

**E-DISTRIBUTIE MUNTENIA**

**STANDALONE FINANCIAL STATEMENTS**

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Name of issue		Row no.	Note No.	Current balance on	
				01.01.2020	31.12.2020
	B			1	2
A	<b>FIXED ASSETS</b>				
	<b>I. INTANGIBLE ASSETS</b>				
	1. Settlement expenses (acct. 201-2801)	01			
	2. Development expenses (acct. 201 - 2803-2903)	02			
	3. Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets (acct.205 + 208 - 2805 - 2808- 2905 - 2908)	03		30,133,791	30,350,700
	4. Goodwill (acct. 2071-2807-2907)	04		-	-
	5. Intangible assets for the exploration and evaluation of mineral resources (acct. 206 - 2806 - 2907)	05		-	-
	6. Advance payments (acct. 4094-1904)	06		-	-
	<b>TOTAL: (row 01 to 06)</b>	07	3	<b>30,133,791</b>	<b>30,350,700</b>
	<b>II. TANGIBLE ASSETS</b>				
	1. Land and buildings (acct. 211 + 212 - 2811 - 2812 - 2912 - 2911)	08		2,071,722,215	2,213,163,268
	2. Technical and machinery installations (acct. 213 + 223 - 2813 - 2913)	09		1,125,189,415	1,156,761,958
	3. Other installations, machinery, and furniture (acct. 214 + 224 - 2814 - 2914)	10		3,899,583	4,202,194
	4. Real estate investment (acct.215-2815-2915)	11		-	-
	5. Tangible assets in progress (acct. 235-2935)	12		247,427,744	317,502,616
	6. Real estate investments in progress (acct.235 - 2935)	13		-	-
	7. Tangible assets for the exploration and evaluation of mineral resources (acct.216-2816-2916)	14		-	-
	8. Productive biological assets (acct. 217 + 227 -2817 -2917)	15		-	-
	9. Advances (acct. 4093-1903)	16		-	1,011,098
	<b>TOTAL: (row 08 to 16)</b>	17	3	<b>3,448,238,957</b>	<b>3,692,641,134</b>
	<b>III. FINANCIAL ASSETS</b>	18		-	-
	1. Shares in subsidiaries (acct. 261-2961)	19			-
	2. Loans to group's entities (acct. 2671 + 2672 -2964)	20			-
	3. Shares held by associated entities and jointly controlled entities (acct.262 + 263 - 2962)	21			-
	4. Loans to associates and jointly controlled entities (acct.2673 + 2674-2965)	22		-	-
	5. Other fixed assets (acct.265 - 2963)	23			-
	6. Other loans (2675 + 2676 + 2677 + 2678 + 2679 -2966- 2968)	24	3	-	-
	<b>TOTAL (row 18 to 23)</b>				
	<b>FIXED ASSETS - TOTAL (row 7 + 17+ 24)</b>	25	3	<b>3,478,372,748</b>	<b>3,722,991,834</b>
B	<b>CURRENT ASSETS</b>				
	<b>I.INVENTORIES</b>				
	1. Raw materials and consumables (acct. 301+321+302+322+303+323+/-308+351+358+381+328+/-388-391-392-3951-3958-398)	26		2,842,744	2,738,824

	2. Production in progress (acct.331 + 332 + 341 +/- 348 - 393 - 3941 - 3952)	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			
	4. Advances (acct. 4091)	29			
	<b>TOTAL (rows 26 to 29)</b>	<b>30</b>	<b>4</b>	<b>2,842,744</b>	<b>2,738,824</b>
	<b>II. RECEIVABLES</b>				
	1. Commercial receivables (acct.2675+2676+2678+2679-2966- 2968+4092+411+411+413+418-4902-491)	31		230,060,293	132,466,995
	2. Amounts receivable from affiliates entities (acct 451- 495)	32		-	-
	3. Amounts receivable from associates and jointly controlled entities (acct 453 - 495)	33		-	-
	4. Other receivables (425+4282+431+436+437+4382+441+4424+ + 4428+ 444 + 445 + 446+ 447+ 4482 +4582 + 461 + 473-496*+ 5187)	34		107,322,973	127,689,726
	5. Share Capital subscribed and not paid (acct. 456-495)	35		-	-
	6. Receivables representing dividends distributed during the financial year (acct. 463)	36			
	<b>Total (rows 31 to 36)</b>	<b>37</b>	<b>5</b>	<b>337,383,266</b>	<b>260,156,721</b>
	<b>III. SHORT-TERM INVESTMENTS</b>				
	1.Shares in affiliates entities (acct.501-591)	38		-	-
	2. Other short-term investments (acct.505 + 506 + 507 + 508 - 595 - 596 - 598 + 5113 + 5114)	39		-	-
	<b>Total (rows 37 to 38)</b>	<b>40</b>		-	-
	<b>IV. CASH AND BANK ACCOUNTS</b> (acct. 5112 + 512 + 531 + 532 + 541 + 542)	<b>41</b>	<b>6</b>	<b>2,432,510,227</b>	<b>913,920,542</b>
	<b>CURRENT ASSETS - TOTAL (rows 31 + 37 + 40 + 41)</b>	<b>42</b>		<b>2,772,736,237</b>	<b>1,176,816,087</b>
<b>C</b>	<b>DEFERRED EXPENSES (acct.471 + 474) (rows 44 + 45)</b>	<b>43</b>	<b>7</b>	<b>2,501,138</b>	<b>3,159,254</b>
	Amounts to be repaid within a period of up to one year (out of acct 471)	44		2,427,261	3,159,254
	Amounts to be repaid longer than a period of one year (out of 471*)	45		73,877	-
	<b>TOTAL ASSETS</b>			<b>6,253,610,123</b>	<b>4,902,967,175</b>
<b>D</b>	<b>DEBTS: AMOUNTS TO BE PAID WITHIN A PERIOD OF UP TO ONE YEAR</b>				
	1. Loans from the bond issue (acct. 161 + 1681-169)	46			
	2. Amounts owed to credit institutions (acct.1621 + 1622 + 1624 +1625 + 1627 + 1682 + 5191 + 5192 + 5198	47			
	3. Advances received on account of orders (acct. 419)	48		267,567,380	266,272,709
	4. Trade payables - suppliers (acct. 401 + 404 + 408)	49		293,924,727	294,592,297
	5. Trade payments effects (acct .403 + 405)	50		-	-
	6. Amounts owed to group's entities (ct. 1661 + 1685 + 2691 + 451)	51		-	-
	7. Amounts owed to associated entities and jointly controlled entities (acct. 1663 + 1686 + 2692 + 453)	52		-	-
	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		81,303,706	
	<b>TOTAL (row 46 to 53)</b>	<b>54</b>	<b>8</b>	<b>642,795,813</b>	<b>648,746,328</b>
<b>E</b>	<b>NET CURRENT ACCOUNTS / NET CURRENT LIABILITIES (rows 42 + 44- 56- 741-74- 77)</b>	<b>55</b>		<b>2,023,816,873</b>	<b>466,942,691</b>

<b>F</b>	<b>TOTAL ASSETS MINUS CURRENT LIABILITIES (rows 25 + 45 +57)</b>	<b>56</b>		<b>5,502,263,498</b>	<b>4,189,934,525</b>
<b>G</b>	<b>LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD LONGER THAN ONE YEAR</b>				
	1. Loans from bond issues (acct. 161 + 1681-169)	57		-	-
	2. Amounts owed to credit institutions (acct.1621 + 1622 + 1624 +1625 + 1627 + 1682 + 5191 + 5192 + 5198)	58		-	-
	3. Advance payments for orders (acct. 419)	59		-	-
	4. Trade payables - suppliers (acct.401 + 404 + 408)	60		-	-
	5. Trade payments effects (acct. 403 + 405)	61		-	-
	6. Amounts owed to group's entities (ct. 1661 + 1685 + 2691 + 451)	62		-	-
	7. Amounts owed to associates and jointly controlled entities (acct.1663 + 1686 + 2692 + 453)	63		-	-
	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+5 09+ 5186+5193+5194+5195+5196+5197)	64		-	-
	<b>TOTAL (row 57 to 64)</b>	65		-	-
<b>H</b>	<b>PROVISIONS</b>				
	1. Provisions for employees' benefits (acct.1515+1517)	66		46,462,179	55,541,458
	2.Provisions for taxes (1516)	67		4,659,942	-
	3. Other provisions (1511 + 1512 + 1513 + 1514 + 1518)	68		28,049,511	32,211,701
	<b>TOTAL PROVISIONS (rows 66+67+68)</b>	69	9	<b>79,171,632</b>	<b>87,753,159</b>
<b>I</b>	<b>DEFERRED INCOME</b>				
	1. Investment grants (acct. 475) (row 71+72)	70		<b>3,973,743</b>	<b>3,672,759</b>
	Amounts to be repaid within a period of up to one year (out of acct.475 *)	71		373,142	364,924
	Amounts to be repaid over a period longer than one year (out of acct.475 *)	72		3,600,601	3,307,835
	2. Deferred income (acct.472) - total (row 74+75), out of which:	73		-	-
	Amounts to be repaid within one year (acct.472 *)	74		-	-
	Amounts to be repaid over a period longer than one year (acct.472 *)	75		-	-
	3. Deferred income related to assets received by transfer from customers (acct. 478) (rows 77+78)	76		<b>1,194,921,026</b>	<b>1,284,582,587</b>
	Amounts to be repaid within a period of up to one year (out of acct.478 *)	77		108,177,670	63,921,398
	Amounts to be repaid over a period longer than one year (out of acct. 478 *)	78		1,086,743,356	1,220,661,189
	Negative goodwill (acct.2075)	79			
	<b>TOTAL (rows 70+73+76+79)</b>	80	10	<b>1,198,894,769</b>	<b>1,288,255,346</b>
<b>J</b>	<b>CAPITAL AND RESERVES</b>				
	<b>I. CAPITAL</b>				
	1. Paid-in subscribed capital (acct. 1012)	81		271,365,250	271,365,250
	2. Unpaid subscribed capital (acct. 1011)	82		-	-
	3. Company's patrimony (acct. 1015)	83		-	-
	4. The patrimony of the national research-development institutes (acct. 1018)	84			
	5. Other equity items (acct. 103)	85		-	-
	<b>TOTAL (row 81+82+83+84+85)</b>	86	11	<b>271,365,250</b>	<b>271,365,250</b>
	<b>II. CAPITAL's PREMIUMS (acct. 104)</b>	87	11		
	<b>III. RESERVE FROM REVALUATION (acct. 105)</b>	88	11	<b>815,451,100</b>	<b>804,716,843</b>

<b>IV. RESERVES</b>					
1. Legal reserves (acct. 1061)	89		54,273,050	54,273,050	
2. Statutory or contractual reserves (acct. 1063)	90		-	-	
3. Other reserves (acct. 1068)	91		1,428,009,404	1,443,826,292	
<b>TOTAL (row 89 to 91)</b>	<b>92</b>		<b>1,482,282,454</b>	<b>1,498,099,342</b>	
Own shares (acct 109)	93		-	-	
Equity linked to equity instruments (acct. 141)	94		-	-	
Losses related to equity instruments (acct.149)	95		-	-	
<b>V. RETAINED EARNINGS, (acct.117)</b>	Balance C	96	1,691,968,270	<b>208,047,304</b>	
	Balance D	97			
<b>VII. PROFIT OR LOSS OF THE EXERCISE</b> (acct.121)	Balance C	98	<b>96,670,617</b>	<b>111,800,491</b>	
	Balance D	99		-	
The distribution of profit (acct. 129)	100		24,989,782	15,816,888	
<b>OWN EQUITY – TOTAL (rows 86+87+88+92-93+94-95+96-97+98-99-100)</b>	101		<b>4,332,747,909</b>	<b>2,878,212,342</b>	
Private patrimony (acct. 1016)	102				
Public patrimony (acct.1017)	103				
<b>EQUITY- TOTAL (rows 101+102+103)</b>	104	11	<b>4,332,747,909</b>	<b>2,878,212,342</b>	
<b>TOTAL LIABILITIES</b>	105		<b>6,253,610,123</b>	<b>4,902,967,175</b>	

March 16, 2021

General Manager  
Monica Hodor

Prepared by,  
Maurizio Rastelli  
Financial manager

E-DISTRIBUTIE MUNTENIA SA  
PROFIT AND LOSS ACCOUNT  
for the financial exercise ended on December 31, 2020  
(all amounts are in lei (RON) unless otherwise mentioned)

Name of issue		Row	Note	Financial exercise concluded on December 31	
				2019	2020
A		B		1	2
1	<b>Net turnover (rd. 02 + 03 - 04 + 05+06)</b>	<b>01</b>	<b>12</b>	<b>814,537,487</b>	<b>858,511,382</b>
	Production sold (acct.701 + 702 + 703 + 704 + 705 + 706 + 708)	02		806,004,330	i 840,859,642
	Income from the sale of goods (acct. 707	03		8,533,157	17,651,740
	Commercial discounts granted (acct.709)	04		-	-
	Revenues from operating grants related to turnover (acct.7411)	05		-	-
2	Income related to the cost of production in progress (acct. 711 + 712)	Balance C	06	-	
		Balance D	07	-	
3	Production made by the entity for its own and capitalized purposes (acct. 721 + 722)	08		23,327,983	32,464,416
4	Income from the revaluation of intangible assets (acct. 755)	09		61,229,465	-
5	Revenue from real estate investments (acct. 725)	10		-	-
6	Income from operating grants (acct.7412 + 7413 + 7414 + 7415 + 7416 + 7417 + 7419)	11		-	-
7	Other operating income (751+758+7815), of which	12	<b>13</b>	94,705,769	77,247,960
	-revenue from investment grants (acct. 7584)	13		-	-
	-earnings on purchases under favorable conditions (acct. 7587)	14		91,203,050	71,909,242
	<b>OPERATING REVENUES – TOTAL (row 01+07+08+09+10+11+12+13)</b>	<b>15</b>		<b>993,800,704</b>	<b>968,223,758</b>
8	a) Expenditure on raw materials and consumables (acct. 601 + 602)	16	<b>14</b>	13,832,661	11,941,218
	Other material expenses (acct. 603+604+606+608)	17	<b>14</b>	299,255,659	301,676,206
	b) Other external expenditures (with energy and water) (acct.605)	18		4,231,832	3,505,361
	c) Expenditure on goods (acct. 607)	19		7,328,704	15,830,869
	Trade receipts received (acct.609)	20		21,723	491,372
9	Personnel costs (row 23+24), out of which:	21	<b>15</b>	<b>112,376,998</b>	<b>123,350,901</b>
	a) Salaries and allowances (acct. 641+642+643+644)	22		106,858,676	117,892,902
	b) Expenditure on insurance and social protection (acct.645)	23		5,518,322	5,457,999
10	a) Value adjustments on intangible assets, tangible assets (rows 26-27)	24		<b>201,011,869</b>	<b>211,500,619</b>
	a.1) Expenses (acct.6811 + 6813 + 6816 + 6817)	25		205,741,535	212,511,846
	a.2) Income (acct.7813 + 7816)	26		4,729,666	1,011,227
	b) Value adjustments for current assets (rows 26-27)	27		<b>(691,509)</b>	<b>6,831,448</b>
	b.1) Expenditure (acct.654 + 6814+6818)	28		7,251,499	8,774,455
	b.2) Revenues (acct.7813+7818)	29		7,943,008	1,943,007
11	Other operating expenses (row 32 to 38)	30	16	<b>286,132,644</b>	<b>182,769,792</b>
	11.1. Expenditure on external benefits (acct. 611 + 612 + 613 + 614 +615 + 621 + 622 + 623 + 624 + 625 + 626 + 627 + 628)	31		161,684,963	151,762,140
	11.2. Expenses with other fees, taxes, and similar charges (acct. 635 + 6586)*	32		10,451,236	12,084,521

