



Societatea pentru Servicii de Mentenanta a Rețelei Electrice de Transport "Smart"- SA

Filiala a CNTEE Transelectrica SA

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**ECONOMIC-FINANCIAL RESTRUCTURING PLAN
FOR THE ACTIVITIES OF THE MAINTENANCE COMPANY
TO THE ELECTRICITY TRANSMISSION GRID SMART SA**

A) Introducing Company SMART SA

The Company SMART SA presentation is provided in Annex 1.

B) Description of the situation showing the company needs recovery

For the time being the activity of SMART SA is found in a serious blockage, so the company is under the imminent risk of becoming incapable to make payments and insolvent.

The synthetic presentation of the company is as follows:

Beginning with 2012 the financial trend was downward and profits diminished from one year to another, recording only losses from 2015 onward.

The financial loss was financed by credits from ING under the credit contract 08614/14.04.2018. The credit line expired on 01.03.2019 with an outstanding debit unpaid amounting to 7,321,119.81 Lei.

The situation of unpaid suppliers is as follows:

Total supplier-issued invoices on 06.03.2019	9,460,217 Lei
Supplier-issued invoices due on 06.03.2019	8,733,084 Lei
Supplier-issued invoices with due date of more than 60 days	4,196,114 Lei

Day in day out things get worse and other outstanding arrears are added in the category of over 90 days' delayed, while also generating growing penalties.

Everything shows measures are urgently needed as the company's incapacity to pay is imminent if ING is locking the accounts, with the imminent risk of a supplier with great arrears to collect from us over 90 days' delayed can request the insolvency of this company.

C) Main causes diminishing the company's financial viability

The main causes of the company's decreasing financing viability are:

- 1) Bad management
- 2) Reduced competitiveness
- 3) Loss of the qualified productive human resource
- 4) Wrecking the relationship with the main client, CNTEE Transelectrica SA

1) Bad management

The company's management was what we can gently call 'adventurous', generating losses above 500,000 Euro in the 'Tanzania business', which meant opening the SMART Tanzania branch.

Also the management part in contracting meant assuming risky economic operations with small profit margins (in ex-ante calculations), which proved great losses in ex-post calculations: Dumbrava, Arefu, and Raureni. There is a risk in these contracts to generate additional costs by means of penalties.

It is difficult to supervise contracts from the centre, as centralising tools are absent or inactive so no fast complete comprehensive circumstances can be generated to ground managerial decisions.

At the same time expensive goods were procured which were not quite necessary, e.g. costly motor cars or hiring highly expensive offices, located far away from SMART's main client and business partner, Transelectrica SA.

2) Reduced company competitiveness

SMART was incapable of reducing its operational costs to the same percentage as the reduced value of maintenance operations in the company. The intention to do so was only launched in 2017.

The company has not been equipped with state-of-the-art working instruments such as the integrated IT management software.

The strategic planning of a business is impacted by the company's current organisation, with absent redundant or contradictory attributions, partial decision-making tiers etc.

3) **Losing the qualified productive human resource**

Closely linked with the company's reduced competitiveness the productive human resources are leaving the company very fast.

The uncompetitive wages and the company's negative trend of activities led to the disinterest of employees and specialists of the productive domain left us for our partners or went straight to the competitors.

This is a serious problem in the company, which narrows its contracting capability and impairs the achievement of assumed obligations.

Graph showing the Evolution of employees numbers in 2013 2019 (average employee number)

2013 – 898 employees

2014 – 875 employees

2015 – 853 employees

2016 – 812 employees

2017 – 741 employees

2018 – 674 employees

2019 – 658 employees (in 2019 the employees number is the actual one on 6.03.2019)

4) **Wrecking the relationship with the main client, CNTEE Transelectrica SA**

It clearly shows in the profitability analysis of the relation with this client.

D) **To restore activities a set of coherent inter-related decisive measures should be adopted**

Purpose – the **OBJECTIVES** of this Economic-financial restructuring plan of activities consist of:

In the short run: overcoming the payment incapacity and avoiding insolvency by means of:

- a) Making partial payments to suppliers with registered arrears exceeding 90 days' delays of their due date;
- b) Avoiding a total payment incapacity by locking the ING accounts, by repaying or securing the ING loan;
- c) Obtaining a minimum current capital to maintain the profit-generating activities;

In the mid-term: recovering the market share, in particular the contracts with our main client, Transelectrica SA

In the long run: consolidating our market position

To reach such objectives of the Economic-financial restructuring plan of activities, after a thorough analysis which the relevant documentation of was attached to this Plan, we propose the following set of measures:

E) **Measures**

- 1) **Reducing the expenses** to be made in 2019; by applying such measures **2019 expenses can be reduced by 9.97 million Lei** compared to those made in 2018, which will bear also in the following years; operational expenses dropped to 60.28 million Lei in comparison with 70.07 million Lei in 2018.

Analysing the 2018 expenses the following modes of expense reduction were detected; the main reduction of the company's consequential costs was taken into account. Another consideration pertained to maintaining the company's capability to fulfil all its legal and contractual obligations.

No.	Measures to reduce expenses	Application mode	Term	Impact (savings compared to 2018)				
				2019	2020	2021	2022	2023
1	Reducing rental and other expenses (service charges)	Moving the company's executive branch from Sky Tower to Smart's own offices of Blvd Gh. Sincai, Bucharest 3	October 2019	276 Oct-Dec rent	1100	1110	1110	1110
				72 Oct-Dec service charges	272	272	272	272
2	Reducing the fuel expenses	Monitoring and optimising fuel consumption values	May 2019	130	130	130	130	130
3	Reducing maintenance & repair expenses	Taking out of operation the means of transport generating high maintenance costs	June 2019	88	88	88	88	88
4	Reducing the mandate contract expenses	Cancelling the positions of Director General Deputy I & II when valid mandates expire	July 2019	74 for July-Dec	156	156	156	156
			Oct 2019	22 for Oct-Dec	156	156	156	156
5	Reducing the guard expenses	Making risk studies and replacing human guards with monitoring & anti-burglary systems	June 2019	200 for July-Dec	400	400	400	400
6	Reducing other operational expenses	Reducing de-commissioning related to stored materials	May 2019	60	60	60	60	60
7	Reducing the interest rate costs	Repaying the credit line amounting to 7.32 million Lei	May 2019	420	563	563	563	563
8	Reducing expenses of services provided by third parties	Reducing subcontractor expenses by changing the tender participation strategy	May 2019	5900	5700	5700	5700	5700
9	Reducing the amortisement of non-current assets	The normal operational life of certain non-current assets ends in 2019		170	170	170	170	170
10	Reducing the expenses generated by non-performing contracts	All contracts in progress and typical contracts will be examined						

The director general is requested to provide the history of contracting and contract execution for Transelectrica's substations Dumbrava, Arefu and Raureni.

