

Translation from Romanian

**FINANCIAL STATEMENT
 FOR THE FINANCIAL YEAR ENDING ON 31 MARCH 2019**

	31.12.2018	31.03.2019
		LEI
Assets		
Fixed assets		
Tangible assets	25,834,768	25,976,470
Intangible assets	486,135	485,202
Goodwill	0	0
Investment property	0	0
Financial assets	26,067,307	24,101,717
TOTAL FIXED ASSETS	52,388,210	50,563,389
Current assets		
Inventories	21,225,740	21,819,083
Trade receivables and of other nature	30,405,675	30,504,292
Prepayments	1,066,966	2,319,360
Short-term financial investments	20,820,540	23,509,984
Cash and cash equivalents	7,386,786	6,176,719
TOTAL CURRENT ASSETS	80,905,707	84,329,438
TOTAL ASSETS	133,293,917	134,892,827
Trade liabilities and of other nature	36,159,266	37,870,804
Loans bearing short-term interest	0	0
Other liabilities	24,103,404	24,150,615
SHORT-TERM LIABILITIES	60,262,670	62,021,419
Long-term loans	528,095	448,881
Long-term deferred income	0	0
TOTAL LONG-TERM LIABILITIES	528,095	448,881
Current tax liabilities		
Deferred tax liabilities		
TOTAL LIABILITIES	60,790,765	62,470,300
Deferred income - out of which investment subsidies	3,036,085	2,825,269
Provisions	6,483,652	6,202,735
Share capital	6,976,465	6,976,465
- Subscribed capital	6,976,465	6,976,465
- Share capital adjustment to hyperinflation	0	0
Share premium	0	0
Capital reserves	1,617,005	1,617,005
Legal reserves adjustment to hyperinflation	2,540,349	2,540,349
Reserves from the revaluation of tangible assets	1,719,391	1,719,391
Revaluation reserves	0	0
Earnings related to capital instruments	1,132,496	1,132,496
Retained earnings from revaluation reserve surplus	12,363,810	24,621,930
Other reserves	33,062,995	33,062,995
Other reserves adjustment to hyperinflation	3,309,306	3,309,306
Differences from the fair value evaluation of financial assets	10,470,554	12,605,564
Profit carried forward	0	0
Retained earnings from the adoption of IFRS	0	0
Cumulative profit	12,258,120	2,546,118
Distribution of profit	1,525,968	1,525,968
TOTAL EQUITY	62,983,415	63,394,523
TOTAL LIABILITIES AND EQUITY (TOTAL LIABILITIES)	133,293,917	134,892,827

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**STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FINANCIAL YEAR ENDING ON 31 MARCH 2019**

	31.03.2018	31.03.2019
		LEI
Production sold	57,725,457	52,284,059
Income from sale of goods	825,299	25,309
Income related to the cost of the product inventories	7,214,103	13,224,075
Income from trade discounts	-17,593	-13,392
Income from tangible and intangible asset production	0	0
Income from operating subsidies	0	16,124
Other operating income	320,907	273,465
TOTAL OPERATING INCOME	66,068,173	65,809,640
Raw material and consumables expenses	49,628,881	54,315,577
Expenses on goods	798,383	29,919
Trade discounts received	-8,810	0
Expenses on staff benefits	5,222,611	5,808,758
Value adjustments on assets	830,398	976,095
Expenses	830,398	976,095
Income		
Value adjustments on current assets	0	-262,974
Expenses		
Income		
Value adjustments on provisions	-24,834	-17,943
Expenses	75,872	10,402
Income	100,707	28,345
Other operating costs	4,381,915	3,681,973
TOTAL OPERATING COSTS	60,828,544	64,531,405
OPERATING PROFIT	5,239,629	1,278,235
Financial income	442,748	3,180,835
Financial expenses	994,915	1,434,348
FINANCIAL PROFIT	-552,167	1,746,487
TOTAL INCOME	66,510,921	68,990,475
TOTAL COSTS	61,823,459	65,965,753
GROSS PROFIT	4,687,462	3,024,722
TAX ON PROFIT EXPENSE	775,350	478,604
NET PROFIT	3,912,112	2,546,118
TOTAL COMPREHENSIVE INCOME FOR THIS PERIOD	3,912,112	2,546,118
BASIC/DILUTED EARNINGS PER SHARE	0.0561	0.0365

