

E- Distribuție Dobrogea SA

Report of the Directors

For the Financial Exercise Ended on December 31, 2018

March 2019

1. General considerations

In 2018, the Company achieved a turnover of 445,347,691 (2017: 412,584,278) of which revenues from the distribution of active electricity and reactive energy 405,610,067 (2017: 384,887,682).

The company distributed electricity to approximately 0.648 million consumers (2017: 0.642 million consumers), the total amount of electricity distributed to final consumers being approximately 3,697,559 Mwh (2017: 3,625,624 Mwh).

The average rate of electricity distributed for 2018 was 105.1 Ron / Mwh (2017: 102.3 Ron / Mwh).

The company distributed 3,172,048 Mwh (2017: 2,690,397 Mwh) to eligible consumers at an average rate of 93.9 Ron / Mwh (2017: 78.5 Ron / Mwh) and 525,510 (2017: 935,227) to captive consumers at an average rate of 173 Ron / Mwh (2017: 171.1 Ron / Mwh).

2. The structure of the share capital

On 31.12.2018, the share capital of the Company is RON **280,285,560**, fully subscribed and paid-in and is divided into 28,028,556 registered shares, with a par nominal value of RON 10 each.

The shareholding structure of the Company as of December 31, 2018 is as follows:

- a) Enel SpA, holding 14,295,405 shares, with a par nominal value of RON 10 each, representing 51.0030% (2017: 0%) of the share capital;
- b) Enel Investment Holding B.V., holding 0 shares (2017: 14,295,405), with a par nominal value of RON 10, representing 0% (2017: 51.0030%) of the share capital;
- c) Societatea de Administrare a Participatiilor in Energie, holding 6,980,024 shares, with a par nominal value of 10 RON each, representing 24.9033% of the share capital; and
- c) Fondul Proprietatea S.A. holding 6,753,127 shares, with a par nominal value of RON 100 each, representing 24.0937% of the share capital.

The company did not undertake any acquisition of its own shares during 2018 financial year.

As of December 31, 2018, the Company holds 50% of the share capital of Enel Servicii Comune, with a value of 16,500,000 (December 31, 2017: 16,500,000).

3. Internal control

In accordance with the provisions of the decision of the Company's Board of Directors on June 28, 2008, the internal control of the Company is entrusted to the internal control structures of Enel Romania S.R.L.

The process of managing internal control is structured in the following subprocesses:

- Defining the purpose and communicating methodologies and work instructions;
- Mapping / updating processes / internal controls and related risks;
- Evaluation of internal controls with regard to definition and operation by the process manager;
- Monitoring the internal control tested by the external specialized partner;
- Identifying deficiencies and implementing the remediation plan;
- Strengthen the results of the evaluation of internal controls.

4. Summary of operations in 2018 and projects for 2019

During 2018, the Company met its main objectives:

The most important achievements of the Company in 2018 were as follows:

- Modernization of 27.2 km of high voltage overhead power lines and installation of 1376 spacer pieces on the nine high voltage power lines;
- Modernization works in 10 transformer stations (Abator, Medgidia Nord, Depozite, Tulcea, Slobozia Nord, Ecluză Ovidiu, Baba Novac, Palas Sud, Petrol, Tataru);
- Replacement of HV / MV transformer in three transformer stations (Centru 1, Slobozia Nord, Mangalia Nord);
- Modernization / installation of 67 transformer stations;
- Modernization / construction works of 25 km of medium voltage underground power lines;
- Modernization / construction works of 21 km of medium voltage overhead power lines;
- Modernization / construction works of 214 km of low voltage network;
- MV / LV transformer replacement works (105 pcs) in 98 transformer stations;
- Installation of 44 remote-controlled air separators and 17 automatic air reclosers;
- Continuation of actions related to the implementation and consolidation of processes that support safety at work, both for ENEL staff and for contractors;
- Concrete actions to facilitate the identification of the main measures meant to reduce energy losses in the distribution networks;
- Continuing the actions of developing the remote-control system in order to increase the quality of the distribution service;
- Continuing the technical unification for products and equipment in order to standardize the network and improve the distribution service;
- Updating the CROS / CRM DISCO computer application;
- Continuation of the implementation of the project for the installation of smart metering systems, being installed a number of approximately 49,000 smart meters.

In 2019, the Company intends to carry out the following investment projects:

- Replacement works of low voltage electrical networks and removal of meters at the property's limit to reduce network losses;
- Continuing the actions of developing the remote-control system to improve the quality of the distribution service;
- Network modernization / construction works in order to ensure a sizing of the network capacity in accordance with the power required for the connection of future users;
- Continuing the actions of developing the smart meter system for household customers;
- Modernization of high voltage lines, substations, transformer substations, medium voltage lines and low voltage lines in order to improve the quality of the distribution service.

5. Personnel connected issues

The Company's human resources policy focuses on the following directions:

- The development of new activities or relatively recent legislative changes requires the adaptation and / or development of the skills of existing staff; thus, staff recruitment is also focused on profiles that were not found in the Company until now, and the training plan has been adapted accordingly (commercial quality improvement programs, etc.);
- Continuing Company's concerns for a culture of safety (defensive driving courses, Health, Safety and Environment events), for the continuous improvement of processes and for the improvement of the internal way of knowledge transfer (Train of Trainers programs);

- Creating and applying new training programs dedicated to employees who have promoted in management position of various departments, with emphasis on the values and ENEL behaviors and the application of modern leadership principles.
- Continuing the process of alignment with the group's policies, by updating the local documents (procedures, instructions) so as to ensure legislative compliance, group integration and, at the same time, the adequate and efficient functioning of the activities at local level; RACI matrices are used to clarify the processes and roles of those responsible;

6. Environmental issues

During 2018, the Company continued to carry out programs related to waste management, monitoring environmental factors, reducing the level of pollution in all facilities, total environmental expenses amounting to approximately RON 1,199,124 (2018: 986,280).

Mainly, the expenditures were for:

- Collection, transport and disposal of urban and assimilated waste (sanitation) in the amount of 46,718;
- Wastewater collection and transport, stormwater drainage, sewerage network (canal, meteoric water) in the amount of 43,170;
- Specific environmental taxes (Environmental fund - 3% and 2% of waste capitalization, tax for emissions from fixed sources - thermal power plants, approval fees, approval fees for access in the Danube Delta Reservation, fees for approval of waste transport) in the amount of 56,756;
- Prevention of soil, subsoil, and water pollution in value of 678,676:
 - a. collection, transport and disposal of wastewater-oil emulsions, sludge and maintenance of hydrocarbon separators of temporary storage platforms in the amount of 39,848;
 - b. analysis of mineral oil samples from EDD transformers in the amount of 7,200;
 - c. construction / refurbishing of retention tanks from transformer stations: Abator, Ecluza Ovidiu, Mamaia si Tulcea in the amount of 631,535;
 - d. wastewater laboratory analyzes in the amount of 93;
- Expenditure for the protection of biodiversity by installing 19 supports for stork nests amounting to 5,283
- Internal training on environmental protection in the amount of 95,317;
- Expenses with the personnel dedicated to the environmental protection activity in the amount of 268,994;
- ISO 14001 SRAC audit expenses in the amount of 4,210.

7. Risk management

As a risk management policy, the Company considers the following:

- identification of the major categories of risks existing within the Company and preparation of a risk assessment report;
- identification and implementation of periodic reporting methods regarding the Company's activity for monitoring existing risks;
- implementation of risk assessment and monitoring models, defined at the level of the Enel Group.

