



SOCEP S.A.
QUARTERLY REPORT
ON FINANCIAL STATEMENTS
AS AT 09/30/2021

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**QUARTERLY REPORT
ON FINANCIAL STATEMENTS
COMPLYING TO A.S.F. REGULATION NO.5/2018
FOR THE THIRD QUARTER 2021**

Report Date	11/15/2021
Name of Shares Issuer	SOCEP S.A.
Registered Office	Constanța, Incinta Port, Dana 34
Phone/fax	0374.416142 / 0241 693759
Fiscal Code	RO 1870767
Company Number in the Trade Register	J 13 / 643 / 1991
Subscribed Share Capital	35,399,149.00 lei split in 353,991,490 registered dematerialized shares with a nominal value of 0.10 lei/share
Trading Market	B.V.B., Standard category, symbol SOCP

SYNTHESIS OF ECONOMIC AND FINANCIAL INDICATORS

1. 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	09/30/2020	09/30/2021
I.	TOTAL ASSETS	lei	368,072,649	429,364,687
1.1.	Fixed Assets	"	334,269,762	387,117,734
1.2.	Stocks	"	1,329,974	1,295,382
1.3.	Receivables	"	18,663,410	18,170,414
1.4.	Cash and Bank Accounts	"	10,481,777	10,246,914
1.5.	Accruals and prepaid expenses	"	237,393	307,574
1.6.	Short Term Investments	"	3,090,333	12,226,669
II.	TOTAL LIABILITIES	lei	368,072,649	429,364,687
2.1.	Shareholders' Equity	"	179,992,062	198,121,315
2.2.	Total Debts	"	187,901,216	231,031,042
2.3.	Upfront Revenues	"	16,846	33,801
2.4.	Provisions	"	162,525	178,529

b) Profit and Loss Account

	INDICATORS	UNIT	09/30/2020	09/30/2021
I.	TURNOVER	lei	50,461,631	59,283,232
II.	TOTAL REVENUES	”	54,871,933	69,295,098
III.	TOTAL EXPENSES	”	49,753,836	59,425,175
IV.	GROSS PROFIT	”	6,032,158	9,869,923

Following items are the assets with a minimum 10% share – out of total assets: assets related to the right of use (34.24%), equipment and machinery (14.33%). Expense items with a minimum 10% share – out of net sales (turnover) are the personnel expense (38.08%), the external services expense (20.67%), the materials and supplies expense (11.64%) and the depreciation expenses (19.17%).

At the end of third quarter 2021 company recorded provisions in a total amount of lei 178,529, as follows:

- Provisions for employees benefits	= 79,883 lei
- Other types of provisions	= 5,784 lei.
- Provisions for unpaid rest leave	= 92,862 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.

c) Financial and Economic Indicators

INDICATORS	CALCULATION PROCEDURE	RESULTS	
		09/30/2020	09/30/2021
1. Current Ratio	Current Assets/Current Liabilities	1.97	2.35
	Loan Capital ----- x 100 Equity Capital	94.04%	107.72%
2. Indebtedness degree	Loan Capital ----- x 100 Committed Capital	48.46%	51.86%
3. Rotation Speed of Customers' debts	Customers' Average Balance ----- x 270 Turnover	83.00	60.00
4. Rotation Speed of Fixed Assets	Turnover/Fixed Assets	0.15	0.15

2. BUSINESS ANALYSIS

2.1. During the reported period the harbor cargo traffic increase by 27.84% compared to same period of previous year, meaning 562 thousand tons of cargo. The benchmarking on different types of cargo is below listed:

	TYPES OF CARGO	UNIT	09/30/2020	09/30/2021
I.	HARBOR CARGO TRAFFIC	thousand tons	2,019	2,581
1.1.	General Cargo and Bulk		945	1.348
1.2.	Containerized Cargo		732	793
1.3.	Mineral bulk cargo		342	440
II.	TOTAL NUMBER OF CONTAINERS		50,367	51,506
III.	TOTAL TEU-s		78,028	80,362

From the above mentioned benchmarking, it is noticeable a increase of general cargo and bulk by 5.41% and mineral bulk cargo by 0.12%.. On the other hand, the containerized cargo decrease their share by 5.52%.