2) Providing the human resources required in order to carry out the activities of SMART SA

This measure has two components:

- a) **Restructuring the organisation of SMART employees** by changing the company's organisational chart so that personnel resources can support productive activities and cover the company's deficit areas, which can generate huge fines for non-compliance with legal obligations, e.g. GDPR, archiving. The main target of this component however will be the provision of qualified personnel in all branches in order to reduce employees' transport / delegation expenses in-between branches to cover deficiencies, e.g. I&C electrician from MB Constanta to work in MB Bacau. Increased efficiency of executive activities from central office is also targeted.

- An important part of this measure is reorganising the indirectly productive and administrative personnel by increasing the number of directly productive employees to minimum 75% of total personnel in comparison with the situation of 2012-2018 when such directly productive workers counted about 66% of the total number.

- b) **Preserving the current human resource by means identified by mutual agreement with shareholders and social partners**

3) Changing the business strategy by focussing mostly on maintaining and improving relations with the main client, Transelectrica SA

The most important business decision is re-allocating the main efforts towards increasing satisfaction and therefore the material and financial volumes of activities with the main client, Transelectrica SA, resuming the good practice that existed before in the two companies.

To this effect but also in view of reducing certain administrative expenses physical proximity to the client is required by moving Smart's offices near those of Transelectrica to: operationalise contacts and shorten analysis and managerial response times with a view to get client-oriented. This can be done beginning with November 2019, when the current office contract expires.

Getting oriented towards the client Transelectrica will become a priority for our branches as well.

- 4) **Increasing quality of trading activities by examining and avoiding future conclusion of contracts with unfavourable clauses**, which might have negative financial impacts and, wherever possible, renegotiating certain contracts. In particular references point to resuming the good practice of subcontracting, with clauses mirroring those of main contracts, especially with Transelectrica in order to avoid malfunctions already occurring – the Siemens case is notorious in SMART SA and the situation being disputed but not yet in court precisely because the clauses of the Transelectrica-SMART contract are different from those included in the subsequent investment contracts SMART-SIEMENS in substations Raureni, Arefu and Dumbrava.

Identifying realistic revenues to sustain the activities of company SMART SA under efficient conditions and generate positive cash flows in the future.

Achieving the revenues of contract C263/2017 for Strategic services/work in the installations managed by Transelectrica SA, amounting to minimum 135 million Lei in 2019 and 2020, structured according to SMART's offer (35% refurbishment work, 4.8% periodical OHL control, 49% capital repair + IA & LS; 11.2% other work and services).

Terminating or adding the contracts for equipment supply and work/service execution, which have proved unprofitable for SMART SA or were not carried out according to contractual terms.

5) Capitalising to Transelectrica certain buildings taken over under the establishment protocol of Smart SA according to the annex

This measure aims at achieving revenues from the sale of buildings, including reducing expenses of amortisement, local taxes and charges, utilities and guard.

No.	Name	Inventory value (Lei)
1	Assets which Transelectrica expressed an interest to take over the building	1,434,360
2	Assets that Smart proposed for sale to Transelectrica	6,656,451
3	Total assets that can be capitalised	8,090,811

These buildings can be put to value depending on market prices and the best financial solution will be selected for SMART SA, even if the solutions mean selling to third parties. The legal endorsement circuit will be applied for each asset individually.

F) Necessary resources

The capital infusion amounting to 24 million Lei necessary for:

- 7.3 million Lei to cover / secure the ING credit line** in view of avoiding the imminent blockage of SMART's accounts;
- 9.4 million Lei outstanding payments to suppliers** in view of avoiding the initiation of insolvency proceedings against SMART SA;
- 7.3 million Lei current capital to unblock suspended work and perform already existing or new contractual obligations, especially under contracts with Transelectrica.** The failure to carry out contractual obligations already assumed by SMART SA can entail huge penalties and such penalty risk translates into cancelling the financial measures to avoid insolvency because immediate payments will only postpone insolvency if the amounts are swallowed by penalties;

The capital infusion was a measure agreed upon by the executive managements of both companies, as the best action under the current situation and the only one accepted, being also mentioned in the talks with the creditor. This measure is mirrored in the financial projections made in accordance with the maintenance contract of the two companies, and it will be applied according to legal provisions.

SMART will cooperate with Transelectrica and will request an opinion from the Competition Council about the incidence of European regulations on state aids and competition upon the proposed action.

G) Plan result

Applying the recovery measures will lead to improving the company's payment capacity and increased efficiency. Financial projections are elaborated in conservative manner based on maintenance revenues with Transelectrica, amounting to 67 million Lei each year.

	2016	2017	2018	2019	2020	2021	2022	2023
RESULTS ACCOUNT			estimate					
Revenues of TEL maintenance contract	60.62	54.08	56.30	67.00	67.00	67.00	67.00	67.00
Investment contracts of TEL	6.57	7.47	10.16	0.00	0.00	0.00	0.00	0.00
Other revenues	6.82	5.05	5.28	0.16	0.00	0.00	0.00	0.00
Total operational revenues	74.01	66.60	71.74	67.16	67.00	67.00	67.00	67.00
Total operational expenses	78.18	61.91	70.07	60.28	59.15	59.10	59.37	59.67

EBITDA (operational result)	-4.17	4.69	1.67	6.88	7.85	7.90	7.63	7.33
Amortisement	6.15	7.78	6.80	6.63	6.63	6.63	6.63	6.63
EBIT (operational result)	-10.32	-3.09	-5.14	0.25	1.22	1.27	1.00	0.70
Total financial expenses	0.18	0.34	0.37	0.14	0.00	0.00	0.00	0.00
EBT (gross result)	-10.50	-3.43	-5.51	-0.11	1.22	1.27	1.00	0.70

The projection of 2019-2023 economic-financial indicators is provided in table form in the annex.

