

E- Distribuție Dobrogea SA

Report of the Directors

For the Financial Exercise Ended on December 31, 2019

April 2020

1. General considerations

In 2019, the Company achieved a turnover of 451,278,659 (2018: 445,347,691), of which revenues from the distribution of active electricity and reactive energy 415,758,355 (2018: 405,610,067).

The company distributed electricity to 0.657 million consumers in the current year (2018: 0.648 million consumers), the total amount of electricity distributed to final consumers being 3,713,163 MWh (2018: 3,697,559).

The average price of electricity distributed for the whole 2019 year was 107,3 / Mwh (2018: 105,1).

During 2019, the Company distributed 3,358,205 Mwh (2018: 3,172,048) to eligible consumers at an average rate of 100,5 / Mwh (2018: 93,9) and 354,958 Mwh (2018: 525,510) to captive consumers at an average rate of 171,5 / Mwh (2018: 173.0).

2. The structure of the share capital

On 31.12.2020, 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, 2019 is as follows:

- a) Enel SpA, holding 14,295,405 shares, with a par nominal value of RON 10 each, representing 51.0030% of the share capital;
- b) 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 2019 financial year.

As of December 31, 2019, the Company holds 50% of the share capital of Enel Servicii Comune, with a value of 16,500,000 (December 31, 2018: 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 2019 and projects for 2020

During 2019, the Company met its main objectives:

The most important achievements of the Company in 2019 were as follows:

- The modernization / equipment replacement works in 5 transformer stations (Abator, Depozite, Tulcea, Slobozia Nord, Ecluza Ovidiu, Palas Sud);
- Replacement of HV/MV transformer in Baba Novac;
- Installation of 393 spacer pieces on two high voltage power lines;
- Modernization / installation of 53 substations;
- Modernization / construction of about 36 km of medium voltage underground power lines;
- Modernization / construction of about 36 km of medium voltage aerial power lines;
- Modernization / construction works of 160 km of low voltage power lines;
- MV / LV transformer replacement / installation works (131 pcs) in 121 transformer stations;
- Installation of 49 remote-controlled air separators and 31 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 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;
- Development of new functionalities for current computer systems (ExaBeat / StarBeat / ForceBeat);
- New website development;
- Continuation of the implementation of the project for the installation of intelligent measurement systems, being installed approximately 45,500 smart meters;
- Installation work of MV balance measuring groups in 31 transformer stations.

In 2020, the Company intends to carry out the following investment projects:

- Replacement works of low voltage electrical networks and removal of meters at the property 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;

In 2019, negotiations took place regarding the renewal of the Collective Labor Agreement, which was signed on July 1, 2019.

6. Environmental issues

During 2019, 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 868,464 (2018: 1,199,124).

Mainly, the expenditures were for:

- Collection, transport and disposal of urban and assimilated waste (sanitation) in the amount of 59,723;
- Wastewater collection and transport, stormwater drainage, sewerage network (canal, meteoric water) in the amount of 51,392;
- 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 26,864;
- Prevention of soil, subsoil and water pollution in value of 255,492:
 - a. collection, transport and disposal of wastewater-oil emulsions, sludge and maintenance of hydrocarbon separators of temporary storage platforms in the amount of 15,293;
 - b. analysis of mineral oil samples from EDD transformers in the amount of 8,400;
 - c. construction / refurbishing of retention tanks from transformer stations: TS Depozite: 1 pc., TS Slobozia Nord: 1 pc., TS Tulcea City: 2 pc., TS SNC Tulcea: 1 pc., in the amount of 227,919;
 - d. wastewater laboratory analyzes in the amount of 3,880;
- Purchases of materials for environmental protection and equipment for monitoring environmental factors in the amount of 50,325;
 - a. analyzer calibration in the amount of 1,194;
 - b. purchase of a biodegradable absorbent products in the amount of 49,130;
- Expenditures for the protection of biodiversity by installing electrical insulating sheaths to avoid electrocution of birds in the amount of 73,145;
- Internal training on environmental protection in the amount of 96,495;
- Expenses with the personnel dedicated to the environmental protection activity in the amount of 246,239;
- ISO 14001 SRAC audit expenses in the amount of 8,790.