The benchmarking on different types of services has following results:

	TYPES OF SERVICES	UNIT	09/30/2020	09/30/2021
I.	TOTAL TURNOVER	lei	50,461,631	59,283,232
1.1.	Handling Operation	”	42,912,097	55,562,234
1.2.	Storage Operation	”	6,710,084	2,513,631
1.3.	Other types of services	”	668,286	959,703
1.4.	South Agigea Area	”	171,164	247,665

Within the total turnover, there has been a change of all the elements' ratio, compared to same quarter of last year. Therefore, compared to same period of 2020, the company registered an increase of the turnover, with 17.48%.

2.2. Capital expenses until 09/30/2021 have aimed mainly purchasing of pieces of equipment. However, the major ratio is represented by the planned starting of Grain Terminal investment.

In same respect, company is pursuing its investment policy by acquiring new equipment in order to improve productivity.

Capital expenses are to be found in the Investment Program and have been paid from company's own resources.

2.3. For the near future there are no foreseeable events, transactions or economic changes which might significantly alter operating revenues.

3. SIGNIFICANT TRANSACTIONS

In EGMS held on 09/21/2020 it has been approved the decrease of the share capital with the amount of 776,873.20 lei was approved, by canceling a number of 7,768,732 own shares.

The change of the value of the share capital is to be finalized after going through the legal procedures.

Financial Statements are not audited.

4. APPROVALS AND ANNEXES

Present Report has been authorized for publication by the Management Board, on 11/15/2021. The explanatory notes are part of the individual financial statements.

Annexes:

- Statement of Financial Position at 09/30/2021
- Statement of Comprehensive Income at 09/30/2021
- Statement of Equity changes at 09/30/2021
- Cash Flow statement at 09/30/2021
- Explanatory Notes to the Financial Statements on 09/30/2021.

The Individual Financial Statements as at 09/30/2021 are drawn up in accordance with International Financial Reporting Standards adopted by European Union and O.M.F.P. No.2844/2016, as amended and subsequently supplemented.

Financial Reports are not audited.

General Manager
Dorinel Cazacu

Financial Manager
Cristian-Mihai Ududec

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30-th 2021

		= Lei =	
	NOTE	01/01/2021	09/30/2021
NON-CURRENT ASSETS			
- Tangible assets	1	180,977,705	197,234,541
- Intangible assets	2	2,038,439	2,080,744
- Right-of-use asset	3	150,788,747	147,019,034
- Financial assets available for sale	4	383,614	376,003
- Investments in subsidiaries and associates	5	36,470,252	36,470,252
- Other long term investments	6	780,587	793,562
- Real estate investments	1	3,143,598	3,143,598
TOTAL NON-CURRENT ASSETS		374,582,942	387,117,734
CURRENT ASSETS			
- Stocks	7	914,175	1,295,382
- Clients and other receivables	8	19,992,312	17,116,432
- Receivables regarding profit tax	15	1,115,533	1,053,982
- Accrued charges	9	208,004	307,574
- Cash and cash equivalentents	10	9,398,706	22,473,583
TOTAL CURRENT ASSETS		31,628,729	42,246,953
TOTAL ASSETS		406,211,670	429,364,687
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	52,273,453
- Own share	11	-4,087,907	-4,087,907

- Profit (loss) for the period	13	2,272,530	9,806,782
- Retained earnings	13	99,033,238	102,989,982
- Retained earnings from the adoption of IAS 29	11	-164,750,632	-164,750,632
- Other elements of equity	14	334,002	648,411
TOTAL EQUITY		188,320,926	198,121,315
LIABILITIES			
Non-current liabilities			
- Deferred tax liabilities	15	6,369,311	6,047,291
- Other liabilities	16	8,260	0
- Liabilities of leases of a right-of-use asset	3	154,083,661	151,456,411
- Deferred income	18	0	0
- Provisions for employee benefits	20	79,883	79,883
- Long term bank loans	17	37,697,425	54,243,143
TOTAL NON-CURRENT LIABILITIES		198,238,540	211,826,727
Current liabilities			
- Suppliers and other liabilities	19	9,224,704	7,802,784
- Other liabilities	16	288,849	123,316
- Liabilities of leases of a right-of-use asset	3	4,425,973	5,952,667
- Long term bank loans – maturity up to 1 year	17	5,294,559	5,379,043
- Interest related to long term loans	17	20,091	26,387
- Current income tax owed	14	0	0
- Provisions	20	372,441	98,646
- Deferred income	18	25,588	33,801
TOTAL CURRENT LIABILITIES		19,652,205	19,416,645
TOTAL LIABILITIES		217,890,744	231,243,372
TOTAL EQUITY AND LIABILITIES		406,211,670	429,364,687