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STATEMENT OF CHANGES IN EQUITY ON DE 31.03.2019

Elements of equity	Balance on 31.12.2018	Increases		Decreases		Balance on 31.03.2019
		Total ot of which	By transfer	Total out of which	By transfer	
Capital subscribed and fully paid	6,976,465	-	-	-	-	6,976,465
Other elements of equity	-4,620,899	274,552	-	2,409,562	-	-6,755,909
Revaluation reserves	1,719,391	-	-	-	-	1,719,391
Legal reserves	1,617,005	-	-	-	-	1,617,005
Other reserves	33,062,995					33,062,995
Retained earnings representing the undistributed profit or the uncovered loss 1171	12,537,328	12,258,120	-	-	-	24,795,448
Retained earnings from the correction of accounting errors 1174	-433,171		-		-	-433,171
Retained earnings representing the surplus from the revaluation reserves 1175	259,653	-	-	-	-	259,653
Financial year result	12,258,120	2,546,118		12,258,120		2,546,118
Distribution of profit 129	-1,525,968					-1,525,968
Earnings related to the sale or cancellation of equity instruments	1,132,496	-	-	-	-	1,132,496
Total equity	62,983,415	15,078,790	-	14,667,682	-	63,394,523

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**CASH FLOW STATEMENT
 ON 31.03. 2019**

Indirect method

- LEI-

Item name	Cash flow 31.12.2018	Cash flow 31.03.2019
1	2	4
+/- Business income	12,258,120	2,546,118
+ Depreciation included in cost	3,531,611	976,095
- Changes in inventories (+/-)	(+)488,068	(+)593,343
- Changes in receivables (+/-)	(+)8,747,930	(+)512,203
+ Changes in suppliers and client lenders (+/-)	(+)10,110,172	(+)738,643
- Changes in other asset items (+/-)	(-)5,123,832	(+)410,363
+ Changes in other liability items	(-)19,429,361	(-)3,582,128
A = Cash flow from operating activities	(-)7,889,288	(-)837,181
+ Amounts from sale of assets and fixed assets	915,513	0
- Acquisitions of tangible assets	11,390,410	1,293,068
+ =B Cash flow from investment activities	(-)10,474,897	(-)1,293,068
+ Changes in loans (+/-) out of which:	(+)5,540,880	(+)893,681
* Short-term loans	(+)5,884,142	(+)972,895
+ Paid dividends	4,971,515	26,501
+ = C Cash flow from financial activities	10,512,395	920,182
+ Liquid assets at the beginning of 2019	15,238,576	7,386,786
+ Net cash flow (A+B+C)	(-)7,851,790	(-)1,210,067
= Liquid assets at the end of the period	7,386,786	6,176,719

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ANNEX 30.B. ECONOMIC AND FINANCIAL INDICATORS

Indicator	Calculation method	Result	Optimal values
1. Current liquidity indicator	Current assets/ Current liabilities	$82\,423\,664 / 62\,021\,419 = 1.33$	2
2. Indebtedness indicator	Borrowed capital/Own capital x 100	$448\,881 / 63\,394\,523 \times 100 = 0.71$	Minimal Value
	or Borrowed capital/Invested capital x 100	$448\,881 / 63\,843\,404 \times 100 = 0.70$	Minimal Value
3. Turnover speed, for client debit items	Client average balance/Turnover x 90 days	$5\,379\,602 / 52\,295\,976 \times 90 = 9.26$ days	Maximal Value
4. Fixed assets turnover speed	Turnover/ Fixed assets	$52\,295\,976 / 50\,563\,389 = 1.03$	Minimal Value

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Accumulated impairment on 1.01.2019		6,520,476	17,789,188	912,230			25,221,894
Impairment cost		199,517	751,374	16,380			967,271
Disposals of assets and cassation							
Balance on 31.03.2019		6,719,993	18,540,562	928,610			26,189,165
Net book value	1,564,621	6,829,756	13,307,910	364,551	3,097,540	812,092	25,976,470

