

No 102/107 from 10/05/2019

Amendments in accordance with article no. 122 from Regulation no.5/2018

to the Consolidated and Separate Quarterly Current Report as at 31 March 2019

in accordance with Law no. 24/2017 on issuers of financial instruments and market operation and with Regulation no. 5/2018 on issuers of financial instruments and market operation

Considering the errors and the need to complete additional texts and information in the consolidated and separate quarterly report as at 31 March 2019 published on 22 April 2019 (the "Report") on the BVB website, below is the amendment for such errors and amendments.

We hereby mention that there are no errors in the "Consolidated and Individual Simplified Consolidated Interim Financial Statements - unaudited 31 March 2019", reviewed by Ernst&Young and approved by the Board of Directors of TMK-ARTROM S.A. on 22.04.2019.

AMENDMENTS:

- At page 3¹ in the Report,, both for the Romanian and English version, the following phrase is replaced by:**

initial version in the Romanian version of the Report:

„Societatea și Grupul nu au finalizat încă proiectul de investiții "Complexul de tratamente termice" în valoare de 35.2 mil EUR."

initial version in the English version of the Report:

"The Group and the Company have not yet finalized the "Heat Treatment Complex" investment project, an investment of EUR 35.2 million."

The final form being reproduced below, both for the Romanian and English version:

„Grupul a finalizat construcția unui complex de tratamente termice la uzina din Slatina, care a permis creșterea volumului fizic de țevi și a vânzărilor de produse cu valoare premium (Secția 6 HTP)"

„The Group completed the construction of a heat treatment unit at its Slatina plant which allowed the increase in the physical volume of pipes and the sales of premium value products (Unit No. 6 HTP.)"

- At page 5 of the Report, both for the Romanian and English version of the Report, the following phrase is replaced by:**

initial version in the Romanian version of the Report:

"...respectiv la întocmirea Situațiilor financiare interimare condensate individuale și consolidate retratate și neauditate ale Societății cu privire la perioada de trei luni încheiată la data de 31 martie 2019..."

¹ We mention that every time it is mentioned the page numbers of the Report in this document we are referring to the initial version of the Report published on 22 of April 2019

initial version in the English version of the Report:

„.....respectively, the Interim unaudited and restated separate and consolidated condensed financial statements of the Company as at and for the period of three-months ended on 31 March 2019...”

The final form being reproduced below, both for the Romanian and English version:

„.....respectiv la intocmirea Situatiiilor financiare interimare simplificate individuale si consolidate neauditate si revizuite ale Grupului cu privire la perioada de trei luni incheiata la data de 31 martie 2019...”

„.....respectively, the Unaudited and Reviewed Interim Condensed Consolidated Financial Statements of the Group for the period of three months ended 31 March 2019...”

3. At page 8 in the Report, the column **Consolidated 31 March 2018** is being replaced with the column **Consolidated 31 March 2019** and the word "restated" is being eliminated, both for the Romanian version and the English version. At the same time, the amounts for the second table are updated for the English version of the Report

the final form of the tables for the Romanian version is reproduced below, as follows:

Versiune inițială			Versiune finală	
Indicatori financiari	Individual	Consolidat	Individual	Consolidat
	31 Martie 2019	31 Martie 2018	31 Martie 2019	31 Martie 2019
	Neauditate	Retratate și neauditate	Neauditate	Neauditate
Productia de tevi (tone)	47.404	47.404	47.404	47.404
Vanzari de tevi productie TMK-Artrom (tone)	51.214	51.193	51.214	51.193
Venituri	345.736.539	336.128.284	345.736.539	336.128.284
Profitul exercitiului financiar perioadei	9.454.878	304.191	9.454.878	304.191
Rezultatul global net al perioadei	9.443.120	1.304.672	9.443.120	1.304.672
EBITDA ajustata*	31.788.783	40.810.685	31.788.783	40.810.685
EBIT	18.254.058	19.413.837	18.254.058	19.413.837
Marja EBITDA ajustata, %	9,2%	12,1%	9,2%	12,1%

in RON			Versiune finală	
Indicatori financiari	Individual	Consolidat	Individual	Consolidat
	31 Martie 2019	31 Martie 2018	31 Martie 2019	31 Martie 2019
	Neauditate	Retratate și Neauditate	Neauditate	Neauditate
Profit inainte de impozitare	9.628.822	715.471	9.628.822	715.471
Profit contabil net din care:	9.454.878	304.191	9.454.878	304.191
Profit din exploatare	18.254.058	19.413.837	18.254.058	19.413.837
Pierdere financiara	(8.625.236)	(18.698.366)	(8.625.236)	(18.698.366)
Rezultat exceptional	-	-	-	-
Impozit pe profit curent cheltuiala	-	(147.738)	-	(147.738)
impozit pe profit amanat - venituri	1.674.645	2.592.881	1.674.645	2.592.881
impozit pe profit amanat - cheltuieli	(1.848.589)	(2.856.423)	(1.848.589)	(2.856.423)
Venituri	345.736.539	336.128.284	345.736.539	336.128.284
Costul vânzărilor	(279.566.396)	(263.831.707)	(279.566.396)	(263.831.707)
Export	71,7%	73,8%	71,7%	73,8%