7. Risk management

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

- a. Identifying and monitoring the major categories of potential and existing risks, financial, of credit and counterparty, as well as the existing products within the company and providing support in order to reduce them;
- b. Implementation and use of risk assessment and monitoring models, defined at the level of the Enel Group, in order to assess and monitor risks at company's level, in compliance with local regulations, where applicable;
- c. Identification and implementation of periodic reporting methods (monthly and quarterly) regarding the company's activity to monitor the existing risks;
- d. Monthly reporting on the situation of receivables and top debtors, in order to anticipate credit risk and provide support to reduce risk;
- e. Monitoring the financial risk and the exposure to financial institutions (commercial money) and the use of financial instruments to cover the risk on the foreign exchange market;
- f. Support activity in order to improve the quality of the portfolio by calculating the OPCOM counterparty risk indicators;
- g. Monitoring and monthly reporting the situation of active guarantees and active insurance policies;
- h. Assessment of compliance with regulations in force at the local level and implementation of risk monitoring systems, by defining and implementing procedures where necessary.

8. Non-financial statement

In accordance with the legal requirements for the presentation of non-financial information, the Company prepares and publishes a separate report on sustainability, corresponding to the same financial year, which contains the information required for the non-financial statement, and which describes the Company's sustainability initiatives. This report will be made available to the public on the Company's website (<https://www.enel.ro>) within a legal period, until June 30, 2021.

9. Financial information

9.1 Main elements of Balance sheet on 31 December 2019

	Balance at the beginning of the year	Balance at the end of the year
FIXED ASSETS		
I. INTANGIBLE ASSETS	20,503,994	17,327,363
II. TANGIBLE ASSETS	1,496,432,016	1,621,530,701
III. FINANCIAL ASSETS	16,529,767	16,529,767
FIXED ASSETS - TOTAL	1,533,465,777	1,655,387,831
CURRENT ASSETS		
I. INVENTORIES	1,668,250	441,559
II. RECEIVABLES	120,558,535	143,449,564
III. SHORT-TERM INVESTMENTS	-	-
IV. CASH AND BANK ACCOUNTS	619,752,547	562,009,253
CURRENT ASSETS - TOTAL	741,979,332	705,900,376
DEFERRED INCOME	1,079,401	571,814
DEBTS: AMOUNTS TO BE PAID WITHIN ONE YEAR	216,952,703	210,438,704
DEBTS: AMOUNTS TO BE PAID IN MORE THAN ONE YEAR		
PROVISIONS	26,837,099	35,223,610
DEFERRED INCOME	425,419,455	443,044,976
CAPITAL AND RESERVES		
CAPITAL		
I. CAPITAL	280,285,560	280,285,560
II. CAPITAL REWARDS	-	-
III. RESERVES	784,104,823	754,979,961
IV. PROFIT OR LOSS CARRIED OUT	686,253,988	554,614,836
V. PROFIT OR LOSS OF THE FINANCIAL YEAR	(143,329,118)	87,564,478
VI. DISTRIBUTION OF PROFIT	-	4,292,104
EQUITY - TOTAL	1,607,315,253	1,673,152,731

9.2 Main items Profit and loss account for the financial year ended December 31, 2019

Item	Financial year ended December 31, 2019	Financial year ended December 31, 2020
OPERATING INCOME	483,677,811	506,420,768
OPERATING EXPENSES	626,869,768	424,590,135
PROFIT OR LOSS FROM OPERATION	(143,191,957)	81,830,633
FINANCIAL REVENUE	11,419,048	9,831,476
FINANCIAL EXPENSES	566,713	2,006,497
FINANCIAL PROFIT OR LOSS	10,852,335	7,824,979
TOTAL INCOME	495,096,859	516,252,244
TOTAL EXPENSES	627,436,481	426,596,632
GROSS PROFIT OR LOSS	(132,339,622)	89,655,612
INCOME TAX	10,989,496	2,091,134
NET PROFIT OR LOSS OF THE FINANCIAL YEAR	(143,329,118)	87,564,478

9.3 Economic and financial indicators

	2018	2019
1 Liquidity indicators		
Current liquidity indicator	3.42	3.35
Immediate liquidity indicator	3.41	3.35
2 Activity indicators		
Rotation of inventories	9.37	8.87
Number of storage days	39	41
Turnover rate of debts -customer	91	108
Turnover rate of loans-suppliers	153	145
Turnover rate of fixed assets	0.29	0.27
Turnover rate of total assets	0.20	0.19
3 Profitability indicators		
Return on capital (%)	n/a	5.36%
Gross sales margin (%)	n/a	19.87%

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

The turnover rate of supplier loans has decreased due to the decrease in debt to suppliers.

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

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

The turnover rate of fixed assets decreased insignificantly due to the increase in turnover while fixed assets registered a slight increase. The turnover rate of total assets did not change significantly compared to the previous year.

10. Distribution of the profit related to the financial year ended on December 31, 2019

At the end of the financial year 2019, the Company registered a total net profit of 87,564,478.

