

FOR IDENTIFICATION PURPOSES	
GRANT THORNTON	
DATE	26.04.2014
SIGNATURE	G.RO

Company: S.C. INTRACOM CONSTRUCT S.A
69, Cernica Road
Pantelimon, Ilfov County

ABRIDGED BALANCE SHEET

as at December 31st, 2016

Form 10

- RON -

Item description	Line no.	Balance as at January 1 st 2016	Balance as at December 31 st 2016
A	B	1	2
A. FIXED ASSETS			
I. INTANGIBLE ASSETS (acc.201+203+205+206+2071+4094+208-280-290)	01	22,648,230	22,645,470
II. TANGIBLE ASSETS (acc.211+212+213+214+215+216+217+223+224+227+231+235+4093-281-291-2931-2935)	02	4,277,919	4,053,174
III. FINANCIAL ASSETS (acc. 261+262+263+265+266+267* - 296*)	03	9,893	0
FIXED ASSETS – TOTAL (row 01 + 02 + 03)	04	26,936,042	26,698,644
B. CURRENT ASSETS			
I. INVENTORIES (acc.301+302+303+321+322+308+323+326+327+328+331+332+341+345+346+347+/-348+351+354+356+357+358+361+/-368+371+/-378+381+/-388+4091-391-392-393-394-395-396-397-398 – from acc.4428)	05	1,903,047	2,303,590
II RECEIVABLES (the amounts to be collected after a period longer than a year must be disclosed separately for each element) (acc. 267* - 296*+4092+411+413+418+425+4282+431**+437**+4382+441**+4424+ from acc. 4428**+444**+445+446**+447**+4482+451**+453**+456**+4582+461+4662+473** - 491 - 495 - 496+5187)	06	18,602,232	16,658,772
III SHORT TERM INVESTMENTS (acc.501+505+506+507+from acc.508+5113+5114-591-595-596-598)	07		
IV. CASH AND BANK (from acc. 508 + cl. 5112+512+531+532+541+542)	08	2,026,103	51,658
CURRENT ASSETS – TOTAL (row 05 + 06 + 07 + 08)	09	22,531,382	19,014,020
C. PREPAID EXPENSES (acc. 471) (rd.11+12)	10	27,570	15,414
Current amounts to be reversed (from acc. 471*)	11	27,570	15,414
Non-current amounts to be reversed (from acc. 471*)	12		
D. LIABILITIES: AMOUNTS THAT SHOULD BE PAID WITHIN A PERIOD SHORTER THAN ONE YEAR (acc.161+162+166+167+168-169+269+401+403+404+405+408+419+421+423+424+426+427+4281+431***+437***+4381+441***+4423+4428***+444***+446***+447***+4481+451***+453***+455+456***+457+4581+462+4661+473***+509+5186+519)	13	11,343,637	10,223,642
E. NET CURRENT ASSETS/ NET CURRENT LIABILITIES (row 09+11-13-20-23-26)	14	11,215,315	8,805,792
F. TOTAL ASSETS LESS TOTAL CURRENT LIABILITIES (row 04 + 12 +14)	15	38,151,357	35,504,436
G. DEBTS: AMOUNTS THAT SHOULD BE PAID WITHIN A PERIOD LONGER THAN ONE YEAR (acc.161+162+166+167+168-169+269+401+403+404+405+408+419+421+423+424+426+427+4281+431***+437***+4381+441***+4423+4428***+444***+446***+447***+4481+451***+453***+455+456***+4581+462+4661+473***+509+5186+519)	16	0	0

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H. PROVISIONS (acc. 151)	17		
I. DEFERRED INCOME (row 19 + 22 + 25 + 28)	18		
1. Subsidies for investments (acc. 475) (row 20 +21)	19		
Current amounts to be reversed (acc. 475*)	20		
Non-current amounts to be reversed (acc. 475*)	21		
2. Deferred income (acc. 472) (row 23 + 24)	22		
Current amounts to be reversed (acc. 472*)	23		
Non-current amounts to be reversed (acc. 472*)	24		
3. Deferred income for assets transferred by clients (acc. 478) (row 26+27)	25		
Current amounts to be reversed (acc. 478*)	26		
Non-current amounts to be reversed (acc. 478*)	27		
Negative goodwill (acc. 2075)	28		
J. CAPITAL AND RESERVES			
I. SHARE CAPITAL (row 30 + 31 + 32 + 33 + 34)	29	55,238,948	55,238,948
1. Subscribed and paid in share capital (acc. 1012)	30	55,238,948	55,238,948
2. Subscribed and not paid in share capital (acc. 1011)	31		
3. Patrimony of the public company (acc. 1015)	32		
4. Patrimony of the research & development national institutes (acc. 1018)	33		
5. Other items regarding ownership equity (acc. 1031)	34		
II. SHARE PREMIUM (acc. 104)	35	719,747	719,747
III. REVALUATION RESERVES (acc. 105)	36	2,013,592	2,013,592
IV. RESERVES (acc. 106)	37	828,601	828,601
Own shares (acc. 109)	38		
Gain related to equity instruments (acc. 141)	39		
Loss related to equity instruments (acc. 149)	40		
V. RESULT CARRIED FORWARD			
CREDIT BALANCE (acc. 117)	41	0	0
DEBIT BALANCE (acc. 117)	42	19,592,778	20,649,531
VI. RESULT OF THE FINANCIAL YEAR			
CREDIT BALANCE (acc. 121)	43	0	0
DEBIT BALANCE (acc. 121)	44	1,056,753	2,646,921
Profit distribution (acc. 129)	45		
EQUITIES - TOTAL (row 29+35+36+37-38+39-40+41-42+43-44-45)	46	38,151,357	35,504,436
Public assets (ct. 1016)	47		
Private assets (ct. 1017)	48		
EQUITIES - TOTAL (row 46+47+48) (row 04+09+10-13-16-17-18)	49	38,151,357	35,504,436

Control Amount F10: 725027564 / 1644044910

*) Accounts to be distributed according to the nature of the said elements

**) Debit balance of those accounts

***) Credit balance of those accounts

Row 06 - the amounts recorded in this row and taken over from account 267 represent the receivables for the financial leasing contracts and other similar contracts, as well as other long term receivables, due in less than 12 months

ADMINISTRATOR
Surname and first name:
ATHANASOPOULOS ANDREAS

Signature:

PREPARED BY,
Surname and first name:
GRANT THORNTON S.R.L.
Position: 22 Authorized legal persons, CECCAR members

Signature:

Registration no. with the professional body:

VALIDATED FORM

Form 20

PROFIT AND LOSS ACCOUNT as at December 31 st , 2016			
- RON -			
Item description	Line no.	Financial year	
		2015	2016
A	B	1	2
1. Net turnover (row 02+03-04+05+06)	01	5,059,109	2,938,149
Sold production (acc.701+702+703+704+705+706+708)	02	4,893,654	2,918,766
Revenues from merchandise sale (acc. 707)	03	165,455	19,383
Commercial discount granted (acc. 709)	04	0	0
Interest income recorded by the entities deregistrated from the Trade Registry Office (acc.766*)	05	0	0
Income from operating subsidies related to the net turnover (acc.7411)	06	0	0
2. Income related to the cost of work in progress (acc.711+712)		0	0
Credit balance	07	168,590	524,036
Debit balance	08	0	0
3. Income from production of tangible and intangible assets (acc. 721+ 722)	09	0	0
4. Income from revaluation of tangible assets (acc. 755)	10	0	0
5. Income from production of real estate investments (acc. 725)	11	0	0
6. Income from operating subsidy (acc. 7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)	12	0	0
7. Other operating income (acc.751+758+7815)	13	351,011	30,554
- of which, income on negative goodwill (acc.7815)	14	0	0
- of which, income on investment subsidy (acc.7584)	15	0	0
OPERATING INCOME - TOTAL (row. 01+ 07 - 08 + 09 + 10 + 11 + 12 + 13)	16	5,578,710	3,492,739
8. a) Raw material and consumable expenses (acc.601+602)	17	748,467	482,394
Other material expenses (acc.603+604+606+608)	18	14,490	17,086
b) Other external expenses (energy and water) (acc.605)	19	47,034	52,808
c) Merchandise expenses (acc.607)	20	161,630	18,486
Trade discounts received (acc. 609)	21	0	0
9. Staff costs (row 23+24)	22	1,067,164	1,132,110
a) Wages and salaries (acc.641+642+643+644)	23	908,508	967,104
b) Social security contributions (acc.645)	24	158,656	165,006
10.a) Tangible and intangible assets value adjustments (row 26 - 27)	25	238,542	228,798
a.1) Expenses (acc.6811+6813+6817)	26	238,542	228,798
a.2) Revenues (acc.7813)	27	0	0
b) Current assets value adjustments (row 29 - 30)	28	0	0
b.1) Expenses (acc.654+6814)	29	0	0
b.2) Revenues (acc.754+7814)	30	0	0
11. Other operating expenses (row 32 - 38)	31	3,874,176	4,238,935
11.1. Third parties services expenses (acc.611 +612+613+614+615+621 +622+623+624+625+626+627+628)	32	3,789,685	2,693,454
11.2. Other duties, taxes and similar levies; expenses with transfers and contributions due based on specific regulations (acc. 635 + 6586*)	33	48,584	34,727
11.3. Environmental protection expenses (acc. 652)	34	0	0
11.4 Expenses with the revaluation of tangible assets (acc. 655)	35	0	0
11.5. Expenses regarding calamities and other similar events (acc. 6587)	36	0	0
11.6. Other expenses (acc.651+ 6581+ 6582 + 6583 + 6588)	37	35,907	1,510,754

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DATE 26.04.2014

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Expenses with refunding interests recorded by leasing companies erased from the General Register (acc.666*)	38	0	0
Provision adjustments (row 40 - 41)	39	0	0
- Expenses (acc.6812)	40	0	0
- Revenues (acc.7812)	41	0	0
OPERATING EXPENSES – TOTAL (row 17 to 20 - 21 +22 + 25 + 28 + 31 + 39)	42	6,151,503	6,170,617
OPERATING RESULT:			
- Profit (row 16 - 42)	43	0	0
- Loss (row 42 - 16)	44	572,793	2,677,878
12. Income from participating interests (acc.7611+7612+7613)	45	0	0
- out of which, income from affiliated undertakings	46	0	0
13. Interest income (acc. 766*)	47	18,719	29,294
- out of which, income from affiliated undertakings	48	0	0
14. Income from operating subsidy for due interest (acc. 7418)	49	0	0
15. Other financial income (acc.762+764+765+767+768+7615)	50	8,424,583	423,803
- out of which, income from other financial assets (acc. 7615)	51	0	
FINANCIAL INCOME - TOTAL (row 45+47+49+50)	52	8,443,302	453,097
16. Value adjustment in respect of financial assets and financial investments held as current assets (row 54 - 55)	53	0	0
- Expenses (acc.686)	54	0	0
- Revenues (acc.786)	55	0	0
17. Interest expenses (acc.666*)	56	472,889	22,323
- out of which, expenses with affiliated undertakings	57	0	0
Other financial expenses (acc 663+664+665+667+668)	58	8,454,373	399,817
FINANCIAL EXPENSES - TOTAL (row 53+56+58)	59	8,927,262	422,140
FINANCIAL RESULT:			
- Profit (row 52 - 59)	60	0	30,957
- Loss (row 59 - 52)	61	483,960	0
TOTAL INCOME (row 16 + 52)	62	14,022,012	3,945,836
TOTAL EXPENSES (row 42 + 59)	63	15,078,765	6,592,757
18. GROSS PROFIT OR LOSS:			
- Profit (row 62 - 63)	64	0	0
- Loss (row 63 - 62)	65	1,056,753	2,646,921
19. Corporate Tax (acc.691)	66	0	0
20. Other taxes not shown under the items above (acc.698)	67	0	0
21. NET RESULT OF THE FINANCIAL YEAR:			
- Profit (row 64 - 65 - 66 - 67)	68	0	0
- Loss (row 65 + 66 + 67 - 64)	69	1,056,753	2,646,921

Control Amount F20: 148868029 / 1645044910

*) Accounts to be allocated by the nature of the items

Row 23 - comprises the rights of the collaborators, according to labor acts, which are taken over from the debit run of the account 621

Expenses with collaborators, analytically - Natural persons collaborators

Row 33 - in the account 6586 Other duties, taxes and similar levies; expenses with transfers and contributions due based on specific regulations will be marked out the expenses representing transfers and contributions based on specific regulations, other than those stipulated in the Tax Code.

ADMINISTRATOR,

Surname and first name: **ATHANASOPOULOS ANDREAS**

Signature:

VALIDATED FORM

PREPARED BY,

Surname and first name:

GRANT THORNTON S.R.L.

Position: 22 Authorized legal persons, CECCAR members

Signature:

Registration no. with the professional body:

Information data as at 31.12.2016				
- RON -				
I. Result	Line no.	No. units		Amounts
A	B	1		2
Units with profit	01			
Units with loss	02	1		2,646,921
Units that have not registered neither profit, nor loss	03			
II. Information on outstanding payments	Line no.	Total, out of which	For current activity	For investments
A	B	1=2+3	2	3
Outstanding payments - total (row 05 + 09 + 15 la 19 + 23)	04	343,894	343,894	
Outstanding suppliers - total (row 06 to 08)	05	343,894	343,894	
- over 30 days	06	147,194	147,194	
- over 90 days	07	196,700	196,700	
- over 1 year	08	0	0	
Outstanding liabilities to social securities' budget - total (row 10 to 14)	09			
- contributions to state social securities due by employers, employees and other related persons	10			
- contributions to the health fund	11			
- contributions to the supplementary pension fund	12			
- to the unemployment fund	13			
- other social liabilities	14			
Outstanding liabilities to special funds budgets and other funds	15			
Outstanding liabilities to other creditors	16			
Outstanding taxes to the State Budget not paid at due date	17			
Outstanding taxes to the local budget not paid at due date	18			
Bank loans not repaid at due date - total (row 20 to 22)	19			
- outstanding over 30 days	20			
- outstanding over 90 days	21			
- outstanding over 1 year	22			
Outstanding interests	23			
III. Average number of employees	Line no.	31.12.2015		31.12.2016
A		1		2
Average number of employees	24	11		12
Effective number of employees at the end of the period, as at 31 December	25	16		11
IV. Payments of interests, dividends and royalties during the reporting period. Received allowances and outstanding receivables	Line no.	Amounts (RON)		
A	B	1		
Gross income from interest paid to non-resident individuals. out of which:	26			
- tax due to the State Budget	27			
Gross income from interest paid to non-resident individuals from the EU Member States, out of which:	28			
- tax due to the State Budget	29			
Gross revenues from interest paid to non-resident legal entities, out of which:	30			
- tax due to the State Budget	31			