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the final form of the tables for the English version is reproduced below, as follows:

in RON Financial indicators	initial version		updated version	
	Separate	Consolidated	Separate	Consolidated
	31 Martie 2019	31 Martie 2018	31 Martie 2019	31 Martie 2019
	Unaudited	Restated and Unaudited	Unaudited	Restated and Unaudited
Production of pipes(tons)	51,214	51,193	47,404	47,404
Sale of pipes production TMK - Artrom (tons)	345,736,539	336,128,284	51,214	51,193
Revenues	9,454,878	304,191	345,736,539	336,128,284
Profit of the financial year period	9,443,120	1,304,672	9,454,878	304,191
Net global result of the period	31,788,783	40,810,685	9,443,120	1,304,672
Adjusted EBITDA	18,254,058	19,413,837	31,788,783	40,810,685
EBIT	19,413,837	16,452,11	18,254,058	19,413,837
Adjusted EBITDA margin, %	12.1	11.4	9.2%	12.1%

in RON Financial indicators	Initial version		Updated version	
	Separate	Consolidated	Separate	Consolidated
	31 Martie 2019	31 Martie 2018	31 Martie 2019	31 Martie 2019
	Unaudited	Restated and Unaudited	Unaudited	Unaudited
Profit before tax	9,628,822	715,471	9,628,822	715,471
Net accounting profit of which:	9,454,878	304,191	9,454,878	304,191
Operating profit	18,254,058	19,413,837	18,254,058	19,413,837
Financial loss	(8,625,236)	(18,698,366)	(8,625,236)	(18,698,366)
Exceptional result	-	-	-	-
Current income tax expense	-	(147,738)	-	(147,738)
Deferred income tax - revenues	1,674,645	2,592,881	1,674,645	2,592,881
Deferred income tax - expenses	(1,848,589)	(2,856,423)	(1,848,589)	(2,856,423)
Income	345,736,539	336,128,284	345,736,539	336,128,284
Cost of sales	(279,566,396)	(263,831,707)	(279,566,396)	(263,831,707)
Export	71.7%	73.8%	71.7%	73.8%

4. On page 13 and 26 from the Report both in Romanian and English version, in the table where revenues are presented the following phrase is replaced by:

initial version in the English version of the Report

Europa
America de Nord și de Sud

* Zonele de vânzări din Orientul Mijlociu, Turcia și Africa de Nord sunt alocate pieței europene

** Zonele de vânzări Canada, Brazilia, SUA și Mexic sunt alocate pieței Americi
versiunea inițială în limba engleză a Raportului:

initial version in the English version of the Report:

Europa
North and South America

* Sales areas in the Middle East, Turkey and North Africa are allocated to the European market

** Sales areas Canada, Brazil, USA and Mexico are allotted to the Americas market



The final form being reproduced below, both for the Romanian and English version:

Europa*
America de Nord și de Sud**
Alte zone***

* Zonele de vânzări din Turcia sunt alocate pieței europene
** Zonele de vânzări din Canada, Brazilia, SUA și Mexic sunt alocate pieței Americilor
*** Zonele de vânzări ca volume din Orientul Mijlociu și Africa de Nord sunt alocate pieței altor zone

Europa*
North and South America**
Other areas***

*Turkey sales area is allocated to European market
**Canada, Brazil, US and Mexico sales areas are allocated to Americas market
***Middle East and North Africa sales areas are allocated to Other areas market

5. At page 15 from the English version of the Report at *Employment costs, remuneration expenses and social security contributions*, the following paragraph is inserted:

"The employment costs have increased by 15.6% or RON 4,65 million for the three-month period ended 31 March 2019 as compared to the three-month period ended 31 March 2018 as a result of the new staff employed as well as of the indexation of salaries with the inflation rate."

„Costurile cu forța de muncă au crescut cu 15,6% sau 4,65 milioane RON pentru trimestrul încheiat la 31 Martie 2019 în comparație cu trimestrul încheiat la 31 Martie 2018 ca rezultat a noilor angajați precum și indexării salariilor cu rata inflației."

6. At page 17 from the Romanian and English version of the Report, at *Selling and distribution expenses*, the following paragraph is replaced:

initial version from the Romanian version of the Report:

„Cheltuielile cu aceste taxe înregistrate în anul trimestrul I 2019 au fost de 7,3 milioane RON care au fost în general recuperate prin creșterea prețurilor de vânzare către clienți."

initial version from the English version of the Report:

"Expenses with these taxes in the year 2018 were of RON 7.3 million, which were generally recovered by increasing sales prices to customers."

final form being reproduced below both for the Romanian and English version:

„Cheltuielile cu aceste taxe înregistrate la sfârșitul perioadei de trei luni încheiate la 31 Martie 2019 au fost de 7,3 milioane RON care au fost în general recuperate prin creșterea prețurilor de vânzare către clienți;"

„Expenses with these taxes in the three months period ended 31 March 2019 amounted RON 7.3 million, which were generally recovered by increasing sales prices to customers."

7. At page 19 from the Romanian version of the Report, at *Adjusted EBITDA*, the following phrase is inserted, as well as the manner in which EBITDA is computed:

„Această creștere s-a datorat în principal creșterii volumelor de vânzări, inclusiv a produselor premium, precum și creșterii prețului mediu de vânzare comparativ cu anul încheiat la 31 decembrie 2017."