General Manager
Dorinel Cazacu

Financial Manager
Cristian-Mihai Ududec

**STATEMENT OF COMPREHENSIVE INCOME
AS AT SEPTEMBER 30-th 2021**

= Lei =

	Note	09/30/2020	09/30/2021
Income	21	50,461,631	59,283,232
Other income	22	1,430,529	2,092,787
Raw materials and consumables	23	-5,892,154	-6,899,078
Cost of sold goods	24	-31,997	-95,298
Services provided by third parties	25	-7,073,435	-12,257,329
Employee benefits expense	26	-20,523,505	-22,577,557
Impairment and amortization expense	27	-10,633,710	-11,362,384
Other expenses	28	-1,208,059	-1,228,500
Other gains/losses from operations - net	29	465,212	698,939
Profit/(loss) from operation		6,994,512	7,654,813
Financial income	30	161,300	5,761,527
Financial expense	31	-1,260,807	-1,097,401
Other financial gains/losses (net)	32	-177,722	-2,771,408
Profit before tax		5,717,284	9,547,530
Income tax expense	15	-599,187	259,252
PROFIT FOR THREE QUARTER		5,118,097	9,806,782
OTHER COMPREHENSIVE INCOME ELEMENTS			
Elements not to be subsequently reclassified under profit or loss		-1,482,129	-1,684,214
Gains or losses from evaluation of assets	12	-1,764,439	-2,005,017
Deferred income tax related to other comprehensive income elements	14	282,310	320,803
Elements that will be subsequently reclassified under profit or loss		1,112	-6,393
Gains or losses on financial assets available for sale	14	1,324	-7,611
Deferred income tax related to other comprehensive income elements	14	-212	1,218
OTHER COMPREHENSIVE INCOME ELEMENTS FOR THREE QUARTER (without tax)		-1,481,017	-1,690,607
TOTAL COMPREHENSIVE INCOME FOR THREE QUARTER		3,637,080	8,116,175

General Manager
Dorinel Cazacu

Financial Manager
Cristian-Mihai Ududec

STATEMENT OF EQUITY CHANGES AS AT 30-th SEPTEMBER 2021

	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 three quarter 2021	0	0	0	9,806,782	0	0	0	0	9,806,782
Change in fair value for financial assets available for sale	0	0	0	0	0	-7,611	0	0	-7,611
Deferred income tax related to change in fair value of financial assets available for sale	0	0	0	0	0	1,218	0	0	1,218
Reserves from revaluation of realized tangible assets	0	0	-2,005,017	2,005,017	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	-320,803	0	320,803	0	0	0
BALANCE AS AT 09/30/2021	35,399,149	164,750,632	52,273,453	112,796,765	-164,750,632	648,411	1,091,443	-4,087,907	198,121,314

General Manager

Dorinel Cazacu

Financial Manager

Cristian-Mihai Ududec

CASH FLOW STATEMENT
AS AT 30-th SEPTEMBER 2021

	30.09.20	30.09.21
CASH FLOWS FROM PORT OPERATIONS		
Receipts from clients	54,208,438	66,512,125
Payments to suppliers and employees	-34,865,777	-39,754,417
Interest paid	0	0
VAT and other taxes -except income tax	-791,760	-783,042
Income tax paid	0	0
Other receipts	736,594	1,833,600
Other payments	-874,174	-502,163
I. NET CASH FROM PORT OPERATIONS	18,413,321	27,306,103
FLUXURI DE NUMERAR DIN ACTIVITĂȚI DE INVESTIȚII		
Payments for acquisition of intangible assets	0	-56,484
Payments for acquisition of tangible assets	-54,991,686	-35,223,326
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	105,415	28,046
Dividends received	4,557	5,704,477
II. NET CASH FROM INVESTMENTS	-57,369,856	-29,547,287
FLUXURI DE NUMERAR DIN ACTIVITĂȚI DE FINANȚARE		
Receipts from long-term loans	31,100,647	19,851,535
Payments related to long term loans	-20,158,570	-4,002,134
Interest related to loan	-202,340	-263,012
Dividends paid	0	0
III. NET CASH FROM FINANCING ACTIVITIES	10,739,737	15,586,389
IV. NET INCREASE IN CASH AND CASH EQUIVALENTS (I+II+III)	-28,216,797	13,345,205
V. IMPACT OF EXCHANGE RATE VARIATIONS	-177,722	-270,328
VI. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL SEMESTER	41,966,630	9,398,706
VII. CASH AND CASH EQUIVALENTS AS AT 09/30.	13,572,110	22,473,583