8. Financial information
8.1 Main elements of Balance sheet on 31 December 2018

	Balance at the beginning of the year	Balance at the end of the year
FIXED ASSETS		
I. INTANGIBLE ASSETS	23,334,768	20,503,994
II. TANGIBLE ASSETS	1,641,231,376	1,496,432,016
III. FINANCIAL ASSETS	16,529,767	16,529,767
FIXED ASSETS - TOTAL	1,681,095,911	1,533,465,777
CURRENT ASSETS		
I. INVENTORIES	1,538,391	1,668,250
II. RECEIVABLES	99,645,626	120,558,535
III. SHORT-TERM INVESTMENTS	-	
IV. CASH AND BANK ACCOUNTS	621,384,131	619,752,547
CURRENT ASSETS - TOTAL	722,568,148	741,979,332
DEFERRED INCOME	1,295,984	1,079,401
DEBTS: AMOUNTS TO BE PAID WITHIN ONE YEAR	183,457,146	216,952,703
DEBTS: AMOUNTS TO BE PAID IN MORE THAN ONE YEAR		
PROVISIONS	39,305,265	26,837,099
DEFERRED INCOME	413,832,062	425,419,455
CAPITAL AND RESERVES		
CAPITAL		
I. CAPITAL	280,285,560	280,285,560
II. CAPITAL REWARDS	-	
III. RESERVES	790,927,531	784,104,823
IV. PROFIT OR LOSS CARRIED OUT	661,710,077	686,253,988
V. PROFIT OR LOSS OF THE FINANCIAL YEAR	49,458,126	(143,329,118)
VI. DISTRIBUTION OF PROFIT	14,015,724	
EQUITY - TOTAL	1,768,365,570	1,607,315,253

8.2 Main items Profit and loss account for the financial year ended December 31, 2018

Item	Financial year ended December 31, 2017	Financial year ended December 31, 2018
OPERATING INCOME	475,287,915	483,677,811
OPERATING EXPENSES	418,686,766	626,869,768
PROFIT OR LOSS FROM OPERATION	56,601,149	(143,191,957)
FINANCIAL REVENUE	2,990,312	11,419,048
FINANCIAL EXPENSES	855,875	566,713
FINANCIAL PROFIT OR LOSS	2,134,437	10,852,335
TOTAL INCOME	478,278,227	495,096,859
TOTAL EXPENSES	419,542,641	627,436,481
GROSS PROFIT OR LOSS	58,735,586	(132,339,622)
INCOME TAX	9,277,460	10,989,496
NET PROFIT OR LOSS OF THE FINANCIAL YEAR	49,458,126	(143,329,118)

8.3 Economic and financial indicators

	2017	2018
1 Liquidity indicators		
Current liquidity indicator	3,94	3,42
Immediate liquidity indicator	3,93	3,41
2 Activity indicators		
Rotation of inventories	6	9.37
Number of storage days	59	39
Turnover rate of debts -customer	102	91
Turnover rate of loans-suppliers	128	153
Turnover rate of fixed assets	0,25	0,29
Turnover rate of total assets	0,17	0,20
3 Profitability indicators		
Return on capital (%)	3,32	n/a
Gross sales margin (%)	14,24	n/a

Both the current liquidity indicator and the immediate liquidity indicator decreased compared to the previous year, as a result of the increase in current debt.

The turnover rate of supplier loans has increased due to the increase in debt to suppliers, as well as due to the slight decrease in the costs of purchasing goods. The increase in debts to suppliers was also generated by the increase in investments in the fourth quarter of 2018 compared to the fourth quarter of 2017.

The turnover rate of customer receivables decreased due to the reduction of the average balance of receivables at the same time as the level of turnover increased.

The increase in the turnover rate of stocks was due to the increase in the costs of goods and consumables as well as the reduction in the level of the average stock, which also led to a decrease in the number of storage days.

The turnover rate of fixed assets increased slightly due to the increase in turnover while fixed assets registered a slight decrease. The same upward trend is valid in the case of the turnover rate of total assets, given that the total value of assets has decreased slightly.

9. Coverage of the loss related to the financial year ended December 31, 2018

At the end of the financial year 2018, the Company registered a net loss of 143,329,118.

The Company's management will propose coverage by distribution in the carried forward income statement (account 117).

10. Events subsequent to the balance sheet date

In 2019, the Company will continue to carry out its distribution activity normally, as there are no significant elements or outside the specific course that will be brought to the attention of the shareholders and that will require changes in the financial statements.

Chairman of the Board of Directors:
Mr. Georgios Stassis

Financial manager:
Mr. Maurizio Rastelli

Directors

Mr. Federico Panone

Mr. Calin Adrian Metes

Mrs. Alexandra Burcea

Mrs. Valerica Drainiceanu

Mrs. Edoardo Marcenaro

Mr. Alexandru Bocai

BALANCE SHEET					
As on 31.12.2018					
Name of issue		Row no.	Note No.	Current balance on	
				01.01.2018	31.12.2018
B				1	2
A	FIXED ASSETS				
	I. INTANGIBLE ASSETS				
	1. Settlement expenses (acct. 201-2801)	01	01		
	2. Development expenses (acct. 201 - 2803-2903)	02	02		
	3. Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets (acct.205 + 208 - 2805 - 2808- 2905 - 2908)	03	03	23,334,768	20,503,994
	4. Goodwill (acct. 2071-2807-2907)	04	04		
	5. Intangible assets for the exploration and evaluation of mineral resources (acct. 206 - 2806 - 2907)	05	05		
	6. Advance payments (acct. 4094-1904)	06	06		
	TOTAL: (row 01 to 06)	07	07	23,334,768	20,503,994
	II. TANGIBLE ASSETS				
	1. Land and buildings (acct. 211 + 212 - 2811 - 2812 - 2912 - 2911)	08	08	1,059,888,511	896,338,902
	2. Technical and machinery installations (acct. 213 + 223 - 2813 - 2913)	09	09	518,826,627	512,183,614
	3. Other installations, machinery, and furniture (acct. 214 + 224 - 2814 - 2914)	10	10	3,268,337	2,885,656
	4. Real estate investment (acct.215-2815-2915)	11	11		
	5. Tangible assets in progress (acct. 235-2935)	12	12	59,247,901	85,002,844
	6. Real estate investments in progress (acct.235 - 2935)	13	13		
	7. Tangible assets for the exploration and evaluation of mineral resources (acct.216-2816-2916)	14	14		
	8. Productive biological assets (acct. 217 + 227 -2817 -2917)	15	15		
	9. Advances (acct. 4093-1903)	16	16		21,000
	TOTAL: (row 08 to 16)	17	17	1,641,231,376	1,496,432,016
	III. FINANCIAL ASSETS	18	18	16,500,000	16,500,000
	1. Shares in subsidiaries (acct. 261-2961)	19	19		
	2. Loans to group's entities (acct. 2671 + 2672 -2964)	20	20		
	3. Shares held by associated entities and jointly controlled entities (acct.262 + 263 - 2962)	21	21		
	4. Loans to associates and jointly controlled entities (acct.2673 + 2674-2965)	22	22	29,767	29,767
	5. Other fixed assets (acct.265 - 2963)	23	23		
	6. Other loans (2675 + 2676 + 2677 + 2678 + 2679 -2966-2968)	24	24	16,529,767	16,529,767
	TOTAL (row 18 to 23)			1,681,095,911	1,533,465,777
	FIXED ASSETS - TOTAL (row 06 + 16 + 17+ 24)	25	25	16,500,000	16,500,000
B	CURRENT ASSETS				
	I. INVENTORIES				