In the first quarter of 2019, there have been acquisitions of fixed assets in the amount of 944,986 lei, namely equipment for injection machines in the amount of 864,959 lei, furniture in the amount of 23,212 lei, as well as means of transportation in the amount of 56,815 lei.

c) Financial assets:

On 31.03.2019 the company shows financial assets amounting to 24,101,717 lei, out of which :

- Shares held in affiliated entities: 21,200,301 lei
- Shares held in associates: 55,691 lei
- Fixed receivables: 1,400,000 lei
- Other fixed assets: 1,445,725 lei

Issuer	No. of shares	Value on
MERCUR	111,671	4,746,017.50
ELARS	20,555,276	2,055,527.60
CONCIFOR	3,206,788	766,422.33
AMPLO	2,668,396	5,870,471.2
MECANOENERGETICA	4,640,888	55,690.67
BRAICONF	27,547,364	12,202,500.49
ROMANOFIR	74,847	935,587.5
SIGSTRAT	1,783,678	499,429.84
TARNAVA	214,163	10,708.15
TOTAL	60,803,071	27,142,355.30

Shares held were valued at fair value and the differences were recorded in the "Differences from changes in the fair value of financial assets" (account 1035).

2. Inventories account

On 31.03.2019 company's inventories had a total net value of 21,819,083 lei, compared to 21,225,740 lei at the end of the last year.

Structurally, compared to the beginning of the year, their situation is as follows:

Inventory items	01.01.2019	31.03.2019	31.03.2019/ 01.01.2019
- raw material and consumables	14,549,228	14,833,908	101.96
- production in progress	533,721	513,792	96.27
- finished goods and merchandise	4,334,675	4,554,289	105.07
- advances	1,808,116	1,917,094	106.03
Total	21,225,740	21,819,083	102.80

Inventories of raw material and materials are entered with the acquisition cost.

The increase in inventories on 31.03.2019 by 593,343 lei compared to the beginning of the year, respectively by 2.80%, was registered especially on finished goods and merchandise by 219,614 lei, as well as in the category of raw material and materials by the amount of 284,680 lei which hold the largest share in total inventories. The other inventory items have also registered increases apart for the production in progress which registered a decrease.

3. Accounts receivable

On 31.03.2019 net receivables amounted to 30,917,878 lei, increasing compared to the beginning of the year by 512,203 lei (1.68%).

Accounts receivable on 31.03.2019 compared to the end of the last are as follows:

	01.01.2019	31.03.2019	31.03.2019/ 01.01.2019
a) trade receivables	8,921,541	10,345,618	115.96

- uncollected clients	8,785,592	10,207,615	116.18
- not yet invoiced clients	6,736	8,790	130.49
provisions for impairment of receivables	(-)7,437	(-)7,437	100.00
- other receivables	61,213	61,213	100.00
Uncertain customers	75,437	75,437	100.00
b) paid advances	217,841	413,586	189.86
advances provided balance services	217,841	413,586	189.86
c) other receivables	21,266,293	20,158,674	94.79
- VAT to be refunded	5,964,697	5,792,680	97.12
- deductible VAT under settlement	94,611	72,623	76.76
- personnel receivables	-	-	-
- wage contributions to health insurance	229,107	222,575	135.07
-debtors	8,522,035	7,969,033	93.51
- investment subsidies	1,876	9,000	479.44
- provisions for debtors	(-)376,000	(-)376,000	100.00
- discounts from pending operations	6,829,967	6,468,763	94.71
Total receivables	30,405,675	30,917,878	101.68

The largest share in total receivables are the trade receivables which registered an increase of 1,424,077lei, respectively 15.96%, namely under the uncollected clients category.

Concerning the VAT to be recovered from the state budget amounting to 5,792,680 lei, the company has recorded monthly compensation claims with monthly tax liabilities.