General Manager
Dorinel Cazacu

Financial Manager
Cristian-Mihai Ududec

Notes on Individual Financial Statements

As at September 30-st 2021

All the amount are mentioned in Lei (RON) unless otherwise stated

OVERVIEW

Founded 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 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 cargo per unit 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: 35,399,149.40 lei, divided in 353,991,490 uncertified 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 Management Board. Both Boards are acting within the framework of law.

The Supervisory Board consists of 3 members. The Supervisory Board members are:

- | | |
|----------------|-------------------|
| - DUȘU NICULAE | - President |
| - DUȘU ION | - Vice-President |
| - SAMARA STERE | - Vice-President. |

Since 07/09/2021, according to Supervisory Board decision, the Executive Board consists of 5 members. The members of the Executive Board are:

- | | |
|-------------------------|------------------------------------|
| - Cazacu Dorinel | - President of the Executive Board |
| - Codeț Gabriel | - Member |
| - Pavlicu Ramona | - Member |
| - Ududec Cristian Mihai | - Member. |
| - Teodorescu Lucian- | - Member |

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 re-valued fixed assets (buildings). When transition to International Financial Reporting Standards implementation completed, the company's share capital was adjusted to inflation according to IAS 29 "Financial reporting in hyperinflationary economies". The adjustment was made until 31 December 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 principle of business continuity in preparing the financial statements.

Functional currency and presentation currency

The financial statements of the company are displayed 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/current results may differ from these estimates.

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 date of statement of financial position 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 the other gains and losses on exchange rate are displayed 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 key 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 re-valued amount, determined by periodic assessments conducted every three years by external independent assessors, less subsequent amortization and impairment. During building revaluation, any accrued impairment at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is recorded as re-valued 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 until 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 having the right 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 in 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 associates

Investments in subsidiaries and associates are valued at their respective cost. The company did not recognize 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 lowest value between cost and net realizable value. The cost is determined using the weighted average cost method (CMP/ACM). In the normal course of business, net realizable value is estimated based on selling price less the involved costs.

Trade receivables (customers)

Customer 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 recognizes 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.

Deferred current 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 in as much as a future taxable profit is likely to be obtained, from which temporary differences can be deducted.

Employees' benefits

In the normal course of business, the company makes payments to the Romanian State 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 when the company has a legal or implicit obligation arising from past events, 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 provision of 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 provided operations

Income from provided port operations 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 operations under way, not yet invoiced to customers, are recorded into 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	-67,775,945
Net carrying value	46,246,781	55,777,913	138,588	3,143,598	72,123,629	6,690,794	184,121,303
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	9,641,255	10,466,654	4,945	0	29,130,980	207,202	49,451,037
Disbursements	0	-207,220	0	0	-20,163,890	-5,451,300	-25,822,410
Amortization for disbursements	0	207,220	0	0	0	0	207,220
Amortization expense	-2,830,257	-4,724,355	-24,398	0	0	0	-7,579,010
Final net carrying value	53,057,779	61,520,212	119,135	3,143,598	81,090,719	1,446,696	200,378,139
On 09/30/2021							
Cost or reassessed value	55,939,070	133,206,922	698,869	3,143,598	81,090,719	1,446,696	275,525,874
Cumulative amortization	-2,881,291	-71,686,710	-579,734	0	0	0	-75,147,735
Net carrying value	53,057,779	61,520,212	119,135	3,143,598	81,090,719	1,446,696	200,378,139



Tangible assets have been recognized at the time of entry, at their cost, and subsequent revaluations were performed based on HG. 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 follows:

- 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 had as main goal estimation of fair value according to International Evaluation Standards SEV 2014 – Tangible Assets Evaluation for Financial Reporting, with the specific purpose of accounting recording in order to comply with GD (HG) 276/21.05.2013 and it's implementation rules. The applied methodology is in absolute compliance with International Accounting Standards – IFRS 13 related to accounting records of tangible assets including carrying value of the assets using the revaluation based pattern.

