

ELECTROMAGNETICA SA

Quarterly Report 31 March 2020

CONTENTS:	PAGE:
SEPARATED QUARTERLY REPORT FOR THE FIRST QUARTER OF 2020	3
INTERIM CONDENSED SEPARATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AT MARCH 31, 2020 (UNAUDITED)	
INTERIM SEPARATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
INTERIM SEPARATED STATEMENT OF FINANCIAL POSITION	9
INTERIM SEPARATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY	10
INTERIM SEPARATED STATEMENT OF CASH FLOWS	11 – 12
NOTES	13 – 18
RATIOS IN ACCORDANCE WITH APPENDIX 13° FROM REGULATION 5/2018 ISSUED BY FSA	19

ELECTROMAGNETICA SA

SEPARATED QUARTERLY REPORT FOR THE FIRST QUARTER OF 2020

Separated Financial Results

**For the First Quarter of 2020 (Q1 2020) as Compared to the
First Quarter of 2019 (Q1 2019)
(unaudited)**

Separated Quarterly Report for Q1 2020

Highlights of the three months ended 31 March 2020 (Q1 2020)

- Turnover of RON 81.859 thousand during Q1 2020, by 51% higher than Q1 2019;
- Higher sales for the electricity supply activity during the 3-month period of 2020 compared to the same period of 2019;
- New contracts for LED lighting systems amounting to minimum 16,000 thousand RON to be performed during the next period;
- Maintaining industrial production at the usual parameters during the emergency situation that was required by the restrictions against COVID-19.

Indicator	Q1 2020	Q1 2019
Revenues from unlicensed activities	23,820	23,054
Revenues from licensed activities	58,039	30,980
Turnover (thousand RON)	81,859	54,034
EBITDA* (mii RON)	4,812	5,846
EBITDA margin (%)	5.9%	10.8%
Net Result (thousand RON)	1,019	3,168
Net Result per share (thousand RON)	0.0015	0.0047

*EBITDA represents earnings before interest, taxes, depreciation, and amortization.

Compared to the same period of the previous year, the following issues had affected the company's earnings:

- The electricity production activity recorded low turnover values, being affected by drought (production lower by 48%), which affected the profitability of the licensed activities and implicitly of the Company;
- Carrying out some expenses for designing the office spaces located at Calea Rahovei 266-268 for an improved management;
- Continuing the research programmes in the field of electric car charging equipment started the previous year.

Sales

Electromagnetica is a company that operates in several fields, the most important being:

- Activities in the field of energy efficiency (production of LED lighting fixtures, systems and solutions, electricity distribution and measurement equipment, remote management systems);
- Renting office space, industrial space, land and provision of utilities;
- Production of electricity from renewable sources (produced in low power hydroelectric power plants) and supply of electricity.

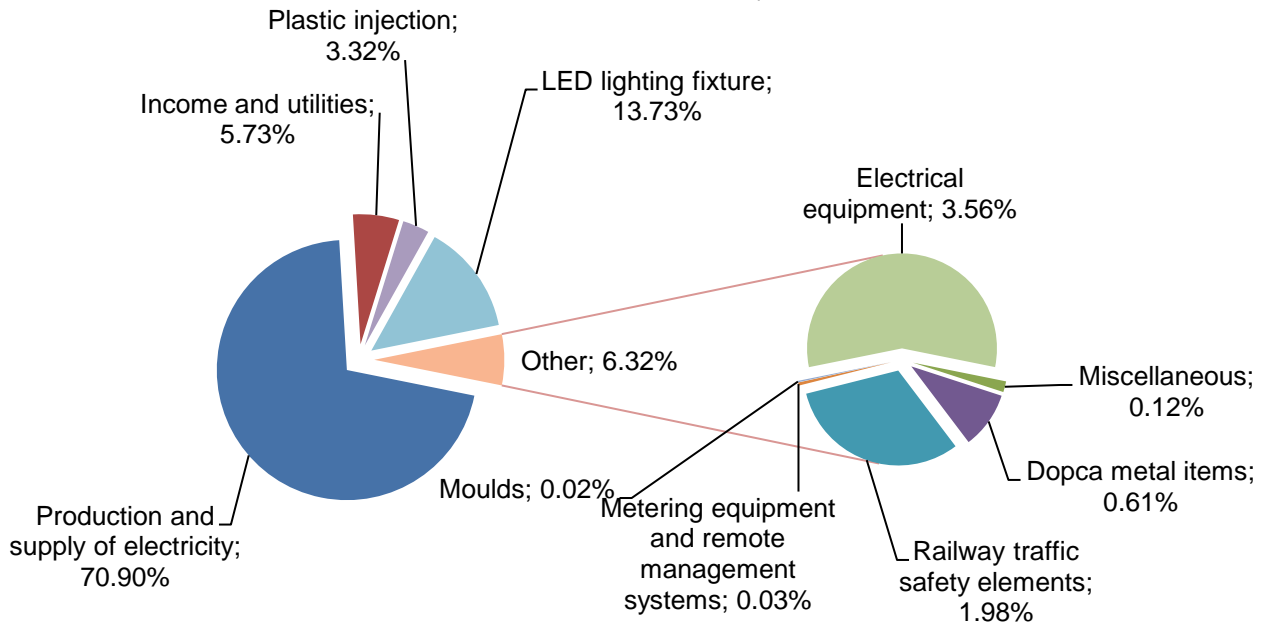
As aggregation criterion for reporting per business segments, the Company used the type of the regulatory environment and identified the following business segments for which it presents the information individually:

- Licensed activity - production and supply of electricity
- Non-licensed activity

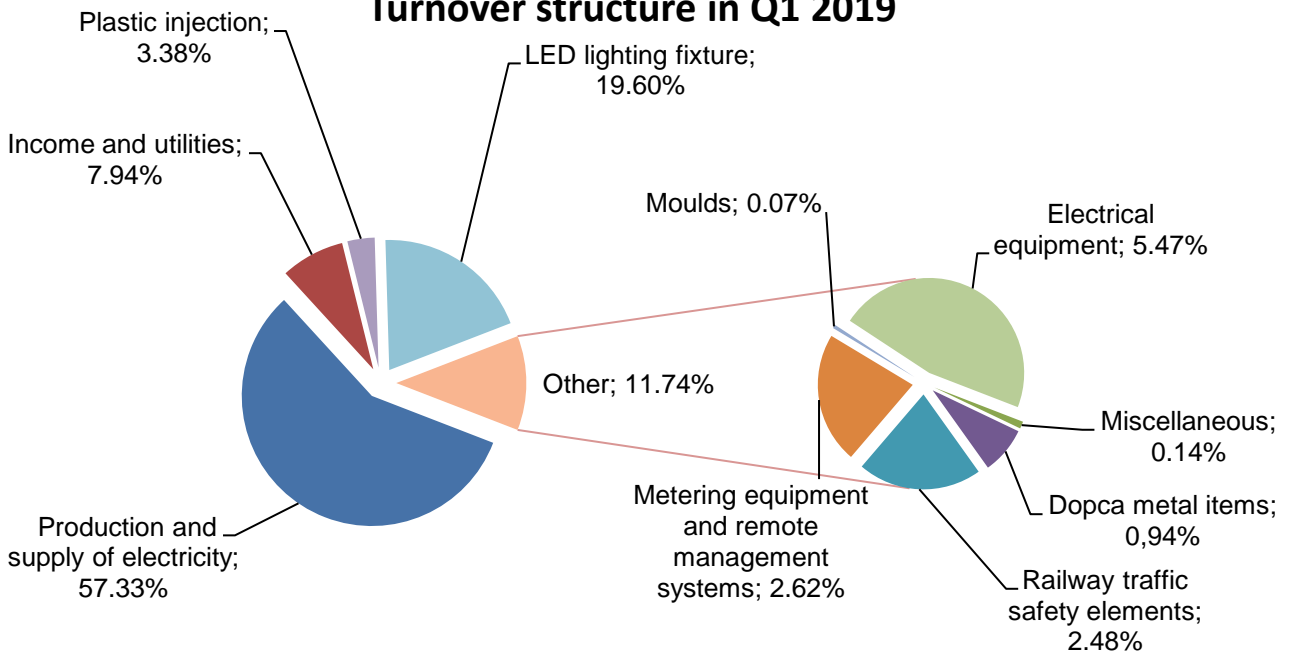
The aggregation criterion is based on the necessary license for carrying out certain activities, as well as its requirements, including the submission of individual financial statements. The activities of production and supply of electricity have been aggregated, taking into consideration the fact that they represent an integrated process for a part of their operations.