Gross income from interest paid to related non-resident legal parties from the EU Member States, out of which:	32		
- tax due to the State Budget	33		
Gross income from dividends paid to non-resident individuals, out of which:	34		
- tax due to the State Budget	35		
Gross income from dividends paid to non-resident individuals from the EU Member States, out of which:	36		
- tax due to the State Budget	37		
Gross income from dividends paid to non-resident legal entities, acc. to the provisions under art. 229, para. (1), letter c) from Law no. 227/2015 regarding the Tax Code, including subsequent amendments and additions, out of which:	38		
- tax due to the State Budget	39		
Gross income from royalties paid to non-resident individuals, out of which:	40		
- tax due to the State Budget	41		
Gross income from royalties paid to non-resident individuals from the EU Member States, out of which:	42		
- tax due to the State Budget	43		
Gross income from royalties paid to non-resident legal entities, out of which:	44		
- tax due to the State Budget	45		
Gross income from royalties paid to related non-resident legal parties from the EU Member States, out of which:	46		
- tax due to the State Budget	47		
Royalties paid during the reporting period for the public goods received into concession, out of which:	48		
- royalties for public goods paid to the State Budget	49		
Mining royalty paid to the State Budget	50		
Oil royalty paid to the State Budget	51		
Rent paid during the reporting period, for land 1)	52		
Gross income from services paid to non-resident individuals, out of which:	53		
- tax due to the State Budget	54		
Gross income from services due to non-resident individuals from the Member States, out of which:	55		
- tax due to the State Budget	56		
Allowances received during the reporting period, out of which:	57		
- allowances received during the reporting period related to assets	58		
- allowances related to income, out of which:	59		
- allowances for recruitment and employment **)	60		
Outstanding receivables, which were not paid before the due date specified in the Commercial Provisions and/or in the legislation in force, out of which:	61	2,823,102	
- outstanding receivables from entities in the majority or completely state owned sector	62		
- outstanding receivables from entities in the private sector	63	2,823,102	
V. Meal tickets	Line no.	Amounts (RON)	
A	B	1	
Meal tickets given to employees	64	0	
VI. Expenses with research and development	Line no.	31.12.2015	31.12.2016
A	B	1	2
Research and development expenses (65=66+69):	65	0	0
- by financing sources (rd. 66=67+68)	66	0	0
- from public funds	67		
- from private funds	68		
- by nature of expenses (rd. 69=70+71)	69	0	

- running expenses	70		
- capital expenses	71	0	0
VII. Innovation expenses ****)	Line no.	31.12.2015	31.12.2016
A	B	1	2
Innovation expenses	72	0	0
VIII. Other information	Line no.	31.12.2015	31.12.2016
A	B	1	2
Advances paid for non-tangible assets (acc. 4094)	73	0	0
Advances paid for tangible assets (acc. 40)	74	0	0
Financial assets, gross value (row 76 + 84)	75	9,893	0
Shares held in affiliated entities, participating interests, other securities and bonds, in gross amounts (row 77 la 83)	76		
- listed shares issued by residents	77		
- unlisted shares issued by residents	78		
- social individual shares issued by residents	79		
- bonds issued by residents	80		
- shares issued by collective investment bodies issued by residents	81		
- shares and social individual shares issued by non-residents	82		
- bonds issued by non-residents	83		
Trade receivables for non-current assets in gross amounts (row 85+86)	84	9,893	0
- trade receivables for non-current assets in RON and expressed in RON, whose settlement is made based on the exchange rate currency	85	9,893	0
- trade receivables for non-current assets in foreign currency (from acc. 267)	86		
Trade receivables, advances to suppliers and other similar accounts, in gross amounts (acc. 4092 + 411 + 413 + 418), out of which:	87	9,227,279	7,045,745
- external trade receivables, advances to external suppliers and other similar accounts, in gross amounts (from acc. 4092 + from acc. 411 + from acc. 413 + from acc. 418)	88	3,746,215	3,754,278
Trade receivables not collected at due date (from acc. 4092 + from acc. 411 + from acc. 413)	89	5,569,936	2,507,840
Receivables related to personnel and similar accounts (acc. 425 + 4282)	90	448,185	451
Receivables related to social security budget and state budget (acc. 431 + 437 + 4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482), (row 92 to 96)	91	278,599	289,507
- receivables related to social security budget (acc.431+437+4382)	92	65,685	113,913
- tax receivables related to the state budget (acc.441 +4424+4428+444+446)	93	212,914	175,594
- receivable subsidies (acc.445)	94		
- special funds – other duties, taxes and similar levies (acc.447)	95		
- other receivables related to the state budget (acc.44)	96		
Entity's receivables in relation with the affiliated entities (acc.451)	97	5,915,500	7,118,901
Receivables related to the social security budget and state budget not collected at due date (from acc. 431 + from acc. 437 + from acc. 4382 + from acc. 441 + from acc. 4424 + from acc. 4428 + from acc.	98		

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444 + from acc. 445 + from acc. 446 + from acc. 447 + from acc. 4482)			
Other receivables (acc. 453** + 456 + 4582 + 461 + 471 + 473 + 4662), (row 100 to 102)	99	1,654,253	1,072,813
- settlements regarding the participating interests, settlements with the shareholders/associates regarding the capital, settlements related to joint operations (acc.453+456+4582)	100		
- other receivables related to individuals and legal entities, other than receivables related to public institutions (state institutions) (from acc. 461 + from acc. 471 + from acc. 473+4662)	101	1,428,660	1,061,928
- amounts taken over from account 542 'Treasury advances' representing treasury advances granted acc. to law and not settled as at 31 December (from acc. 461)	102	225,593	10,885
Receivable interest (acc. 5187), out of which:	103	10	10
- from non-residents	104		
Loans granted to business operators *****)	105	5,915,500	7,118,901
Short-term investments, in gross amounts (acc. 501 + 505 + 506 + 507 + from acc.508), (row 107 to 113)	106		
- listed shares issued by residents	107		
- unlisted shares issued by residents	108		
- social individual shares issued by residents	109		
- bonds issued by residents	110		
- shares issued by resident collective investment bodies	111		
- shares issued by non-residents	112		
- bonds issued by non-residents	113		
Other amounts receivable (acc. 5113 + 5114)	114		
Petty cash in RON and foreign currency (row 116+117)	115	9,338	7,002
- in RON (acc. 5311)	116	9,297	6,961
- in foreign currency (acc. 5314)	117	41	41
Current accounts at banks in RON and foreign currency	118	2,016,766	44,655
- in RON (acc. 5121), out of which:	119	2,002,132	40,533
- current accounts in RON at non-resident banks	120		
- in foreign currency (acc. 5124), out of which:	121	14,634	4,122
- current accounts in foreign currency at non-resident banks	122		
Other current accounts at banks and letters of credit	123		
- amounts under settlement, letter of credit and other receivables to be cashed, in RON (acc. 5112 + 5125 + 5411)	124		
- amounts under settlement and letters of credit in foreign currency (from acc. 5125 + 5414)	125		
Payables (row 127 + 130+ 133 + 136 + 139 + 142 + 145 + 148 + 151+ 154 + 157 + 158 + 162+ 164 + 165 + 170 +171 +172 +178)	126	11,343,637	10,223,642
Loans from issue of bonds in gross values (acc. 161), (row 128 +129)	127		
- in RON	128		
- in foreign exchange	129		
Interest pertaining to loans from issue of bonds in gross values (acc. 1681), (row131 +132)	130		
- in RON	131		
- in foreign exchange	132		
Domestic short-term bank loans (acc. 5191 + 5192 + 5197), (row 134+135)	133		