1. Raw materials and consumables (acct. 301+321+302+322+303+323+/-308+351+358+381+328+/- 388-391-392-3951-3958-398)	26	26	1,538,391	1,668,250
2. Production in progress (acct.331 + 332 + 341 +/- 348 - 393 - 3941 - 3952)	27	27		
3. Finished goods and commodities (acct. 345+346+/-348+354+ 356+357+361+326+/-368+371+327+/-378-3945-3946-3953-3954-3956-3957-396-397-4428)	28	28		
4. Advances (acct. 4091)	29	29		
TOTAL (rows 26 to 29)	30	30	1,538,391	1,668,250
II. RECEIVABLES				
1. Commercial receivables (acct.2675+2676+2678+2679-2966-2968+4092+411+411+413+418-4902-491)	31	31	95,495,265	111,102,044
2. Amounts receivable from affiliates entities (acct 451- 495)	32	32		
3. Amounts receivable from associates and jointly controlled entities (acct 453 - 495)	33	33		
4. Other receivables (425+4282+431+436+437+4382+441+4424+ + 4428+ 444 + 445 + 446+ 447+ 4482 +4582 + 461 + 473-496*+ 5187)	34	34	4,150,361	9,456,491
5. Share Capital subscribed and not paid (acct. 456-495)	35	35		
6. Receivables representing dividends distributed during the financial year (acct. 463)	36	35 a		
Total (rows 31 to 36)	37	36	99,645,626	120,558,535
III. SHORT-TERM INVESTMENTS				
1.Shares in affiliates entities (acct.501-591)	38	37		
2. Other short-term investments (acct.505 + 506 + 507 + 508 - 595 - 596 - 598 + 5113 + 5114)	39	38		
Total (rows 37 to 38)	40	39		
IV. CASH AND BANK ACCOUNTS				
(acct. 5112 + 512 + 531 + 532 + 541 + 542)	41	40	621,384,131	619,752,547
CURRENT ASSETS - TOTAL (rows 31 + 37 + 40 + 41)	42	41	722,568,148	741,979,332
C DEFERRED EXPENSES (acct.471 + 474) (rows 44 + 45)	43	42	1,295,984	1,079,401
Amounts to be repaid within a period of up to one year (out of acct 471)	44	43	1,295,984	1,079,401
Amounts to be repaid longer than a period of one year (out of 471*)	45	44		
TOTAL ASSETS				
D DEBTS: AMOUNTS TO BE PAID WITHIN A PERIOD OF UP TO ONE YEAR				
1. Loans from the bond issue (acct. 161 + 1681-169)	46	45		
2. Amounts owed to credit institutions (acct.1621 + 1622 + 1624+1625 + 1627 + 1682 + 5191 + 5192 + 5198)	47	46		
3. Advances received on account of orders (acct. 419)	48	47	37,810,650	41,087,675
4. Trade payables - suppliers (acct. 401 + 404 + 408)	49	48	130,847,711	160,805,768
5. Trade payments effects (acct .403 + 405)	50	49		
6. Amounts owed to group's entities (ct. 1661 + 1685 + 2691 + 451)	51	50		
7. Amounts owed to associated entities and jointly controlled entities (acct. 1663 + 1686 + 2692 + 453)	52	51		
8. Other liabilities, including tax and debts to social insurance (acct. 1623 + 1626 + 167 + 1687 + 2693 421+423+ 424 + 426 + 427 + 4281 + 431 + 436 + 437 + 4381 +441 + 4423 + 4428 + 444 + 446 + 447 + 4481 + 455+ 456 + 457 + 4581 + 462 + 4661+ 473 + 4761 + 509 +5186 + 5193 + 5194 + 5195 + 5196 + 5197)	53	52	14,798,785	15,059,260

	TOTAL (row 46 to 53)	54	53	183,457,146	216,952,703
E	NET CURRENT ACCOUNTS / NET CURRENT LIABILITIES (rows 42 + 44- 56- 741-74- 77)	55	54	519,426,155	502,793,250
F	TOTAL ASSETS MINUS CURRENT LIABILITIES (rows 25 + 45 +57)	56	55	2,200,522,066	2,036,259,027
G	LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD LONGER THAN ONE YEAR				
	1. Loans from bond issues (acct. 161 + 1681-169)	57	56		
	2. Amounts owed to credit institutions (acct.1621 + 1622 + 1624 +1625 + 1627 + 1682 + 5191 + 5192 + 5198)	58	57		
	3. Advance payments for orders (acct. 419)	59	58		
	4. Trade payables - suppliers (acct.401 + 404 + 408)	60	59		
	5. Trade payments effects (acct. 403 + 405)	61	60		
	6. Amounts owed to group's entities (ct. 1661 + 1685 + 2691 + 451)	62	61		
	7. Amounts owed to associates and jointly controlled entities (acct.1663 + 1686 + 2692 + 453)	63	62		
	8. Other liabilities, including tax debts for social security (acct. 1623+1626+167+1687+2693 +421+423+424+426+427+4281+431+436+437+4381+441 +4423+4428+444+446+447+4481+455+456+4581+462+473+509+ 5186+5193+5194+5195+5196+5197)	64	63		
	TOTAL (row 56 to 63)	65	64		
H	PROVISIONS				
	1. Provisions for employees' benefits (acct.1515+1517)	66	65	24,941,763	21,828,833
	2.Provisions for taxes (1516)	67	66		
	3. Other provisions (1511 + 1512 + 1513 + 1514 + 1518)	68	67	14,363,502	5,008,266
	TOTAL PROVISIONS (rows 66+67+68)	69	68	39,305,265	26,837,099
I					
	1. Investment grants (acct. 475) (row 71+72)	70	69	4,705,565	4,392,304
	Amounts to be repaid within a period of up to one year (out of acct.475 *)	71	70	345,038	265,028
	Amounts to be repaid over a period longer than one year (out of acct.475 *)	72	71	4,360,527	4,127,276
	2. Deferred income (acct.472) - total (row 74+75), out of which:	73	72		
	Amounts to be repaid within one year (acct.472 *)	74	73		
	Amounts to be repaid over a period longer than one year (acct.472 *)	75	74		
	3. Deferred income related to assets received by transfer from customers (acct. 478) (rows 77+78)	76	75	409,126,497	421,027,151
	Amounts to be repaid within a period of up to one year (out of acct.478 *)	77	76	20,635,793	23,047,752
	Amounts to be repaid over a period longer than one year (out of acct. 478 *)	78	77	388,490,704	397,979,399
	Negative goodwill (acct.2075)	79	78		
	TOTAL (rows 70+73+76+79)	80	79	413,832,062	425,419,455
J	CAPITAL AND RESERVES				
	I. CAPITAL				
	1. Paid-in subscribed capital (acct. 1012)	81	80	280,285,560	280,285,560
	2. Unpaid subscribed capital (acct. 1011)	82	81		
	3. Company's patrimony (acct. 1015)	83	82		
	4. The patrimony of the national research-development institutes (acct. 1018)	84	83		
	5. Other equity items (acct. 103)	85	84		
	TOTAL (row 81+82+83+84+85)	86	85	280,285,560	280,285,560