For the revaluation differences deferred taxes have been also taken into account.

Up to 09/30/2021 total investments in an amount of 20,277,280 lei have been put into operation, having as source the 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.

→ The 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).

NOTE 2. INTANGIBLE ASSETS

	lei
	<u>Computer licenses and software</u>
As at 01 January 2021	
Cost	3,158,495
Accumulated amortization	-1,228,516
Net carrying value	1,929,979
01 January 2021	



Initial net carrying value	1,929,979
Receipts	164,426
Disbursements	0
Amortization for disbursements	0
Amortization expense	-13,661
Final net carrying value	2,080,744
As at 30 September 2021	
Cost	3,322,921
Accumulated amortization	-1,242,177
Net carrying value	2,080,744

The intangible assets include software licenses and one trademark. 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.

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.

The consequence is that higher expenses will be recognized at beginning of the lease, even if the tenant pays constant rents.

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 marginal interest rate applied to these leasing debts was the one used to finance the company, under similar conditions.

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 09.30.2021 the consequences are:

- a) on the Statement of financial position:
 - recognition of an asset related to the use rights amounting to 160.652.750 lei;
 - recognition of a debt related to this right in the amount of 157.409.078 lei, 151.456.411 lei long – term debts and 5.952.667 lei short – term debts;
- b) on the Statement of profit or loss:
 - decrease of the expenses with the amount of 4.429.799 lei;
 - increasing the depreciation of assets related to the rights of use with the amount of 3.769.713 lei;
 - increase of financial expenses with the amount of 3.329.243 lei;

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

- assets and liabilities of the company – increase of 160.652.750 lei, respectively, 157.409.078 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:

La 01/01/ 2021	Assets related to the right of use
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	-3,769,713
Final net carrying value	147,019,034

09/30/2021

Cost	160,652,750
Accumulated amortization	-13,633,716
Net carrying value	147,019,034

Leasing debts related to the rights of use:

Leasing debts related to the rights of use	01/01/2021	09/30/2021
Short term	4,425,973	5,952,667
Long term	154,083,661	151,456,411
Total	158,509,634	157,409,078

NOTE 4. FINANCIAL ASSETS AVAILABLE FOR SALE

Financial assets available for sale include equity instruments held in:

- ROCOMBI SA BUCHAREST and ROFERSPED SA BUCHAREST companies. 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 net asset value-measured.
- ELECTRICA SA. The share granted by these is 0.002 %. Equity Shares are listed on BSE and are measured at fair value.

lei

	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	-15,552	-15,552
Value decreases	0	0	0	0
Value as at 09/30/2021	68,736	231,822	75,445	376,003

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

NOTE 5. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

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

Investments in subsidiaries and associates are valued at their cost. The company did not recognize adjustments for their impairment.

lei

	Equity securities SOCEFIN	Total
As at 01/01/2021	36,470,252	36,470,252
Receipts	-	-
Disbursements	-	-
As at 09/30/2021	36,470,252	36,470,252

NOTE 6. OTHER LONG TERM INVESTMENTS

At the end of the third quarter of the current year, the company had a total amount of 793,561.69 lei as committed guarantees, resulting from:

- Lease contract CNAPMC – 00082 -IDP – 01 concluded between SOCEP SA and C.N. Maritime Port Administration S.A. Constanta, with total amount of 702,228.18 lei
- Concession contract no. 94 concluded with the Administration of the Free Zone Constanta Sud, 27,724.71 lei;
- Guarantees taken over after the merger, amounting to 63,608,80 lei.

NOTE 7. STOCKS

Stocks held on 09/30/2021 are mainly composed of consumables. Their values were:

lei

	<u>01/01/2021</u>	<u>09/30/2021</u>
Consumables	2,826,460	2,922,046
Goods	6,670	6,670
Adjustments for stock impairment	-1,926,635	-1,926,635
Advanced for goods	7,680	293,301
Total	914,175	1,295,382

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

NOTE 8. CUSTOMERS AND OTHER RECEIVABLES

Lei

	<u>01/01/2021</u>	<u>09/30/2021</u>
Trade receivables (customers)	16,480,751	14,480,193
Adjustments for customer receivables impairment	-752,293	-367,601
Trade receivables – carrying value	15,728,458	14,112,591
Guarantees for less than 1 year	0	0
Other receivables	6,004,836	4,744,822

Adjustments for impairment sundry debtors	-1,740,982	-1,740,982
Other receivables - carrying value	4,263,854	3,003,841
Total	19,992,312	17,116,432

Both trade receivables and other receivables are current assets.