Q1 2020	Unlicensed activity	% Total Company	Licensed activity	% Total Company	Total Company
Net profit	(723,440)	n/a	1,743,344	n/a	1,019,904
Total assets	301,008,099	72.71	112,968,926	27.29	413,977,025
Total liabilities	40,514,821	52.38	36,838,485	47.62	77,353,306
Customer revenue	23,820,314	29.10	58,039,237	70.90	81,859,551
Interest income	68,568	100.0	-	-	68,568
Impairment and depreciation	1,830,799	54.78	1,511,049	45.22	3,341,848
Q1 2019	Unlicensed activity	% Total Company	Licensed activity	% Total Company	Total Company
Net profit	479,529	n/a	2,688,784	n/a	3,168,313
Total assets	331,081,394	80.92	78,043,356	19.08	409,124,750
Total liabilities	49,234,535	68.55	22,585,453	31.45	71,819,988
Customer revenue	23,053,653	42.67	30,980,200	57.33	54,033,853
Interest income	28,558	100.0	-	-	28,558
Impairment and depreciation	1,815,730	78.97	483,412	21.03	2,299,141

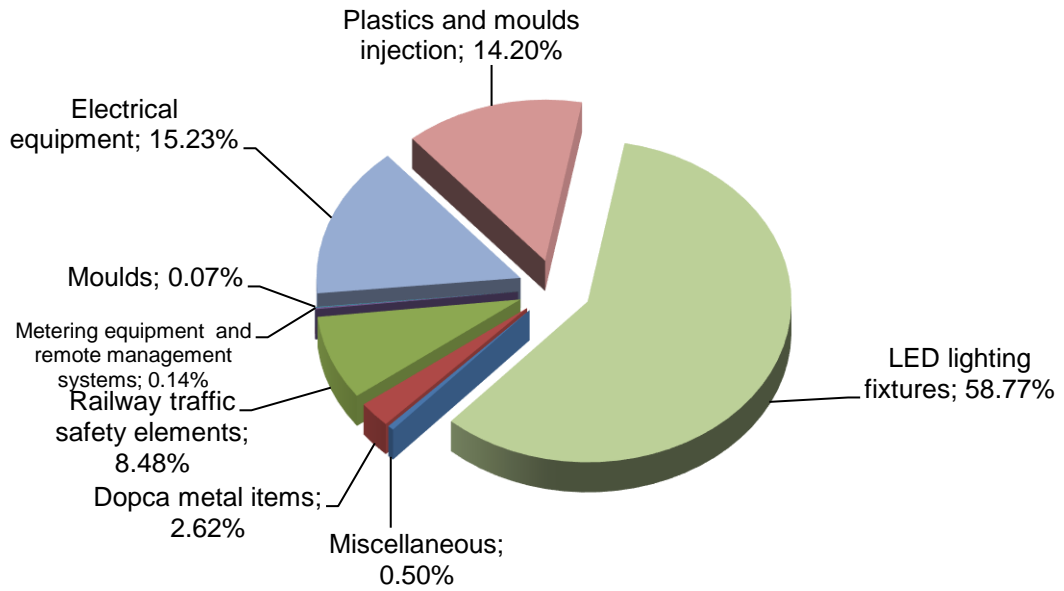
Turnover structure in Q1 2020



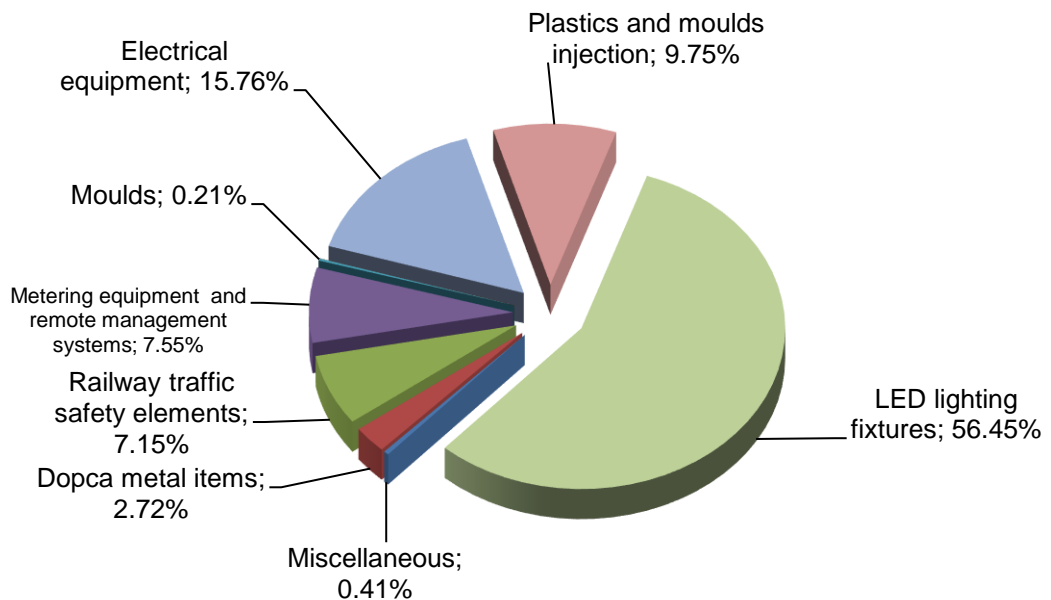
Turnover structure in Q1 2019



Production structure in Q1 2020



Production structure in Q1 2019



ELECTROMAGNETICA SA
INTERIM SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2020 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	Note	3-month period ended March 31, 2020	3-month period ended March 31, 2019
Revenues		81,859,551	54,033,853
Investment income	4	68,090	78,517
Other net income and expenses	4	(110,607)	992,873
Changes in inventories of finished goods and work in progress	4	2,258,634	4,744,085
Own work capitalized	4	574,866	156,209
Raw materials and consumables used	5	(62,458,293)	(37,495,422)
Employee-related expenses	5	(7,995,666)	(8,168,513)
Expenses related to depreciation and impairment	5	(3,341,848)	(2,299,141)
Other expenses	5	(9,180,341)	(8,311,267)
Financial expenses	5	(210,297)	(183,934)
Profit before tax		1,464,089	3,547,260
Income tax	6	(444,185)	(378,948)
Profit of the period		1,019,904	3,168,313
Other comprehensive income of which: other comprehensive income that cannot be reclassified to profit or loss, of which: - restatement of deferred tax for revaluation of assets written off		338	-
