

CONTENT OF HALF-YEARLY REPORT
According to A.S.F. Regulation No.5/2018
For the first semester 2021

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CHAPTER I. HALF-YEARLY REPORT SYNTHESIS
According to A.S.F. Regulation No.5/2018
For the first semester of 2021

NAME OF SHARES ISSUER	: SOCEP SA
REGISTERED OFFICE	: CONSTANȚA, INCINTA PORT Dana 34
PHONE/FAX	: 0241/693856; 0241/693759
FISCAL CODE	: RO 1870767
COMPANY NUMBER IN THE TRADE REGISTER	: J 13/643/1991
TRADING MARKET	: B.V.B. Standard category, symbol SOCP
SUBSCRIBED SHARE CAPITAL	: 35,399,149 lei split in 353,991,490 registered dematerialized shares with a nominal value of 0.10 lei/share

1. SOCEP S.A. BUSINESS

1.1. OVERVIEW

a) **THE MAIN BUSINESS** of the company is port services providing, namely: loading operations, unloading operations, storage, forwarding of general cargo and containers and also other operations/services connected to maritime transport.

These services are defined as "handlings" under "5224" NACE (CAEN) Code.

b) **COMPANY FOUNDATION DATE** is 02/01/1991 under and according to H.G. (Government Decision) No.19/1991 based upon which the former operating company (the entire Port of Constanța) belonging to Ministry of Transport split up.

As result of splitting of this state company, several companies have been set up, with their share capital entirely state property, including SOCEP SA.

In 1996 SOCEP SA was fully privatized, 60% based on mass privatization program (free coupons awarded to Romanian citizens) and 40% based on buying the shares from the state by company employees, the Employee Association.

Presently, the Association was disbanded and the shares have been nominally distributed to association members.

c) **MERGERS, SUBSIDIARIES, and REORGANIZATIONS:** In 2012, SOCEP S.A. founded as sole shareholder the limited liability company - SOCEFIN S.R.L. Constanța, having as main business CAEN code 6420 – activities of the holdings and a share capital in an amount of 30,000,000 lei.

I.2. FINANCIAL AND ECONOMIC STATE

a) **The main elements of the Balance Sheet** and of the Profit and Loss Account, compared to the same time period of the previous year, are below listed:

ECONOMIC INDICATORS		UNIT	06/30/2020	06/30/2021
I.	TOTAL ASSETS	lei	360.091.975	360.091.975
1.1.	<i>Fixed Assets</i>	”	321.587.228	383.913.189
1.2.	<i>Stocks</i>	”	1.227.913	988.731
1.3.	<i>Receivables</i>	”	17.245.706	17.129.738
1.4.	<i>Cash and Bank Accounts</i>	”	6.887.818	8.007.852
1.5.	<i>Accruals and prepaid expenses</i>	”	450.952	557.192
1.6.	<i>Short Term Investments</i>	”	12.692.358	7.231.718
II.	TOTAL LIABILITIES	lei	360.091.976	417.828.420
2.1.	<i>Shareholders' Equity</i>	”	177.774.790	188.328.529
2.2.	<i>Total Debts</i>	”	181.560.553	229.223.162
2.3.	<i>Upfront Revenues</i>	”	22.513	34.611
2.4.	<i>Provisions</i>	”	734.120	242.118

b) Profit and Loss Account

INDICATORS		UNIT	06/30/2020	06/30/2021
I.	TURNOVER	lei	33.782.099	35.662.523
II.	TOTAL REVENUES	”	35.988.577	38.374.704
III.	TOTAL EXPENSES	”	32.824.800	38.368.401
IV.	GROSS PROFIT	”	3.163.777	6.303

Following items are the assets with a minimum 5% share – out of total assets: buildings (10.62%) and installations&equipment (12.59%), the important share of 35.49%, being represented by the assets related to the right of use. Expense items with a minimum 15% share – out of net sales (turnover) - are the personnel expense (41.45%) and the amortization expense (21.32 %), and services provided by third parties (20.44%).

At the end of first semester of 2021, company recorded provisions in a total amount of 242,118 lei , as follows:

- Provisions for employees benefits	= 79,883 lei
- Provision for unpaid rest leave	= 156,451 lei
- Other types of provisions	= 5,784 lei.

Provision for employees benefits in an amount of 79,883 lei has been created for the bonuses granted to the employees at the retirement date.

c) Cash flows

	= lei =
	06/30/2021
CASH FLOWS FROM PORT OPERATIONS	
Receipts from clients	42,510,290
Payments to suppliers and employees	-24,565,005
Interest paid	0
VAT and other taxes -except income tax	-783,042
Income tax paid	0
Other receipts	698,024
Other payments	-213,648
I. NET CASH FROM PORT OPERATIONS	17,646,620
CASH FLOWS FROM INVESTMENTS	
Payments for acquisition of intangible assets	-24,699
Payments for acquisition of tangible assets	-22,979,601
Interests received	15,277
Dividends received	4,590
II. NET CASH FROM INVESTMENTS	-22,984,433
CASH FLOWS FROM FINANCING ACTIVITIES	
Receipts from long-term loans	13,765,297
Payments related to long term loans	-2,662,810
Interest related to loan	-162,218
Dividends paid	-37,571
III. NET CASH FROM FINANCING ACTIVITIES	10,902,698
IV. NET INCREASE IN CASH AND CASH EQUIVALENTS (I+II+III)	5,564,884
V. IMPACT OF EXCHANGE RATE VARIATIONS	275,980
VI. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL SEMESTER	9,398,706
VII. CASH AND CASH EQUIVALENTS AS AT 06/30	15,239,570

d) Financial and Economic Indicators

INDICATORS	CALCULATION PROCEDURE	RESULTS	
		06/30/2020	06/30/2021
1. Current liquidity	Current assets/Current debts	1.73	1.55
	Borrowed capital ----- x 100	90.05%	110.22%
2. Indebtedness degree	Equity Borrowed capital ----- x 100	47.38%	52.43%
	Committed capital		
3. Rotation speed of customers debts	Average balance of customers ----- x 180 Turnover	84.84	64.92
4. Rotation speed of fixed assets	Turnover/Fixed assets	0.11	0.09

I.3. BUSINESS ANALYSIS

During the reported period the harbor cargo traffic increased with 13,19% compared to same period of previous year, meaning 181 thousand tons of cargo. The benchmarking on different types of cargo is below listed:

TYPES OF CARGO	UNIT	06/30/2020	06/30/2021
I. HARBOR CARGO TRAFFIC	thousand tons	1,422	1,372
1.1. General Cargo	thousand tons	689	770
1.3. Containers	thousand tons	478	474
1.4. Mineral bulk cargo	thousand tons	205	309
II. TOTAL NUMBER OF CONTAINERS	pcs.	34,581	30,591
III. TOTAL TEU-s	TEU	54,499	47,654

By comparatively analyzing the evolution in the two quarters from the point of view of the dynamics of the structure by types of cargo, can notice a slight delay of containers, and an advance to general cargo, and mineral bulk cargo.

The benchmarking on different types of services is below presented:

TYPES OF SERVICES		UNIT	06/30/2020	06/30/2021
I.	TOTAL CIFRA DE AFACERI	lei	33,782,099	35,662,523
1.1.	Handling operation	"	29,873,706	33,775,641
1.2.	Storage operation	"	3,409,799	1,142,971
1.3.	Other types of services	"	498,594	743,911

In the first semester of current year the turnover increased by 5.57%, compared to the first semester of last year, against the background of the increase of revenues from handling by 13.06%, and of those from other services by 49.20%, and of the reduction of revenues from storage activities by 66.48%. Within the total turnover, each service type maintained – more or less – its share, namely the handlings have a 94.71% share. the storage has an 3.20% share, and other types of services 2.09% share in the total turnover amount.

I.3.2. In the first semester of 2021 investments amounting a total 138,705 lei were put into operation, having as source purchase.

Compared to the same period of the previous year, capital expenditure state is below presented:

ASSETS		Unit	06/30/2020	06/30/2021
I.	TOTAL EXPENSES	lei	7,315,090	138,705
1.1.	Intangible Assets	„	61,314	113,392
1.2.	Buildings	“	2,621,130	0
1.3.	Transportation equipment	“	110,920	15,782
1.4.	Vehicles	“	4,337,629	4,586
1.5.	Other assets	“	117,920	4,945
1.6.	Re-treatment of estate investment	“	66,538	0

In the course of this year the construction of The First Phase of Cereal Terminal was continued. Also. These important investments are a continuation of the program started in 2015 with the PACECO project. Project started, for which following purchases were made: one 22 rows-POSTPANAMAX type container crane, two RTG-s and one TOS (software). PACECO Project has been completed at the end of 2017.

I.3.3. We estimate that in the near future there will be the same events, transactions, economic changes that significantly affect revenues coming from port operation - the main business, during the first semester.

I.4. MANAGEMENT OF SOCEP S.A.

According to General Meeting of Shareholders' Decision issued on 14-th of December 2012, the company is managed in a dual system, by a Supervisory Board and an Executive Board. Both Managing Boards carry out their activity in absolute compliance with the law in force.

Until June 11-th 2018, the Supervisory Board consisted of 3 members, as result of OGMS decision dated 04/26/2018. They are below presented:

- DUȘU NICULAE - President, over 25 years experience in leading positions;
- DUȘU ION - Vice-president, over 25 years experience in leading positions;

- SAMARA STERE - Vice-president, over 25 years experience in leading positions;

The Executive Board consists of 5 members.

At 06/30/2021 structure of SOCEP SA Executive Board is:

- Dorinel Cazacu - General Manager and Chairman of Executive Board;
- Ramona Pavlicu - Member of the Executive Board
- Gabriel Codeț - Member of the Executive Board
- Cristian Mihai Ududec- Member of the Executive Board
- Niculaie Stefanescu - Member of the Executive Board

Members of the Executive Board have been appointed according to the provisions of the Constitutive Act of SOCEP SA, based on Supervisory Board decisions.

Members of the Executive Board carry out their activity based on mandate contracts approved by the Supervisory Board.

Mr. Dorinel Cazacu holds the position of chairman of the Executive Board. Managers carry out their activity based on mandate contracts agreed in total compliance with the legislation in force. They have not been and are not involved in court litigations or administrative proceedings.

I.5. CHANGES AFFECTING COMPANY CAPITAL AND MANAGING PROCESS

Within the reporting period there were no events of infringement of company payment obligations towards creditors or employees.

Compared to 06/30/2020, the status of major significant shareholders or groups of shareholders, as at 06/30/2021 is as follows:

SHAREHOLDERS (GROUPS)		06/30/2020	06/30/2021
1.	GRUPUL DD SA CONSTANȚA	% 55.3145	55.3146
2.	SAMARA STERE	% 11.2429	11.2429
3.	INDIVIDUALS	% 24.8366	25.2681
4.	LEGAL ENTITIES	% 8.6080	8.17444
TOTAL		% 100.0000	100.0000

GENERAL MANAGER

DORINEL CAZACU

FINANCIAL MANAGER,

CRISTIAN MIHAI UDUDEC

CHAPTER II. UNAUDITED INDIVIDUAL FINANCIAL STATEMENTS

II.1. Executive Board Report for the individual financial statements

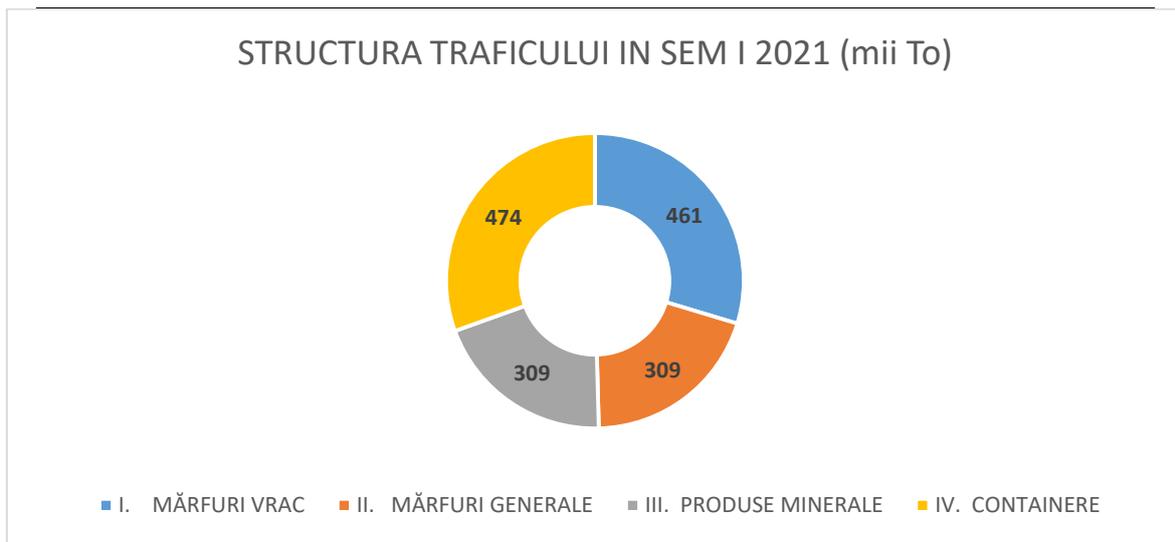
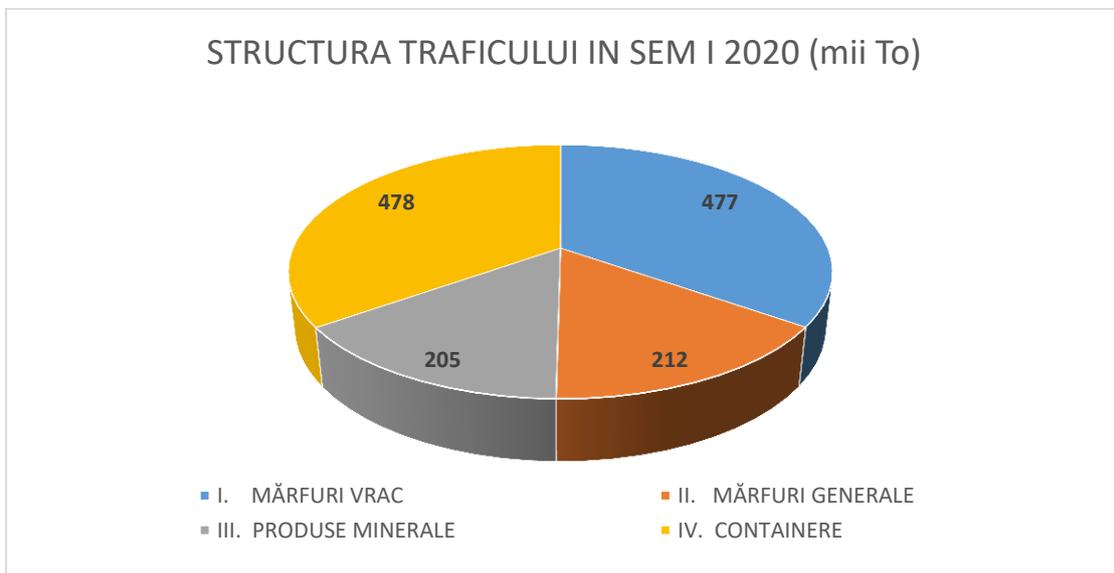
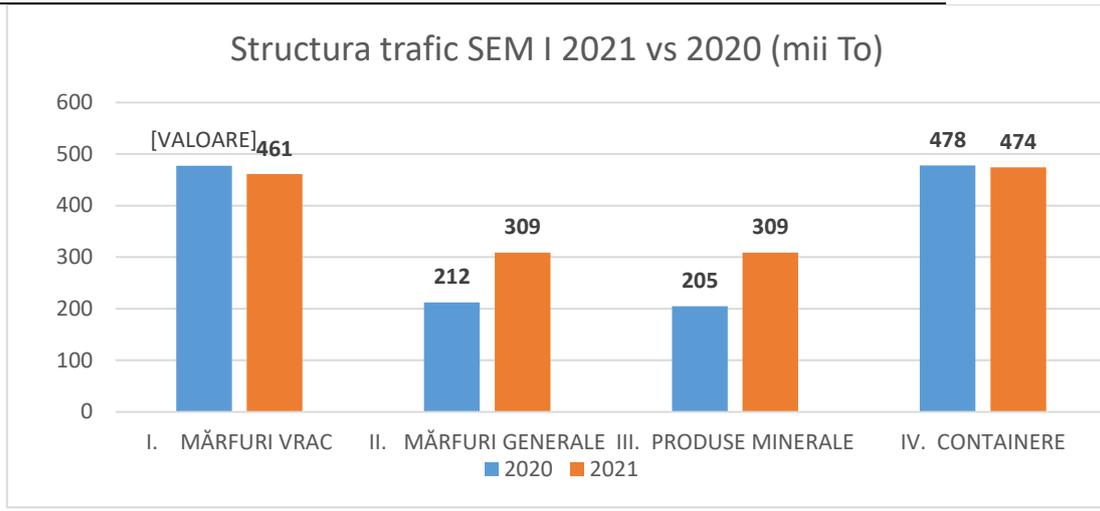
This is a synthesis of SOCEP S.A. economic and financial results as at 06/30/2021:

II.1.1. PHYSICAL INDICATORS

INDICATORS	Unit	Achieved	06/30/2021		%	
		06/30/2020	Program	Achieved	%	2021/2020
1. Port traffic	thousand tons	1,372	1,967	1,553	78.95	113.19
2. Cargo handling	"	1,497	1,454	1,871	128.68	124.98
3. Average number of employees	persons	372	388	370	95.36	99.46

The structure of the traffic achieved on types of cargo compared with to the same period of the year 2019 is as follows:

CARGO TYPES	06/30/2020	06/30/2021	+/-	x 1000 to – %
I. BULK CARGO, total o/w:	477	461	-16	96.65
1.1. Chemicals	75	86	11	114.67
1.2. Grain	386	362	-24	93.78
1.3. Other cargo	16	13	-3	81.25
II. GENERAL CARGO, total o/w:	212	309	97	145.75
2.1. Laminated	177	291	114	164.41
2.2. Chemicals	1	6	5	600.00
2.3. Other cargo	34	12	-22	35.29
GENERAL CARGO TOTAL	689	770	81	111.76
III. MINERAL BULK CARGO	205	309	104	150.73
IV. CONTAINERS	478	474	-4	99.16
TOTAL SOCEP TRAFFIC	1,372	1,553	181	113.19
V. NUMBER OF CONTAINERS	34,581	30,591	-3,990	88,46
VI. CONTAINER TEU-s	54,499	47,654	-6,845	87,44



Structure of achieved traffic split by cargo types

The total cargo traffic in the first semester of 2021 recorded an increase of 13.19%

II.1.2. FINANCIAL AND EFFICIENCY INDICATORS

The statement of financial and efficiency indicators compared to the same period of 2020 are as follows:

	Unit	ACHIEVED in 2020	2021		%	
			PROGRAM	ACHIEVED	ACHIEVED/ PROGRAM	2020/ 2019
Income (turnover)	lei	33,782,099	37,936,726	35,662,523	94.01	105.57
Other income	lei	219,687	57,222	551,218	963.30	250.91
Raw materials and consumables	lei	-4,292,432	-2,716,070	-4,357,960	160.45	101.53
Cost of sold cargo	lei	-26,640	-26,000	-26,392	0.00	99.07
Services provided by third parties	lei	-4,800,756	-6,265,173	-7,289,224	116.35	151.83
Employee benefit expenses	lei	-13,796,453	-14,218,295	-14,781,930	103.96	107.14
Impairment and amortization expenses	lei	-7,002,407	-7,408,204	-7,604,634	102.65	108.60
Other expenses	lei	-904,838	-564,155	-867,098	153.70	95.83
Other income/loss from operation - net	lei	418,708	0	975,135	0	232.89
Financial income	lei	139,242	34,600	37,156	107.39	26.68
Financial expense		-861,426	-844,217	-716,802	84.91	83.21
Other financial gains/losses - net	lei	288,993	-1,135,005	-1,575,690	138.83	545.24
Profit before tax	lei	3,163,776	4,851,429	6,303	0.13	0.20
Income tax expense	lei	-263,548	-576,229	-88	0.02	0.03
Net profit for the first semester	lei	2,900,229	4,275,200	6,215	0.15	0.21
Profit rate	%	9,37%	12.79	0,02%	0.14	0.19
Work productivity	lei/per son	90,812	97,775	96,385	98.58	106.14

Compared to what has been planned, the turnover was achieved by 94.01% and compared to first semester of 2020, the turnover was achieved in 105.57%.