	11.3. Environment protection expenditures (acct.652)	33		112,752	166,813
	11.4. . Expenses from revaluation of intangible assets (acct. 655)	34		72,396,509	-
	11.5 Expenditure on calamities and other similar events (acct.6587	35		-	-
	16.9. Other expenses (acct.651 + 6581 + 6582 + 6583 +6588)	36		41,487,184	18,756,318
	Adjustments for provisions (rows 40-41)	37		10,036,789	8,581,526
	- Expenditure (acct. 6812)	38		15,278,625	19,865,674
	- Income (7812)	39		5,241,836	11,284,148
	<b>OPERATING EXPENDITURE - TOTAL (row 17 to 20 20-21+22+25+28+31+39)</b>	40		<b>933,493,924</b>	<b>865,496,568</b>
	<b>PROFIT OR LOSS FROM OPERATION:</b>				
	-Profit (row 16-42)	41		60,306,780	102,727,190
	- Loss (row 42-16)	42		-	-
12	Income from shares in associated entities and controlled jointly entities (acct.7611+7612+7613)	43 44		-	-
13	Interest income (acct.766 *)	45		45,801,355	13,875,603
	- of which, the income affiliated entities	46		-	-
14	Income from operating grants for interest due (acct. 7418)	47		-	-
15	Other financial income (acct. 7615+762+764+765+767+768)	48		1,651,602	4.046,098
	-of which, income from other financial fixed assets (item 7615)	49		-	-
	<b>FINANCIAL INCOME – TOTAL (rows 45+47+49+50)</b>	50	17	<b>47,452,957</b>	<b>17,921,701</b>
16	Value adjustments on financial assets and financial investments held as current assets (rows 54-55)	51		-	-
	-Expenditures (acct.686)	52		-	-
	-Income (acct.786)	53		-	-
17	Interest Expenses (acct.666 *)	54		-	-
	- of which, the expenses in relation to the entities in the group	55		-	-
	Other financial expenses (acct.663 + 664 + 665 + 667 + 668)	56		4,808,923	6,205,718
	<b>FINANCIAL EXPENDITURE - TOTAL (rows 53+56+58)</b>	57		<b>4,808,923</b>	<b>6,205,718</b>
	<b>PROFIT OR FINANCIAL LOSS:</b>				
	- Profit (row 61 - 70)	58		42,644,034	11,715,983
	- Loss (rows 70- 61)	59		-	-
	<b>TOTAL INCOME (rows 16+52)</b>	60		<b>1,041,253,661</b>	<b>986,145,459</b>
	<b>TOTAL EXPENDITURE (rows 42+59)</b>	61		<b>938,302,847</b>	<b>871,702,286</b>
18	<b>GROSS PROFIT OR LOSS:</b>				
	- Profit (rows 62-63)	62		102,950,814	114,443,173
	- Loss (rows 63-62)	63		-	-
19	Income tax (acc, 691)	64	18	6,280,197	2,642,682
20	Tax-specific activities (acct, 695)	65			
21	Other taxes not shown at the above items (acct,698)	66		-	-
22	<b>NET PROFIT OR LOSS OF FINANCIAL EXERCISE:</b>				
	- Profit (rows 64-65-66-67-68)	67		96,670,617	111,800,491
	- Loss (rows 65+66+67+68-64)	68		-	-



E-DISTRIBUTIE MUNTENIA SA  
SITUATION OF CHANGES IN EQUITY  
for the financial exercise ended on December 31, 2020  
(all amounts are in lei (RON) unless otherwise mentioned)

**2020**

ITEM		Balance on January 1, 2020	Increase		Decrease		Balance on December 31 2020
			Total, of which:	By transfer	Total, of which:	By transfer	
Subscribed capital		271,365,250	-	-	-	-	271,365,250
Capital premium		815,451,100		-	10,734,257	10,734,257	804,716,843
Revaluation reserves		54,273,050		-		-	54,273,050
Legal reserves		1,428,009,404	15,816,888	15,816,888		-	1,443,826,292
Other reserves		125,632,212	10,734,257	10,734,257		-	136,366,469
Reserves representing the surplus realized from revaluation reserves		-	-	-		-	-
The result carried forward represents the undistributed profit or the uncovered loss	Balance C	1,566,336,058	71,680,835	71,680,835	1,566,336,058		71,680,835
	Balance D	-	-	-		-	-
Profit or loss for the financial year	Balance C	96,670,617	111,800,491		96,670,617	96,670,617	111,800,491
	Balance D		-		-	-	-
Distribution of profit		(24,989,782)	(15,816,888)	(15,816,888)	(24,989,782)	(24,989,782)	(15,816,888)
<b>Total equity</b>		<b>4,332,747,909</b>	<b>194,215,583</b>	<b>82,415,092</b>	<b>1,648,751,150</b>	<b>82,415,092</b>	<b>2,878,212,342</b>

**2019**

ITEM		Balance on January 1, 2019	Increase		Decrease		Balance on December 31, 2019
			Total, of which:	By transfer	Total, of which:	By transfer	
Subscribed capital		271,365,250	-	-	-	-	271,365,250
Capital premium		850,882,928	75,918,431		111,350,259	32,518,786	815,451,100
Revaluation reserves		54,273,050	-	-	-	-	54,273,050
Legal reserves		1,403,019,622	24,989,782	24,989,782	-	-	1,428,009,404
Other reserves		93,113,426	32,518,786	32,518,786			125,632,212
Reserves representing the surplus realized from revaluation reserves			-	-	-	-	
The result carried forward represents the undistributed profit or the uncovered loss	Balance C	1,681,226,790	-	-	114,890,732	114,890,732	1,566,336,058
	Balance D	-	-	-	-	-	-
Profit or loss for the financial year	Balance C	-	96,670,617		-	-	96,670,617
	Balance D	(114,890,732)	-	-	(114,890,732)	(114,890,732)	-
Distribution of profit		-	(24,989,782)	(24,989,782)	-	-	(24,989,782)
<b>Total equity</b>		<b>4,238,990,334</b>	<b>205,107,834</b>	<b>32,518,786</b>	<b>111,350,259</b>	<b>32,518,786</b>	<b>4,332,747,909</b>

General manager  
Monica Hodor

Prepared by,  
Maurizio Rastelli

E-DISTRIBUTIE MUNTENIA SA  
SITUATION OF CASH FLOW  
for the financial exercise ended on December 31, 2020  
(all amounts are in lei (RON) unless otherwise mentioned)

## INDIRECT METHOD

ITEM	Financial exercise concluded on December 31	
	2019	2020
A	1	2
<b>Cash flows from operating activity</b>		
<b>Profit / (loss) before income tax</b>	<b>102,950,814</b>	<b>114,443,173</b>
<b>Adjustments for non-monetary items:</b>		
Depreciation related to tangible and intangible assets, net	205,368,909	204,853,222
Impairment adjustments, net	(4,357,040)	6,647,398
The net impact on the profit and loss account of the revaluation of tangible assets	11,167,044	-
Value adjustments related to trade and other receivables, net	(812,749)	6,403,227
Stock value adjustments, net	121,240	428,221
Provisions, net	10,036,789	8,581,526
Loss (profit) from the sale / disposal of tangible assets	35,225,659	4,712,832
Revenue of customer-financed assets (connection fee)	(91,203,050)	(71,909,242)
Unrealized losses due to exchange rate differences	1,859,181	1,892,013
Interest income	(45-801 355)	(13,875,603)
<b>Operating income before changes in working capital</b>	<b>224,555,442</b>	<b>262,176,766</b>
<b>Changes in net working capital in:</b>		
Decrease / (Increase) of stocks	659,749	(324,301)
Decrease / (Increase) in trade and other receivables and other claims	(13,801,902)	60,768,219
Decrease / (Increase) of deferred expenses	(1,062,547)	(658,116)
(Decrease) / Increase in trade and other payables	(60,947,945)	2,364,498
(Decrease) / Increase in other debts	(20,574,532)	4,642,415
Connection fee collected from customers	196,579,309	171,076 847
<b>Changes in working capital</b>	<b>100,852,132</b>	<b>237,869,562</b>
Profit tax paid	(18,377,487)	(2,599,491)
<b>Net cash flow from operating activities</b>	<b>307,030,087</b>	<b>497,446,836</b>
<b>Cash flow from investment activity</b>		
Payments for acquisitions of tangible and intangible assets	(441,399,384)	(462,552,574)
Proceeds from the sale of tangible assets	129,638	23,109
Interest received	55,687,877	12,829,003
<b>Net cash flow used in investment activity</b>	<b>(385,581,869)</b>	<b>(449,700,462)</b>
<b>Cash flow from financial activity</b>		
Dividends paid	-	(1,566,336 058)
<b>Net cash flow from / (used in) financial activity</b>	<b>-</b>	<b>(1,566,336,058)</b>
<b>Net increase / (decrease) of availabilities and assimilated elements</b>	<b>(78,551,782)</b>	<b>(1,518,589,685)</b>
<b>Availability and assimilated elements at the beginning of the year</b>	<b>2,512,921,189</b>	<b>2,432,510,227</b>
The effect of exchange rate changes	(1,859,181)	-
<b>Availability and assimilated elements at the end of the year</b>	<b>2,432,510,226</b>	<b>913,920,542</b>

General manager  
Monica Hodor

Prepared by,  
Maurizio Rastelli

## **NOTE 1: INFORMATION REGARDING THE COMPANY**

E-Distributie Muntenia S.A. ("The Company") is a joint stock company established in 2002, with registered office in Bucharest, Sector 3, 30 Mircea Vodă Blvd., Romania. The company is registered at the Trade Register under number J40 / 1859/2002, fiscal registration number 14507322.

The company's main object of activity represents the distribution of electricity in the Bucharest area and in Ilfov and Giurgiu counties.

The company is controlled by Enel SpA, Italy, the ultimate shareholder of the Group. Enel SpA, a company organized under Italian law and the ultimate beneficial owner of the Enel Group, prepares consolidated IFRS financial statements (which are public and can be obtained from the Group's official website).

The Company's statutory annual financial statements are available for consultation by shareholders at the Company's headquarters.

### **Regulatory environment in the energy sector**

The activity in the energy sector is regulated by the National Energy Regulatory Authority ("ANRE") established as an autonomous public institution by Emergency Ordinance no. 33/2007 with the subsequent amendments and completions and which has the mission to create and apply the regulatory system necessary for the functioning of electricity and natural gas sector and market, in conditions of efficiency, competition, transparency, and protection of consumers.

In carrying out its mission, ANRE aims at integrating the regulatory act with the actions of other regulatory authorities and harmonizing it with the objectives and priorities of the Government.

ANRE has the following main attributions:

- approval of technical and commercial regulations for economic operators in the domain, including performance standards for transmission, distribution and supply of electricity and heat.
- granting, modifying, suspending, or withdrawing authorizations and licenses for economic operators in the electricity sector, including producers of thermal energy produced in cogeneration.
- elaboration and approval of the methodologies for calculating the regulated tariffs and prices.

In July 2012, the Electricity and Natural Gas Law 123/2012 was approved, and published in the Official Gazette 485 / 16.07.2012, which cancelled the Electricity Law 13/2007 and the Gas Law no. 351/2004. Following the effective date, Law 123/2012 was completed and amended by other normative acts.

In 2019 there were several amendments to the Law on electricity and natural gas no. 123/2012. Thus, by the Emergency Ordinance no. 114 / 28.12.2018, after the effective date on 01.01.2019, were made major changes regarding the functioning of the electricity markets. Some of the most important elements for the energy sector but, especially for the activity of the companies operating in the area of electricity supply and distribution, was the establishment of the annual contribution quota representing 2% from the turnover, charged to the license holders issued by ANRE.

In 2020, by Emergency Ordinance no. 1/2020, several amendments of the Energy and Natural Gas Law no. 123/2012 were established, one of the most important being the amendment of GEO 114/20 on the reduction of the annual contribution charged by ANRE to the holders of distribution licenses, from 2% to 0.2%.

### ***Electricity distribution***

The distribution of electricity is carried out by the distribution operator, the legal person holding the license.

The specific rates for the electricity distribution and the prices for the reactive energy are established by ANRE Orders.

The new Methodology for establishing the price for the electricity distribution was approved by Order no. 169/2018, suffering significant changes on important aspects of the distribution activity and the way in which they reflect in the calculation of the applied rates.

According to the Methodology for establishing the price for the electricity distribution, the price is established taking into account the following elements: controllable and uncontrollable operating and maintenance costs; the cost of electricity purchased for own technological consumption (losses in the distribution grid); regulated depreciation expense; profitability of the regulated assets' base; revenues related to reactive energy and revenues from other activities, as well as corrections from previous periods.

### ***Regulated assets base (RAB)***

In accordance with the legislation in force, the price is determined by distribution rates, among others, on the regulated assets' base.

The regulated assets base at the beginning of the first regulatory period (January 1, 2005) (initial RAB) included the net value of tangible and intangible assets recognized by ANRE and used for the regulated distribution of electricity. The RAB calculated subsequently includes, in addition to the initial RAB, as net value, also the net value of the tangible and intangible assets subsequently acquired through investments approved by ANRE. RAB does not include fixed assets financed by donations, development fee received or other non-reimbursable funds, including connection fee received from new users of the electricity grid.

### ***Regulated Rate of Return (RRR)***

During 2019, the regulated rate of return of RAB was 5.66%, in accordance with ANRE Order no. 168/2018. During 2020, the regulated rate of return of RAB had the following values:

- For the period January 1, 2020 - April 29, 2020: 6.9%;
- For the period April 30, 2020 - May 12, 2020: 5.66% plus a 1% incentive for new investments;
- For the period May 13, 2020 - December 31, 2020: 6.39% plus a 1% incentive for new investments.

### **Concession of the electricity distribution**

The company (as grantee) has concluded in 2005 a concession contract with the Ministry of Energy (as grantor), updated by addenda in 2015, 2016 and 2017, concession contract which has as object the concession of the distribution service of electricity in the determined territory (Bucharest, Ilfov and Giurgiu counties), at the risk and responsibility of the concessionaire and in compliance with the technical regulations applicable for the operation, modernization, rehabilitation, and development of electricity distribution grid provided in the Energy Law, terms and conditions of the distribution license of electricity and regulations issued by ANRE. The concession contract is concluded for a period of 49 years, with the possibility of extension for a period equal to at most half of this period. As price for the concession, the Company pays an annual royalty recognized in the distribution rate of 1/1000 of the revenues from the distribution of electricity. To perform the electricity distribution service, the company uses the assets representing the distribution grid owned, located in the territory mentioned above. According to the concession contract, the grantor will buy at the end of the concession contract the property rights over the "relevant goods", namely the electricity distribution grid, at a price equal to the regulated assets base as established by the regulatory authority (ANRE).

## **NOTE 2: ACCOUNTING PRINCIPLES, POLICIES AND METHODS**

### **2.1 Basics for preparing the financial statements**

These are the individual financial statements of E-Distributie MUNTENIA S.A. for the financial year ended 31 December 2020 drawn up in accordance with:

- Accounting law no. 82/1991 (republished);
- The provisions of the Order of the Minister of Public Finance no. 1802/2014 with subsequent amendments ("OMFP 1802/2014").

The accounting principles and policies adopted for the preparation and presentation of the financial statements are in accordance with the accounting principles and policies provided by OMFP 1802/2014.

The accounting records on the basis of which these financial statements have been prepared are in lei ("RON") at historical cost, except for the situations in which the fair value was used, according to the Company's accounting policies and according to OMF 1802/2014.

These financial statements include:

- Balance sheet;
- Profit and loss account;
- Cash flow statement;
- Statement of changes in equity;
- Explanatory notes to the financial statements.

The financial statements refer only to E-Distributie MUNTENIA S.A. The company does not have subsidiaries that require consolidation.

The financial statements are not intended to present the financial position, the result of operations, cash flows and a complete set of notes to the financial statements in accordance with regulations and accounting principles accepted in countries and jurisdictions other than Romania. Therefore, the financial statements are not prepared for the use of persons who do not know the accounting and legal regulations in Romania, including the Order of the Minister of Public Finance no. 1802/2014 with subsequent amendments.

## **2.2 Significant accounting principles**

The financial statements have been prepared in accordance with the following accounting principles:

### The principle of continuity of activity

The company will continue to operate normally without going into liquidation or significant reduction of activity.

### The principle of permanence of methods

The company consistently applies accounting policies and evaluation methods from one financial year to another.

### The principle of prudence

When preparing the annual financial statements, the recognition and evaluation was performed mainly on:

- a) only the profit realized at the balance sheet's date was included in the profit and loss account;
- b) the debts incurred during the current financial year or of a previous financial year, have been recognized even if they become obvious only between the balance sheet's date and the date of preparation;
- c) impairments have been recognized, regardless of whether the result of the financial year is a loss or a profit.

### The principle of accrual accounting

The effects of transactions and other events were recognized when the transactions and events occurred (and not as cash or cash equivalents were received or paid) and were registered in the accounts and reported in the financial statements for the related periods.

All income and expenses for the year were taken into account, regardless of the date of collection or payment.

The incomes and expenses that resulted directly and simultaneous from the same transaction were recognized simultaneously in the accounting, by direct association between the expenses and the incomes, by highlighting these incomes and expenses.

### The principle of intangibility

The opening balance sheet of the financial year corresponds to the closing balance sheet of the previous financial year.

### The principle of separate valuation of assets and liabilities

In order to establish the value corresponding to a position in the balance sheet, the value of each component of the assets and liabilities items was determined separately.

The principle of non-compensation

The values of the elements representing assets were not offset by the values of the elements representing debts, respectively the income with expenses.

Accounting and presentation of the elements from the financial statements taking into account the economic fund of the transaction or commitment in question

The registration in accounting and the presentation in the financial statements of the economic-financial operations reflect their economic reality, highlighting the rights and obligations, as well as the risks associated with these operations.

The principle of evaluation

The items presented in the financial statements have been valued based on the principle of acquisition cost or production cost, except for tangible assets, which are measured using the revaluation method.

Significance threshold principle

The entity may deviate from the requirements contained in the applicable accounting regulations regarding the presentation of information and publication when the effects of their observance are insignificant.

## **2.3 Reporting period**

The accounting is prepared in Romanian and in the national currency ("RON"). The accounting of the operations performed in foreign currency is kept both in the national currency and in foreign currency. The elements included in these situations are presented in Romanian currency.