Attached **annexes**:

- 1) Company presentation
- 2) Liabilities to suppliers
- 3) Projection of 2019-2023 economic-financial indicators
- 4) Situation of buildings proposed for sale
- 5) Structure of administrative and directly productive personnel on 31.01.2019

SMART SA Company Presentation

ID data

Smart SA was established in 2001 under GD 710/17.10.2001, Decision regarding establishment of subsidiary Trading Company for Maintenance Services to the Electricity Transmission Grid, Smart SA by reorganising certain activities of the National Power Grid Company Transelectrica SA. Headquarters are in Blvd. Magheru 33, Bucharest 1, Romania, and the company's correspondence address is Calea Floreasca 246C, Sky Tower Building, 20th floor, Bucharest 1.

Smart SA is organised and operates in accordance with the legal provisions from the Articles of Association, being registered in the Trade Register under no. J40/8613/2001.

The main company activity consists in revisions and repairs to primary equipment of electricity networks; remedying incidents of electric installations; providing energy services, micro-production of electric equipment.

In addition the company can perform also associated activities to sustain the main business in accordance with the applicable legislation and one's own by-laws, for the safe operation of the National Power System.

The share capital of Smart SA was 55,036,300 Lei on 31.01.2019, divided into 5,503,630 nominative shares of 10 Lei each.

The shareholder structure on 01.03.2019 was as follows:

- The shares from no. 1 to no. 3,852,860, namely 70.005% are held by the majority shareholder Transelectrica SA seated in Bucharest 1, Blvd. Gh. Magheru 33, registered under no. J40/8060/2000 in the Trade Register, fiscal registration 13328043;
- The shares from no. 3,852,861 to no. 5,503,630, namely 29.994% are held by the Romanian State through the Ministry of Economy, seated in Bucharest 1, Calea Victoriei 152, fiscal registration 24931499;

Company description:

Activity domain

Smart SA was established in order to provide maintenance and repair services to the installations of the Electricity Transmission Grid managed by Transelectrica. Thus according to one's own by-laws Smart's main business consists of repairs to electric equipment (revisions, repairs and remedies of incidents to primary and secondary equipment of electric networks; providing energy services; micro-production of electric equipment), CAEN code 3314.

At present Smart SA provides the following main activities:

- Revisions and repairs to electric installations of electricity networks
- Remedy of incidents in electric installations
- Prophylactic measurements and I&C check-ups
- Installing and uninstalling primary and secondary equipment of electric installations
- Measurements and tests to commission electric installations
- Treatment for the oils and solid insulations of transformers and shunt reactors
- Providing car transport with heavy loads and beyond
- Entrepreneurship and rehabilitation & refurbishment work for the power system
- Design for electric installations
- Micro-production of electric equipment
- Other services for the power system and industrial clients

The main company objective is the maintenance of the Electricity Transmission Grid managed by Transelectrica SA. The serviced installations include 80 electric substations at 220 kV, 400 kV and

750 kV and about 9,000 km of 220 kV ÷ 400 kV OHL-s. About 50% of all electric substations were refurbished in the last 15 years.

Besides the fore-mentioned traditional service areas the company extended its servicing activities to other important clients of the power industry: Hidroelectrica, Nuclearelectrica, Electrica, ENEL, CEZ, Termoelectrica etc.

An important part of such high performance additional services was introduced in Smart's portfolio, which were developed in time in technical and commercial terms. They include:

- Live work (LW)
- On-site transformer rehabilitation; reconditioning electro insulating oils; treating insulations (RUTI)
- Design
- Special measurements and expertise for power transformers
- Special measurements and expertise for primary equipment and electric lines
- Energy consulting

During times of minimum minor maintenance resources should be redistributed in flexible manner to other activities and contracts in order to optimise resource utilisation and reduce non-current expenses.

Smart SA should predominantly provide resources for RET maintenance, according to its mission set from establishment. In this context mention should be made that activities additionally contracted to best use available resources bring in return some restrictions of resource allocation. The company's additional activities should be performed in such a manner that available resources allocated should not impact the core business, as provided in article 5 of GD 710/2001, stating "*Smart SA can perform other additional activities to sustain its main business in accordance with applicable legislation and its own by-laws as long as the National Power System is operating safely*".

Resource utilisation as distributed to various working points is different, depending on the specific RET conditions of the respective region.

The amount of activities requiring RET outages is limited by the safe operation of SEN. Thus the prerequisite to predominantly provide resources for minor maintenance of RET can be complied with easier if most additional activities are also carried out within RET.

Organisation:

Smart SA has eight secondary offices with branch status, without legal personality. They are:

No.	Branch	City	Address
1	Branch for maintenance services to transmission networks Bacau	Bacau	Str. Oituz no. 41
2	Branch for maintenance services to transmission networks Bucharest	Bucharest	Str. Stefan cel Mare no. 3A, Bucharest 1
3	Branch for maintenance services to transmission networks Cluj	Cluj	Str. Taberei no. 20
4	Branch for maintenance services to transmission networks Constanta	Constanta	Illegible
5	Branch for maintenance services to transmission networks Craiova	Craiova	Str. Dimitrie Gerota no. 26
6	Branch for maintenance services to transmission networks Pitesti	Pitesti	Str. Fratii Golesti no. 25B
7	Branch for maintenance services to transmission networks Sibiu	Sibiu	Str. Corneliu Coposu no. 3
8	Branch for maintenance services to transmission networks Timisoara	Timisoara	Str. Piata Romanilor no. 11

The branches organise and perform their own accounting up to check-up balance level.