Comprehensive income for the period		1,020,242	3,168,313
Basic/diluted earnings per share	7	0.0015	0.0047

These separate financial statements were approved for issue by the management as at May 14, 2020:

EUGEN SCHEUŞAN
Managing Director

CRISTINA FLOREA
Economic Manager

ELECTROMAGNETICA SA
INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	Note	March 31, 2020	December 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	8	275,472,472	277,545,153
Investment property		5,182,279	5,182,279
Intangible assets	8	422,809	466,487
Investments in related entities		3,967,606	3,967,606
Other long-term non-current assets	10	24,562,037	24,702,276
Assets related to the rights of use	9	2,238,993	1,480,078
Total non-current assets		311,846,196	313,343,879
Current assets			
Inventories	11	15,792,155	15,411,327
Trade receivables	12	64,106,956	55,114,158
Cash and cash equivalents	13	19,505,610	21,711,183
Other current assets		2,657,517	1,939,785
Current tax assets		68,591	760,012
Total current assets		102,130,829	94,936,464
Total assets		413,977,025	408,280,342
EQUITY AND LIABILITIES			
Equity			
Share capital		67,603,870	67,603,870
Reserves and other equity		176,114,765	176,697,881
Retained earnings		92,905,083	91,301,725
Total equity attributable to company's shareholders		336,623,719	335,603,476
Non-current liabilities			
Trade payables and other liabilities	14	847,424	1,265,003
Investment subsidies		4,369,502	4,410,306
Deferred tax liabilities		17,085,613	17,333,187
Leasing debts		1,254,854	728,164
Total non-current liabilities		23,557,392	23,736,660
Current liabilities			
Trade payables and other liabilities		50,799,733	46,268,240
Investment subsidies		187,115	163,219
Provisions		1,782,596	1,806,142
Current income tax liabilities		-	-
Leasing debts		1,026,470	702,605
Total current liabilities		53,795,914	48,940,206
Total liabilities		77,353,306	72,676,866
Total equity and liabilities		413,977,025	408,280,342