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translation into English of the inserted phrase:

"This increase was mainly due to the increase in volume of sales, including for premium products, and an increase in the average sale price compared to the year ended 31 December 2017"

final form for the Romanian version of the Report being reproduced below:

„EBITDA ajustată a crescut cu 82,3 milioane RON, la 203,2 milioane RON în anul finalizat la 31 decembrie 2018, de la 120,8 milioane RON în 2017 (reprezentând o creștere de 68%). Această creștere s-a datorat în principal creșterii volumelor de vânzări, inclusiv a produselor premium, precum și creșterii prețului mediu de vânzare comparativ cu anul încheiat la 31 decembrie 2017. Marja pentru EBITDA consolidată ajustată aferentă exercițiului financiar încheiat la 31 decembrie 2018 a fost de 14.6%."

final form for the English version of the Report being reproduced below:

"Adjusted EBITDA increased in the year ended at 31 December 2018 by RON 82.3 million to RON 203.2 million from RON 120.8 million in the year ended at 31 December 2017 (representing a 68% increase). This increase was mainly due to the increase in the volumes of sales, including for premium products, and an increase in the average sale price compared to the year ended at 31 December 2017. The Adjusted EBITDA margin for the financial year ended at 31 December 2018 was 14.6%."

it is corrected the definition of EBITDA and EBITDA ADJUSTED, both for the Romanian and English version of the Report, as follows:

EBITDA is defined as profit/(loss) for the period excluding finance costs and finance income, income tax (benefit)/expense, depreciation and amortization foreign exchange (gain)/loss

Adjusted EBITDA is determined as profit/(loss) for the period excluding finance costs and finance income, income tax (benefit)/expense, depreciation and amortization, less the depreciation included in the cost of the unsold production, foreign exchange (gain)/loss, impairment/(reversal of impairment) of non-current assets, movements in allowances and provisions (except for provision for bonuses), (gain)/loss on disposal of property, plant and equipment, (gain)/loss on changes in fair value of financial instruments, share of (profit)/loss of associates and other non-cash, non-recurring and unusual items (social expenses).

It is continued with the manner in which EBITDA adjusted is being computed, both for the Romanian and English version of the Report:

- The Group's management subtracts depreciation of stock of finished goods and unfinished products from the Group's EBITDA, so that Adjusted EBITDA reflects solely the depreciation related to sold production and therefore reflects only realised earnings. The Group believes that this adjustment results in a measure more representative of the Group's underlying financial performance in the relevant period. Depreciation of stock of finished goods and unfinished products is calculated by (A) calculation a percentage represented by depreciation in the total cost of production of the Group for the period and (B) multiplying such percentage by the amount of the stock of finished goods and unfinished production (which is in turn calculated as the sum of value of finished goods in transit and the value of work in progress and semi-finished goods at the end of the reporting period), and (C) calculating the net change in the amount calculated in (B) from the prior period.
- Gain/loss on disposal of property, plant and equipment and impairment/(reversal of impairment) of non-current assets, as well as changes in provisions and allowances are added back to EBITDA in calculating Adjusted EBITDA as these items represent non-cash charges which the Group's management believes are not representative of underlying operating performance. The changes in provisions and allowances include allowances for stocks and short term provision from which it were excluded the provisions for managers bonuses.
- Social expenses are added back to EBITDA in calculating Adjusted EBITDA because it is considered them not related to operational activity and part of them, such as sponsorship and charitable expenses are non cash items because they are deducted from the payable income tax according to the Fiscal Code.



Social expenses are calculated as the sum of:

- Social actions expenses representing amounts paid to Trade Unions according to the Collective Bargaining Agreements of the Group companies, amounts paid for social, cultural and sport events organized for the employees and their children ;
- Sponsorship and charitable donations expenses according to the law;
- Professional fees and services for professional associations representing fees and contributions for the professional associations UNITUB and UNIROMSIDER;
- Total expenses with personnel medical dispensary which includes staff costs, social security costs and other compensations for employees from the medical dispensaries of the Group.

8. At page 19 from the Romanian and English version, at *Adjusted EBITDA*, the tables for the computation of adjusted EBITDA are modified for the three-months periods ended 31 March 2019, respectively 31 March 2018, for a better disclosure of the adjusted elements and for a correction to EBITDA adjusted for three-months period ended 31 March 2018 , and also for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016, as follows:

the final form of the tables being reproduced below:

Consolidated	Indicators	initial version		updated version	
		31.03.2019 in RON	31.03.2018 in RON	31 March 2019 in RON <i>Unaudited</i>	31.03.2018 in RON <i>Restated unaudited</i>
	Profit for the year	304,191	12,031,941	304,191	12,031,941
	Depreciation	20,847,016	18,558,137	20,847,016	18,558,137
	Finance costs Interest income / expenses	4,637,939	3,109,137	4,640,088 (2,149)	2,687,035 (545)
	Fianance income				
	Foreign exchange (loss) / gain, net Exchange rate differences	14,060,427	-1,184,938	14,060,427	(1,184,938)
	Income Tax	411,280	2,918,618	411,280	2,918,618
	EBITDA	40,260,853	35,432,895	40,260,853	35,010,248
	Adjustments	549,832	2,207,912	549,832	2,207,912
	- Depreciation in stock of finish goods and unfinished production	-638,558	-35,055	(638,558)	(35,055)
	- Profit (-)/Loss (+) from the replacement /sale of capital assets	213,677	182,503	213,677	182,503
	- Changes in provisions and allowances	144,510	1,346,798	144,510	1,346,798
	- Social expenses	830,204	713,666	830,204	713,666
	Adjusted EBITDA	40,810,685	37,640,807	40,810,685	37,218,160

* The words and figures highlighted in red in the table above were added to reflect changes in defining the indicators on the final version

Adjusted EBITDA increased with 9.7% (the increase representing RON 3.6 million) from RON 37.2 million for the three months period ended 31 March 2018 to RON 40.8 million for the three months period ended 31 March 2019.