The evolution of adjustments for customer receivables impairment and for sundry debtors' impairment in the three quarters of 2020 was as follows:

	lei	
	09/30/2021	
	Adjustments for impairment customer receivables	Adjustments for impairment sundry debtors
Balance as at 1-st January 2021	-752,293	-1,740,982
Increases	-9,938	0
Decreases	394,630	0
Balance as at 30-th September 2021	-367,601	-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	09/30/2021
Advances for stocks and services	116,863	81,151
Taxes, charges to be recovered and other receivables	562,937	841,655
VAT to be recovered	2,723,223	816,674
Sundry debtors	2,601,812	3,005,343
Total	6,004,836	4,744,822

NOTE 9. ACCRUED CHARGES

Accrued charges were generated by the advance payment of local taxes and fees, of insurances for tangible assets and liability insurance, subscriptions, contributions and various fees, amounting the value of 307,574,38 lei.

NOTE 10. CASH AND CASH EQUIVALENTS

	01/01/2021	09/30/2021	lei
Cash and bank accounts	4,213,507	10,246,914	
Short-term bank deposits	5,185,199	12,226,669	
Total	9,398,706	22,473,583	

Cash and cash equivalents in foreign currency were measured in the financial statements based on exchange rates valid on 09/30/2021, i.e. 4.9471 lei/Euro and 4.2653 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 for 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
					lei
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 three quarters)	0	0	0	0	0
Surplus from revaluation realized	-2,005,017	0	0	0	-2,005,017
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 09/30/2021	29,797,015	7,046,382	10,325,831	5,104,225	52,273,453

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

Legal reserves have been set up in full accordance with the legal provisions.

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 exchange differences amounting 5,104,225 lei come from:

- Tax reductions as per H.G. 402/2000 and Law 189/2001	= 3,858,116 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 reinvested profit	= 793,221 lei.
- Reserves taken over after the merger	= 278,312 lei.

NOTE 13. RETAINED EARNINGS

	lei					
	Retained earnings from undistributed profits	Result of the three quarter	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	9,806,782	0	0		12,079,312
Surplus from revaluation realized	0	0	0	2,005,017	0	2,005,017
Income tax related to revaluation surplus realized	0	0	0	-320,803	0	-320,803
As at 09/30/2021	77,414,132	9,806,782	-1,282,715	23,716,220	3,142,346	112,796,765

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	1,218	0	1,218
Change in fair value of financial assets available for sale	0	-7,611	-7,611
Deferred income tax related to revaluation surplus realized	320,803		320,803
As at 09/30/2021	-6,047,291	6,695,702	648,411

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 at the end at the third quarter of 2020, without taking into account the compensation of balances related to the same tax authority, is:

Deferred income tax assets

	Stocks (stock adjustments)	Receivables (receivable adjustments)	Provisions	Shares impairment adjustments	lei 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	-63,141	0	0	-63,141
Recorded/debited in profit or loss for the period	0	1,590	0	0	1,590



Income tax calculated by 16%	902,351	910,685
Sponsorships carried from previous years	-104,175	0
Sponsorships current year	0	0
Deduction of reinvested profit	-8,948	-910,685
Fiscal facility	-39,883	0
Current income tax expense	749,345	0

d) Income tax expenses

	Lei	
	09/30/2020	09/30/2021
Current income tax expenses	749,345	0
Deferred income tax expense	164,716	63,141
Deferred income tax revenues	-314,874	-322,393
Income tax expenses	599,187	-259,252

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 30.05.2022, and its balance at the date of 09/30/2021 was of 13,144.76 lei, due under one year.

Also, in this category are included the guarantees offered by SOCEP SA by third parties, having a value of 67,241.87 lei

NOTE 17. 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.209763/05.10.2015). In February of this year, the currency of the credit was converted from lei to euro

As at 09/30/2021, the company has a credit balance to be paid in amount of 8,068,565 lei, out of which the amount of 5.379.043 lei has a maturity less than 1 year and the amount of 2,689,523 lei a maturity over 1 year. The interest rate related to the loan as recorded on 09/30/2021 is in amount of 4,706.67 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 09/30/2021, the company has a credit balance to be paid in amount of 51,553,620 lei, maturing in one year. The interest rate related to the loan as recorded on 09/30/2021 is in amount of 21,680.45 lei.