These separate financial statements were approved for issue by the management as at May 14, 2020:

EUGEN SCHEUŞAN
Managing Director

CRISTINA FLOREA
Economic Manager

ELECTROMAGNETICA SA
INTERIM SEPARATE STATEMENT OF CASH FLOWS
FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2020 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	<u>Note</u>	<u>3-month period ended March 31, 2020</u>	<u>3-month period ended March 31, 2019</u>
Cash flows from operating activities			
Cash receipts from customers		80,865,612	52,702,386
Payments to suppliers		(69,951,430)	(40,476,859)
Payments to employees		(8,588,399)	(8,299,081)
Other operating activities		(6,310,246)	(5,981,464)
		<u>(3,984,463)</u>	<u>(2,055,019)</u>
Cash generated by/ (used in) operating activities			
Interest paid		(3,292)	(2,330)
Income tax paid		-	(81,405)
		<u>(3,987,756)</u>	<u>(2,138,754)</u>
Net cash used in operating activities			
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(109,394)	(176,112)
Proceeds from sale of non-current-assets		(2,261)	-
Interest received		57,932	30,327
Dividends received		-	-
		<u>(53,723)</u>	<u>(145,786)</u>
Net cash used in investing activities			
Cash flows from financing activities:			
Proceeds from loans		8,119,605	922,960
Cash repayments of amounts borrowed		(5,948,507)	(496,262)
Paid leasing		(306,368)	(18,122)
Interest paid		(22,279)	(4,169)
Dividends paid		(6,546)	-
		<u>1,835,906</u>	<u>404,406</u>
Net cash used in financing activities			
Net decrease of cash and cash equivalents			
		<u>(2,205,573)</u>	<u>(1,880,134)</u>
Cash and cash equivalents at beginning of period			
	13	<u>21,711,183</u>	<u>29,162,314</u>
Cash and cash equivalents at end of period			
	13	<u>19,505,610</u>	<u>27,282,180</u>

These separate financial statements were approved for issue by the management as at May 14, 2020:

EUGEN SCHEUŞAN
Managing Director

CRISTINA FLOREA
Economic Manager

ELECTROMAGNETICA S.A.
INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2020 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Tangible assets revaluation reserve</u>	<u>Other reserves</u>	<u>Legal reserve</u>	<u>Other equity items</u>	<u>Total equity</u>
Balance as at January 1, 2020	67,603,870	91,301,725	113,135,988	62,841,298	19,680,554	(18,959,960)	335,603,476
Comprehensive income for the period:							
Profit of the period	-	1,019,904	-	-	-	-	1,019,904
Other comprehensive income:							
Setup of legal reserve	-	-	-	(73,204)	73,204	-	-
Deferred tax recognized in equity	-	-	-	-	-	338	338
Transfer of revaluation reserve to retained earnings following the depreciation of revalued tangible assets or written off assets	-	583,454	(583,454)	-	-	-	-
Transfer of the retained earnings to reserves	-	-	-	-	-	-	-
Total comprehensive income for the period	-	1,603,359	(583,454)	(73,204)	73,204	338	1,020,242
Transactions with shareholders, directly registered to equity							
Dividends distributed	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-
Balance as at March 31, 2020	67,603,870	92,905,083	112,552,534	62,768,094	19,753,758	(18,959,622)	336,623,719

These separate financial statements were approved for issue by the management as at May 14, 2020:

EUGEN SCHEUŞAN
Managing Director

CRISTINA FLOREA
Economic Manager

ELECTROMAGNETICA S.A.
INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2020 (UNAUDITED)
(all amounts are expressed in RON, unless otherwise specified)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Tangible assets revaluation reserve</u>	<u>Other reserves</u>	<u>Legal reserve</u>	<u>Other equity items</u>	<u>Total equity</u>
Balance as at January 1, 2019	67,603,870	88,933,828	115,838,396	60,971,315	19,431,494	(18,534,593)	334,244,312
Comprehensive income for the period:							
Profit of the period	-	3,168,313	-	-	-	-	3,168,313
Other comprehensive income							
Revaluation of tangible assets	-	-	-	-	-	-	-
Setup of legal reserve	-	-	-	(197,773)	197,773	-	-
Transfer of revaluation reserve to retained earnings following the depreciation of revalued tangible assets or written off assets	-	671,356	(671,356)	-	-	-	-
Total comprehensive income for the period	-	3,839,669	(671,356)	(197,773)	197,773	-	3,168,313
Transactions with shareholders, directly registered to equity							
Other items	-	-	-	-	-	(107,863)	(107,863)
Balance as at March 31, 2019	67,603,870	92,773,497	115,167,041	60,773,542	19,629,267	(18,642,456)	337,304,762

These separate financial statements were approved for issue by the management as at May 14, 2020:

EUGEN SCHEUŞAN
Managing Director

CRISTINA FLOREA
Economic Manager

ELECTROMAGNETICA SA
NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2020
(all amounts are expressed in RON, unless otherwise specified)

1. GENERAL INFORMATION

Electromagnetica S.A. ("the Company" or "Electromagnetica") is a joint stock company set up in 1930 and it carries out business in several areas of which the most important are:

- the activities related to energy efficiency (production of lighting fittings, lighting systems and LED lighting solutions, electricity distribution and metering equipment, telemanagement systems);
- rental of office and industrial spaces, lands and utility services;
- production of electricity from renewable sources (in micro-hydropower plants) and electricity supply.

The shares of Electromagnetica S.A. are traded on Bucharest Stock Exchange under "ELMA" symbol. The registered office and administrative headquarters of the Company are located in Bucharest, district 5, 266-268 Calea Rahovei Street.

2. BASIS OF REPORT PREPARATION

The financial statements are prepared in accordance with the Order no. 2844/2016 of the Ministry of Public Finance, which are compliant with the International Financial Reporting Standards (IFRS) adopted by the European Union. The functional and presentational currency is the Romanian Leu (RON).

The preliminary financial information for 31 March 2020 was neither audited, nor subject to review by an external auditor.

3. MAIN ACCOUNTING POLICY

This separate quarterly report has used the same accounting policies and calculation methods as those applied in the preparation of the Company's individual financial statements on 31 December 2019, except for the adoption of the new standards in force as of 1 January 2020. The Company has not adopted any other standard, interpretation or amendment that was issued but not yet in force.

Standards or amendments adopted by the Company:

- **Amendments to IAS 1 "Presentation of financial statements" and IAS 8 "Accounting policies, changes in accounting estimates and errors"** – Definition of material – adopted by the EU on 29 November 2019 (in force for annual periods starting on or after 1 January 2020),
- **Amendments to IFRS 9 "Financial instruments", IAS 39 „Financial instruments: recognition and measurement" and IFRS 7 „Financial instruments: disclosures"** - Interest rate benchmark reform - adopted by the EU on 15 January 2020 (in force for annual periods starting on or after 1 January 2020),
- **Amendments to references in the conceptual framework in IFRS Standards** adopted by the EU on 29 November 2019 (in force for annual periods starting on or after 1 January 2020).

The amendments do not affect the Company's financial statements.

ELECTROMAGNETICA SA
NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2020
(all amounts are expressed in RON, unless otherwise specified)

4. REVENUE

	<u>Q1 2020</u>	<u>Q2 2019</u>
Revenue	81,859,551	54,033,853
- Revenue from sold production	19,129,804	19,706,370
- Rental income	4,648,220	4,288,743
- Revenue from sale of goods	58,081,527	30,038,740
Investment income	68,090	78,517
- Interest income	68,090	78,517
Finished goods inventory variation and production in progress	2,258,634	4,744,085
Work performed and capitalized by the entity	574,866	156,209
Other revenues / (expenses)	(110,607)	992,873
- Green certificates revenues	641,462	1,264,427
- Revenues/costs related to provisions, net	(873,950)	(552,152)
- Net foreign exchange difference	(21,959)	(233,041)
- Other net revenues	143,840	513,639
Net revenue	84,650,534	60,005,537

The Company's turnover for the in the 3-month period ended at March 31, 2020 increased by 51% compared to the same period of the previous year, mainly due to the decrease in the electricity supply activity.