Adjusted EBITDA margin for the three months period ended 31 March 2019 was 12.1% compared to 11.2% for the three months period ended 31 March 2018.

Consolidated	Indicators	initial version			final version		
		2018 in RON	2017 in RON	2016 in RON	2018 in RON	2017 in RON <i>Restated</i>	2016 in RON <i>Restated</i>
	Profit for the year	79,576,196	26,619,695	2,927,653	79,576,196	26,619,695	2,927,653
	Depreciation	77,756,665	72,683,418	71,540,202	77,756,665	72,683,418	71,540,202
	Finance costs Interest	15,286,806	10,675,829	8,004,169	15,290,360	10,676,878	8,005,398

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income / expenses

Finance income				(3,554)	(1,049)	(1,229)
Foreign exchange (loss) / gain, net	3,534,315	2,021,813	4,633,157	3,534,315	2,021,813	4,633,157
Exchange rate differences						
Income Tax	17,888,692	2,268,466	-639,903	17,888,692	2,268,466	(639,903)
EBITDA	194,042,674	114,269,221	86,465,278	194,042,674	114,269,221	86,465,278
Adjustments	9,190,541	6,573,415	-5,408,170	9,190,541	6,573,415	(5,408,170)
- Depreciation in stock of finish goods and unfinished production	759,902	913,365	-4,031,746	759,902	913,365	(4,031,746)
- Profit (-)/Loss (+) from the replacement /sale of capital assets	1,128,497	1,655,385	2,471,677	1,128,497	1,655,385	2,471,677
- Changes in provisions and allowances	4,731,497	2,057,206	-5,461,830	4,731,497	2,057,206	(5,461,830)
- Social expenses	2,570,645	1,947,459	1,613,729	2,570,645	1,947,459	1,613,729
Adjusted EBITDA	203,233,215	120,842,636	81,057,108	203,233,215	120,842,636	81,057,108

* The words and figures highlighted in red in the table above were added to reflect changes in defining the indicators on the final version

Further, both for the Romanian and English version of the Report, the tables for the reconciliation of the depreciation in stock of finish goods and unfinished production and social expenses are inserted, for the three-months periods ended 31 March 2019, respectively 31 March 2018, for a better disclosure of the adjusted elements and for a correction to EBITDA adjusted for three-months period ended 31 March 2018, and also for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016, as follows:

(1) Reconciliation of the depreciation in stock of finish goods and unfinished production is presented below

Description	Consolidated			
	31 March 2019	2018	31 March 2018	2017
	RON	RON	RON	RON
	Unaudited		Restated	Restated
Depreciation expense included in the cost of production in the reporting period	19,521,320	73,661,221	17,627,265	69,434,320
Production cost in the reported period	220,656,849	884,182,946	213,629,344	842,864,176
% of depreciation in total production cost (A)	8.85%	8.33%	8.25%	8.24%
Value of finished goods and goods in transit at the end of the reporting period	59,693,091	74,102,208	74,866,313	82,907,606
Value of WIP and semi-finished goods at the end of the reporting period	116,229,184	105,049,692	115,649,476	107,493,242
Stock value at the end of the reporting period	175,922,275	179,151,900	190,515,789	190,400,848
Total stocks x % of depreciation in total production cost = depreciation in stocks (B)	15,563,691	14,925,133	15,720,089	15,685,034
Variance in depreciation in stocks included in Adjusted EBITDA (C)	638,558		35,055	

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(2) Reconciliation of social expenses is presented below:

	Consolidated	
	31 March 2019	31 March 2018
	RON <i>Unaudited</i>	RON <i>Restated unaudited</i>
Social actions expenses	635,953	533,224
Sponsorship and charitable donations	53,481	49,500
Professional fees and services for professional associations	19,500	19,500
Total expenses with personnel medical dispensary from which:	121,269	111,442
Staff costs - medical dispensary	110,938	101,402
Social security costs - medical dispensary	5,173	3,575
Other compensations for employees - medical dispensary	5,159	6,466
Total	830,204	713,666

(1) Reconciliation of the depreciation in stock of finish goods and unfinished production is presented below

Description	Consolidated			
	2018 RON	2017 RON <i>Restated</i>	2016 RON <i>Restated</i>	2015 RON <i>Restated</i>
Depreciation expense included in the cost of production in the reporting period	73,661,221	69,434,320	68,529,067	59,994,052
Production cost in the reported period	884,182,946	842,864,176	581,397,568	600,606,603
% of depreciation in total production cost (A)	8.33%	8.24%	11.79%	9.99%
Value of finished goods and goods in transit at the end of the reporting period	74,102,208	82,907,606	38,285,404	48,290,827
Value of WIP and semi-finished goods at the end of the reporting period	105,049,692	107,493,242	102,534,676	77,515,221
Stock value at the end of the reporting period	179,151,900	190,400,848	140,820,080	125,806,048
Total stocks x % of depreciation in total production cost - =depreciation in stocks (B)	14,925,133	15,685,034	16,598,399	12,566,653
Variance in depreciation in stocks included in Adjusted EBITDA (C)	(759,902)	(913,365)	4,031,746	

