

E- Distribuție Muntenia 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 814,537,487 (2018: 800,094,517), of which revenues from the distribution of active electricity and reactive energy 755,353,437 (2018: 732,150,622).

The company distributed electricity to 1.337 million consumers in the current year (2018: 1.303 million consumers), the total amount of electricity distributed to final consumers being 7,486,702 MWh (2018: 7,519,936).

The average price of electricity distributed for the whole 2019 year was 98.3 / Mwh (2018: 94.6).

During 2019, the Company distributed 6,271,032 Mwh (2018: 5,806,896) to eligible consumers at an average rate of 89.7 / Mwh (2018: 81.6) and 1,215,670 Mwh (2018: 1,713,040) to captive consumers at an average rate of 142.8 / Mwh (2018: 139.0).

2. The structure of the share capital

On 31.12.2020, the share capital of the Company is RON **271,365,250**, fully subscribed and paid-in and is divided into 27,136,525 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 21,166,477 shares, with a par nominal value of RON 10 each, in a total value of 211,664,770, representing 78% of the share capital;
- b) Societatea de Administrare a Participatiilor in Energie, holding 2,713,652 shares, with a par nominal value of 10 RON each, with a total value of 27,136,520, representing 10% of the share capital; and
- c) Fondul Proprietatea S.A. holding 3,256,396 shares, with a par nominal value of RON 100 each, in a total value of 32,563,960, representing 12% of the share capital.

The company has no subsidiaries or branches.

3. Internal control

In accordance with the provisions of the decision of the Company's Board of Directors on July 8, 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:

- Modernization / construction of about 79.6 km of high voltage overhead power lines;
- Modernization / construction of about 12.9 km of high voltage underground power lines;
- The modernization / equipment replacement works in 5 transformer stations were completed (Nord, Cotroceni, Pajura, Maşini Grele, Solex);
- Modernization works / replacement of equipment in Nord, Filaret, Dudesti, Obor
- 7 IT / MT transformers were replaced in 4 stations in Bucharest (Obor, Pajura, Razoare, IFA Măgurele);
- The works at the new 110/20 kV TRANSILVANIA substation have been completed;
- The modernization works for the construction and equipment in the Chitila and Mihai Bravu transformer stations have been completed;
- Modernization of 71 existing substations / supply points; replacement of 9 PTA / PTM with PTAB;
- Installation of 9 new transformer stations;
- Modernization / construction works of about 49.8 km of medium voltage power lines;
- Modernization / construction works of about 176.7 km of low voltage network;
- Re-starter replacement works on medium voltage overhead lines in Giurgiu County (LEA mt FAO, Water Capture, Malu Roşu, Port): 4 pieces;
- 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;
- Implementation of the pilot project for the installation of smart metering systems, being installed a number of 77,091 pieces of smart meters;
- Commissioning the E-Distributie WEBSITE for the Public Area.

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;
- Switching to 20 kV medium voltage electrical distribution networks (10 kV);
- Continuing the actions of developing the remote-control system to improve the quality of the distribution service;
- Continuing the actions of developing the smart meter system for household customers;
- Continuation of modernization works in the stations Nord, Pajura, Cotroceni, Maşini Grele, Solex;
- Commencing modernization works in Dudesti, Filaret and Obor stations;
- Commencing works at the new 110/20 kV Mircea Eliade substation;
- Continuation of modernization works and introduction in remote control of supply points and transformer stations;
- Modernization / construction of high voltage overhead / underground power lines that will ensure a higher transmission capacity and will increase safety in terms of energy supply to customers;
- Modernization / construction of medium voltage overhead / underground power lines that will ensure the improvement of the quality of the electricity distribution service;

- Continuation of the works for the amplification of the transformer station / stations in order to ensure the capacity of the connection network to the network of the new consumers;
- Commissioning of the E-Distributie WEBSITE Private Area.

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);
- 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;
- 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.

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 1,793,123 (2018: 2,035,673).

