

SIMTEL TEAM S.A.

Financial Reports

**Issued in accordance with
Order of the Minister of Public Finance No 2844/2016
for the approval of Accounting Regulations in line with International
Financial Reporting Standards,**

**AT SI FOR THE YEAR ENDED ON
31 DECEMBER 2024**

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SIMTEL TEAM SA**Statement of Profit and Loss and Comprehensive Result**

For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

	<u>2024</u>	<u>2023</u>
NOTE	<u>RON</u>	<u>RON</u>
Turnover	273.878.513	290.589.730
Other operating income	1.303.397	471.870
Expenditure on raw materials, consumables, goods	(135.286.883)	(181.510.877)
Depreciation and amortisation	(4.237.364)	(2.661.091)
Expenditure on employee benefits	(1.550.500)	(720.000)
Staff expenditure	(25.488.335)	(16.189.376)
Marketing and advertising expenses	(346.241)	(270.617)
Rent expenses	-	-
Spending on provisions	(367.474)	(213.332)
Other operating expenses	(68.706.978)	(55.642.804)
Operating profit	39.198.137	33.853.503
Financial income	4.717.426	2.227.150
Financial expenses	(5.043.365)	(4.406.502)
Pre-tax profit	38.872.198	31.674.152
Current income tax expense	(6.595.072)	(4.229.434)
Profit for the financial year	32.277.126	27.444.718
Overall result of the exercise	32.277.126	27.444.718
Net earnings per share	4,08	3,48

Approved:
24th of March 2025Mihai Radu Tudor
General ManagerMirela Gogorita
Finance Manager

SIMTEL TEAM SA

Individual Statement of Financial Position

For the financial year ending 31 December 2023

(all amounts are expressed in lei ("RON"), unless otherwise specified)

	Note	<u>31 December 2024</u>	<u>31 December 2023</u>
ASSETS			
Fixed assets			
Tangible fixed assets		42.098.841	16.534.456
Intangible fixed assets		282.136	425.554
Investment in subsidiaries		9.563.936	3.634.178
Investments in associated entities		-	-
Other investments		2.181.234	2.265.766
Loans granted to affiliated entities		-	-
Rights of use assets		2.900.210	1.548.476
Other long-term assets		15.077.023	7.273.062
Deferred tax asset		32.788	88.890
Total fixed assets		<u>72.136.167</u>	<u>31.770.383</u>
Current assets			
Stocks		92.612.426	76.739.224
Cash and cash equivalents		21.385.693	12.292.013
Commercial creditor		72.927.801	54.313.
Other receivables		25.879.601	12.953.079
Advance expenses		706.250	379.462
Loans granted to subsidiaries - short-term		-	-
Assets held for sale		-	-
Total current assets		<u>213.511.771</u>	<u>156.676.962</u>
Total assets		<u>285.647.938</u>	<u>188.447.345</u>
EQUITY AND DEBT			
Equity capital			
Share capital		1.583.730	1.577.575
Share premium		30.963.983	29.419.638
Own shares		-	-
Revaluation reserve		-	-
Legal reserves		316.746	315.515
Other reserves		-	-
Result carried forward		79.632.246	47.405.451
Total own capital		<u>112.496.705</u>	<u>78.718.179</u>

SIMTEL TEAM SAIndividual Statement of Financial Position
For the financial year ending 31 December 2023*(all amounts are expressed in lei ("RON"), unless otherwise specified)*

	Note	<u>31 December 2024</u>	<u>31 December 2023</u>
Debts			
Long-term debts			
Leasing - long-term		3.083.252	3.880.811
Employee benefits		-	-
Long-term bank loans		14.466.226	6.453.573
Other debts		-	-
Deferred income		200.366	393.685
Provisions		-	-
Tax postponed		-	-
Total long-term liabilities		<u>17.749.844</u>	<u>10.728.069</u>
Current liabilities			
Account overdrafts		16.896.818	42.925.783
Short-term bank loans		1.986.926	1.987.038
Short-term leasing		2.110.134	416.546
Trade debts		118.323.426	40.342.436
Other debts		15.386.891	12.884.991
Deferred revenues		98.421	-
Employee benefits		-	-
Provisions		598.775	444.301
Total current liabilities		<u>155.401.390</u>	<u>99.001.096</u>
Total debts		<u>173.151.233</u>	<u>109.729.165</u>
Total equity and debt		<u>285.647.938</u>	<u>188.447.345</u>