- in RON	134		
- in foreign exchange	135		
Interest pertaining to the domestic short-term bank loans (din acc. 5198), (row 137+138)	136		
- in RON	137		
- in foreign exchange	138		
Foreign short-term bank loans (acc.5193+5194+5195), (row 140+141)	139		
- in RON	140		
- in foreign exchange	141		
Interest pertaining to the foreign short-term bank loans (from acc. 5198), (row 143+144)	142		
- in RON	143		
- in foreign exchange	144		
Long term bank loans (acc. 1621 + 1622 + 1627), (row 146+147)	145		
- in RON	146		
- in foreign exchange	147		
Interest pertaining to the long term bank loans (from acc.1682) (row 149+150)	148		
- in RON	149		
- in foreign exchange	150		
Foreign long term bank loans (acc. 1623 + 1624 + 1625) (row 152+153)	151		
- in RON	152		
- in foreign exchange	153		
Interest pertaining to the foreign long term bank loans (din acc.1682), (row 155+156)	154		
- in RON	155		
- in foreign exchange	156		
Loans from the state treasury and related interest (acc. 1626 + din acc. 1682)	157		
Other loans and related interests (acc. 166 + 167 + 1685 + 1686 + 1687) (row 159+160)	158	1,028,093	992,276
- in RON and expressed in RON, whose settlement is made according to the rate of a currency	159	1,028,093	992,276
- in foreign exchange	160		
Other loans and similar debts (acc. 167) out of which	161		
- amount of concessions received (from acc. 167)	161a		
Trade payables, advances received from customers and other similar accounts in gross amounts (acc. 401 + 403 + 404 + 405 + 408 + 419), out of which:	162	9,831,680	9,014,089
- trade payables related to the relation with non-residents, advances received from non-resident clients and other similar accounts, in gross amounts (from acc.401+ from acc.403 + from acc. 404 + from acc. 405 + from acc. 408 + from acc/ 419)	163	7,006,316	7,042,881
Payables related to personnel and similar accounts (acc. 421 + 423 + 424 + 426 + 427 + 4281)	164	70,403	58,532
Payables related to social security budget and state budget (acc. 431 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481) (row 166 la 169)	165	331,541	89,763
- payables related to the social security budget (acc.431+437+4381)	166	27,247	18,339
- tax payables related to the state budget	167	303,921	71,173

(acc.441+4423+4428+444+446)					
- special funds – other duties, taxes and similar levies (acc.447)	168	373	251		
- other payables related to the state budget (acc.4481)	169				
Entity's payables in relation with affiliated entities (acc.451)	170				
Payables to shareholders (acc.455), out of which:	171	68,766	68,766		
- amounts due to the shareholders/ natural person associates	171 a				
- amounts due to the shareholders/ legal person associates	171 b				
Other payables (acc. 269 + 453 + 456 + 457 + 4581 + 4661 + 462 + 472 + 473 + 478 + 509) (row 173 la 177)	172	13,154	216		
- settlements regarding the participating interests, settlements of the shareholders/associates regarding the capital, settlements related to joint operations (acc.453+456+457+4581)	173				
- other payables related to individuals and legal entities, other than debts related to public institutions (state institutions) 2) (from acc.462+from acc.472+from acc.473+4661)	174	12,938	0		
- subsidies not taken over as income (din acc. 472)	175				
- other duties, taxes and similar levies for financial assets and short term investments (acc.269+509)	176	216	216		
- deferred income related to assets transferred from customers (acc. 478)	177				
Interest payable (acc. 5186)	178				
Loans granted to business operators	179				
Subscribed paid capital, out of which:	180	55,238,948	55,238,948		
- listed shares 3)	181				
- unlisted shares4)	182	55,238,948	55,238,948		
- social individual shares	183				
- subscribed capital paid by non-residents (din acc. 1012)	184	53,678,259	55,238,948		
Patents and licenses (din acc.205)	185				
IX. Information regarding the co-workers expenses	Line no.	31.12.2015	31.12.2016		
A	B	1	2		
Co-workers expenses (acc. 621)	186				
X. Information regarding state owned goods	Line no.	31.12.2015	31.12.2016		
A	B	1	2		
State owned public goods managed	187				
State owned Public goods in concession	188				
State owned public goods rented	189				
XI. Information regarding state private property goods assessed acc. to OMFP no. 668/2014	Line no.	31.12.2015	31.12.2016		
A	B	1	2		
Net carrying value of the goods 5)	190				
XII. Paid-in capital	Line no.	31.12.2015		31.12.2016	
		Amount (RON)	%	Amount (RON)	%
A	B	Col. 1	Col. 2	Col. 3	Col. 4
Paid in capital (acc. 1012) 6), (row 192 + 195 + 199 + 200 + 201 + 202)	191	55,238,948	X	55,238,948	X
- held by public institutions (row 193+194)	192				
- held by central public institutions	193				

- held by local public institutions	194				
- held by entities with state capital, out of which:	195				
- with integrally state-owned capital	196				
- with majority state-owned capital	197				
- with minority state-owned capital	198				
- held by autonomous administrations	199				
- held by private capital entities	200	55,238,948	100,00	55,238,948	100,00
- held by individuals	201				
- held by other entities	202				
	Line no.	Amounts			
A	B	31.12.2015	31.12.2016		
XIII. Dividends/ other duties, taxes and similar levies due to the state or local budget, to be allocated from the profit of the financial year to the national companies, entities and autonomous administrations, out of which:	203				
- to central public institutions;	204				
- to local public institutions;	205				
- to other shareholders to which the state/ administrative-territorial units/ public institutions directly/indirectly hold shares, no matter their share.	206				
	Line no.	Amounts			
A	B	31.12.2015	31.12.2016		
XIV. Dividends/ other duties, taxes and similar levies due to the state or local budget, transferred during the reporting period from the profit of the national companies, entities and autonomous administrations, out of which:	207				
- dividends/ other duties, taxes and similar levies from the profit of the previous financial year, out of which transferred:	208				
- to central public institutions;	209				
- to local public institutions;	210				
- to other shareholders to which the state/ administrative-territorial units/ public institutions directly/indirectly hold shares, no matter their share	211				
- dividends/ other duties, taxes and similar levies from the profit of the financial years previous to the previous year, out of which transferred:	212				
- to central public institutions;	213				
- to local public institutions;	214				
- to other shareholders to which the state/ administrative-territorial units/ public institutions directly/indirectly hold shares, no matter their share.	215				
XV. Receivables taken over by cession from legal entities *****)	Line no.	Amounts (RON)			
A	B	31.12.2015	31.12.2016		
Receivables taken over by cession from legal entities (at nominal value), out of which:	216				
- receivables taken over by cession from affiliated legal entities	217				
Receivables taken over by cession from legal entities (at purchase cost), out of which:	218				
- receivables taken over by cession from affiliated legal entities	219				

XVI. Income from Agricultural activities *****)	Line no.	Amounts (RON)	
A	B	31.12.2015	31.12.2016
Income from Agricultural activities	220		

Control Amount F30: 579490529 / 1645044910

ADMINISTRATOR
Surname and first name:
ATHANASOPOULOS ANDREAS

Signature:



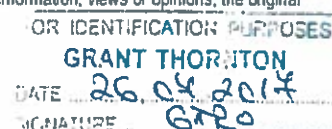
PREPARED BY,
Surname and first name:
GRANT THORNTON S.R.L.
Position: 22 Authorized legal persons, CECCAR members

Signature:
Registration no. with the professional body:

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Fixed assets Statement as at 31.12.2016						
- RON -						
Assets	Line no.	Gross values				
		Initial balance	Increases	Deductions		Final balance (col. 5=1+2+3)
				Total	Out of which: deconstruction or written off	
A	B	1	2	3	4	5
I. Intangible assets						
Set-up and development expenses	01				x	
Other assets	02	23,064,015	1,294		x	23,065,309
Advances for intangible assets	03				x	
Intangible assets for exploration and evaluation of mineral resources	04				x	
TOTAL (row 01 to 04)	05	23,064,015	1,294		x	23,065,309
II. Tangible assets						
Land	06	2,891,763	0	0	x	2,891,763
Buildings	07	1,829,386	0	7,179	0	1,822,207
Equipment and machines	08	1,308,219	0	249,899	0	1,058,320
Other equipment, tools and furniture	09	114,388	0	0	0	114,388
Real estate investments	10	0	0	0	0	0
Tangible assets for exploration and evaluation of mineral resources	11	0	0	0	0	0
Active biological assets	12	0	0	0	0	0
Tangible assets in progress	13	112,115	0	0	0	112,115
Real estate investments in progress	14	0	0	0	0	0
Advances for tangible assets	15	0	0	0	0	0
TOTAL (row 06 to 15)	16	6,255,871	0	257,078	0	5,998,793
III. Financial assets	17	9,893		9,893	x	0
FIXED ASSETS -TOTAL (row 05+16+17)	18	29,329,779	1,294	266,971	0	29,064,102

