expenses	-1 868 012	-1 978 986
Utility expenses	-233 843	-293 205
Services provided by third parties	-302 232	-360 377
Amortisation and depreciation of fixed assets	-575 241	-586 950
Net movement in provisions for other risks and expenses	5 093	9 413
Other operating expenses	<u>-429 577</u>	<u>-793 043</u>
Other income / (loss) - net	<u>122 233</u>	<u>769 541</u>
Operating result	-995.259	-410.872
Financial revenue	<u>37</u>	<u>0</u>
Financial expenses	<u>-997 332</u>	<u>-403 156</u>
Net financial result	<u>-997.295</u>	<u>-403.156</u>
Loss before taxation	-1 992 554	-814 028
Current and deferred income tax revenue / (expense)	-	-
Net loss for the period	<u>-1.992.554</u>	<u>-814.028</u>
Shares issued	40 000 000	40 000 000
Earnings per basic share and diluted share	<u>-0.0498</u>	<u>-0.0204</u>

ARMĂTURA S.A.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED ON 30 SEPTEMBER 2019
(in LEI)

	Period ended 30 September <u>2019</u>	Period ended 30 September <u>2018</u>
Loss for the period	<u>-1.992.554</u>	<u>-814.028</u>
Other elements of the comprehensive income:		
Gain /(Loss) from revaluation of buildings	-	-
Impact of deferred tax on revaluation reserves	<u>-</u>	<u>-</u>
Other elements of the comprehensive income for the period, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>-1.992.554</u>	<u>-814.028</u>

Administrator,





Quarterly report 30.09. 2019*
S.C. ARMATURA S.A.
CLUJ-NAPOCA

Registered Office	400267 Cluj-Napoca Str. Nr 19
Phone	40 264 435 36
Fax	www.armatura.ro
Email	office@armatura.ro7
Website	
Unique Registration code	RO 199001
Order number in the trade register	J12/13/1991
subscribed and paid share capital	4.000 000 RON

The regulated Securities issued are traded:

The shares of S C ARMATURA S.A are traded in category II. Of the Bucharest Stock Exchange.

The main characteristics of the securities issued by the company:

- > Number of shares. 40 million
- > Nominal value: 0,1 RON/action
- > Nominative actions, issued in dematerialised form, recorded in the Independent Register S C depository Central S.A., according to Contract No. 1958 of 19.01.2007

Report date: 07. 11.2019

* Prepared according to Regulation No 5/2018 of the Financial Supervisory Authority.
* The financial statements on 30.09. 2019 were not audited



Economic and financial indicators:

1. Current liquidity indicator (circulating capital indicator = Circulating assets: Liabilities below 1 year):

ILC = Current Assets/Current liabilities

30.09.2018 ILC = 6 680.718 / 34.692 246 = 0.193

30.09.2019 ILC = 5 230 011 / 35.469 451 = 0.147

- The recommendable value is around 2;
- Highlights the extent to which current debts in current assets can be covered.

2. And the Indedifier:

IGI = Borrowed Capital/equity * 100

30.09.2018 IGI = 771.822 / - 11.888.259 * 100 = -6.50 %

30.09.2019 IGI = 3.006.772 / - 3.382.115 * 100 = -88.90 %

- expresses the effectiveness of credit risk management, indicating potential financing, liquidity problems, with influences in honing the commitments of the ASU mate.

Borrowed Capital = credits over one year

3. Speed of rotation of claims:

VRC = [(claims at start of period + receivables at end of period)/2]/CA * 270 days

30.09.2018 VRC = [(753.287 + 4 013.342) / 2] / 6.839.498 * 270 = 94 zile

30.09.2019 VRC = [(645 206 + 322.479) / 2] / 5.454 286 * 270 = 24 zile

- expresses the effectiveness of the company in collecting its claims;
- expresses the number of days to the date on which the debtors pay their debts to the company,



4. Rotational speed of immobilized assets:

VRAI = turnover/immobilized assets

30.09.2018 VRAI - 6.839.498 / 16.895.091 - 0.40

30.09.2019 VRAI - 5.454.286 / 29.864.097 - 0.18

- expresses the effectiveness of the management of immobilised assets by examining the turnover generated by a certain amount of immobilised assets.

Administrator,



ARMATURA

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400267 Cluj-Napoca, str. Gării nr.19
Tel: +40 264 435 367, Fax: +40 264 435 368
E-mail: office@armatura.ro, web: www.armatura.ro

Declaration

in accordance with Art. 30 of the Accounting Law no. 82/1991

The financial statements as of 30.09.2019:
SC Armatura SA
County 12 – Cluj
Address: Cluj Napoca, Str. Garii, No. 19
Number in the Trade Register: J12 / 13/1991
Form of ownership: 34 - Stock company
Preponderant activity – Manufacture of valves
Fiscal identification code: RO 199001

Matthias Haider and Akper Saryyev , as Administrators of SC Armatura SA, takes responsibility for the financial statements as of 30.09.2019 and confirms that:

- a) The individual financial statements for 30.09.2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the order of Ministry of Finance no. 2844/2016.
- b) The accounting policies used in preparing the annual financial statements are in accordance with the applicable accounting regulations.
- c) The financial statements present fairly the financial position, financial performance and other information of the activity carried.
- d) The legal person develops its activity in conditions of continuity.

Signatures,