Approved:
24th of March 2025
Mihai Radu Tudor
General ManagerMirela Gogorita
Finance Manager

SIMTEL TEAM SA

Statement of Changes in Equity

For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

	Share capital	Share premium	Own shares	Other capital items	Reserves	Result carried forward	Total
Balance at 01 January 2023	1.572.326	28.704.887	-	-	314.465	22.005.807	52.597.485
Current overall result	-	-	-	-	-	27.444.718	27.444.718
Re-evaluation	-	-	-	-	-	-	-
Actuarial gain/loss IAS 19	-	-	-	-	-	-	-
Result of error correction	-	-	-	-	-	-	-
Legal reserves	-	-	-	-	1.050	(1.050)	-
Share capital increase	5.249	-	(5.249)	-	-	-	-
Total other comprehensive income	1.577.575	28.704.887	(5.249)	-	315.515	49.449.745	80.042.203
Transfer revaluation surplus	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(2.044.024)	(2.044.024)
Employee benefits	-	-	720.000	-	-	-	720.000
Increase in share premiums	-	714.751	(714.751)	-	-	-	-
Other moves	-	-	-	-	-	-	-
Closing balance at 31 December 2023	1.577.575	29.419.638	-	-	315.515	47.405.451	78.718.179

SIMTEL TEAM SA

Statement of Changes in Equity

For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

	Share capital	Share premium	Own shares	Other capital items	Reserves	Result carried forward	Total
Balance at 01 January 2024	1.577.575	29.419.638	-	-	315.515	47.405.451	78.718.179
Current overall result	-	-	-	-	-	32.277.	32.277.
Re-evaluation	-	-	-	-	-	-	-
Actuarial gain/loss IAS 19	-	-	-	-	-	-	-
Result of error correction	-	-	-	-	-	-	-
Legal reserves	-	-	-	-	1.231	(1.231)	-
Share capital increase	6.155	-	(6.155)	-	-	-	-
Total other comprehensive income	1.583.730	29.419.638	(6.155)	-	316.746	79.681.346	111.995.305
Transfer revaluation surplus	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Employee benefits	-	-	1.550.500	-	-	-	1.550.500
Increase in share premiums	-	1.544.345	(1.544.345)	-	-	-	-
Other moves	-	-	-	-	-	(49.100)	(49.100)
Closing balance at 31 December 2024	1.583.730	30.963.983	-	-	316.746	79.632.246	112.496.705

Approved:
24th of March 2025Mihai Radu Tudor
General ManagerMirela Gogorita
Finance Manager

SIMTEL TEAM SA

Cash Flow Statement

For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

	31 December 2024	31 December 2023
Cash flows from operating activities		
Pre-tax profit	<u>38.872.198</u>	<u>31.674.152</u>
Depreciation and amortisation	2.855.482	1.897.906
Depreciation related to rights of use of assets	1.292.991	763.185
Employee benefits	1.550.500	720.000
Impairment of receivables	-	-
Stock depreciation	-	-
Changes in provisions	154.474	213.332
(Gain)/loss on sale of fixed assets	8.995	(124.854)
(Gain)/loss from prescribing partners	-	-
Net expenses from exchange rate differences	195.503	804.140
Interest income	(2.720.822)	(6.539)
Interest expenses	3.441.964	2.703.068
Operating profit before changes in working capital items	<u>45.651.285</u>	<u>38.644.390</u>
Stock changes	(15.873.201)	(12.445.593)
Change in trade and other receivables	(30.835.259)	(27.683.925)
Change in trade and other payables	77.315.693	1.646.960
Cash generated in operational activity	<u>76.258.517</u>	<u>161.832</u>
Interest payments	-	-
Corporate tax payments	(2.586.814)	(4.269.224)
Net cash generated from operating activities	73.671.704	(4.107.392)
Cash flows from investing activities		
Return long-term guarantees	(7.803.960)	(5.213.014)
Movement in loans from shareholders	-	(7.273)
Loans granted	-	-
Payments on financial fixed assets	(5.845.226)	13.068
Payments for acquisition of intangible assets	143.	(398.543)
Payments for purchases of fixed assets	(29.780.595)	(7.538.385)
Interest collected	2.720.	6.539
Interest paid	(3.441.964)	(2.703.068)
Net cash used in investing activities	<u>(44.007.505)</u>	<u>(15.840.675)</u>
Cash used in financing activities		
Increase in share capital	-	-
Increases in share premiums	-	-
Shares redeemed	-	-
Move in bank lending	(18.016.425)	24.751.586
Dividends received	-	-
Dividends paid	-	(2.044.024)
Subsidy increases	-	-
Payments related to leasing contracts	(2.554.093)	(1.666.149)