Mainly, the expenditures were for:

- Collection, transport and disposal of urban and assimilated waste (sanitation) in the amount of 67,286;
- Wastewater collection and transport, stormwater drainage, sewerage network (canal, meteoric water) in the amount of 144,545;
- 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 waste transport forms, municipal tax Apa Nova) in the amount of 34,626;
- Prevention of soil, subsoil and water pollution as well as removal of 1,074,402 noise pollution:
 - a. analysis of mineral oil samples from EDM transformers in the amount of 8,400;
 - b. removal of concrete columns in the amount of 15,070;
 - c. construction of new retention tanks under IT transformers in OBOR stations (1 tank), FILARET (1 tank), IFA (2 tanks), 6 GTN tanks and rehabilitation of 1 transformer tank from the NORD station in the amount of 1,024,849;
 - d. maintenance works in the transformer station (replacement of transformers to reduce the noise level - following a notification) in the amount of 26,083;
- Purchases of materials for environmental protection and equipment for monitoring environmental factors in the amount of 1,194;
- Internal training on environmental protection in the amount of 164,188;

- Expenses with the personnel dedicated to the activity of environmental protection in the amount of 300,145;
- Audit ISO 14001 SRAC expenses in the amount of 6,737.

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	34,486,995	30,133,791
II. TANGIBLE ASSETS	3,252,933,620	3,448,238,957
III. FINANCIAL ASSETS	-	-
FIXED ASSETS - TOTAL	3,287,420,615	3,478,372,748
CURRENT ASSETS		
I. INVENTORIES	3,623,733	2,842,744
II. RECEIVABLES	325,287,255	337,383,266
III. SHORT-TERM INVESTMENTS	-	-
IV. CASH AND BANK ACCOUNTS	2,512,921,189	2,432,510,227
CURRENT ASSETS - TOTAL	2,841,832,177	2,772,736,237
EXPENDITURE IN ADVANCE	1,438,592	2,501,138
DEBTS: AMOUNTS TO BE PAID WITHIN ONE YEAR	704,940,667	642,795,813
DEBTS: AMOUNTS TO BE PAID IN MORE THAN ONE YEAR		
PROVISIONS	69,134,842	79,171,632
DEFERRED INCOME	1,117,625,541	1,198,894,769
CAPITAL AND RESERVES		
CAPITAL		
I. CAPITAL	271,365,250	271,365,250
II. CAPITAL REWARDS	-	-
III. RESERVES	2,308,175,600	2,297,733,554
IV. PROFIT OR LOSS CARRIED OUT	1,774,340,216	1,691,968,270
V. PROFIT OR LOSS OF THE FINANCIAL YEAR	(114,890,732)	96,670,617
VI. DISTRIBUTION OF PROFIT	-	(24,989,782)
CAPITALS - TOTAL	4,238,990,334	4,332,747,909

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	909,580,258	993,800,704
OPERATING EXPENSES	1,047,332,636	933,493,924
PROFIT OR LOSS FROM OPERATION	(137,752,378)	60,306,780
FINANCIAL REVENUE	44,353,240	47,452,957
FINANCIAL EXPENSES	2,737,990	4,808,923
FINANCIAL PROFIT OR LOSS	41,615,250	42,644,034
TOTAL INCOME	953,933,498	1,041,253,661
TOTAL EXPENSES	1,050,070,626	938,302,847
GROSS PROFIT OR LOSS	(96,137,128)	102,950,814
INCOME TAX	18,753,604	6,280,197
NET PROFIT OR LOSS OF THE FINANCIAL YEAR	(114,890,732)	96,670,617

9.3 Economic and financial indicators

	2018	2019
1 Liquidity indicators		
Current liquidity indicator	4.03	4.32
Immediate liquidity indicator	4.03	4.32
2 Activity indicators		
Rotation of inventories	8.85	5.67
Number of storage days	41	64
Turnover rate of debts -customer	122	104
Turnover rate of loans-suppliers	183	185
Turnover rate of fixed assets	0.24	0.23
Turnover rate of total assets	0.13	0.13
3 Profitability indicators		
Return on capital (%)	n/a	2.38%
Gross sales margin (%)	n/a	12.64%

Both the current liquidity indicator and the immediate liquidity indicator increased compared to the previous year, as a result of the increase in current assets at a higher rate than the increase in current debt.

The turnover rate of supplier loans was not change significantly compared to the previous year.

The turnover rate of customer receivables decreased due to the reduction of the average balance of receivables at a higher rate than the increase in the level of turnover.

The reduction in the turnover rate of stocks was due to the reduction of costs of goods and consumables, while keeping the average stock at a similar level, which also led to an increase in the number of storage days.

The turnover rate of fixed assets and total assets was 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 profit of 96,670,617.

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 1,566,336,058 was approved, according to the quota in the share capital. The payment of dividends was on February 21, 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.