II. CAPITAL's PREMIUMS (acct. 104)		87	86		
III. RESERVE FROM REVALUATION (acct. 105)		88	87	658,251,336	651,428,628
IV. RESERVES					
1. Legal reserves (acct. 1061)		89	88	56,057,111	56,057,111
2. Statutory or contractual reserves (acct. 1063)		90	89		
3. Other reserves (acct. 1068)		91	90	76,619,084	76,619,084
TOTAL (row 89 to 91)		92	91	132,676,195	132,676,195
Own shares (acct 109)		93	92		
Equity linked to equity instruments (acct. 141)		94	93		
Losses related to equity instruments (acct.149)		95	94		
V. RETAINED EARNINGS, (acct.117)	Balance C	96	95	661,710,077	686.253.988
	Balance D	97	96	0	0
VII. PROFIT OR LOSS OF THE EXERCISE (acct.121)	Balance C	98	97	49,458,126	0
	Balance D	99	98	0	143.329.118
The distribution of profit (acct. 129)		100	99	14,015,724	
OWN EQUITY – TOTAL (rows 85+86+87+91-92+93-94+95-96 +97-98-99)		101	100	1,768,365,570	1,607,315,253
Private patrimony (acct. 1016)		102	101		
Public patrimony (acct.1017)		103	102		
EQUITY- TOTAL (row 100+101 +102) (row 25+41 +42-53-64-68-79)		104	103	1,768,365,570	1,607,315,253

*) Accounts to be distributed according to the nature of the respective elements,

**) Debit balances of the respective accounts. in less than one month.

***) Credit balances of the respective accounts

1) The amounts entered in this line and taken from account 2675 to 2679 represent the related receivables to financial leasing contracts and other assimilated contracts, as well as other fixed receivables, for a period less than 12 months

2) will be completed by the entities affected by the provisions of the Order of the Minister of Finance

public and the minister delegated for budget no. 668/2014 for the approval of the Specifications regarding the elaboration and updating of the centralized inventory of the real estate, private property of the state and of the real rights subject to the inventory, with the subsequent modifications and completions

DIRECTOR
FEDERICO PANONE

PREPARED BY
Maurizio RASTELLI
As Financial Manager

PROFIT AND LOSS ACCOUNT				
ON 31.12.2018				
Name of issue		Row	Financial exercise	
			2017	2018
A			1	2
1.	Net turnover (rd. 02 + 03-04+05+06)	01	412,584,278	445,347,691
	Production sold (acct.701 + 702 + 703 + 704 + 705 + 706 + 708)	02	407,597,423	433,539,133
	Income from the sale of goods (acct. 707)	03	4,986,855	11,808,558
	Commercial discounts granted (acct.709)	04		
	Income from interests registered by affiliated entities in the General Register which no longer has leasing contracts (acct766)	05		
	Revenues from operating grants related to turnover (acct.7411)	06		
2.	Income related to the cost of production in progress (acct. 711 + 712)	Balance C	07	
		Balance D	08	
3.	Production made by the entity for its own and capitalized purposes (acct. 721 + 722)*	09	8,015,713	12,314,698
4.	Income from the revaluation of intangible assets (acct. 755)	10	30,261,972	
5.	Revenue from real estate investments (acct. 725)	11		
6.	Income from operating grants (acct.7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)	12		
7.	Other operating income (751+758+7815), of which	13	24,425,952	26,015,422
	-revenue from negative goodwill (acct. 7815)	14		
	-revenue from investment grants (acct. 7584)	15	21,488,324	21,195,908
	OPERATING REVENUES - TOTAL (row 01+07-08+09+10+11 +12+13)	16	475,287,915	483,677,811
8.a)	Expenditure on raw materials and consumables (acct. 601 + 602)*	17	7,223,825	6,754,920
	Other material expenses (acct. 603+604+606+608)	18	145,747,857	131,644,474
b)	Other external expenditures (with energy and water) (acct.605)	19	2,951,133	2,718,226
c)	Expenditure on goods (acct. 607)	20	4,150,760	10,987,615
	Trade receipts received (acct.609)	21	4,329	16,882
9	Personnel related costs (row 23+24), out of which:	22	58,949,864	63,213,408
	a) Salaries and allowances (acct. 641+642+643+644)	23	47,346,468	60,475,124
	b) Expenditure on insurance and social protection (acct.645)	24	11,603,396	2,738,284
10	a) Value adjustments on intangible assets, tangible assets (rows 26-27)	25	112,776,262	334,916,250
	a.1) Expenses (acct.6811 + 6813 + 6816 + 6817)	26	114,871,528	334,978,661
	a.2) Income (acct.7813 + 7816)	27	2,095,266	62,411
	b) Value adjustments for current assets (rows 29-30)	28	1,541,989	1,774,447
	b.1) Expenditure (acct.654 + 6814+6818)	29	5,743,144	6,151,754
	b.2) Revenues (acct.754 + 7814+7818)	30	4,201,155	4,377,307
11	Other operating expenses (row 32 to 38)	31	99,320,780	87,345,476
	11.1. Expenditure on external benefits (acct. 611 + 612 + 613 + 614 +615 + 621 + 622 + 623 + 624 + 625 + 626 + 627 + 628)	32	65,780,878	73,164,925
	11.2. Expenses with other fees, taxes, and similar charges (acct. 635 + 6586)	33	6,448,076	5,637,687

	11.3. Environment protection expenditures (acct.652)	34	163,091	112.218
	11.4. . Expenses from revaluation of intangible assets (acct. 655)	35	18,225,079	
	11.5 Expenditure on calamities and other similar events (acct.6587	36		
	11.6. Other expenses (acct.651 + 6581 + 6582 + 6583 +6588)	37	8,703,656	8.430.646
	Expenditures with refinancing interests registered by entities removed from the General register which no longer has ongoing leasing contracts	38		
	Adjustments for provisions (rows 40-41)	39	-13,971,375	-12.468.166
	- Expenditure (acct. 6812)	40	12,935,192	2.481.225
	- Income (7812)	41	26,906,567	14.949.391
	OPERATING EXPENDITURE - TOTAL (row 17 to 20-21+22+25+28+31+39)	42	418.686.766	626,869,768
	-Profit (row 16-42)	43	56,601,149	0
	- Loss (row 42-16)	44	0	143,191,957
12	Income from shares in associated entities and controlled jointly entities (acct.7611+7612+7613)	45 46	727,618	453,242
13	Interest income (acct.766 *)	47	2,102,807	10,617,438
	- of which, the income affiliated entities	48		
14	Income from operating grants for interest due (acct. 7418)	49		
15	Other financial income (acct. 7615+762+764+765+767+768)	50	159,887	348,368
	-of which, income from other financial fixed assets (item 7615)	51		
	FINANCIAL INCOME – TOTAL (rows 45+47+49+50)	52	2,990,312	11,419,048
16	Value adjustments on financial assets and financial investments held as current assets (rows 54-55)	53		
	-Expenditures (acct.686)	54		
	-Income (acct.786)	55		
17	Interest Expenses (acct.666 *)	56		
	- of which, the expenses in relation to the entities in the group	57		
18	Other financial expenses (acct.663 + 664 + 665 + 667 + 668)	58	855,875	566,713
	FINANCIAL EXPENDITURE - TOTAL (rows 53+56+58)	59	855,875	566,713
	PROFIT OR FINANCIAL LOSS:			
	- Profit (row 61 - 70)	60	2,134,437	10,852,335
	- Loss (rows 70- 61)	61	0	0
	TOTAL INCOME (rows 16+52)	62	478.278.227	495,096,859
	TOTAL EXPENDITURE (rows 42+59)	63	419.542.641	627,436,481
19	GROSS PROFIT OR LOSS:			
	- Profit (row 60-63)	64	58,735,586	0
	- Loss (rows 63-62)	65	0	132,339,622
20	Income tax (acc, 691)	66	9,277,460	10,989,496
21	Tax-specific activities (acct, 695)	67		
21	Other taxes not shown at the above items (acct,698)	68		
22	- Profit (rows 64-65-66-67-68)	69	49,458,126	0
	- Loss (rows 65+66+67+68-64)	70	0	143,329,118

*) Accounts to be distributed according to the nature of the respective elements.