## **2.4 Comparative situations**

The financial statements prepared on December 31, 2020 present comparability with the financial statements of the previous financial year, except for the situation presented in Note 16. If the values for the previous period are not comparable with those for the current period, this aspect is presented and argued in the notes without changing the comparative figures for the previous year.

Also, in 2020, the Company modified the presentation in the Statement of cash flows of the receipts from the connection fee from the financing activity to the operating activity.

## **2.5 Use of accounting estimates**

The preparation

of financial statements in accordance with OMF 1802/2014, with subsequent amendments, implies that the management should make estimates and assumptions that influence the reported values of assets and liabilities and the presentation of contingent assets and liabilities at the date of the financial statements, as well as income and expenses from the reporting period. Actual results may differ from the estimated ones. These estimates are reviewed periodically and, if adjustments are required, they are recorded in the income statement as they become available.

## 2.6 Continuity of activity

These financial statements have been prepared based on the principle of business continuity, which assumes that the Company will continue its business in the foreseeable future. To assess the applicability of this presumption, the management analyzes forecasts of future cash inflows and outflows. Based on these analyzes, the management considers that the Company will be able to continue its activity in the foreseeable future and therefore the application of the principle of continuity of activity in the preparation of the financial statements is justified.

## 2.7 Currency conversions

Transactions made in foreign currency are initially recorded at the exchange rate communicated by the National Bank of Romania on the date of the transaction.

At the balance sheet's date, monetary items denominated in foreign currency and receivables and payables denominated in lei whose settlement is based on the exchange rate of a currency are valued and presented in the annual financial statements at the exchange rate communicated by the National Bank of Romania valid at the end of the financial year.

Profit and losses on exchange rate differences, realized and unrealized, between the exchange rate of the foreign exchange market communicated by the National Bank of Romania on the date of registration of receivables or liabilities in foreign currency and those in RON whose settlement depends on the exchange rate of a currency, or the exchange rate at which they are recorded in the accounting and the exchange rate on the date of the ending of the financial year, are registered in the profit and loss account of the respective financial year.

Non-monetary items purchased in foreign currency and registered at historical cost (intangible assets, inventories) are presented in the annual financial statements using the exchange rate on the date of the transaction. Non-monetary items purchased with payment in foreign currency and recorded at fair value (e.g. revalued tangible assets) are presented in the annual financial statements at this value.

The exchange rates RON / USD and RON / EUR communicated by the National Bank of Romania on December 31, 2020 and December 31, 2019, were as follows:

Currency	December 31, 2020	December 31, 2019
RON/USD	3.9660	4.0736
RON/EURO	4.8694	4.6639

## 2.8 Significant accounting policies

### 2.8.1. Intangible assets

Intangible assets are valued at cost less accumulated depreciation and accumulated impairment losses.

*Concessions, patents, licenses, trademarks, rights, and similar assets*

They mainly include licenses and are amortized using the straight-line amortization method over the useful life period (usually 3 years).



#### *Other intangible assets*

They mainly include dedicated computer programs. The costs related to the acquisition of computer programs are capitalized and amortized based on the linear method for a lifetime of 5 years (SAP system, software related to smart electric meters).

### **2.8.2. Tangible assets**

#### *Recognition and evaluation*

Tangible assets are initially recognized at cost. The initial cost of tangible assets consists of the purchase price, including irrecoverable import duties or taxes, transportation, handling, commissions, notary fees, authorization expenses and other non-recoverable expenses directly attributable to tangible assets and any direct attributable costs for bringing the asset to the proper place and operating conditions.

Tangible assets in progress represent unfinished investments made in operations by oneself or in enterprise. They are valued at production cost or acquisition cost, as appropriate. They are not amortized over a period of time until the relevant assets are completed and put into operation.

Expenses incurred after the fixed asset has been put into operation, such as repairs, maintenance, and administrative costs, are normally registered in the profit and loss statement in the period in which they occurred. Where it can be demonstrated that these expenses have resulted in an increase in future economic benefits expected to be derived from the use of a fixed asset over the initially assessed performance standards, the expense is capitalized as an additional cost in the value of the asset.

In cases where the costs incurred only serve to maintain the efficiency of the installation or the initial capacity and productivity, these are considered as expenses for repairs and maintenance and are recognized as expenses of the period in which they were incurred.

In case of replacing a component of a long-term asset, the Company recognizes the cost of partial replacement, the accounting value of the replaced part being removed from the records, with the related depreciation, if the necessary information is available and the recognition criteria for tangible assets are met.

In order to recognize tangible assets, it is necessary to use professional reasoning when applying the recognition criteria for the specific circumstances of the entity. In some cases, it may be appropriate to aggregate the insignificant elements individually, such as molds, measuring and control equipment, tools, and the like, and to apply the criteria for recognizing their aggregate value.

Important spare parts and safety equipment are considered tangible assets when they are expected to be used for more than one year.

Subsequent to initial recognition, tangible assets are measured periodically at revalued amount, less any accumulated depreciation and any impairment losses since the most recent revaluation.

Items in a range of tangible assets are revalued simultaneously to avoid selective revaluation and reporting in annual financial statements of values that are a combination of costs and values calculated at different dates. If a fixed asset is revalued, all other assets in the group to which it belongs are revalued.

Revaluations of tangible assets are made with enough regularity so that their carrying amount does not differ materially from that which would be determined using the fair value at the balance sheet date.

When revaluing a tangible asset, the accumulated depreciation at the revaluation date is removed from the gross carrying amount of the asset, and the difference between the net carrying amount of the asset and the revalued amount represents the value adjustment of the asset.

The revaluation surplus included in the revaluation reserve is capitalized by direct transfer to retained earnings (account 1175 "Retained earnings representing the surplus realized from revaluation reserves"), when this surplus represents a realized profit. The company considers the revaluation surplus realized when removing the asset from the record for which the revaluation reserve was established.

#### *Depreciation*

Depreciation of the value of fixed assets with limited periods of economic use represents the systematic allocation of the depreciable value of an asset over the entire period of economic use. The depreciable amount is the cost or other value that replaces the cost (e.g. the revalued amount).

The period of economic use is the period in which an asset is expected to be available to be used by entity.

The Company registers the accounting depreciation based on the economic life periods established by the Company and which are registered in a catalog of the economic durations. The company uses the straight-line method. Lands are not depreciated.

Tax depreciation is calculated based on the tax durations in the Catalog on the classification of fixed assets according to GD 2139/2004 (see point 2.8.19).

The fiscal depreciation periods (in years) used for tangible assets which are presented as follows:

Category	Duration economy (years)	Fiscal durations (years)			
		After January 1 2005	1 January 1999 - 31 December 2004	Before 1 January 1999	Before 1 January 1994
<b>Buildings</b>					
Administrative and industrial	60-90	40	50	50	70
Overhead power lines on wooden poles	30	9	12	12	20
Overhead power lines on concrete poles	50	32	40	40	60
Underground power lines	35	12	20	20	30
Other cables	35	9	20	20	30
Transformer	40	16	20	20	30
Meters	10	8	10	10	20
Measuring and control devices	3-30	8	3-20	5-20	5-30
Means of transport	4-10	4	4-9	4-9	6-9
Stationary	5-20	2-12	15	15	40
Others	5	3	5	10	10

The revision of the amortization period may be justified by a significant change in the conditions of use, as well as in the case of investments or repairs, other than those determined by current maintenance, or the obsolescence of a tangible asset. Also, if the tangible assets are preserved, their use being interrupted for a long period, the revision of the depreciation period may be justified. When the elements that formed the basis for the initial determination of the economic use period have changed, the Company establishes a new amortization period. The change in the duration of economic use represents a change in the accounting estimate.

#### *Assigning and annulment*

A tangible asset is derecognized on assigning or annulment when no future economic benefit is expected from its subsequent use.

For the purpose of presentation in the profit and loss account, the profit or losses obtained from the disposal or assigning of a tangible asset are determined as the difference between the income generated by the recognition and its unamortized value, including expenses incurred by it and are presented as net value, as income or expenses, as the case may be, under the item "Other operating income", respectively "Other operating expenses".

### **2.8.3. Impairment of fixed assets**

#### *Determining impairment losses*

The recoverable amount of tangible and intangible fixed assets is considered to be the higher of fair value less selling costs and value in use. Estimating the value in use of an asset involves updating estimated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks of the asset. In case of an asset that does not independently generate significant cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The carrying amount of the Company's fixed assets is analyzed at the balance sheet's date to determine whether there are any impairment losses. If such a decrease is probable, the recoverable amount of the asset in question is estimated. If the carrying amount of the asset is greater than its recoverable amount, an adjustment for impairment losses is recognized in the income statement or, as the case may be, by decreasing the revaluation reserve (based on a revaluation report).

The value of intangible and tangible assets is corrected and brought to the recoverable amount, depending on the type of impairment, either by registering an additional depreciation, in case an irreversible depreciation is found, or by establishing or supplementing the impairment adjustments, if a reversible depreciation is found.

#### *Resumption of adjustments for impairment losses*

An adjustment for impairment of fixed assets is resumed if there is a change in the estimates used to determine the recoverable amount.

An adjustment for impairment may be resumed to the extent that the carrying amount of the asset does not exceed its recoverable amount, less depreciation, which would have been determined if the adjustment for impairment had not been recognized.

#### **2.8.4. Inventories**

Inventories are made up of consumables and other materials, consisting mainly of materials for the maintenance of the distribution network.

The cost of stocks includes all acquisition costs and other costs due to bringing stocks to the present place and situation.

Upon discharge, inventories are evaluated based on the weighted average cost method. Where appropriate, value adjustments are made for obsolete or defective stocks.

#### **2.8.5. Trade and other receivables**

Trade receivables include invoices issued until December 31, 2020 for electricity distribution, penalties for late payment, as well as estimated receivables related to electricity distributed until the end of the year, but invoiced in the period after the end of the year.

Trade receivables are initially recognized and registered at the value according to the invoices or according to the documents attesting the delivery of the goods, namely the provision of the services.

The valuation of the recoverable amount of receivables at the balance sheet's date is made at their probable collection value. The differences found in minus between the recoverable value and the book value of the receivables are registered in the accounting as value adjustments of the current assets. The Company's policy is to fully provision receivables older than one year, uncertain and bankrupt customers.

An impairment loss on a receivable is resumed if the subsequent increase of recoverable amount can be related to an event that occurred after the impairment loss was recognized.

#### **2.8.6. Cash and cash equivalents**

Cash availabilities are made up of cash, current accounts at banks, bank deposits for a maximum of three months if they are held in order to cover the need for short-term cash, checks and commercial bills in bank accounts.

#### **2.8.7. Trade payables**

Trade obligations are recorded at cost, which represents the value of the obligation to be paid in the future for the goods and services received, regardless of whether or not they were invoiced to the Company, including invoices for deliveries of electricity, natural gas, supplies of goods, contracted works, and services.

#### **2.8.8. Leasing contracts**

Leasing contract in which a significant portion of the risks and associated benefits of ownership are retained by the lessor should be classified as operating leases.

Payments related to an operating lease are recognized as expenses in the profit and loss account, on a straight-line basis over the term of the lease. Incentives received for concluding a new or renewed operational leasing contract are recognized as an integral part of the net value of the consideration for using the asset in lease, no matter the value of the incentive, type of payment, reducing the costs with the lease during the lease agreement, on straight-line basis.

#### **2.8.9. Provisions**

Provisions are recognized when the Company has a current obligation (legal or implied) generated by a previous event, it is likely that an outflow of resources will be required to meet the obligation, and the debt can be estimated reliably.

The amount recognized as a provision represents the costs necessary to settle the current obligation of the best estimate at the balance sheet's date. The best estimate of the costs necessary to settle the current debt is the amount that the Company would rationally pay for settling the obligation at the balance sheet's date or for its transfer to a third party at that time.

If the effect of the time-value of money is significant, the value of the provision represents the updated present value of the expenses estimated necessary to settle the obligation. The discount rate used reflects current market assessments of the time-value of money and debt-specific risks.

Profit from the expected disposal of assets is not taken into account in assessing a provision.

If it is estimated that some or all of the expenses related to a provision will be reimbursed by a third party, the reimbursement is recognized only when there is clear evidence that the reimbursement will be received. Repayment is considered a separate asset. The amount that is recognized as a refund does not exceed the value of the provision.

Provisions are reviewed at each balance sheet's date and adjusted to reflect the current best estimate. If an outflow of resources is no longer probable for settling an obligation, the provision is canceled by resumption of income.

#### **2.8.10. Contingent liabilities**

A contingent liability is:

- a potential obligation, arising as a result of past events, prior to the balance sheet's date and whose existence will be confirmed only after the occurrence or non-occurrence of one or more uncertain future events, which cannot be fully under the company's control;
- a current obligation that arose as a result of past events prior to the balance sheet's date, but which is not recognized because:
  - o it is not certain that outflows of resources will be needed to settle this debt;
  - o the amount of the debt cannot be measured credible enough.

Contingent liabilities are not recognized in the financial statements. They are presented unless the possibility of an outflow of resources with economic benefits is ruled out.

A contingent asset is not recognized in the financial statements, it is presented when is probable an entry of future economic benefits.

#### **2.8.11. Deferred income**

Deferred income includes connection fee, development fee, donations, and inventory surpluses.

The value of the new connections to the electricity grid is invoiced to the consumers through the connection price (in accordance with the connection regulation provided in the ANRE Order 59/2013 - with all subsequent amendments and completions). The connections made to the electrical grid become the property of the Company, according to the law.

The connection fee collected is recognized as advances from customers before commencing of work, when it is transferred to deferred income. Deferred income is reversed to income as amortization of related tangible assets.

#### **2.8.12. Share capital**

The share capital made of common shares is registered at the value established on the basis of the articles of incorporation and the addenda, as the case may be, as well as the supporting documents regarding the capital payments.

The company recognizes the changes to the share capital after being approved by the General Meeting of Shareholders and registered at the Trade Register's Office.

#### **2.8.13. Legal reserves**

It is constituted of 5% quota of the gross profit at the end of the year until the total legal reserves reach 20% of the paid-in share capital, in accordance with the legal provisions.

#### **2.8.14. Reported result**

The remaining accounting profit after the distribution of the legal reserve quota is taken over within the result carried forward at the beginning of the financial exercise of the year following the one for which the annual financial statements are prepared, from where it will be distributed to the other legal destinations.

The highlighting of the accounting profit is performed in the following year after the general meeting of shareholders had approved the distribution of profit, by registering the amounts representing dividends due to shareholders, reserves, and other destinations, according to the law.

#### **2.8.15. Dividends**

Dividends are recognized as a liability in the period in which their distribution is approved. The distribution of dividends is made after the approval of the financial statements.

#### **2.8.16. Pensions and other post-retirement benefits**

Within the current activity, the Company makes payments to the Romanian state for the benefit of its employees for social insurance. All Company's employees are included in the pension plan of the Romanian state.

In addition, the Company provides cash benefits based on length of service for current employees and in-kind benefits (free energy) to retirees of the Company (see Provision Note). These benefits were estimated by an authorized expert in actuarial calculations and registered as Provisions for employees' benefits under OMFP 1802.

The company does not operate any other pension scheme or post-retirement benefit plan.

#### **2.8.17. Revenues**

##### Revenues from electricity's distribution

Revenues from electricity distribution are recognized based on electricity consumption made by consumers based on meter readings and based on estimated consumption for which no readings have been made. The invoicing of the electricity distribution service related to the consumption of the final consumers is performed monthly by the energy suppliers. Electricity distributed to final consumers which has not been read is estimated based on average consuming between the last two readings for economic agents and based on an average between two readings from a similar period of the previous year updated with macroeconomic and seasonal indices.

##### Revenues from the provision of services

Revenues from the provision of services are recognized in the period in which they were provided and in correspondence with the execution stage. The provision of services includes the execution of works and any other operations that cannot be considered deliveries of goods.

##### Rental income

Income from rents and / or rights to use assets is recognized based on accrual accounting, according to the contract.

#### **2.8.18. Financial income and expenses**

Financial income includes interest income and income from exchange rate differences. Financial expenses include expenses from exchange rate differences.

Financial income and expenses are recognized on an accrual basis.

#### **2.8.19. Taxes and fees**

The income tax includes the current tax calculated based on the annual fiscal result, using the tax rate in force at the balance sheet's date, adjusted with the corrections of previous years.

Tax depreciation is calculated based on the tax durations in the Catalog on the classification of fixed assets according to GD 2139/2004 (see point 2.8.2)

The fiscal lifetimes were revised on January 1, 1994, by Law no. 15/1994, on January 1, 1999, by Government Decision no. 964/1998 and on January 1, 2005 by Government Decision 2139/2004. For all tangible assets acquired before January 1, 1999, the Company used a normal remaining operating life resulting from the combination of previous and current durations for each asset's class, based on a formula determined by the Ministry of Public Finance.

In accordance with the new regulations on the calculation of tax depreciation, the reserves from the revaluation of fixed assets, including land, made after January 1, 2004, are taxed starting with May 1, 2009 based on depreciation of fixed assets and the removal of assets.