4. Liquid assets

Liquid assets in lei and in foreign currency on 31.03.2019 were as follows:

Items	01.01.2019	31.03.2019	31.03.2019/ 01.01.2019
- Bank accounts in lei	3,401,029	5,025,430	147.76
- Bank accounts in foreign currencies	3,846,060	818,506	21.28
- Checks to be cashed	57,855	33,420	57.77
- Bank accounts for collaterals	54,238	55,123	101.63

- Desk cash	27,604	21,178	76.72
- Treasury advances	0	223,062	*
- Other values	0	0	*
TOTAL	7,386,786	6,176,719	83.62

Compared to the beginning of the year, the liquid assets have decreased by 1,210,067 lei. The decrease derived primarily from foreign currency holdings, which increased with the gross amount of 3,027,554 lei.

5. Short-term investments

On 31.03.2019 the company has short-term investments amounting to 23,509,983 lei compared to 7,082,314 lei from the end of the last year, out of which:

- effects receivable amounting to 10,209 lei, compared to 9,139 lei from the end of the last year;
- short-term investments amounting to 23,499,774 lei representing investments in the stock market and other related receivables.

Short-term investments are as follows:

Item no	Issuer	No. of shares	Value
1	Ceprocim S.A. Bucuresti	4,000	8,000.00
2	Iprolam S.A. Bucuresti	59,341	433,189.30
3	Lactate Natura SRL Tirgoviste	394,000	866,800.00
4	Mobila Radauti	2,317,172	22,013,134.00
5	Uztel Ploiesti	137,424	178,651.20
TOTAL		2,911,937	23,499,774.50

For short-term investments in the amount of 23,499,774.00 lei at 31.03.2019, evaluation was made at fair market value and the positive results were highlighted in the financial income accounts, and the negative differences in the financial expense accounts, the difference net of revaluation being (+) 2,735,171.30 lei.

6. Accounts payable

On 31.03.2019 the company recorded an increase in total liabilities by 1,679,535 lei, respectively by 27.63%, reaching the end of the reporting period to the amount of 62,470,300 lei. Increasing liabilities at the end of the reporting period was influenced by the increase by 2.70% of trade liabilities, which represent the largest share (44.89%) of the total liabilities.

On 31.03.2019 the company had the following liabilities, compared to the end of the last year:

LIABILITIES	01.01.2019	31.03.2019	31.03.2019 01.01.2019
TOTAL, out of which :	60,790,765	62,470,300	102.76
TRADE LIABILITIES	27,308,031	28,046,674	102.70
AMOUNTS DUE TO THE BUDGET AND OTHER FUNDS	3,865,998	3,699,658	95.70
FINANCIAL LIABILITIES AND RELATED (CREDITS)	9,379,330	10,273,011	109.53
SETTLEMENTS WITH EMPLOYEES AND RELATED	904,001	1,018,624	112.68
OTHER LIABILITIES	19,333,405	19,432,333	100.51

The largest share in total liabilities are the trade ones, respectively suppliers and related accounts, with 28,046,674 lei (44.89%), liabilities to the state budget, social insurance, health, and other special funds with 3,699,658 lei (5.92%), other liabilities with 19,432,333 lei (31.11%) etc. Tax payable are required in compensation with the tax receivable (VAT to be recovered) and is pending settlement.

We mention that on 31.03.2019 all tax liabilities were paid.

On 31.03.2019 the liabilities to credit institutions (short and long-term bank loans) is a long-term investment loan amounting to 4,185,000 lei, out of which, on 31.03.2019, the amount of 448,881 lei is to be repaid. The loan is contracted with Raiffeisen Bank S.A. Bucuresti through Arges Regional Centre and is guaranteed as follows:

- security mortgage on current accounts opened by the borrower with the bank, on receivables to be collected via those accounts;

- security mortgage on receivables resulting from commercial relationship developed with Alfred Kaercher GMBH&CO;
- the security mortgage on technological equipment, owned by the borrower, financed by this facility;
- first ranking mortgage with priority over the future liquid assets constituted in the accounts opened by the client with the bank;

We mention the fact that liabilities to the employees have been paid in time, respectively in April 2019.

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