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STATEMENT OF DEPRECIATION OF ASSETS

Assets	Line no.	Initial balance	Depreciation over the year	Depreciation of written-off assets	Cumulated depreciation at the end of the year (col. 9=6+7-8)
A	B	6	7	8	9
I. Intangible assets					
Set-up and development expenses	19				
Other assets	20	415,785	4,054		419,839
Intangible assets for exploration and evaluation of mineral resources	21				
TOTAL (row 19+20+21)	22	415,785	4,054		419,839
II. Tangible assets					
Land	23				
Buildings	24	733,216	158,429	0	891,645
Equipment and machines	25	1,144,369	55,308	249,898	949,779
Other equipment, tools and furniture	26	100,367	3,828	0	104,195
Real estate investments	27				
Tangible assets for exploration and evaluation of mineral resources	28				
Active biological assets	29				
TOTAL (rd.23 la 29)	30	1,977,952	217,565	249,898	1,945,619
DEPRECIATION - TOTAL (row 22 +30)	31	2,393,737	221,619	249,898	2,365,458

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IMPAIRMENT ADJUSTMENTS

Assets	Line no.	Initial balance	Adjustments over the year	Adjustments reversed as income	Final balance (col. 13=10+11-12)
A	B	10	11	12	13
I. Intangible assets					
Set-up and development expenses	32				
Other assets	33				
Intangible assets for exploration and evaluation of mineral resources	34				
TOTAL (row 32 to 34)	35				
II. Tangible assets					
Land	36				
Buildings	37				
Technical installations and machines	38				
Other equipment, tools and furniture	39				
Real estate investments	40				
Tangible assets for exploration and evaluation of mineral resources	41				
Active biological assets	42				
Tangible assets in progress	43				
Real estate investments in progress	44				
TOTAL (row 36 to 44)	45				
III. Financial assets	46				
IMPAIRMENT ADJUSTMENTS – TOTAL (row 35 + 45 + 46)	47				

Control Amount F40: 191658788 / 164504410

ADMINISTRATOR,
Surname and first name:
ATHANASOPOULOS ANDREAS

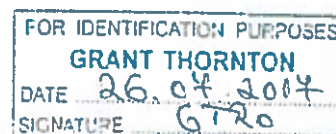
Signature:



PREPARED BY,
Surname and first name:
GRANT THORNTON S.R.L.
Position: 22 Authorized legal persons, CECCAR members

Signature:
Registration no. with the professional body:

VALIDATED FORM



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EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

NOTE 1
ACCOUNTING POLICIES

A. Basis of preparation of financial statements

A1. General information

These are the stand-alone financial statements of the S.C. INTRACOM CONSTRUCT S.A prepared according to:

- The Accounting Law no 82/1991
- Provisions of the Order of the Minister of Public Finance of Romania 1802/2014 ("OMF 1802/2014") and subsequent amendments

The financial statements only refer to INTRACOM CONSTRUCT S.A The accounting records based on which these financial statements were prepared are in RON, at historical cost, except for those cases where the fair value was used, according to the accounting policies of the Company and OMF 1802/2014.

These financial statements are presented in RON, except for those cases when another currency used is specifically mentioned.

A2. Use of estimates

The preparation of the financial statements of the Company according to the provisions of OMF 1802/2014, and subsequent amendments, requires that the management of the Company assesses estimations and assumptions which impact the reported amounts for revenues, expenses, assets and liabilities, as well as the reporting on related liabilities and assets at the end of the period.

A3. Going concern

The year ended as at 31 December 2016 continued in line with the expectations of the management of the Company, so as at 31 December 2016 the Company's management did not consider any aspects which might impact the going concern. Therefore, the financial statements were prepared according to the going concern principle.

The activity of the Company may bring unpredictable variations related to the future cash inflow. The managements reviewed the issue related to the possibility of preparing the financial statements according to the going concern principle.

Based on these analyses, the management believes that the Company will be able to continue to operate as a going concern in the foreseeable future and, therefore, this principle should be applied in the preparation of these financial statements.

A4. Foreign currency translation

Foreign currency transactions are translated into RON by using the exchange rates communicated at the date of the transaction.

Exchange rates used for the conversion of balances in foreign currency as at 31 December 2016 were the following: 1 EUR = 4.5411 RON, respectively 1 USD = 4.3033 RON.

Monetary assets and liabilities denominated in foreign currencies (liquid assets and other similar items, such as bank deposits, receivables and payables) must be evaluated and reported by using the exchange rates communicated by the National Bank of Romania at the closing date of the year. Foreign exchange differences, favorable or unfavorable, between the rate on the date of recording the receivables or payables in foreign currency or the rate under which they were reported in the previous financial statements and the rate at the closing date of the year, are recorded under revenues or financial expenses, as the case requires.

EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

A4. Comparative statements

If the values related to the previous period are not comparable to the ones related to current year, this aspect is presented and explained in the notes, without modifying the comparative values related to the previous year.

A. Accounting Principles

The evaluation of the amounts specified in the financial statements of year 2016 is performed according to the following accounting principles:

- a). Going concern principle – the company shall continue to run normally in the foreseeable future without being wound-up or drastically downsizing.
- b). The Permanence of Methods Principle – the application of the same accounting policies and evaluation methods consistently, from one year to another.
- c). The Prudence Principle – all adjustments due to adjustment of value due to depreciation of assets were taken into account, as well as all foreseeable obligations and potential losses generated during the year ended or during a previous year. The assets and revenues have not been overvalued, and the payables and expenses have not been undervalued.
- d). The engagement accounting principle – the effects of the transactions and other events are recognized when the transactions and events take place (and not as the cash or cash equivalent is collected or paid) and are recorded in the accounting records and reported in the financial statements of the related periods. We considered all revenues and expenses of the year, without taking into account the date of settlement of collections and payments.
- e). The Principle of the Balance Sheet intangibility – the opening balance sheet of the year coincides with the closing balance sheet of the previous year.
- f). The Principle of separation of assets and liabilities – the components of the asset and liabilities' items were valuated separately
- g). No Offsetting Principle – the amounts of items representing assets have not been offset against amounts of items representing liabilities, respectively revenues with expenses, except for the offset between assets and liabilities approved by the legislation in force.
- h). Principle regarding the accounting and presentation of balance sheet items and from the profit and loss account by economic context of the transaction and engagement in question – the information disclosed in the financial statements reflect the economic reality of events and transactions, not only their legal form.
- i). The Principle of Valuation at purchase cost or production cost – the items presented in the financial statements are usually valuated based on the principle of purchase cost or production cost. If the valuation is performed in a different base, the necessary presentations have been made.
- j). The Principle of Threshold – any item with significant value is presented separately in the financial statements. The Company may deviate from the requirements of the OMF 1802/2014 regarding the presentation of information and publishing when the impact of their compliance is insignificant.

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EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

A. Significant accounting principles

1. Going concern principle

The financial statements are prepared based on the premise that the Company shall continue to run normally in the foreseeable future.

2. Reporting currency

The financial statements are prepared and expressed in RON.