(2) Reconciliation of social expenses is presented below:

	Consolidated		
	2018	2017	2016
	RON	Restated RON	Restated RON
Social actions expenses	1,645,588	1,381,896	1,110,765
Sponsorship and charitable donations	345,078	175,990	87,992
Professional fees and services for professional associations	112,864	82,139	149,810
Total expenses with personnel medical dispensary from which:	467,115	307,434	265,162
Staff costs - medical dispensary	428,029	234,377	200,708



Social security costs - medical dispensary	14,310	58,521	50,804
Other compensations for employees - medical dispensary	24,776	14,536	13,650
Total	2,570,645	1,947,459	1,613,729

9. At page 20 from the English version of the Report at *Foreign currency fluctuations-foreign exchange net(loss)/gain*, the year 2016 is replaced with “for the three months period ended 31 March 2019” and a phrase is completed with “revaluation” word, at page 20, both for the Romanian and English version of the Report, as below:

initial version from the English version of the Report:

“RON/EUR exchange rate evolved from 4.6639 RON/EUR as at 31 December 2018 to 4.7628 RON/EUR as at 31 March 2019, while RON/USD exchange rate evolved from 4.0736 RON/USD as at 31 December 2018 to 4.2434 RON/USD as at 31 March 2018. Currency instability and pronounced depreciation of the exchange rate RON/EUR and RON/USD led to the recording of foreign exchange losses in the amount of RON 14 million in 2016”

the final form from the English version of the Report, being reproduced below:

“RON/EUR exchange rate evolved from 4.6639 RON/EUR as at 31 December 2018 to 4.7628 RON/EUR as at 31 March 2019, while RON/USD exchange rate evolved from 4.0736 RON/USD as at 31 December 2018 to 4.2434 RON/USD as at 31 March 2018. Currency instability and pronounced depreciation of the exchange rate RON/EUR and RON/USD led to the recording of foreign exchange losses in the amount of RON 14 million for the three months period ended 31 March 2019”.

The word revaluated is introduced in the following phrase, both for the Romanian and English version of the Report, as below:

initial version of the Romanian and English Report:

1. TMK-Artrom a înregistrat în situațiile financiare individuale în cursul perioadei de trei luni încheiate la 31 martie 2019, următoarele diferențe de curs nefavorabile:
 - a. 7,1 milioane RON reprezentând diferențe nefavorabile de curs valutar pentru creditele aflate în portofoliul de împrumuturi al Societății în această perioadă aferente operațiunilor de trageri și rambursări de credite;
- i. TMK-Artrom registered in the separate financial statements for the three months period ended 31 March 2019 the following unfavourable exchange rate differences:
 - a) RON 7.1 million representing unfavourable exchange rate fluctuations for revaluation of loans in the Company's loan portfolio during this period and also related to borrowing and repayment operations;

final version of the Romanian and English Report:

1. TMK-Artrom a înregistrat în situațiile financiare individuale în cursul perioadei de trei luni încheiate la 31 martie 2019, următoarele diferențe de curs nefavorabile:
 - a. 7,1 milioane RON reprezentând diferențe nefavorabile de curs valutar pentru creditele aflate în portofoliul de împrumuturi al Societății în această perioadă aferente operațiunilor de reevaluare, trageri și rambursări de credite;



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i.TMK-Artrom registered in the separate financial statements for the three months period ended 31 March 2019 the following unfavourable exchange rate differences:

- a) RON 7.1 million representing unfavourable exchange rate fluctuations for revaluation of loans in the Company's loan portfolio during this period and also related to revaluation, borrowing and repayment operations;

10. At page 27-28 from the Romanian and English version of the Report, at *Working capital*, the definition of working capital is updated and also the tables for the computation of working capital are modified for the three-months periods ended 31 March 2019, respectively 31 March 2018 and also for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016, as it is no longer considered the elimination of provisions for taxes and provisions for risks and expense in the calculation of working capital

initial definition of Working capital for Romanian version of the Report:

„Definim **capitalul circulant** ca suma cu care activele curente depășesc activele pasive curente din care societatea exclude numerarul și echivalentele de numerar, toate datoriile din leasingul financiar, creditele și împrumuturile purtătoare de dobândă, datoriile pentru investiții în filiale/subsidiare, datorii provenind din instrumente financiare derivate și orice altă sumă pentru care Societatea a înregistrat provizioane pe termen scurt, însă considera că riscul ca aceste sume să devină scadente nu va avea loc în următoarele 12 luni.”

initial definition of Working capital for the English version of the Report:

“The working capital is defined as the amount by which current assets exceed current liabilities assets from which the Company deducts the cash and cash equivalents aggregate amounts, all finance lease liability, interest-bearing loans and borrowings, liabilities for investments in subsidiaries, derivative financial instruments (liabilities), and any other amount for which the Company has posted provisions considering that the risk for those amounts to become due will not occur in the coming 12 months.”

updated definition of Working capital for Romanian version of the Report:

„**Capitalul circulant** este definit ca suma cu care activele curente depășesc pasivele curente din care Societatea exclude numerarul și echivalentele de numerar, toate datoriile din leasingul financiar, creditele și împrumuturile purtătoare de dobândă, datoriile pentru investiții în filiale/subsidiare, datorii provenind din instrumente financiare derivate.”