Other income: there was an important increase with 863,30% compared to the forecast and, 150,91% compared to the similar period of 2020.

The expense of raw materials was with 60.45% bigger compared to the forecast, and with 1.53%, compared to the expense in same period.

Compared to first semester of 2020, a increase by 7,14% in expenditure with employee benefits and 3.96% to the forecast.

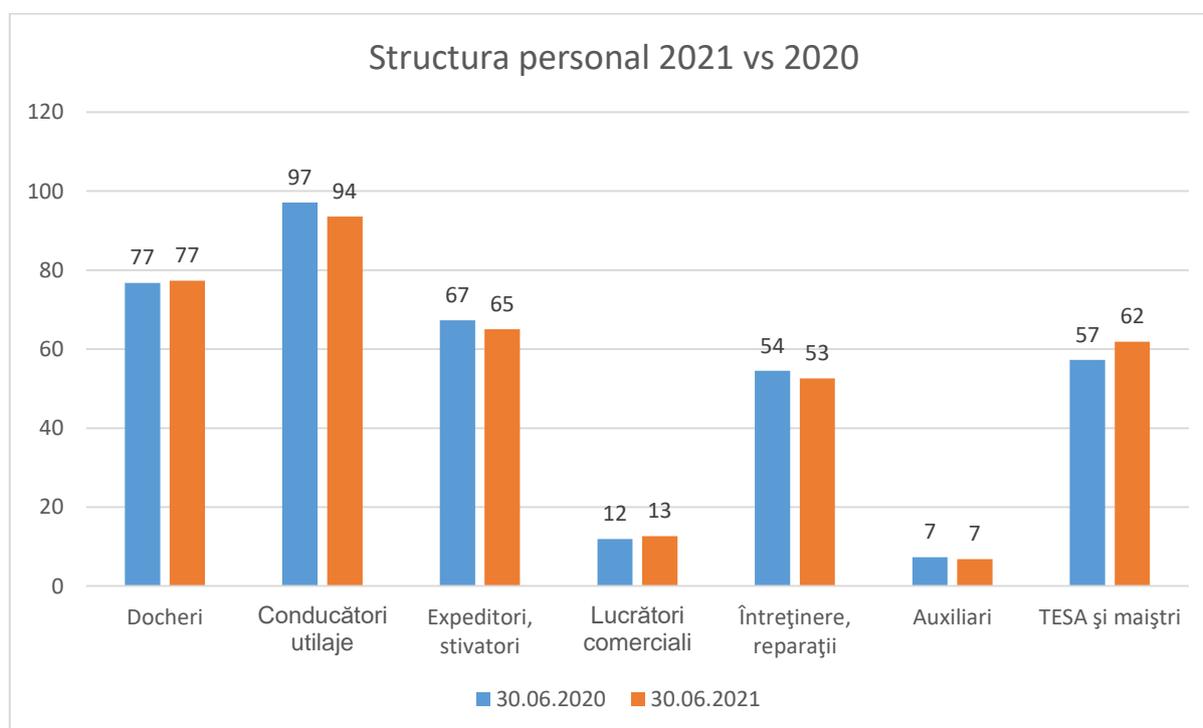
Financial revenue (mainly interest on bank deposits with agreed maturity of up to 3 months) was influenced by the interest rate increase on the banking market, and decrease of the surplus from the investment activity.

II.1.3. HUMAN RESOURCES AND WAGE SCALE

On 06/30/2021, the structure of employees, average basic wage and gross average wage were as follows:

- lei -

	Average number of employees			Gross average wage		
	06/30/2020	06/30/2021	%	06/30/2020	06/30/2021	%
Dockers	77	77	100.00	5,072	5,364	105.76
Machinery operators	97	94	96.31	6,019	6,596	109.59
Consigners, stevedores	67	65	96.64	4,963	5,240	105.57
Administrative workers	12	13	106.21	4,363	4,191	96.06
Maintenance, repairs	54	53	96.48	5,237	5,323	101.64
Auxiliaries	7	7	100.00	3,131	2,982	95.24
Technical, economic, social administrative staff and foremen	57	62	108.08	5,606	5,714	101.93
TOTAL	372	370	99.38	5,345	5,635	105.43



In the first semester of year 2021, the number of staff recorded a decrease by 0.62%, compared to the same period of the previous year.

II.1.4. REPAIRS AND INVESTMENTS

The repair and investment program was performed as follows:

- lei -

EXPLANATIONS	ACHIEVED 06/30/2020	06/30/2021			% 2021/ 2020
		PROGRAM	ACHIEVED	%	
I. TOTAL REPAIRS	2,359,719	1,677,247	2,130,645	127.03	90.29
1.1 Machinery	1,926,078	1,160,359,	1,454,104	125.32	75.50
1.2. Construction	433,641	516,888	676,541	130.89	156.01
II. TOTAL INVESTMENTS	11,605,918	5,149,627	138,705	2.69	1.20
2.1. Tangible assets	11,582,651	4,922,998	25,313	0.51	0.22
2.2. Intangible assets	23,267	226,628	113,392	50.03	487.35
2.3. Financial assets	0	0	0	0.00	0.00
III. INVESTMENTS PUT INTO OPERATION	130.620	0	25.313	0.00	19.38
3.1. Tangible assets	107.353	0	25.313	0.00	23.58
3.2. Intangible assets	23,267	0	0	0.00	0.00

In the first semester of 2021, the maintenance and repair plan for machinery category was achieved up to 125.32%.

The maintenance and repair plan for buildings category was achieved up to 130.89%.

Overall, the maintenance and repair plan for the first semester of 2021 has reached a rate of 127.03%.

II.1.5. SOCIAL-CULTURAL EXPENSES, SPONSORSHIP, ENTERTAINMENT, ADVERTISING AND PUBLICITY

The following expenses were made during first semester of 2021:

	Lei
	Expenses incurred
1. Social-cultural expenses	287,209
2. Sponsorship expenses in 2021	4,174
3. Donations expenses	0
4. Entertainment expenses	23,193
5. Advertising and publicity expenses	33,190

These funds were set up and used in accordance with the legal provisions and have been documented and approved by the company management.

II.1.6. TAX OBLIGATIONS AND OTHER DEBTS

As at 06/30/2021, all tax liabilities regarding corporate tax, income tax, local taxes and duties and liabilities to the state social insurance and health budget, contributions to the unemployment fund and special funds were correctly determined and were fully paid in within the legal terms/time.

As at 06/30/2021 there are no outstanding debts registered with banks, suppliers or other creditors.

II.1.7. PROFIT AND INCOME TAX SITUATION

On 06/30/2021 the situation is as follows:

	Lei
	06/30/2021
Profit before tax	131,875
Non-taxable income	-529,296
Non-deductible expenses	104,849
Items similar to income	1,119,813
Taxable profit	827,241
Income tax determined with 16%	132,359
Sponsorships	-4.174
Profit reinvestment deduction	-2,525
Total current income tax	125,660

II.1.8. FURTHER NOTES

During the reporting period, all legal provisions on the organization and daily bookkeeping as well as the accounting principles and methods were complied with.

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with Order No.2844/2016 for the approval of Accounting Regulations compliant with International Financial Reporting Standards, with subsequent additions and amendments.

All the holders of financial instruments of the company are treated fairly; all financial instruments of the same type and class confer equal rights.

The company endeavors to facilitate the participation of shareholders at the GMS as well as full exercise of their rights.

GMS takes place according to legal procedures so that any shareholder can freely express their opinion on the matters under discussion.

The company encourages shareholders' participation in the GMS. Those who cannot attend have the possibility to exercise voting in absence, based on a special power of attorney. Dialogue between shareholders and members of the Supervisory Board/Executive Board is encouraged during GMS and all shareholders have access to relevant information so that they can exercise their rights in a fair manner. Thus, all relevant information is posted on its web page.

As of 12/15/2012, according to the Extraordinary General Meeting of Shareholders of 14 December 2012, the company is managed in two-tier (dual) system by a Supervisory Board and an Executive Board which operates under the law and in compliance with the law. As at 30-th June 2021, the Supervisory Board consists of 3 members.

Supervisory Board members are:

- Dușu Nicolae - Chairman,
- Dușu Ion - Vice President,
- Samara Stere – Vice President.

The Executive Board presently consists of 5 members.

In the first semester of 2021, Executive Board structure was as following:

- Dorinel Cazacu - General Manager and Chairman of Executive Board;
- Ramona Pavlicu - Member of the Executive Board
- Gabriel Codeț - Member of the Executive Board
- Cristian Mihai Ududec- Member of the Executive Board
- Niculaie Stefanescu - Member of the Executive Board

Mr. Dorinel Cazacu holds the office of Executive Board Chairman.

Supervisory Board and Executive Board meet whenever necessary but at least once a quarter.

The Supervisory Board did not consider opportune establishing a Nomination Committee.

The company provides appropriate regular ongoing reports on all major events including financial statement, performance and management.

Supervisory Board and Executive Board undertake all responsibilities with respect to financial reporting, internal control and risk management.

Supervisory Board and Executive Board decide and adopt suitable operational solutions to facilitate an adequate identification and situations solving, if a member has a financial interest in their own name or on behalf of third parties.

Members of the Supervisory Board and the Executive Board take decisions solely in the interest of the company and do not participate in any deliberation or decision which creates conflict between their personal interests and those of the company or of subsidiaries controlled by the company.

The company endeavors to integrate in its operational activity and in its interaction with interested third parties and to consistently increase the involvement of employees, representatives and trade unions, as well as persons outside the company interested in developing and implementing CSR practices.

GENERAL MANAGER

DORINEL CAZACU

FINANCIAL MANAGER,

CRISTIAN MIHAI UDUDEC

**II.2. INDIVIDUAL FINANCIAL STATEMENTS
AND
EXPLANATORY NOTES
ON 06/30/2021
PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
ADOPTED BY THE EUROPEAN UNION
AND O.M.F.P. NO. 2844/2016,
AS AMENDED AND SUPPLEMENTED**

**STATEMENT OF FINANCIAL POSITION
AS AT 30-th JUNE 2021**

		Lei	
	NOTE	01/01/2020	06/30/2020
NON-CURRENT ASSETS			
- Tangible assets	1	180,977,705	192,811,049
- Intangible assets	2	2,038,439	2,037,549
- Right-of-use asset	3	150,788,747	148,275,605
- Financial assets available for sale	4	383,614	385,268
- Investments in subsidiaries and associates	5	36,470,252	36,470,252
- Other long term investments	6	780,587	789,868
- Real estate investments	1	3,143,598	3,143,598
TOTAL NON-CURRENT ASSETS		374,582,942	383,913,189
CURRENT ASSETS			
- Stocks	7	914,175	988,731
- Clients and other receivables	8	19,992,312	16,193,464
- Receivables regarding profit tax	15	1,115,533	936,274
- Accrued charges	9	208,004	557,192
- Cash and cash equivalents	10	9,398,706	15,239,570
TOTAL CURRENT ASSETS		31,628,729	33,915,231
TOTAL ASSETS		406,211,670	417,828,420
EQUITY			
- Share capital	11	35,399,149	35,399,149
- Share capital adjustment	11	164,750,632	164,750,632
- Share premium	11	1,091,443	1,091,443
- Reserves	12	54,278,470	53,158,657
- Own share	11	-4,087,907	-4,087,907
- Profit (loss) for the period	13	2,272,530	6,215
- Retained earnings	13	99,033,238	102,246,411
- Retained earnings from the adoption of IAS 29	11	-164,750,632	-164,750,632
- Other elements of equity	14	334,002	514,561
TOTAL EQUITY		188,320,925	188,328,529
LIABILITIES			
Non-current liabilities			
- Deferred tax liabilities	15	6,369,311	6,190,407
- Other liabilities	16	8,260	0

- Liabilities of leases of a right-of-use asset	3	154,083,661	152,035,880
- Deferred income	17	0	0
- Provisions for employee benefits	20	79,883	79,883
- Long term bank loans	18	37,697,425	49,277,441
TOTAL NON-CURRENT LIABILITIES		198,238,540	207,583,611
Current liabilities			
- Suppliers and other liabilities	19	9,224,704	10,347,949
- Other liabilities	16	288,849	61,886
- Liabilities of leases of a right-of-use asset	3	4,425,973	5,928,121
- Long term bank loans – maturity up to 1 year	18	5,294,559	5,356,862
- Interest related to long term loans	18	20,091	24,617
- Current income tax owed	15	0	0
- Provisions	20	372,441	162,235
- Deferred income	17	25,588	34,611
TOTAL CURRENT LIABILITIES		19,652,205	21,916,280
TOTAL LIABILITIES		217,890,745	229,499,891
TOTAL EQUITY AND LIABILITIES		406,211,670	417,828,420

GENERAL MANAGER

DORINEL CAZACU

FINANCIAL MANAGER,

CRISTIAN MIHAI UDUDEC

**STATEMENT OF
COMPREHENSIVE INCOME AS
AT 30-th JUNE, 2021**

	Note	06/30/2020	Lei 06/30/2021
Income	21	33,782,099	35,662,523
Other incomes	22	219,687	551,218
Raw materials and consumables	23	-4,292,432	-4,357,960
Cost of sold goods	24	-26,640	-26,392
Services provided by third parties	25	-4,800,756	-7,289,224
Employee benefits expense	26	-13,796,453	-14,781,930
Impairment and amortization expense	27	-7,002,407	-7,604,634
Other expenses	28	-904,838	-867,098
Other gains/losses from operations - net	29	418,708	975,135
(Profit/-Loss) from port operation		3,596,967	2,261,639
Financial income	30	139,242	37,156
Financial expense	31	-861,426	-716,802
Other financial gains/losses (net)	32	288,993	-1,575,690
Profit before tax		3,163,776	6,303
Income tax expense	15	-263,548	-88
PROFIT FOR THE FIRST SEMESTER		2,900,229	6,215
OTHER COMPREHENSIVE INCOME ELEMENTS			
<i>Elements not to be subsequently reclassified under profit or loss</i>		-1,056,778	-940,643
Gains or losses from evaluation of assets	12	-1,258,069	-1,119,813
Deferred income tax related to other comprehensive income elements	15	201,291	179,170
<i>Elements to be subsequently reclassified under profit or loss</i>		-1,668	1,390
Gains or losses on financial assets available for sale	14	-1,985	1,655
Deferred income tax related to other comprehensive income elements	14	318	-265
OTHER COMPREHENSIVE INCOME ELEMENTS FOR THE FIRST SEMESTER (without tax)		-1,058,446	-939,253
TOTAL COMPREHENSIVE INCOME FOR FIRST SEMESTER		1,841,783	-933,038

GENERAL MANAGER
DORINEL CAZACU

FINANCIAL MANAGER,
CRISTIAN MIHAI UDUDEC

STATEMENT OF EQUITY CHANGES AS AT 30-th JUNE 2021

	Lei								
	SHARE CAPITAL	SHARE CAPITAL ADJUSTMENTS	RESERVES	RETAINED EARNINGS	RETAINED EARNINGS FROM ADOPTING IAS 29	OTHER EQUITY ELEMENTS	SHARE PREMIUM	OWN SHARE	TOTAL EQUITY
BALANCE AS AT 01/01/2021	35,399,149	164,750,632	54,278,470	101,305,768	-164,750,632	334,002	1,091,443	-4,087,907	188,320,925
Profit for the first semester 2021	0	0	0	6,215	0	0	0	0	6,215
Change in fair value for financial assets available for sale	0	0	0	0	0	1,654	0	0	1,654
Deferred income tax related to change in fair value of financial assets available for sale	0	0	0	0	0	-266	0	0	-266
Reserves from revaluation of realized tangible assets	0	0	-1,119,813	1,119,813	0	0	0	0	0
Reserves from revaluation of unrealized tangible assets	0	0	0	0	0	0	0	0	0
Deferred income tax on realized revaluation differences	0	0	0	-179,170	0	179,170	0	0	0
BALANCE AS AT 06/30/2021	35,399,149	164,750,632	53,158,657	102,252,626	-164,750,632	73,255	1,091,443	-4,087,907	188,328,529

GENERAL MANAGER
DORINEL CAZACU

FINANCIAL MANAGER,
CRISTIAN MIHAI UDUDEC

CASH FLOW STATEMENT
AS AT 30-th JUNE 2021

	06/30/2020	06/30/2021
CASH FLOWS FROM PORT OPERATIONS		
Receipts from clients	37,179,317	42,510,290
Payments to suppliers and employees	-19,686,403	-24,565,005
Interest paid	0	0
VAT and other taxes -except income tax	-663,079	-783,042
Income tax paid	0	0
Other receipts	351,951	698,024
Other payments	-721,728	-213,648
I. NET CASH FROM PORT OPERATIONS	16,460,058	17,646,620
CASH FLOWS FROM INVESTMENTS		
Payments for acquisition of intangible assets	0	-24,699
Payments for acquisition of tangible assets	-29,606,103	-22,979,601
Payments for acquisition of own share from merger	-4,084,532	0
Receipts from sale of tangible assets	0	0
Cash receipts during from merger	1,596,391	0
Interests received	60,250	15,277
Dividends received	4,557	4,590
II. NET CASH FROM INVESTMENTS	-32,029,437	-22,984,433
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from long-term loans	16,100,941	13,765,297
Payments related to long term loans	-23,057,278	-2,662,810
Interest related to loan	-144,063	-162,218
Dividends paid	-5,667	-37,571
III. NET CASH FROM FINANCING ACTIVITIES	-7,106,067	10,902,698
IV. NET INCREASE IN CASH AND CASH EQUIVALENTS (I+II+III)	-22,675,446	5,564,884
V. IMPACT OF EXCHANGE RATE VARIATIONS	288,993	275,980
VI. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL SEMESTER	41,966,630	9,398,706
VII. CASH AND CASH EQUIVALENTS AS AT 06/30	19,580,176	15,239,570

GENERAL MANAGER
DORINEL CAZACU

FINANCIAL MANAGER,
CRISTIAN MIHAI UDUDEC

Notes to the Individual Financial Statements

as at 30-th June 2021

All amounts are expressed in Lei (RON) unless otherwise stated

OVERVIEW

Established in 1991 as a joint stock company that was based on a functional terminal specialized in container and raw materials operation for metallurgy, SOCEP SA is one of the major port operators in Constanta Port. Its activity is structured on two distinct operating terminals: container terminal (500 000 TEU - annual operating capacity) and general cargo terminal (3 million tons of general unified and bulk cargo - annual operating capacity).