Diagnosing analysis

Company development

Turnover

The turnover development and the turnover obtained from Transelectrica SA in 2010 – 30 November 2018 are provided below:

Indicator (Lei)	2010	2011	2012	2013	2014	2015	2016	2017	2018 estimated
Operational revenues	121,675,533	186,292,783	170,958,270	112,288,518	104,815,590	86,004,880	74,008,648	66,598,844	71,702,904
Turnover	122,113,093	185,422,258	167,335,830	114,151,730	103,791,784	84,844,816	73,679,190	65,628,420	71,534,435
Portfolio contracts with TEL	109,529,445	175,481,559	154,891,215	105,320,479	100,570,381	80,766,204	67,189,502	61,547,427	56,448,156
TEL share in turnover	89.70%	94.64%	92.55%	92.26%	96.90%	95.19%	91.19%	93.78%	92.88%

A great decrease is noticed of revenues achieved from revisions, repairs and incident remedies to primary & secondary equipment of electricity networks (portfolio contracts for minor maintenance in RET), an effect of the RET upgrade-refurbishment programme promoted by CNTEE Transelectrica SA.

As minor maintenance activities diminished the demand of work and services specific to upgrades and rehabilitations of installations financed from investment funds began growing. This is properly mirrored in the increasing share achieved from other contracts than those in the portfolio with the Company.

The evolution of revenues, expenses and the company results beginning with 2010 is provided in the table below.

Mill. Lei

Indicator	31.12.2010	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018
Total revenues	121,855	186,340	170,998	112,341	104,848	86,105	74,507	66,870	71,927
Total expenses	118,203	178,837	162,224	104,118	104,040	91,337	85,007	70,304	77,047
Turnover	123,139	185,422	102,336	114,152	103,792	84,819	73,678	69,628	71,534
Operational result	4,733	8,332	9,454	8,747	1,311	-4,974	-10,322	-3,094	-4,753
Gross result	3,654	7,504	8,774	8,223	808	-5,233	-10,500	-3,434	-5,120
Net result	3,647	5,788	6,996	6,584	328	-5,233	-10,500	-3,434	-5,220
Number of existing employees	944	906	895	898	887	860	819	728	671

Personnel evolution by categories in 2016 - 2018

No.	Employee category	Average emp. no. on 31.12.2016	Average emp. no. on 31.12.2017	Average emp. no. on 31.12.2018	2018/2016 variation (%)	2018/2017 variation	2018-2016 variation (Lei)	2018-2017 variation (Lei)
	0	1	2	3	4	5	6	7
1	Directly productive	536	491	447	83.40%	91.04%	-59	-44
2	Indirectly productive	276	250	227	82.25%	90.80%	-49	-23
3	TOTAL	812	741	674	83.00%	90.96%	-138	-67
4	% indirectly productive personnel in total number	34%	33.7%	33.7%	-	-	-	-
5	% directly productive personnel in total number	66%	66.3%	66.3%	-	-	-	-

Evolution of the average number of directly & indirectly productive employees on 31.12.2018 compared to 31.12.2017 and 31.12.2016 (Lei)

Directly productive	Indirectly productive
536	276
491	250
447	227

On 31.01.2019 Co. Smart SA has about 662 employees, structured by education as follows:

University studies	about 40.94% (271 employees)
High school studies	about 19.03% (126 employees)
Foremen	about 4.98% (33 employees)
Workers	about 35.05% (232 employees)

The structure of hired employees by trade is as follows:

- Personnel for primary circuits work in substations	about 24.92% (165 employees)
- Personnel for primary circuit work to lines	about 11.93% (79 employees)
- Personnel for secondary circuit work	about 13.75% (91 employees)
- Personnel for prophylactic works	about 6.34% (42 employees)
- Personnel for compressed air work in substations	about 0.76% (5 employees)
- Other qualifications	about 42.30% (280 employees)

In 2019 there are 57 employees in the average impacted by the legislation regarding the increase of the economic average wage, providing gain increase in this respect by 7.64 thousand Lei/month in the average, namely 92 mill Lei each year.

SMART SA
Situation of suppliers on 06.03.2019

Supplier's name	On balance on 06.03.2019	Of which	
		Due on 06.03.2019	Due more than 60 days' delay
4 M PROTECTIE SERV	1,943.87	1,943.87	
ABB SRL	159,130.50	159,130.50	
ABM CONSULTING SRLA	44,800.00	-	
Admar serv SRL	900.00	900.00	900.00
ADMINISTRATION OF STATE PROTOCOL HERITAGE	6,699.73	6,699.73	
AFTERNET SRL	1,904.00	1,904.00	1,904.00
AGN GRUP SRL	16,491.51	15,938.51	15,379.51
AGRIN	603.10	603.10	
AISE Braila	1,845.67	1,845.67	567.82
AISE Galati	6,011.88	6,011.88	6,011.88
ALEX AUTO	2,094.18	-	
ALL BUSINESS	519.91	519.91	
ALL Generating	3,398.81	3,398.81	
ALSTR	928.80	928.80	928.80
AMA ENERGY INVEST SRL	25,150.80	25,150.80	16,122.15
ANDONET TOTAL SRL	1,223.02	1,223.02	1,223.02
Andromeda SRLS	762.07	762.07	762.07
ANV TRADER	2,281.23	-	
APA OLTENIA	4,787.97	4,787.97	4,787.97
APA PROD	1,522.95	-	
AQUATIM	43.42	43.42	
AQUATOR SRL	345.10	-	
ARC BRASOV	141,089.27	141,089.27	24,926.70
ARC ELECTRONIC SRL	292,384.16	292,384.16	
AUTO BECORO	284.22	284.22	
AUTO OVAROM	39,120.10	39,120.10	28,161.51
AUTOMATICA	7,589.27	7,589.27	
BAD DOG OFFICE DISTRIBUTIONS	34,172.04	34,172.04	
BIATURC	19,420.80	19,420.80	19,420.80
BLAN AUTO	3,984.06	3,984.06	
BLANARIU	3,500.00	3,500.00	3,500.00
BLUE CAR SERVICE	15,382.98	15,382.98	12,437.89
BRANTNER ENVIRONMENT	15.02	15.02	
BRIO ELECTRIC	381.99	381.99	
BRIO ELECTROTEHNIC	4,851.73	4,851.73	
Bucsa Motor SRL	3,173.00	3,173.00	3,173.00
CARANDA BATERII	7,851.20	7,851.20	7,851.20
CARSUNO	5,094.94	5,094.94	5,094.94
CELPi SA	666,561.90	666,561.90	300,482.68
CEZ VANZARE	2,198.09	-	
CHIMGRUP	3,229.07	3,229.07	1,291.63
CHORUS MARKETING & DISTRIBUTION SRL	41,822.30	15,327.79	1,678.30
CIROMAT	3,786.31	3,786.31	2,869.80