Taking into account 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. Laurentiu Cazacu

Mr. Dumitru Rossita

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	34,486,995	30,133,791	
	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	34,486,995	30,133,791	
	II. TANGIBLE ASSETS						
	1.	Land and buildings (acct. 211 + 212 - 2811 - 2812 - 2912 - 2911)	08	08	1,977,540,802	2,071,722,215	
	2.	Technical and machinery installations (acct. 213 + 223 - 2813 - 2913)	09	09	1,025,313,365	1,125,189,415	
	3.	Other installations, machinery, and furniture (acct. 214 + 224 - 2814 - 2914)	10	10	3,833,572	3,899,583	
	4.	Real estate investment (acct.215-2815-2915)	11	11			
	5.	Tangible assets in progress (acct. 235-2935)	12	12	245,649,489	247,427,744	
	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	596,392		
	TOTAL: (row 08 to 16)		17	17	3,252,933,620	3,448,238,957	
	III. FINANCIAL ASSETS						
	1.	Shares in subsidiaries (acct. 261-2961)	18	18			
	2.	Loans to group's entities (acct. 2671 + 2672 -2964)	19	19			
	3.	Shares held by associated entities and jointly controlled entities (acct.262 + 263 - 2962)	20	20			
	4.	Loans to associates and jointly controlled entities (acct.2673 + 2674-2965)	21	21			
	5.	Other fixed assets (acct.265 - 2963)	22	22			
	6.	Other loans (2675 + 2676 + 2677 + 2678 + 2679 -2966-2968)	23	23			
	TOTAL (row 18 to 23)		24	24			
	FIXED ASSETS - TOTAL (row 06 + 16 + 17+ 24)		25	25	3,287,420,615	3,478,372,748	

B	CURRENT ASSETS				C
	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	3.623.733	2.842.744
	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	3,623,733	2,842,744
	II. RECEIVABLES				
	1. Commercial receivables (acct.2675+2676+2678+2679-2966-2968+4092+411+411+413+418-4902-491)	31	31	184,837,868	230,060,293
	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	140,449,387	107,322,973
	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	325,287,255	337,383,266
	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	2,512,921,189	2,432,510,227
	CURRENT ASSETS - TOTAL (rows 31 + 37 + 40 + 41)	42	41	2,841,832,177	2,772,736,237
C	DEFERRED EXPENSES (acct.471 + 474) (rows 44 + 45)	43	42	1,438,592	2,501,138
	Amounts to be repaid within a period of up to one year (out of acct 471)	44	43	1,438,592	2,427,261
	Amounts to be repaid longer than a period of one year (out of 471*)	45	44		73,877
	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	236,092,467	267,567,380
	4. Trade payables - suppliers (acct. 401 + 404 + 408)	49	48	354,872,672	293,924,727
	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	53	52	113,975,528	81,303,706

	+ 446 + 447 + 4481 + 455+ 456 + 457 + 4581 + 462 + 4661+ 473 + 4761 + 509 +5186 + 5193 + 5194 + 5195 + 5196 + 5197)				
	TOTAL (row 46 to 53)	54	53	704,940,667	642,795,813
E	NET CURRENT ACCOUNTS / NET CURRENT LIABILITIES (rows 42 + 44- 56- 741-74- 77)	55	54	1,958,535,467	2,023,816,873
F	TOTAL ASSETS MINUS CURRENT LIABILITIES (rows 25 + 45 +57)	56	55	5,245,956,082	5,502,263,498
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	40,203,116	46,462,179
	2.Provisions for taxes (1516)	67	66	4,659,942	4,659,942
	3. Other provisions (1511 + 1512 + 1513 + 1514 + 1518)	68	67	24,271,784	28,049,511
	TOTAL PROVISIONS (rows 66+67+68)	59	68	69,134,842	79,171,632
I					
	1. Investment grants (acct. 475) (row 71+72)	70	69	4,083,287	3,973,743
	Amounts to be repaid within a period of up to one year (out of acct.475 *)	71	70	304,497	373,142
	Amounts to be repaid over a period longer than one year (out of acct.475 *)	72	71	3,778,790	3,600,601
	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	1,113,542,254	1,194,921,026
	Amounts to be repaid within a period of up to one year (out of acct.478 *)	77	76	179,490,138	108,177,670
	Amounts to be repaid over a period longer than one year (out of acct. 478 *)	78	77	934,052,116	1,086,743,356
	Negative goodwill (acct.2075)	79	78		
	TOTAL (rows 70+73+76+79)	80	79	1,117,625,541	1,198,894,769
J	CAPITAL AND RESERVES				
	I. CAPITAL				
	1. Paid-in subscribed capital (acct. 1012)	81	80	271,365,250	271,365,250
	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	271,365,250	271,365,250
II. CAPITAL's PREMIUMS (acct. 104)		87	86		
III. RESERVE FROM REVALUATION (acct. 105)		88	87	850,882,928	815,451,100
IV. RESERVES					
1. Legal reserves (acct. 1061)		89	88	54,273,050	54,273,050
2. Statutory or contractual reserves (acct. 1063)		90	89		
3. Other reserves (acct. 1068)		91	90	1,403,019,622	1,428,009,404
TOTAL (row 89 to 91)		92	91	1,457,292,672	1,482,282,454
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	1,774,340,216	1.691.968.270
	Balance D	97	96	0	0
VII. PROFIT OR LOSS OF THE EXERCISE (acct.121)	Balance C	98	97	0	96.670.617
	Balance D	99	98	114,890,732	0
The distribution of profit (acct. 129)		100	99		24,989,782
OWN EQUITY – TOTAL (rows 85+86+87+91-92+93-94+95-96 +97-98-99)		101	100	4,238,990,334	4,332,747,909
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	4,238,990,334	4,332,747,909