SIMTEL TEAM SA

Cash Flow Statement

For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

Cash from (used in) financing activity	20.570.518	21.041.413
Net increase (decrease) in cash	9.093.680	1.093.346
Cash at beginning of period 1 January	12.292.013	11.198.667
Cash at end of period 31 December	21.385.693	12.292.013

Approved:
24th of March 2025

Mihai Radu Tudor
General Manager

Mirela Gogorita
Finance Manager

SIMTEL TEAM SA

Notes to the Financial Statements

For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

1. GENERAL INFORMATION

These are the individual financial statements of Simtel Team SA. The company has its headquarters in Bucharest, Spl. 319L, Cladirea Bruxeles Office Building (Building B), Entrance A, Ground floor, District 6.

Simtel Team S.A. was established in 2010, pursuant to Law no. 15/1990 and Law no. 31/1990 and in accordance with HG 1224/1990 and is registered at the Trade Register under no. J40/564/2010, initially as a limited liability company, with the unique registration code 26414626.

On 02 April 2021, the legal form of the Company was changed from a limited liability company to a joint-stock company, while the data relating to the registered office, object of activity, tax code or registration number with the Trade Register remained unchanged.

The main activity of SIMTEL TEAM S.A. ("the Company") is Construction works of utility projects for electricity and telecommunications - CAEN Code 4222, becoming one of the important players in the three fields of activity - renewable energy, industrial automation and telecommunications.

Leader in Romania, in the construction and maintenance of photovoltaic power plants, the company has worked on photovoltaic power plants in 7 countries, starting in 2016, when it realised the maintenance for the Bolero park in Chile, Atacama Desert, with a size of 130 MWp.

Since 2012, SIMTEL Team has been an official ABB Automation Partner, with the distinction of Best ABB Service Partner in South East Europe in 2015 and Best Telekom Integrator in Romania in 2016. In 2021, SIMTEL Team was listed on the AeRO market of the Bucharest Stock Exchange, with the stock symbol SMTL, entering a new stage in the company's development.

The Company's development strategy is executed through the acquisition of shares in relevant companies or the establishment of new companies with a dedicated activity. The companies in which Simtel Team S.A. holds participations are

	Company Name	Identification	Acquisition Year	% holding	Shares held	Nominal value per share (Ron)
1	SIMTEL INDUSTRIAL CONTROL SRL	30891542	2015	75	531	100
2	Plesoiu Solar SRL	30897170	2012	98.6	700	100
3	SMTL Solar Anina SRL	45559062	2022	100	20	10
4	SMTL Solar Ianca SRL	45559070	2022	100	20	10
5	Agora Robotics SRL	43110961	2022	51	51	10

SIMTEL TEAM SA

Notes to the Financial Statements

For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

	Company Name	Identification	Acquisition Year	% holding	Shares held	Nominal value per share (Ron)
6	ANT Power Energy SRL	31165548	2022	51	102	10
7	SMTL Solar Giurgiu SRL	44688956	2022	100	20	10
8	SIMTEL SOLAR SRL Moldova	1022600043512	2022	100	1	269
9	SN ENERGIE COMPANY SRL	47277041	2023	100	20	10
10	CUSTOM SOFT SOLUTIONS SRL	43176249	2023	51	51	10
11	GES FURNIZARE SRL	48797417	2023	62	62	10
12	OASIS Green Energy 3 SRL	30346759	2024	100	100	10
13	SIRIUS Immob 2 SRL	27540584	2024	100	1000	10
14	SMTL Energy Infrastructure SRL	49823344	2024	100	20	10
15	SMTL Energy Project SRL	4982853	2024	100	20	10
16	SMTL Energy System SRL	49820038	2024	100	20	10
17	SMTL Energy Development SRL	49792043	2024	100	10.000	10
18	SIMTEL Technology SRL	50675896	2024	100	20	10
19	GES Energy Trade SRL	48797417	2024	42.7	42.7	25.84

2. THE BASICS OF PREPARING FINANCIAL STATEMENTS

2.1. Declaration of conformity

The Company's financial statements have been prepared in accordance with the provisions of Order no. 2844/2016 for the approval of the accounting regulations in compliance with the International Financial Reporting Standards applicable to commercial companies whose securities are admitted to trading on a regulated market, with subsequent amendments and clarifications ("OMFP 28422/2016"). These provisions are in accordance with the provisions of the International Financial Reporting Standards as adopted by the European Union ("EU IFRS").