The fiscal depreciation periods (in years) used for tangible assets, as well as the economic durations used by the Company are presented as follows:

In accordance with the new regulations on the calculation of tax depreciation, starting with January 1, 2007, to determine the tax value of land, namely the tax value not depreciated in the case of depreciable fixed assets will be taken into account also revaluations performed after January 1, 2007, as well as the remaining unamortized part of the accounting revaluations performed between January 1, 2004 and December 31, 2006, highlighted on December 31, 2006. Accounting revaluations performed after January 1, 2004 on depreciable fixed assets that no longer have an unamortized tax value at the date of revaluation are not recovered through tax depreciation. Reserves from the revaluation of fixed assets, including land, made after January 1, 2004, which are deducted in the calculation of taxable profit through tax depreciation or expenses on assigned and / or disposed assets, are taxed at the same time as the tax depreciation deduction, on the moment of discharging these fixed assets according to GEO 34/2009.

Therefore, the Company adjusted the inventory values on the fiscal area for the accounting revaluations performed on 31.12.2006, 31.12.2008, 31.12.2011, 31.12.2014, 31.12.2017 and 31.12.2019 which were highlighted in the accounting for all depreciable assets that at the respective dates had an unamortized tax value.

#### **2.8.20. Accounting errors**

The accounting errors can refer either to the current financial year or to the previous financial years; errors in previous periods also include incorrect presentation of information in the annual financial statements.

Corrections of errors are made on the date of their finding. Errors in prior periods are omissions and misstatements contained in the entity's financial statements for one or more prior periods resulting from the error of using or not using credible information that:

- a) were available at the time the financial statements for those periods were approved for issue;
- b) could have been reasonably obtained and taken into account in the preparation and presentation of those annual financial statements.

The correction of the errors related to the current financial year is made in the profit and loss account. The correction of significant errors related to previous financial years is made in the result of the carried forward account. Insignificant errors related to previous financial years are corrected in the profit and loss account.



The correction of significant errors related to previous financial years does not change the financial statements of those years. In case of errors related to previous financial years, their correction does not imply the adjustment of the comparative information presented in the financial statements. Any impact on the comparative information regarding the financial position and financial performance, respectively the change in the financial position, is presented in the explanatory notes and adjusted in the carried forward result during the year.

#### **2.8.21. Related parties**

A related party is a person or entity that is related to the entity that prepares the financial statements, hereinafter referred to as the reporting entity.

A person or a close member of that person's family is related to an entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has a significant influence on the reporting entity; or
- (iii) is a member of the key staff of the management of the reporting entity or parent-company reporting entity.

An entity is bound to a reporting entity if meets any of the following conditions:

- (i) the entity and the reporting entity are members of the same group (meaning that each parent company and subsidiary in the same group is related to the others);
- (ii) an entity is an associate or jointly controlled entity of the other entity (or an associated entity or jointly controlled entity of a member of the group to which the other entity belongs);
- (iii) both entities are jointly controlled entities of the same third party;
- (iv) an entity is a jointly controlled entity of a third entity and the other is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of the reporting entity or an entity related to the reporting entity. If the reporting entity itself represents such a plan, the sponsoring employers are also bound to the reporting entity;
- (vi) the entity is controlled or jointly controlled by a person or a close family member of that person who has control or joint control over the reporting entity, has significant influence on the reporting entity; or is a member of the key staff of the management of the reporting entity or the parent company of the reporting entity.
- (vii) a person or a close family member of that person who has control or joint control over the reporting entity significantly influences the entity or is a key member of the management of the entity (or the parent company of the entity);
- (viii) the entity or any member of a group to which it belongs provides services to key personnel in the management of the reporting entity or the parent company of the reporting entity.

The key management personnel represent those persons who have the authority and responsibility to plan, manage and control the activities of the entity, directly or indirectly, including any manager (executive or otherwise) of the entity.

Close members of a person's family are those family members who can be expected to influence or be influenced by that person in their relationship with the entity and include:

- a) the children and the wife or life partner of the respective person;
- b) the children of the wife or of the life partner of the respective person; and
- c) the dependent person of the respective person or of the wife or of the life partner of this person.

d) in accordance with OMF 1802/2014, affiliated entities mean two or more entities within the framework of the same group.

#### **2.8.22. Subsequent events**

Subsequent events the balance sheet's date that provide additional information about the Company's position at the balance sheet's date (events leading to the adjustment of the financial statements) are reflected in the financial statements. Subsequent events to the balance sheet's date that do not lead to the adjustment of the financial statements are presented in the notes if they are significant.

### NOTE 3: INTANGIBLE ASSETS

Item	Balance on 31 December 2019	Increase	Transfer	Decrease	Balance on 31 December 2020
	1	2	3	5	6=1+2+3+4-5
<b>Intangible assets</b>					
Licenses, software and other intangible assets	94,574,827	12,647,752	(441,772)		106,780,807
<b>Total Intangible assets</b>	94,574,827	12,647,752	(441,772)	-	106,780,807
<b>Tangible assets</b>					
Lands	177,934,931	-	-	-	177,934,931
Constructions	1,893,787,284	-	231,918,356	849,955	2,124,855,685
Technical plants and machines	1,125,189,415	4,385	141,681,764	4,495,133	1,262,380,431
Other installations, equipment, furniture	3,899,585		864,058	900	4,762,743
Ongoing tangible assets	248,438,971	44,724,803	(374,022,406)	428,018	321,236,350
Advances for tangible assets	-	1,011,098			1,011,098
<b>Total tangible assets</b>	3,449,250,186	448,263,286	441,772	5,774,006	3,892,181,238
<b>Total assets</b>	3,543,825,013	460,911,038		5,774,006	3,998,962,045
<b>Impairment - amortization</b>					
		Balance on 31 December 2019	Increase	Decrease	Balance on 31 December 2020
		7	8	10	11=7+8+9-10
<b>Intangible assets</b>					
Licenses, software and other intangible assets		64,441,036	10,259,141		74,700,177
<b>Total Intangible assets</b>		64,441,036	10,259,141	-	74,700,177
<b>Tangible assets</b>					
Constructions		-	88,709,734	1,721	88,708,013
Technical plants and machines		-	105,323,722	980,880	104,342,842
Other plant, equipment and furniture		-	560,625	71	560,554
<b>Total tangible assets</b>		-	194,594,081	982,672	193,611,409
<b>Total assets</b>		64,441,036	204,853,222	982,672	268,311,586

Depreciation - value adjustments	Balance on 31 December 2019	Increase	Decrease	Balance on 31 December 2020
	12	13	15	16=12+13+14-15
<b>Intangible assets</b>				
Licenses, software and other intangible assets		1,729,930		1,729,930
<b>Total Intangible assets</b>	-	1,729,930	-	1,729,930
<b>Tangible assets</b>				
Constructions	-	919,335	-	919,335
Technical plants and machines	-	1,275,631	-	1,275,631
Advances and tangible fixed assets in progress	1,011,229	3,733,729	1,011,229	3,733,729
<b>Total tangible assets</b>	1,011,229	5,928,695	1,011,229	5,928,695
<b>Total intangible assets</b>	1,011,229	7,658,625	1,011,229	7,658,625

E-DISTRIBUTIE MUNTENIA SA  
 NOTE TO FINANCIAL STATEMENTS  
 for the financial exercise ended on December 31, 2020  
 (all amounts are in lei (RON) unless otherwise mentioned)

Net value		
Asset item	Balance on 31 December 2019	Balance on 31 December 2020
	<b>14=1-6-10</b>	<b>15=5-9-13</b>
<b>Intangible assets</b>		
Licenses, software and other intangible assets	30,133,791	30,350,700
<b>Total Intangible assets</b>	<b>30,133,791</b>	<b>30,350,700</b>
<b>Tangible assets</b>		
Lands	177,934,931	177,934,931
Constructions	1,893,787,284	2,035,228,337
Technical plants and machines	1,125,189,415	1,156,761,958
Other plant, equipment and furniture	3,899,583	4,202,194
Advances and tangible fixed assets in progress	247,427,744	318,513,714
<b>Total tangible assets</b>	<b>3,448,238,957</b>	<b>3,692,641,134</b>
<b>Intangible assets</b>	<b>3,478,372,748</b>	<b>3,722,991,834</b>

### 3.1. Intangible assets

Licenses and software are amortized over a period of 3 years (Windows licenses and similar) or 5 years (SAP system, software related to smart meters).

As of December 31, 2020, the net accounting value of current intangible assets is 11,421,793 (2019: 4,100,888), representing mainly computer programs.

### 3.2. Tangible assets

The constructions include both administrative buildings and special buildings, stations and constructions related to the electricity distribution grids, as well as the electricity distribution grids.

Ongoing tangible assets mainly include works for the modernization of transformer stations as well as the construction of medium and low voltage networks made from the connection price.

#### Revaluation of tangible assets

On December 31, 2019, the revaluation of tangible assets was performed by an authorized independent appraiser.

Specialized fixed assets (special constructions and equipment) were valued using the cost approach. The assets for which a market could be identified on which they can be capitalized (land, residential properties, commercial, administrative and / or industrial real estate, movable goods of the means of transport type, office and IT, equipment with multiple use in different fields of activity, etc.) were valued at market value, applying one or two (depending on the specific market and available market data) of the three approaches in the valuation; market approach, income approach and cost approach, specifying that whenever possible in terms of market data and type of property, either the income approach or the market approach were applied.

Given that the cost approach covers tangible assets in terms of value, the impairment test was performed based on a financial model based on discounted cash flows, the results of which are considered in determining the final value of tangible assets.

The result of the revaluation performed on December 31, 2019 were the following:

Revalued tangible assets	Gross value before revaluation	Cancellation amortization	Value increases	Value decreases	Revalued value on 31.12.2020
1	2	3	4	5	6 = 2- 3+4-5
Lands	167,101 486	-	10,857,873	(24,4291)	177,934,931
Constructions	2 029 536 926	(81,133 6801	60,666,075	(115,282,037)	1,893,787,284
Technical plants and machines	1,207 380 088	(112,251,538)	65,592,623	(35,531,759)	1,125,189,415
Other plant, equipment, and furniture	4 761 927	(503,912)	31,324	(389,756)	3,899,583
<b>Total revalued tangible assets</b>	<b>3,408,780,427</b>	<b>(193,889,130)</b>	<b>137,147,895</b>	<b>151,227,981</b>	<b>3,200,811,213</b>

The revaluation result was recorded as follows:

	Value increases	Value decreases
Revaluation reserve (account 105)	75,918,431	78,831,472
Profit and loss account (increases in value - account 755 / reductions in value - account 655)	61,229,465	72,396,509
Total	<b>137,147,895</b>	<b>151,227,981</b>

On December 31, 2020, the Company analyzed future cash flows to determine whether the carrying amount of tangible assets would differ substantially from the fair value at that date. Following that exercise, the Company concluded that the accounting value does not differ from the fair value on December 31, 2020.

#### Assets held in financial lease or acquired in installments

As of December 31, 2020, and December 31, 2019, respectively, the Company has no assets leased or acquired in installments.

#### Tangible assets sold and rented to third parties

During 2020 and 2019, the Company did not sell or subsequently rented tangible assets.

Company rented office space for the companies within the group, the poles of overhead power line for LV and MV distribution as supports for telecommunication networks, fiber optics, billboards.

#### Assets encumbered / mortgaged by collateral

As of December 31, 2020 and December 31, 2019, the Company has no encumbered or mortgaged assets.

#### Other information

The gross accounting value of fully depreciated tangible assets as of December 31, 2020 is 30,476,699.

During 2020, the Company undertook internal development of some fixed assets. These are included in the "Increases" column of the table with the movements of fixed assets and have an accounting value of RON 32,464,416 (2019: RON 23,327,983), representing income from the capitalization of salary expenses.

The gross accounting value of fixed assets made from subsidies from the connection fee is 959,489,249 (2019: 951,575,900), while their net accounting value is 898,827,668 (2019: 889,898,270), from subsidies from the gross developers' tax is 232,194,171 (2019: 171,481,404), their net accounting value is 226,261,655 (2019: 167,257,845).

The company classifies as ongoing assets materials in the amount of RON 106,703,099 (2019: RON 100,865,373), as later they will be installed in the high, medium, and low voltage distribution networks, thus falling within the definition of tangible assets.

Following the analysis of the technical condition of the electrical distribution grids, the Company decided to change the duration of economic use, more precisely to increase.

The change was influenced by several relevant factors, namely:

- carrying out the preventive maintenance program in the conditions assumed by the annual maintenance plan and carrying out the corrective maintenance paying attention to the quality conditions of the executed works;
- making the assumed investments, according to clear and objective criteria, focused mainly on improving the technical quality of the distribution service and reducing the technical and commercial losses in the networks;
- the clearly superior technical performances of the new equipment introduced in the installations in the last years, given by the technological progress registered in the manufacturing processes, their validation, testing and certification processes.

The analysis included overhead power lines, transformer stations, and substations.

#### Impairment losses

The value adjustments for the depreciation of fixed assets are related to depreciated fixed assets, not used at normal operating capacity, in conservation or proposed for disposal.

On December 31, 2020, the Company registered a specific provision for the depreciation of fixed assets in the amount of 7,658,625 (2019: 1,011,229) related to the fixed assets proposed for disposal.

#### NOTE 4: INVENTORIES

	1 JANUARY 2020			31 DECEMBER 2020		
	Cost	Adjustment for depreciation	Total	Cost	Adjustment for depreciation	Total
Raw materials and consumables	1,529,599	-	1,529,599	1,726,899	(44,413)	1,682,486
Packaging	88,279	-	88,279	110,687	(3,694)	106,993
Third party stocks	2,608,188	(1,383,322)	1,224,866	2,713,083	(1,763,738)	949,345
<b>Total</b>	<b>4,226,066</b>	<b>(1,383,322)</b>	<b>2,842,744</b>	<b>4,550,669</b>	<b>(1,811,845)</b>	<b>2,738,824</b>

The amount of inventories recognized in the profit and loss account is 27,772,087 (2019: 21,161,365).

#### NOTE 5: RECEIVABLES

Receivables	Balance on 31 December 2019	Balance on 31 December 2020	Liquidity term	
			Under 1 year	Over 1 year
	1	1	2	3
Trade receivables from affiliated parties	172,624,071	73,685,097	73,685,097	-
Trade receivables from third parties, gross value	83,344,230	84,634,019	84,634,019	-
Adjustment for trade receivables	(25,908,008)	(25,852,121)	(25,852,121)	-
<b>Total Receivables</b>	<b>230,060,293</b>	<b>132,466,995</b>	<b>132,466,995</b>	<b>-</b>
Various debtors, gross carrying amount	70,162,397	91,466,096	91,466,096	-
Adjustment for various uncertain debtors	(19,727,705)	(26,186,819)	(26,186,819)	-
Other receivables	53,794,115	58,703,000	58,703,000	-
Various debtors, representing other receivables receivable from affiliated parties	3,094,166	3,707,449	3,707,449	-
<b>Total Other receivables</b>	<b>107,322,973</b>	<b>127,689,726</b>	<b>127,689,726</b>	<b>-</b>
<b>Total Receivables</b>	<b>337,383,266</b>	<b>260,156,721</b>	<b>260,156,721</b>	<b>-</b>

For amounts receivable from related / legal parties, see Note 19.

The balance of gross trade receivables on December 31, 2020 in the amount of 158,319,116 (2019: 255,968,301) consists mainly of:

- customers' invoices to be prepared from the distribution activity in the amount of 17,311,997 (2019: 123,620,206);
- clients from other activities in the amount of 13,390,637 (2019: 9,789,549);
- customers invoices to be drawn up from the distribution activity in the amount of 102,741,773 (2019: 97,698,454);
- other fixed receivables mainly representing guarantees in the amount of 125,016 (2019: 125,016)
- uncertain customers from the basic activity in the amount of 6,347,151 (2019: 6,347,151);
- uncertain customers from other activities and bankrupt customers in amount of 10,945,999 (2019: 10,989,654);



- customers in insolvency in the amount of 7,276,440 (2019: 7,398,271);
- advances in the amount of 180,104 (2019: 0).

The value adjustment for trade receivables constituted by the Company on December 31, 2020 in the amount of 25,852,121 (2019: 25,908,008) refers to: outstanding receivables older than 365 days in the amount of 15,467 (2019: 17,178) for which the action in court has not initiated, for claims in dispute in the amount of 24,569,589 (2019: 24,735,076) and claims from other activities in the amount of 1,267,065 (2019: 1,155,754).