SOCEP S.A. has the following identification data:

- Registered office: Constanța, Incinta Port, Dana 34;
- Trade Register number: J 13/643/1991;
- Tax Identification Number: RO 1870767;
- Main business: cargo handling, NACE code 5224;
- Share Capital: 35,399,149 lei, divided in 353,991,490 uncertificated shares; the nominal value of one share is 0.10 lei;
- Legal form: joint stock company, listed on Bucharest Stock Exchange Standard category, symbol "SOCP";
- Type of ownership: private capital owned by individuals and legal entities.

In accordance with the decision of the Extraordinary General Meeting of Shareholders dated 14 December 2012, starting from 15 December 2012, the company is managed in a two-tier system by a duly operating Supervisory Board and an Executive Board. Both Boards are carrying out their activities as provided by law.

- Until June 11-th 2018, the Supervisory Board consisted of 3 members, as result of OGMS decision dated 04/26/2018. They are below presented:
 - Dușu Nicolae - President
 - Dușu Ion - Vice-President
 - Samara Stere - Vice-President.

The Executive Board consists of 5 members.

Starting on 05/18/2020 structure of SOCEP SA Executive Board is:

- Dorinel Cazacu - General Manager and Chairman of Executive Board;
- Ramona Pavlicu - Member of the Executive Board
- Gabriel Codeț - Member of the Executive Board
- Cristian Mihai Ududec- Member of the Executive Board
- Teodorescu Lucian- Member of the Executive Board

Mr. Dorinel Cazacu holds the office of Executive Board President.

FUNDAMENTALS OF PREPARATION

Declaration of Conformity

The financial statements of SOCEP S.A. have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Fundamentals of evaluation

The financial statements have been prepared under the historical cost convention, except for revalued assets. The last revaluation has been made on 12/31/2020, when buildings have been revaluated.

On 12/31/2012, with the transition to International Financial Reporting Standards implementation, the company's share capital was adjusted to inflation according to IAS 29 "Financial reporting in hyperinflationary economies". The adjustment was made until December 31-st, 2003, when the Romanian economy ceased to be considered hyperinflationary.

Business continuity

According to studies performed, management board members consider that the company has adequate resources to continue operating for the foreseeable future. Therefore, the company adopted the principle of business continuity in preparing the financial statements.

Functional currency and presentation currency

The financial statements of the company are shown in lei (RON) and the presentation currency is the same as the functional currency.

Use of estimates and professional judgments

The preparation of financial statements according to IFRS requires the management to use certain estimates, judgments and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and on other factors deemed reasonable in the context of such estimates. The results of these estimates form the basis for judgments about the carrying amounts of assets and liabilities that cannot be obtained from other sources of information. Actual results may differ from these estimates.

Estimates and judgments are reviewed periodically. Revisions to accounting estimates are recognized in the period in which the estimate is reviewed if the revision affects only that specific period or in the current and future periods if the revision affects both current and future periods. The effect of any change related to the current period is recognized as income or expense in the current period. If applicable, the effect on future periods is recognized as income or expense in those future periods.

Management believes that any possible differences from these estimates will not have a significant impact on the financial statements in the near future.

Estimates and judgments are used to: determine the impairment of tangible assets, determine the useful life of tangible assets, evaluate the impairment of inventories and receivables, acknowledge provisions and deferred tax assets.

SIGNIFICANT ACCOUNTING POLICIES AND METHODS

Transactions in foreign currency

Foreign currency transactions are exchanged into the functional currency using the exchange rates at the dates of the transactions. Gains and losses resulting from foreign exchange differences on the settlement of such transactions and from the conversion of monetary assets and liabilities expressed in foreign currencies at the exchange rate from the end of the financial year are reflected in profit or loss for that period.

Monetary assets and liabilities denominated in foreign currency at the date of statement of financial position are converted into the functional currency using the exchange rate on the date of statement of financial position.

Gains and losses on exchange rate, related to cash and cash equivalents, are presented in the statement of comprehensive income under "other financial gains or losses, net". All other gains and losses on exchange rate are presented under "other operating gains and losses, net".

Segment reporting

Reporting by business segment is made in a manner consistent with internal reporting to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of operating segments, is the Supervisory Board.

Tangible assets

Tangible assets are initially recognized at their respective cost, which includes costs directly attributable to their acquisition or production.

Subsequent to initial recognition, buildings are assessed at revalued amount, determined by periodic assessments conducted every three years by external independent assessors, less subsequent impairment and impairment. During building revaluation, any accrued impairment at the date of revaluation is eliminated from the gross carrying amount of the asset and this net amount is recorded as revalued amount of the asset. Increases in the carrying amount arising from the revaluation of buildings are credited to revaluation reserve reflected under the equity category. Reductions compensating increases in value related to the same asset are reflected in the debit of revaluation reserves and other reductions are reflected in profit or loss for the period. The amounts recorded in the revaluation reserve are transferred to retained earnings as the asset is being depreciated. All other tangible assets are assessed subsequent to initial recognition at their cost, less accrued impairment and impairment adjustment.

Expenses subsequent to initial recognition of a tangible asset are added to their carrying amount only when future economic benefits associated to that asset are likely to be entered and the cost of the asset can be assessed reliably.

Repair and maintenance expenses are recorded in the period in which they are incurred.

Land is not depreciated. Impairment of other items of tangible assets is determined based on linear impairment method and useful lives are as follows:

- special buildings and structures: 8-60 years;
- technological equipment: 4-18 years;
- devices and equipment for measurement, control and adjustment: 5-18 years;
- means of transport: 2-15 years;
- furniture, office equipment, protective equipment for human and material values and other tangible assets: 4-15 years;

- computers and peripherals: 2-4 years.

Since the company's management estimates that the tangible assets will be used to the end of their physical life, their residual value is zero.

Intangible assets

On initial recognition, intangible assets are valued at cost determined on the basis of IAS 38 "Intangible Assets". Subsequent to initial recognition, intangible assets are measured at cost less the accumulated impairment. The company has not conducted any revaluations of intangible assets.

Licenses acquired for the rights of using computer software are capitalized on the basis of the costs incurred with the acquisition and commissioning of the software in question. These costs are amortized over their estimated useful life (usually 3 years).

The costs of maintaining computer software programs are recognized as expenses within the period in which they are incurred.

Impairment of non-financial assets

Assets subject to amortization are reviewed for impairment losses whenever there are circumstances that indicate that their carrying amount may not be recoverable. An impairment loss is the difference between the carrying amount and the recoverable amount of that asset. The recoverable amount is the greater between the asset's usage value and its fair value, less any sale costs.

Financial instruments

Financial assets and liabilities include equity instruments as financial assets available for sale, equity instruments in subsidiaries and associates, customers and other receivables, cash and cash equivalents, suppliers and other debts.

Financial assets available for sale

Financial assets available for sale are non-derivatives that are specifically classified in this category or not fit in another category of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months from the end of the reporting period.

Financial assets available for sale are valued at cost.

Investments in subsidiaries and associated entities

Investments in subsidiaries and associated entities are valued at their respective cost. The company did not acknowledge impairment adjustments for them.

Receivables from customers and similar accounts

Receivables from customers and similar accounts are non-derivative financial assets with fixed or determinable receipts that are not listed on an active market. They are included under current assets (customers and other receivables).

Stocks

Stocks are stated at the lower between cost and net realizable value. Cost is determined using the weighted average cost method (CMP). In the normal course of business, net realizable value is estimated based on selling price less costs involved.

Trade receivables (customers)

Customers' receivables are usually collected in a period of less than one year and are therefore treated as current assets.

Cash and cash equivalents

Cash and cash equivalents consist of liquidities in cash and current accounts, deposits with a maturity of less than 3 months and other securities. The available foreign currency cash and bank deposits in foreign currencies are measured and presented in the statement of financial position using the exchange rate announced by the NBR and valid at the date of the financial position statement.

Share capital

The share capital includes ordinary shares recorded at nominal value. Any excess of fair value received over the nominal value of issued shares is recognized as share premium.

The company acknowledges changes in share capital under the terms specified by the legislation in force and only after their approval by the General Meeting of Shareholders and their registration with the Trade Register.

Dividend distribution

The distribution of dividends is recognized as a liability in the company's financial statements for the period in which such dividends are approved by shareholders.

Trade payables (suppliers)

Trade payables are obligations to pay for goods or services acquired in the ordinary course of business from suppliers. They are classified as current liabilities. Payables arising from foreign currency transactions are measured in lei based on the exchange rate at the transaction date. Payables in foreign currency are measured using the exchange rate as communicated by NBR and valid at the date of the financial position statement.

Current and deferred income tax

Tax expense for the period includes current tax and deferred tax.

Current income tax expense is calculated based on tax regulations in force at the date of the statement of financial position.

Deferred income tax is determined taking into account the temporary differences arising between the carrying amounts and tax bases of assets and liabilities. Deferred income tax is determined using tax rates provided by the legislation in force to apply in the period when the temporary difference is achieved.

Deferred tax recorded as receivable is recognized only inasmuch as a future taxable profit is likely to be obtained, from which temporary differences can be deducted.

Employee benefits

In the normal course of business, the company makes payments to the Romanian State budgets, on behalf of its employees, for pension, health and unemployment funds. All company employees are members of the Romanian State pension plan. Wages, salaries, contributions to pension funds and social security of the Romanian state, annual leave and paid sick leave, bonuses and non-monetary benefits are accumulated during the year in which the related services are rendered by company employees.

The company grants to its employees, in case of retirement or early retirement, an end-of-career reward of three base monthly salaries as received in the retirement month.

Provisions

Provisions are recognized whenever the company has a legal or an implicit obligation arising from past events or when a disbursement of resources incorporating economic benefits is necessary to settle the obligation and when a reliable estimate can be made regarding the amount of the obligation.

Provisions are measured at the updated value of the expenses expected to be required to settle that obligation using a pre-tax rate that reflects current market assessments of the time value of money and the obligation-specific risks. Increase in the provision due to passage of time is recognized as financial charges on provision updating.

Income recognition

Income is assessed at the fair value of the amount received or to be received from the sale of goods and services in the company's ordinary course of business.

Income is recognized when their value can be reliably assessed, when future economic benefits are likely to be achieved for the entity and when specific criteria are met for the recognition of each category of income.

a) Income from service providing

Income from providing of services is recognized according to the stage of completion of the transaction at the end of the reporting period. Thus, income is recognized in the accounting periods in which services are provided.

The services underway, not invoiced to customers, are highlighted using account 418 "Customer invoices to be issued" and are presented in the statement of financial position under "customers and other receivables".

b) Income from sale of goods

Income from sale of goods is recognized when the company transfers the significant risks and rewards related to the ownership of goods. In case of the company, the transfer of ownership right occurs upon delivery of products.

c) Interest income

Interest income is recognized using accrual accounting effective interest method.

d) Income from rents

Income from rents is recognized on an accrual basis in accordance with the economic substance of the contracts involved.

NOTE 1. TANGIBLE ASSETS

Change in gross value, amortization and book value for each category of fixed assets is as follows:

- lei -

	Lands and buildings	Plant and machinery	Furniture, accessories and other equipment	Real estate investment	Assets in progress	Tangible assets advances	Total
As at 01/01/2021							
Cost or reassessed value	46,297,815	122,947,488	693,924	3,143,598	72,123,629	6,690,794	251,897,248
Cumulative amortization	-51,034	-67,169,575	-555,336	0	0	0	-67,724,911
Net carrying value	46,246,781	55,777,913	138,588	3,143,598	72,123,629	6,690,794	184,172,337
On 01/01/2021							
Initial net carrying value	46,246,781	55,777,913	138,588	3,143,598	72,123,629	6,690,794	184,121,303
Receipts	0	20,368	4,945	0	21,581,613	0	21,606,926
Disbursements	0	-207,220	0	0	-25,313	-4,662,599	-4,895,132
Amortization for disbursements	0	207,220	0	0	0	0	207,220
Amortization expense	-1,886,838	-3,182,645	-16,187	0	0	0	-5,085,670
Final net carrying value	44,359,943	52,615,636	127,346	3,143,598	93,679,929	2,028,195	195,954,647
On 06/30/2021							
Cost or reassessed value	46.297.815	122.760.636	698.869	3.143.598	93.679.929	2.028.195	268.609.042
Cumulative amortization	-1.937.872	-70.145.000	-571.523	0	0	0	-72.654.395
Net carrying value On 06/30/2021	44.359.943	52.615.636	127.346	3.143.598	93.679.929	2.028.195	195.954.647

Tangible assets have been recognized at the time of entry, at their cost, and subsequently revaluations were performed based on H.G. 26/92, H.G. 500/94, H.G. 983/98, H.G. 403/2000 and H.G. 1553/2004.

The company constructions were last revaluated on 31 December 2020 by an independent assessor, as below presented:

- 15,389,690 lei - value increase, recorded in the credit of unrealized revaluation reserves account;
- 306,164 lei - value reduction, recorded in the profit and loss account.

The evaluation report was aimed at estimating fair value in accordance with International Valuation Standards SEV 2014 - Valuation for Financial Reporting of tangible assets for the purpose of recording in accordance with Government Decision 276/21.05.2013 and the detailed rules. The methodology used is consistent with the provisions of International Accounting Standards - IFRS 13 on the accounting treatment of tangible assets including the determination of carrying values of assets using the revaluation model.

For revaluation differences, deferred income taxes were also taken into account. In the first semester of 2020 investments amounting a total of 138,705 lei were put into operation, having as source purchase.

The company has tangible assets acquired under financial leasing, a car, as a result of the takeover from the merger, having a value of 40,827.56 lei.

According to BRD Loan Contract for financing PACECO project, the company mortgaged the STS crane and two container handling equipment; along with this new mortgage, the former one concerning 4 KOMATSU loaders and one HYSTER has been cancelled.

The newly established mortgage remains valid until SOCEP SA will become full owner of the assets acquired from this contracted loan, namely one PORTAINER crane (STS) and two TRANSTAINER cranes (RTG).

Also, in the first semester of 2021, the investment in the modern Cereal Terminal was continued.

NOTE 2. INTANGIBLE ASSETS

Lei

	Computer licenses and software
As at 01 January 2021	
Cost	3,158,495
Cumulative amortization	-1,228,516
Net carrying value	1,929,979
First Semester 2021	

Initial net carrying value	1,929,979
Receipts	113,392
Disbursements	0
Amortization for disbursements	0
Amortization expense	-5,822
Final net carrying value	2,037,549
On 30-th June 2021	
Cost	3,271,887
Cumulative amortization	-1,234,338
Net carrying value	2,037,549

In the category of intangible assets there are licenses for computer programs and a trademark, as well as the amount of 1,910,592.91 lei representing goodwill. Licenses are depreciated in a linear manner over a useful life of maximum 3 years, and the trademark over 8 years.

Intangible assets are measured at cost reduced by accumulated depreciation.

As of 06/30/2021, the company has no outstanding intangible asset advances.

NOTE 3 ASSETS RELATING TO THE RIGHTS OF USE

Since 2019, IFRS 16 'Leases' replaces the existing leasing instructions, including IAS 17 'Leasing', IFRIC 4 'Determining the extent to which a commitment contains a lease', SIC 15 'Operating leasing – Incentives', and SIC 27 'Economic fund valuation of transactions involving the legal form of a leasing contract'.

The amendment aims to adopt a unitary model of balance sheet reporting of the operational and financial leasing contracts, this eliminating the differentiated treatment of the two types of contracts.

IFRS 16 specifies that a contract is or contains a lease if it confers the right to control the use of an identified asset for a period of time in exchange for compensation.