updated definition of Working capital for English version of the Report:

„**Working Capital** is defined as the amount by which current assets exceed current liabilities from which the Company deducts the cash and cash equivalents aggregate amounts, finance lease liability, interest-bearing loans and borrowings, liabilities for investments in subsidiaries, derivative financial instruments (liabilities). „

the final form being reproduced below:

Consolidated	initial version		updated version	
	31-Mar-19	31-Dec-18	31 March 2019	31 December 18
		Restated	Unaudited	Restated
	RON	RON	RON	RON
	Unaudited numbers	Restated and Unaudited	Unaudited numbers	Restated and Unaudited
Current assets less cash and cash equivalents				
Trade and other receivables	312,691,542	300,865,499	312,691,542	300,865,499
Inventories	319,838,614	308,095,295	319,838,614	308,095,295
Prepayments	17,672,746	6,965,489	17,672,746	6,965,489
Other current assets	849,504	1,046,698	849,504	1,046,698
Total current assets less cash and cash equivalents	651,052,406	616,972,981	651,052,406	616,972,981
Current liabilities less interest bearing loans, liabilities for investments and lease liability				

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Trade and other payables	296,510,879	295,468,728	296,510,879	295,468,728
Advances from customers	2,389,597	997,116	2,389,597	997,116
Provisions and accruals <i>less:</i>	8,228,687	12,254,894	8,228,687	12,254,894
<i>Provisions for taxes</i>			-	-
	(1,941,576,00)	(1,941,576,00)	-	-
<i>Provisions for risks and expenses</i>			-	-
	(1,539,140,00)	(1,539,140,00)	-	-
<i>Income tax payable</i>	-	-	-	-
Current liabilities less interest bearing loans, liabilities for investments and lease liability	303,648,447	305,240,022	307,129,163	308,720,738
Working Capital	-347,403,959	-311,732,959	343,923,243	308,252,243

* The words highlighted in red in the table above were added to reflect changes in defining the indicators on the final version

It is corrected according to the table the comment regarding the variation of the working capital.

The Group's Working Capital for the three months period ended 31 March 2019 was RON 343.9 million compared to RON 308.3 million for the year ended 31 December 2018. The increase was mainly caused by the increase of current assets in the three months period ended 31 March 2019.

Consolidated	initial version			final version		
	2016	2017	2018	2018	2017	2016
	<i>RON Restated</i>	<i>RON Restated</i>	<i>RON</i>	<i>RON</i>	<i>RON Restated</i>	<i>RON Restated</i>
Current assets less cash and cash equivalents						
Trade and other receivables	204,728,115	255,374,534	297,222,416	297,222,416	255,374,534	204,728,115
Inventories	221,574,323	313,076,260	308,095,295	308,095,295	313,076,260	221,574,323
Prepayments	4,002,107	3,768,116	6,810,454	6,810,454	3,768,116	4,002,107
Other current assets	-	1,067,612	1,046,698	1,046,698	1,067,612	-
Total current assets less cash and cash equivalents	430,304,545	573,286,522	613,174,863	613,174,863	573,286,522	430,304,545
Current liabilities less interest bearing loans, liabilities for investments and lease liability						
Trade and other payables	235,190,482	347,224,733	288,774,410	288,774,410	347,224,733	235,190,482
Advances from customers	2,213,635	4,526,587	997,116	997,116	4,526,587	2,213,635
Provisions and accruals	3,224,855	7,898,510	11,331,296	11,331,296	7,898,510	3,224,855
<i>Provisions for taxes less:</i>	(782,824,00)	(1,941,576,00)	(1,941,576,00)	-	-	-
<i>Provisions for risks and expenses</i>	-	-	(1,539,140,00)	-	-	-
<i>Income tax payable</i>	-	-	684,388	684,388	-	-
Current liabilities less interest bearing loans, liabilities for investments and lease liability	239,846,148	357,708,254	298,306,494	301,787,210	359,649,830	240,628,972
Working Capital	190,458,397	215,578,268	314,868,369	311,387,653	213,636,692	189,675,573

* The words highlighted in red in the table above were added to reflect changes in defining the indicators on the final version

It is corrected according to the table the comment regarding the variation of the working capital.

Working capital increased to RON 311.4 million as at 31 December 2018 from RON 213.6 million as at 31 December 2017 and 189.7 million as at 31 December 2016. In the year 2018, the increase was primarily attributable to an increase in accounts receivable by RON 41.8 million and a decrease in accounts payable by RON 58.5 million.



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11. At page 29 from the Romanian version of the Report at *Capital Expenditure*, the phrase below is removed:

“Plățile pentru cheltuielile de capital ale Grupului au fost de 29,3 milioane RON în primul trimestru finalizat la 31 martie 2019 și 37,7 milioane RON în primul trimestru finalizat la 31 martie 2018.”

Translation into English of the phrase removed:

“Payments for Group capital expenditure amounted to RON 29,3 million for the three-months period ended at 31 March 2019 and RON 37,7 million for the three-months period ended at 31 March 2018.”

