



**UZTEL S.A.**

**OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS**

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IN INSOLVENTA

IN INSOLVENCY

EN PROCEDURE COLLECTIVE

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**UNAUDITED INTERIM STATEMENTS  
AT THE DATE OF  
AND FOR THE NINE MONTHS PERIOD  
ENDED ON 30 SEPTEMBER 2024**

**Drafted in accordance with the international financial reporting  
standards adopted by the European Union**

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## Statement of the Individual Financial Position for Accounting Reporting on 30.09.2024

| In LEI                                  | <u>30-September</u><br><u>2024</u> | <u>31-December</u><br><u>2023</u> |
|-----------------------------------------|------------------------------------|-----------------------------------|
| <b>Long-term Assets</b>                 |                                    |                                   |
| Tangible assets                         | 72.676.050                         | 75.233.022                        |
| Intangible assets                       | 38.507                             | 11.891                            |
| <b>Total long-term assets</b>           | <b><u>72.714.557</u></b>           | <b><u>75.244.913</u></b>          |
| <b>Current assets</b>                   |                                    |                                   |
| Stocks                                  | 36.357.150                         | 38.514.768                        |
| Trade receivables and other receivables | 6.346.480                          | 8.109.489                         |
| Cash and cash equivalents               | 817.601                            | 639.274                           |
| <b>Total current assets</b>             | <b><u>43.521.232</u></b>           | <b><u>47.263.531</u></b>          |
| <b>Total Assets</b>                     | <b><u>116.235.789</u></b>          | <b><u>122.508.444</u></b>         |
| <b>EQUITY AND LIABILITIES</b>           |                                    |                                   |
| <b>Capital and reserves</b>             |                                    |                                   |
| Share capital                           | 13.413.648                         | 13.413.648                        |
| Adjustments of capital                  | 3.453.860                          | 3.453.860                         |
| Reserves                                | 73.200.093                         | 73.200.189                        |
| Result for the period                   | (9.318.179)                        | (9.407.257)                       |
| Result reported                         | (18.317.023)                       | (18.317.119)                      |
| <b>Total Equity</b>                     | <b><u>62.432.399</u></b>           | <b><u>62.343.321</u></b>          |
| <b>Long term loans</b>                  |                                    |                                   |
| Loans                                   | 7.382.870                          | 7.386.225                         |
| Trade payables and other payables       | 32.001.142                         | 32.085.179                        |
| Provisions for disputes                 | 192.367                            | 202.457                           |
| <b>Total long-term liabilities</b>      | <b><u>39.576.379</u></b>           | <b><u>39.673.861</u></b>          |
| <b>Current liabilities</b>              |                                    |                                   |
| Trade payables                          | 469.568                            | 1.202.844                         |
| Loans                                   | 0                                  | 0                                 |
| Income in advance                       | 1.476.908                          | 3.180.993                         |
| Other liabilities                       | 12.280.535                         | 6.700.168                         |
| <b>Total current liabilities</b>        | <b><u>14.227.011</u></b>           | <b><u>11.084.005</u></b>          |
| <b>Total debts</b>                      | <b><u>53.803.390</u></b>           | <b><u>50.757.866</u></b>          |
| <b>Total equity and liabilities</b>     | <b><u>116.235.789</u></b>          | <b><u>122.508.444</u></b>         |