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

11. Events subsequent to the balance sheet date

In 2020, 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.

On February 14, 2020, according to the decision of the Ordinary General Meeting of Shareholders, the distribution of dividends to the Company's shareholders in the total amount of 502,748,433 was approved, according to the quota in the share capital.

At the same time, it was decided that the payment of dividends should be in two installments:

- The first tranche in the amount of 402,198,746, representing 80% of the approved amount, paid on February 21, 2020;
- The second tranche in the amount of 100,549,687, representing 20% of the approved amount, will be paid in the second semester, but not later than August 15, 2020.

The Coronavirus Pandemic (COVID-19) represents a severe shock to the entire international economy. The measures imposed by the authorities to limit the spread of the virus have had the effect of closing factories, schools, banning events, as well as imposing restrictions on air, sea, and land traffic.

In the current context in which we find ourselves, namely the state of emergency and the restrictive measures imposed by the Romanian state authorities, as a result of the pandemic of corona virus (COVID-19), the Company's concern is the protection of employees and their families and good business conditions for our customers.

As a result, the management has applied the following measures:

- The introduction of the "telework" activity for all employees, whose attributions can be thus fulfilled, depending on the nature of each activity;
- Procedures and operational instructions;
- Procedures and instructions for continuing the activity;
- Creation of a working group related to COVID -19;
- Meetings of the National Crisis Committee on Prevention Measures;
- Internal information on the evolution of the crisis generated by COVID-19;
- Purchases of protective masks, disinfectants and dispensers;
- Business trips have been suspended - the necessary ones have been approved by the coordinator of the business or personal line.

With respect to the financial statements for the year ended December 31, 2019, the Company does not adjust the amounts recognized in its financial statements to reflect events subsequent to the balance sheet date as a result of the crisis caused by the corona virus (COVID - 19), as it gives information appeared after the balance sheet date.

Management has begun to monitor the situation and the economic and financial impact of the crisis caused by the corona virus (COVID -19) which cannot be accurately estimated.

The Company's management estimates that the main effects on the activity in 2020 generated by the corona virus crisis (COVID -19) will be related to:

- Reduction of energy volumes distributed as a result of consumption's decreasing;
- Volatility and uncertainty in the energy field that will generate a decrease in the price traded on NDM;
- Possible decrease in debt collection (no such impact has been identified until the date of signing the financial statements);

- Temporary reduction of investments during the state of emergency, both those from own funds and those from connections, for which a recovery is estimated immediately after the end of the state of emergency;
- The company has temporarily suspended non-essential activities involving direct contact with customers.

Considering all these aspects, the management concluded that there was no significant uncertainty about the Company's ability to continue its activity for the next 12 months.

Chairman of the Board of Directors:

Mr. Pignoloni Carlo Franco Emanuele

Financial manager:

Mr. Maurizio Rastelli

Directors

Ms. Mariyam Musrepova

Mr. Gino Celentano

Mr. Eduardo Marcenaro

Mrs. Valerica Drainiceanu

Mr. Tanase Grasu

Mr. Calin Andrei Metes

BALANCE SHEET					
As on 31.12.2019					
Name of issue		Row no.	Note No.	Current balance on	
				01.01.2019	31.12.2019
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	20,503,994	17,327,363
	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	20,503,994	17,327,363
	II. TANGIBLE ASSETS				
	1. Land and buildings (acct. 211 + 212 - 2811 - 2812 - 2912 - 2911)	08	08	896,338,902	1,003,701,387
	2. Technical and machinery installations (acct. 213 + 223 - 2813 - 2913)	09	09	512,183,614	507,440,976
	3. Other installations, machinery, and furniture (acct. 214 + 224 - 2814 - 2914)	10	10	2,885,656	3,117,405
	4. Real estate investment (acct.215-2815-2915)	11	11		
	5. Tangible assets in progress (acct. 235-2935)	12	12	85,002,844	107,262,433
	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	8,500
	TOTAL: (row 08 to 16)	17	17	1,496,432,016	1,621,530,701
	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)				
	FIXED ASSETS - TOTAL (row 06 + 16 + 17+ 24)	25	25	1,533,465,777	1,655,387,831
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	1,668,250	441,559
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	1,668,250	441,559
II. RECEIVABLES				
1. Commercial receivables (acct.2675+2676+2678+2679-2966-2968+4092+411+411+413+418-4902-491)	31	31	111,102,044	137,434,000
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	9,456,491	6,015,564
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	120,558,535	143,449,564
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	619,752,547	562,009,253
CURRENT ASSETS - TOTAL (rows 31 + 37 + 40 + 41)	42	41	741,979,332	705,900,376
C DEFERRED EXPENSES (acct.471 + 474) (rows 44 + 45)	43	42	1,079,401	571,814
Amounts to be repaid within a period of up to one year (out of acct 471)	44	43	1,079,401	571,814
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	41,087,675	53,088,778
4. Trade payables - suppliers (acct. 401 + 404 + 408)	49	48	160,805,768	141,809,417
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	15,059,260	15,540,509

