

**MECANICA CEHLAU S.A**  
**INDIVIDUAL FINANCIAL STATEMENTS**  
**PRELIMINARY**

**FOR THE FISCAL YEAR ENDED AT**  
**31 DECEMBER 2017**

**PREPARED IN CONFORMITY WITH THE ORDER 2844/2016**  
**APPROVING THE ACCOUNTINGS REGULATIONS COMPLYING WITH THE**  
**INTERNATIONAL FINANCIAL REPORTING STANDARDS**

**The Preliminary Individual Financial Statements at 31 December 2017 are currently subject to audit.**

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at 31 December 2017 are currently subject to audit**

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**SC MECANICA CEHLAU SA**  
**PRELIMINARY INDIVIDUAL FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED AT 31 DECEMBER 2017,**  
**IN CONFORMITY WITH ORDER 2844/2016**

(all amounts are expressed in lei (RON), unless otherwise stipulated)

**INDIVIDUAL STATUS OF FINANCIAL POSITION**

	<b>31.12.2017</b>	<b>01.01.2017</b>
<b>Assets</b>		
<b>Fixed assets</b>		
<b>Tangible assets</b>	<b>23.817.119</b>	<b>21.778.510</b>
Land and land development activities	12.250.463	12.082.199
Constructions	5.368.228	5.547.881
Technical installations and means of transport	5.820.033	4.116.666
Furniture, office equipment [...]	21.524	31.765
Tangible assets pending	356.871	-
<b>Intangible assets</b>	<b>499.318</b>	<b>571.122</b>
Other intangible assets	110.609	122.464
Concessions, brevets, licences, trade mark, similar rights and assets	372.023	448.658
Intangible assets in progress	16.686	-
<b>Real estate investments</b>	<b>535.400</b>	<b>465.631</b>
<b>Total Fixed assets</b>	<b>24.851.837</b>	<b>22.815.263</b>
<b>Current assets</b>		
Stocks	14.850.205	14.789.473
Commercial debts and other debts	15.036.459	12.994.022
Accrued expenses	169.342	41.779
Financial assets at just value (fund units)	4.091.943	3.046.521
Cash and cash equivalent	4.819.727	5.003.004
<b>Total Current assets</b>	<b>38.967.676</b>	<b>35.874.799</b>
<b>Total Assets</b>	<b>63.819.513</b>	<b>58.690.062</b>
<b>Equity</b>		
Capital social	23.990.846	23.990.846
Reserves	19.788.484	19.095.975
Result of the exercise	111.583	2.105.150
Result carried forward	9.220.955	9.117.566
Other equity elements	(2.681.567)	(2.826.120)
<b>Total Equity</b>	<b>50.430.301</b>	<b>51.483.417</b>

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**INDIVIDUAL STATUS OF FINANCIAL POSITION**

<b>At 31 December</b>	<b>31.12.2017</b>	<b>01.01.2017</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Long-term loans	1.600.671	253,913
Pension Provision	296.913	226.364
Deferred tax liabilities	1.960.972	<u>2.353.763</u>
<b>Total Non-current liabilities</b>	<b><u>3.858.556</u></b>	<b><u>2,834.040</u></b>
<b>Current liabilities</b>		
Short-term loans	454.858	117.557
Commercial liabilities and other liabilities	6.386.253	3.675.390
Deferred income	0	2.277
Provisions	2.689.545	<u>577.381</u>
<b>Total Current liabilities</b>	<b><u>9.530.656</u></b>	<b><u>4.372.605</u></b>
<b>Total Liabilities</b>	<b><u>13.389.213</u></b>	<b><u>7.206.645</u></b>
<b>Total Equity and Liabilities</b>	<b><u>63.819.513</u></b>	<b><u>58.690.062</u></b>

The individual financial statements were approved by the Board of Directors on 14.02.2017 and they were signed on behalf of the Board by:

\_\_\_\_\_  
**Molesag Sorin**

General Director

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**Marian Gabriela**

Chief Financial Officer

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**INDIVIDUAL STATUS OF GLOBAL RESULT**

<b>For the financial year ended at 31 December</b>	<b>2017</b>	<b>2016</b>
<b>Continuous activities</b>		
Income	45.915.933	37.324.149
Other income	50.303	576.128
<b>Total Operational Income</b>	<b>45.966.236</b>	<b>37.900.277</b>
Expenses related to inventories (cost of sold items )	(22.723.606)	(16.907.521)
Utilities	(657.379)	(651.217)
Salaries, contributions and other benefits	(7.005.905)	(6.946.930)
Amortization and depreciation of assets	(1.916.868)	(1.658.224)
Profits / Losses from assets assignment	0	0
Profits / Losses from real estate investments	0	0
Adjustment of current assets value	(363.876)	128.902
Adjustment of Provisions	(2.151.881)	164.836
Other expenses	(10.301.168)	(8.598.556)
<b>Total Operational Expenses</b>	<b>(45.120.683)</b>	<b>(34.468.710)</b>
<b>Result of Operational Activities</b>	<b>845.553</b>	<b>3.431.567</b>
Financial Income	162.984	156.951
Financial expenses	(857.068)	(1.049.964)
<b>Net Financial Result</b>	<b>(694.084)</b>	<b>(893.013)</b>
<b>Result before taxation</b>	<b>151.469</b>	<b>2.538.555</b>
Current income tax expenses	(415.051)	(366.853)
Deferred income tax expenses	(281.687)	(238.987)
Profit related to Deferred income tax	656.852	173.436
<b>Result from Continuous activities</b>	<b>111.583</b>	<b>2.105.150</b>