## Statement of the Comprehensive Result for Accounting Reporting on 30.09.2024

| <b>In LEI</b>                                                              | <b>30-September<br/>2024</b> | <b>30-September<br/>2023</b> |
|----------------------------------------------------------------------------|------------------------------|------------------------------|
| Income                                                                     | 16.206.964                   | 24.413.120                   |
| Other income                                                               | 74.461                       | 1.176.038                    |
| Other gain/(loss) -net                                                     | 10.090                       | 8.115                        |
| Income cost of inventories of finished goods<br>and Production in progress | (625.635)                    | (445.285)                    |
| Expenses with raw materials and consumables                                | (7.345.194)                  | (8.604.186)                  |
| Asset depreciation and amortization expense                                | (2.629.816)                  | (1.245.051)                  |
| Employees expenses                                                         | (11.293.988)                 | (15.016.830)                 |
| Expenses with external supply                                              | (1.905.591)                  | (2.312.736)                  |
| Other expenses                                                             | (1.753.063)                  | (2.464.234)                  |
| <b>Operation profit</b>                                                    | <b><u>(9.261.806)</u></b>    | <b><u>(5.491.049)</u></b>    |
| Financial income                                                           | 103.865                      | 343.630                      |
| Financial expenses                                                         | 160.238                      | 714.550                      |
| <b>Financial costs - net</b>                                               | <b><u>(56.373)</u></b>       | <b><u>(370.920)</u></b>      |
| <b>Profit / (loss) before tax</b>                                          | <b><u>(9.318.179)</u></b>    | <b><u>(5.861.969)</u></b>    |
| <b>Profit / (loss) for the period - net</b>                                | <b><u>(9.318.179)</u></b>    | <b><u>(5.861.969)</u></b>    |
| <b>Total consolidated income for the period</b>                            | <b><u>(9.318.179)</u></b>    | <b><u>(5.861.969)</u></b>    |
| <b>Earnings per Share</b>                                                  | <b><u>(1,74)</u></b>         | <b><u>(1,09)</u></b>         |
| <b>Number of shares</b>                                                    | <b><u>5.365.459</u></b>      | <b><u>5.365.459</u></b>      |

## Statement of Changes in Equity for Accounting Reporting on 30.09.2024

| In LEI                                                                             | Equity            | Adjustment<br>of equity | Legal<br>reserve | Reserves<br>from<br>reassessment | Other<br>reserves | Result<br>reported  | Total<br>equity    |
|------------------------------------------------------------------------------------|-------------------|-------------------------|------------------|----------------------------------|-------------------|---------------------|--------------------|
| <b>balance at<br/>January 2024</b>                                                 | <b>13.413.648</b> | <b>3.453.860</b>        | <b>2.001.592</b> | <b>70.567.464</b>                | <b>631.133</b>    | <b>(18.317.119)</b> | <b>71.750.578</b>  |
| Reserve<br>Reclassification<br>From<br>Reassessment<br>At reported<br>Result       | -                 | -                       | -                | -                                | -                 | -                   | -                  |
| Net Profit of<br>period                                                            | -                 | -                       | -                | -                                | -                 | <b>(9.318.179)</b>  | <b>(9.318.179)</b> |
| The carried<br>forward result<br>from the<br>correction of<br>accounting<br>errors | -                 | -                       | -                | -                                | -                 | -                   | -                  |
| Transfers<br>between equity<br>accounts                                            | -                 | -                       | -                | <b>(96)</b>                      | -                 | <b>96</b>           | -                  |
| <b>Balance at 30<br/>September<br/>2024</b>                                        | <b>13.413.648</b> | <b>3.453.860</b>        | <b>2.001.592</b> | <b>70.567.368</b>                | <b>631.133</b>    | <b>(27.635.202)</b> | <b>62.432.399</b>  |

As a result of applying IFRS beginning with the fiscal year 2012 were restated financial statements, resulting from the application of IAS 29 an inflation adjustment to equity of 3.453.860 lei.

No deferred tax adjustments for revaluation reserves for the period a 01.01.2024 – 30.09.2024 have been calculated.