	TOTAL (row 46 to 53)	54	53	216,952,703	210,438,704
E	NET CURRENT ACCOUNTS / NET CURRENT LIABILITIES (rows 42 + 44- 56- 741-74- 77)	55	54	502,793,250	461,024,344
F	TOTAL ASSETS MINUS CURRENT LIABILITIES (rows 25 + 45 +57)	56	55	2,036,259,027	2,116,412,175
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	21,828,833	26,222,554
	2.Provisions for taxes (1516)	67	66		
	3. Other provisions (1511 + 1512 + 1513 + 1514 + 1518)	68	67	5,008,266	9,001,056
	TOTAL PROVISIONS (rows 66+67+68)	69	68	26,837,099	35,223,610
I					
	1. Investment grants (acct. 475) (row 71+72)	70	69	4,392,304	4,160,230
	Amounts to be repaid within a period of up to one year (out of acct.475 *)	71	70	265,028	243,854
	Amounts to be repaid over a period longer than one year (out of acct.475 *)	72	71	4,127,276	3,916,376
	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	421,027,151	438,884,746
	Amounts to be repaid within a period of up to one year (out of acct.478 *)	77	76	23,047,752	34,765,288
	Amounts to be repaid over a period longer than one year (out of acct. 478 *)	78	77	397,979,399	404,119,458
	Negative goodwill (acct.2075)	79	78		
	TOTAL (rows 70+73+76+79)	80	79	425,419,455	443,044,976
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	651,428,628	618,011,661
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	80,911,189
TOTAL (row 89 to 91)		92	91	132,676,195	136,968,300
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	686,253,988	554.614.836
	Balance D	97	96	0	0
VII. PROFIT OR LOSS OF THE EXERCISE (acct.121)	Balance C	98	97	0	87.564.478
	Balance D	99	98	143,329,118	
The distribution of profit (acct. 129)		100	99		4,292,104
OWN EQUITY – TOTAL (rows 85+86+87+91-92+93-94+95-96 +97-98-99)		101	100	1,607,315,253	1,673,152,731
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	1,607,315,253	1,673,152,731

*) 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
Gino CELENTANO

PREPARED BY
Maurizio RASTELLI
As Financial Manager

PROFIT AND LOSS ACCOUNT					F-20
AS ON 31.20.2019					RON
Name of issue		Row MFO 56/2021	Row	Financial exercise	
				2018	2019
A		B		1	2
1.	Net turnover (rd. 02 + 03 - 04 + 06)	01	01	445,347,691	451,278,659
	Production sold (acct.701 + 702 + 703 + 704 + 705 + 706 + 708)	02	02	433,539,133	447,624,703
	Income from the sale of goods (acct. 707)	03	03	11,808,558	3,653,956
	Commercial discounts granted (acct.709)	04	04		
	Income from interests registered by affiliated entities in the General Register which no longer has leasing contracts (acct.766)		05		
2.	Revenues from operating grants related to turnover (acct.7411)	05	06		
3.	Income related to the cost of production in progress (acct. 711 + 712)	Balance C	06	07	
		Balance D	07	08	
3.	Production made by the entity for its own and capitalized purposes (acct. 721 + 722)*	08	09	12,314,698	15,391,942
4.	Income from the revaluation of intangible assets (acct. 755)	09	10		15,448,959
5.	Revenue from real estate investments (acct. 725)	10	11		
6.	Income from operating grants (acct.7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)	11	12		
7.	Other operating income (751+758+7815), of which	12	13	26,015,422	24,301,208
	-revenue from investment grants (acct. 7584)	13	14	21,195,908	21,799,118
	-earnings on purchases under favourable conditions (acct. 7587)	14	15		
	OPERATING REVENUES - TOTAL (row 01+07+08+09+10+11 +12+13)	15	16	483,677,811	506,420,768
8.a)	Expenditure on raw materials and consumables (acct. 601 + 602)*	16	17	6,754,920	9,324,452
	Other material expenses (acct. 603+604+606+608)	17	18	131,644,474	155,097,367
b)	Other external expenditures (with energy and water) (acct.605)	18	19	2,718,226	2,882,165
c)	Expenditure on goods (acct. 607)	19	20	10,987,615	3,297,813
	Trade receipts received (acct.609)	20	21	16,882	3,946
9	Personnel related costs (row 23+24), out of which:	21	22	63,213,408	70,885,061
	a) Salaries and allowances (acct. 641+642+643+644)	22	23	60,475,124	, 67,497,860
	b) Expenditure on insurance and social protection (acct.645)	23	24	2,738,284	3,387,201
10	a) Value adjustments on intangible assets, tangible assets (rows 26-27)	24	25	334,916,250	-34,594,318
	a.1) Expenses (acct.6811 + 6813 + 6816 + 6817)	25	26	334,978,661	140,516,479
	a.2) Income (acct.7813 + 7816)	26	27	62,411	175,110,797
	b) Value adjustments for current assets (rows 29-30)	27	28	1,774,447	1,756,504
	b.1) Expenditure (acct.654 + 6814+6818)	28	29	6,151,754	7,181,592
	b.2) Revenues (acct.754 + 7814+7818)	29	30	4,377,307	2,425,088
11	Other operating expenses (row 32 to 38)	30	31	87,345,476	204,558,527