3. Accounting bases

The financial statements of the current year were prepared and presented according to OMF 1802/2014 regarding the harmonization of the Romanian accounting and European directives:

- Balance sheet;
- Profit and loss account;
- Explanatory notes to the Financial Statements;

4. Transactions in foreign currency

Foreign currency transactions are recorded at the exchange rate at the date of the transaction. Receivables, payables and cash in currency are translated into RON at the exchange rate on the date of the balance sheet and the exchange differences are recorded in the profit and loss account.

5. Fixed Assets

5.1 Owned fixed assets

Fixed assets are presented at purchase cost, less accumulated depreciation. If a fixed asset comprises significant items with different expected useful lives, these are recorded individually. The expenses with repairs or maintenance of fixed assets performed in order to restore or maintain the value of these assets are recognized in the profit and loss account at the date of their performance, while the expenses incurred for the purpose of improving the technical performance are capitalized and depreciated for the remaining depreciation period of that fixed asset.

5.2 Depreciation

Depreciation is recognized in the profit and loss account based on the straight-line method during the useful life of the asset.

Asset	Years
Other intangible assets	3
Lands	-
Buildings	10 - 20
Installation and equipment	2 - 14
Measuring devices and systems	3 - 10
Means of transport	4 - 6
Furniture, office equipment and other tangible equipment	5 - 14

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EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

5.3 Sale/disposal of fixed assets.

Items of tangible fixed assets that are retired or otherwise disposed of are eliminated from the balance sheet along with the corresponding accumulated depreciation. Any gain or loss resulting from the disposal of assets is included as gain or loss in the current profit or loss account.

6. Customers and other receivables

The trade and other receivables are presented in the balance sheet at their net recoverable value. The adjustment for the allowance of trade receivables is only performed if there is objective evidence of the fact that the Company will not be able to collect all the amounts before the estimated deadline.

7. Cash and other cash equivalents

The cash includes the current accounts in RON and currency and the cash in hand. The cash in currency were brought to date as at 31.12.2016.

Cash accounts are marked distinctly and booked according to each type of currency. The accounting is kept in RON, at the exchange rate of the transaction.

8. Loans

Interest bearing loans are initially recognized at cost less the costs related to the transaction. Subsequent to the initial recognition, the loans are presented at depreciated value; the differences between the cost and the repurchase value are recognized in the profit or loss account during the period of the loan at an effective interest rate.

9. Equity

During 2016, the Company did not distribute dividends. Also, in the equity accounts of the Company no significant transactions were recorded.

10. Suppliers and other payables

The suppliers and other payable accounts are recorded at the value of the amounts which will be paid for the goods or services received. No overdue increments have been accounted for when the maturity date is exceeded.

11. Provisions

Provisions are recognized when SC INTRACOM CONSTRUCT S.A. has a legal or implicit obligation resulting from past events, when for the settlement of the obligation there's an outflow of resources which include economic benefits and when a reasonable estimate can be made regarding the value of the obligation.

In 2016, the Company has not recorded provisions.

12. Revenue recognition

Revenues represent the goods sold and services provided. Revenues from sales of goods are recognized when the Company transfers to the buyer the main risks and benefits related to owning the goods.

Royalty revenues are recognized based on the engagement accounting principles according to the economic substance of the related contracts.

EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

Revenues from interests are recognized periodically as they generate that income, based on the engagement accounting.

13. Accounting errors

The correction of significant errors related to the previous financial years does not entail the modification of the financial statements related to those years. In case of errors related to previous financial years, their correction does not imply adjusting the comparative information disclosed in the financial statements. Any impact on the comparative information regarding the financial position and performance, their modification respectively, is presented in the notes and is adjusted the retained earnings.

14. Corporate income tax

The Company recorded losses during the financial year 2016; therefore there is no payable corporate income tax.

15. Accounting of leasing contracts

The leasing engagements concluded by SC INTRACOM Construct S.A. indicated the use of vehicles for operational leasing. The specificity of this type of leasing generates the booking of the related transactions into an expense account, each month, over the entire contractual period.

The accounting and tax treatment applied to this type of operation is based on a 50% deductibility of direct and indirect expenses for the assets held by the company under operational leasing.

**NOTE 2
TANGIBLE ASSETS**

Tangible assets as at 31.12.2016

Nr. crt	Asset	Balance at 31.12.2015	Balance at 31.12.2016
1	Lands	2,891,763	2,891,763
2	Buildings	1,829,386	1,822,207
3	Installation and equipment	1,308,219	1,058,320
4	Other installation, equipments and furniture	114,388	114,388
5	Tangible assets under execution	112,115	112,115
5	Total (5=1+2+3+4)	6,255,871	5,998,793

	Depreciation	Balance at 31.12.2015	Balance at 31.12.2016
6	Lands	0	0
7	Buildings	733,216	891,645
8	Installation and equipment	1,144,368	949,779
9	Other installation, equipments and furniture	100,367	104,195
10	Total (10=6+7+8+9)	1,977,952	1,945,619
11	NET VALUE (11=5-10)	4,277,919	4,053,174

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EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

Lands

At 31.12.2016 the net value of the Lands is RON 2,891,763. According to the accounting rules, these are not amortized and no value changes occurred due to the valuations.

Buildings

In 2010, the revaluation of the buildings in the company's patrimony was carried out by an authorized appraiser. The revaluation was performed at market value at the balance sheet date, determined by the Direct Comparison Method.

Following the revaluation, the result indicated an increase in the book value, amounting to RON 88,601.41 against the net book value. The resulting revaluation surplus was recognized in the accounting records on the revaluation reserve account within the "Capital and Reserves" group.

Building reevaluation situation at 31.12.2010- RON

Nr. Crt	GL Item	Description	Historical cost	Cumulated depreciation at 31.12.2010	Net value 31.12.2010	Reevaluate value	Reevaluation Difference
1	212	Buildings	2,308,689	628,558	1,680,131	1,768,733	88,601

In 2013 a new revaluation of the buildings owned by the Company was carried out. The expertise was carried out by an authorized appraiser. The revaluation was performed using the Direct Comparison Method to determine market value.

Following the revaluation, there was an increase of the value of the assets worth RON 210,767.60 against the net book value. The resulting revaluation surplus was recognized in the accounting records on the revaluation reserve account within the "Capital and Reserves" group.

Building reevaluation situation at 31.12.2013- RON

Nr. Crt	GL item	Description	Historical cost	Cumulated depreciation at 31.12.2013	Net value 31.12.2013	Reevaluate value	Reevaluation Difference
1	212	Buildings	1,946,294	694,738	1,251,556	1,462,324	210,768

During 2016 there were no revaluation operations of this type of assets.

Equipment, vehicles and means of transport

In 2016, the net book value of group 213 dropped significantly, due to the sale of five cars. The unloading of the management accounts of these cars was made at the acquisition cost.

Other installations, machinery and furniture

During 2016 there were no significant transactions within this group.

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EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

Tangible assets under construction

As at 31.12.2016, the Company owns tangible fixed assets under construction in the amount of RON 112,115. The amount represents the company's investment in a photovoltaic park, located in Fratesti, Giurgiu County.