*) 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

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	800,094,517	814,537,487	
	Production sold (acct.701 + 702 + 703 + 704 + 705 + 706 + 708)	02	02	779,404,090	806,004,330	
	Income from the sale of goods (acct. 707)	03	03	20,690,427	8,533,157	
	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	20,357,360	23,327,983	
	4.Income from the revaluation of intangible assets (acct. 755)	09	10	1,937,621	61,229,465	
	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	87,190,760	94,705,769	
	-revenue from investment grants (acct. 7584)	13	14	80,957,815	91,203,050	
	-earnings on purchases under favorable conditions (acct. 7587)	14	15			
	OPERATING REVENUES - TOTAL (row 01+07+08+09+10+11 +12+13)	15	16	909,580,258	993,800,704	
	8.a)Expenditure on raw materials and consumables (acct. 601 + 602)*	16	17	11,946,184	13,832,661	
	Other material expenses (acct. 603+604+606+608)	17	18	268,536,637	299,255,659	
	b) Other external expenditures (with energy and water) (acct.605)	18	19	4,321,666	4,231,832	
	c) Expenditure on goods (acct. 607)	19	20	19,232,656	7,328,704	
	Trade receipts received (acct.609)	20	21	594	21,723	
9	Personnel related costs (row 23+24), out of which:	21	22	92,222,539	112,376,998	
	a) Salaries and allowances (acct. 641+642+643+644)	22	23	87,950,744	106,858,676	
	b) Expenditure on insurance and social protection (acct.645)	23	24	4,271,795	5,518,322	
10	a) Value adjustments on intangible assets, tangible assets (rows 26-27)	24	25	233,138,956	201,011,869	
	a.1) Expenses (acct.6811 + 6813 + 6816 + 6817)	25	26	234,350,117	205,741,535	
	a.2) Income (acct.7813 + 7816)	26	27	1,211,161	4,729,666	
	b) Value adjustments for current assets (rows 29-30)	27	28	1,689,852	-691,509	
	b.1) Expenditure (acct.654 + 6814+6818)	28	29	9,391,760	7,251,499	
	b.2) Revenues (acct.754 + 7814+7818)	29	30	7,701,908	7,943,008	
11	Other operating expenses (row 32 to 38)	30	31	424,145,540	286,132,644	

