



TMK-ARTROM S.A.

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EUID: ROONRC.J28/9/1991; J28/9/31.01.1991  
VAT No. RO 1510210/1992  
Subscribed and Paid Share Capital: 291.587.538,34 lei

No 102/390 from 10.11.2017

## STAND-ALONE AND CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS AS AT 30th SEPTEMBER 2017

### Statement of financial position at 30th September 2017

	Stand-alone		Consolidated	
	30.09.2017	01.01.2017	30.09.2017	01.01.2017
	RON	RON	RON	RON
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	4.181.518	16.771.796	6.661.866	18.076.998
Trade and other receivables	243.988.641	213.734.145	244.434.029	212.585.857
Inventories	233.966.950	158.437.553	233.966.950	158.437.553
Prepayments	91.072.778	101.740.816	91.231.699	101.802.916
	<b>573.209.887</b>	<b>490.684.310</b>	<b>576.294.544</b>	<b>490.903.324</b>
<b>Non-current assets</b>				
Intangible assets	2.037.963	2.199.489	2.046.789	2.211.205
Property, plant and equipment	590.565.501	495.204.358	590.757.831	495.453.535
Financial assets	678.543	1.207.715	674.516	1.203.688
Other non-current assets	4.665.630	14.145.049	4.695.900	14.178.469
	<b>597.947.637</b>	<b>512.756.611</b>	<b>598.175.036</b>	<b>513.046.897</b>
<b>Total assets</b>	<b>1.171.157.524</b>	<b>1.003.440.921</b>	<b>1.174.469.580</b>	<b>1.003.950.221</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	253.592.339	177.652.799	253.564.731	177.668.537
Advances from customers	1.640.999	2.096.244	1.640.999	2.096.244
Provisions and accruals	3.616.058	2.899.042	4.062.880	3.029.112
Interest-bearing loans and borrowings	197.131.128	196.239.070	197.131.128	196.239.070
Finance lease liability	388.001	168.979	388.001	168.979
Income tax payable	1.529.596	-	1.621.379	-
<b>Total current liabilities</b>	<b>457.898.121</b>	<b>379.056.134</b>	<b>458.409.118</b>	<b>379.201.942</b>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	163.631.534	96.877.164	163.631.534	96.877.164
Finance lease liability	1.085.733	31.096	1.085.733	31.096
Deferred tax liability	35.237.949	36.445.082	35.301.195	36.488.399
Provisions and accruals	227.281	227.281	227.281	227.281
Employee benefits liability	3.036.921	2.909.557	3.036.921	2.909.557
Other long-term liabilities	717.143	568.414	717.143	568.414
<b>Total Non-current liabilities</b>	<b>203.936.561</b>	<b>137.058.594</b>	<b>203.999.807</b>	<b>137.101.911</b>
<b>Total liabilities</b>	<b>661.834.682</b>	<b>516.114.728</b>	<b>662.408.925</b>	<b>516.303.853</b>
<b>EQUITY</b>				
<b>Capital and reserves</b>				
<b>Share capital, from which:</b>	<b>291.587.538</b>	<b>291.587.538</b>	<b>291.587.538</b>	<b>291.587.538</b>
- Subscribed and paid share capital	291.587.538	291.587.538	291.587.538	291.587.538
Other items of equity	(840.114)	(840.114)	(840.114)	(840.114)
Legal and other reserves	17.775.480	17.775.480	17.740.824	17.807.460
Retained earnings	178.803.290	177.926.099	179.105.043	177.926.099
Profit of the year	21.996.648	877.190	24.467.364	1.165.385
<b>Total equity</b>	<b>509.322.842</b>	<b>487.326.193</b>	<b>512.060.655</b>	<b>487.646.368</b>
<b>Total liabilities and equity</b>	<b>1.171.157.524</b>	<b>1.003.440.921</b>	<b>1.174.469.580</b>	<b>1.003.950.221</b>



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TUV CPR:  
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EN 10255

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TMK EUROPEAN DIVISION Cod: FCU-01, Ed. 2 Rev. 3/2017