For the purpose of preparation of these financial statements, in accordance with the legal provisions of Romania, the functional currency of the company is considered to be Romanian Leu (RON).

The accounting policies have been applied consistently throughout the years presented in the financial statements.

SIMTEL TEAM SA

Notes to the Financial Statements

For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

2.2. Continuity of activity

These financial statements have been prepared on a going concern basis which assumes that the company will continue in operation for the foreseeable future. In order to assess the applicability of this presumption, management analyses forecasts of future cash inflows.

At 31 December 2024, the company's current assets exceed its current liabilities by RON 58,110,381 (31 December 2023: RON 57,675,866). In 2024, the company recorded net profit from the main business lines that the company will continue to pursue next year of RON 32,277,126 (2023: RON 27,444,718).

The budget prepared by the company's management and approved by the Board of Directors for the year 2024 indicates positive cash flows from operating activities, an increase in sales and profitability which directly contributes to improved liquidity and will enable the company to fulfil the contractual covenants with the financing banks. The management of the Company considers that the support received from the banks will be sufficient for the Company to continue its activity in normal conditions, based on the principle of business continuity.

Management believes that the company will be able to continue in business for the foreseeable future and, therefore, the application of the going concern principle in the preparation of the financial statements is justified.

2.3. First-time adoption of Financial Reporting Standards

The Company first adopted the International Financial Reporting Standards on 31 December 2023. Accordingly, the Company has restated the financial position for two prior years, 2022 and 2021 previously reported in accordance with Order No. 1802 of 29 December 2014 - Part I for the approval of the Accounting Regulations on the individual annual financial statements.

2024 is the first financial year after restatement and the Company's financial statements include:

- Statement of financial position
- Statement of profit or loss and other comprehensive income
- Cash flow statement
- Statement of changes in equity and
- related notes, including comparative information as set out below.

Adjustments required to transition from the previous Order No 1802 of 29 December 2014 to IFRS as at 31 December 2024 at the date of transition are recognised directly in retained earnings or, if applicable, in another category of equity at the date of transition.

2.4. Standards, amendments and new interpretations of standards

Initial application of the new amendments to the existing standards in force for the current reporting period.

SIMTEL TEAM SA

Notes to the Financial Statements

For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

The following amendments to existing standards issued by the International Accounting Standards Board (IASB) and endorsed by the EU are effective for the current reporting period:

- **IFRS 17 'Insurance Contracts'** - including amendments to IFRS 17 issued by the IASB on 25 June 2020 - endorsed by the EU on 19 November 2021 (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 1 Presentation of Financial Statements - Presentation of Accounting Policies** (applicable for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 12 'Income Taxes'** - Deferred tax relating to receivables and payables arising from a single transaction (applicable for annual periods beginning on or after 1 January 2023),

The adoption of these amendments to the existing standards did not result in significant changes in the financial statements of Simtel Team S.A.

New standards and amendments to existing standards issued by the IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not differ significantly from the regulations adopted by the International Accounting Standards Board (IASB), except for the following new standards, amendments to existing standards and new interpretations, which have not been endorsed for use in the EU at the date of publication of these financial statements (the effective dates mentioned below are for IFRS standards issued by the IASB):

- Amendments to IAS 1 "Presentation of Financial Statements" - Classification of Liabilities into Short-term and Long-term Liabilities (applicable for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 1 "Presentation of Financial Statements" - Long-term liabilities with financial indicators (applicable for annual periods beginning on or after 1 January 2024),
- Amendments to IFRS 16 "Leases" - Lease liabilities in a sale and leaseback transaction (applicable for annual periods beginning on or after 1 January 2024),
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale of or Contribution of Assets between an Investor and its Associates or Joint Ventures and subsequent amendments (effective date has been postponed indefinitely until the research project on the equity method is finalised).
- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments" - vendor financing arrangements (applicable for annual periods beginning on or after 1 January 2024).

The Company anticipates that the adoption of these new standards and amendments to existing standards will not have a material impact on the financial statements in the period of initial application.

Hed hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated.

SIMTEL TEAM SA

Notes to the Financial Statements

For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

According to the company's estimates, the use of hedge accounting for a portfolio of financial assets and liabilities in accordance with IAS 39: "Financial Instruments: Recognition and Measurement" would not materially affect the financial statements, if applied at the balance sheet date.