	11.1. Expenditure on external benefits (acct. 611 + 612 + 613 + 614 + 615 + 621 + 622 + 623 + 624 + 625 + 626 + 627 + 628)	31	32	73,164,925	103,701,574
	11.2. Expenses with other fees, taxes, and similar charges (acct. 635 + 6586)	32	33	5,637,687	5,958,356
	11.3. Environment protection expenditures (acct.652)	33	34	112,218	108,868
	11.4. . Expenses from revaluation of intangible assets (acct. 655)	34	35		84,312,510
	11.5 Expenditure on calamities and other similar events (acct.6587)	35	36		
	11.6. Other expenses (acct.651 + 6581 + 6582 + 6583 +6588)	36	37	8,430,646	10,477,219
	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)	37	39	-12,468,166	8,386,510
	- Expenditure (acct. 6812)	38	40	2,481,225	10,206,796
	- Income (7812)	39	41	14,949,391	1,820,286
	OPERATING EXPENDITURE - TOTAL (row 17 to 20-21+22+25+28+31+39)	40	42	626,869,768	424,590,135
	PROFIT OR LOSS OF OPERATION:				
	-Profit (row 16-42)	41	43	0	81,830,633
	- Loss (row 42-16)	42	44	143,191,957	0
12	Income from shares in associated entities and controlled jointly entities (acct.7611+7612+7613)	43	45	453,242	
		44	46		
13	Interest income (acct.766 *)	45	47	453,242	
	- of which, the income affiliated entities	46	48	10,617,438	9,145,899
14	Income from operating grants for interest due (acct. 7418)	47	49		
15	Other financial income (acct. 7615+762+764+765+767+768)	48	50	348,368	685,577
	-of which, income from other financial fixed assets (item 7615)	49	51		
	FINANCIAL INCOME – TOTAL (rows 45+47+49+50)	50	52	11,419,048	9,831,476
16	Value adjustments on financial assets and financial investments held as current assets (rows 54-55)	51	53		
	-Expenditures (acct.686)	52	54		
	-Income (acct.786)	53	55		
17	Interest Expenses (acct.666 *)	54	56		
	- of which, the expenses in relation to the entities in the group	55	57		
18	Other financial expenses (acct.663 + 664 + 665 + 667 + 668)	56	58	566,713	2,006,497
	FINANCIAL EXPENDITURE - TOTAL (rows 53+56+58)	57	59	566,713	2,006,497
	PROFIT OR FINANCIAL LOSS:				
	- Profit (row 61 - 70)	58	60	10,852,335	7,824,979
	- Loss (rows 70- 61)	59	61	0	0
	TOTAL INCOME (rows 16+52)	60	62	495,096,859	516,252,244
	TOTAL EXPENDITURE (rows 42+59)	61	63	627,436,481	426,596,632
19	GROSS PROFIT OR LOSS:				
	- Profit (row 60-63)	62	64	0	89,655,612

Report of the Directors

(all amounts are in RON unless otherwise mentioned)

	- Loss (rows 63-62)	63	65	132,339,622	0
20	Income tax (acc, 691)	64	66	10,989,496	2,091,134
21	Tax-specific activities (acct, 695)	65	67		
22	Other taxes not shown at the above items (acct,698)	66	68		
23	NET PROFIT OR LOSS OF THE FINANCIAL YEAR:				
	- Profit (rows 64-65-66-67-68)	67	69	0	87,564,478
	- Loss (rows 65+66+67+68-64)	68	70	143,329,118	0

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

Line 22 (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".