Line 23 (cf. OMF no. 58/2021) also includes the rights of collaborators, established according to the labour legislation, which are taken from the debit turnover of account 621 "Expenses with collaborators", analytically "Individual collaborators".

DIRECTOR
Federico PANONE

PREPARED BY
Maurizio RASTELLI
As Financial Manager

INFORMATIVE DATA

On 31.12.2018

- Ron -

1. Data regarding registered result		Row MFO 10/03 .01.19	Row	No. of units	Amounts	
A		B		1	2	
Units with profit		01	01	1	143,329,118	
Units with losses		02	02			
Units with no profit and no losses		03	03			
II Data regarding due payments		Row		Total, out of which:	For current activity	For investment activity
A		B		1=2+3	2	3
Due payments-total (row 05 +09 + 15 to 17+18)		04	04	28,349,810	22,091,194	6,258,616
Outstanding suppliers - total (row 06 to 08)		05	05	28,349,810	22,091,194	6,258,616
- over 30 days		06	06	6,265,114	5,525,025	740,089
- over 90 days		07	07	10,293,087	5,072,803	5,220,284
- over 1 year		08	08	11,791,609	11,493,366	298,243
Outstanding liabilities to social security - total (row 10 to 14)		09	09			
- contributions to state social insurance paid by employers, employees and other assimilated persons		10	10			
- Contributions to social security health fund		11	11			
- Contribution to supplementary pension		12	12			
- Contributions for unemployment		13	13			
- Other social debts		14	14			
Outstanding liabilities to special funds and other funds		15	15			
Outstanding obligations to other creditors		16	16			
Taxes not paid on time to the state budget		17	17			
- Contribution for work		18	17a			
Taxes not paid to on time to local budgets		19	18			
III. Average number of employees		Row		30.12.2019		30.12.2020
A		B		1	2	
Average number of employees		20	19	622	605	
The actual number of existing employees at the end of financial exercise, December 31		21	20	605	596	

		Row	Amounts (RON)	
A		B	1	
Royalties paid during the reporting period, grants received and due receivables	22	21		
- royalties for the public goods paid from the state budget	23	22		
Mining royalties paid to the state budget	24	23		
Oil royalties paid to the state budget	25	24		
Rent paid during the reporting period for lands 1)	26	25		8,931
Gross income from paid services by non-residents, including:	27	26		2,827,049
- income tax to the state	28	27		
Gross income from paid services by non-residents in Member States of the European Union, including:	29	28		2,827,049
- income tax to the state	30	29		
Subsidies received during the reporting period, including:	31	30		
subsidies received during the reporting period related to assets	32	31		
subsidies related to income, of which:	33	32		
Outstanding claims that have not been received within the time limits provided in commercial contracts and / or legislation in force, including:	35	34		49,739,669
outstanding receivables from entities in the majority or wholly state-owned	36	35		
outstanding claims from private sector entities	37	36		
V. Meal vouchers to employees				
The value of meal vouchers to employees	38	37		49,739,669
The equivalent value of the vouchers granted to other categories of beneficiaries, other than employees	39	37 a		
		Row	30.12.2017	30.12.2018
VI. Costs incurred for research – development activity***)				
A		B	1	2
Costs incurred for research - development, including:	40	38		
- After the financing source (row 40+41)	41	39	0	0
- from public funds	42	40		
- from private funds	43	41		
- After the nature of expenses (row 43+44)	44	42	0	0
- Current expenses	45	43		
- Capital expenses	46	44		
VII. Innovation costs ***)			30.12.2017	30.12.2018
Innovation costs	47	45		
VIII. Other Information			30.12.2017	30.12.2018
Advance payments for intangible assets (acct. 4094)	48	46		
- advances granted to non-resident non-affiliated entities for intangible assets (from ct. 4094)	49	46 a		
- advances granted to non-resident affiliated entities for intangible assets (from ct. 4094)	50	46b		
Advance payments for tangible assets (acct. 4093) of which	51	47	21,500	21,000
- advances granted to non-resident non-affiliated entities for tangible fixed assets (from ct. 4093)	52	47 a		

- advances granted to non-resident affiliated entities for tangible fixed assets (from ct. 4093)	53	47b		
Financial assets, in gross amounts (row 49+54)	54	48	16,534,104	16,538,904
Shares in affiliated subsidiaries, equity, other investments and bonds as gross amounts (row 50+51+52+53)	55	49	16,529,767	16,529,767
- non-quoted shares issued by residents	56	50	16,500,000	16,500,000
- shares issued by residents	57	51	29,767	29,767
- shares and social parts issued by non-residents	58	52		
- Holdings of at least 10%	59	52a		
- bonds issued by non-residents	60	53		
Receivables, as gross amounts (row 55+56)	61	54	4,337	9,137
- receivables in RON and expressed in RON, whose settlement is made on the rate of a currency (of acct. 267)	62	55	4,337	9,137
- foreign currency receivables (from acct. 267)	63	56		
Trade receivables, advances to suppliers and other similar accounts, as gross amounts (acct. 4091+4092 + 411 +413 + 418), including:	64	57	105,002,076	119,597,774
- trade receivables in relation to non-resident non-affiliated entities, advances for purchases of goods in the nature of stocks and for services provided to non-resident non-affiliated suppliers and other similar accounts, in gross amounts in relation to non-resident non-affiliates (from acct. 4091 + from acct. 4092 + from acct 411 + from acct 413 + from acct 418)	65	58		
- trade receivables in relation to non-resident affiliates, advances for purchases of goods of the nature of stocks and for the provision of services granted to non-resident affiliated suppliers and other assimilated accounts, in gross amounts in relation to non-resident affiliates (from acct. 4091 + from acct. 4092 + from acct. 411 + from acct.413 + from acct.418)	66	58a	266,037	341,161
Uncollected trade receivables in arrears (from acct. 4092 + from acct. 411 + from acct. 413)	67	59	51,991,193	37,019,734
Claims in relation to staff and similar accounts (acct. 425 + 4282)	68	60	19,362	36,714
Claims in relation to social security and state budget (acct. 431 + 437 + 4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482), (row 62 to 66)	69	61		271,323
- claims in relation to social security budget (acct.431 +437+4382)	70	62		271,323
- tax claims in connection to State budget (acct. 436+441 +4424+4428+444+446)	71	63		
- grants receivable (acct.447)	72	64		
- special funds - taxes and similar payments (acct.447)	73	65		
- other claims in connection to state budget (acct.4482)	74	66		
Claims of the entity in relationships with affiliated entities (acct.451)	75	67		
- receivables from non-resident affiliates (from acct. 451)	76	68		
- trade receivables from non-resident affiliates (from acct. 451), of which:	77	69		
-Claims in relation to social security and uncollected state budget on set deadline (from acct. 431 + from acct. 437 + from acct. 4382 + from acct. 441 + from acct. 4424 + from acct. 4428 + from acct. 444 + from acct. 445 + from acct. 446 + from acct. 447 + from acct. 4482)	78	70		
Other claims (acct. 453 + 456 + 4582 + 461 + 471 + 473), (row 72 to 74)	79	71	12,086,319	14,963,065
- Settlements on participating interests, settlement with shareholders / associates regarding capital, settlement on venture operations (acct.453+456+4582)	80	72		
- other receivables related to natural and legal persons other than claims in connection with public / state institutions) (from acct. 461 + from acct. 471 + from acct.473)	81	73	12,078,200	14,953,771
- amounts taken from account 542, representing cash advances granted by law and not settled until June 30 (from acct. 461)	82	74	8,119	9,294
Interest receivable (acct. 5187) , including:	83	75	999,793	2,492,136