Thus, the lessee must recognize an asset related to the right of use and lease debt. The assets related to the right of use are amortized over the term of the lease, and the debt generates interest. Interest expenses are recorded in the profit and loss account for the duration of the lease, being calculated at the remaining balance of the lease debt for each period.

Regarding the contracts that fall under IFRS 16, Socep S.A.:

- did not recognize any asset related to the right of use and any lease debt related to contracts that expire in 12 months or less from the date of application;
- did not recognize any assets related to the right of use and any leasing debt for low value contracts (less than 25,000 eur/year).

Socep S.A. has adopted IFRS 16 starting with January 1-st 2019, using the modified retrospective method, that is:

- the data related to previous reports are not modified;
- the assets related to the right of use were valued at the value of the lease debt, adjusted with the advance payments;
- the lease debts were valued at the value of the remaining lease payments, to which a discount factor equal to the marginal interest rate is applied.

The application of IFR 16 starting with the year 2019 took into account the rent Contract no. CNAPM-00082-IDP-01, concluded between Socep SA and the National Company of Ports Maritime Administration S.A. Constanta; on 06/30/2021 the consequences are:

- a) on the Statement of financial position:
 - recognition of on asset related to the use rights amounting to 148,275,605 lei;
 - recognition of a debt related to this right in the amount of 157,964,001 lei, 152,035,880 lei long – term debts and 5,928,121 lei short – term debts;
- b) on the Statement of profit or loss:
 - increasing the depreciation of assets related to the rights of use with the amount of 2,513,142 lei;
 - increase of financial expenses with the amount of 2,572,240 lei;

In conclusion, the application of IFRS 16 has the following impact on:

- assets and liabilities of the company – increase of 148,275,605 lei, respectively, 157,964,001 lei;
- the result of the financial year of the first semester 2021 - decrease by 2,572,240 lei
- on the cash flows: increase of the cash flow related to the operating activities, with the same value, so that the total cash flow is not influenced;
- on financial indicators: a current liquidity – decrease as a result of the increase of current debts; a degree of indebtedness – exponential growth as a result of the increase of the total debts; an asset turnover rate – decrease due to asset growth;

Thus, the lease no. CNAPM-00082-IDP-01, concluded between SOCEP SA and National Company of Ports Maritime Administration SA Constanta was recognized as Asset related to the right of use and Leasing debt related to the right of use.

Assets related to the right of use:

Assets related to the right of use

La 01/01/ 2021	
Cost	160,652,750
Accumulated amortization	-9,864,003
Net carrying value	150,788,747
01/01/2021	
Initial net carrying value	150,788,747
Receipts	0
Disbursements	0
Amortization for disbursements	0
Amortization expense	-2,513,142
Final net carrying value	148,275,605

06/30/2021

Cost	160,652,750
Accumulated amortization	-12,377,145
Net carrying value	148,275,605

Leasing debts related to the rights of use:

Leasing debts related to the rights of use	01/01/2021	06/30/2021
Short term	4,425,973	5,928,121
Long term	154,083,661	152,035,880
Total	158,509,634	157,964,001

NOTE 4. FINANCIAL ASSETS AVAILABLE FOR SALE

Financial assets available for sale include equity instruments held in:

- Companies ROCOMBI SA BUCHAREST and ROFERSPED SA BUCHAREST. The share granted by these is 4.2857% in ROCOMBI SA BUCHAREST and 3.0909% in ROFERSPED SA BUCHAREST. The securities of the two companies are not listed on BSE and are measured at their net asset value.
- ELECTRICA SA. The share granted by these is 0.002 %. Shares are listed on BSE and are measured at fair value.

Lei

	Equity Securities			
	Rocombi SA	Rofersped SA	Electrica SA	Total
Value as at 01/01/2021	68,736	231,822	83,056	383,614
Value increases	0	0	7,942	7,942
Fair value increases	0	0	-6,287	-6,287
Decreases in fair value	0	0	0	0
Value as at 06/30/2021	68,736	231,822	84,710	385,268

Financial assets available for sale listed on BSE are revaluated quarterly, depending on the rate in that quarter's last trading day.

NOTE 5. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

As at 06/30/2021, the company holds equity instruments (shares) in the following companies:

Company name	Type of relation	Country of incorporation	Percentage held (%)	Reference date for relation	Type of combination
SOCEFIN S.R.L.	Subsidiary	Romania	100.00 %	04/02/2012	Contribution to the establishment

Lei

	Equity securities SOCEFIN	Total
As at 01/01/2021	36,470,252	36,470,252
Receipts	0	0
Disbursements	0	0
As at 06/30/2021	36,470,252	36,470,252

NOTE 6. OTHER LONG TERM INVESTMENTS

The company has constituted guarantees in the form of deposits, by recording the amounts in the guarantee accounts, as follows:

- Lease contract CNAPMC – 00082 -IDP – 01 concluded between SOCEP SA and C.N. Maritime Port Administration S.A. Constanta, 699,332.45 lei;
- Concession contract no. 94 concluded with the Administration of the Free Zone Constanta Sud, 26,926.50 lei;
- Guarantees taken over after the merger, amounting to 63,608,80 lei.

NOTE 7. STOCKS

Stocks held on 06/30/2021 are mainly composed of consumables. Their values were:

	Lei	
	01.01.2021	06.30.2021
Consumables	2,826,460	2,898,644
Goods	6,670	9,042
Adjustments for stock impairment	-1,926,635	-1,926,635
Advance payments for stocks and services	7,680	7,680
Total	914,175	988,731

It should be noted that stocks include some spare parts purchased in previous years, which are slowly moving. Specifically for them the company formed some adjustments for stock impairment amounting 1,926,635 lei .

NOTE 8. CUSTOMERS AND OTHER RECEIVABLES

	Lei	
	01/01/2021	06/30/2021
Trade receivables (customers)	16,480,751	14,253,196
Adjustments for customer receivables impairment	-752,293	-417,304
Trade receivables – carrying value	15,728,458	13,835,892
Guarantees for less than 1 year	0	0
Other receivables	6,004,836	4,098,553

Adjustments for impairment sundry debtors	-1,740,982	-1,740,982
Other receivables - carrying value	4,263,854	2,357,571
Total	19,992,312	16,193,464

Both trade receivables and other receivables are current assets.

The evolution of adjustments for customer receivables impairment and for sundry debtors' impairment during first semester was as follows:

	Lei	
	06/30/2021	
	Adjustments for impairment customer receivables	Adjustments for impairment sundry debtors
Balance as at 1-st January 2021	-752,293	-1,740,982
Increases	-9,093	0
Decreases	344,082	0
Balance as at 30-th June 2021	-417,304	-1,740,982

Income resulting from the adjustment for trade receivables impairment is included under other gains/losses from operations – net.

Other receivables include:

	Lei	
	01/01/2021	06/30/2021
Advances for stocks and services	116,863	112,796
Taxes, charges to be recovered and other receivables	562,937	845,092
VAT to be recovered	2,723,223	537,284
Sundry debtors	2,601,812	2,603,381
Total	6,004,836	4,098,553

NOTE 9. ACCRUED CHARGES

Accrued charges were generated by the advance payment of local taxes and fees, of insurance for tangible assets and liability insurance amounts, subscriptions, contributions and various fees and are in a total amount of lei 557,192 lei.

NOTE 10. CASH AND CASH EQUIVALENTS

	Lei	
	01/01/2021	06/30/2021
Cash and bank accounts	4,213,507	8,007,852
Short-term bank deposits	5,185,199	7,231,718

Total	9,398,706	15,239,570
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Cash and cash equivalents in foreign currency were measured in the financial statements based on exchange rates valid on 06/30/2021, namely 4.9267 lei/Euro and 4.1425 lei/USD.

NOTE 11. SHARE CAPITAL

The company's share capital is fully subscribed and has a value of 35,399,149 lei. It consists of 353,991,490 dematerialized registered shares. The nominal value of a share is 0.10 lei. After the application of IFRS, the company's share capital was adjusted to inflation. The adjustment amount is 164,750,632 lei.

During 2020, the merger by absorption between SOCEP SA and Casa de Expeditii Phoenix SA was carried out, as a result of which the following changes took place:

- a number of 7,768,732 shares were redeemed by SOCEP SA, from the shareholders who withdrew from the company, amounting to 4,084,532 lei;

- the share capital was increased by issuing a number of 10,565,746 shares, having a value of 1,056,574.60 lei;

- it was registered as the capital premium, the merger premium amounting to 1,091,443.46 lei;

NOTE 12. RESERVES

Company reserves consist of unrealized revaluation surplus and reserves.

After the transition to IFRS implementation, company policy is to recognize - for retained earnings - the revaluation surplus related to depreciable assets as they are amortized or sold.

	Reserves from revaluation of tangible assets	Legal reserves	Reserves from distribution of net profit	Reserves from tax reductions and exchange rate differences	TOTAL
As at 01/01/2021	31,802,032	7,046,382	10,325,831	5,104,225	54,278,470
Profit distribution (earnings for the semester)	0	0	0	0	0
Surplus from revaluation realized	-1,119,813	0	0	0	-1,119,813

Reserve of revaluation real estate investments at fair value	0	0	0	0	0
Reserves from reinvested profit	0	0	0	0	0
As at 06/30/2021	30,682,219	7,046,382	10,325,831	5,104,225	53,158,657

Reserves from asset revaluation consist of differences from revaluation of unrealized tangible assets.

Legal reserves were formed under and in total compliance with the law.

Reserves from profit distributions come from the legal distribution of a portion of the net profit from its own funding sources for the period 2001-2005.

Reserves from tax reductions and foreign currency exchange differences in a total amount of lei 5,104,225 lei are coming from:

- tax reductions as per H.G. 402/2000 and Law 189/2001 - 3,858,117 lei
- amount related to exchange rate differences resulting from the assessment of liquidity in foreign currencies calculated according to Decision No.3 / 2002 of the Ministry of Public Finance - 452,887 lei
- reserves from the reinvested profit - 793,221 lei.

NOTE 13. RETAINED EARNINGS

	Lei					
	Retained earnings from undistributed profits	Result of the semester	Retained earnings from first-time adoption of IAS 29	Retained earnings from surplus realized from revaluation reserves	Retained earnings from implementation of IFRS, less IAS 29	TOTAL
As at 01/01/2021	75,141,602	2,272,530	-1,282,715	22,032,006	3,142,346	101,305,768
Distributed legal/others reserve	0	-2,272,530	0	0	0	-2,272,530
Result for the year	2,272,530	6,215	0	0	0	2,278,745
Surplus from revaluation realized	0	0	0	1,119,813	0	1,119,813
Income tax related to revaluation surplus realized	0	0	0	-179,170	0	-179,170
As at 06/30/2021	77,414,132	6,215	-1,282,715	22,972,649	3,142,346	102,252,626

NOTE 14. OTHER EQUITY ELEMENTS

	Deferred income tax recognized in equity account	Differences from the change in fair value of financial assets available for sale	Lei TOTAL
As at 01/01/2021	-6,369,311	6,703.313	334.002
Deferred tax income related to change in fair value of financial assets available for sale	-265	0	-265
Change in fair value of financial assets available for sale	0	1.655	1.655
Deferred income tax related to revaluation surplus realized	179,170		179,170
As at 06/30/2021	-6,190,406	6,704,967	514,562

NOTE 15. DEFERRED INCOME TAX AND CURRENT INCOME TAX

a) Deferred income tax

Deferred tax assets were recognized for stock adjustments, receivables adjustments and provisions.

Deferred tax liabilities were recognized in reserves from revaluation and changes in fair value of financial assets available for sale.

Change of assets and liabilities related to deferred income tax during the first semester of 2020, without taking into account offsetting of balances related to the same tax authority, is:

Deferred income tax assets

Deferred income tax assets	Stocks (stock adjustments)	Receivables (receivable adjustments)	Provisions	Shares impairment adjustments	Total
As at 01/01/2021	308,262	398,924	13,707	126,915	847,808
Recorded/ credited in profit or loss for the period	0	-53,598	0	0	-53,598
Recorded/debited in profit or loss for the period	0	0	0	0	0
As at 06/30/2021	308,262	345,326	13,707	126,915	794,209

Deferred income tax liabilities

Deferred income tax liabilities	Revaluation reserves	Financial assets available for sale	Total
As at 01/01/2021	5,296,781	1,072,530	6,369,311
Recorded/credited in profit or loss for the period	0	0	0
Recorded/debited in profit or loss for the period	0	0	0
Recorded/credited in other elements of comprehensive income	-179,170	265	-178,905
Recorded/debited in other elements of comprehensive income	0	0	0
As at 06/30/2021	5,117,611	1,072,795	6,190,406

b) Current income tax

	<u>06/30/2020</u>	<u>06/30/2021</u>
Balance on 01 January	-604,262	-267,725
Increases	482,728	125,660
Decreases	-146,191	0
Balance on 30-th June	-267,725	-142,065

c Expense with current income tax

	<u>06/30/2020</u>	<u>06/30/2021</u>
Profit before tax	2,265,301	131,875
Non taxable income	-831,782	-529,296
Non deductible expenses	454,878	104,849
Elements similar to income	1,258,069	1,119,813
Taxable profit	3,146,465	827,241
Income tax calculated at 16%	503,434	132,359
Sponsorships – current year	0	-4,174
Non-deducted sponsorship - 2020	-100,370	0
Deduction of reinvested profit	-1,583	-2,525
Current income tax expense	401,481	125,660

d) Income tax expenses

	<u>06/30/2020</u>	<u>06/30/2021</u>
Current income tax expenses	401,481	125,660
Deferred income tax expense	76,446	55,053
Deferred income tax revenues	-214,379	-180,625
Income tax expenses	263,548	88

NOTE 16. OTHER LIABILITIES

Other liabilities include the financial leasing contract taken over following the merger by absorption, having as object a motor vehicle. Its duration extends until 05/30/2022, and its balance at the present date is 18,029.96 lei, of which due in over year 19,540.80 lei, due in one year.

Also, in this category are included the guarantees offered by SOCEP SA by third parties, having a value of 43,856.03 lei.

NOTE 17. DEFERRED INCOME

Under the deferred income category, the company recognizes donations for investments and revenues from rents invoiced in advance.

	Lei	
	<u>06/30/2020</u>	<u>06/30/2021</u>
Donations for investments	0	0
Other revenues	25,588	34,611
TOTAL	25,588	34,611

NOTE 18. BANK LOANS

The company has contracted a bank loan amounting to 35,090,000 lei on 10/05/2015 from BRD. Till now the amount of 32,152,074.80 lei has been withdrawn and used. This loan was used for partial payment of the import letter of credit amounting to 8,710,550 Euro (opened at BRD on the request of SOCEP, in favor of beneficiary PACECO ESPAÑA S.A., as per credit letter issuance contract no.209763/10/05/2015). In February of this year, the currency of the credit was converted from lei to euro.

As at 06/30/2021, the company has a credit balance to be paid in amount of 9,374,509,44 lei, out of which the amount of 5.356.862 lei has a maturity less than 1 year and the amount of 4,017,647 lei a maturity over 1 year. The payment interest related to the loan registered on 30.06.2021 is 5,468.44 lei.

For the construction of the modern cereal terminal phase I in the Port of Constanta, the company concluded in 2019 with BRD, the credit agreement no. 3637, for issuing a letter of credit, with a value of 5,299,000 euros, which became subsequent to the investment financing contract, amounting to 13,012,000 euros, concluded in February 2020. On 30.06.2021, the loan balance was 45,259,793 lei, maturing in one year. The payment interest related to the loan registered on 30.06.2021 is 19,148.12 lei.

NOTE 19. SUPPLIERS AND OTHER PAYABLES

	Lei	
	<u>01/01/2021</u>	<u>06/30/2021</u>
Trade payables	5,789,264	6,706,670

Suppliers for fixed assets	3,163,418	3,757,323
Salaries due	861,477	1,219,225
Unclaimed dividends	1,373,592	1,334,446
Social security and other taxes	1,200,370	1,087,608
Total	9,224,704	10,347,949

Social security and other taxes have the following values:

	Lei	
	01/01/2021	06/30/2021
Social security	933,681	923,625
Salary tax	168,977	163,983
VAT	0	0
Withholding tax	97,712	0
TOTAL	1,200,370	1,087,608

On 06/30/2021, the company has no outstanding debts for which interests or late payment penalties should be paid.

NOTE 20. PROVISIONS

The situation of provisions is as follows:

	Lei	
	01/01/2021	06/30/2021
Provisions for employee benefits	79,883	79,883
Other provisions	372,441	162,235
TOTAL	452,324	242,118

The provision for employee benefits in the amount of 79,883 lei is formed for amounts to be granted to company employees, equivalent to two base salaries for each, as received on retirement date.

NOTE 21. INCOME (turnover)

The company has achieved over 99% of its turnover from services performed in general cargo and container port terminals.

	Lei	
	06/30/2020	06/30/2021
Income from port services performed	33,495,308	35,201,136
Income from rents	187,554	221,181
Other income (sale of goods)	99,237	240,206
TOTAL	33,782,099	35,662,523

Turnover detailed by port terminals as determined by company management, is as follows:

	Lei	
	<u>06/30/2020</u>	<u>06/30/2021</u>
I, GENERAL CARGO		
Cargo handling	17,794,011	22,292,930
Storage	3,072,032	837,032
Other services	252,154	442,653
Sud Agigea Area	148,785	180,742
TOTAL	21,266,982	23,753,356
II, CONTAINERS		
Cargo handling	12,188,935	11,627,676
Storage	291,544	262,757
Other services	34,636	18,734
TOTAL	12,515,116	11,909,167
III, TOTAL COMPANY		
Cargo handling	29,982,947	33,920,606
Storage	3,363,576	1,099,789
Other services	286,791	461,387
Sud Agigea Area	148,785	180,742
TOTAL	33,782,099	35,662,523

NOTE 22. OTHER INCOME

	<u>06/30/2020</u>	<u>06/30/2021</u>
Despatch and penalties	132,658	385,954
Miscellanea	87,029	165,263
TOTAL	219,687	551,218

Other income included amounts from billing despatch rights (amounts due for early operation of ships), i.e. 385,954 lei.