12. At page 31-32 from the Romanian and English version of the Report, at *Net debt* the tables for the computation of net debt are modified for the three-months periods ended 31 March 2019, respectively 31 March 2018, and also for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016, for the two ways it is computed and also for a better disclosure of net debt computation, as follows

Net debt is defined as aggregate amount of all obligations in respect of interest bearing loans and borrowings (~~excluding~~ including un-amortized debt issue costs), finance lease liability and liabilities for financial investments* deducting the total aggregate of cash and cash equivalents (minus).

*Net debt is computed in two ways:

(1) includes in calculation liabilities for ~~financial investments~~ investments in subsidiaries (intercompany debt related to TMK Resita and TMK-Italia acquisition) although it is not interest-bearing there is a repayment schedule under the acquisition agreement



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(1)	Initial version	
	Consolidated	
	31 March 2019	31 December 2018
	<i>Unaudited</i>	<i>Restated unaudited</i>
Current liabilities		
Interest-bearing loans and borrowings (excluding unamortized debt issue cost)	187,152,621	185,245,263
Liabilities for investments in subsidiaries	67,695,480	57,474,348
Finance lease liability	8,945,300	7,842,368
Total current liabilities	263,793,401	250,561,979
Non-current liabilities		
Liabilities for investments in subsidiaries(excluding unamortized debt issue cost)	222,987,335	218,356,982
Interest-bearing loans and borrowings	238,532,781	223,499,549
Finance lease liability	35,421,218	35,468,590
Total non-current liabilities	496,941,334	477,325,121
less:		
Cash and cash equivalents	19,258,450	31,331,361
Net debt	741,476,285	696,555,739

(1)	final version	
	Consolidated	
	31 March 2019	31 December 2018
	<i>Unaudited</i>	<i>Restated Unaudited</i>
Current liabilities related to:		
Liabilities for investments in subsidiaries	67,695,480	57,474,348
Interest-bearing loans and borrowings	186.770.547	185,019,444
adding:		
<i>Un-amortized short-term cost</i>	<i>382,074</i>	<i>225,820</i>
Finance lease liability	8,945,300	7,842,368
Total current liabilities including liabilities for investments in subsidiaries	263.793.401	250,561,980
Non-current liabilities		
Liabilities for investments in subsidiaries	222,987,335	218,356,982
Interest-bearing loans and borrowings	238,532,781	223,499,549
adding:		
<i>Un-amortized cost of debt origination fees</i>	<i>-</i>	<i>-</i>
Finance lease liability	35,421,218	35,468,590
Total non-current liabilities including liabilities for investments in subsidiaries	496.941.334	477,325,121
less:		
Cash and cash equivalents	19,258,450	31,331,361
Net debt including liabilities for investments in subsidiaries	741.476.285	696,555,740

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(1)	<i>initial version</i>		
	Consolidat		
	2018	2017 <i>Restated</i>	2016 <i>Restated</i>
Current liabilities			
Liabilities for investments in subsidiaries	57,474,348	-	-
Interest-bearing loans and borrowings (excluding unamortized debt issue costs)	185,245,263	210,663,305	196,389,383
Finance lease liability	7,842,368	6,645,164	5,884,818
Total current liabilities including liabilities for investments in subsidiaries	250,561,979	217,308,469	202,274,201
Non-current liabilities			
Liabilities for investments in subsidiaries	218,356,982	-	-
Interest-bearing loans and borrowings (excluding unamortized debt issue costs)	223,499,549	169,499,086	96,877,164
Finance lease liability	35,468,590	37,986,109	39,333,458
Total non-current liabilities including liabilities for investments in subsidiaries	477,325,121	207,485,195	136,210,622
less:			
Cash and cash equivalents	20,928,927	12,864,527	18,911,393
Net debt	706,958,173	411,929,137	319,573,430

(1)	<i>final version</i>		
	Consolidat		
	2018	2017 <i>Restated</i>	2016 <i>Restated</i>
Current liabilities related to:			
Liabilities for investments in subsidiaries	57,474,348	-	-
Interest-bearing loans and borrowings	185,019,444	210,483,727	196,239,070
adding:			
Un-amortized short-term cost	225,820	179,578	150,313
Finance lease liability	7,842,368	6,645,164	5,884,818
Total current liabilities including liabilities for investments in subsidiaries	250,561,980	217,308,469	202,274,201
Non-current liabilities			
Liabilities for investments in subsidiaries	218,356,982	-	-
Interest-bearing loans and borrowings	223,499,549	169,444,772	96,877,164
adding:			
Un-amortized cost of debt origination fees	-	54,314	-
Finance lease liability	35,468,590	37,986,109	39,333,458
Total non-current liabilities including liabilities for investments in subsidiaries	477,325,121	207,485,195	136,210,622
less:			
Cash and cash equivalents	20,928,927	12,864,527	18,911,393
Net debt including liabilities for investments in subsidiaries	706,958,174	411,929,137	319,573,430

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(2) Net debt computed without the liabilities for financial investments included (the debt pertaining to the acquisition of TMK-Resita and TMK-Italia).