Receivables representing various debtors and other receivables, including receivables from related parties, in the amount of 153,876,545 (2019: 123,956,512) include:

- debtors affiliated parties representing VAT to be recovered from companies within the VAT group in the amount of 58,601,759 (2019: 53,692,874); Enel's VAT group, implemented on March 1, 2012, is still in force. As of July 2014, the group includes 7 companies: Enel Distributie Muntenia, Enel Distributie Banat, Enel Distributie Dobrogea, Enel Energie, Enel Energie Muntenia, Enel Common Services, Enel Green Power Romania. The group leader is Enel Distributie Muntenia.
- debtors from connection fee in the amount of 30,639,010 (2019: 41,971,048);
- debtors regarding electricity theft in the amount of 12,877,579 (2019: 12,284,983);
- other miscellaneous debtors in the amount of 43,826,254 (2019: 11,540,102), representing mainly the amount imposed by ANAF through RIF F-MC 94/2020 and the tax decision F-MC 209 /2020 and paid by the Company of 31,671,326; Based on the information and consultations available to the Company at this time, the management estimates favorably the position of the Company before the tax authorities for most of the tax debt and, consequently, registered value adjustments for the amount of 5,891,670;
- penalties for non-payment on time of receivables from other activities 3,959,772 (2019: 4,182,179);
- penalties for non-payment on time of receivables from the distribution of electricity in the amount of 264,722 (2019: 285,326).

As of December 31, 2020, the category of "Other receivables" in the amount of 3,707,449 (2019: 3,094,166) mainly includes: interest receivable in the amount of 1,274,904 (2019: 228,304); the Company's contribution to the Single National Health Insurance Fund in the amount of 1,669,965 (2019: 1,641,315) and other receivables in the amount of 762,580 (2019: 1,224,547).

The value adjustment for various debtors constituted by the Company on December 31, 2020 in the amount of 26,186,819 (2019: 19,727,705) refers to receivables from debtors regarding the theft of electricity in the amount of 12,877,512 (2019: 12,284,717), to receivables from other debtors in the amount of 9,531,202 (2019: 3,161,465), to penalties for non-payment in time of other receivables in the amount of 3,513,220 (2019: 4,016,585) and penalties for non-payment in term of receivables from the energy distribution in the amount of 264,885 (2019: 264,938).

On 31 December 2020, doubtful trade receivables and various doubtful debtors were adjusted for impairment. The movements in adjustments for impairment of receivables and miscellaneous debtors were as follows:

	2019	2020
<b>Balance on January 1</b>	<b>47,504,949</b>	<b>45,635,713</b>
Increases during the year	5,386,798	7,534,306
Cassation (loss of receivables)	(1,056,487)	-
Refunds during the year	(6,199,547)	(1,131,079)
<b>Balance on December 31</b>	<b>45,635,713</b>	<b>52,038,941</b>

#### NOTE 6: CASH AND BANK ACCOUNTS

	Balance on January 1, 2020	Balance on December 31, 2020
Bank accounts in RON	2,110,671,301	46,130,008
Bank accounts in foreign currency	1,310,943	1,242,783
Bank deposits for a maximum of 3 months	320,427,305	866,427,305
Amounts under settlement	100,678	120,446
<b>Total</b>	<b>2,432,510,227</b>	<b>913,920,542</b>

As of December 31, 2020, the Company benefits from a multi-optional credit facility in a maximum amount of EUR 19,000,000 which is granted until September 26, 2020 and which can be used as:

- Credit line (overdraft), in RON, in a maximum value of EUR 19,000,000 (not used on December 31, 2020) or
- Ceiling for issuing letters of guarantee, in RON, in maximum value of EUR 19,000,000

As of December 31, 2019, from the credit facility presented above, the Company has issued letters of guarantee in the amount of RON 56,538,448 and Euro 2,125,000, the equivalent of RON 10,345,138 (2019: 67,999,926) in favor of some various energy suppliers and the Energy Market Operator (OPCOM).

The company, as of December 31, 2020, has deposits in RON, for a period of 1 week amounting to 45,000,000 (2019: RON 320,427,305), for a period of 1 month amounting to 5,427,305 (2019: 0) and within 2 months amounting to 816,000,000 (2019: 0).

#### NOTE 7: PREPAYMENTS

	Balance on January 1, 2020	Balance on December 31, 2020	Amounts on December 31, 2020 to be resumed in	
			<1 year	>1 year
Rents	-	450,046	450,046	-
Insurance	411,184	350,586	350,586	-
OPCOM	677,416	1,175,366	1,175,366	-
IT	79,497	89,490	89,490	-
Other expenses incurred in advance	1,333,041	1,093,767	1,093,767	-
<b>Total</b>	<b>2,501,138</b>	<b>3,159,254</b>	<b>3,159,254</b>	<b>-</b>

## NOTE 8: LIABILITIES

LIABILITIES	Balance on December 31,2019	Balance on December 31,2020	Exigibility term		
			under 1 year	over 1 year	over 5 year
	1	2	3	4	5
Suppliers - affiliated parties	87,244,943	98,181,090	98,181,090	-	-
Other suppliers	41,977,200	45,212,325	45,212,325	-	-
Fixed asset suppliers - related parties	8,617,786	4,113,178	4,113,178	-	-
Other fixed assets suppliers	35,724,840	38,210,103	38,210,103	-	-
Suppliers - invoices receivable - affiliated parties	42,701,119	36,319,038	36,319,038	-	-
Suppliers - invoices receivable - others	77,658,839	72,556,563	72,556,563	-	-
<b>Total commercial debts - suppliers</b>	<b>293,924,727</b>	<b>294,592,297</b>	<b>294,592,297</b>	-	-
Advances received on account of the connection fee	267,117,383	266,047,709	266,047,709	-	-
Other advances from customers	450,000	225,000	225,000	-	-
<b>Total advances</b>	<b>267,567,380</b>	<b>266,272,709</b>	<b>266,272,709</b>	-	-
Advances and guarantees - others	435,841	505,912	505,912	-	-
Salaries and other employee rights	3,224,548	3,819,036	3,819,036	-	-
Social insurance and other taxes related to salaries	4,111,958	4,784,751	4,784,751	-	-
Other debts to the state budget and to local budgets	55,878,208	60,800,475	60,800,475	-	-
Other liabilities - to related parties	4,603,997	4,414,985	4,414,985	-	-
Other liabilities - various	13,049,151	13,556,163	13,556,163	-	-
<b>Total other liabilities, including tax and other social security liabilities</b>	<b>81,303,706</b>	<b>87,881,322</b>	<b>87,881,322</b>	-	-
<b>Total liabilities</b>	<b>642,795,813</b>	<b>648,746,328</b>	<b>648,746,328</b>	-	-

As of December 31, 2020, the debts to other suppliers in the amount of 155,978,990 (2019: 155,360,879) refer to the purchase of electricity for own technological consumption in the amount of 31,649,420 (2019: 24,558,150), purchases of goods and other services in the amount of 60,344,449 (2019: 53,319,131) and purchases of fixed assets in the amount of 63,985,121 (2019: 77,483,598).

As of December 31, 2020, the debts to the affiliated parties in the amount of 143,028,291 (2019: 143,167,845) refer to the acquisition of assistance, consulting, and support services, as well as the equivalent value of the acquisition of computer programs and smart meters. For amounts due to related parties see Note 19.

Debts to the state budget and local budgets as of December 31, 2020 in the amount of 60,800,475 (2019: 55,878,208) come mainly from:

- VAT payable as VAT Group Representative in the amount of 55,538,467 (2019: 52,307,638);
- VAT not payable 3,148,129 (2019: 1,661,000);
- the debt regarding the income tax from salaries related to December 2020, in the amount of 843,064 (2019: 722,041);
- the debt regarding the concession fee related to the electricity distribution service, related to 2020, in the amount of 764,414 (2019: 736,224);
- monopoly tax in the amount of 462,409 (2019: 449,163);
- excise duty debt in the amount of 801 (2019: 2,002);
- withholding tax 0 (2019: 140);
- income tax 43,191 (2019: 0).

In the category of other debts, including to affiliates, the Company recorded on December 31, 2020, mainly, the following:

- a) Debts to various creditors in the amount of 13,556,163 (2019: 13,049,157), of which 9,720,908 (2019: 8,415,456) related to the connection fee;
- b) VAT due to the affiliated companies from the VAT group in the amount of 4,251,268 (2019: 4,441,650) and other debts to affiliated parties in the amount of 163,717 (2019: 162,347).

## NOTE 9: PROVISIONS

Name of the provision	Balance on January 1, 2020	Transfer to account	Transfer from account	Balance on December 31, 2020
Provisions for pensions and other similar obligations	46,462,179	9,079,279	-	55,541,458
Provisions for terminating the employment contract		298,122		298,122
Provision from taxes	4,659,942	-	4,659,942	-
Provisions for litigation	24,517,170	7,775,012	6,543,233	25,748,958
Other provisions	3,532,341	2,713,253	80,973	6,164,621
<b>Total</b>	<b>79,171,632</b>	<b>19,865,674</b>	<b>11,284,148</b>	<b>87,753,159</b>

### Provisions for pensions and other similar obligations

On December 31, 2020, the Company established provisions for pensions and similar obligations in the amount of 55,541,458 (2019: 46,462,179):

- a) provisions for Kilowatts granted to its own employees and pensioners in the amount of 33,661,748 (2019: 27,797,996);
- b) provisions for jubilee premiums in the amount of 16,346,127 (2019: 14,298,359);
- c) provisions for pensions in the amount of 5,553,583 (2019: 4,365,824).

As of January 1, 2019, the benefit plan for the Company's employees includes the following main elements:

- a) free energy quota of 1,200 kWh / year after retirement;
- b) jubilee premiums, for uninterrupted seniority within Enel, which consist of the following:
  - at 20 - 1 gross monthly basic salary;
  - at 25 - 1.5 gross monthly basic salaries;
  - at 30 - 2 gross monthly basic salaries;
  - at 35 - 3 gross monthly basic salaries;
  - at 40 - 4 gross monthly basic salaries;
  - at 45 - 5 gross monthly basic salaries;
- c) retirement awards, for employees who retire, regardless of the cause of retirement, depending on the uninterrupted seniority within Enel, which consist of the following:
  - up to 10 seniority - 1 basic gross monthly salary;
  - between 10-25 years - 2 gross monthly basic salaries;
  - over 25 seniority - 3 gross monthly basic salaries.

This provision is updated based on the actuarial calculation report prepared by the contracted consultant.

#### Provisions for taxes

The provision for taxes was established for the future payment amounts due to the state budget, as the respective amounts are not reflected as a debt in relation to the state. In calculating the tax provision, following the principle of prudence, the influences resulting from the amendments of the fiscal legislation were taken into account.

The company reflected in a provision the future tax liability for reserves that will become taxable at the time of the change of destination. For the unused reserve, according to GEO 89/2004 approved by Law 529/2004, deductible when calculating the profit tax at the time of incorporation, the Company recognized a provision for taxes in the amount of 0 (2019: 4,659,942).

#### Provisions for litigation

As of December 31, 2020, the Company has established the provisions for litigation in the amount of 25,748,958 (2019: 24,517,170), which consist mainly of:

- 7,880,000 represents a provision established for the litigation with Ivan Laura / Ivan Cornel / Ivan Vladimir, having as object the compensation of employee death (2019: 7,880,000);
- 4,471,193 represents the provision established for litigations with ANL, with the mention that the plaintiffs are the owners of the residential complex developed by ANL (2019: 4,835,793);
- 5,283,043 represents the provision established for the dispute with Servicii Energetice Muntenia, having as object penalties Beny Alex (2019: 3,068,927);
- 903,000 represents the provision having as object labor litigation claims;
- 3,566,587 represents the provision established for the dispute with KDF Energy, having as object claims resulting from the contract of sale and purchase of electricity (2019: 0)
- 417,270 represents the provision established for the dispute with Morale Trabajo SRL, having as object claims for decommissioning and relocation of the network (2019: 417,270);

Part of the provision for litigation was resumed in 2020 as a result of the settlement of some ongoing processes during last year, mainly:

- 903,000 representing the provision established for the dispute with Remat SA, having as object requested interest related to the balance, representing the equivalent value of some transformers;
- 364,600 representing the provision established for disputes with ANL, with the mention that the plaintiffs are the owners of the residential complex developed by ANL.

#### Provisions for the termination of the employment contract.

On December 31, 2020, the Company made provisions for the termination of the employment contract in the amount of 289,122 (2019: 0), representing benefits as additional salaries depending on the seniority registered within the company and the number of years remaining until retirement.

#### Other provisions

As of December 31, 2020, the Company has other provisions for risks and expenses in the amount of 6,164,621 (2019: 3,532,341). Their value refers, mainly, to:

- 4,844,404 (2019: 1,400,755), representing incentives that will be granted to employees;
- 1,319,817 (2019: 1,029,059), representing unperformed leave.

**NOTE 10: DEFERRED INCOME**

Deferred income	Balance on January 1, 2020	Balance on December 31, 2020	Amounts on December 31, 2020 to be resumed in	
			<1 year	>1 year
Investment grants	3,973,743	3,672,759	364,924	3,307,835
Deferred income related to assets received by transfer from customers (connection fee)	1,194,921,026	1,284,582,587	63,921,398	1,220,661,189
<b>Total</b>	<b>1,198,894,769</b>	<b>1,288,255,346</b>	<b>64,286,322</b>	<b>1,223,969,024</b>

**NOTE 11: CAPITAL AND RESERVES**

**Subscribed share capital**

	Balance on January 1, 2020	Balance on December 31, 2020
Subscribed capital - number of ordinary shares	27,136,525	27,136,525
Nominal value per ordinary share - RON per share	10	10
Value of subscribed share capital - RON	271,365,250	271,365,250

The Company's share capital is fully paid on December 31, 2020 and on December 31, 2019.

**Shareholding structure**

	31 December 2019	%	31 December 2020	%
ENEL SpA	211,664,770	78%	211,664,770	78%
Societatea de Administrare a Participatiilor in Energie (SAPE)	27,136,520	10%	27,136,520	10%
"FONDUL PROPRIETATEA" S.A.	32,563,960	12%	32,563,960	12%
<b>Total</b>	<b>271,365,250</b>	<b>100%</b>	<b>271,365,250</b>	<b>100%</b>

**Revaluation reserves**

In 2020, the Company registered a decrease in the revaluation reserve in the amount of 10,734,257 (2019: 32,518,786) by transferring to the category "Retained earnings representing the revaluation surplus realized from revaluation reserves", the revaluation reserve related to fixed assets scrapped during 2020.

**The result of the exercise and the distribution of the profit**

Distribution of the profit	2019	2020
<b>Result carried forward at the beginning of the financial year</b>	<b>1,659,449,484</b>	<b>1,763,649,105</b>
Surplus realized from revaluation reserves	32,518,786	10,734,257
Net profit to be distributed	96,670,617	111,800,491
Dividends	-	(1,566,336,058)
Distribution to other reserves (of reinvested profit)	(24,989,792)	(15,816,885)
<b>Undistributed profit, retained undistributed result at the end of the financial year</b>	<b>1,763,649,105</b>	<b>304,030,907</b>

At the Ordinary General Meeting of Shareholders on February 14, 2020, the distribution of dividends to the Company's shareholders was approved in the total amount of RON 1,566,336,058, according to the quota in the share capital. The dividends were paid on February 21, 2020.

The profit for 2019 was distributed to the result carried forward (account 117) according to the Ordinary General Meeting of Shareholders of May 12, 2020.

The financial statements of the Company for the financial year ended December 31, 2020 will be approved by the Ordinary General Meeting of Shareholders to be held in May 2021 when it will be decided how to distribute the profit for the financial year ended December 31, 2020.

## NOTE 12: NET TURNOVER

### Sales by geographical areas:

	Sales in 2019	Sales in 2020
Domestic sales	814,537,487	858,511,382
<b>Total sales</b>	<b>814,537,487</b>	<b>858,511,382</b>

In 2020, the Company achieved a turnover of 858,511,382 (2019: 814,537,487), of which:

- revenues from the distribution of active electricity 764,414,058 (2019: 736,057,197);
- reactive energy distribution revenues 23,910,415 (2019: 19,296,240);
- revenues from transactions on the balancing market 10,232,861 (2019: 143,203,76);
- revenues from the connection fee, approval fee and reception of works 6,621,123 (2019: 5,086,736);
- rental income 24,231,664 (2019: 21,270,003);
- revenues from the sale of energy on the next day's market 2,797,248 (2019: 830,435);
- theft income 2,351,597 (2019: 2,866,118); and
- other income 23,952,416 (2019: 14,810,382) (sale of goods, other income).

The company distributed electricity to 1.38 million consumers this year (2019: 1.34), the total amount of electricity distributed to final consumers being 7,253,648 Mwh (2019: 7,486,702 Mwh).

The distribution price regulated by ANRE order are the following:

1 - 28 February 2019			1 March - 30 June 2019		
High voltage	Medium voltage	Low voltage	High voltage	Medium voltage	Low voltage
9.32	37.88	145.16	9.54	38.76	148.53

1 July 2019-31 December 2019			1 January 2020 - 31 December 2020		
High voltage	Medium voltage	Low voltage	High voltage	Medium voltage	Low voltage
9.73	39.55	151.55	10	41.95	155.62

### NOTE 13: OTHER OPERATING INCOME

Other operating income in the amount of 77,247,960 (2019: 94,705,769) includes the resumption of income in advance representing the connection fee collected from customers in the amount of 71,909,242 (2019: 91,203,050), net gains from the sale of tangible assets in the amount of 0 (2019: 129,638), income from compensations, fines 2,431,079 (2019: 505,248) and other income in the amount of 2,907,639 (2019: 2,867,833).