Line 32 (cf. OMF no. 58/2021) - in account 6586 "Expenses representing transfers and contributions due on the basis of special normative acts" highlights the expenses representing transfers and contributions due on the basis of special normative acts, other than those provided of the Fiscal Code

DIRECTOR
Gino Celentano

PREPARED BY
Maurizio RASTELLI
As Financial Manager

INFORMATIVE DATA
On 31.12.2020

- Ron -

1. Data regarding registered result	Row MFO 56/2019	Row	No. of units	Amounts	
A		B	1	2	
Units with profit	01	01	1	87,564,478	
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	36,963,688	36,444,891	518,797
Outstanding suppliers - total (row 06 to 08)	05	05	36,963,688	36,444,891	518,797
- over 30 days	06	06	10,301,285	10,277,489	23,796
- over 90 days	07	07	1,930,943	1,923,654	7,289
- over 1 year	08	08	24,731,460	24,243,748	487,712
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	605		646
The actual number of existing employees at the end of financial exercise, December 31	21	20	596		650

A	Row	Amounts (RON)		
	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	6,792	
Gross income from paid services by non-residents, including:	27	26	5,324,077	
- 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	5,324,077	
- 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		
outstanding receivables from entities in the majority or wholly state-owned	36	35	62,971,225	
outstanding claims from private sector entities	37	36		
V. Meal vouchers to employees				
The value of meal vouchers to employees	38	37	1,962,645	
The equivalent value of the vouchers granted to other categories of beneficiaries, other than employees	39	37 a		
		Row	30.12.2018	30.12.2019
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 ***)			30.12.2018	30.12.2019
Innovation costs	47	45		
VIII. Other Information			30.12.2018	30.12.2019
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	21,000	8,500
- 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	16,538,904	16,542,104
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	9,137	12,337
- receivables in RON and expressed in RON, whose settlement is made on the rate of a currency (of acct. 267)	62	55	9,137	12,337
- 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	119,597,774	149,225,296
- 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	341,161	392,503
Uncollected trade receivables in arrears (from acct. 4092 + from acct. 411 + from acct. 413)	67	59	37,019,734	52,069,365
Claims in relation to staff and similar accounts (acct. 425 + 4282)	68	60	36,714	56,289
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	411,908
- claims in relation to social security budget (acct.431 +437+4382)	70	62	271,323	266,178
- tax claims in connection to State budget (acct. 436+441 +4424+4428+444+446)	71	63		122,730
- 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	23,000	23,000
Claims of the entity in relationships with affiliated entities (acct.451)				
- receivables from non-resident affiliates (from acct. 451)	75	67		
- trade receivables from non-resident affiliates (from acct. 451), of which:	76	68		
-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)	77	69		
Other claims (acct. 453 + 456 + 4582 + 461 + 471 + 473), (row 101 to 103)	78	70		
- Settlements on participating interests, settlement with shareholders / associates regarding capital, settlement on venture operations (acct.453+456+4582)	79	71	14,963,065	13,925,497
- 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)	80	72		
- amounts taken from account 542, representing cash advances granted by law and not settled until June 30	81	73	14,953,771	13,915,134

(from acct. 461)				
Interest receivable (acct. 5187) , including:	82	74	9,294	10,363
- from non residents	83	75	2,492,136	43,182
Interest from non-residents (acct 4518+4538)	84	76		
The loans granted to economic operators *****)	85	76 a		
Short-term investments as gross amounts (acct. 501 + 505 + 506 + from acct.508),	86	77		
- non-quoted shares issued by residents	87	78		
- shares issued by residents	88	79		
- bonds issued by non-residents	89	80		
- shares issued by collective investment	90	81		
- bonds issued by non-residents	91	82		
Other amounts receivable (acct. 5113 + 5114)	92	83		
Cash in RON and foreign currency (row 85+86)	93	84		
-in RON (acct.5311)	94	85		
-in foreign currency (acct.5314)	95	86		
Current accounts with banks in domestic and foreign currency (row 88+90)	96	87	619,654,470	561,961,114
-in RON (acct. 5121), of which:	97	88	619,645,730	561,956,180
- Current accounts with nonresident banks in RON	98	89		
-in foreign currency (acct. 5124), of which:	99	90	8,740	4,934
- Current accounts at nonresident banks in foreign currency	100	91		
Other accounts in bank and credentials (row 93+94)	101	92	98,077	48,139
- amounts to be settled, letters and other receivable amounts in RON (acct. 5112 + 5125 + 5411)	102	93	98,077	48,139
- amounts under settlement and letters of credit and in foreign currency (from acct. 5125 + 5412)	103	94		
Liabilities (row 96 + 99+102+103 + 106 + 108+110+111 + 116 + 119+122 + 128)	104	95	637,979,853	649,323,452
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)	105	96		
- in RON	106	97		
-in foreign currency	107	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)	108	99		
- in RON	109	100		
-in foreign currency	110	101		
Loans from the state treasury and related interest (acct. 1626 + acct. 1682)	111	102		
Other loans and related interest (acct. 166+ 167 + 1685 + 1686 + 1687) (row 104+105)	112	103		
- in RON and expressed in RON, whose settlement is made on the rate of a currency	112	104		
- in foreign currency	114	105		
Other loans and similar liabilities (ct. 167), of which:	115	106	341,789	209,853
-the value of the concessions received (from ct. 167)	116	107		
Trade payables, advances received from customers and other similar accounts, in gross amounts (acct. 401 + 403 + 404 + 405 + 408 + 419), of which:	117	108	201,893,443	194,898,195
- 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)	118	109	12,701,237	10,254,320
- 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)	119	109a	45,488,190	54,720,578