**Statement of cash flows**  
**for the accounting report on 30.09.2024**

| <b>In LEI</b>                                                 | <b><u>30-September</u></b><br><b><u>2024</u></b> | <b><u>30-September</u></b><br><b><u>2023</u></b> |
|---------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| <b>Net result for the period</b>                              | <b>(9.318.179)</b>                               | <b>(5.861.969)</b>                               |
| Depreciation / impairment of long-term assets                 | 2.629.816                                        | 1.245.051                                        |
| Profit / (loss) from the sale of fixed assets                 | 0                                                | 55.825                                           |
| Adjustments for the impairment of receivables - clients       | 469.022                                          | 469.022                                          |
| Interest expenses                                             | (16.645)                                         | (372.889)                                        |
| Interest income                                               | 200                                              | 7.218                                            |
| Profit / (loss) from the sale of fixed assets                 | (40.738)                                         | (4.261)                                          |
| <b>Movements in working capital</b>                           | <b>3.041.655</b>                                 | <b>1.399.966</b>                                 |
| Increase / (decrease) trade receivables and other receivables | (1.770.906)                                      | (360.682)                                        |
| Increase / (decrease) of stocks                               | 2.157.618                                        | 513.437                                          |
| Increase / (decrease) in other current assets                 | 186.225                                          | 1.809                                            |
| Increase / (decrease) of commercial debt                      | (751.756)                                        | (2.663.922)                                      |
| Increase / (decrease) advance income recorded                 | 73.754                                           | 73.754                                           |
| Increase / (decrease) other liabilities                       | 5.588.654                                        | 6.968.107                                        |
| <b>Cash used from operational activities</b>                  | <b>5.483.589</b>                                 | <b>4.532.503</b>                                 |
| Interest paid                                                 | (16.645)                                         | (372.889)                                        |
| <b>Cash generated from operating activities</b>               | <b>(809.580)</b>                                 | <b>(302.389)</b>                                 |
| <b>Net cash from investment activities</b>                    | <b>(143.691)</b>                                 | <b>(145.633)</b>                                 |
| Cash payment for the purchase of fixed assets                 | (143.691)                                        | (145.633)                                        |
| <b>Net cash from financing activities</b>                     | <b>1.131.599</b>                                 | <b>638.009</b>                                   |
| Cash repayments of loans and credits                          | (3.355)                                          | (362.313)                                        |
| Cash receipts from loans and credits                          | 1.134.954                                        | 1.000.322                                        |
| Dividends paid                                                | 0                                                | 0                                                |
| <b>Net increase / (decrease) in cash and cash equivalents</b> | <b>178.328</b>                                   | <b>189.987</b>                                   |

**Continuation The individual situation of the cash flows**

|                                                                 |                |                |
|-----------------------------------------------------------------|----------------|----------------|
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>639.274</b> | <b>105.728</b> |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>817.602</b> | <b>295.715</b> |
| <b>Net increase/decrease in cash and cash equivalents</b>       | <b>178.328</b> | <b>189.987</b> |

**FIXED ASSETS -tangible for Accounting Report at  
30.09.2024**

|                                       | land       | Buildings<br>and<br>constructions | Machines and<br>equipment | Other<br>tangible<br>assets | Tangible<br>assets in<br>progress | Advances<br>for<br>intangible<br>assets | Total       |
|---------------------------------------|------------|-----------------------------------|---------------------------|-----------------------------|-----------------------------------|-----------------------------------------|-------------|
| Cost                                  | Lei        | Lei                               | Lei                       | Lei                         | Lei                               | Lei                                     | Lei         |
| Balance at<br>01 January<br>2024      | 15.794.281 | 53.819.566                        | 36.044.671                | 166.042                     | 2.465.969                         | 20.363                                  | 108.310.892 |
| Increases                             | -          | -                                 | 77.940                    | -                           | -                                 | -                                       | 77.940      |
| Outputs                               | -          | -                                 | 151.831                   | -                           | -                                 | -                                       | 151.831     |
| Balance at<br>30<br>September<br>2024 | 15.794.281 | 53.819.566                        | 35.970.780                | 166.042                     | 2.465.969                         | 20.363                                  | 108.237.001 |
| <b>Accrued depreciation</b>           |            |                                   |                           |                             |                                   |                                         |             |
| Balance at<br>01 January<br>2024      | -          | 2.426.893                         | 30.513.428                | 137.549                     | -                                 | -                                       | 33.077.870  |
| Amortization<br>of period             | -          | 2.016.589                         | 600.937                   | 5.383                       | -                                 | -                                       | 2.622.909   |
| Amortization<br>of outputs            | -          | -                                 | 139.830                   | -                           | -                                 | -                                       | 139.830     |
| Balance at<br>30<br>September<br>2024 | -          | 4.443.483                         | 30.974.535                | 142.932                     | -                                 | -                                       | 35.560.950  |
| <b>Adjustments</b>                    |            |                                   |                           |                             |                                   |                                         |             |
| Balance at<br>01 January<br>2024      | -          | -                                 | -                         | -                           | -                                 | -                                       | -           |
| Increases                             | -          | -                                 | -                         | -                           | -                                 | -                                       | -           |
| Decreases                             | -          | -                                 | -                         | -                           | -                                 | -                                       | -           |
| Balance at<br>30<br>September<br>2024 | -          | -                                 | -                         | -                           | -                                 | -                                       | -           |
| <b>Net book value</b>                 |            |                                   |                           |                             |                                   |                                         |             |
| <b>Net book<br/>value</b>             | 15.794.281 | 53.819.566                        | 5.531.243                 | 28.493                      | 2.465.969                         | 20.363                                  | 75.233.022  |
| <b>Net book<br/>value</b>             | 15.794.281 | 49.376.083                        | 4.996.245                 | 23.110                      | 2.465.969                         | 20.363                                  | 72.676.051  |