### NOTE 14: EXPENDITURE ON RAW MATERIALS AND CONSUMABLE MATERIALS AND OTHER EXPENDITURE

In order to accurately reflect the nature of the activity carried out by the Company in these financial statements, the Company presented clearly in the profit and loss account the turnover of account 722, respectively of account 602 from the trial balance with the amount of RON 62,653,767 (2019: 60,875,753 lei). This represents the value of materials initially registered as inventories of materials (account 302) in the trial balance and then capitalized in the value of distribution networks. The adjustment thus made in the profit and loss account does not affect the operating result and the net result.

Other expenses mainly include expenses with electricity purchased to cover own technological consumption, in the amount of 293,918,808 (2019: 295,856,202).

### NOTE 15: PERSONNEL EXPENDITURE AND INFORMATION REGARDING EMPLOYEES, MEMBERS OF ADMINISTRATIVE AND MANAGEMENT BODIES

#### Directors

During 2020, the Company paid the following allowances to the members of the Board of Directors ("BD") and the executive management:

	2019	2020
Members of the Board	97,664	82,712
Director	1,424,2641	1,088,467
<b>Total</b>	<b>1,521,928</b>	<b>1,171,179</b>

At the end of the financial year, there were no advances or loans granted to management.

As of December 31, 2020, the Company had no obligation to pay pensions to former members of the Board and executive management.

At the end of the financial year, there are no future guarantees or obligations assumed by the Company on behalf of the directors.

#### Employees

The average number of employees evolved as follows:

	2019	2020
Management	79	81
Administrative	372	431
Staff representing workers and foremen	496	474
<b>Total</b>	<b>947</b>	<b>986</b>



The expenses with salaries and related taxes registered during 2019 and 2020 are the following:

	2019	2020
Salary expenses	103,868,246	114,586,242
Expenses with vouchers granted to employees	2,990,430	3,306,660
Social security expenses	5,518,322	5,457,999
<b>Total</b>	<b>112,376,998</b>	<b>123,350,901</b>

#### NOTE 16: OTHER OPERATING EXPENDITURE

The table below details other operating expenses by their nature:

		2019	2020
1	Expenses for the transport of goods and personnel	186,691	172,722
2	Expenses with royalties, management locations and	3,802,357	4,370,079
3	Expenses with banking and similar services	289,219	184,044
4	Expenses with insurance premiums	1,319,900	1,400,866
5	Expenses with commissions and fees	584,749	1,429,664
6	Expenses with professional training	290,299	340,749
7	Expenditures on studies and research	156,753	114,822
8	Maintenance and repair expenses	37,504,508	54,930,468
9	Postal and telecommunications charges	5,377,284	5,738,259
10	Travel and transfer expenses	2,000,354	531,164
11	Protocol, advertising, and publicity expenses	923,143	243,080
12	Other expenses with services performed by third parties	109,249,706	82,306,223
<b>13 (row 1-12)</b>	<b>Expenses on external services - total</b>	<b>161,684,963</b>	<b>151,762,140</b>
14	Expenses with taxes, fees and similar payments	10,451,236	12,084,521
15	Expenses on environmental protection	112,752	166,813
16	Expenses on revaluation of tangible assets	72,396,509	-
17	Other expenses	41,487,184	18,756,315
<b>18 (row 13-17)</b>	<b>Total</b>	<b>286,132,644</b>	<b>182,769,189</b>

Other expenses for services performed by third parties include:

	2019	2020
Services provided by other entities within Enel group	44,794,049	45,820,041
Meter reading services	6,917,054	5,243,206
Other personnel connected costs	11,721,971	9,623,632
Security and cleaning services	6,470,733	5,951,284
IT services	7,370,416	5,587,672
Consulting and audit	6,613,729	1,163,854
ANRE contribution	15,101,565	2,665,645
Other	10,260,189	6,250,889
<b>Total</b>	<b>109,249,706</b>	<b>82,306,223</b>

Other expenses (row 17 of the table above) include expenses with compensations, fines, and penalties in the amount of 7,528,413 (2019: 3,035,255) and net loss from the sale of fixed assets of 4,712,832 (2019: 35,225,659).

Regarding the net loss from the assigning of fixed assets, the amount presented for 2019 includes the net accounting value of financial assets from amounts received from real estate developers in the amount of 22,200,301, for which the company reimbursed a share of these amounts to developers at the time in which a certain percentage of the homes built by developers were purchased by buyers. When the quota was reimbursed, the respective value was reclassified in the register of fixed assets from financed asset in amounts collected from developers in assets financed from own sources, by discharging the asset and its registration, and the due advance income was resumed at income. Thus, the net accounting value of the reclassified asset was presented both in other expenses as net loss from disposal of fixed assets, as well as in other operating income as income from investment subsidies. Starting with 2020, the Company changed the registration policy of these operations, so that at the time of transferring assets from the source of fund developers financing in the source of own funds are no longer affected by the accounts "6583 Expenditures regarding assigned assets and other capital operations", and "7584 Revenues from investment subsidies".

The fees charged by the statutory auditor for statutory audit services, other insurance services, tax consultancy and other services than audit for the financial year ended December 31, 2019 and December 31, 2020 are registered in accordance with contracts.

#### NOTE 17: FINANCIAL INCOME AND EXPENDITURE

		2019	2020
<b>Financial revenues</b>			
1	Interest income - deposits	45,801,355	13,875,603
2	Income from exchange rate differences	1,651,602	4,046,098
	<b>Other financial income, total</b>	<b>1,651,602</b>	<b>4,046,098</b>
	<b>Financial revenues, total</b>	<b>47,452,957</b>	<b>17,921,701</b>

		2019	2020
<b>Financial expenditure</b>			
1	Expenses from exchange rate differences	4,808,923	6,205,718
	<b>Financial expenses, total</b>	<b>4,808,923</b>	<b>6,205,718</b>

**NOTE 18: INCOME TAX**

	<b>2019</b>	<b>2020</b>
<b>Net accounting result</b>	<b>96,670,617</b>	<b>111,800,491</b>
Effect of non-deductible expenses (including income tax)	120,564,407	54,520,891
Non-taxable income	(59,986)	
Items similar to income	37,443,260	29,244,145
Tax depreciation	(79,143,974)	(14,238,081)
Accounting depreciation	205,368,911	204,853,225
<b>Tax profit</b>	<b>(315,319,106)</b>	<b>(349,983,418)</b>
<b>Income tax expense before adjustments (16%)</b>	<b>65,524,129</b>	<b>36,197,253)</b>
Fiscal credit related to the reinvested profit	<b>10,483,861</b>	<b>5,791,560</b>
Sponsorship	(3,998,364)	(2,530,702)
<b>Total income tax expense</b>	<b>(205,300)</b>	<b>(652,172)</b>

	<b>2019</b>	<b>2020</b>
<b>Income tax to be paid at the beginning of the year</b>	12,097,290	-
Expenditure with the income tax during year	6,280,197	2,642,682
Payments	(18,377,487)	(2,599,492)
<b>Income tax to be paid / (surplus) at the end of the year</b>	<b>-</b>	<b>(43,191)</b>

## NOTE 19: INFORMATION ON RELATIONS TO RELATED PARTIES

### 19.1 The nature of transactions with affiliated entities and other related parties

Company	Related party	Activity	Main relations with the Company
Enel Energie Muntenia, Romania	Under joint control (part of the Enel Group)	Electricity trading in the geographical area of South Muntenia	Sale of electricity distribution services; energy purchases
E-Distributie Banat, Romania	Under joint control (part of the Enel Group)	Electricity distribution in the geographical area of Banat	Purchases of smart meters and materials
E-Distributie Dobrogea, Romania	Under joint control (part of the Enel Group)	Electricity distribution in the geographical area of Dobrogea	Purchases of smart meters and materials
Enel Energie, Romania	Under joint control (part of the Enel Group)	Electricity sales in Dobrogea area and Banat area Support services for the distribution operator	Sale of electricity distribution services; energy purchases
Enel Romania	Under joint control (part of the Enel Group)	Management and consulting services	Procurement of support, assistance, and consulting
Enel Servicii Comune, Romania	Under joint control (part of the Enel Group)	Management and consulting services	Procurement of support, assistance, and consulting
Enel Trade Romania	Sub control comun (parte din Grupul Enel)	Electricity trading	Procurement of support, assistance, and consulting
E-Distribuzione, Italia	Under joint control (part of the Enel Group)	Distribution of electricity and sale of electricity to captive customers in Italy	Procurement of support, assistance, and consulting services
Enel Italia	Under joint control (part of the Enel Group)	Accounting and computer services	Procurement of support, assistance, and consulting
Enel Spa, Italia	Majority shareholder	Management services	Procurement of support, assistance, and consulting
Endesa Distribucion Electrica, Spania	Under joint control (part of the Enel Group)	Electricity distribution	Procurement of support, assistance, and consulting services
Enel Energia, Italia	Under joint control (part of the Enel Group)	Energy supply on the free market	Procurement of support, assistance, and consulting services
Enel Green Power, Romania	Under joint control (part of the Enel Group)	Electricity production	Procurement of energy
Enel Global Inf and Netw SRL, Italia	Under joint control (part of the Enel Group)	Management and consulting services	Procurement of support, assistance, and consulting
Ampla Energia E Servicos, Brazilia	Under joint control (part of the Enel Group)	Management services	Procurement of support, assistance, and consulting
Empresa, Argentina	Under joint control (part of the Enel Group)	Management services	Procurement of support, assistance, and consulting
Enel Iberia, Spania	Under joint control (part of the Enel Group)	Management services	Procurement of support, assistance, and consulting

## 19.2. Amounts due and receivable from related parties

	Balance receivables from		Balance liabilities	
	31 December 2019	31 December 2020	31 December 2019	31 December 2020
Enel Energie Muntenia	192,602,824	92,834,124	8,126,011	1,726,489
E-Distributie Banat	1 548 143	1,499,245	71,119	349,253
E-Distributie Dobrogea	741,191	2,827,886	977,527	173,990
Enel Energie	26,631,205	27,568,297	1,350,899	859,569
Enel Romania	81,867	429,783	9,799,773	1 959,872
Enel Servicii Comune	490,792	711,770	6,572,914	2,721,394
E-Distribuzione	1,626,162	2,492,816	28,381,705	29,743,429
Enel Italia	96,367	96,367	37,138,222	9,182,928
Enel Spa	1,041,608	1,061,245	34,826,206	41,355,956
Empresa	148,507	489,350	-	-
Ampla Energia E Servicios	-	-	306,300	1,082,997
Enel X	-	-	-	1,924
Enel Global Services	-	-	-	13,706,542
Enel Green Power Romania	-	195,453	2,137,841	4,251,156
Enel Global Inf.and Network SRL	1,409,520	2,181,761	12,798,558	34,493,408
Enel Iberia	-	-	680,770	1,419,384
<b>Total</b>	<b>226,418,186</b>	<b>132,388,097</b>	<b>143,167,845</b>	<b>143,028,291</b>

The receivables from Enel Energie Muntenia come mainly from amounts for the value of the electricity distribution service.

Debts to ENEL companies include debts related to assistance, consulting, and support services contracts, as well as the equivalent value of the acquisition of equipment and computer programs.

## 19.3 Sales of goods and services and / or fixed assets and Purchases of goods and services

	Sales / Revenues 2019	Sales / Revenues 2020	Acquisitions/ expenses 2019	Acquisitions/ expenses 2020
Enel Energie Muntenia	514,712,521	535,719,425	288,347	677,728
E-Distributie Banat	3,462,962	7,255,980	2,944,643	981,856
E-Distributie Dobrogea	4,167,500	5,615,424	2,508,761	3,169,837
Enel Energie	2,533,612	1,937,777	17,788,535	7,000,182
Enel Romania	146,764	374,048	10,249,672	7,014,957
Enel Servicii Comune	120,275	268,406	9,841,525	8,382,370
E-Distribuzione	352,087	1,657,131	27,305,698	24,540,114
Enel Italia	-	-	12,098,525	11,719,759
Enel Spa	-	-	5,392,160	5,870,307
Empresa	148,507	340,842	-	-
Ampla Energia E Servicios	-	-	306,249	767,563
Enel X	-	-	-	1,617
Enel Global Services	-	-	-	-70,723
Enel Trade Romania	6,621	-	27,763,915	-
Enel Green Power Romania	-	164,246	7,908,149	574,777
Enel Global Inf.and Network SRL	1,409,518	772,242	7,004,509	21,193,710
Enel Iberia	-	-	677,279	722,127
<b>Total</b>	<b>527,060,367</b>	<b>554,105,521</b>	<b>132,077,967</b>	<b>92,546,181</b>

## NOTE 20: CONTINGENCES

### 20.1 Taxation

The Romanian tax system is being consolidated and under constant changing, and there may be different interpretations of the authorities in relation to the tax legislation, which may give rise to additional taxes, fees and penalties. If the state's authorities discover violations of the legal provisions in Romania, they may determine, as the case may be: to confiscate the amounts in question, imposing additional tax obligations, application of fines, application of delay increases (applied to the remaining payment amounts). Therefore, the fiscal sanctions resulting from violations of the legal provisions can reach important amounts to be paid to the State.

The Company considers that it has paid on time and in full all taxes, penalties, insofar as the case may be.

The Romanian tax authorities have carried out inspections regarding the calculation of the tax that are presented in the list below:

Controlled periods	Obligation category
Until 2017, inclusive	Income tax
Until 2017, inclusive	VAT

In Romania, the fiscal year remains open for inspections for a period of 5 years.

### 20.2 Transfer price

In accordance with the relevant tax legislation, a transaction's tax assessment of a related party is based on the market price concept for those transactions. Based on this concept, transfer prices must be adjusted to reflect market prices that have been established between entities to which there is no affiliate relationship and that operate independently, based on "normal market conditions".

It is likely that transfer pricing will be performed in the future by the tax authorities, to determine whether those prices comply with the principle of "normal market conditions" and that the taxable base of the Romanian taxpayer is not distorted.

### 20.3 Legal claims / Disputes

The company is and could become a party in certain legal disputes or other actions of public institutions before various courts and government agencies, resulting from the normal conduct of its business, involving contractual issues, as well as value added tax, income tax profit, other taxes and conditionalities. The financial statements include the best estimate of losses made by the company's management in this regard, included in the Provisions.

## **20.4 Environmental issues**

During 2020, the Company continued to carry out programs related to waste management, monitoring of environmental factors, reducing the level of pollution in all installations, the total environmental expenses amounting to approximately RON 1,489,870.

## **NOTE 21 FINANCIAL RISKS**

### **Interest rate risk**

At present, the Company has not contracted medium and long-term loans and therefore is not exposed to the risk of interest for exchange rate changes.

### **Risk of exchange rate fluctuations**

The company has transactions in a currency other than the functional currency (RON) and these are naturally diminished and offset. The company did not reduce this risk by using derivative financial instruments in 2020 and 2019.

### **Credit risk**

The company carries out commercial relations only with recognized third parties, which justifies the financing on credit. The Company's policy is that all significant customers who wish to conduct business relationships on credit terms are subject to verification procedures. Moreover, receivables balances are constantly monitored, resulting in an insignificant exposure of the Company to the risk of uncollectible receivables.

## **NOTE 22 COMMITMENTS**

### **22.1 Endorsements and guarantees granted to third parties**

As of December 31, 2020, from the credit facility presented above, the Company had issued letters of guarantee in the amount of RON 56,538,448 and Euro 2,125,000, the equivalent of RON 10,345,138 (2019: 67,999,926) in favor of some various energy suppliers and the Energy Market Operator (OPCOM).

### **22.2 Commitments on future rent and lease payments**

In 2020, the Company registered an amount of RON 4,370,079 (2019: RON 3,802,357) related to the rents paid in connection with the operational leasing contracts. The estimated present value of the future rental costs related to the significant operating leasing contracts for the Company as of December 31, 2020 is RON 44,324,908.

### **22.3 Ongoing contracts**

In 2021, the Company is engaged in the development of contracts signed in the previous years, excluding the ongoing contracts related to the entities within the Enel group, both for investment and repair works and for the purchase of electricity for its own technological consumption.

Explanations	Value
Suppliers for investment, maintenance, services and various	965,648,000
Suppliers of energy	118,367,000

#### 22.4 Compensation payments

According to the collective labor contract concluded between the Company and the Trade Unions, upon termination of the individual employment contract, at the Company's initiative, the company will pay a severance grant in relation to seniority, as follows:

Seniority	Number of gross salaries 2020
1- 5 years	4
5- 10 years	6
10- 20 years	7
over 20 years	10

In the case of collective redundancies, the Company will pay redundancy aid to dismissed employees in relation to seniority, thus:

Seniority	Number of gross salaries 2020
1- 3 years	4
3- 5 years	6
5- 10 years	10
10- 20 years	15
over 20 years	20

#### NOTE 23 OTHER INFORMATION

##### Cancellation of ANRE Order no. 112/2014

The company made an application for accessory voluntary intervention to support Fondul Proprietatea's request for the cancellation of the ANRE Order no. 112/2014, invoking reasons of illegality of the contested administrative document. ANRE Order no. 112/2014 amended the Methodology for establishing the specific rates for electricity distribution, mainly, in the sense of introducing the possibility to modify the RRR value. The Court of Appeal admitted the request for summons and ordered the partial annulment of Order no. 112/2014 regarding article I points 2,3,8,9,10 (including the article that allows the modification of the RRR value). ANRE filed an appeal against the sentence of the Bucharest Court of Appeal.