NOTE 23. RAW MATERIALS AND CONSUMABLES

	<u>06/30/2020</u>	<u>06/30/2021</u>
Expenses with consumables	3,204,107	3,059,786
Expenses with other materials	172,174	272,252
Expenses with materials not stored	0	0
Expenses with energy and water	916,151	1,025,921
TOTAL	4,292,432	4,357,960

NOTE 24. COST OF SOLD GOODS

	<u>06/30/2020</u>	<u>06/30/2021</u>
Expenses with cargo	26,640	26,392

NOTE 25. SERVICES PROVIDED BY THIRD PARTIES

	<u>06/30/2020</u>	<u>06/30/2021</u>
Maintenance and repair expenses	504,475	1,231,900
Rent expenses	109,950	205,599
Insurance expenses	138,637	161,376
Entertainment and advertising expenses	42,295	56,382
Expenses with charges and fees	203,966	106,461
Cargo and staff transportation expenses	69,261	57,237
Travel expenses	3,866	857
Postal and telecommunication expenses	53,537	82,642
Bank service expenses	11,972	9,813
Rail cars shifting expenses	203,510	361,578
Port service expenses	2,003,854	3,349,440
Sanitation expenses	241,621	199,986
Occupational safety expenses	19,820	33,257
Fire protection, safety expenses	692,752	933,591
Computer service expenses	146,534	154,746
Expenses with subscriptions, contributions	48,135	47,511
Audit, consultancy, BSE expenses	114,630	115,192
Expenses with charges, authorizations	68,109	63,712
Schooling/training expenses	52,153	17,835
Other expenses	71,678	100,107
TOTAL	4,800,756	7,289,224

NOTE 26. EMPLOYEE BENEFIT COST

EXPENSES	<u>06/30/2020</u>	<u>06/30/2021</u>
Salaries and meal vouchers	13,264,536	14,494,721
Social security expenses	531,917	287,209
TOTAL	13,796,453	14,781,930

Benefits for Executive Board and Supervisory Board members:

EXPENSES	06/30/2020	06/30/2021
Executive Board benefits	449,979	413,569
Social security related to Executive Board benefits	10,124	9,305
Supervisory Board benefits	442,127	369,444
Social security related to Supervisory Board benefits	9,948	8,312
TOTAL	912,179	800,630

	06/30/2020	06/30/2021
AVERAGE NUMBER OF EMPLOYEES	372	370

NOTE 27. AMORTIZATION EXPENSES

	06/30/2020	06/30/2021
Expenses with the amortization of intangible assets	5,950	5,822
Expenses with the amortization of tangible assets	4,586,665	5,085,670
Expenses from revaluation of Right-of-use asset	2,409,792	2,513,142
TOTAL	7,002,407	7,604,634

NOTE 28. OTHER EXPENSES

Other expenses include expenses with other taxes, losses on bad debts, compensation of damages, fines and penalties, donations and other operating expenses.

	06/30/2020	06/30/2021
Expenses with taxes and charges	463,868	540,876
Losses from receivables	403,877	549
Damages, fines, penalties	15,788	298,341
Donations	9,605	0
Sponsorships	0	4,174
Other operating expenses	11,699	23,158
TOTAL	904,838	867,098

NOTE 29. OTHER OPERATIONAL GAINS/LOSSES – NET

	06/30/2020	06/30/2021
Income from of production of fixed assets	343,802	942,047
Income from disposal of assets	0	0
Expenses on disposal of assets	-318,342	0
Income from provisions	135,055	0
Expenses from provisions	0	210,206
Income from adjustments of stocks and customer receivables	477,791	344,082
Expenses for adjustments of stocks and customer receivables	-2,572	-9,093
Income from exchange rate differences, less those for cash and cash equivalents	206,815	116,834
Expenses from exchange rate differences, less those for cash and cash equivalents	-426,746	-630,150
Income from subsidies for wages and salaries	2,905	1,210
TOTAL	418,708	975,135

NOTE 30. FINANCIAL INCOME

Financial income includes income from interests and other income.

	06/30/2020	06/30/2021
Income from interests	91,192	22,786
Other financial income	43,493	9,781
Income from investment securities	4,557	4,590
TOTAL	139,242	37,156

NOTE 31. FINANCIAL EXPENSES

	06/30/2020	06/30/2021
Interest expenses	129,605	166,710
Interest expenses of right-of-use asset	731,820	550,091
TOTAL	861,426	716,802

NOTE 32. OTHER FINANCIAL GAINS/LOSS – NET

The net financial gain (loss) is determined as the difference between income and expenses related to exchange rate differences for cash and cash equivalents in foreign currency.

	06/30/2020	06/30/2021
Income from exchange rate differences	681,181	549,156
Expenses from exchange rate differences	-392,188	-273,176
Income from exchange rate differences related to interest rates on the use of assets	0	170,479
Expenses from exchange rate differences related to interest rates on the use of assets	0	-2,022,149
Net financial gains (losses)	288,993	-1,575,690

NOTE 33. TRANSACTIONS WITH AFFILIATED PARTIES

In the first semester of 2021, the company had transactions with the following affiliated parties: CELCO S.A.. The connection with CELCO S.A. CONSTANȚA, is generated by the existence of common members in their management bodies.

Sales of goods and services

	06/30/2020	06/30/2021
Sales of goods	0	0
Sales of services	0	92,339
Sales of fixed assets	0	0
TOTAL (VAT INCLUDED)	0	92,339

Balances on 30-th June 2021 resulting from sales of services is **46,165 lei**.

NOTE 34. ECONOMIC AND FINANCIAL INDICATORS

INDICATORS	CALCULATION	RESULTS	
		06/30/2020	06/30/2021
1. Current liquidity	Current assets/Current liabilities	1.73	1.55
	Borrowed capital ----- x 100	90.05%	110.22%
	Equity		
2. Indebtedness	Borrowed capital ----- x 100	47.38%	52.43%
	Capital employed		
3. Speed of customers flow rotation	Average customer balance ----- x 180 Turnover	84.84	64.92
4. Rotation speed of fixed assets	Turnover/Fixed assets	0.11	0.09

EVENTS AFTER THE REPORTING PERIOD

We mention that subsequent to preparation of financial statements, no events have occurred which could significantly influence the financial position and performance of the company. Financial Statements are not audited.

At the date of preparation of the financial statements, there is a risk of affecting the company's activity, due to the global and national effects of the Covid 19 epidemic. correlation with the evolution of the situation, so as to limit the impact on the financial results, as well as on ensuring the continuity of the company's activity.

Financial Statements are not audited.

GENERAL MANAGER
DORINEL CAZACU

FINANCIAL MANAGER,
CRISTIAN MIHAI UDUDEC

**II.3. DECLARATION OF THE PERSONS RESPONSIBLE
FOR PREPARING HALF-YEARLY INDIVIDUAL
FINANCIAL STATEMENTS
AND
RELATED REPORTS**

Declaration of the persons responsible for preparing individual financial statements

According to legal provisions of art.30 in Accounting Law No.82/1991 – as republished, we hereby declare that we take responsibility for preparing the individual financial statements related to first semester of 2021, and also we confirm that:

- a) The accounting policies used in preparing the financial statements for the first semester of 2021 are in compliance with accounting regulations approved by OMFP No.2844/2016 applicable to commercial companies, having their shares admitted to trading on a regulated market.
- b) Individual financial statements prepared on 06/30/2021 are providing an accurate image of SOCEP SA assets, liabilities, financial position and profit&loss account.
- c) SOCEP S.A. is carrying out its activity under conditions of continuity.

GENERAL MANAGER,
DORINEL CAZACU

FINANCIAL MANAGER,
CRISTIAN UDUDEC

CHAPTER III. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

III.1. Executive Board Report for the consolidated financial statements

SOCEP SA CONSTANȚA Executive Board prepared present consolidated report in accordance with the Accounting Law no.82/1991 and O.M.F.P. No 2844/2016 for the approval of Accounting Regulations compliant with International Financial Reporting Standards - applicable to companies which have shares admitted to trading on a regulated market (listed on stock exchange).

This consolidated report of the Executive Board refers to the Group's activity consisting of: SOCEP SA CONSTANȚA (mother-company) and SOCEFIN SRL CONSTANȚA (subsidiary). SOCEP SA was founded in 1991 as a joint stock company with Romanian legal personality and was based on a functional terminal specialized in port operation of containers and raw materials for metallurgy. The company is headquartered in Constanta, Incinta Port, Dana 34, Unique Registration (Fiscal Code) Code RO 1870767, registration number at the Trade Register J13/643/1991. According to the company statute, the main object of activity is the cargo handling (CAEN code 5224). The total share capital of the company, owned by natural and legal persons, is 35,399,149 lei, divided into 353,991,490 dematerialized shares, with a nominal value of 0.10 lei. The company is listed on the Bucharest Stock Exchange, the Standard category, symbol "SOCP".

In 2012, SOCEP S.A. has founded SOCEFIN S.R.L. The contribution of SOCEP S.A. to the share capital of SOCEFIN S.R.L. was 30,000,000 lei totally covered in cash. Within 2019, the revenues of this company came from bank interest of bank deposits, and from participation interests.

As of 1-st of August 2015, according to the SOCEP SA (sole associate) EGMS decision of July 27, 2015, the SOCEFIN management was provided starting with 10/01/2018 by Mr. Dorinel Cazacu.

Group's management assimilated the two companies it consists of, with two different segments of activity:

- Port operation activity (SOCEP SA) and
- Holding activity (SOCEFIN SRL).

Group's management evaluates performances of business segments based on the net result. As of 06/30/2020 and 06/30/2021, the net result of the two segments of activity had the following values:

Lei

Indicators	06/30/2020			06/30/2021		
	Port operation activity (SOCEP SA)	Holding activity (SOCEFIN SRL)	TOTAL	Port operation activity (SOCEP SA)	Holding activity (SOCEFIN SRL)	TOTAL
Income	35,988,577	656,065	36,644,641	38,374,704	574,647	38,949,351
Expense	33,088,348	14,508	33,102,856	38,368,489	10,981	38,379,470
Net result	2,900,229	641,557	3,541,785	6,215	663,667	569,882

Group's assets and liabilities on the two segments of activity are as follows:

	06/30/2020			06/30/2021		
	Port operation activity (SOCEP SA)	Holding activity (SOCEFIN SRL)	TOTAL	Port operation activity (SOCEP SA)	Holding activity (SOCEFIN SRL)	TOTAL
ASSETS						
Tangible assets	134,765,094	0	134,765,094	192,811,049	0	192,811,049
Real estate investments	3,215,169	0	3,215,169	3,143,598	0	3,143,598
Intangible assets	2,025,460	0	2,025,460	2,037,549	0	2,037,549
Right-of-use asset	146,997,432	0	146,997,432	148,275,605	0	148,275,605
Financial assets available for sale	407,058	30,823,417	31,230,475	385,268	35,705,513	36,090,781
Other long term investments	779,063	0	779,063	789,868	0	789,868
TOTAL NON-CURRENT ASSETS	288,189,276	30,823,417	319,012,693	347,442,937	35,705,513	383,148,450
Stocks	1,227,913		1,227,913	988,731	0	988,731
Clients and other receivables	16,229,848	384,423	16,614,271	16,193,464	199,941	16,393,405
Income tax	1,015,858	0	1,015,858	936,274	0	936,274
Accrued charges	450,952		450,952	557,192	0	557,192
Cash and cash equivalents	19,580,176	12,425,994	32,006,170	15,239,570	11,318,951	26,558,521
TOTAL CURRENT ASSETS	38,504,747	12,810,417	51,315,164	33,915,231	11,518,892	45,434,124
TOTAL ASSETS	326,694,023	43,633,834	370,327,857	381,358,168	47,224,405	428,582,574
LIABILITIES						
Deferred tax liabilities	3,581,202	978,489	4,559,691	6,190,407	603,613	6,794,020
Other liabilities	79,652	0	79,652	0	0	0
Liabilities of leases of a right-of-use asset	146,657,783	0	146,657,783	152,035,880	0	152,035,880
Long term bank loans	9,213,913	0	9,213,913	49,277,441	0	49,277,441
Deferred income	0	0	0	0	0	0
Provisions for employee benefits	548,796	0	548,796	79,883	0	79,883
TOTAL NON-CURRENT LIABILITIES	160,081,346	978,489	161,059,835	207,583,611	603,613	208,187,224

CURRENT LIABILITIES						
Suppliers and other liabilities	11,763,543	1,329	11,764,872	10,347,949	1,329	10,349,278
Other liabilities	19,541	0	19,541	61,886	0	61,886
Current income tax liabilities	0	0	0	0	0	0
Current income of micro-entreprises	0	5,110	5,110	0	1,083	1,083
Liabilities of leases of a right-of-use asset	4,971,450	0	4,971,450	5,928,121	0	5,928,121
Provisions	185,324	0	185,324	162,235	0	162,235
Deferred income	22,513	0	22,513	34,611	0	34,611
Long term bank loans (maturing in up to one year)	5,265,093	0	5,265,093	5,356,862	0	5,356,862
Interest related to long term loans	8,376	0	8,376	24,617	0	24,617
TOTAL CURRENT LIABILITIES	22,235,840	6,439	22,237,169	21,916,280	2,412	21,918,692
TOTAL LIABILITIES	182,317,186	984,928	183,297,004	229,499,891	606,025	230,105,916

Within first semester of 2021 SOCEP achieved following results:

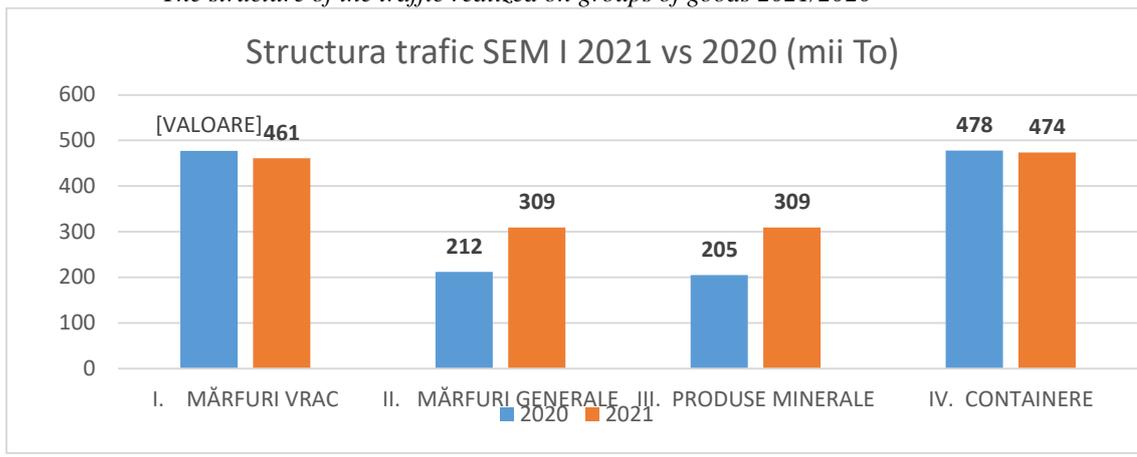
➤ **PHYSICAL INDICATORS**

INDICATORS	Unit	Achieved		06/30/2021		% 2021/2020
		06/30/2020	Program	Achieved	%	
1. Port traffic	thousand	1,372	1,967	1,553	78.95	113.19
2. Cargo handling	tons	1,497	1,454	1,871	128.68	124.98
3. Average number of employees	persons	372	388	370	95.36	99.46

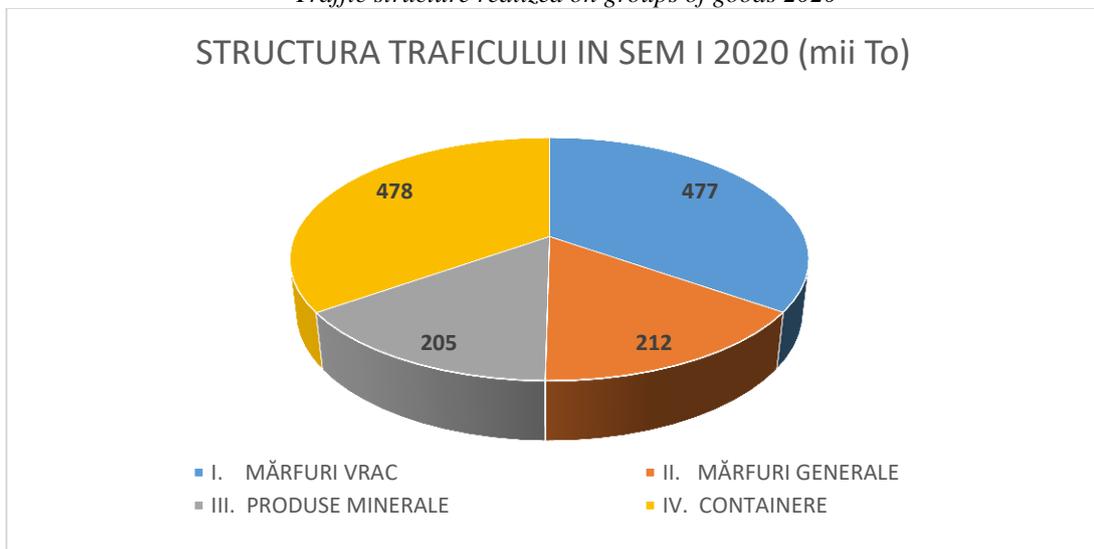
The structure of the traffic achieved on types of cargo compared with first half of 2020 is below listed:

CARGO TYPES	06/30/2020	06/30/2021	- x 1000 to -	
			+/-	%
I. BULK CARGO, total o/w:	477	461	-16	96,65
1.1. Chemicals	75	86	11	114,67
1.2. Grain	386	362	-24	93,78
1.3. Other cargo	16	13	-3	81,25
II. GENERAL CARGO, total o/w:	212	309	97	145,75
2.1. Laminated	177	291	114	164,41
2.2. Chemicals	1	6	5	600,00
2.3. Other cargo	34	12	-22	35,29
GENERAL CARGO TOTAL	689	770	81	111,76
III. MINERAL BULK CARGO	205	309	104	150,73
IV. CONTAINERS	478	474	-4	99,16
TOTAL SOCEP TRAFFIC	1.372	1.553	181	113,19
V. NUMBER OF CONTAINERS	34,581	30,591	-3,990	88,46
VI. CONTAINER TEU-s	54,499	47,654	-6,845	87,44