In the period January 1 - September 30, 2024, the total value of the increases recorded in the accounting records for the "Machines and equipment" class was 77.940 lei, representing the purchase of a sandblasting machine in the amount of 54.000 lei in April 2024 and a KIM reader for streamlining information on consumption from the activity of production in the amount of 23.940 lei and the total value of the decreases recorded in the records accounting for the



"Machines and equipment" class was 151.831 lei, representing the removal of scrapped fixed assets.

### FIXED ASSETS - Intangible for Accounting Reporting on 30.09.2024

|                               | Development expenses | Other intangible assets | Intangible assets in progress | Advance intangible assets | Total     |
|-------------------------------|----------------------|-------------------------|-------------------------------|---------------------------|-----------|
| Cost                          | Lei                  | Lei                     | Lei                           | Lei                       | Lei       |
| Balance at January 01, 2024   | 186.892              | 882.357                 | -                             | -                         | 1.069.249 |
| Inputs                        |                      | 3.702                   |                               | 29.820                    | 3.702     |
| Outputs                       | -                    | -                       | -                             | -                         | -         |
| Balance at September 30, 2024 | 186.892              | 886.06                  |                               | 29.820                    | 1.072.951 |
| <b>Accrued depreciation</b>   |                      |                         |                               |                           |           |
| Balance at 01 January 2023    | 180.326              | 877.033                 | -                             | -                         | 1.057.359 |
| Amortization of period        | 1.297                | 5.608                   | -                             | -                         | 6.905     |
| Amortization of outputs       | -                    | -                       | -                             | -                         | -         |
| Balance at 30 September 2024  | 181.623              | 882.641                 | -                             | -                         | 1.064.264 |
| <b>Net book value</b>         |                      |                         |                               |                           |           |
| Balance at 01 January 2024    | 6.566                | 5.325                   | -                             | -                         | 11.891    |
| Balance at September 30, 2024 | 5.265                | 3.419                   |                               | 29.820                    | 38.507    |

Between January 1 and September 30, 2023, the company purchased intangible assets worth 3.702 lei, representing the ESET Endpoint antivirus license and made a prepayment for intangible assets worth 29.820 Lei to implement KIM soft.

## Explanatory Notes to Interim Financial Statements for The Accounting Report on 30.09.2024

### Inventory

| In LEI                                       | <u>30 September</u><br><u>2024</u> | <u>31 December</u><br><u>2023</u> |
|----------------------------------------------|------------------------------------|-----------------------------------|
| Raw material                                 | 826.167                            | 808.554                           |
| Additional material                          | 298.165                            | 277.328                           |
| Fuels                                        | 560                                | 210                               |
| Packaging materials                          | 1.395                              | 1.395                             |
| Spare parts                                  | 2.323.411                          | 2.200.900                         |
| Other consumables                            | 155.256                            | 156.014                           |
| Inventory items                              | 201.923                            | 216.014                           |
| Product in progress                          | 7.160.576                          | 10.374.553                        |
| Semi- manufactured                           | 2.939.558                          | 2.496.206                         |
| Finished product                             | 5.321.726                          | 4.618.843                         |
| Difference of price of finished products     | 16.615.591                         | 15.615.630                        |
| Packing                                      | 1.735                              | 2.215                             |
| Residual products                            | 0                                  | 24.420                            |
| <b>Total</b>                                 | <b>35.846.063</b>                  | <b>36.792.282</b>                 |
| Advances for purchases assets such as stocks | 511.087                            | 406.932                           |
| <b>Total General Stocks</b>                  | <b>36.357.150</b>                  | <b>37.199.214</b>                 |