- from non residents	84	76	999,793	
The loans granted to economic operators *****)	85	77		
Short-term investments as gross amounts (acct. 501 + 505 + 506 + from acct.508) (row 79 to 82)	86	78		
- non-quoted shares issued by residents	87	79		
- shares issued by residents	88	80		
- shares issued by non-residents	89	81		
- bonds issued by non-residents	90	82		
Other amounts receivable (acct. 5113 + 5114)	91	83		
Cash in RON and foreign currency (row 85+86)	92	84		
-in RON (acct.5311)	93	85		
-in foreign currency (acct.5314)	94	86		
Current accounts with banks in domestic and foreign currency (row 88+90)	95	87	621,274,262	619,654,470
-in RON (acct. 5121), of which:	96	88	621,267,289	619,645,730
- Current RON accounts with nonresident banks	97	89		
-in foreign currency (acct. 5124), of which:	98	90	6,973	8,740
- Current accounts at nonresident banks in foreign currency	99	91		
Other accounts in bank and credentials (row 93+94)	100	92		98,077
- amounts to be settled, letters and other receivable amounts in RON (acct. 5112 + 5125 + 5411)	101	93		98,077
- amounts under settlement and letters of credit and in foreign currency (from acct. 5125 + 5412)	102	94		
Liabilities (row 96 + 99+102+103 + 106 + 108+110+111 + 116 + 119+122 + 128)	103	95	593,701,382	637,979,853
Short-term external bank loans (loans received from non-resident financial institutions for which the duration of the credit agreement is less than 1 year) from acct. 519), (row 97 + 98)	104	96		
- in RON	105	97		
-in foreign currency	106	98		
Long-term external bank loans (loans received from non-resident financial institutions for which the duration of the credit agreement is longer than or equal to 1 year (from acct. 162), (row 100 + 101)	107	99		
- in RON	108	100		
-in foreign currency	109	101		
Loans from the state treasury and related interest (acct. 1626 + acct. 1682)	110	102		
Other loans and related interest (acct. 166+ 167 + 1685 + 1686 + 1687) (row 104+105)	111	103		
- in RON and expressed in RON, whose settlement is made on the rate of a currency	112	104		
- in foreign currency	112	105		
Other loans and similar liabilities (ct. 167), of which:	114	106	652,506	341,789
-the value of the concessions received (from ct. 167)	115	107		
Trade payables, advances received from customers and other similar accounts, in gross amounts (acct. 401 + 403 + 404 + 405 + 408 + 419), of which:	116	108	168,658,360	201,893,443
- trade payables in relation to non-resident non-affiliated entities, advances received from non-resident non-affiliated customers and other assimilated accounts, in gross amounts in relation to non-resident non-affiliates (from ct. 401 + from ct. 403 + from ct. 404 + from ct. 405 + from acct 408 + from acct 419)	117	109	47,176,334	12,701,237
- trade payables in relation to non-resident affiliates, advances received from non-resident affiliates and other similar accounts, in gross amounts in relation to non-resident affiliates (from ct. 401 + from ct. 403 + from ct. 404 + from ct. 405 + from ct. 408 + from ct. 419)	118	109a		45,488,190
Liabilities related to personnel and similar accounts (acct. 421 + 423 + 424 + 426 + 427 + 4281)	119	110	1,864,777	1,889,863
Debts related to the social insurance budget and the State budget (ct. 431 + 436 + 437+ 4381 +441 +4423 + 4428 + 444 + 446 + 447 + 4481) (lines 112 to 115)	120	111	10,421,014	9,402,935
-liabilities related to the social insurance budget (acct.431 + 437 + 4381)	121	112	1,867,388	2,052,627

- fiscal liabilities in connection with the state budget (ct.436 + 441 + 4423 + 4428 + 444 + 446)	122	113	8,147,325	6,917,206		
-special funds - taxes and similar payments (acct.447)	123	114	406,301	433,102		
- other liabilities in connection to State budget (acct.4481)	124	115				
Liabilities in relationships with affiliated entities (acct.451)	125	116				
- debts with non-resident affiliated entities 2) (from ct. 451), of which:	126	117				
- with an initial maturity of more than one year	127	118				
- trade payables with non-resident affiliates regardless of maturity (from ct. 451)	128	118a				
Amounts due to shareholders / associates (acct.455)	129	119				
- amounts due to shareholders / associates natural entities	130	120				
- amounts due to shareholders / associates legal entities	131	121				
Other liabilities (acct. 453 + 456 + 457 + 4581 + 462 + 472 + 473 + 478 + 269 + 509) row (158 to 162)	132	122	412,104,725	424,451,823		
- settlements of participation interest, settlements with shareholders / associates capital, venture settlement operations (acct.453+456+457+4581)	133	123				
- other liabilities in connection with natural and legal persons other than liabilities in connection with public institutions (public institutions) i) (from acct. 462+from acct. 472+from acct. 473)	134	124	2,978,227	3,424,672		
- subsidies which were not resumed (from acct. 472)	135	125				
- payments to be made for financial fixed assets and short-term investments (ct.269 + 509)	136	126				
- advance income related to assets received by transfer from customers (ct. 478)	137	127	409,126,498	421,027,151		
Interests to be paid (acct. 5186)	138	128				
To non-residents	139	128a				
The loans received from operators *****)	140	129				
Subscribed capital (acct. 1012), of which:	141	130	280,285,560	280,285,560		
- listed shares 4)	142	131				
-non listed shares 5)	143	132	280,285,560	280,285,560		
- social parts	144	133				
- Capital subscribed and paid by non-residents (from acct. 1012)	145	134				
Patents and licenses (from acct. 205)	146	135				
IX. Information on collaborators' expenses			31.12.2017	31.12.2018		
Information on collaborators expenses (acct. 621)	147	136	92,400	115,052		
X. Information on assets in the public domain			31.12.2017	31.12.2018		
The value of goods in the public domain under management	148	137				
The value of goods in the public domain in concession	149	138				
The value of goods in the public domain leased	150	139				
XI. Information regarding the goods from the private property of the state subject to inventory cf. OMFP no. 668/2014			31.12.2017	31.12.2018		
Net accounting value of goods 6)	151	140				
XII. Paid-in share capital			Amount (RON)	% 7)	Amount (RON)	% 7)
A		B	Col.1	Col.2	Col.3	Col.4
Paid-in share capital (ct. 1012) 7 /, (row 142 + 145 + 149 + 150 + 151 + 152)	152	141	280,285,560	X	280,285,56	X
-owned by public institutions, (rd. 143 + 144)	153	142				
- owned by public institutions of central subordination	154	143				
- owned by public institutions of local subordination	155	144				
- owned by state-owned companies, of which:	156	145	69,800,240	24.90	69,800,240	24.90
- with full state capital	157	146	69,800,240	24.90	69,800,240	24.90
- with majority state capital	158	147				
- with state minority capital	159	148				
- owned by autonomous companies	160	149				
- owned by companies with private capital	161	150	210,485,320	75.10	210,485,320	75.10
- owned by natural persons	162	151				
- owned by other entities	163	152				

