

**SOCIETATEA NAȚIONALĂ A SĂRII S.A.**

**Economic Directorate**

Registration n° 3525/19 May 2021

**This document is subject for approval to:**

**Board of Directors**

**A NOTE TO CORRECT THE MATERIAL ERRORS MADE IN POSTING THE DEBTS IN: LONG-TERM DEBTS AND SHORT-TERM DEBTS IN THE FORM TITLED “FINANCIAL POSITION REPORT” INCLUDED IN THE ANNUAL FINANCIAL STATEMENTS PREPARED AS AT 31 DEC. 2020**

**A. The topic subject to approval:**

- a) Approve the note to correct the material errors made when posting the debts in: long-term debts and short-term debts in the form titled “financial position report” included in the annual financial statements prepared as at 31 Dec. 2020.
- b) Replace the original document with the revised one titled: “Financial position report” included in the set of annual financial statements that will be submitted to the May 28, 2021 General Assembly of the Shareholders for approval purposes, as per Notice of Convocation N° 3107/28 April 2021.

**B. The legal grounds for approval**

- ✓ Company Law N° 31/1990, republished as subsequently amended and republished;
- ✓ The Memorandum and Articles of Incorporation of SNS SA:
- ✓ 19.3 The main tasks of the Board of Directors are - without being limited to - the following:
  - g) submits every year to the General Meeting of the Shareholders, within the legal deadline as of the end of the financial year, the activity report, the financial statements, as well as the draft activity programme and the draft income and expenditures budget for the current year;
- 14.2 The main tasks of the General Assembly of the Shareholders are the following:
  - b) to analyse, approve or amend the annual financial statements, based on the reports submitted by the Board of Directors, the financial auditor, and to approve the distribution of the profit and to establish the dividends;*

**C. Introduction of the topic submitted for approval:**

The annual financial statements prepared as of 31 December 2020 in compliance with IFRS and audited by an independent external auditor received the clearance of the Board on 27 April 2021 (Decision No. 13/27 April 2021, Art. 2).

Subsequently, an error was found in what concerned the input of the data that refers to the breakdown of the debts into separate payment deadlines, *i.e.* short-terms and long-terms. This error refers to the amount of 1,100,592 lei that needs to be reposted (diminished) from “long-term debts” by increasing the figure posted as “short-term debts”, in the financial position report prepared as of 31 Dec. 2020.

For that purpose, the revised version of the Financial position report as of 31 December 2020 was prepared and confirmed by the auditor and shall be submitted for the clearance of the Board and shall replace the original version (dated 27 April 2021).

The requested change shall not affect the view on the company’s assets and liabilities or the overall value of the debts, which stays unchanged.

Reposting 1,100,592 RON from long-term debts to short-term debts i the form titled

Financial position report does not involve changes being made on the notes to the presented financial statements.

The error is a technical one (Excel error) and occurred because of how the data was taken over from the detailed tables into the Financial position report.

|                     | <b>Original form</b> | <b>Revised form</b> | <b>Differences</b> |
|---------------------|----------------------|---------------------|--------------------|
| Short-term payables | 51,633,142           | 52,733,734          | +1,100,592         |
| Long-term payables  | 38,667,750           | 37,567,157          | (1,100,592)        |
| <b>TOTAL</b>        | <b>90,300,890</b>    | <b>90,300,890</b>   | <b>-</b>           |

**D. Recommendation of the person who made the proposal and evaluation of the impacted departments:**

- a) Approve the correction of the material errors made when posting the debts in: long-term debts and short-term debts in the form titled “financial position report” included in the annual financial statements prepared as at 31 dec. 2020
- b) Replace the original document with the revised one titled: “Financial position report” included in the set of annual financial statements that will be submitted to the May 28, 2021 General Assembly of the Shareholders for approval purposes, as per Notice of Convocation N° 3107/28 April 2021.