## **Explanatory Notes to Interim Financial Statements for the Accounting Reporting on 30.09.2024**

### **Individual Statement of Cash Flows and cash equivalent**

| <b>In LEI</b>                   | <b><u>30-September</u><br/><u>2024</u></b> | <b><u>31-December</u><br/><u>2023</u></b> |
|---------------------------------|--------------------------------------------|-------------------------------------------|
| Cash and cash equivalent        | 817.602                                    | 295.715                                   |
| Bank deposit                    | -                                          | -                                         |
| <b>Cash and cash equivalent</b> | <b>817.602</b>                             | <b>295.715</b>                            |

From the point of view of the Cash Flow Statement, it is considered that:

- Cash is the cash in the cashier and current bank accounts;
- Cash equivalents are fiscal and postage stamps..

The prudent management of liquidity risk implies maintaining sufficient cash in lei and foreign currency in the company's bank accounts.

There are no restrictions on cash accounts in banks.

## Explanatory Notes to Interim Financial Statements for the Accounting Reporting on 30.09.2024

### Trade receivables and other receivables

|                                                                                                                                 | <u>Balance at 30<br/>September<br/>2024</u><br><u>lei</u> | <u>Balance at 01<br/>January<br/>2024</u><br><u>lei</u> |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------|
| <b>Trade receivables</b>                                                                                                        | <b>5.773.773</b>                                          | <b>7.477.784</b>                                        |
| Domestic Client                                                                                                                 | 4.091.103                                                 | 4.424.691                                               |
| External Client                                                                                                                 | 685.407                                                   | 2.064.779                                               |
| Doubtful client, litigation                                                                                                     | 609.527                                                   | 610.074                                                 |
| Borrowers' suppliers                                                                                                            | 377.866                                                   | 378.140                                                 |
| Prepayments                                                                                                                     | 9.870                                                     | 1.973                                                   |
| <b>Other receivables</b>                                                                                                        | <b>1.041.729</b>                                          | <b>1.098.754</b>                                        |
| VAT to be recovered                                                                                                             | 0                                                         | 0                                                       |
| Wage advance                                                                                                                    | 0                                                         | 0                                                       |
| Borrowers                                                                                                                       | 446.736                                                   | 464.248                                                 |
| Other receivables (VAT not required;<br>Expenses recorded in advance and<br>Settlements from operations under<br>clarification) | 594.993                                                   | 636.579                                                 |
| Adjustments for impairment of receivables-<br>clients                                                                           | (469.022)                                                 | (469.022)                                               |
| <b>Total trade receivables and other<br/>receivables</b>                                                                        | <b>6.346.480</b>                                          | <b>8.109.489</b>                                        |

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| Total trade receivables and<br>other receivables | Balance at<br>30.09.2024 | From what pending |            |              |
|--------------------------------------------------|--------------------------|-------------------|------------|--------------|
|                                                  |                          | 31-90 days        |            | 30.09.2024   |
| 1.Domestic Client                                | 4.091.101,53             | 106.070,86        | 176.921,86 | 2.494.557,38 |
| 2. External Client                               | 685.407,24               | 0                 | 0          | 521.738,70   |

|                                |                     |                   |                   |                     |
|--------------------------------|---------------------|-------------------|-------------------|---------------------|
| 3. Doubtful internal clients   | 609.527,86          | 0                 | 0                 | 0                   |
| 4. Adjustment for depreciation | (469.022,17)        | -                 | -                 | 0                   |
| 5. Debtor suppliers            | 377.866,63          | -                 | -                 | 376.913,73          |
| <b>Net receivables</b>         | <b>5.295.881,09</b> | <b>106.070,86</b> | <b>176.921,86</b> | <b>3.393.209,81</b> |

The amount of 594.993 lei registered in the “*Other receivables*” account refers to:

- account 438 (Other social debts - medical leave) = 244.723 lei;
- account 4412( Claims on deferred tax) = 7.557 lei;
- account 4428 ( VAT not chargeable) = 341.149 lei;
- account 471 ( Expenses recorded in advance-subscriptions for publications and phone services) = 1.564 lei;

Uncertain clients were registered separately in the accounting records of the company.