The case is currently pending before the High Court of Cassation and Justice, which on February 18, 2020, resolved the appeal filed by ANRE in case no. 7341/2/2014, in the sense of admitting and sending the case to the same court for retrial of the main action and the requests for accessory intervention formulated by the interveners Enel Muntenia SA, E-Distributie Dobrogea SA and E-Distributie Banat SA, in the first instance, and the interveners Societatea de Distribuție a Energiei Electrice Transilvania Sud SA, Societatea de Distribuție a Energiei Electrice Transilvania Nord SA, Societatea de Distribuție a Energiei Electrice Muntenia Nord SA si Societatea Energetica Electrica SA, on appeal.

Following the admission of the appeal, the file was sent for retrial to the Bucharest Court of Appeal where it received registration number 4804/2/2020.



Following the retrial of the case, on 18.12.2020, the Bucharest Court of Appeal rejected the action filed by Fondul Proprietatea, the pronounced decision being subject to appeal.

**Cancellation of Order no. 168/2018 regarding the RRR (5.66%)**

The distribution companies have formulated requests for cancellation of ANRE Order no. 168/2018 by which the value of the regulated rate of return (RRR) was established starting with January 1, 2019.

The files are pending before the Bucharest Court of Appeal, in fact, in the phase of discussing and communicating the objections formulated in the experts' reports drawn up in the case, respectively of drawing up the completions to these reports, having deadlines set in March 2021.

**Cancellation of Order no. 169/2018 regarding the Methodology for establishing the specific prices for electricity distribution**

The companies have made requests for cancellation of ANRE Order no. 169/2018 approving the new Methodology for establishing the specific electricity distribution price.

Requests for waiver of judgment were formulated and registered by the Companies, being granted deadlines in order to resolve these requests in February, March and April 2021.

The specific distribution prices related to 2019 were not challenged in court, and the opportunity of such a decision will be assessed depending on the solutions of the courts in the above-mentioned cases.

**NOTE 24: SUBSEQUENT EVENTS**

In 2021 until the date of approval of the financial statements, the Company continued to carry out its activity normally, with no significant elements or apart from the usual activity that should be brought to the attention of users of the financial statements by presenting them in the notes or which require changes of financial statements.

General Manager  
Monica Hodor

Prepared by,  
Maurizio Rastelli  
Financial Manager

Name of issue		Row no.	Note No.	Current balance on	
				<b>01.01.2020</b>	<b>31.12.2020</b>
	B			1	2
A	<b>FIXED ASSETS</b>				
	<b>III. INTANGIBLE ASSETS</b>				
	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	30,133,791	30,350,700
	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	-	-
	<b>TOTAL: (row 01 to 06)</b>	<b>07</b>	<b>07</b>	<b>30,133,791</b>	<b>30,350,700</b>
	<b>IV. TANGIBLE ASSETS</b>				
	1. Land and buildings (acct. 211 + 212 - 2811 - 2812 - 2912 - 2911)	08	08	2,071,722,215	2,213,163,268
	2. Technical and machinery installations (acct. 213 + 223 - 2813 – 2913)	09	09	1,125,189,415	1,156,761,958
	3. Other installations, machinery, and furniture (acct. 214 + 224 - 2814 – 2914)	10	10	3,899,583	4,202,194
	4. Real estate investment (acct.215-2815-2915)	11	11	-	-
	5. Tangible assets in progress (acct. 235-2935)	12	12	247,427,744	317,502,616
	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	-	1,011,098
	<b>TOTAL: (row 08 to 16)</b>	<b>17</b>	<b>17</b>	<b>3,448,238,957</b>	<b>3,692,641,134</b>
	<b>III. FINANCIAL ASSETS</b>	18	18	-	-
	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	-	-
	5. Other fixed assets (acct.265 – 2963)	23	23		-
	6. Other loans (2675 + 2676 + 2677 + 2678 + 2679 -2966-2968)	<b>24</b>	24	-	-
	<b>TOTAL (row 18 to 23)</b>				
	<b>FIXED ASSETS – TOTAL (row 7 + 17+ 24)</b>	<b>25</b>	<b>25</b>	<b>3,478,372,748</b>	<b>3,722,991,834</b>
B	<b>CURRENT ASSETS</b>				
	<b>I.INVENTORIES</b>				
	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	2,842,744	2,738,824
	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		
	<b>TOTAL (rows 26 to 29)</b>	<b>30</b>	<b>30</b>	<b>2,842,744</b>	<b>2,738,824</b>
<b>V.</b>	<b>RECEIVABLES</b>				
	1. Commercial receivables (acct.2675+2676+2678+2679-2966-2968+4092+411+411+413+418-4902-491)	31	31	230,060,293	132,466,995
	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	107,322,973	127,689,726
	5. Share Capital subscribed and not paid (acct. 456-495)	35	35	-	-
	6. Receivables representing dividends distributed during the financial year (acct. 463)	36	35a (301)		
	<b>Total (rows 31 to 36)</b>	<b>37</b>	<b>36</b>	<b>337,383,266</b>	<b>260,156,721</b>
	<b>VI.SHORT-TERM INVESTMENTS</b>				
	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	-	-
	<b>Total (rows 37 to 38)</b>	<b>40</b>	<b>39</b>	<b>-</b>	<b>-</b>
	<b>VII.CASH AND BANK ACCOUNTS</b> (acct. 5112 + 512 + 531 + 532 + 541 + 542)	41	40	<b>2,432,510,227</b>	<b>913,920,542</b>
	<b>CURRENT ASSETS - TOTAL (rows 31 + 37 + 40 + 41)</b>	<b>42</b>	<b>41</b>	<b>2,772,736,237</b>	<b>1,176,816,087</b>
<b>C</b>	<b>DEFERRED EXPENSES (acct.471 + 474) (rows 44 + 45)</b>	<b>43</b>	<b>42</b>	<b>2,501,138</b>	<b>3,159,254</b>
	Amounts to be repaid within a period of up to one year (out of acct 471)	44	43	2,427,261	3,159,254
	Amounts to be repaid longer than a period of one year (out of 471*)	45	44	73,877	-
	<b>TOTAL ASSETS</b>				
<b>D</b>	<b>DEBTS: AMOUNTS TO BE PAID WITHIN A PERIOD OF UP TO ONE YEAR</b>				
	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	267,567,380	266,272,709
	4. Trade payables - suppliers (acct. 401 + 404 + 408)	49	48	293,924,727	294,592,297
	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	81,303,706	87,881,322
	<b>TOTAL (row 46 to 53)</b>	<b>54</b>	<b>53</b>	<b>642,795,813</b>	<b>648,746,328</b>
<b>E</b>	<b>NET CURRENT ACCOUNTS / NET CURRENT LIABILITIES (rows 42 + 44- 56- 741-74- 77)</b>	<b>55</b>	<b>54</b>	<b>2,023,816,873</b>	<b>466,942,691</b>
<b>F</b>	<b>TOTAL ASSETS MINUS CURRENT LIABILITIES (rows 25 + 45 +57)</b>	<b>56</b>	<b>55</b>	<b>5,502,263,498</b>	<b>4,189,934,525</b>

<b>G</b>	<b>LIABILITIES: AMOUNTS TO BE PAID IN A PERIOD LONGER THAN ONE YEAR</b>				
	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	-	-
	<b>TOTAL (row 57 to 64)</b>	65	64	-	-
<b>H</b>	<b>PROVISIONS</b>				
	1. Provisions for employees' benefits (acct.1515+1517)	66	65	46,462,179	55,541,458
	2.Provisions for taxes (1516)	67	66	4,659,942	-
	3. Other provisions (1511 + 1512 + 1513 + 1514 + 1518)	68	67	28,049,511	32,211,701
	<b>TOTAL PROVISIONS (rows 66+67+68)</b>	69	68	<b>79,171,632</b>	<b>87,753,159</b>
<b>I</b>	<b>DEFERRED INCOME</b>				
	1. Investment grants (acct. 475) (row 71+72)	70	69	<b>3,973,743</b>	<b>3,672,759</b>
	Amounts to be repaid within a period of up to one year (out of acct.475 *)	71	70	373,142	364,924
	Amounts to be repaid over a period longer than one year (out of acct.475 *)	72	71	3,600,601	3,307,835
	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	1,194,921,026	1,284,582,587
	Amounts to be repaid within a period of up to one year (out of acct.478 *)	77	76	108,177,670	63,921,398
	Amounts to be repaid over a period longer than one year (out of acct. 478 *)	78	77	1,086,743,356	1,220,661,189
	Negative goodwill (acct.2075)	79	78		
	<b>TOTAL (rows 70+73+76+79)</b>	80	79	<b>1,198,894,769</b>	<b>1,288,255,346</b>
<b>J</b>	<b>CAPITAL AND RESERVES</b>				
	<b>II. CAPITAL</b>				
	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		
	6. Other equity items (acct. 103)	85	84	-	-
	<b>TOTAL (row 81+82+83+84+85)</b>	86	85	271,365,250	271,365,250
	<b>II. CAPITAL's PREMIUMS (acct. 104)</b>	87	86		
	<b>III. RESERVE FROM REVALUATION (acct. 105)</b>	88	87	815,451,100	804,716,843
	<b>V. RESERVES</b>				
	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	1,428,009,404	1,443,826,292
TOTAL (row 89 to 91)		92	91	1,482,282,454	1,498,099,342
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	1,691,968,270	208,047,304
	Balance D	97	96	0	0
VII. PROFIT OR LOSS OF THE EXERCISE (acct.121)	Balance C	98	97	96,670,617	111,800,491
	Balance D	99	98		-
The distribution of profit (acct. 129)		100	99	24,989,782	15,816,888
OWN EQUITY – TOTAL (rows 86+87+88+92-93+94-95+96-97+98-99-100)		101	100	4,332,747,909	2,878,212,342
Private patrimony (acct. 1016)		102	101		
Public patrimony (acct.1017)		103	102		
EQUITY- TOTAL (rows 101+102+103)		104	103	4,332,747,909	2,878,212,342

\*) 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**  
**Monica HODOR**

**PREPARED BY**  
**Maurizio RASTELLI**  
**As Financial Manager**

PROFIT AND LOSS ACCOUNT					F-20
AS ON 31.20.2020					
Name of issue		Row MFO 56/2021	Row	Financial exercise	
				2019	2020
A		B		1	2
1.	Net turnover (rd. 02 + 03 - 04 + 05+06)	01	01	814,537,487	858,511,382
	Production sold (acct.701 + 702 + 703 + 704 + 705 + 706 + 708)	02	02	806,004,330	840,859,642
	Income from the sale of goods (acct. 707	03	03	8,533,157	17,651,740
	Commercial discounts granted (acct.709)	04	04		
	<del>Income from interests registered by affiliated entities in the General Register which no longer has leasing contracts (acct.766)</del>		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	23,327,983	32,464,416
	4.Income from the revaluation of intangible assets (acct. 755)	09	10	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	94,705,769	77,247,960
	-revenue from investment grants (acct. 7584)	13	14	91,203,050	71,909,242
	-earnings on purchases under favorable conditions (acct. 7587)	14	15		
	<b>OPERATING REVENUES - TOTAL (row 01+07+08+09+10+11 +12+13)</b>	<b>15</b>	16	993,800704	968,223758
	8.a)Expenditure on raw materials and consumables (acct. 601 + 602)*	16	17	13,832,661	11,941,218
	Other material expenses (acct. 603+604+606+608)	17	18	299,255,659	301,676,206
	b) Other external expenditures (with energy and water) (acct.605)	18	19	4,231,832	3,505,361
	c) Expenditure on goods (acct. 607)	19	20	7,328,704	15,830,869
	Trade receipts received (acct.609)	20	21	21,723	491,372
9	Personnel related costs (row 23+24), out of which:	21	22	112,376,998	123,350,901
	a) Salaries and allowances (acct. 641+642+643+644)	22	23	106,858,676	117,892,902
	b) Expenditure on insurance and social protection (acct.645)	23	24	5,518,322	5,457,999
10	a) Value adjustments on intangible assets, tangible assets (rows 26-27)	24	25	201,011,869	211,500,619
	a.1) Expenses (acct.6811 + 6813 + 6816 + 6817)	25	26	205,741,535	212,511,846
	a.2) Income (acct.7813 + 7816)	26	27	4729,666	1,011,227
	b) Value adjustments for current assets (rows 29-30)	27	28	-691,509	6,831,448
	b.1) Expenditure (acct.654 + 6814+6818)	28	29	7,251,499	8,774,455
	b.2) Revenues (acct.754 + 7814+7818)	29	30	7,943,008	1,943,007
11	Other operating expenses (row 32 to 38)	30	31	286,132,644	182,769,792

	11.1. Expenditure on external benefits (acct. 611 + 612 + 613 + 614 + 615 + 621 + 622 + 623 + 624 + 625 + 626 + 627 + 628)	31	32	161,684,963	151,762,140
	11.2. Expenses with other fees, taxes, and similar charges (acct. 635 + 6586)	32	33	10,451,236	12,084,521
	11.3. Environment protection expenditures (acct.652)	33	34	112,752	166,813
	11.4. . Expenses from revaluation of intangible assets (acct. 655)	34	35	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	41,487,184	18,756,318
	<del>Expenditures with refinancing interests registered by entities removed from the General register which no longer has ongoing leasing contracts</del>		<del>38</del>		
	Adjustments for provisions (rows 40-41)	37	39	10,036,789	8,581,526
	- Expenditure (acct. 6812)	38	40	15,278,625	19,865,674
	- Income (7812)	39	41	5,241,836	11,284,148
	<b>OPERATING EXPENDITURE - TOTAL (row 17 to 20-21+22+25+28+31+39)</b>	40	42	933,493,924	865,496,568
	<b>PROFIT OR LOSS OF OPERATION:</b>				
	-Profit (row 16-42)	41	43	60,306,780	102,727,190
	- Loss (row 42-16)	42	44	0	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	45,801,355	13,875,603
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		
	<b>FINANCIAL INCOME – TOTAL (rows 45+47+49+50)</b>	50	52	1,651,602	4,046,098
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	4,808,923	6.205.718
	<b>FINANCIAL EXPENDITURE - TOTAL (rows 53+56+58)</b>	57	59	4,808,923	6,205,718
	<b>PROFIT OR FINANCIAL LOSS:</b>				
	- Profit (row 61 - 70)	58	60	42,644,034	11,715,983
	- Loss (rows 70- 61)	59	61	0	0
	<b>TOTAL INCOME (rows 16+52)</b>	60	62	1,041,253,661	986,145,459
	<b>TOTAL EXPENDITURE (rows 42+59)</b>	61	63	938,302,847	871,702,286
19	<b>GROSS PROFIT OR LOSS:</b>				
	- Profit (row 60-63)	62	64	102,950,814	114,443,173

	- Loss (rows 63-62)	<b>63</b>	65	0	0
20	Income tax (acc, 691)	<b>64</b>	<b>66</b>	6,280,197	2,642,682
21	Tax-specific activities (acct, 695)	<b>65</b>	67		
22	Other taxes not shown at the above items (acct,698)	66	68		
<b>23</b>	<b>NET PROFIT OR LOSS OF THE FINANCIAL YEAR:</b>				
	- Profit (rows <b>64-65-66-67-68</b> )	<b>67</b>	<b>69</b>	96,670,617	111,800,491
	- Loss (rows <b>65+66+67+68-64</b> )	<b>68</b>	<b>70</b>	0	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 labor 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**  
**Monica HODOR**

**PREPARED BY**  
**Maurizio RASTELLI**  
**As Financial Manager**



**INFORMATIVE DATA**  
**On 31.12.2020**

- Ron -

<b>1. Data regarding registered result</b>		<b>Row MFO 56/20 21</b>	<b>Row</b>	<b>No. of units</b>		<b>Amounts</b>	
A			B	1		2	
Units with profit		01	01	1		111,800,491	
Units with losses		02	02				
Units with no profit and no losses		03	03				
<b>II Data regarding due payments</b>		<b>Row</b>		<b>Total, out of which:</b>	<b>For current activity</b>	<b>For investment activity</b>	
A		B		1=2+3	2	3	
Due payments-total (row 05 +09 + 15 to 17+18)		04	04	59,872,871	56,603,884	3,268,987	
Outstanding suppliers - total (row 06 to 08)		05	05	59,872,871	56,603,884	3,268,987	
- over 30 days		06	06	5,152,226	5,091,121	61,105	
- over 90 days		07	07	5,695,904	5,629,899	66,005	
- over 1 year		08	08	49,024,741	45,882,864	3,141,877	
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				
<b>III. Average number of employees</b>		<b>Row</b>		<b>30.12.2019</b>		<b>30.12.2020</b>	
A			B	1		2	
Average number of employees		20	19	947		986	
The actual number of existing employees at the end of financial exercise, December 31		21	20	971		1,009	