**Documents attached to this here Note:**

| Item<br>No. | Type of document/content | N° /d/m/y | Issued by: |
|-------------|--------------------------|-----------|------------|
|             |                          |           |            |

|    |  |                          |
|----|--|--------------------------|
| 1. | Financial position report as at 31/12/2020 - revised | Financial<br>directorate |
|----|--|--------------------------|

General manager,

Gabriela Mantu

Stamp of general manager's office

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For Economic manager, Laura Chiorean

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**FINANCIAL STATEMENT REPORTS**

| <b>ASSETS</b>                            | <b>NOTE:</b> | <b>31 Dec. 20</b>  | <b>31 Dec. 19</b>  |
|--|--------------|--------------------|--------------------|
| <b>PROPERTY, PLANT AND EQUIPMENT</b>     |              |                    |                    |
| Tangible assets                          | 4.1          | 230,904,772        | 169,045,252        |
| The rights to use the assets             | 4.1          | 3,530,080          | 1,170,766          |
| Intangible assets                        | 4.2          | 1,836,345          | 1,814,398          |
| Deferred taxes                           | 4.4          |                    | 7,003,065          |
| Other financial assets                   | 4.4          | 15,291,019         | 13,746,433         |
|  |              | <b>251,562,215</b> | <b>192,779,914</b> |
| <b>CURRENT ASSETS</b>                    |              |                    |                    |
| The stocks                               | 5            | 40,170,855         | 25,060,306         |
| Trade receivables and similar debts      | 6            | 22,506,715         | 58,252,194         |
| Other financial assets                   | 8            | 203                | 16,204,153         |
| Restricted cash                          | 8            |                    | -                  |
| Cash and cash equivalents                | 8            | 229,104,928        | 204,730,111        |
|  |              | <b>291,782,700</b> | <b>304,246,765</b> |
| <b>TOTAL ASSETS</b>                      |              | <b>543,344,916</b> | <b>497,026,679</b> |
| <b>DEBTS</b>                             |              |                    |                    |
| <b>CURRENT LIABILITIES</b>               |              |                    |                    |
| Trade payables and similar debts         | 11           | 33,596,234         | 54,633,940         |
| Staff benefits < 1 year                  | 16           | 10,231,597         | 9,571,617          |
| Concession debts < 1 year                | 10.1         | 1,214,031          | 191.884            |
| Corporate tax debts                      | 14           |                    | -                  |
| Investment subsidies < 1 year            | 13           | 349.439            | 339.532            |
| Provisions - due within less than 1 year | 15.1         | 7,342,433          | 16,863,023         |
|  |              | <b>52,733,734</b>  | <b>81,599,996</b>  |
| <b>NET ASSETS/LIABILITIES</b>            |              | <b>239,048,966</b> | <b>222,646,769</b> |
| <b>LONG-TERM PAYABLES</b>                |              |                    |                    |
| Trade payables and other long-term debts | 12           | 95.628             | 97.785             |
| Staff-related debts > 1 year             | 12/16        | 11,818,379         | 10,616,723         |
| Long-term loans                          | 10.2         | 2,418,456          | 1,214,701          |
| Investment subsidies > 1 year            | 13           | 3,495,019          | 3,848,422          |
| Deferred taxes                           |              | 3,282,345          | -                  |
| Long-term provisions                     | 15.2         | 16,457,331         | 16,457,331         |
| <b>LONG-TERM PAYABLES</b>                |              | <b>37,567,157</b>  | <b>32,234,962</b>  |
| <b>TOTAL DEBTS</b>                       |              | <b>90,300,890</b>  | <b>113,834,958</b> |
| <b>NET ASSETS</b>                        |              | <b>453,044,025</b> | <b>383,191,721</b> |
| <b>Share capital and reserves</b>        |              |                    |                    |
| <b>Share capital</b>                     | <b>9</b>     | <b>41,050,130</b>  | <b>40,936,410</b>  |
| Elements considered equity               | 9            | 27,751,645         | 27,751,645         |
| Amendment of actuarial conditions        | 9            | (2,071,854)        | (1,186,218)        |
| Premiums related to floated shares       |              |                    | -                  |
| Revaluation reserve                      | 9            | 57,050,759         | 11,309,764         |
| Other reserves                           | 9            | 245,463,709        | 202,201,427        |
| Profit/loss carried forward              | 9            | 72,317,870         | 25,222,906         |
| Profit (loss) of the current FY          | 9            | 11,481,766         | 76,955,788         |
| Profit distribution                      | 9            |                    |                    |
| <b>TOTAL EQUITY</b>                      |              | <b>453,044,025</b> | <b>383,191,721</b> |