The assessment of the debts expressed in foreign currency was made at the exchange rate communicated by the National Bank of Romania for the close of September 2024.

The differences of the favorable or unfavorable exchange rate between the exchange rate market at which the debt claims are registered and the exchange rate communicated by the National Bank of Romania for the close of September 2024 were recorded in the corresponding accounts of income or expenses due to exchange rate differences, as applicable.



## Explanatory Notes to Interim Financial Statements for Accounting Reporting on 30.09.2024

### Situation of commercial debts and other debts

|                                                            | <u>Balance at 30 September</u> | <u>Balance at 01 January</u> |
|------------------------------------------------------------|--------------------------------|------------------------------|
| a) Situation of short-term debts                           | <u>2024</u>                    | <u>2024</u>                  |
|                                                            | <u>lei</u>                     | <u>lei</u>                   |
| Amounts owed to credit institutions                        | -                              | -                            |
| Advances collected for orders                              | 1.378.569                      | 3.082.654                    |
| Trade payables - suppliers                                 | 469.568                        | 1.202.844                    |
| Other debts, including tax debts and social security debts | 12.288.730                     | 6.700.168                    |
| <b>Total short-term debts</b>                              | <b>14.136.867</b>              | <b>10.985.666</b>            |

  

|                                                                       | <u>Balance at 30 September</u> | <u>Balance at 01 January</u> |
|-----------------------------------------------------------------------|--------------------------------|------------------------------|
| a) Situation of long-term debts                                       | <u>2024</u>                    | <u>2024</u>                  |
|                                                                       | <u>lei</u>                     | <u>lei</u>                   |
| Amounts owed to credit institutions                                   | 7.382.870                      | 7.386.225                    |
| Trade payables - suppliers                                            | 15.065.896                     | 15.084.376                   |
| Other debts including tax debts and social security contributions due | 16.226.179                     | 16.226.177                   |
| Provisions and prepayments and earnings recorded in advance           | 192.367                        | 202.457                      |
| <b>Total long-term debts</b>                                          | <b>38.867.312</b>              | <b>38.899.235</b>            |

Through the application registered on 15.03.2023 before the Prahova Court under no. 1223/105/2023, the company Uztel S.A. requested the Syndic Judge to open the general insolvency procedure, as a result of the Administrative Council Decision no. 54/13.03.2023. By the Conclusion pronounced in the meeting dated 13.04.2023 in file no. 1223/105/2023 pending at the Prahova Court, the syndic judge ordered the opening of the general insolvency proceedings of the company Uztel S.A. Through the request, the company Uztel S.A. expressed its intention to reorganize the activity, considering that it has the necessary experience, manufacturing technologies, production orders and qualified personnel that ensure the continuity of the activity.

The amount worth 16.226.179 lei recorded in the account "*Other debts, including tax debts and social security debts*" from the short-term debts situation refers to:

- - consolidated state budget current debts in the amount of 13.952.844,74 lei;
- shareholder debts in the amount of 1.007.874,37 lei;
- salary debts in the amount of 403.500 lei.
- local budget debts in the amount of 332.846 lei;
- miscellaneous creditor debts in the amount of 529.113,46 lei;

**Continuation The situation of trade debts and other debts**

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| Situation of trade debts and other debts | Balance at           | from what pending |             |            |
|------------------------------------------|----------------------|-------------------|-------------|------------|
|                                          | 30.09.2024           | 31-90 days        | 91-120 days | > 120 days |
| 1. Internal suppliers                    | 13.703.460,47        | 201.177,06        | 0           | 0          |
| 2. External suppliers                    | 1.832.003,76         | 0                 | 0           | 0          |
| 3. Creditor Clients                      | 1.378.568,78         | 0                 | 0           | 0          |
| <b>Net debts</b>                         | <b>16.614.033,01</b> | <b>201.177,06</b> | <b>0</b>    | <b>0</b>   |

### **Bank loans guarantees:**

**Bank loans** granted through contracts no. 7793/4 and 7793/5 from 23.01.2019 are guaranteed with real estate mortgages. The latest evaluation for banking purposes was carried out in April 2024 by the company TNP GLOBAL&PARTENERS, , authorized evaluator, accredited member ANEVAR, market value of the assessed properties being of 32.287.682 lei.