## Statement of comprehensive income at 30th September 2017

	Stand-alone		Consolidated	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RON	RON	RON	RON
<b>Turnover</b>	<b>756.892.449</b>	<b>567.389.529</b>	<b>766.900.821</b>	<b>568.179.097</b>
Sales of goods	756.459.628	567.075.108	762.952.590	567.075.108
Rendering of services	432.821	314.421	3.948.231	1.103.989
Cost of sales	(632.013.633)	(490.024.628)	(638.090.441)	(490.024.628)
<b>Gross profit</b>	<b>124.878.816</b>	<b>77.364.901</b>	<b>128.810.380</b>	<b>78.154.469</b>
Selling and distribution expenses	(65.736.615)	(47.844.555)	(63.619.403)	(47.757.720)
Advertising and promotion expenses	(189.927)	(104.798)	(208.685)	(122.998)
General and administrative expenses	(26.059.510)	(20.653.380)	(28.205.361)	(21.408.907)
Research and development expenses	(90.676)	(89.391)	(90.676)	(89.391)
Other operating expenses	(3.145.168)	(3.358.070)	(3.153.269)	(3.358.070)
Other operating income	2.512	1.096.115	2.512	1.096.115
<b>Income from operations</b>	<b>29.659.433</b>	<b>6.410.822</b>	<b>33.535.498</b>	<b>6.513.498</b>
Foreign exchange (loss) / gain, net	2.522.317	4.043.209	2.522.317	4.043.209
Finance income	1.232	2.663	474	944
Finance costs	(6.230.975)	(4.151.730)	(6.230.975)	(4.151.730)
<b>Profit before tax</b>	<b>25.952.006</b>	<b>6.304.964</b>	<b>29.827.314</b>	<b>6.405.921</b>
Income Tax	(3.955.358)	(1.141.064)	(5.359.950)	(1.160.397)
<b>Profit for the year</b>	<b>21.996.648</b>	<b>5.163.900</b>	<b>24.467.364</b>	<b>5.245.524</b>
<b>Other comprehensive income - which can be reclassified in profit or loss</b>				
Foreign currency translation	-	-	(53.078)	(17.327)
<b>Other comprehensive income (loss) for the year, net of tax</b>	<b>-</b>	<b>-</b>	<b>(53.078)</b>	<b>(17.327)</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>21.996.648</b>	<b>5.163.900</b>	<b>24.414.286</b>	<b>5.228.197</b>
Average number of shares	116.170.334	116.170.334	116.170.334	116.170.334
<b>Earnings per share</b>	<b>0,19</b>	<b>0,04</b>	<b>0,21</b>	<b>0,05</b>



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# Stan-alone statement of changes in equity as at 30th September 2017

Stand-alone	Share capital	Legal reserves	Other reserves	Retained earnings	Other elements of equity - from applying IAS 19	Total equity
	RON	RON	RON	RON	RON	RON
<b>For year ended as at 30 September 2017</b>						
<b>As at 1 January 2017</b>	<b>291.587.538</b>	<b>15.184.422</b>	<b>2.591.058</b>	<b>178.803.289</b>	<b>(840.114)</b>	<b>487.326.193</b>
Profit of the year	-	-	-	21.996.648	-	21.996.648
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21.996.648</b>	<b>-</b>	<b>21.996.648</b>
<b>As at 30 September 2017</b>	<b>291.587.538</b>	<b>15.184.422</b>	<b>2.591.058</b>	<b>200.799.937</b>	<b>(840.114)</b>	<b>509.322.841</b>
<b>For year ended as at 30 September 2016</b>						
<b>As at 1 January 2016</b>	<b>291.587.538</b>	<b>15.122.069</b>	<b>2.481.407</b>	<b>178.098.103</b>	<b>(1.102.272)</b>	<b>486.186.845</b>
Profit of the year	-	-	-	5.163.900	-	5.163.900
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.163.900</b>	<b>-</b>	<b>5.163.900</b>
<b>As at 30 September 2016</b>	<b>291.587.538</b>	<b>15.122.069</b>	<b>2.481.407</b>	<b>183.262.003</b>	<b>(1.102.272)</b>	<b>491.350.745</b>



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## Consolidated statement of changes in equity as at 30th September 2017