CLAUS MIH	3,355.55	3,355.55	3,355.55
CLIMA CONFORT ENERGY	2,782.22	2,782.22	2,782.22
CNCIR	1,487.50	-	
CNTEE TRANSELECTRICA SA	150,261.84	146,522.43	22,884.36
COMAT BACAU	4,442.11	2,628.39	2,016.77
COMPANIA DE INFORMATICA NEAMT	180.63	-	
CORA COMPAR	1,533.64	1,533.64	
CROMATEC PLUS SRL	10,608.85	10,608.85	
Cumpana 1993	447.07	447.07	
DACIA SERVICE CLUJ	1,420.13	1,420.13	1,420.13
DACOM	19,635.00	19,635.00	
DACOM IMPEX SRL	189,888.30	189,888.30	86,655.80
Detectors SRL	735.60	368.90	
Dialfa Security	27,349.80	21,709.20	5,427.30
DIVERTISCOM BACAU	1,773.90	1,130.00	855.00
SECURITY DIVISION EUROGRUP RANGERS SRL	35,397.12	25,215.48	5,181.64
DO SECURITY GRUP GUARD & PROTECTION	285.60	-	
DUO CRIS BUILDING SRL	13,369.06	13,369.06	4,583.65
E.ON ENERGIE ROMANIA	13,882.74	-	
ECRO	4,382.03	4,382.03	4,382.03
EEE SA	1,812.63	1,812.63	1,812.63
ELECTRIC COM 3M SRL	10,843.38	10,843.38	7,071.87
ELECTRICA FURNIZARE	37,293.77	30,378.80	7,152.07
ELECTRICA SERV	2,145.14	1,644.61	536.29
ELECTROCLEM SRL	1,249.50	1,249.50	1,249.50
ELECTROCONAT	16,948.63	16,948.63	9,946.67
ELECTROENERGETICA	41,159.56	41,159.56	41,159.56
ELECTROMONTAJ SA	22,088.78	22,088.78	12,092.78
ELECTROPUTERE AIT	539,341.90	412,960.10	139,565.16
ELECTROSERV BIROTICA SRL	1,418.02	705.02	
ELECTROTEHNICA ELECTRIC EQUIPMENT SA	137,657.88	7,130.38	5,800.65
ELEROM	8,704.51	6,444.81	6,444.81
ELEVATOR	2,403.80	2,403.80	2,403.80
ELITA SIMEX SRL	76,455.58		
ELM ELECTROMONTAJ	580.96	580.96	580.96
ELPRO SRL	-	-	-
ENERGOBIT	67,118.18	64,976.18	20,232.18
ENERGOPRACTIC	9,807.98	9,807.98	
Energoserv SRL	10,973.39	10,973.39	10,973.39
ENERGO TECH SA	932,030.89	897,755.91	119,645.37
ENEROPTIM	27,586.00	25,628.45	6,271.79
ENGIE	8,438.29	5,887.66	
EON ENERGIE ROMANIA	24,751.08	7,258.49	2,770.28
EON EXPERT SERVICII	8,330.00	8,330.00	8,330.00
ESCO M	10,082.20	8,478.08	8,043.08
Euro Vial	2,036.90	2,036.90	2,036.90
EURO VIAL LIGHTING SRL	1,477.35	1,366.35	
EUROTRANS	7,140.00	7,140.00	7,140.00

EW HOLDING	9,322.76	9,322.76	8,020.33
EXELECTRO ENGINEERING	57,786.88	57,786.88	57,786.88
EXIMPROD GRUP SA	424,155.47	424,155.47	110,129.72
EXIMPROD POWER SYSTEM	2,881.85	2,881.85	
EXPERT CONTABIL	583.10	583.10	
EXPERT PROIECT 2002	69,148.52	69,148.52	
FISE ELECTRICA SERV SA	5,913.71	5,913.71	5,913.71
FARBEN SRL	249,596.18	249,596.18	187,545.04
Firsttech SRL	25,744.22	25,744.22	
FLAGA GPL ROMANIA	3,430.69	3,430.69	
FORM CONSULT	433.16	433.16	
FORMENERG	8,622.41	8,622.41	
FORT	30,735.19	20,491.58	
FORTUNA MOTOR	11,224.02	11,224.02	11,224.02
GERBRUDER WEISS	928.20	928.20	
GENSAN	74.00	74.00	
GLOBAL ELECTRO CONSTRUCT SRL	56,599.62	56,599.62	
GLOBAL NET SRL	35,404.63	32,962.71	23,474.41
GRID SOLUTIONS ROMANIA SRL	270,490.26	270,490.26	19,917.74
GRID SOLUTIONS ROMANIS	66,972.10	66,972.10	63,461.60
GSC SELVIR SRL	842.31	765.01	
HERBING	2,828.09	2,828.09	2,828.09
HOLDVIS TRADE 2003 SRL	12,961.15	12,961.15	3,030.47
ICMET CRAIOVA	22,403.45	22,403.45	
IDS LABORATORIES	3,640.00	-	
IIRUC	142.80	107.10	
IMPACT CONSTRUCT NRI SRL	4,837.35	4,837.35	
Indsolax srl	4,165.00	4,165.00	4,165.00
INFO EXPERT GHIRCOLAS	5,247.90	4,664.80	583.10
INSTAL CONSTRUCT	17,195.79	17,195.79	
IPROEB SA	82,155.95	82,155.95	18,189.39
JO & CO CORPORATION SRL	14,190.75	14,190.75	13,030.50
KASTEL DARO TIM SRL	821.10	-	
KEYRON ELECTRIC COMPANY	17,872.83	17,872.83	17,872.83
KING MOTORS	7,770.10	7,770.10	7,770.10
LA FANTANA	1,885.84	1,885.84	960.50
LEOBIS GRUP SRL	405.19	401.62	
LINDE GAZ ROMANIA SRL	11,024.21	8,635.47	
LOGI OFFICE SRL	802.85	802.85	802.85
MACARALE SRL	21,762.12	6,419.26	
MAFCOM	2,079.37	2,079.37	1,616.26
MAIRA MONTAJ	140,430.67	84,953.85	32,111.66
MARGEX	2,609.88	2,609.88	2,609.88
MARSROM	5,103.77	5,103.77	5,103.77
MASPEX ROMANIA	1,322.64	1,322.64	1,322.64
MATRIXCOMP	157.61	-	
MEDICIS	921.00	921.00	
MESSER	102.35	102.35	50.34
MESSER ROMANIA GAZ SRL	2,246.91	987.73	
MICROSISTEM SERVICE	3,248.70	3,248.70	3,248.70
MIR Service SRL	2,863.97	2,863.97	2,863.97