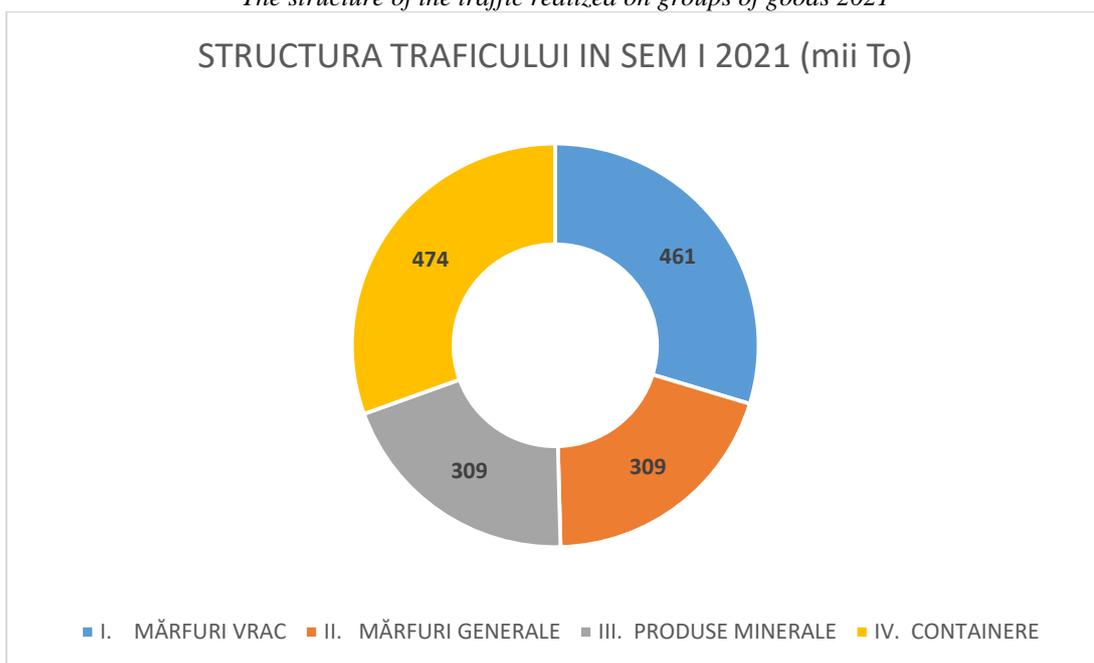
The structure of the traffic realized on groups of goods 2021/2020



Traffic structure realized on groups of goods 2020



The structure of the traffic realized on groups of goods 2021



➤ **REPAIRS AND INVESTMENTS**

The repair and investment program was performed as follows:

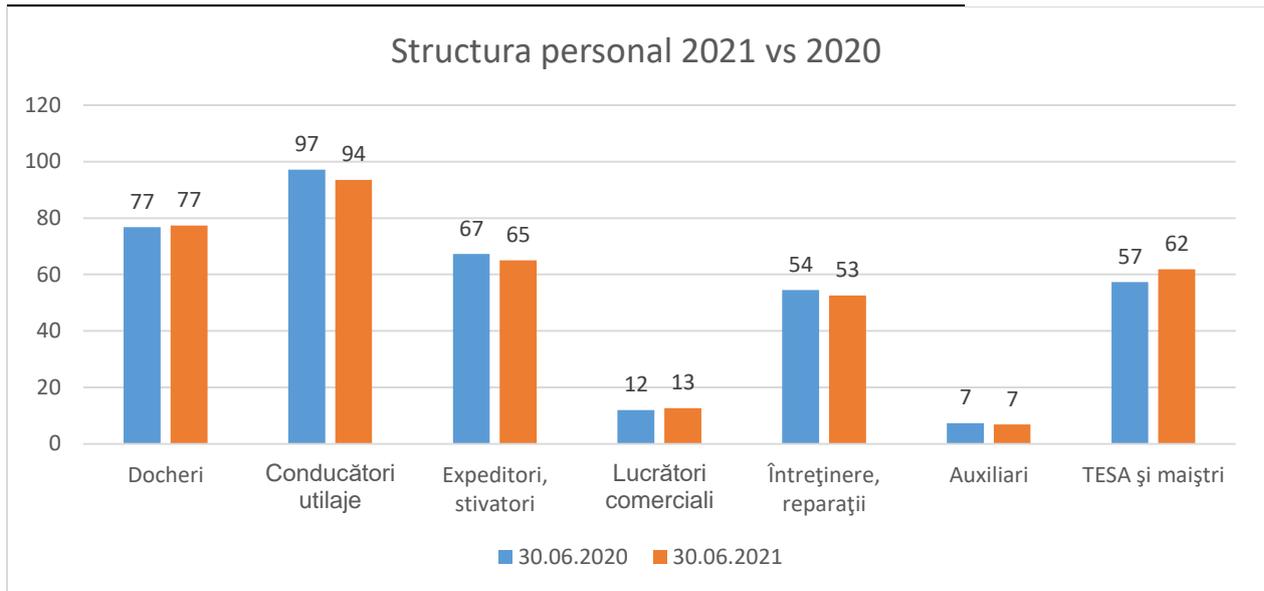
- lei -

EXPLANATIONS	ACHIEVED 06/30/2020	06/30/2021			% 2021/ 2020
		PROGRAM	ACHIEVED	%	
I. TOTAL REPAIRS	2,359,719	1,677,247	2,130,645	127.03	90.29
1.2 Machinery	1,926,078	1,160,359,	1,454,104	125.32	75.50
1.2. Construction	433,641	516,888	676,541	130.89	156.01
II. TOTAL INVESTMENTS	11,605,918	5,149,627	138,705	2.69	1.20
2.1. Tangible assets	11,582,651	4,922,998	25,313	0.51	0.22
2.2. Intangible assets	23,267	226,628	113,392	50.03	487.35
2.3. Financial assets	0	0	0	0.00	0.00
III. INVESTMENTS PUT INTO OPERATION	130.620	0	25.313	0.00	19.38
3.1. Tangible assets	107.353	0	25.313	0.00	23.58
3.2. Intangible assets	23,267	0	0	0.00	0.00

➤ **HUMAN RESOURCES AND WAGE SCALE**

On 06/30/2021 the structure of employees, average basic wage and gross average wage were as follows:

	Average number of employees			Gross average wage		
	06/30/2020	06/30/2021	%	06/30/2020	06/30/2021	%
Dockers	77	77	100.00	5,072	5,364	105.76
Machinery operators	97	94	96.31	6,019	6,596	109.59
Consigners, stevedores	67	65	96.64	4,963	5,240	105.57
Administrative workers	12	13	106.21	4,363	4,191	96.06
Maintenance, repairs	54	53	96.48	5,237	5,323	101.64
Auxiliaries	7	7	100.00	3,131	2,982	95.24
Technical, economic, social administrative staff and foremen	57	62	108.08	5,606	5,714	101.93
TOTAL	372	370	99.38	5,345	5,635	105.43



In the first semester of year 2021, the number of staff recorded a decrease by 0.62%, compared to the same period of the previous

➤ FINANCIAL AND EFFICIENCY INDICATORS

INDICATORS	CALCULATION PROCEDURE	RESULTS	
		30.06.2020	30.06.2021
1. Current Ratio	Current Assets/Current Liabilities	1.73	1.55
	Loan Capital ----- x 100	90.05	110.22
	Equity Capital		
2. Indebtedness degree	Loan Capital ----- x 100	47.38	52.43
	Committed Capital		
3. Rotation Speed of Customers' debts	Customers' Average Balance ----- x 360 Turnover	84.84	64.29
4. Rotation Speed of Fixed Assets	Turnover/Fixed Assets	0.11	0.09

GENERAL MANAGER,

DORINEL CAZACU

FINANCIAL MANAGER,

CRISTIAN UDUDEC

**III.2. CONSOLIDATED FINANCIAL STATEMENTS
AND
EXPLANATORY NOTES
ON 06/30/2021
PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
ADOPTED BY THE EUROPEAN UNION
AND O.M.F.P. NO. 2844/2016,
AS AMENDED AND SUPPLEMENTED**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30-th JUNE 2021**

Lei

	NOTE	01/01/2021	06/30/2021
- Tangible assets	1	180,977,705	192,811,049
- Intangible assets	2	2,038,439	2,037,549
- Right-of-use asset	3	150,788,747	148,275,605
- Financial assets available for sale	4	34,249,660	36,090,781
- Investments in subsidiaries and associates	5	0	0
- Other long term investments	6	780,587	789,868
- Real estate investments	1	3,143,598	3,143,598
TOTAL NON-CURRENT ASSETS		371,978,735	383,148,450
- Stocks	7	914,175	988,731
- Clients and other receivables	8	20,018,228	16,393,405
- Receivables regarding profit tax	15	1,115,533	936,274
- Accrued charges	9	208,004	557,192
- Cash and cash equivalents	10	20,410,800	26,558,521
TOTAL CURRENT ASSETS		42,666,739	45,434,124
TOTAL ASSETS		414,645,474	428,582,574
- Share capital	11	35,399,149	35,399,149
- Share capital adjustment	11	164,750,632	164,750,632
- Share premium	11	1,091,443	1,091,443
- Reserves	12	54,868,018	54,053,661
-Profit (loss) for the period	11	-4,087,907	-4,087,907
- Own share	13	5,277,585	569,882
- Retained earnings	13	101,908,886	107,759,763
- Retained earnings from the adoption of IAS 29	11	-164,750,632	-164,750,632
- Other elements of equity	14	1,964,955	3,690,667
TOTAL EQUITY		196,422,130	198,476,658
- Deferred tax liabilities	15	6,678,609	6,794,020
- Other liabilities	16	8,260	0
- Liabilities of leases of a right-of-use asset	3	154,083,661	152,035,880
- Deferred income	17	0	0
- Provisions for employee benefits	20	79,883	79,883
- Long term bank loans	18	37,697,425	49,277,441
TOTAL NON-CURRENT LIABILITIES		198,547,838	208,187,224
Current liabilities			

- Suppliers and other liabilities	19	9,226,033	10,349,278
- Other liabilities	16	288,849	61,886
- Liabilities of leases of a right-of-use asset	3	4,425,973	5,928,121
- Long term bank loans – maturity up to 1 year	18	5,294,559	5,356,862
- Interest related to long term loans	18	20,091	24,617
- Current income tax owed	15	0	0
- Current income of micro-entreprises	15	21,972	1,083
- Provisions	20	372,441	162,235
- Deferred income	17	25,588	34,611
TOTAL CURRENT LIABILITIES		19,675,506	21,918,692
TOTAL LIABILITIES		218,223,344	230,105,916
TOTAL EQUITY AND LIABILITIES		414,645,474	428,582,574

GENERAL MANAGER,

DORINEL CAZACU

FINANCIAL MANAGER,

CRISTIAN UDUDEC

**CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME AS AT 30-th JUNE 2021**

		Lei	
	Note	06/30/2020	06/30/2021
Income	21	33,782,099	35,662,523
Other incomes	22	219,687	551,218
Raw materials and consumables	23	-4,292,432	-4,357,960
Cost of sold goods	24	-26,640	-26,392
Services provided by third parties	25	-4,801,385	-7,289,801
Employee benefits expense	26	-13,804,427	-14,789,904
Impairment and amortization expense	27	-7,002,407	-7,604,634
Other expenses	28	-904,838	-867,143
Other gains/losses from operations - net	29	418,708	975,135
Financial income	30	795,307	611,803
Financial expense	31	-861,426	-716,802
Other financial gains/losses (net)	32	288,993	-1,575,690
Profit before tax		3,811,238	572,355
Income tax expense	15	-263,548	-88
Income tax micro-enterprises	15	-5,905	-2,385
PROFIT FOR THE FIRST SEMESTER		3,541,785	569,882
OTHER COMPREHENSIVE INCOME ELEMENTS			
<i>Elements not to be subsequently reclassified under profit or loss</i>		-1,056,778	-940,643
Gains or losses from evaluation of assets	13	-1,258,069	-1,119,813
Deferred income tax related to other comprehensive income elements	14	201,291	179,170
<i>Elements to be subsequently reclassified under profit or loss</i>		-3,136,700	1,546,542
Gains or losses on financial assets available for sale	14	-3,734,167	1,841,122
Deferred income tax related to other comprehensive income elements	15	597,467	-294,580
OTHER COMPREHENSIVE INCOME ELEMENTS FOR THE FIRST SEMESTER (without tax)		-4,193,478	605,899
TOTAL COMPREHENSIVE INCOME FOR FIRST SEMESTER		-651,693	1,175,781

GENERAL MANAGER,
DORINEL CAZACU

FINANCIAL MANAGER,
CRISTIAN UDUDEC

CONSOLIDATED STATEMENT OF EQUITY CHANGES AS AT 30-th JUNE 2021

	Lei								
	SHARE CAPITAL	SHARE CAPITAL ADJUSTMENTS	RESERVES	RETAINED EARNINGS	RETAINED EARNINGS FROM ADOPTING IAS 29	OTHER EQUITY ELEMENTS	SHARE PREMIUM	OWN SHARE	TOTAL EQUITY
BALANCE AS AT 01/01/2021	35,399,149	164,750,632	54,868,018	107,186,471	-164,750,632	1091,443	1,091,443	-4,087,907	194,422,130
Profit for the first semester 2021	0	0	0	569,882	0	0	0	0	569,882
Change in fair value for financial assets available for sale	0	0	0	0	0	1,841,122	0	0	1,841,122
Deferred income tax related to change in fair value of financial assets available for sale	0	0	0	0	0	-294,580	0	0	-294,580
Reserves from revaluation of realized tangible assets	0	0	-1,119,813	1,119,813	0	0	0	0	0
Reserves from revaluation of unrealized tangible assets	0	0	0	0	0	0	0	0	0
Deferred income tax on realized revaluation differences	0	0	0	-179,171	0	197,171	0	0	0
Profit distribution from previous years			305,456	-367,351	0	0	0	0	-61,895
BALANCE AS AT 06/30/2021	35,399,149	164,750,632	54,053,661	108,329,644	-164,750,632	3,690,667	1,091,443	-4,087,907	198,476,658

GENERAL MANAGER,
DORINEL CAZACU

FINANCIAL MANAGER,
CRISTIAN UDUDEC

**CONSOLIDATED CASH FLOW STATEMENT
AS AT 06/30/2021**

Lei

Element Name	06/30/2020	06/30/2021
CASH FLOWS FROM PORT OPERATIONS		
Receipts from clients	37,179,317	42,510,290
Payments to suppliers and employees	-19,694,516	-24,573,028
Interest paid	0	0
VAT and other taxes (except income tax)	-663,079	-783,042
Income tax paid	-9,336	0
Microenterprise income tax	-795	-85,169
Other receipts	351,951	698,024
Other payments	-722,218	-214,221
I, NET CASH FROM PORT OPERATIONS	16,441,324	17,552,855
CASH FLOWS FROM INVESTMENTS		
Payments for acquisition of intangible assets	0	-24,699
Payments for acquisition of tangible assets	-29,606,103	-22,979,601
Payments for acquisition of capital instruments	-473,054	0
Payments for acquisition of own share from merger	-4,084,532	0
Cash receipts during from merger	1,596,391	0
Interests received	226,512	105,257
Dividends received	138,494	315,231
II NET CASH FROM INVESTMENTS	-32,202,292	-22,583,812
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from long-term loans	16,100,941	13,765,297
Payments related to long term loans	-23,057,278	-2,662,810
Paid interests related to long term loans	-144,063	-162,218
Dividends paid	-5,667	-37,571
III. NET CASH FROM FINANCING ACTIVITIES	-7,106,067	10,902,698
IV. NET INCREASE IN CASH AND CASH EQUIVALENTS (I+II+III)	-22,867,035	5,871,740
V. IMPACT OF EXCHANGE RATE VARIATIONS	288,993	275,980
VI. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL SEMESTER	54,584,212	20,410,800
VII, CASH AND CASH EQUIVALENTS AS AT 06/30	32,006,170	26,558,520

GENERAL MANAGER,
DORINEL CAZACU

FINANCIAL MANAGER,
CRISTIAN UDUDEC

Notes to the Consolidated Financial Statements
as at 30-th June 2021

All amounts are expressed in Lei (RON) unless otherwise stated

OVERVIEW

SOCEP S.A. (the "Company") and its subsidiary SOCEFIN S.R.L. (collectively called the "Group") have as their main business – cargo handling, NACE (CAEN) code 5224 (SOCEP S.A.) and holding activity, NACE code 6420 (SOCEFIN S.R.L.).

Founded in 1991 as a joint stock company that was based on a functional terminal specialized in port operation of containers and raw materials for metallurgy, SOCEP SA is one of the largest port operators in Constanta Port. Its activity is structured on two distinct operating terminals: container terminal (500 000 TEU - annual operating capacity) and general cargo terminal (3 million tons general unified and bulk cargo - annual operating capacity).

SOCEP S.A. has the following identification data:

- registered office: Constanța, Incinta Port, Dana 34;
- Trade Register number: J 13/643/1991;
- Tax Identification Number: RO 1870767;
- main business: cargo handling, NACE code 5224;
- share capital: 35,399,149 lei, divided in 353,991,490 uncertificated shares; the nominal value of one share is 0.10 lei;
- legal form: joint stock company, listed on Bucharest Stock Exchange Standard category, symbol "SOCP";
- type of ownership: private capital owned by individuals and legal entities.

In accordance with the decision of the Extraordinary General Meeting of Shareholders dated 14 December 2012, starting from 15-th December 2012, the company is managed in a two-tier (dual) system by a duly operating Supervisory Board and Executive Board.

Until June 11-th 2018, the Supervisory Board consisted of 3 members, as result of OGMS decision dated 04/26/2018. They are below presented:

- DUȘU NICULAE - President, economist, over 25 years experience in leading positions;
- DUȘU ION - Vice-president, engineer, over 25 years experience in leading positions;
- SAMARA STERE - Member, economist, over 25 years experience in leading positions;

The Executive Board consists of 5 members.