5. EXPENSES

	<u>Q1 2020</u>	<u>Q1 2019</u>
Expenses related to materials	62,458,293	37,495,422
- Raw materials and consumables	12,128,764	13,556,346
- Goods purchased for resale	49,781,730	23,405,527
- Electricity, heating and water	547,799	533,549
Expenses related to employee	7,995,666	8,168,513
Other expenses	9,180,341	8,311,267
- Transport and travel expenses	253,629	277,823
- Subcontracted works expenses	1,744,873	1,355,180
- Other taxes and charges expenses	297,748	390,250
- Green certificates expenses	2,497,628	3,383,751
- Other operating expenses	4,386,463	2,904,263
Expenses related to depreciation and impairment	3,341,848	2,299,141
- Depreciation	2,326,944	2,299,141
- Impairment loss	1,014,904	-
Financial expenses	210,297	183,34
Total expenses	83,186,445	56,458,277

ELECTROMAGNETICA SA
NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2020
(all amounts are expressed in RON, unless otherwise specified)

6. INCOME TAX

	Q1 2020	Q1 2019
Current income tax		
Current income tax expense	691,421	787,139
Deferred income tax		
Revenue income tax expense	(247,236)	(408,191)
	444,185	378,948

7. EARNINGS PER SHARE

	Q1 2020	Q
Net profit / attributable to the shareholders of the Company	1,019,904	3,168,313
Average weighted number of ordinary shares	676,038,704	676,038,704
Earnings per share	0.0015	0.0047

The basic earning and the diluted earnings are identical, as the Company has no investments with dilution potential.

8. TANGIBLE AND INTANGIBLE ASSETS

At 31 March 2020, the tangible assets decreased by 0.7 % due to the amortisation related to the period. The decrease of the intangible assets by 16.4 % is also due to amortisation.

9. ACTIVE AFERENTE DREPTURILOR DE UTILIZARE

	Balance at Jan.01, 2020	Inflows	Outflows	Balance at Mar.31, 2020
Right of use	2,148,907	1,040,119	(75,859)	3,113,167
Of which:				
Right of use of buildings	1,866,937	1,040,119	(75,859)	2,831,197
Right of use of vehicles	281,970	-	-	281,970
Leasing payables	1,430,769	1,112,864	265,858	2,277,775
Recognized depreciation recunoscuta	668,829	242,423	37,078	874,174
Interest expenes	86,330	-	-	22,470

10. OTHER LONG-TERM ASSETS

Other long-term fixed assets increased by 51% due to the increase in sales with a collection term exceeding one year.

ELECTROMAGNETICA SA
NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2020
(all amounts are expressed in RON, unless otherwise specified)

11. Inventories

	31 March 2020	31 December 2019
Raw materials	6,859,603	7,040,842
Consumables	2,103,961	1,768,142
Finished products	4,690,527	3,241,583
Pending production	1,914,006	3,170,253
Other stocks	2,196,278	1,897,656
Adjustments for stocks depreciation	(1,972,220)	(1,707,149)
Total	15,792,155	15,411,327

The Company no longer holds stock pledged against debt.

12. TRADE RECEIVABLES

Trade receivables increased by 16% due to deferring the collection of some receivables (city halls), but also to the increase in sales with the supplier credit clause.

13. CASH AND CASH EQUIVALENTS

	31 March 2020	31 December 2019
Petty cash	20.720	18.851
Cash at bank	19.482.209	21.691.334
Cash equivalents	2.681	11.081
Total	19.505.610	21.711.183

The cash and cash equivalents decreased by 10%.

Credit lines were used during the reporting period, the amount to be repaid at March 31, 2020 being RON 2,171,098.

14. TRADE PAYABLES

The long-term payables did not register significant variations compared to the end of 2019, being under 1%.

The current liabilities increased by 10%, in line with the increase of receivables.