Liabilities related to personnel and similar accounts (acct. 421 + 423 + 424 + 426 + 427 + 4281)	120	110	1,889,863	2,039,209		
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)	121	111	9,402,935	9,434,425		
-liabilities related to the social insurance budget (acct.431 + 437 + 4381)	122	112	2,052,627	2,403,425		
-- fiscal liabilities in connection with the state budget (ct.436 + 441 + 4423 + 4428 + 444 + 446)	123	113	6,917,206	6,581,830		
-special funds - taxes and similar payments (acct.447)	124	114	433,102	449,170		
- other liabilities in connection to State budget (acct.4481)	125	115				
Liabilities in relationships with affiliated entities (acct.451)	126	116				
- debts with non-resident affiliated entities 2) (from ct. 451), of which:	127	117				
- with an initial maturity of more than one year	128	118				
- trade payables with non-resident affiliates regardless of maturity (from ct. 451)	129	118a				
Amounts due to shareholders / associates (acct.455)	130	119				
- amounts due to shareholders / associates natural entities	131	120				
- amounts due to shareholders / associates legal entities	132	121				
Other liabilities (acct. 453 + 456 + 457 + 4581 + 462 + 472 + 473 + 478 + 269 + 509) row (158 to 162)	133	122	424,451,823	442,741,770		
- settlements of participation interest, settlements with shareholders / associates capital, venture settlement operations (acct.453+456+457+4581)	134	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)	135	124	3,424,672	3,857,024		
- subsidies which were not resumed (from acct. 472)	136	125				
- payments to be made for financial fixed assets and short-term investments (ct.269 + 509)	137	126				
- advance income related to assets received by transfer from customers (ct. 478)	138	127	421,027,151	438,884,746		
Interests to be paid (acct. 5186)	139	128				
To non-residents	140	128a				
Interests to be paid to non-residents (acct. 4518+4538)	141	128b				
The loans received from operators *****)	142	129				
Subscribed capital (acct. 1012), of which:	143	130	280,285,560	280,285,560		
- listed shares 2)	144	131				
-non listed shares 3)	145	132	280,285,560	280,285,560		
- social parts	146	133				
- Capital subscribed and paid by non-residents (from acct. 1012)	147	134				
Patents and licenses (from acct. 205)	148	135				
IX. Information on collaborators' expenses			31.12.2018	31.12.2019		
Information on collaborators expenses (acct. 621)	149	136	115,052	111,076		
X. Information on assets in the public domain			31.12.2018	31.12.2019		
The value of goods in the public domain under management	150	137				
The value of goods in the public domain in concession	151	138				
The value of goods in the public domain leased	152	139				
XI. Information regarding the goods from the private property of the state subject to inventory cf. OMFP no. 668/2014			31.12.2018	31.12.2019		
Net accounting value of goods 6)	153	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)	154	141	280,285,560	X	280,285,56	X
-owned by public institutions, (rd. 143 + 144)	155	142				
- owned by public institutions of central subordination	156	143				
- owned by public institutions of local subordination	157	144				
- owned by state-owned companies, of which:	158	145	69,800,240	24.90	69,800,240	24.90
- with full state capital	159	146	69,800,240	24.90	69,800,240	24.90
- with majority state capital	160	147				
- with state minority capital	161	148				
- owned by autonomous companies	162	149				
- owned by companies with private capital	163	150				