(2)	<i>initial version</i>	
	31 March 2019 <i>Unaudited</i>	31 December 2018 <i>Restated unaudited</i>
Current liabilities		
Interest-bearing loans and borrowings(excluding unamortized debt issue cost)	187,152,621	185,245,263
Finance lease liability	8,945,300	7,842,368
Total current liabilities	196,097,921	193,087,631
Non-current liabilities		
Interest-bearing loans and borrowings(excluding unamortized debt issue cost)	238,532,781	223,499,549
Finance lease liability	35,421,218	35,468,590
	273,953,999	258,968,139
<i>less:</i>		
Cash and cash equivalents	19,258,450	31,331,361
Net debt	450,793,470	420,724,409

(2)	<i>final version</i>	
	31 March 2019 <i>Unaudited</i>	31 December 2018 <i>Restated unaudited</i>
Current liabilities related to:		
Interest-bearing loans and borrowings	186,770,547	185,019,444
<i>adding:</i>		
Un-amortized short-term cost	382,074	225,820
Finance lease liability	8,945,300	7,842,368
Total current liabilities excluding liabilities for investments in subsidiaries	196,097,921	193,087,632
Non-current liabilities related to:		
Interest-bearing loans and borrowings	238,532,781	223,499,549
<i>adding:</i>		
Un-amortized cost of debt origination fees	-	-
Finance lease liability	35,421,218	35,468,590
Total non-current liabilities excluding liabilities for investments in subsidiaries	273,953,999	258,968,139
<i>less:</i>		
Cash and cash equivalents	19,258,450	31,331,361
Net debt excluding liabilities for investments in subsidiaries	450,793,470	420,724,410

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(2)	2018	initial version	
		Consolidated	
		2017	2016
		Restated	Restated
Current liabilities			
Interest-bearing loans and borrowings (excluding unamortized debt issue costs)	185,019,444	210,663,305	196,389,383
Finance lease liability	7,842,368	6,645,164	5,884,818
Total current liabilities	192,861,812	217,308,469	202,274,201
Non-current liabilities			
Interest-bearing loans and borrowings (excluding unamortized debt issue costs)	223,499,549	169,499,086	96,877,164
Finance lease liability	35,468,590	37,986,109	39,333,458
Total non-current liabilities	258,968,139	207,485,195	136,210,622
less:			
Cash and cash equivalents	20,928,927	12,864,527	18,911,393
Net debt	431,901,024	411,929,137	319,573,430

(2)	2018	final version	
		Consolidated	
		2017	2016
		Restated	Restated
Current liabilities related to:			
Interest-bearing loans and borrowings	185,019,444	210,483,727	196,239,070
adding:			
Un-amortized short-term cost	225,820	179,578	150,313
Finance lease liability	7,842,368	6,645,164	5,884,818
Total current liabilities excluding liabilities for investments in subsidiaries	193,087,632	217,308,469	202,274,201
Non-current liabilities related to:			
Interest-bearing loans and borrowings	223,499,549	169,444,772	96,877,164
adding:			
Un-amortized cost of debt origination fees	-	54,314	-
Finance lease liability	35,468,590	37,986,109	39,333,458
Total non-current liabilities excluding liabilities for investments in subsidiaries	258,968,139	207,485,195	136,210,622
less:			
Cash and cash equivalents	20,928,927	12,864,527	18,911,393
Net debt excluding liabilities for investments in subsidiaries	431,126,844	411,929,137	319,573,430

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13. At page 32 both for the Romanian and English version of the Report, at *Capitalisation and indebtedness of the Group* as at 31 March 2019, the total amount of debts is changed as well as the form of presentation,

the final form of the table being reproduced below:

	initial version	updated version
	Unaudited numbers	Unaudited numbers
Total current debt	195,715,847	196,097,921
Interest bearing loans and borrowings		186,770,547
Un-amortized short-term cost		382,074
Lease liability		8,945,300
Total non-current debt	273,953,999	273,953,999
Interest bearing loans and borrowings		238,532,781
Un-amortized cost of debt origination fees		0
Lease liability		35,421,218
Total indebtedness	469,669,846	470,051,920
from which:		
Interest-bearing loans and borrowings guaranteed and secured	348,947,537	348,565,464
excluding Unamortized debt issue costs		
Added un-amortized cost of debt		382,074
Interest-bearing loan agreement with TMK-EUROPE GmbH unguaranteed and unsecured, in amount 18,037,540 USD at 31.03.2019	76,737,864	76,737,864
Interest-bearing loans and borrowings (excluding unamortized debt issue costs) unguaranteed and unsecured		
Finance lease liability guaranteed and secured	44,366,518	44,366,518
Unamortized debt issue costs	-382,074	
Capital and reserves		
Share capital, from which:	291,587,538	291,587,538
- Subscribed and paid share capital	291,587,538	291,587,538
- Subscribed and not paid share capital	-	-
- Adjustments of share capital	-	-
Other items of equity	1,191,817	1,191,817
Legal and other reserves	68,902,883	68,902,883
Retained earnings	330,293,921	330,293,921
Foreign currency translation reserve	3,270,417	3,270,417
Profit of the year	304,191	304,191
Total equity	695,550,767	695,550,767
Total capitalisation	1,165,220,613	1,165,602,687

* The words and figures highlighted in red in the table above were added to reflect changes on the final version

14. At page 34 point c) from the Romanian version of the Report at *Events after the reporting period*, the following phrase is added:

"(it is envisioned that 14 million EUR of the Company's current banking loans are to be refinanced through this facility)
the final form being reproduced below:

c) *refinancing of existing indebtedness of the borrower (it is envisioned that 14 million EUR of the Company's current banking loans are to be refinanced through this facility);*

All the other provisions of the Report remain unchanged.

Chief Executive Officer,

Chief Economical and Accountancy Officer,

Eng. Popescu Adrian

Ec. Vaduva Cristiana



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