For these mortgaged properties were concluded: - insurance policy series CCPJ nr. 24062622191 from 20.06.2024, valid from 23.06.2024 until 22.06.2025 (for the insured sum of 25.729.790 lei).

In June 2019 the real estate guarantees were supplemented by the Real Estate Mortgage Contracts authenticated with the no. 2431 and no. 2433 from 27.06.2019 with the following lands / access roads:

- land located in the municipality of Ploiesti, str. Mihai Bravu, no. 243, Prahova County, with an area of 10,451 sqm, with cadastral number 125199, registered in the Land Book no. 125 199;

- land located in the municipality of Ploiesti, str. Mihai Bravu, no. 243, Prahova County, with an area of 8,131 sqm, with cadastral number 125189, registered in the Land Book no. 125189.

This supplement of the guarantees granted to the bank resulted from the increase of the working capital amount granted to the company by the Additional Act no. 1 / 27.06.2019 to the contract no. 7793/5 of 23.01.2019.

## Explanatory Notes to Interim Financial Statements for Accounting Reporting on 30.09.2024

### Provisions

| În LEI                                       | <u>Balance at 1<br/>January 2024</u> | <u>Increase</u> | <u>Decrease</u> | <u>Balance at 30<br/>September 2021</u> |
|----------------------------------------------|--------------------------------------|-----------------|-----------------|-----------------------------------------|
| Provisions for disputes                      | 202.457                              | -               | 10.090          | 192.367                                 |
| Provisions for guarantees granted to clients | -                                    | -               | -               | -                                       |
| <b>Total</b>                                 | <b>202.457</b>                       | <b>-</b>        | <b>10.090</b>   | <b>192.367</b>                          |

### Income registered in advance

| In LEI                       | <u>Balance at 1<br/>January 20243</u> | <u>Increase</u> | <u>Decrease</u> | <u>Balance at 30<br/>September 2023</u> |
|------------------------------|---------------------------------------|-----------------|-----------------|-----------------------------------------|
| Income registered in advance | 872.965                               | -               | 73.754          | 799.211                                 |
| <b>Total</b>                 | <b>872.965</b>                        | <b>-</b>        | <b>73.754</b>   | <b>799.211</b>                          |

## Explanatory Notes to Interim Financial Statements for Accounting Reporting on 30.09.2024

### OPERATION RESULT

|                                                                                  | <u>9 month<br/>2024</u><br>lei | <u>9 month<br/>2023</u><br>lei |
|----------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Total operating income, of which:</b>                                         | <b>15.655.790</b>              | <b>24.143.873</b>              |
| Turnover                                                                         | 16.206.964                     | 23.413.120                     |
| Income related to the cost of finished product stocks and production in progress | (625.635)                      | (445.285)                      |
| Other operation income                                                           | 74.461                         | 1.176.038                      |

### OPERATION EXPENSES

|                                            | <u>9 month<br/>2024</u><br>lei | <u>9 month<br/>2023</u><br>lei |
|--------------------------------------------|--------------------------------|--------------------------------|
| <b>Total operating expenses, of which:</b> | <b>24.917.596</b>              | <b>29.634.922</b>              |
| Raw material and consumables costs         | 5.867.634                      | 5.341.335                      |
| Other material expenses                    | 197.601                        | 341.730                        |
| Other external expenses                    | 931.963                        | 2.864.746                      |
| The expenditures on goods                  | 347.996                        | 56.375                         |