	11.1. Expenditure on external benefits (acct. 611 + 612 + 613 + 614 + 615 + 621 + 622 + 623 + 624 + 625 + 626 + 627 + 628)	31	32	130,735,616	161.684.963
	11.2. Expenses with other fees, taxes, and similar charges (acct. 635 + 6586)	32	33	11,691,022	10.451.236
	11.3. Environment protection expenditures (acct.652)	33	34	186,841	112.752
	11.4. . Expenses from revaluation of intangible assets (acct. 655)	34	35	258,759,258	72.396.509
	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	22,772,803	41.487.184
	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	-7,900,800	10.036.789
	- Expenditure (acct. 6812)	38	40	7,526,042	15.278.625
	- Income (7812)	39	41	15,426,842	5.241.836
	OPERATING EXPENDITURE - TOTAL (row 17 to 20-21+22+25+28+31+39)	40	42	1,047,332,636	1,047,332,636
	PROFIT OR LOSS OF OPERATION:				
	-Profit (row 16-42)	41	43	0	60,306,780
	- Loss (row 42-16)	42	44	137,752,378	0
12	Income from shares in associated entities and controlled jointly entities (acct.7611+7612+7613)	43	45		
		44	46		
13	Interest income (acct.766 *)	45	47		
	- of which, the income affiliated entities	46	48	43,425,117	45,801,355
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		
	Of which, income from other financial fixed assets (item 7615)	49	51	928,123	1,651,602
	FINANCIAL INCOME – TOTAL (rows 45+47+49+50)	50	52		
16	Value adjustments on financial assets and financial investments held as current assets (rows 54-55)	51	53	44,353,240	47,452,957
	-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		
	FINANCIAL EXPENDITURE - TOTAL (rows 53+56+58)	57	59		2,737,990
	PROFIT OR FINANCIAL LOSS:				
	- Profit (row 61 - 70)	58	60	2,737,990	4,808,923
	- Loss (rows 70- 61)	59	61		
	TOTAL INCOME (rows 16+52)	60	62	953,933,498	1,041,253,661
	TOTAL EXPENDITURE (rows 42+59)	61	63	1,050,070,626	938,302,847
19	GROSS PROFIT OR LOSS:				
	- Profit (row 60-63)	62	64	0	102,950,814

Report of the Directors

(all amounts are in RON unless otherwise mentioned)

	- Loss (rows 63-62)	63	65	96,137,128	0
20	Income tax (acc, 691)	64	66	18,753,604	6,280,197
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	96,670,617
	- Loss (rows 65+66+67+68-64)	68	70	114,890,732	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	96,670,617	
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	100,792,966	79,029,298	21,763,668
Outstanding suppliers - total (row 06 to 08)		05	05	100,792,966	79,029,298	21,763,668
- over 30 days		06	06	12,060,022	3,883,523	8,176,499
- over 90 days		07	07	25,961,999	22,579,368	3,382,631
- over 1 year		08	08	62,770,945	52,566,407	10,204,538
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	911		947
The actual number of existing employees at the end of financial exercise, December 31		21	20	897		971