ELECTROMAGNETICA SA
NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2020
(all amounts are expressed in RON, unless otherwise specified)

15. TRANSACTIONS WITH RELATED PARTIES

	<u>Q1 2020</u>	<u>Q1 2019</u>
Sale of goods and services to subsidiaries		
Electromagnetica Goldstar	48,405	23,783
Electromagnetica Fire	5,980	5,965
Electromagnetica Prestserv	5,294	5,086
Procetel	25,346	13,030
Total	85,025	47,864
	<u>Q1 2020</u>	<u>Q1 2019</u>
Purchase of goods and services from subsidiaries		
Electromagnetica Goldstar	71,030	62,368
Electromagnetica Fire	361,099	311,834
Electromagnetica Prestserv	268,500	265,529
Procetel	285,267	263,198
Total	985,896	902,929
	<u>31 March 2020</u>	<u>31 December 2019</u>
Trade and other liabilities toward subsidiaries		
Electromagnetica Goldstar	8,179	-
Electromagnetica Fire	175,204	175,286
Electromagnetica Prestserv	110,044	108,909
Procetel	12,381	4,744
Total	305,808	288,939

The transactions between related parties are carried out under normal market conditions.
The affiliates do not carry out operations that have an impact on the group's results.
The Group's indicators are affected by over 90% by those of the Parent Company, Electromagnetica.

16. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

At 31 March 2020, the Company had the following commitments for bank loans and guarantee agreements/loan contracts concluded with the financing banks (BCR, BRD, Libra Internet Banking, OTP BANK):

- revocable credit line, BCR of 9,000,000 lei of which 2,171,098 committed and 6,828,902 lei uncommitted at 31 March 2020;
- non-cash guarantee agreement with BCR of 30,000,000 lei, of which 16,751,288 lei committed at 31 March 2020;
- credit line with Libra Internet Bank, in amount of 5,000,000 lei committed at 31 December 2019, in amount of 0.01 lei.
- convention on the issue of bank guarantee letters, concluded with Libra Internet Banking, in amount of 10,000,000 lei, of which 6,801,867 lei committed at 31 March 2020.

ELECTROMAGNETICA SA
NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2020
(all amounts are expressed in RON, unless otherwise specified)

- Credit agreement, OTP BANK, in amount of 12,000,000 lei, of which 5,000,000 lei cash and 7,000,000 lei non-cash, uncommitted at 31 March 2020.

The commitments from customers and tenants as letters of guarantee at 31 March 2020 amount to 3,859,790 lei according to contract terms.

Litigation

The disputes in which the Company is involved do not refer to such amounts that could affect its financial stability.

17. EVENTS AFTER THE REPORTING DATE

The General Meeting of Shareholders of 28 April 2020 approved the distribution of dividends from the net profit obtained in 2019 amounting to RON 2,704,155 RON, resulting a gross dividend to be paid amounting to RON 0.004 per share.

ELECTROMAGNETICA SA
RATIOS IN ACCORDANCE WITH APPENDIX 13° FROM
REGULATION 5/2018 ISSUED BY FSA
FOR THE 3 MONTHS PERIOD ENDED AT MARCH 31, 2020

ECONOMIC AND FINANCIAL INDICATORS

Name of the indicator	Calculation formula	Q1 2020	Q1 2019
Current ratio	Currents assets/Current liabilities	1.90	2.04
Level of indebtedness	Long-term borrowed capital/ Share capital x 100	0.37	0.09
	Long-term borrowed capital / Invested capital x 100	0.37	0.08
Days sales outstanding ratio	Average client balance / Turnover x 90	65.5	76.7
Fixed assets turnover	(Turnover x 360/ 90)/ Fixed assets	1.05	0.69

Note:

1. **Current ratio** provides a guarantee related to covering the current liabilities from current assets.
2. **Level of indebtedness** expresses the effectiveness of the credit risk management, showing potential financing, liquidity issues, with effects on honoring the commitments undertaken.

Borrowed capital = Loans exceeding one year and other loans bearing interest
Invested capital = Borrowed capital + Share capital

3. **Days sales outstanding ratio** expresses the Company's effectiveness in collecting its receivables, namely the number of days until the date on which the debtors pay their debts to the Company.
4. **Fixed assets turnover** expresses the effectiveness of the fixed assets management, by examining the turnover generated by a certain quantity of fixed assets.

Eugen Scheuşan
Managing Director

Cristina Florea
Economic Manager