A		B	2018	2019
XIII. Dividends / payments due to the state or local budget, to be distributed from the profit of the financial year by national companies, national companies, companies and autonomous regies, of which:	164	153		
- to central public institutions;	165	154		
- to local public institutions;	166	155		
- to other shareholders in which the state / territorial administrative units / public institutions directly / indirectly hold shares or participations! regardless of their share.	167	156		
XIV. Dividends / payments due to the state or local budget and transferred during the reporting period from the carried forward profit of national companies, national companies, companies and autonomous utilities, of which:	168	157	2017	2018
- dividends / payments from the profit of the previous financial year, from which transfers:	169	158		
- to central public institutions	170	159		
- to local public institutions	171	160		
- to other shareholders in which the state / territorial administrative units / public institutions directly / indirectly hold shares or participations regardless of their share.	172	161		
- dividends / payments from the profit of the financial years prior to the previous year, of which transferred:	173	162		
- to central public institutions	174	163		
- to local public institutions	175	164		
- to other shareholders in which the state / territorial administrative units / public institutions directly / indirectly hold shares or participations regardless of their share	176	165		
XVI. Interim dividend distributions according to Law no. 163/2018			2017	2018
- interim dividends distributed	177	165a		
XVII. Receivables taken over by assignment from legal entities *****)			2017	2018
Receivables taken over by assignment from legal entities (at nominal value), of which:	178	166		
- receivables taken over by assignment from affiliated legal entities	179	167		
Receivables taken over by assignment from legal entities (at acquisition cost), of which:	180	168		
- receivables taken over by assignment from affiliated legal entities	181	169		
XVIII. Income from agricultural activities*****)	182	170		

Director
Federico Panone

Prepared by
Maurizio Rastelli
Financial manager

*) Subsidies for stimulating employment (transfers from the state budget to the employer) - represent the amounts granted to employers to pay graduates of educational institutions, stimulating the unemployed who are employed before the expiration of the unemployment period, stimulating employers who are employed for an indefinite period unemployed persons over 45 years of age, unemployed single family members or unemployed persons who within 3 years from the date of employment meet the conditions to request a partial early retirement pension or to grant an old-age pension or for other situations provided by the legislation in force on the unemployment insurance system and the stimulation of employment.

**) It will be completed with the expenses incurred for the research-development activity, respectively the fundamental research, the applicative research, the technological development, and the innovation, established according to the provisions of the Government Ordinance no. 57/2002 on scientific research and technological development, approved with amendments and completions by Law no. 324/2003, with subsequent amendments and completions. Expenditure will be completed in accordance with Implementing Regulation (EU) no. 995/2012 of the Commission of 26 October 2012 establishing the rules for the implementation of Decision no. 1.608 / 2003 / EC of the European Parliament and of the Council on the production and development of Community statistics in the field of science and technology, published in the Official Journal of the European Union, L series, no. 299 / 27.10.2012.

***) To be completed with the expenses incurred for the innovation activity according to the Implementing Regulation (EU) no. 995/2012 of the Commission of 26 October 2012 establishing the rules for the implementation of Decision no. 1.608 / 2003 / EC of the European Parliament and of the Council on the production and development of Community statistics in the field of science and technology, published in the Official Journal of the European Union, L series, no. 299 / 27.10.2012.

****) The category of economic operators does not include the entities regulated and supervised by the National Bank of Romania, respectively the Financial Supervision Authority, the reclassified companies in the public administration sector and the non-profit institutions in the service of households.

*****) For the receivables taken over by assignment from legal entities, both their nominal value and their acquisition cost will be completed.

For the status of 'affiliated legal entities', the provisions of art. 7 pt. 26 lit. c) and d) of Law no. 227/2015 on the Fiscal Code, with subsequent amendments and completions.

*****) according to art. 11 of the Delegated Regulation (EU) no. 639/2014 of the Commission of 11 March 2014 supplementing Regulation (EU) no. Regulation (EC) No 1307/2013 of the European Parliament and of the Council laying down rules on direct payments to farmers under support schemes under the common agricultural policy and amending Annex X to that Regulation, (1) ...income from agricultural activities is income obtained by a farmer from his agricultural activity within the meaning of Article 4 (1) (c) of that Regulation (R (EU) 1307/2013), on his holding, including Union support from the European Agricultural Fund. Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD), as well as any national aid granted for agricultural activities, with the exception of complementary national direct payments Pursuant to Articles 18 and 19 of Regulation (EU) No 1095/2010. 1307/2013.

Revenue from the processing of agricultural products within the meaning of Article 4 (1) (d) of Regulation (EU) No 182/2011 1307/2013 of the holding are considered as income from agricultural activities provided that the processed products remain the property of the farmer and that such processing results in another agricultural product within the meaning of Article 4 (1) (d) of Regulation (EU)) no. 1307/2013.

Any other income is considered income from non-agricultural activities.

2. For the purposes of paragraph 1, 'revenue' means gross revenue, before deduction of related costs and taxes.

1) Rents paid for occupied land (agricultural crops, pastures, hayfields, etc.) and related to commercial spaces (terraces, etc.) belonging to private owners or public administration units will be included, including rents for the use of water lustre for recreational purposes or for other purposes (fishing, etc.).

2) The value entered in the row 'debts with non-resident affiliated entities (from ct.451), of which: It is NOT calculated by summing the values from the rows "with an initial maturity of more than one year" and "trade payables with non-resident affiliated entities regardless of maturity (from ct.451)".

3) In the category 'Other debts in connection with natural persons and legal persons, other than debts in connection with public institutions (state institutions), the subsidies related to the existing incomes in the balance of account 472 will not be included.

4) Securities that confer property rights over companies, which are negotiable and tradable, according to the law.

5) Securities that confer property rights on companies that are not traded.

6) It will be completed by the economic operators affected by the provisions of the Order of the Minister of Public Finance and of the Minister Delegate for Budget no. 668/2014 for the approval of the Specifications regarding the elaboration and updating of the centralized inventory of the real estate privately owned by the state and of the real rights subject to the inventory, with the subsequent modifications and completions.

7) In the section 'XII Spilled share capital' at row 153-163 in col. 2 et al. 4 entities will enter the percentage corresponding to the share capital held in the total paid-up share capital registered at row 152.

8) This line includes the dividends distributed according to Law no. 163/2018 for the amendment and completion of the Accounting Law no. 82/1991, amending and supplementing the Companies Law no. 31/1990, as well as the amendment of Law no. 1/2005 on the organization and functioning of the cooperation. Dividends presented in row 164 are not reported.