NOTE 18. DEFERRED INCOME

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

	lei	
	01/01/2021	09/30/2021
Donations for investments	-	-
Other revenues	25,588	33,801
TOTAL	25,588	33,801

NOTE 19. SUPPLIERS AND OTHER LIABILITIES

The suppliers and other payables statement is as follows:

	lei	
	01/01/2021	09/30/2021
Trade payables, out of which:	5,789,264	4,184,358
Suppliers for fixed assets	3,163,418	950,295

Salaries due	861,477	1,191,800
Unclaimed Dividends	1,373,592	1,326,529
Social security and other taxes	1,200,370	1,100,097
Total	9,224,704	7,802,784

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

	lei	
	01/01/2021	09/30/2021
Social security	933,681	932,884
Salary tax	168,977	167,213
Tax on dividends	97,712	0
TOTAL	1,200,370	1,100,097

On 03/09/2021, 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	09/30/2021
Provisions for employee benefits	79,883	79,883
Other provisions	372,441	98,646
TOTAL	452,324	178,529

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

NOTE 21. INCOME (Turnover)

The company has achieved over 99% of its turnover from operations carried out in our terminals, general cargo terminal and container terminal.

	lei	
	30/09/2020	30/09/2021
Income from performed port operations	50,027,147	58,600,872
Income from rents	302,130	328,143
Other income, of wich:	132,354	354,217
sale of goods	132,354	354,217
TOTAL	50,461,631	59,283,232

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

	lei	
	09/30/2020	09/30/2021
I. GENERAL CARGO		
Cargo handling	25,423,676	36,391,838
Storage	5,927,188	2,053,682
Other services	384,800	615,783
South Agigea Area	171,164	247,665
TOTAL	31,906,828	39,308,967
II, CONTAINERS		
Handlings	17,488,421	19,170,396
Storage	782,896	459,949
Other services	283,486	343,920
TOTAL	18,554,803	19,974,265
III, TOTAL COMPANY		
Handlings	42,912,097	55,562,234
Storage	6,710,084	2,513,631
Other services	668,286	959,703
South Agigea Area	171,164	247,665
TOTAL	50,461,631	59,283,232

NOTE 22. OTHER INCOME

	lei	
	09/30/2020	09/30/2021
Production of fixed assets	602,521	1,391,686
Dispatch and penalties	193,197	416,434
Miscellaneous	631,586	283,457
Earnings from fair value assessment inv, assets	3,225	1,210
TOTAL	1,430,529	2,092,787

NOTE 23. RAW MATERIALS AND CONSUMABLES

	lei	
	09/30/2020	09/30/2020
Expenses with consumables	4,385,995	4,896,485
Expenses with other materials	191,532	314,983
Expenses with energy and water	1,314,628	1,687,610
TOTAL	5,892,154	6,899,078

NOTE 24. COST OF SOLD GOODS

	lei	
	09/30/2020	09/30/2021
Expenses with goods	31,997	95,298

NOTE 25. SERVICES PROVIDED BY THIRD PARTIES

	lei	
	09/30/2020	09/30/2021
Maintenance and repair expenses	794,462	1,881,645
Rent expenses	214,348	309,417

Insurance expenses	225,706	242,848
Protocol and advertising expenses	76,634	75,944
Expenses with charges and fees	303,799	325,148
Cargo and staff transportation expenses	99,244	87,380
Travel expenses	5,451	857
Postal and telecommunication expenses	99,058	125,702
Bank service expenses	18,226	15,313
Rail cars shifting expenses	298,558	524,397
Port service expenses	2,726,666	6,221,818
Sanitation expenses	333,163	303,160
Occupational safety expenses	37,162	50,455
Fire protection, safety expenses	1,089,678	1,385,545
Computer service expenses	220,667	234,660
Expenses with subscriptions, contributions	73,403	77,165
Audit, consultancy, BSE expenses	139,669	141,832
Expenses with authorizations	117,043	79,697
Schooling/training expenses	69,475	21,136
Other expenses	131,025	153,209
TOTAL	7,073,435	12,257,329