		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		
Gross income from paid services by non-residents, including:	27	26	28,225,776	
- 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	28,166,357	
- 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		
subsidies to stimulate employment **)	34	33		
subsidies for energy from renewable sources	35	33a (316)		
Subsidies for fossil fuels	36	33b (317)		
<b>Outstanding claims</b> that have not been received within the time limits provided in commercial contracts and / or legislation in force, including:	37	34	83,236,795	
outstanding receivables from entities in the majority or wholly state-owned	38	35		
outstanding claims from private sector entities	39	36	83,236,795	
<b>V. Meal vouchers to employees</b>				
The value of meal vouchers to employees	40	37	3,306,660	
The equivalent value of the vouchers granted to other categories of beneficiaries, other than employees	41	37 a (302)		
		Row	30.12.2019	30.12.2020
<b>VI. Costs incurred for research – development activity****)</b>				
A		B	1	2
Costs incurred for research - development, including:	42	38		
- of which, in order to reduce the impact of the entity's activity on the environment or the development of new technologies or more sustainable products	43	38a (318)		
- After the financing source (row 40+41)	44	39	0	0
- from public funds	45	40		
- from private funds	46	41		
- After the nature of expenses (row 43+44)	47	42	0	0
- Current expenses	48	43		
- Capital expenses	49	44		
<b>VII. Innovation costs ***)</b>			30.12.2019	30.12.2020
Innovation costs	50	45		
- of which, in order to reduce the impact of the entity's activity on the environment or the development of new technologies or more sustainable products	51	45a (319)		
<b>VIII. Other Information</b>				

Advance payments for intangible assets (acct. 4094)	52	46		
- advances granted to non-resident non-affiliated entities for intangible assets (from ct. 4094)	53	46 a		
Advance payments for tangible assets (acct. 4093) of which	54	46b (307)		
- advances granted to non-resident non-affiliated entities for tangible fixed assets (from ct. 4093)	55	47		1,011,098
- advances granted to non-resident affiliated entities for tangible fixed assets (from ct. 4093)	56	47a (305)		
Financial assets, in gross amounts (row 49+54)	57	47b (306)		
Shares in affiliated subsidiaries, equity, other investments and bonds as gross amounts (row 50+51+52+53)	58	48	125,016	125,016
- non-quoted shares issued by residents	59	49		
- shares issued by residents	60	50		
- shares and social parts issued by non-residents	61	51		
- Holdings of at least 10%	62	52		
- bonds issued by non-residents	63	52 a (307)		
Receivables, as gross amounts (row 55+56)	64	53		
- receivables in RON and expressed in RON, whose settlement is made on the rate of a currency (of acct. 267)	65	54	125,016	125,016
- foreign currency receivables (from acct. 267)	66	55	125,016	125,016
Trade receivables, advances to suppliers and other similar accounts, as gross amounts (acct. 4091+4092 + 411 +413 + 418), including:	67	56		
- 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)	68	57	255,843,285	158,194,100
- 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)	69	58	2,226,729	5,999,024
Uncollected trade receivables in arrears (from acct. 4092 + from acct. 411 + from acct. 413 )	70	58 a (302)		
Claims in relation to staff and similar accounts (acct. 425 + 4282)	71	59	91,593,003	33,947,361
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)	72	60	140,162	86,109
- claims in relation to social security budget (acct.431 +437+4382)	73	61	1,664,315	1,692,965
- tax claims in connection to State budget (acct. 436+441 +4424+4428+444+446)	74	62	1,641,315	1,669,965
- grants receivable (acct.447)	75	63		
- special funds - taxes and similar payments (acct.447)	76	64		
- other claims in connection to state budget (acct.4482)	77	65		
Claims of the entity in relationships with affiliated entities (acct.451)	78	66	23,000	23,000
- receivables from non-resident affiliates (from acct. 451)	79	67		
- trade receivables from non-resident affiliates (from acct. 451), of which:	80	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)	81	69		
Other claims (acct. 453 + 456 + 4582 + 461 + 471 + 473), (row 101 to 103)	82	70		

- Settlements on participating interests, settlement with shareholders / associates regarding capital, settlement on venture operations (acct.453+456+4582)	83	71	127,519,036	153,981,821
- 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)	84	72		
- amounts taken from account 542, representing cash advances granted by law and not settled until June 30 (from acct. 461)	85	73	127,513,854	153,979,212
Interest receivable (acct. 5187) , including:	86	74	5,182	2,609
- from non residents	87	75	228,304	1,274,904
Interest from non-residents (acct 4518+4538)	88	76		
The loans granted to economic operators *****)	89	76a (313)		
Short-term investments as gross amounts (acct. 501 + 505 + 506 + from acct.508),	90	77		
- non-quoted shares issued by residents	91	78		
- shares issued by residents	92	79		
- bonds issued by non-residents	93	80		
- shares issued by collective investment	94	81		
- bonds issued by non-residents	95	82		
- Holding green bonds	96	82a		
Other amounts receivable (acct. 5113 + 5114)	97	83		
Cash in RON and foreign currency (row 85+86)	98	84		
-in RON (acct.5311)	99	85		
-in foreign currency (acct.5314)	100	86		
Current accounts with banks in domestic and foreign currency (row 88+90)	101	87	2,432,409,549	913,800,096
-in RON (acct. 5121), of which:	102	88	2,431,098,606	912,557,313
- Current accounts with nonresident banks in RON	103	89		
-in foreign currency (acct. 5124), of which:	104	90	1,310,943	1,242,783
- Current accounts at nonresident banks in foreign currency	105	91		
Other accounts in bank and credentials (row 93+94)	106	92	100,678	120,446
- amounts to be settled, letters and other receivable amounts in RON (acct. 5112 + 5125 + 5411)	107	93	100,678	120,446
- amounts under settlement and letters of credit and in foreign currency (from acct. 5125 + 5412)	108	94		
Liabilities (row 96 + 99+102+103 + 106 + 108+110+111 + 116 + 119+122 + 128)	109	95	1,837,716,841	1,933,328,916
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)	110	96		
- in RON	111	97		
-in foreign currency	112	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)	113	99		
- in RON	114	100		
-in foreign currency	115	111		
Loans from the state treasury and related interest (acct. 1626 + acct. 1682)	116	112		
Other loans and related interest (acct. 166+ 167 + 1685 + 1686 + 1687) (row 104+105)	117	113		
- in RON and expressed in RON, whose settlement is made on the rate of a currency	118	114		
- in foreign currency	119	115		
Other loans and similar liabilities (ct. 167), of which:	120	116	435,841	505,913
-the value of the concessions received (from ct. 167)	121	117		

- the value of green bonds issued by the entity	122	117a (321)		
Trade payables, advances received from customers and other similar accounts, in gross amounts (acct. 401 + 403 + 404 + 405 + 408 + 419), of which:	123	108	561,492,110	560,865,006
- 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)	124	109	17,998,657	20,247,770
- 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)	125	109a (309)	114,131,770	130,984,645
Liabilities related to personnel and similar accounts (acct. 421 + 423 + 424 + 426 + 427 + 4281)	126	110	3,224,544	3,819,036
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)	127	111	59,990,167	65,585,226
-liabilities related to the social insurance budget (acct.431 + 437 + 4381)	128	112	3,796,693	4,426,190
-- fiscal liabilities in connection with the state budget (ct.436 + 441 + 4423 + 4428 + 444 + 446)	129	113	55,384,679	60,316,661
-special funds - taxes and similar payments (acct.447)	130	114	808,795	842,375
- other liabilities in connection to State budget (acct.4481)	131	115		
Liabilities in relationships with affiliated entities (acct.451)	132	116		
- debts with non-resident affiliated entities 2) (from ct. 451), of which:	133	117		
- with an initial maturity of more than one year	134	118		
- trade payables with non-resident affiliates regardless of maturity (from ct. 451)	135	118a (310)		
Amounts due to shareholders / associates (acct.455)	136	119		
- amounts due to shareholders / associates natural entities	137	120		
- amounts due to shareholders / associates legal entities	138	121		
Other liabilities (acct. 453 + 456 + 457 + 4581 + 462 + 472 + 473 + 478 + 269 + 509) row (158 to 162)	139	122	1,212,574,179	1,302,553,735
- settlements of participation interest, settlements with shareholders / associates capital, venture settlement operations (acct.453+456+457+4581)	140	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)	141	124	17,653,153	17,971,148
- subsidies which were not resumed (from acct. 472)	142	125		
- payments to be made for financial fixed assets and short-term investments (ct.269 + 509)	143	126		
- advance income related to assets received by transfer from customers (ct. 478)	144	127	1,194,921,026	1,284,582,587
Interests to be paid (acct. 5186)	145	128		
To non-residents	146	128a (311)		
Interests to be paid to non-residents (acct. 4518+4538)	147	128b (314)		
The loans received from operators *****)	148	159		
Subscribed capital (acct. 1012), of which:	149	130	271,365,250	271,365,250
- listed shares 2)	150	131		
-non listed shares 3)	151	132	271,365,250	271,365,250
- social parts	152	133		
- Capital subscribed and paid by non-residents (from acct. 1012)	153	134		
Patents and licenses (from acct. 205)	124	135		
<b>IX. Information on collaborators' expenses</b>			<b>31.12.2019</b>	<b>31.12.2020</b>
Information on collaborators expenses (acct. 621)	155	136	97,664	82,712
<b>X. Information on assets in the public domain</b>			<b>31.12.2019</b>	<b>31.12.2020</b>
The value of goods in the public domain under management	156	137		
The value of goods in the public domain in concession	157	138		
The value of goods in the public domain leased	158	139		

<b>XI. Information regarding the goods from the private property of the state subject to inventory cf. OMFP no. 668/2014</b>			<b>31.12.2019</b>	<b>31.12.2020</b>
Net accounting value of goods 6)	159	140		
<b>XII. Paid-in share capital</b>			<b>31.12.2019</b>	<b>31.12.2020</b>

			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)	160	141	271,365,250	X	271,365,250	X
- owned by public institutions, (rd. 143 + 144)	161	142				
- owned by public institutions of central subordination	162	143				
- owned by public institutions of local subordination	163	144				
- owned by state-owned companies, of which:	164	145	27,136,520	10,00	27,136,520	10,00
- with full state capital	165	146	27,136,520	10,00	27,136,520	10,00
- with majority state capital	166	147				
- with state minority capital	167	148				
- owned by autonomous companies	168	149				
- owned by companies with private capital	169	150	244,228,730	90,00	244,228,730	90,00
- owned by natural persons	170	151				
- owned by other entities	171	152				

			Amounts (RON)	
A		B	2019	2020
<b>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:</b>				
- to central public institutions;	172	153		
- to local public institutions;	173	154		
- to other shareholders in which the state / territorial administrative units / public institutions directly / indirectly hold shares or participations! regardless of their share.	174	155		
<b>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:</b>	175	156		
- dividends / payments from the profit of the previous financial year, from which transfers:	176	157		
- to central public institutions	177	158		
- to local public institutions	178	159		
- to other shareholders in which the state / territorial administrative units / public institutions directly / indirectly hold shares or participations regardless of their share.	179	160		
- dividends / payments from the profit of the financial years prior to the previous year, of which transferred:	180	161		
- to central public institutions	181	162		
- to local public institutions	182	163		
- to other shareholders in which the state / territorial administrative units / public institutions directly / indirectly hold shares or participations regardless of their share	183	164		
<b>XV. Dividends distributed to shareholders / associates from retained earnings</b>	184	165	<b>2019</b>	<b>2020</b>
Dividends distributed to shareholders / associates during the reporting period	185	165 a		1,566,336,058
<b>XVI. Interim dividend distributions according to Law no. 163/2018</b>			<b>2019</b>	<b>2020</b>
- interim dividends distributed	186	165 b		
<b>XVII. Receivables taken over by assignment from legal entities *****)</b>	187	166	<b>31.12.2019</b>	<b>31.12.2020</b>

Receivables taken over by assignment from legal entities (at nominal value), of which:	188	167		
- receivables taken over by assignment from affiliated legal entities	189	168		
Receivables taken over by assignment from legal entities (at acquisition cost), of which:	190	169		
- receivables taken over by assignment from affiliated legal entities	187	166		
<b>XVIII. Income from agricultural activities*****)</b>	191	170	<b>31.12.2019</b>	<b>31.12.2020</b>
XVIV. Expenditure on calamities and other similar events (c. 6587), of which:	192	170 a		
- floods	193	170 b		
- drought	194	170 c		
- landslides	195	170 d		

Director  
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Prepared by  
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Financial manager

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

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

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

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

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

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

«» \*\*) according to art. 11 of the Delegated Regulation (EU) no. 639/2014 of the Commission of 11 March 2014 supplementing Regulation (EU) no. Regulation (EC) No 1307/2013 of the European Parliament and of the Council laying down rules on direct payments to farmers under support schemes under the common agricultural policy and amending Annex X to that Regulation,

(1) ..income from agricultural activities is income obtained by a farmer from his agricultural activity within the meaning of Article 4 (1) (c) of that Regulation (R (EU) 1307/2013), on his holding, including Union support from the European Agricultural Fund. Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD), as well as any national aid granted for agricultural activities, with the exception of complementary national direct payments Pursuant to Articles 18 and 19 of Regulation (EU) No 1095/2010. 1307/2013.

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

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

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

1) Rents paid for occupied land (agricultural crops, pastures, hayfields, etc.) and related to commercial spaces (terraces, etc.) belonging to private owners or public administration units will be included, including rents for the use of water 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 31.12.2020

Cod 40 - RON -

Items of fixed assets	Row	Gross values				
		Initial balance	Increase	Decrease		Final balance (col.5=1+2-3)
				Total	Of which: discharging and scrapping	
A	B	1	2	3	4	5
1. Intangible assets						
Establishment expenses and development expenses	01				X	
Other fixed assets	02	94,574,827	12,205,980		X	106,780,807
Advance payments for intangible assets	03				X	
Intangible assets for exploration and evaluation of mineral	04				X	
TOTAL (row 01 to 04)	05	94,574,827	12,205,980		X	106,780,807
II. Tangible assets						
Lands	06	177,934,931			X	177,934,931
Buildings	07	1,893,787,284	231,918,356	849,955		2,124,855,685
Technical installations and equipment	08	1,125,189,415	141,686,149	4,495,133		1,262,380,431
Other installations, machinery and furniture	09	3,899,585	864,058	900		4,762,743
Real estate investments	10					
Tangible assets for exploration and evaluation of mineral	11					
Productive biological assets	12					
Tangible fixed assets in progress	13	248,438,971	73,225,397	428,018		321,236,350
Real estate investments in progress	14					
Advances granted for tangible fixed assets	15		1,011,098			1,011,098
TOTAL (row 06 to 15)	16	3,449,250,186	448,705,058	5,774,006		3,892,181,238
III. Financial assets	17				X	
FIXED ASSETS – TOTAL (row 05+16+17)	18	3,543,825,013	460,911,038	5,774,006		3,998,962,045



### STATEMENT OF DEPRECIATION 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	64,441,036	10,259,141		74,700,177
Intangible assets for exploration and evaluation of mineral resources	21				
TOTAL (row 19+20+21)	22	64,441,036	10,259,141		74,700,177
II. Tangible fixed assets					
Lands	23				
Buildings	24		88,709,734	1,721	88,708,013
Technical installations and machines	25		105,323,722	980,880	104,342,842
Other machinery and furniture installations	26		560,625	71	560,554
Real estate investments	27				
Tangible assets for exploration and evaluation of mineral	28				
Productive biological assets	29				
TOTAL (row 23 to 29)	30		194,594,081	982,672	193,611,409
DEPRECIATIONS - TOTAL (row 22+30)	31	64,441,036	204,853,222	982,672	268,311,586

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		1,729,930		1,729,930
Intangible assets for exploration and evaluation of mineral resources	34				
TOTAL (row 32 to 34)	35		1,729,930		1,729,930
Tangible assets					
Lands	36				
Buildings	37		919,335		919,335
Technical installations and machines	38		1,275,631		1,275,631
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	1,011,229	3,733,729	1,011,229	3,733,729
Real estate investments in progress	44				
TOTAL (row 36 to 44)	45	1,011,229	5,928,695	1,011,229	5,928,695
III. Financial assets	46				
DEPRECIATION ADJUSTMENTS - TOTAL (row .35+45+46)	47	1,011,229	7,658,625	1,011,229	7,658,625

Director  
Monica Hodor

Prepared by  
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Financial Manager

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<sup>1)</sup> refer to January 1, respectively December 31, and the turnovers of the income and expenditure accounts correspond to the current financial year<sup>2)</sup>, 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<sup>3)</sup>. 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".

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

<sup>2)</sup> 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).

<sup>3)</sup> 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").