STATUS OF FIXED ASSETS

As of 31.12.2018

- RON -

Items of fixed assets	Row	Gross values				
		Initial balance	Increase	Decrease		Final balance (col.5=1+2-3)
				Total	Of which: discharging and scrapping	
A	B	1	2	3	4	5
1. Intangible assets						
Establishment expenses and development expenses	01				X	
Other fixed assets	02	67,962,466	4,239,837		X	72,202,303
Advance payments for intangible assets	03				X	
Intangible assets for exploration and evaluation of mineral	04				X	
TOTAL (row 01 to 04)	05	67,962,466	4,239,837		X	72,202,303
II. Tangible assets						
Lands	06	12,990,553			X	12,990,553
Buildings	07	1,046,897,957	93,562,754	832,619	17,073	1,139,628,092
Technical installations and	08	518,826,628	65,430,422	1,105,695	916,360	583,151,355
Other installations, machinery and furniture	09	3,268,337				3,268,337
Real estate investments	10					
Tangible assets for exploration and evaluation of mineral	11					
Productive biological assets	12					
Tangible fixed assets in progress	13	59,809,686	25,737,647			85,547,333
Real estate investments in progress	14					
Advances granted for tangible fixed assets	15					
TOTAL (row 06 to 15)	16	1,641,793,161	184,730,823	1,938,314	933,433	1,824,585,670
III. Financial assets	17	16,529,767			X	16,529,767
FIXED ASSETS – TOTAL (row 05+16+17)	18	1,726,285,394	188,970,660	1,938,314	933,433	1,913,317,740

SITUATION OF FIXED ASSETS					
Items of fixed assets	Row	Initial balance	Depreciation during the year	Depreciation related to fixed assets removed from the record	Depreciation at the end of the year (col.9=6+7-8)
A	B	6	7	8	9
1. Intangible assets					
Establishment expenses and development expenses	19				
Other fixed assets	20	44,627,698	7,055,419		51,683,117
Intangible assets for exploration and evaluation of mineral resources	21				
TOTAL (row 19+20+21)	22	44,627,698	7,055,419		51,683,117
II. Tangible fixed assets					
Lands	23				
Buildings	24		84,486,475	6,446	84,480,029
Technical installations and machines	25		68,280,940	247,325	68,033,615
Other machinery and furniture installations	26		382,681		382,681
Real estate investments	27				
Tangible assets for exploration and evaluation of mineral	28				
Productive biological assets	29				
TOTAL (row 23 to 29)	30		153,150,096	253,771	152,896,325
DEPRECIATIONS - TOTAL (row22 +30)	31	44,627,698	160,205,515	253,771	204,579,442

FIXED ASSETS' STATEMENT OF DEPRECIATION					
Items of fixed assets	Row	Initial balance	Adjustments made during the year	Adjustment resumed in revenue	Final balance (col. 13=10+11-12)
A	B	10	11	12	13
1. Intangible assets					
Establishment expenses and development expenses	32				
Other fixed assets	33		15,192		15,192
Intangible assets for exploration and evaluation of mineral resources	34				
TOTAL (row 32 to 34)	35		15,192		15,192
Tangible assets					
Lands	36				
Buildings	37		171,799,715		171,799,715
Technical installations and machines	38		2,934,125		2,934,125
Other installations, machinery and equipment	39				
Real estate investments	40				
Tangible assets for exploration and evaluation of mineral resources	41				
Productive biological assets	42				
Tangible fixed assets in progress	43	561,785	24,115	62,411	523,489
Real estate investments in progress	44				
TOTAL (row 36 to 44)	45	561,785	174,757,955	62,411	175,257,329
III. Financial assets					
DEPRECIATION ADJUSTMENTS - TOTAL (row .35+45+46)	47	561,785	174,773,147	62,411	175,272,521

Director
Federico Panone

Prepared by
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Note: According to the provisions of pet. 1.11 paragraph 4 of Annex no. 1 to OMF no.58 / 14.01.2021, in order to submit the annual financial statements for the financial year 2020 on paper and in electronic format or only in electronic form, signed with a qualified digital certificate, the zip file will also contain the first page of the annual financial statements listed with the help of the assistance program elaborated by the Ministry of Public Finance, signed and scanned in black and white, legible".

Provisions regarding the obligations of economic operators regarding the preparation of annual reports provided by the accounting law

A. preparation of annual reports

1. Annual financial statements, according to art. 28 para. (1) of the accounting law:

- submission deadline -150 days from the end of the financial year;

2. Annual accounting reports, according to art. 37 of the accounting law:

- submission deadline -150 days from the end of the financial year, respectively of the calendar year

• entities that submit annual accounting reports:

- the entities that apply the Accounting Regulations comply with the International Financial Reporting Standards, approved by OMFP no. 2,844 / 2016, with subsequent amendments and completions;
- entities that have opted for a financial year other than the calendar year;
- the subunits opened in Romania by companies resident in states belonging to the European Economic Area
- legal entities under liquidation, according to the law - within 90 days from the end of the calendar year.

They submit annual financial statements and annual accounting reports:

- entities that apply the Accounting Regulations comply with the International Financial Reporting Standards, approved by OMFP no. 2,844 / 2016, with subsequent amendments and completions; and
- entities that have opted for a financial year other than the calendar year.

3. Declaration of inactivity, according to art. 36 para. (2) of the accounting law, submitted by the entities that did not carry out activity from settlement until the end of the financial reporting year:

- submission deadline - 60 days from the end of the financial year

B. Correction of errors included in the annual financial statements and annual accounting reports - can be performed only under the conditions of the Procedure for correction of errors contained in the annual financial statements and annual accounting reports submitted by economic operators and non-profit legal entities, approved by OMFP no. 450/2016, with subsequent amendments and completions.

Accounting errors, as defined by the applicable accounting regulations, shall be corrected in accordance with those regulations. As a result, in case of their correction, no other set of corrected annual financial statements / annual accounting reports can be submitted.

C. The reporting method in case of returning to the calendar year, after choosing a financial year different from the calendar year, according to art. 27 of the accounting law

Whenever the entity chooses a financial year different from the calendar year, the provisions of art. VI para. (1) - (6) of OMFP no. 4,160 / 2015 regarding the modification and completion of some accounting regulations.

In case of return to the calendar year, the accounting law does not provide for the submission of any notification in this regard.

According to the provisions of art. VI para. (7) of the said order, if the entity changes its chosen date for the preparation of annual financial statements so that the reporting year becomes the calendar year, the balance sheets reported starting with the next financial year ¹⁾ refer to January 1, respectively December 31, and the turnovers of the income and expenditure accounts correspond to the current financial year ²⁾, respectively to the financial year preceding the reporting year.

For example, if a company that had a fiscal year other than the calendar year chooses to return to the calendar year beginning January 1, 2021, it prepares accounting reports as follows:

- for December 31, 2020 - annual accounting reports;
- for December 31, 2021 - annual financial statements.

D. The accounting of the amounts received from the shareholders / associates - is performed in the account 455 ³⁾. Amounts due to the shareholders / associates "

If the loans are received from affiliated entities, their equivalent value is recorded in account 451 "Settlements between affiliated entities".

¹⁾ This refers to the first financial year for which the annual financial statements are restated at the level of a calendar year.

²⁾ This is the first financial year that becomes a calendar year again.

Thus, according to the example presented above, the balance sheets included in the annual financial statements concluded on 31 December 2021 refer to 1 January 2021 and 31 December 2021, respectively, and the turnovers of the income and expenditure accounts correspond to the current financial year (2021), respectively for the financial year preceding the reporting year (2020).

³⁾ See, in this sense, the provisions of point 349 of the accounting regulations, according to which the amounts deposited or temporarily left by the shareholders / associates at the disposal of the entity, as well as the related interests, calculated under the law, are recorded in the accounting in separate accounts (account 4551 "Shareholders / associates - current accounts", respectively account 4558 "Shareholders / associates - interest on current accounts").