MITLIV	714.00	714.00	
MODE CROLUX	3,748.50	-	
MOTOREP	4,632.97	4,632.97	4,632.97
NCH ROMANIA	4,034.34	4,034.34	1,573.30
NEPTUN SERVICE MACARALE SRL	4,345.88	4,345.88	
NEW MOTORS	3,079.00	3,079.00	2,626.00
NORD TRUK SERVICE	1,434.95	1,434.95	1,321.90
OLMIA SRL	6,277.13	5,848.13	2,249.97
OLTD Expert	1,800.00	1,800.00	1,800.00
ONIX CONFORT	1,404.20	1,404.20	
OPEN TEAM	302.55	205.57	
ORANGE ROMANIA	3,919.03	-	
PINTEL INTELLIGENT SYSTEMS SRL	831.45	831.45	
PLUS ELECTRIC	3,546.20	3,546.20	3,546.20
Polaris SRL	373.37	-	
POLICLINICA	1,500.00	1,500.00	
POPESCU C. MIHAI PERSOANA FIZICA AUTORIZATA	10,508.05	10,508.05	7,028.35
POWER ALL	6,902.36	6,902.36	
PRECISA SRL	4,016.25	4,016.25	
PRESTOCLI SERV SRL	5,003.95	5,003.95	5,003.95
PRIVAT SERVICE	19,438.54	19,438.54	13,901.56
PROEXIM	1,785.00	1,785.00	
PROFELIS C&V SRL	39,487.10	-	
PROMAD	3,027.78	3,027.78	3,027.78
PROUTIL	1,829.03	-	
RCS & RDS SA	84.46	84.46	42.23
REDOX RESEARCH & ANALYTIC	7,103.38	7,103.38	4,151.43
REUNOBIT	1,006.74	1,006.74	1,006.74
Riadenil SRL	4,426.20	4,426.20	4,426.20
RIGAB SERVICE SRL	285.60	285.60	
RIK SRL	1,514.78	1,514.78	1,221.85
RM PRODIMPEX	858.35	858.35	
RODALI	3,451.00	3,451.00	3,451.00
RODMIL INTERNATIONAL SRL	5,008.71	5,008.71	
ROM TECH	8,392.67	8,392.67	8,392.67
ROMOLD SRL	9,455.64	-	
RSVTI	1,550.00	1,240.00	620.00
RUSTRANS	3,393.88	3,393.88	3,393.88
SAINT CHIMIC	8,157.43	8,157.43	8,157.43
SALUBRIS	142.63	142.63	
SBK SECURITY SRL	22,318.93	6,991.95	
SCANDO TRADING SRL	42,845.69	13,724.11	13,724.11
SCHRACK TECHNIK SRL	962.12	798.63	
SDEE Muntenia N	4,209.75	4,209.75	
Selco Systems SRL	4,192.37	4,192.37	773.50
SEMBRAZ SA	10,606.47	10,606.47	10,606.47
Serv Energ Dobrogea	5,543.59	5,543.59	
Serv Public Ecosal	324.37	324.37	
SERVICE AUTOMOBILE	1,700.52	1,700.52	927.87
SERVICE AUTOMOBILE 2	2,427.62	2,427.62	2,427.62

SGPI	130,433.49	130,433.49	64,499.22
SHAROLT	2,798.88	2,798.88	368.90
SIEMENS SRL	2,489,733.31	2,489,733.31	2,008,450.78
SIGEMO IMPEX	2,526.00	2,526.00	678.00
Silfar Service SRL	4,049.00	4,049.00	4,049.00
SIMTECH INTERNATIONAL	35,763.07	35,763.07	35,763.07
SITECH	1,109.56	758.80	
SKYTOWER BUILDING	441,165.35	430,537.61	143,512.54
SN Midia	20,334.20	20,334.20	20,334.20
STENMARSERV	13,449.28	13,449.28	11,835.34
SUD ELECTRIC	46,154.98	46,154.98	
SUMMIT SRL	2,239.98	2,239.98	2,239.98
SUN COPY SRL	595.00	595.00	
SUNLIGHT INDUSTRIAL SRL	4,519.98	4,519.98	
SUPREMOFFICE	11,549.70	11,549.70	11,290.99
TEHNOROM SRL	1,041.44	-	
TELEDATANET SRL	4,870.29	4,870.29	4,870.29
TELETRANS	1,248.82	-	
TEXER SERVICE	253.97	-	
TMG	67,576.80	67,576.80	22,485.43
TMG	22,485.43	22,485.43	22,485.43
TOP AUTO DRAGANDY	3,394.50	2,981.00	2,797.00
TRANSCOM IONY SRL	4,256.60	4,256.60	2,031.30
TRESCAL	41,534.65	41,534.65	4,110.62
TRUCK	4,115.62	4,115.62	4,115.62
TTA UTILAJE INDUSTRIALE	2,336.83	2,336.83	
TUDOR AUTO	2,169.48	2,169.48	2,169.48
Tyd ELAN SRL	6,807.89	6,807.89	6,807.89
Universal Aurora SA	2,554.36	2,554.36	
Universal Comprest SA	5,191.40	5,191.40	4,480.40
UNIVERSAL CONSTRUCT MARKET SA	1,776.10	1,776.10	
UPC	843.44	843.44	
URGENT CARGUS	67.24	-	
VIG	5,872.65	5,872.65	
Total	9,460,217.27	8,733,084.19	4,196,114.56