Consolidated	Share capital	Legal reserves	Foreign currency translation reserve	Other reserves	Retained earnings	Other elements of equity - from applying IAS 19	Total equity
	RON	RON	RON	RON	RON	RON	RON
<b>For year ended as at 30 September 2017</b>							
<b>As at 1 January 2017</b>	<b>291.587.538</b>	<b>15.184.422</b>	<b>31.980</b>	<b>2.591.058</b>	<b>179.091.485</b>	<b>(840.114)</b>	<b>487.646.369</b>
Profit of the year	-	-	-	-	24.467.364	-	<b>24.467.364</b>
Other comprehensive income / (loss) for the year, net of tax	-	-	(66.636)	-	13.558	-	<b>(53.078)</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(66.636)</b>	<b>-</b>	<b>24.480.922</b>	<b>-</b>	<b>24.414.286</b>
<b>As at 30 September 2017</b>	<b>291.587.538</b>	<b>15.184.422</b>	<b>(34.656)</b>	<b>2.591.058</b>	<b>203.572.407</b>	<b>(840.114)</b>	<b>512.060.655</b>
<b>For year ended as at 30 September 2016</b>							
<b>As at 1 January 2016</b>	<b>291.587.538</b>	<b>15.122.069</b>	<b>-</b>	<b>2.481.407</b>	<b>178.098.103</b>	<b>(1.102.272)</b>	<b>486.186.845</b>
Profit of the year	-	-	-	-	5.245.524	-	<b>5.245.524</b>
Other comprehensive income / (loss) for the year, net of tax	-	-	(17.327)	-	-	-	<b>(17.327)</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(17.327)</b>	<b>-</b>	<b>5.245.524</b>	<b>-</b>	<b>5.228.197</b>
<b>As at 30 September 2016</b>	<b>291.587.538</b>	<b>15.122.069</b>	<b>(17.327)</b>	<b>2.481.407</b>	<b>183.343.627</b>	<b>(1.102.272)</b>	<b>491.415.042</b>



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## Statement of cash flows at 30th September 2017

Indirect method	Stand-alone		Consolidated	
	1 January - 30 September 2017 RON	1 January - 30 September 2016 RON	1 January - 30 September 2017 RON	1 January - 30 September 2016 RON
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit / (Loss) before tax</b>	<b>25.952.006</b>	<b>6.304.964</b>	<b>29.827.314</b>	<b>6.405.921</b>
<b>Plus / minus adjustments for:</b>				
Depreciation	31.109.474	31.207.334	31.157.856	31.222.770
Increase / (reversal) of provisions	717.016	(2.560.242)	1.042.642	(2.406.958)
Increase / (reversal) of allowances for current assets	(950.566)	788.697	(950.566)	788.697
Exchange rate differences for financing activities	3.880.342	(5.770.366)	3.880.342	(5.770.366)
Variation of retirement benefits	222.678	37.570	222.678	37.570
Result from disposal of non-current assets	3.075.318	1.661.442	3.075.318	1.661.442
Interest and related expenses	5.848.658	3.663.119	5.849.415	3.664.838
Exchange rate differences for cash and cash equivalents	-	-	(10.233)	(16.798)
<b>Plus / minus adjustments for changes in working capital related to operating activities:</b>				
Decrease / (increase) in inventories	(74.781.314)	(24.727.002)	(74.781.314)	(22.785.169)
Decrease / (increase) in trade and other receivables and prepayments	(20.794.293)	24.460.584	(22.171.119)	24.342.786
(Decrease) / increase in payables (except banks)	62.142.596	33.594.886	62.099.250	33.937.344
<b>less:</b>				
Interest paid	(5.589.708)	(3.725.712)	(5.589.708)	(3.725.712)
Income tax paid	(2.007.076)	(421.064)	(3.351.675)	(421.063)
<b>Total inflows / (outflows) from operating activities (a)</b>	<b>28.825.131</b>	<b>64.514.210</b>	<b>30.300.200</b>	<b>66.935.302</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Amount received from disposal of non-current assets	(1.144.772)	16.288	(1.144.772)	16.288
Purchase of tangible and intangible assets	(103.848.872)	(37.210.657)	(103.834.367)	(39.408.433)
Repayment of given loans	313.671	-	-	-
Interest received	1.232	2.663	474	944
<b>Total inflows / (outflows) from investing activities (b)</b>	<b>(104.678.741)</b>	<b>(37.191.706)</b>	<b>(104.978.665)</b>	<b>(39.391.201)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Loans received	102.624.359	23.128.584	102.624.359	23.128.584
Repayment of loans	(39.110.372)	(51.982.084)	(39.110.372)	(51.982.084)
Repayment of finance leases (amortisation)	(250.654)	(145.115)	(250.654)	(145.115)
<b>Total inflows / (outflows) from financing activities (c)</b>	<b>63.263.332</b>	<b>(28.998.615)</b>	<b>63.263.333</b>	<b>(28.998.615)</b>
<b>Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)</b>	<b>(12.590.278)</b>	<b>(1.676.111)</b>	<b>(11.415.132)</b>	<b>(1.454.514)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>16.771.796</b>	<b>4.078.542</b>	<b>18.076.998</b>	<b>4.078.542</b>
<b>Cash and cash equivalents at end of period</b>	<b>4.181.518</b>	<b>2.402.431</b>	<b>6.661.866</b>	<b>2.624.028</b>

Chief Executive Officer,  
Eng. Adrian Popescu

Chief Economical and Accountancy Officer,  
Ec. Cristiana Vaduva



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