			F30 - page. 2	
		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		479,715
Gross income from paid services by non-residents, including:	27	26		21,856,174
- 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		21,856,174
- 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		146,625,158
outstanding receivables from entities in the majority or wholly state-owned	36	35		
outstanding claims from private sector entities	37	36		146,625,158
V. Meal vouchers to employees				
The value of meal vouchers to employees	38	37		2,990,430
The equivalent value of the vouchers granted to other categories of beneficiaries, other than employees	39	37 a		
VI. Costs incurred for research – development activity***)				
		Row	30.12.2018	30.12.2019
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	596,392	
- 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	120,816	125,016
Shares in affiliated subsidiaries, equity, other investments and bonds as gross amounts (row 50+51+52+53)	55	49		
- non-quoted shares issued by residents	56	50		
- shares issued by residents	57	51		
- 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	120,816	125,016
- receivables in RON and expressed in RON, whose settlement is made on the rate of a currency (of acct. 267)	62	55	120,816	125,016
- 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	214,233,664	255,843,285
- 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	2,045,100	2,226,729
- 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		
Uncollected trade receivables in arrears (from acct. 4092 + from acct. 411 + from acct. 413)	67	59	101,853,061	91,593,003
Claims in relation to staff and similar accounts (acct. 425 + 4282)	68	60	50,149	140,162
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	1,579,530	1,664,315
- claims in relation to social security budget (acct.431 +437+4382)	70	62	672,012	1,641,315
- tax claims in connection to State budget (acct. 436+441 +4424+4428+444+446)	71	63	884,518	
- 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	148,131,811	127,519,036
- 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 (from acct. 461)	81	73	148,120,089	127,513,854
Interest receivable (acct. 5187) , including:	82	74	11,722	5,182
- from non residents	83	75	10,114,827	228,304
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	2,512,855,694	2,432,409,549
-in RON (acct. 5121), of which:	97	88	2,507,741,128	2,431,098,606
- Current accounts with nonresident banks in RON	98	89		
-in foreign currency (acct. 5124), of which:	99	90	5,114,566	1,310,943
- Current accounts at nonresident banks in foreign currency	100	91		
Other accounts in bank and credentials (row 93+94)	101	92	65,495	100,678
- amounts to be settled, letters and other receivable amounts in RON (acct. 5112 + 5125 + 5411)	102	93	65,495	100,678
- 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	1,818,482,921	1,837,716,841
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	1,609,498	435,841
-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	590,965,139	561,492,110
- 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	32,529,582	17,998,657
- 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	103,771,637	114,131,770
Liabilities related to personnel and similar accounts (acct. 421 + 423 + 424 + 426 + 427 + 4281)	120	110	2,721,638	3,224,544
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	98,562,758	59,990,167
-liabilities related to the social insurance budget (acct.431 + 437 + 4381)	122	112	3,304,722	3,796,693
-- fiscal liabilities in connection with the state budget (ct.436 + 441 + 4423 + 4428 + 444 + 446)	123	113	94,481,568	55,384,679
-special funds - taxes and similar payments (acct.447)	124	114	776,468	808,795
- 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	1,124,623,888	1,212,574,179
- 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	11,081,634	17,653,153
- 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	1,113,542,254	1,194,921,026
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	271,365,250	271,365,250
- listed shares 2)	144	131		
-non listed shares 3)	145	132	271,365,250	271,365,250
- 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	91,476	97,664
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	271,365,250	X	271,365,25	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	27,136,520	10.00	27,136,520	10.00
- with full state capital	159	146	27,136,520	10.00	27,136,520	10.00
- 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				
			<i>Amounts (RON)</i>			
			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	93,062,849	6,193,146	4,681,168	X	94,574,827
Advance payments for intangible assets	03				X	
Intangible assets for exploration and evaluation of mineral	04				X	
TOTAL (row 01 to 04)	05	93,062,849	6,193,146	4,681,168	X	94,574,827
II. Tangible assets						
Lands	06	166,920,291	11,017,033	2,393	X	177,934,931
Buildings	07	1,810,620,511	242,684,369	159,517,596		1,893,787,284
Technical installations and	08	1,026,290,698	189,728,591	90,829,874		1,125,189,415
Other installations, machinery and furniture	09	3,833,572	934,005	867,992		3,899,585
Real estate investments	10					
Tangible assets for exploration and evaluation of mineral	11					
Productive biological assets	12					
Tangible fixed assets in progress	13	250,026,603	435,702,914	437,290,546		248,438,971
Real estate investments in progress	14					
Advances granted for tangible fixed assets	15	596,392		596,392		0
TOTAL (row 06 to 15)	16	3,258,288,067	880,066,912	689,104,793		3,449,250,186
III. Financial assets	17				X	
FIXED ASSETS – TOTAL (row 05+16+17)	18	3,351,350,916	886,260,058	693,785,961		3,543,825,013

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
I. Intangible assets					
Establishment expenses and development expenses	19				
Other fixed assets	20	58,562,034	10,546,350	4,667,348	64,441,036
Intangible assets for exploration and evaluation of mineral resources	21				
TOTAL (row 19+20+21)	22	58,562,034	10,546,350	4,667,348	64,441,036
II. Tangible fixed assets					
Lands	23				
Buildings	24		81,387,712	81,387,712	0
Technical installations and machines	25		112,928,110	112,928,110	0
Other machinery and furniture installations	26		506,739	506,739	0
Real estate investments	27				
Tangible assets for exploration and evaluation of mineral	28				
Productive biological assets	29				
TOTAL (row 23 to 29)	30		194,822,561	194,822,561	0
DEPRECIATIONS - TOTAL (row 22 +30)	31	58,562,034	205,368,911	199,489,909	64,441,036

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	13,820		13,820	0
Intangible assets for exploration and evaluation of mineral resources	34				
TOTAL (row 32 to 34)	35	13,820		13,820	0
Tangible assets					
Lands	36				
Buildings	37		625,709	625,709	0
Technical installations and machines	38	977,333	779,565	1,756,898	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	4,377,114	372,628	3,738,513	1,011,229
Real estate investments in progress	44				
TOTAL (row 36 to 44)	45	5,354,447	1,777,902	6,121,120	1,011,229
III. Financial assets	46				
DEPRECIATION ADJUSTMENTS - TOTAL (row .35+45+46)	47	5,368,267	1,777,902	6,134,940	1,011,229

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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 year¹⁾ refer to January 1, respectively December 31, and the turnovers of the income and expenditure accounts correspond to the current financial year²⁾, 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 455³⁾. 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").