At 05/18/2020 structure of SOCEP SA Executive Board is:

- Dorinel Cazacu - General Manager and Chairman of Executive Board;
- Ramona Pavlicu - Member of the Executive Board
- Gabriel Codeț - Member of the Executive Board
- Cristian Mihai Ududec- Member of the Executive Board
- Lucian Teodorescu- Member of the Executive Board

Mr. Dorinel Cazacu holds the office of Executive Board Chairman.

In 2012, SOCEP S.A. has founded SOCEFIN S.R.L. The contribution of SOCEP S.A. to the share capital of SOCEFIN S.R.L. was 30,000,000 lei totally covered in cash. Within 2021, the revenues of this

company came from bank interest of bank deposits, from participation interests and from selling of investment securities.

As of 1-st of August 2015, according to the SOCEP SA (sole associate) EGMS decision of July 27, 2015, the SOCEFİN management was provided starting with 10/01/2018 by Mr. Dorinel Cazacu.

FUNDAMENTALS OF PREPARATION

2.1. Declaration of Conformity

The consolidated financial statements of SOCEP S.A. have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The consolidated financial statements of the Group have been prepared based on financial statements of SOCEP SA, SOCEFİN SRL.

2.2. Fundamentals of evaluation

The consolidated financial statements have been prepared under the historical cost convention, except for re-assessed value for construction. With the transition to International Financial Reporting Standards implementation, the Group share capital was adjusted to inflation according to IAS 29 "Financial reporting in hyperinflationary economies".

2.3. Business continuity

According to studies performed, management board members consider that the Group has adequate resources to continue operating for the foreseeable future. Therefore, the Group adopted principle of business continuity in preparing the consolidated financial statements.

2.4. Functional currency and presentation currency

The consolidated financial statements of the Group are shown in lei (RON), the presentation currency is the same as the functional currency.

2.5. Use of estimates and professional judgments

The preparation of financial statements according to IFRS requires the management to use certain estimates, judgments and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and on other factors deemed reasonable in the context of such estimates. The results of these estimates form the basis for judgments about the carrying amounts of assets and liabilities that cannot be obtained from other sources of information. Actual results may differ from these estimates.

Estimates and judgments are reviewed periodically. Revisions to accounting estimates are recognized in the period in which the estimate is reviewed if the revision affects only that period, or in the current and future periods if the revision affects both current and future periods. The effect of any change related to the current period is recognized as income or expense in the current period. If applicable, the effect on future periods is recognized as income or expense in those future periods.

Group Management believes that possible differences from these estimates will not have a material impact on the financial statements in the near future.

Estimates and judgments are used to: determine the impairment of tangible assets, determine the useful life of fixed assets, evaluate the impairment of inventories and receivables, acknowledge provisions and deferred tax assets.

SIGNIFICANT ACCOUNTING POLICIES AND METHODS

Bases of consolidation

(a) Subsidiaries

Subsidiaries are entities controlled by the Company. This control exists when the Company has the power to lead, directly or indirectly, financial and operating policies of an entity in order to get benefits from its activity. When assessing control, potential voting rights, or the existing voting rights, or convertible voting rights must also be taken into account.

Financial statements of subsidiaries are to be included into the consolidated financial statements, from the moment the control begins until the moment of its termination.

Intra-Group balances and transactions and the unrealized gains from transactions between Group companies are eliminated. Also, the unrealized losses are eliminated. Accounting policies of the subsidiary have been amended, as appropriate, to ensure compliance with accounting policies adopted at Group level.

As at 06/30/2021, the Company has only one subsidiary, SOCEFIN S.R.L. This subsidiary was founded in 2012.

(b) Associated entities

Associated entities are those companies over which significant influence is exercised. However, the control on financial and operating policies is not exercised.

Group's share of profit or loss of the associated entity is reported and acknowledged within the consolidated statement of comprehensive result.

NOTE 1. TANGIBLE ASSETS

Change in gross value, amortization and book value for each category of fixed assets is as follows:

							Lei
	Lands and buildings	Plant and machinery	Furniture, accessories and other equipment	Real estate investment	Assets in progress	Tangible assets advances	Total
As at 01/01/2021							
Cost or reassessed value	46,297,815	122,947,488	693,924	3,143,598	72,123,629	6,690,794	251,897,248
Cumulative amortization	-51,034	-67,169,575	-555,336	0	0	0	-67,724,911
Net carrying value	46,246,781	55,777,913	138,588	3,143,598	72,123,629	6,690,794	184,172,337
On 01/01/2021							
Initial net carrying value	46,246,781	55,777,913	138,588	3,143,598	72,123,629	6,690,794	184,121,303
Receipts	0	20,368	4,9450	0	21,581,613	0	21,606,926
Disbursements	0	-207,220	0	0	-25,313	-4,662,599	-4,895,132
Amortization for disbursements	0	207,220	0	0	0	0	207,220
Amortization expense	-1,886,838	-3,182,645	-16,1870	0	0	00	-5,085,670
Final net carrying value	44,359,943	52,615,636	127,346	3,143,598	93,679,929	2,028,195	195,954,647
On 06/30/2021							
Cost or reassessed value	46,297,815	122,760,636	698,869	3,143,598	93,679,929	2,028,195	268,609,042
Cumulative amortization	-1,937,872	-70,145,000	-571,523	0	0	0	-72,654,395
Net carrying value	44,359,943	52,615,636	127,346	3,143,598	93,679,929	2,028,195	195,954,647

Tangible assets have been recognized at the time of entry, at their cost, and subsequently revaluations were performed based on H.G. 26/92, H.G. 500/94, H.G. 983/98, H.G. 403/2000 and H.G. 1553/2004.

The company constructions were last revaluated on 31 December 2020 by an independent assessor, as below presented:

- 15,389,690 lei - value increase, recorded in the credit of unrealized revaluation reserves account;
- 306,164 lei - value reduction, recorded in the profit and loss account.

The evaluation report was aimed at estimating fair value in accordance with International Valuation Standards SEV 2014 - Valuation for Financial Reporting of tangible assets for the purpose of recording in accordance with Government Decision 276/21.05.2013 and the detailed rules. The methodology used is consistent with the provisions of International Accounting Standards - IFRS 13 on the accounting treatment of tangible assets including the determination of carrying values of assets using the revaluation model.

For revaluation differences, deferred income taxes were also taken into account. In the first semester of 2020 investments amounting a total of 138,705 lei were put into operation, having as source purchase.

The company has tangible assets acquired under financial leasing, a car, as a result of the takeover from the merger, having a value of 40,827.56 lei.

According to BRD Loan Contract for financing PACECO project, the company mortgaged the STS crane and two container handling equipment; along with this new mortgage, the former one concerning 4 KOMATSU loaders and one HYSTER has been cancelled.

The newly established mortgage remains valid until SOCEP SA will become full owner of the assets acquired from this contracted loan, namely one PORTAINER crane (STS) and two TRANSTAINER cranes (RTG).

Also, in the first semester of 2021, the investment in the modern Cereal Terminal was continued.

NOTE 2. INTANGIBLE ASSETS

	Lei
	Computer licenses and software
	<hr/>
As at 01 January 2021	
Cost	3,158,495

Cumulative amortization	-1,228,516
Net carrying value	1,929,979
First Semester 2021	
Initial net carrying value	1,929,979
Receipts	113,392
Disbursements	0
Amortization for disbursements	0
Amortization expense	-5,822
Final net carrying value	2,037,549
On 30-th June 2021	
Cost	3,271,887
Cumulative amortization	-1,234,338
Net carrying value	2,037,549

In the category of intangible assets there are licenses for computer programs and a trademark, as well as the amount of 1,910,592.91 lei representing goodwill. Licenses are depreciated in a linear manner over a useful life of maximum 3 years, and the trademark over 8 years.

Intangible assets are measured at cost reduced by accumulated depreciation.

As of 06/30/2021, the company has no outstanding intangible asset advances.

NOTE 3 ASSETS RELATING TO THE RIGHTS OF USE

Since 2019, IFRS 16 'Leases' replaces the existing leasing instructions, including IAS 17 'Leasing', IFRIC 4 'Determining the extent to which a commitment contains a lease', SIC 15 'Operating leasing – Incentives', and SIC 27 'Economic fund valuation of transactions involving the legal form of a leasing contract'.

The amendment aims to adopt a unitary model of balance sheet reporting of the operational and financial leasing contracts, this eliminating the differentiated treatment of the two types of contracts.

IFRS 16 specifies that a contract is or contains a lease if it confers the right to control the use of an identified asset for a period of time in exchange for compensation.

Thus, the lessee must recognize an asset related to the right of use and lease debt. The assets related to the right of use are amortized over the term of the lease, and the debt generates interest. Interest expenses are recorded in the profit and loss account for the duration of the lease, being calculated at the remaining balance of the lease debt for each period.

Regarding the contracts that fall under IFRS 16, Socep S.A.:

- did not recognize any asset related to the right of use and any lease debt related to contracts that expire in 12 months or less from the date of application;
- did not recognize any assets related to the right of use and any leasing debt for low value contracts (less than 25,000 eur/year).

Socep S.A. has adopted IFRS 16 starting with January 1-st 2019, using the modified retrospective method, that is:

- the data related to previous reports are not modified;

- the assets related to the right of use were valued at the value of the lease debt, adjusted with the advance payments;
- the lease debts were valued at the value of the remaining lease payments, to which a discount factor equal to the marginal interest rate is applied.

The application of IFR 16 starting with the year 2019 took into account the rent Contract no. CNAPM-00082-IDP-01, concluded between Socep SA and the National Company of Ports Maritime Administration S.A. Constanta; on 06/30/2021 the consequences are:

- c) on the Statement of financial position:
 - recognition of an asset related to the use rights amounting to 148,275,605 lei;
 - recognition of a debt related to this right in the amount of 157,964,001 lei, 152,035,880 lei long – term debts and 5,928,121 lei short – term debts;
- d) on the Statement of profit or loss:
 - increasing the depreciation of assets related to the rights of use with the amount of 2,513,142 lei;
 - increase of financial expenses with the amount of 2,572,240 lei;

In conclusion, the application of IFRS 16 has the following impact on:

- assets and liabilities of the company – increase of 148,275,605 lei, respectively, 157,964,001 lei;
- the result of the financial year of the first semester 2021 - decrease by 2,572,240 lei
- on the cash flows: increase of the cash flow related to the operating activities, with the same value, so that the total cash flow is not influenced;
- on financial indicators: a current liquidity – decrease as a result of the increase of current debts; a degree of indebtedness – exponential growth as a result of the increase of the total debts; an asset turnover rate – decrease due to asset growth;

Thus, the lease no. CNAPM-00082-IDP-01, concluded between SOCEP SA and National Company of Ports Maritime Administration SA Constanta was recognized as Asset related to the right of use and Leasing debt related to the right of use.

Assets related to the right of use:

	<u>Assets related to the right of use</u>
La 01/01/ 2021	
Cost	160,652,750
Accumulated amortization	-9,864,003
Net carrying value	150,788,747
01/01/2021	
Initial net carrying value	150,788,747

Receipts	0
Disbursements	0
Amortization for disbursements	0
Amortization expense	-2,513,142
Final net carrying value	148,275,605
06/30/2021	
Cost	160,652,750
Accumulated amortization	-12,377,145
Net carrying value	148,275,605

Leasing debts related to the rights of use:

Leasing debts related to the rights of use	01/01/2021	06/30/2021
Short term	4,425,973	5,928,121
Long term	154,083,661	152,035,880
Total	158,509,634	157,964,001

NOTE 4. FINANCIAL ASSETS AVAILABLE FOR SALE

Financial assets available for sale include equity instruments. Company owns securities of unlisted companies (for which evaluation of the net asset value is applied or shares' appreciation/depreciation is pointed) and securities of BSE listed companies (for which shares are quarterly revalued based on the last trading day rate) as well.

Financial assets available for sale include equity instruments held by SOCEP SA and SOCEFIN SRL in following companies:

- ✓ ROCOMBI SA BUCHAREST – the shares are not listed in BSE and are measured at their net asset value on 12/31/2020.
- ✓ ROFERSPED SA BUCHAREST – the shares are not listed in BSE and are measured at their net asset value on 12/31/2020.
- ✓ Shares in ELECTRICA SA held both by SOCEP and SOCEFIN. The shares are listed on BSE and are measured at fair value.
- ✓ Shares in TRANSGAZ SA held by SOCEFIN. The shares are listed on BSE and are measured at fair value.
- ✓ Shares in NUCLEAR ELECTRICA SA held by SOCEFIN. The shares are listed on BSE and are measured at fair value.
- ✓ Shares in ROMGAZ SA held by SOCEFIN. The shares are listed on BSE and are measured at fair value.
- ✓ Shares in OMV PETROM SA held by SOCEFIN. The shares are listed on BSE and are measured at fair value.
- ✓ Shares in SIF 3 held by SOCEFIN. The shares are listed on BSE and are measured at fair value.

The shares of the first three companies are not listed on BSE and are measured at net asset value as per 06/30/2021. Shares of ELECTRICA SA, TRANSGAZ SA, NUCLEAR ELECTRICA SA, ROMGAZ SA, OMV PETROM, SIF3 have been evaluated at their fair

value and were measured at fair value on the stock. Changes in the carrying amount of these securities are recognized in other elements of comprehensive income.

Regarding the shares of those three companies unlisted in BSE, their changes in the carrying amount are recognized in other elements of comprehensive income.

	Lei		
	ROCOMBI SA	ROFERSPED SA	TOTAL
Value as at 01/01/2021	68,736	231,822	300,558
Value increases	0	0	0
Increases in fair value	0	0	0
Decreases in fair value	0	0	0
Value as at 06/30/2021	68,736	231,822	300,558

Financial assets available for sale - listed on BSE are:

	Lei				
	01/01/2021	Fair value increases	Fair value decreases	Entries/ Outputs	06/30/2021
TRANSGAZ S.A. shares	6,752,097	0	-71,577	0	6,680,520
ROMGAZ S.A. shares	2,831,131	347,594	0	0	3,178,726
ELECTRICA S.A. shares	2,105,275	41,938	0	0	2,147,213
OMV PETROM shares	340,341	57,582	0	0	397,923
SIF 3 shares	21,920,257	1,465,585	0	0	23,385,842
TOTAL	33,949,102	1,912,699	-71,577	0	35,790,223

NOTE 5. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

On 06/30/2021, SOCEP S.A. does not hold participation titles in associated entities, except SOCEFIN SRL..

NOTE 6. OTHER LONG TERM INVESTMENTS

The company has constituted guarantees in the form of deposits, by recording the amounts in the guarantee accounts, as follows:

- Lease contract CNAPMC – 00082 -IDP – 01 concluded between SOCEP SA and C.N. Maritime Port Administration S.A. Constanta, 699,332.45 lei;
- Concession contract no. 94 concluded with the Administration of the Free Zone Constanta Sud, 26,926.50 lei;
- Guarantees taken over after the merger, amounting to 63,608,80 lei.

NOTE 7. STOCKS

Stocks held on 06/30/2021 are mainly composed of consumables. Their values were:

	Lei	
	01/01/2021	06/30/2021
Consumables	2,826,460	2,898,644
Goods	6,670	9,042
Adjustments for stock impairment	-1,926,635	-1,926,635
Advance payments for stocks and services	7,680	7,680
Total	914,175	988,731

It should be noted that stocks include some spare parts purchased in previous years, which are slowly moving. Specifically for them the company formed some adjustments for stock impairment amounting 1,926,635 lei.

NOTE 8. CUSTOMERS AND OTHER RECEIVABLES

	Lei	
	01/01/2021	06/30/2021
Trade receivables (customers)	16,480,751	14,253,196
Adjustments for customer receivables impairment	-752,293	-417,304
Trade receivables – carrying value	15,728,458	13,835,892
Guarantees for less than 1 year	0	0
Other receivables	6,030,751	4,298,494
Adjustments for impairment sundry debtors	-1,740,982	-1,740,982
Other receivables - carrying value	4,289,770	2,557,513
Total	20,018,228	16,393,405

Both trade receivables and other receivables are current assets.

The evolution of adjustments for customer receivables impairment and for sundry debtors' impairment during first semester of 2021 was as follows:

	Lei	
	06/30/2021	
	Adjustments for impairment customer receivables	Adjustments for impairment sundry debtors
Balance as at 1-st January 2021	-752,293	-1,740,982
Increases	-9,093	0
Decreases	344,082	0
Balance as at 30-th June 2021	-417,304	-1,740,982

Income resulting from the adjustment for trade receivables impairment is included under other gains/losses from operations – net.

Other receivables include:

	Lei	
	01/01/2021	06/30/2021
Advances for stocks and services	116,863	112,796
Taxes, charges to be recovered and other receivables	588,644	860,322
VAT to be recovered	2,723,223	537,284
Sundry debtors	2,602,021	2,788,092
Total	6,030,751	4,298,494

NOTE 9. ACCRUED CHARGES

Accrued charges were generated by the advance payment of local taxes and fees, of insurance for tangible assets and liability insurance fees, of subscriptions, of various contributions and fees. They have a total amount of lei 557,192.05 lei.

NOTE 10. CASH AND CASH EQUIVALENTS

	Lei	
	01/01/2021	06/30/2021
Cash and bank accounts	4,217,601	8,015,803
Short-term bank deposits	16,193,199	18,542,718
Total	20,410,800	26,558,521

Cash and cash equivalents in foreign currency were measured in the financial statements based on exchange rates valid on 06/30/2021, namely 4.9267 lei/Euro and 4.1425 lei/USD.

NOTE 11. SHARE CAPITAL

The company's share capital is fully subscribed and has a value of 35,399,149 lei. It consists of 353,991,490 dematerialized registered shares. The nominal value of a share is 0.10 lei. After the application of IFRS, the company's share capital was adjusted to inflation. The adjustment amount is 164,750,632 lei.