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**INDIVIDUAL STATUS OF GLOBAL RESULT**

<b>For the financial year ended at 31 December</b>	<b>2017</b>	<b>2016</b>
<b>Other elements of the Global result</b>		
Reserves from increase re-evaluation		-
Deferred equity tax	(111.507)	(111.506)
Reserves from decrease re-evaluation		-
<b>Other elements of the Global result, after taxation</b>	<b>(111.507)</b>	<b>(111.506)</b>
<b>Total global result of the period</b>	<b>76</b>	<b>1.993.644</b>
<b>Distributable net profit</b>	<b>111.583</b>	<b>2.105.150</b>
Result per basic action	0,0005	0,0088

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**Molesag Sorin**

General Director

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**Marian Gabriela**

Chief Financial Officer

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**INDIVIDUAL STATUS OF EQUITY CHANGES**

**Distributable to Company Shareholders**

	Registered Capital	Legal Reserves	Reserves from re- evaluation	Other reserves	Carried forward result	Current result	Other equity elements	Total equity
<b>Sold at 1 January 2017</b>	<b>23.990.846</b>	<b>2.226.856</b>	<b>12.596.817</b>	<b>4.272.302</b>	<b>9.117.566</b>	<b>2.105.150</b>	<b>(2.826.120)</b>	<b>51.483.417</b>
Resulting transfer year 2016 to the carried forward result	-	-	-	-	2.105.150	(2.105.150)	-	-
Resulting transfer carried forward to the legal reserve	-	-	-	-	-	-	-	-
Resulting transfer carried forward 2016 to other reserves	-	-	-	-	-	-	-	-
Transfer of legal reserves from profit to other reserves	-	-	-	802.671	(802.671)	-	-	-
Net Loss / Profit of the fiscal year	-	-	-	-	-	111.583	-	111.583
Legal Reserve 2016	-	-	-	-	(126.928)	-	126.928	-
<b>Other elements of the Global result</b>								
The reported result from the correction of accounting errors					(6.773)			(6.773)
Equity deferred tax	-	-	-	-	-	-	17,625	17,625
Transfer to the result carried forward of the surplus re-evaluation reserves	-	-	(110.162)	-	110.162	-	-	-
Dividends distributed to Shareholders	-	-	-	-	(1.175.551)	-	-	(1.175.551)
Board Participation to profit	-	-	-	-	-	-	-	-
<b>Sold At 31 December 2017</b>	<b>23.990.846</b>	<b>2.226.856</b>	<b>12.486.655</b>	<b>5.074.973</b>	<b>9.220.955</b>	<b>111.583</b>	<b>(2.681.567)</b>	<b>50.430.301</b>

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**INDIVIDUAL STATUS OF TREASURY FLOWS**

<b>For the financial year ended at 31 December</b>	<b>2017</b>	<b>2016</b>
<b>Cash flow from operating activities</b>		<b>9</b>
Cash flow collected from clients	47.323.130	43.778.579
Payments to suppliers and employees	(42.314.824)	(39.274.618)
<b>Cash generated from operating activities</b>	<b>5.008.306</b>	<b>4.503.961</b>
Paid interests	-	(4.843)
Paid tax on profit	(410.953)	(240.743)
<b>Net cash flow from operating activities</b>	<b>4.597.353</b>	<b>4.258.375</b>
<b>Cash flow from investment activities</b>		
Collected interests	8.322	2.307
Paid dividends	(1.126.455)	(1.147.866)
Acquisition of tangible assets	(4.233.910)	(249.006)
Fund units redemption	-	-
Short-term investments	(1.000.000)	-
<b>Net cash flow from investments</b>	<b>(6.352.043)</b>	<b>1.394.585</b>
<b>Cash flow from funding activities</b>		
Receipts from long term loans / short	1.917.789	-
Repayment of loans	(158.547)	-
Payment of financial leasing debts	(157.454)	(176.344)
<b>Net cash flow (used in) funding activities</b>	<b>1.601.788</b>	<b>(176.344)</b>
<b>Net increase (Decrease) of cash and cash equivalent</b>	<b>(152.902)</b>	<b>2.687.446</b>
Cash and cash equivalent at 1 January	5.003.004	2.343.920
The effect of exchange rate variation on cash flow	(30.375)	(28.362)
<b>Cash and cash equivalent at 31 December</b>	<b>4.819.727</b>	<b>5.003.004</b>

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