**NOTE 3
INTANGIBLE ASSETS**

The Company's accounting records include software licenses purchased by the company. Also, in the group of Intangible assets are highlighted the value of the goodwill, as follows:

Situation of intangible assets at 31.12.2016

Nr. crt	COST	Balance at 31.12.2015	Balance at 31.12.2016
1	Goodwill	22,641,991	22,641,991
2	Other assets	422,024	423,318
3	Total (3=1+2)	23,064,015	23,065,309

	Amortisation	Sold la 31.12.2015	Sold la 31.12.2016
4	Goodwill	410,830	0
5	Other assets	4,955	419,839
6	Total (6=4+5)	415,785	419,839
7	Net book value (7=3-6)	22,648,230	22,645,470

**NOTE 4
FINANCIAL ASSETS**

As at 31.12.2016, the Company owns financial assets. They are not amortized and as of 31.12.2016 there are as follows:

Guarantee situation at 31.12.2016

Item	Balance at 01.01.2016	Inputs	Outputs	Balance at 31.12.2016
Various guaranties	334,086	46,864	62,889	318,061
Good execution Guaranties	1,322,637	108,514	259,630	1,171,521
Participation titles	0	0	0	0
Other fixed assets	0	0	0	0
Total	1,656,723	155,378	322,519	1,489,582

At the date of submitting the balance sheet for the financial year 2014, the Company held equity securities, classified as financial assets, amounting to RON 7,498,642.94. This transaction represented the company's shares in the following economic entities:

EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

1. Oikos Properties S.R.L.

The company is a Romanian economic entity, based in Pantelimon, 69, Cernica Road, Building C1, Corp. C, Number 4 Bureau, Ilfov County. SC Intracom Construct S.A. owned at that moment 100%.

2. Rominplot S.R.L.

The company is a Romanian economic entity, based in Pantelimon, 69, Cernica Road, Building C1, Corp. C, Number 3 Bureau, Ilfov County. SC Intracom Construct S.A. owned at that moment 99.9996656%.

In 2015, the Company transferred the shares held to the aforementioned companies.

**NOTE 5
INVENTORIES**

In 2016, compared to the previous financial year, it can be observed a significant increase in inventories as per table below. This is due to the amounts paid for the works under execution.

Inventories situation at 31.12.2016 – RON -

Description	Balance at 01.01.2016	Inputs	outputs	Balance at 31.12.2016
Building materials	1,092,811	395,082	428,059	1,059,834
Fuels	745	0	0	745
Materials at third parties	490,609	0	0	490,609
Services under execution	222,446	524,036	0	746,482
Packing	2,386	0	0	2,386
Advance payments for inventories purchases	94,050	-11,561	78,954	3,535
Total	1,903,047	907,557	507,013	2,303,591

Materials remaining in balance as at 31.12.2016 will be used during the next financial year.

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EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

NOTE 6

ANALYSIS OF ASPECTS RELATED TO RECEIVABLES AND PAYABLES

6.1 RECEIVABLES

The accounting evidence of the items related to receivables and expenses is made with sub-accounts per each customer, respectively supplier. As at 31.12.2016 the gross value of receivables and payables are as follows:

Receivables at 31.12.2016 - RON -

Receivables:	Balance at 31.12.2015	Balance at 31.12.2016
Total trade receivables, out of which:	9,227,279	7,045,745
Clients and similar accounts	8,033,135	6,832,717
Debt Suppliers	740,589	125,910
Customers invoices to be drawn up	453,555	87,118
Other receivables, out of wich:	9,700,097	9,928,289
Claims related to staff	448,185	451
Other receivables regarding state budget	278,599	246,542
Sundry debtors	1,401,090	1,072,813
Receivables with entities within the group	5,915,500	7,118,901
Customer Guarantees	1,656,723	1,489,582
Total balance	18,927,376	16,974,034

From the information presented, there is a significant decrease in the receivables to be cashed. This is affected by the final inventory result of the patrimony as at 31.12.2016. As a result of the factual inventory against the accounting evidence of receivables and payables, there were identified receivables whose seniority exceeded the term of 3 years.

After checking the possibility of their materialization, it was assessed that the receivables can not longer be recovered. Thus, it was decided to record an adjustment, the valuation being made at the real value, which coincided with the accounting value.

- The total amount of adjusted receivables is RON 1,011,544.57, being distributed as follows:
- The value of the Sundry Debtors account (account 461) has been adjusted by RON 103,986.62;
- The amount of the advances paid to the suppliers (account 409) was adjusted by RON 692,144.45;
- The value of the guarantee account granted for the good execution of the contracts (account 2678) has been adjusted by RON 211,400.39;
- The amount of the customer account (account 411) has been adjusted by RON 4,013.11;
- The adjustment of receivables was made by treating them as non-deductible expenses, respecting their tax treatment in the calculation of the corporate income tax as at 31.12.2016.

EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

PAYABLES

Payables situation at 31.12.2016 – RON –

PAYABLES:	Balance at 31.12.2015	Balance at 31.12.2016
Suppliers	9,014,146	8,667,490
Effects to be paid	0	0
Suppliers - invoices to be drawn up	817,533	346,599
Other payables - leasing	16,022	
Salary tax	12,473	11,127
Other payables to Budget	319,068	89,763
Payables to employees	70,403	58,532
Sundry creditors	12,938	0
Settlements within the Group/shareholders	68,766	68,766
Amounts owed to the credit institutions	0	0
Total Balance	10,331,349	9,242,277

By comparing the total payables balance as at 31.12.2016 as compared to the previous year, we can observe a more efficient debt management, the most important being the decrease of the balance to the suppliers.

NOTE 7

Financial Investments

During 2016, the Company did not make any financial investments or hold such securities at the balance sheet date.

NOTE 8

Cash and other cash equivalents

As at 31.12.2016, the Company has cash in lei and foreign currency, held in the bank and in hand in the amount of RON 51,667.60. The amount is available to the Company for payments made to third parties. The mentioned balance includes a short term deposit made by the Company of RON 26,932.52.

NOTE 9

Share capital

The share capital structure was not changed during the financial year 2016. As at 31.12.2016, the share capital of Intracom Construct S.A. is worth RON 55,238,947.99, being fully paid, consisting of 1,696,007 nominative shares with a value of 32.57 RON / share.

EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

Shareholders are legal entities and hold the following share in profit or loss coverage:

- 97.17% of the shares (1,648,089 shares) are held by Intracom Constructions Societe Anonyme Technical and Steel Construction S.A. This company is the main shareholder, being a Greek legal entity, based in Peania, Attikis, Km 19.7, Markopoulous AV, Greece.

- 2.83% of the shares (47,918 shares) are held by Intracom S.A., a Romanian legal entity with headquarters in Bucharest, 17, Glucose Factory Road.

NOTE 10

RESERVES AND CAPITAL PREMIUMS

The value of the reserves did not change in the year 2016. At the balance sheet date the legal reserves amount to RON 727,452 and other reserves from the fiscal facilities in the amount of RON 101,149.

The capital gains arising from the merger, amounting RON 719,747, remained unchanged during the year 2015. The reevaluation reserves did not change during the year 2016, amounting RON 2,013,592.

EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

**NOTE 11
CORPORATE INCOME TAX**

The Company recorded loss in 2016. For financial year 2016, the Company has no duties related to corporate income tax. The statement of the computation of corporate income tax is presented below:

Corporate Income Tax for the year 2016

Item description		Amounts (RON)
Operating Incomes	1	3,492,739
Operating Expenses	2	6,170,617
Operating Result (rd.1 - rd.2)	3	-2,677,878
Financial Incomes	4	453,097
Financial Expenses	5	422,140
Financial Result (rd.4 - rd.5)	6	30,957
Gross Result (rd.3 + rd.6)	7	-2,646,921
Fiscal depreciation	8	212,029
Total deductions	9	212,029
Profit/loss	10	-2,858,950
Expenses with income tax due and deferred tax	11	-
Expenses with income tax / income tax paid abroad	12	-
Interest / late payment, fines, confiscations and penalties due to Romanian or foreign authorities	13	250
Protocol expenses that exceed the limit prescribed by law	14	12,051
Sponsorship and / or mecenate expenses, private scholarships, made under the law	15	-
Expenses with accounting depreciation	16	228,798
Other non-deductible expenses	17	1,586,951
Total non-deductible expenses	18	1,828,050
Total taxable profit / tax loss for the reporting year before loss carry forward	19	-1,030,900
Tax loss to be recovered from previous years	20	6,454,199
Taxable profit / tax loss to be recovered in subsequent years	21	-7,485,099
Corporate income tax	22	0

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EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

**NOTE 12
INFORMATION ABOUT TURNOVER**

The turnover recorded in 2016 was RON 2,938,149. It consists of RON 2,918,766 - revenues related to services provided and RON 19,383 - sales of merchandises

**NOTE 13
INFORMATION RELATING TO EMPLOYEES, ADMINISTRATORS AND DIRECTORS**

Personnel Structure and Employee Remuneration:

RON -

	Number of employees in 2015	Wages & contributions 2015	Number of employees in 2016	Wages & contributions 2016
Management	1	1,065,164	1	1,132,110
Administrative and Sales Departments	15		10	
Total	16	1,065,164	11	1,132,110

The above amounts are reported at the actual number of employees as at 31.12.2016. The average number of employees is estimated at 12 for 2016.