During 2020, the merger by absorption between SOCEP SA and Casa de Expeditii Phoenix SA was carried out, as a result of which the following changes took place:

- a number of 7,768,732 shares were redeemed by SOCEP SA, from the shareholders who withdrew from the company, amounting to 4,084,532 lei;

- the share capital was increased by issuing a number of 10,565,746 shares, having a value of 1,056,574.60 lei;

- it was registered as the capital premium, the merger premium amounting to 1,091,443.46 lei;

NOTE 12. RESERVES

The Group reserves consist of unrealized revaluation surplus (unrealized reserves) and reserves.

After the transition to IFRS implementation, Group policy is to recognize for retained earnings the revaluation surplus for depreciable assets as they are amortized or sold.

	Reserves from revaluation of tangible assets	Legal reserves	Reserves from distribution of net profit	Lei Reserves from tax reductions and exchange rate differences	TOTAL
As at 01/01/2021	31,802,032	7,046,382	10,915,379	5,104,225	54,868,018
Profit distribution (earnings for the semester)	0	0	305,456	0	305,456
Surplus from revaluation realized	-1,119,813	0	0	0	-1,119,813
Reserve of revaluation real estate investments at fair value	0	0	0	0	0
Reserves from reinvested profit	0	0	0	0	0
As at 06/30/2021	30,682,219	7,046,382	11,220,835	5,104,225	54,053,661

Reserves from assets revaluation consist of differences from revaluation of unrealized tangible assets. The Group policy is to record the realized surplus from the revaluation as revalued tangible assets are depreciated.

Legal reserves were formed under the law.

Reserves from profit distributions come from the legal distribution of a portion of the net profit from its own funding sources for the period 2001-2005.

Reserves from tax reductions and foreign currency exchange differences in a total amount of lei 5,104,225 lei are coming from:

- tax reductions as per H.G. 402/2000 and Law 189/2001

- 3,858,117 lei

- amount related to exchange rate differences resulting from the assessment of liquidity in foreign currencies calculated according to Decision No.3 / 2002 of the Ministry of Public Finance	- 452,887 lei
- reserves from the reinvested profit	- 793,221 lei.

NOTE 13. RETAINED EARNINGS

	Lei				
	Retained earnings from undistributed profits	Retained earnings from first-time adoption of IAS 29	Retained earnings from surplus realized from revaluation reserves	Retained earnings from implementation of IFRS, less IAS 29	TOTAL
As at 01/01/2021	78,017,250	-1,282,715	23,334,855	1,839,497	101,908,886
Result for the year	4,972,129	0	0	0	4,972,130
Distributed legal/others reserve	0	0	0	0	0
Surplus from revaluation realized	0	0	1,119,813	0	1,119,813
Income tax related to revaluation surplus realized	0	0	-179,170	0	-179,170
Corrections resulted in previous years	-61,895	0	0	0	-61,895
As at 06/30/2021	82,927,485	-1,282,715	24,275,498	1,839,497	107,759,763

NOTE 14. OTHER EQUITY ELEMENTS

	Lei		
	Deferred income tax recognized in equity account	Differences from the change in fair value of financial assets available for sale	TOTAL
As at 01/01/2021	-6,678,609	8,643,564	1,964,954
Deferred tax income related to change in fair value of financial assets available for sale	-294,580	0	-294,580

Change in fair value of financial assets available for sale	0	1,841,122	1,841,122
Deferred income tax related to revaluation surplus realized	179,170	0	179,170
As at 06/30/2020	-6,794,019	10,484,685	3,690,666

NOTE 15. DEFERRED INCOME TAX AND CURRENT INCOME TAX

a) Deferred income tax

Deferred tax assets were recognized for stock adjustments, receivables adjustments and provisions.

Deferred tax liabilities were recognized in reserves from revaluation and changes in fair value of financial assets available for sale.

Change of assets and liabilities related to deferred income tax during the first semester of 2019, without taking into account compensation of balances related to the same tax authority, is:

Deferred income tax assets

Deferred income tax assets	Stocks (stock adjustments)	Receivables (receivable adjustments)	Provisions	Lei	
				Shares impairment adjustments	Total
As at 01/01/2021	308,262	398,924	13,707	126,915	847,808
Recorded/ credited in profit or loss for the period	0	-53,598	0	0	-53,598
Recorded/debited in profit or loss for the period	0	0	0	0	0
As at 06/30/2021	308,262	345,326	13,707	126,915	794,209

Deferred income tax liabilities

Deferred income tax liabilities	Revaluation reserves	Lei	
		Financial assets available for sale	Total
As at 01/01/2021	5,296,781	1,381,828	6,678,609
Recorded/credited in profit or loss for the period	0	0	0

Recorded/debited in profit or loss for the period	0	0	0
Recorded/credited in other elements of comprehensive income	-179,170	0	-179,170
Recorded/debited in other elements of comprehensive income	0	294,580	294,580
As at 06/30/2021	5,117,611	1,676,408	6,794,020

b) Current income tax

	Lei	
	06/30/2020	06/30/2021
Balance on 01 January	-604,262	-267,725
Increases	482,728	125,660
Decreases	-146,191	0
Balance on 30-th June	-267,725	-142,065

c) Expense with current income tax

	Lei	
	06/30/2020	06/30/2021
Profit before tax	2,265,301	131,875
Non taxable income	-831,782	-529,296
Non deductible expenses	454,878	104,849
Elements similar to income	1,258,069	1,119,813
Taxable profit	3,146,465	827,241
Income tax calculated at 16%	503,434	132,359
Sponsorships – current year	0	-4,174
Non-deducted sponsorship - 2020	-100,370	0
Deduction of reinvested profit	-1,583	-2,525
Current income tax expense	401,481	125,660

d) Income tax expenses

	Lei	
	06/30/2020	06/30/2021
Current income tax expenses	401,481	125,660
Deferred income tax expense	76,446	55,053
Deferred income tax revenues	-214,379	-180,625
Income tax expenses	263,548	88

e) Micro-enterprises income tax

	Lei	
	06/30/2020	06/30/2021

Micro-enterprises income tax	5,905	2,385
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NOTE 16. OTHER LIABILITIES

Other liabilities include the financial leasing contract taken over following the merger by absorption, having as object a motor vehicle. Its duration extends until 05/30/2022, and its balance at the present date is 18,029.96 lei, of which due in over year 19,540.80 lei, due in one year.

Also, in this category are included the guarantees offered by SOCEP SA by third parties, having a value of 43,856.03 lei.

NOTE 17. DEFERRED INCOME

Under the deferred income category, the company recognizes donations for investments and revenues from rents invoiced in advance.

	Lei	
	06/30/2020	06/30/2021
Donations for investments	0	0
Other revenues	25,588	34,611
TOTAL	25,588	34,611

NOTE 18. BANK LOANS

The company has contracted a bank loan amounting to 35,090,000 lei on 05/10/2015 from BRD. Till now the amount of 32,152,074.80 lei has been withdrawn and used. This loan was used for partial payment of the import letter of credit amounting to 8,710,550 Euro (opened at BRD on the request of SOCEP, in favor of beneficiary PACECO ESPAÑA S.A., as per credit letter issuance contract no.209763/05/10/2015). In February of this year, the currency of the credit was converted from lei to euro.

As at 06/30/2021, the company has a credit balance to be paid in amount of 9,374,509,44 lei, out of which the amount of 5.356.862 lei has a maturity less than 1 year and the amount of 4,017,647 lei a maturity over 1 year. The payment interest related to the loan registered on 30.06.2021 is 5,468.44 lei.

For the construction of the modern cereal terminal phase I in the Port of Constanta, the company concluded in 2019 with BRD, the credit agreement no. 3637, for issuing a letter of credit, with a value of 5,299,000 euros, which became subsequent to the investment financing contract, amounting to 13,012,000 euros, concluded in February 2020. On 30.06.2021, the loan balance was 45,259,793 lei, maturing in one year. The payment interest related to the loan registered on 30.06.2021 is 19,148.12 lei.

NOTE 19. SUPPLIERS AND OTHER PAYABLES

The suppliers and other payables statement is as follows:

	Lei	
	01/01/2021	06/30/2021

Trade payables	5,789,264	6,706,670
Suppliers for fixed assets	3,163,418	3,757,323
Salaries due	862,237	1,219,985
Unclaimed dividends	1,373,592	1,334,446
Social security and other taxes	1,200,939	1,088,177
Total	9,226,033	10,349,278

Social security and other taxes, which are due in July 2021, have the following values:

	Lei	
	01.01.2021	06/30/2021
Social security	934,165	924,109
Salary tax	169,062	164,068
VAT	0	0
Withholding tax	97,712	0
TOTAL	1,200,939	1,088,177

On 06/30/2021, the Group has no outstanding debts for which interests or late payment penalties should be paid.

NOTE 20. PROVISIONS

The situation of provisions is as follows:

	Lei	
	01/01/2021	06/30/2021
Provisions for employee benefits	79,883	79,883
Other provisions	372,441	162,235
TOTAL	452,324	242,118

The provision for employee benefits in the amount of 79,883 lei is formed for amounts to be granted to company employees, equivalent to two base salaries for each, as received on retirement date.

NOTE 21. INCOME (turnover)

The Group has achieved over 99% of its turnover from services performed in general cargo and container port terminals.

	Lei	
	06/30/2020	06/30/2021
Income from port services performed	33,495,308	35,201,136

Income from rents	187,554	221,181
Other income (sale of goods)	99,237	240,206
TOTAL	33,782,099	35,662,523

Turnover detailed by port terminals as determined by Group management, is as follows:

	Lei	
	06/30/2020	06/30/2021
I, GENERAL CARGO		
Cargo handling	17,794,011	22,292,930
Storage	3,072,032	837,032
Other services	252,154	442,653
Sud Agigea Area	148,785	180,742
TOTAL	21,266,982	23,753,356
II, CONTAINERS		
Cargo handling	12,188,935	11,627,676
Storage	291,544	262,757
Other services	34,636	18,734
TOTAL	12,515,116	11,909,167
III, TOTAL COMPANY		
Cargo handling	29,982,947	33,920,606
Storage	3,363,576	1,099,789
Other services	286,791	461,387
Sud Agigea Area	148,785	180,742
TOTAL	33,782,099	35,662,523

NOTE 22. OTHER INCOME

	Lei	
	06/30/2020	06/30/2021
Despatch and penalties	132,658	385,954
Miscellanea	87,029	165,263
TOTAL	219,687	551,218

Other income included amounts from invoicing despatch (due for early operation of ships), i.e. lei, and penalties calculated for failure to pay in due time for service provided and invoiced to customers, in the amount of 385,954 lei.

NOTE 23. RAW MATERIALS AND CONSUMABLES

Lei

	<u>06/30/2020</u>	<u>06/30/2021</u>
Expenses with consumables	3,204,107	3,059,786
Expenses with other materials	172,174	272,252
Expenses with materials not stored	0	0
Expenses with energy and water	916,151	1,025,921
TOTAL	4,292,432	4,357,960

NOTE 24. COST OF SOLD GOODS

	Lei	
	<u>06/30/2020</u>	<u>06/30/2021</u>
Expenses with cargo	26,640	26,392

NOTE 25. SERVICES PERFORMED BY THIRD PARTIES

	Lei	
	<u>06/30/2020</u>	<u>06/30/2021</u>
Maintenance and repair expenses	504,475	1,231,900
Rent expenses	109,950	205,599
Insurance expenses	138,637	161,376
Entertainment and advertising expenses	42,295	56,382
Expenses with charges and fees	203,966	106,461
Cargo and staff transportation expenses	69,261	57,237
Travel expenses	3,866	857
Postal and telecommunication expenses	53,537	82,642
Bank service expenses	12,462	10,341
Rail cars shifting expenses	203,510	361,578
Port service expenses	2,003,854	3,349,440
Sanitation expenses	241,621	199,986
Occupational safety expenses	19,820	33,257
Fire protection, safety expenses	692,752	933,591
Computer service expenses	146,534	154,746
Expenses with subscriptions, contributions	48,135	47,511
Audit, consultancy, BSE expenses	114,630	115,192
Expenses with charges, authorizations	68,109	63,712
Schooling/training expenses	52,153	17,835
Other expenses	71,817	100,156
TOTAL	4,801,385	7,289,801

NOTE 26. EMPLOYEE BENEFIT COST

Lei

EXPENSES	06/30/2020	06/30/2021
Salaries and meal vouchers	13,272,510	14,502,695
Social security expenses	531,917	287,209
TOTAL	13,804,427	14,789,904

Benefits for Management Board and Supervisory Board members:

EXPENSES	Lei	
	06/30/2020	06/30/2021
Executive Board benefits	449,979	413,569
Social security related to Executive Board benefits	10,124	9,305
Supervisory Board benefits	442,127	369,444
Social security related to Supervisory Board benefits	9,948	8,312
TOTAL	912,179	800,630

	06/30/2020	06/30/2021
AVERAGE NUMBER OF EMPLOYEES	372	370

NOTE 27. AMORTIZATION EXPENSES

	Lei	
	06/30/2020	06/30/2021
Expenses with the amortization of intangible assets	5,950	5,822
Expenses with the amortization of tangible assets	4,586,665	5,085,670
Expenses from revaluation of Right-of-use asset	2,409,792	2,513,142
TOTAL	7,002,407	7,604,634

NOTE 28. OTHER EXPENSES

Other expenses include expenses with other taxes, losses on bad debts, compensation of damages, fines and penalties, donations and other operating expenses.

	Lei	
	06/30/2020	06/30/2021
Expenses with taxes and charges	463,868	540,876
Losses from receivables	403,877	549
Damages, fines, penalties	15,788	298,341
Donations	9,605	0
Sponsorships	0	4,174
Other operating expenses	11,699	23,203
TOTAL	904,838	867,143

In other operating expenses, services onto customers account and re-invoiced to them are recorded.

NOTE 29. OTHER OPERATIONAL GAINS/LOSSES – NET

	Lei	
	06/30/2020	06/30/2021
Income from of production of fixed assets	343,802	942,047
Income from disposal of assets	0	0
Expenses on disposal of assets	-318,342	0
Income from provisions	135,055	0
Expenses from provisions	0	210,206
Income from adjustments of stocks and customer receivables	477,791	344,082
Expenses for adjustments of stocks and customer receivables	-2,572	-9,093
Income from exchange rate differences, less those for cash and cash equivalents	206,815	116,834
Expenses from exchange rate differences, less those for cash and cash equivalents	-426,746	-630,150
Income from subsidies for wages and salaries	2,905	1,210
TOTAL	418,708	975,135

NOTE 30. FINANCIAL INCOME

Financial income includes income from interests and other income.

	Lei	
	06/30/2020	06/30/2021
Income from interests	258,098	102,290
Other financial income	43,493	9,781
Income from investment securities	493,716	499,733
TOTAL	795,307	611,803

NOTE 31. FINANCIAL EXPENSES

	Lei	
	06/30/2020	06/30/2021
Interest expenses	129,605	166,710
Interest expenses of right-of-use asset	731,820	550,091

TOTAL	861,426	716,802
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NOTE 32. OTHER FINANCIAL GAINS/LOSSES – NET

The net financial gain (loss) is determined as the difference between income and expenses related to exchange rate differences for cash and cash equivalents in foreign currency.

	Lei	
	06/30/2020	06/30/2021
Income from exchange rate differences	681,181	549,156
Expenses from exchange rate differences	-392,188	-273,176
Income from exchange rate differences related to interest rates on the use of assets	0	170,479
Expenses from exchange rate differences related to interest rates on the use of assets	0	-2,022,149
Net financial gains (losses)	288,993	-1,575,690

NOTE 33. TRANSACTIONS WITH AFFILIATED PARTIES

In the first semester of 2021, the company had transactions with the following affiliated parties: CELCO S.A.. The connection with CELCO S.A. CONSTANȚA, is generated by the existence of common members in their management bodies.

Sales of goods and services

	06/30/2020	06/30/2021
Sales of goods	0	0
Sales of services	0	92,339
Sales of fixed assets	0	0
TOTAL (VAT INCLUDED)	0	92,339

Balances on 30-th June 2021 resulting from sales of services is **46.165 lei**.

NOTE 34. ECONOMIC AND FINANCIAL INDICATORS

INDICATORS	CALCULATION PROCEDURE	RESULTS	
		06/30/2020	06/30/2021
1. Current Ratio	Current Assets/Current Liabilities	2.31	2.07
	$\frac{\text{Loan Capital}}{\text{Equity Capital}} \times 100$	86.12	104.89
2. Indebtedness degree	Loan Capital		
	$\frac{\text{Loan Capital}}{\text{Committed Capital}} \times 100$	45.27	53.69

		Customers' Average Balance		
3.	Rotation Speed of Customers' debts	----- x 360 Turnover	84.84	64.92
4.	Rotation Speed of Fixed Assets	Turnover/Fixed Assets	0.11	0.09

EVENTS AFTER THE REPORTING PERIOD

We mention that subsequent to preparation of financial statements, no events have occurred which could significantly influence the financial position and performance of the company. Financial Statements are not audited.

At the date of preparation of the financial statements, there is a risk of affecting the company's activity, due to the global and national effects of the Covid 19 epidemic. correlation with the evolution of the situation, so as to limit the impact on the financial results, as well as on ensuring the continuity of the company's activity.

Financial Statements are not audited.

GENERAL MANAGER,

DORINEL CAZACU

FINANCIAL MANAGER,

CRISTIAN UDUDEC

**III.3. DECLARATION OF THE PERSONS RESPONSIBLE
FOR PREPARING CONSOLIDATED HALF-YEARLY
FINANCIAL STATEMENTS
AND
RELATED REPORTS**

Declaration of the persons responsible for preparing consolidated financial statements

According to legal provisions of art.30 in Accounting Law No.82/1991 – as republished, we hereby declare that we take responsibility for preparing the consolidated financial statements related to first semester of 2021 and also we confirm that:

- a) The accounting policies used in preparing the financial statements for the first semester of 2021 are in compliance with accounting regulations approved by OMFP No.2844/2016 applicable to commercial companies, having their shares admitted to trading on a regulated market.
- b) Consolidated financial statements prepared on 06/30/2021 are providing an accurate image of SOCEP SA assets, liabilities, financial position and profit&loss account.
- c) SOCEP S.A. is carrying out its activity under conditions of continuity.

GENERAL MANAGER,
DORINEL CAZACU

FINANCIAL MANAGER,
CRISTIAN UDUDEC