NOTE 26. EMPLOYEE BENEFIT COST

	lei	
EXPENSES	09/30/2020	09/30/2021
Salaries and meal vouchers	19,602,042	21,622,575
Social security expenses	921,463	954,982
TOTAL	20,523,505	22,577,557
Benefits for Management Board and Supervisory Board members:		
		lei
EXPENSES	09/30/2020	09/30/2021
Management Board benefits	668,919	725,387

Social security related to Executive Board benefits	15,050	16,321
Supervisory Board benefits	654,947	611,490
Social security related to Supervisory Board benefits	14,736	13,758
TOTAL	1,353,653	1,366,956

AVERAGE NUMBER OF EMPLOYEES	09/30/2020	09/30/2021
	383	371

NOTE 27. AMORTIZATION EXPENSES

		lei
	09/30/2020	09/30/2021
Expenses with the amortization of intangible assets	9,208	13,661
Expenses with the amortization of tangible assets	7,009,814	7,579,010
Expenses from revaluation of Right-of-use asset	3,614,688	3,769,713
TOTAL	10,633,710	11,362,384

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
	09/30/2020	09/30/2021
Expenses with taxes and charges	699,638	798,316
Losses from receivables	403,878	553,55
Damages/Indemnities, fines, penalties	78,441	364,402
Donations	9,605	0
Sponsorships	-	31,616
Other operating expenses	16,497	33,612
TOTAL	1,208,059	1,228,500

NOTE 29. OTHER OPERATIONAL GAINS/LOSSES – NET

	09/30/2020	lei 09/30/2021
Income from disposal of assets	29,412	0
Expenses on disposal of assets	-318,342	0
Income from provisions	706,650	0
Expenses from provisions	-120,561	273,795
Income from adjustments of stocks and customer receivables	480,677	394,630
Expenses for adjustments of stocks and customer receivables	-3,731	-9,938
Income from exchange rate differences, less those for cash and cash equivalents	311,561	113,357
Expenses from exchange rate differences, less those for cash and cash equivalents	-620,454	-72,905
TOTAL	465,212	698,939

NOTE 30. FINANCIAL INCOME

Financial income includes income from interests, other income and income from dividends.

	09/30/2020	09/30/2021
Income from interests	105,583	38,524
Other financial income	51,160	18,526
Income from dividends	4,557	5,704,477
TOTAL	161,300	5,761,527

NOTE 31. FINANCIAL EXPENSE

	09/30/2020	09/30/2021
Interest expense	164,346	269,238
Expenses for transfer of financial assets available for sale	0	0
Interest expenses of right-of-use asset	1,096,461	828,163
TOTAL	1,260,807	1,097,401

NOTE 32. OTHER FINANCIAL GAINS/LOSSES – NET

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

	09/30/2020	09/30/2021
Income from different exchange rates	975,299	936,020
Expenses from different exchange rates	-1,153,021	-1,206,348
Income from exchange rate differences related to interest rates on the right of use of assets	0	391,152
Expenses from exchange rate differences related to interest rates on the right of use of assets		-2,892,232
Net financial gains (losses)	-177,722	-2,771,408

NOTE 33. TRANSACTIONS WITH AFFILIATED PARTIES

In the three quarters 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

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CELCO S.A	09/30/2020	09/30/2021
Sales of goods	0	0
Sales of services	0	122,233
Sales of fixed assets	0	0
TOTAL (VAT included)	0	122,233

Balances on 30 September 2021 resulting from sales/purchases of goods/services is 0 lei.

NOTE 34. ECONOMIC AND FINANCIAL INDICATORS

INDICATORS	CALCULATION PROCEDURE	RESULTS	
		09/30/2020	09/30/2021
1. Current Ratio	Current Assets/Current Liabilities	1.97	2.18
	Loan Capital ----- x 100 Equity Capital	94.04%	106.92%
2. Indebtedness degree	Loan Capital ----- x 100 Committed Capital	48.46%	51.67%
3. Rotation Speed of Customers' debts	Customers' Average Balance ----- x 270 Turnover	83.00	60.00
4. Rotation Speed of Fixed Assets	Turnover/Fixed Assets	0.15	0.15

EVENTS OCCURRED 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.

Financial Statements are not audited.

General Manager
Dorinel Cazacu

Financial Manager
Cristian-Mihai Ududec