The Company was administered at 31.12.2016 by Mr. Iosif Nikolaos. He was appointed as Administrator on September 2, 2016, replacing Mr. Paniopoulos Konstantinos, after the end of his mandate.

The Company has no obligations towards former directors or administrators. Also, no credits were granted to administrators or directors during the financial year 2016, and there are no future liabilities such as guarantees, pledges or mortgages that the Company has assumed on behalf of administrators or directors.

**NOTE 14
INFORMATIONS ABOUT LOANS AND CREDITS RECEIVED**

At the closing date of the financial year, the Company does not have loans or other credits received granted by specialized credit institutions. The Company has opened a credit facility for the issuance of EUR 600,000 bank guarantee letters to Banca Romaneasca, of which EUR 50,000 is used at the balance sheet date to issue a bank guarantee letter to Telekom Romania Mobile Communications customer.

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EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

NOTE 15
REVIEW OF THE MAIN ECONOMIC-FINANCIAL INDICATORS

In order to identify the main indicators of the Company and determine its financial position, the main economic-financial indicators were computed. The results are presented below:

Acid ratio indicators	2015	2016
Current	1.99	1.86
Immediate	1.82	1.64
Risk indicators		
Level of indebtedness	N/A	N/A
Interest coverage	N/A	N/A
Operating indicators		
Inventory turnover	N/A	N/A
Days of storage	N/A	N/A
Customers turnover (days)	571	884
Payables turnover (days)	600	1,098
Non-current assets turnover	0,19	0,11
Total assets turnover	0,10	0,05
Profitability indicators		
Return on capital employed	N/A	N/A
Gross margin from sales	N/A	N/A

I. Acid ratio indicators

The indicators in this section indicate the capacity of the assets within the entity to turn into money, without risks.

1. Current = Current assets/ Current liabilities

The indicator indicates the amount under which the current assets exceed the short term liabilities and offer the guarantee to cover the current liabilities from the current assets. The recommended and admissible value is about 2. Therefore, the computed value of 1.86 indicates a financial situation of the Company at the limit of the recommended value.

2. Immediate = Current assets – Stocks/Current liabilities

This indicator eliminates inventories, as they cannot turn immediately into cash, expressing the Company's capacity to pay immediately its debts. The recommended value is around 1. The higher this value, the better the financial situation of the entity. The indicator for Intracom Construct is 1.64 and it indicates a good financial situation of

EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

the Company. However, in view of the fact that the Current Liquidity Indicator is below the recommended threshold, the Company adopts a preventive attitude to minimize risk.

II. Risk Indicators

1. **Rate of indebtedness** = Borrowed capital x 100 or
Equity = Borrowed capital / Committed capital x 100

This indicator does not currently apply to Intracom Construct S.A. because as at 31.12.2016 it had no borrowed capital.

2. **Interest coverage** = Profit before the payment of interest and corporate income tax/ expenses with interest 120

This indicator does not currently apply to Intracom Construct S.A.

III. Performance Indicators (management)

Performance indicators convey information regarding:

- speed of entity's cash flows;
- entity's capacity to manage the current assets and main trade activities of the Company

1. **Inventory turnover** = Cost of sales/Average inventory

This indicator discloses how many times the inventory has been run over the financial year. Given that Intracom Construct S.A.'s turnover mainly consists of services, this indicator does not apply to the Company.

2. **Number of storage days** (average sales duration) = Average inventory / Sales cost x 365.

The indicator shows the number of days the goods are stored in the unit. The shorter the number of days, the better the situation, in the sense that inventories are used in the production process, the purchases of inventories is done regularly and the Company incurs no risk of recording slow or hard-to-sell inventories.

This indicator was not calculated for the year 2016, as the turnover consists around 90% of the business.

3. **Customers turnover** = Average balance customers / turnover x 365

When the value of the indicator is high, it means that the unit encounters issues related to the management of credits granted to customers and consequently the receivables are more difficult to be collected (defaulted customers). The entity must take the necessary measures to expedite their collection.

4. **Suppliers turnover** = Average balance suppliers/ Purchase of goods (without services) or turnover x 365

The indicator represents the number of days payable that the entity obtains from its suppliers.

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EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

5. Non-current assets turnover = Turnover / Non-current assets

The indicator represents the number of turnovers of the non-current assets in order to reach the turnover of the Company. Also, the efficiency of the non-current asset management is assessed by analyzing the turnover generated by their operation

6. Total assets turnover = Turnover / Total assets

The indicator assesses the efficiency of total assets management by analyzing the turnover generated by the entity's assets.

IV Profitability indicators

The indicators present the performance of the Company by establishing profitability according to the employed capital. These indicators do not apply to Intracom Construct S.A., as the Company did not record losses.

**NOTE 16
OTHER INFORMATION**

16.1 Information related to the revaluations of exchange rate differences

During 2016, Intracom Construct S.A. revaluated monthly the receivables and payables recorded in foreign currency, adjusting at each end of the month the balance with the exchange rate of the last working day, displayed by the National Bank of Romania. The differences in the calculated foreign exchange rate were, as applicable, recognized either as financial income or expense.

16.2 Information related to balances and transactions with related parties

Intragroup expense accounts as at 31.12.2016 - RON		
451103	Settlement within the group - Razobeco	5,915,500.00
451106	Settlement within the group - INTRAKAT GREECE	1,203,400.58

As at 15.02.2016, Intracom Construct S.A. granted a loan to the mother company (Intrakat S.A) of EUR 300,000. Until 31.12.2016 the amount of EUR 34,998 was reimbursed. As at 31.12.2016 the balance of the loan granted to Intrakat SA was EUR 265,002.

16.3 Information related to the litigations of the Company

As at 31.12.2016, The Company is not subject to any legal actions whose possible consequences might cause significant changes in the financial situation for 2016.

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EXPLANATORY NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31.12.2016

16.4 Information related to risk management

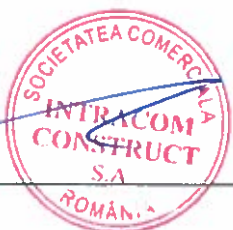
Through the activity carried out by the Company, it is subject to various risks which include: market risk (including foreign exchange risk, interest rate risk related to the fair value and price risk), credit risk, liquid assets risk and interest rate risk related to the cash flows. The Company's strategy regarding risk management entails minimizing the potentially negative effects associated to these risk factors which might damage the Company's performance.

16.5 Information regarding events subsequent to the date of the balance sheet

At the date of preparing the financial statements related to the financial year 2016 there were no known events which might have affected the notes prepared.

ADMINISTRATOR
Andreas Athanasopoulos

Signature
Stamp



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