|                                                                                                                   |                       |                       |
|-------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Trade discounts received                                                                                          | -                     | -                     |
| Expenses with employees                                                                                           | 11.293.988            | 15.016.830            |
| Value adjustments on tangible, intangible assets, real estate investments and biological assets evaluated at cost | 2.629.850             | 1.245.051             |
| Other operation expenses                                                                                          | 3.658.654             | 4.776.970             |
| Adjustments for provisions                                                                                        | (10.090)              | (8.115)               |
| <b>FINANCIAL INCOME</b>                                                                                           | <b><u>9 month</u></b> | <b><u>9 month</u></b> |
|                                                                                                                   | <b><u>2024</u></b>    | <b><u>2023</u></b>    |
|                                                                                                                   | <b><u>lei</u></b>     | <b><u>lei</u></b>     |
| <b>Total financial income, of which</b>                                                                           | <b>103.865</b>        | <b>343.630</b>        |
| Income from exchange rate fluctuations                                                                            | 102.840               | 334.460               |
| Interest income                                                                                                   | 200                   | 7.218                 |
| Other incomes                                                                                                     | 825                   | 1.952                 |
| <b>FINANCIAL EXPENSES</b>                                                                                         | <b><u>9 month</u></b> | <b><u>9 month</u></b> |
|                                                                                                                   | <b><u>2024</u></b>    | <b><u>2023</u></b>    |
|                                                                                                                   | <b><u>lei</u></b>     | <b><u>lei</u></b>     |
| <b>Total Financial expenses, of which:</b>                                                                        | <b>160.238</b>        | <b>1.128.526</b>      |
| Interest charges                                                                                                  | 16.645                | 372.889               |
| Other financial expenses                                                                                          | 143.593               | 341.661               |

## Explanatory Notes to Interim Financial Statements for Accounting Reporting on 30.09.2024

### INCOME TAX

The profit tax for the period 01.01.2024 – 30.09.2024 includes the current tax. Income tax is recognized in the statement of comprehensive income or in other components of comprehensive income, if the tax is attributable to equity.

#### Current income tax

Current tax is the tax payable on the taxable profit realized for the period 01 January 2024 – 30 September 2024 determined on the basis of the tax regulations applicable at the reporting date. The applicable corporate tax rate for the financial period from January 1, 2024 – September 30, 2024 worth 16%.

**30 September**  
**2024**

Expenditure on current income tax

0 lei

**Annex No. 13 of ASF Rule nmb. 5 / 2018**

**Economic and Financial Indicators  
for Accounting Reporting on 30.09.2024**

| <b>Economic- financial indicators</b>                                     | <b>30.09.2024</b> | <b>30.09.2023</b> |
|---------------------------------------------------------------------------|-------------------|-------------------|
| <b>Current Liquidity (general) - Current Assets / Current Liabilities</b> | <b>3,08</b>       | <b>5,35</b>       |

The current - general liquidity registered on 30.09.2024 is 3,08 and represents the degree of current debt coverage through the current assets owned by the company.

|                                                              |              |              |
|--------------------------------------------------------------|--------------|--------------|
| <b>Indebtedness degree - Borrowed capital / Equity * 100</b> | <b>11,82</b> | <b>21,72</b> |
|--------------------------------------------------------------|--------------|--------------|

The indebtedness of the company decreased to 11,82 % and represents the share held by the borrowed capital - in the employed capital (equity).

|                                                                                                            |                 |                 |
|------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Duration of receivables recovery - Receivables / Turnover * 270 days</b>                                | <b>106 zile</b> | <b>126 zile</b> |
| <b>Rotation speed of customers - client's liabilities - Average customer balance / Turnover * 270 days</b> | <b>104 zile</b> | <b>113 zile</b> |

It expresses the efficiency of the company in collecting its debts, respectively the number of days until the date on which the debtors pay their debts to the company

|                                                                 |             |             |
|-----------------------------------------------------------------|-------------|-------------|
| <b>Rotation speed of fixed assets - Turnover / Fixed assets</b> | <b>0,22</b> | <b>0,69</b> |
|-----------------------------------------------------------------|-------------|-------------|

It expresses the efficiency of the management of the fixed assets, by examining the turnover generated by a certain amount of fixed assets

Special Administrator Special – General Director,  
Dumitru Paul George



Economic Department,  
Brujban Gabriela



Undersigned, Maria Coman, sworn interpreter and translator for the English and French languages under the license no. 5886/2001 of 11 December 2001 issued by the Ministry of Justice of Romania, certify the accuracy of the translation done from Romanian to English language that the text presented has been fully translated, without omissions, and that the translation did not distorted document content and meaning.

The document whose translation is required in full was issued by SC UZTEL SA, Ploiesti city, Romania and presented me completely .

SWORN INTERPRETER AND TRANSLATOR