- owned by natural persons	164	151				
- owned by other entities	165	152				
			Amounts (RON)			
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:	166	153				
- to central public institutions;	167	154				
- to local public institutions;	168	155				
- to other shareholders in which the state / territorial administrative units / public institutions directly / indirectly hold shares or participations! regardless of their share.	169	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:	170	157	2018	2019		
- dividends / payments from the profit of the previous financial year, from which transfers:	171	158				
- to central public institutions	172	159				
- to local public institutions	173	160				
- to other shareholders in which the state / territorial administrative units / public institutions directly / indirectly hold shares or participations regardless of their share.	174	161				
- dividends / payments from the profit of the financial years prior to the previous year, of which transferred:	175	162				
- to central public institutions	176	163				
- to local public institutions	177	164				
- to other shareholders in which the state / territorial administrative units / public institutions directly / indirectly hold shares or participations regardless of their share	178	165				
XV. Dividends distributed to shareholders / associates from retained earnings			2018	2019		
Dividends distributed to shareholders / associates during the reporting period	179	165a				
XVI. Interim dividend distributions according to Law no. 163/2018			2018	2019		
- interim dividends distributed	180	165b				
XVII. Receivables taken over by assignment from legal entities *****)			2018	2019		
Receivables taken over by assignment from legal entities (at nominal value), of which:	181	166				
- receivables taken over by assignment from affiliated legal entities	182	167				
Receivables taken over by assignment from legal entities (at acquisition cost), of which:	183	168				
- receivables taken over by assignment from affiliated legal entities	184	169				
XVIII. Income from agricultural activities*****)	185	170				

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*) 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 luster 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 61 -171 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 160.

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 regarding the organization and functioning of the cooperation.

STATUS OF FIXED ASSETS

As of 31.12.2019

- 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
I. Intangible assets						
Establishment expenses and development expenses	01				X	
Other fixed assets	02	72,202,303	3,334,407	10,656,497	X	64,880,213
Advance payments for intangible assets	03				X	
Intangible assets for exploration and evaluation of mineral	04				X	
TOTAL (row 01 to 04)	05	72,202,303	3,334,407	10,656,497	X	64,880,213
II. Tangible assets						
Lands	06	12,990,553	883,590		X	13,874,143
Buildings	07	1,139,628,092	98,475,920	248,276,768		989,827,244
Technical installations and	08	583,151,355	61,081,707	136,792,087		507,440,975
Other installations, machinery and furniture	09	3,268,337	711,191	862,123		3,117,405
Real estate investments	10					
Tangible assets for exploration and evaluation of mineral	11					
Productive biological assets	12					
Tangible fixed assets in progress	13					
Real estate investments in progress	14					
Advances granted for tangible fixed assets	15	85,547,333	22,620,928	377,116		107,791,145
TOTAL (row 06 to 15)	16	1,824,585,670	183,773,336	386,308,094		1,622,050,912
III. Financial assets	17	16,529,767			X	16,529,767
FIXED ASSETS – TOTAL (row 05+16+17)	18	1,913,317,740	187,107,743	396,964,591		1,703,460,892

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	51,683,117	6,511,038	10,641,305	47,552,850
Intangible assets for exploration and evaluation of mineral resources	21				
TOTAL (row 19+20+21)	22	51,683,117	6,511,038	10,641,305	47,552,850
II. Tangible fixed assets					
Lands	23				
Buildings	24	84,480,029	75,454,753	159,934,782	0
Technical installations and machines	25	68,033,615	57,835,590	125,869,205	0
Other machinery and furniture installations	26	382,681	356,611	739,292	0
Real estate investments	27				
Tangible assets for exploration and evaluation of mineral	28				
Productive biological assets	29				
TOTAL (row 23 to 29)	30	152,896,325	133,646,954	286,543,279	0
DEPRECIATIONS - TOTAL (row22 +30)	31	204,579,442	140,157,992	297,184,584	47,552,850

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	0
Intangible assets for exploration and evaluation of mineral resources	34				
TOTAL (row 32 to 34)	35	15,192		15,192	0
Tangible assets					
Lands	36				
Buildings	37	171,799,715		171,799,715	0
Technical installations and machines	38	2,934,125		2,934,125	0
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	523,489	358,487	361,765	520,211
Real estate investments in progress	44				
TOTAL (row 36 to 44)	45	175,257,329	358,487	175,095,605	520,211
III. Financial assets	46				
DEPRECIATION ADJUSTMENTS - TOTAL (row .35+45+46)	47	175,272,521	358,487	175,110,797	520,211

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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").