Projection of economic-financial indicators for 2019-2023

Thousand Lei

RESULTS ACCOUNT	2016 achieved	2017 achieved	2018 estimated	2019 forecasts	2020 forecasts	2021 forecasts	2022 forecasts	2023 forecasts
Revenues, maintenance contract with TEL	60.52	54.08	56.30	67.00	67.00	67.00	67.00	67.00
Investment contracts of TEL	6.57	7.47	10.16	0.00	0.00	0.00	0.00	0.00
Other revenues	6.82	5.05	5.28	0.16	0.00	0.00	0.00	0.00
Total operational revenues	74.01	66.60	71.74	67.16	67.00	67.00	67.00	67.00
Materials and consumables	10.41	5.88	8.20	8.04	8.04	8.04	8.04	8.04
Accounts for invest projects of TEL	4.00	3.50	3.85	0.00	0.00	0.00	0.00	0.00
Maintain & repair printers, PC, small outfits	0.58	0.34	0.44	0.36	0.35	0.35	0.35	0.35
Expenses on fuels	1.88	1.60	1.78	1.65	1.65	1.65	1.65	1.65
Inventory items	0.93	0.65	0.28	0.60	0.60	0.30	0.40	0.45
Utilities	1.18	1.14	0.96	1.04	1.04	1.00	0.90	0.90
Rents	1.14	1.16	1.19	0.08	0.08	0.08	0.08	0.08
Insurance	0.89	0.66	0.52	0.59	0.59	0.58	0.55	0.50
Salaries and other retributions	28.19	27.57	33.58	33.71	33.60	34.27	34.62	34.96
Expenses of mandate contracts	0.67	0.68	0.69	0.59	0.37	0.37	0.37	0.37
Salary contributions	7.91	7.35	1.51	1.57	1.56	1.58	1.58	1.59
Bonuses (meal coupons + social costs)	3.83	3.58	2.74	2.40	2.38	2.38	2.38	2.38
Marketing and protocol	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transportation expenses	0.43	0.51	0.24	0.24	0.24	0.24	0.24	0.24
Travel expenses	2.08	1.45	1.30	1.40	1.40	1.40	1.40	1.40
Postal & telecom expenses	0.27	0.22	0.20	0.20	0.23	0.23	0.23	0.23
Bank service expenses	0.20	0.21	0.24	0.31	0.20	0.20	0.20	0.20
Other operational expenses	1.36	0.60	1.06	1.00	1.12	1.12	1.12	1.12
Expenses with third parties' services	8.19	7.08	10.51	4.05	4.05	4.05	4.05	4.05
Local taxes & charges, stamp taxes	0.82	0.80	0.77	1.12	1.15	0.80	0.80	0.80
Allowances & depreciations of assets, pensions, stocks	3.22	-3.07	0.02	0.50	0.50	0.45	0.40	0.35
Restructuring expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortisement	6.15	7.78	6.80	6.63	6.63	6.63	6.63	6.63
Total operational expenses	84.33	69.69	76.88	66.91	65.78	65.73	66.00	66.30
EBIT (operational result)	-10.32	-3.09	-5.14	0.25	1.22	1.27	1.00	0.70
EBITDA	-4.17	4.69	1.67	6.88	7.85	7.99	7.63	7.33
	-6%	7%	2%	10%	12%	12%	11%	11%
Paid interest rates	0.39	0.57	0.56	0.14	0.00	0.00	0.00	0.00
Exchange rate differences	0.29	0.04	0.03	0.00	0.00	0.00	0.00	0.00
Other financial revenues / expenses	-0.50	-0.27	-0.22	0.00	0.00	0.00	0.00	0.00
Total financial expenses	0.18	0.34	0.37	0.14	0.00	0.00	0.00	0.00
EBT	-10.50	-3.43	-5.51	0.11	1.22	1.27	1.00	0.70

SITUATION OF BUILDINGS PROPOSED TO BE SOLD
Assets in which the National Power Grid Company Transelectrica SA has been interested

BACAU MAINTENANCE BRANCH					
No.	Non-current asset name	Inventory no.	Inventory value	Annual amortisement	Annual taxes [Lei]
1	Office space, Bacau headquarters, Oituz 41, useful floor area 72.87 m2		237,800.00		
CRAIOVA TB					
No.	Non-current asset name	Inventory no.	Inventory value	Annual amortisement	Annual taxes [Lei]
1	ISALNITA SMART – TOOL WAREHOUSE	1129	170,225.00	29,349.08	623.00
2	ISALNITA SMART – 2 – COMPARTMENT STOREROOM	1324	30,516.11	1,664.52	481.00
3	ISALNITA SMART – STOREROOM-SHED	1325	2,266.09	123.60	36.00
SIBIU TB					
No.	Non-current asset name	Inventory no.	Inventory value	Annual amortisement	Annual taxes [Lei]
1	PALTINIS TRAINING CENTER BUILDING	19003	928,562.00	18,571.20	15,734.00
2	Paltinis TC concrete platform	19004	3,918.00	150.72	
3	Paltinis TC water adduction	19005	63,339.00	2,436.12	
TOTAL			1,434,360.11	52,171.64	16,838.00

Assets proposed by Smart SA to be sold to National Power Grid Company Transelectrica SA

SMART EXECUTIVE

No.	Non-current asset name	Inventory no.	Inventory value	Annual amortisement	Annual taxes [Lei]
1	Concrete wall building	10000000	334,700.00	461,530.64	4,434.00
2	2-room apartment + annexes	10000	4,423,000.00	16,032.60	2,525.20
BACAU MAINTENANCE BRANCH					
No.	Non-current asset name	Inventory no.	Inventory value	Annual amortisement	Annual taxes [Lei]
1	1400 m2 land in Viisoara village, Alexandru cel Bun large village, Neamt County		229,000.00	not amortised	156.00
BUCHAREST MB					
No.	Non-current asset name	Inventory no.	Inventory value	Annual amortisement	Annual taxes [Lei]
1	GURA IALOMITEI, IALOMITA COUNTY WORKROOM BUILDING	110187/2	69,838.00	5,304.12	
2	GURA IALOMITEI, IALOMITA COUNTY INTERVENTION BUILDING	110326	48,344.00	3,118.92	

3	GURA IALOMITEI, IALOMITA COUNTY COMPANY-OWNED DWELLING BUILDING	110327/1	32,517.00	2,097.84	6,675.00
4	1113ALEX GHIZDARU, GIURGIU COUNTY INTERVENTION BUILDING + ANNEXES	110422	39,807.00	2,296.56	1,627.00
5	PEI CHEIA – PRAHOVA COUNTY	18011001	40,070.00	1,043.04	521.00
CLUJ MB					
No.	Non-current asset name	Inventory no.	Inventory value	Annual amortisement	Annual taxes [Lei]
1	TINERETULUI DORM BUILDING (2 STUDIOS)	10499	122,790.00	3,013.20	122.00
2	ZALAU STOREROOM BUILDING	12000	49,894.00	2,311.68	
3	BAIA MARE GARAGE	10147	30,764.00	10,254.72	
CONSTANTA MB					
No.	Non-current asset name	Inventory no.	Inventory value	Annual amortisement	Annual taxes [Lei]
1	BUILDING OF 110 KV SUBSTATION MEDGIDIA 1 COMPENSATOR	1,000,001	24,950.72	8,316.96	591.19
2	CAR SHOP BUILDING SCM 216 m2 Vf cu Dor	1,000,002	73,936.55	6,118.92	2,666.76
3	INTERVENTION CENTRE CL.P+1 Medg.N 47.6 m2, rooms	1,000,010	52,952.51	1,820.76	649.23
4	GROUND FL. BUILDING, OIL MANAGEMENT ISACCEA	1,000,019	47,215.30	1,302.48	1,486
5	PT BUILDING 220 KV TRANSF. SUBSTATION BR. L.SARAT, 12 m2	1,000,021	2,922.58	114.96	130.71
6	HALL OF CAR SHOP TULCEA, 3 car compart. + administrative space, 207.64 m2	1,000,025	130,911.17	3,898.08	3,207.32
7	BUILDING IN TULCEA, GR. FL.+1 FL., 180.01 m2	1,000,027	194,897.48	4,506.36	6,350.40
CRAIOVA MB					
No.	Non-current asset name	Inventory no.	Inventory value	Annual amortisement	Annual taxes [Lei]
1	BUILDING OF BEACONAGE INSTALL. FOR DANUBE	1341	1,838.68	64.92	29.00
PITESTI MB					
No.	Non-current asset name	Inventory no.	Inventory value	Annual amortisement	Annual taxes [Lei]
1	Building of intervention centre Valea Mare, Stefanesti, Arges	103020009	164,942.85	12,687.96	1.98
2	Metallic barracks with concreted platform CIT Stuparei, Valcea County	104430000	53,006.49	13,533.60	663.00

SIBIU MB					
No.	Non-current asset name	Inventory no.	Inventory value	Annual amortisement	Annual taxes [Lei]
1	ADMIN. BUILDING ALBA FERDINAND 83 SMART	11300540	325,542.85	72,650.76	4,155.00
2	PRODUCTION BLDG FOR OIL MIXING	19000040	54,300.00	6,033.36	2,037.00
TIMISOARA MB					
No.	Non-current asset name	Inventory no.	Inventory value	Annual amortisement	Annual taxes [Lei]
1	LIVING QUARTERS 220/110 KV SUBST. BARU MAR, PARTIAL	1000011	16,679.00	810.36	533.00
2	UN-TANKING TOWER PESTIST SUBST. (PARTIAL 55.82%)	1000018	69,813.00	5,817.72	2,184.00
3	BUILDING OF SPORTS BASE	1000027	11,818.00	429.72	380.00
	TOTAL		6,656,451.18	645,110.24	41,125.40

Company Smart SA
Human Resource Department

Structure of administrative and directly productive personnel on 31.01.2019

EO	TESA OVER-STRUCTURE			Directly productive			Total	
	No. of personnel	% of total personnel	Gross wage	No. of personnel	% of total personnel	Gross wage	No. of personnel	Gross wage
EXECUTIVE	36	100.00%	216,761	0	0.00%		36	216,701
BACAU	15	21.74%	73,108	54	78.26%	195,611.00	69	268,719
BUCHAREST	13	17.11%	67,498	63	82.89%	234,306.00	76	301,804
CLUJ	15	30.00%	63,221	35	70.00%	123,066.00	50	186,287
CONSTANTA	17	20.73%	78,745	65	79.27%	235,961.00	82	314,706
CRAIOVA	17	17.35%	86,368	81	82.65%	278,717.00	98	365,085
PITESTI	14	18.42%	71,058	62	81.58%	230,223.00	76	301,281
SIBIU	20	22.22%	113,540	70	77.78%	297,896.00	90	411,436
TIMISOARA	18	22.22%	98,018	63	77.78%	252,519.00	81	350,537
TOTAL	165	25.08%	868,317	493	74.92%	1,848,299.00	658	2,716,616

Note: The director general and deputy director general have not been included in the number of personnel and total gross wage

Chart – Number of personnel structure on 31.01. 2019

[...]

Chart – Gross wage of SMART personnel on 31.01.2019

[...]