3. ACCOUNTING PRINCIPLES, POLICIES AND METHODS

The significant accounting policies applied by the Company in the preparation of its financial statements are described below.

The accounting policies for the preparation of the financial statements have been consistently applied by the Company in 2024, 2023, 2022 and 2021.

The Company has also adopted the Presentation of Accounting Policies (Amendments to IAS 1 and Statement 2 on IFRS Practice) from 1 January 2023. Although the amendments did not result in changes to accounting policies, they did affect the accounting policy disclosures presented in the financial statements. The amendments require disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality in the presentation of accounting policies, helping entities to provide useful, entity-specific information that users need to understand other information in the financial statements.

Management has reviewed the changes in the application of materiality to the presentation of significant accounting policies and the disclosures are consistent with the 2024 and 2023 significant accounting policies, respectively.

Currency conversions

The Company's financial statements are presented in RON, which is also the functional currency.

Foreign currency transactions are translated into RON using the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the period-end are translated into RON using the exchange rate prevailing at the balance sheet date. Realised and unrealised gains and losses are recognised in the profit and loss account. The exchange rates were as follows:

Date	Euro	USD
31 December 2024	4.9741	4.7768
31 December 2023	4.9746	4.4958

Exchange differences, whether favourable or unfavourable, between the exchange rate at the date of recording foreign currency receivables or payables or the rate at which they were reported in the previous financial statements and the exchange rate at the balance sheet date, shall be recorded as financial income or financial expenses, as appropriate.

SIMTEL TEAM SA

Notes to the Financial Statements

For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

IFRS 15 Revenue from Contracts with Customers

Simtel Team S.A. is one of the important players in the three fields of activity - renewable energy, industrial automation and telecommunications, leader in the construction and maintenance of photovoltaic power plants in Romania.

Revenue is measured based on the consideration to which the company is entitled in contracts with customers. The point of recognition arises when Simtel Team S.A. fulfils a performance obligation by transferring control over a promised good or service that is distinct to the customer, which is at a point in time for finished goods and merchandise and over time for services provided.

Revenue from the sale of goods and merchandise is recognised at a point in time when the goods are delivered to customers or are immediately available to the buyer. Payment terms are - in general - between 0 and 120 days from the date of invoice and delivery of goods.

The Company has analysed its contracts with customers to determine all of its performance obligations, and has not identified any new performance obligations that should be accounted for separately in accordance with IFRS 15.

The company's principal activity is the provision of engineering services - turnkey installation of photovoltaic power plants. Revenue is measured at the expected value of consideration received or receivable in accordance with IFRS 15, the total consideration from service contracts is allocated to all services based on their individual selling prices. The individual selling prices are determined on the basis of the prices at which the Company provides the respective services in separate transactions.

Based on the Company's assessment, the value allocated based on the relative individual selling prices of the services and the individual selling prices of the services are broadly similar. Therefore, the application of IFRS 15 does not result in significant differences in the timing of revenue recognition for these services.

Variable consideration

Some customer contracts involve commercial price discounts or the right of return for quality defects. At present, revenue from these sales is recognised based on the price specified in the contract, net of revenue allowances, with trade discounts recognised on an accrual basis when a reasonable estimate of revenue adjustments can be made.

In accordance with IFRS 15, it is necessary to estimate the variable consideration at the inception of the contract. Revenue is recognised to the extent that it is probable that a significant reversal of the cumulative revenue recognised will not occur. Accordingly, for those contracts for which the Company is not able to make a reasonable estimate of the rebates, revenue is recognised earlier than when the reversal period expires or when a reasonable estimate can be made. To estimate the variable consideration to which it would be entitled, the Company has applied the expected value method. At the same time, the cases of quality claims (rights of return) are isolated and insignificant, based on information from past periods.

Notes to the Financial Statements

For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

Considerations related to acting in own name and acting as an intermediary

In accordance with IFRS 15, the assessment is based on whether the Company controls the specific goods before transferring them to the end customer, rather than whether it has exposure to significant risks and rewards associated with the sale of the goods.

The Company has concluded that it acts on its own behalf in most contractual sales relationships because it is the primary provider in all revenue contracts, has the right to set the price and is exposed to inventory risk. In the specific case of those contractual arrangements where the Company does not control the goods prior to transfer to the end customer, it acts as an intermediary.

IFRS 16 - Leases

Company as tenant

The Company assesses whether a contract is or contains a lease at the inception of the contract. The Company recognises a right of use and a corresponding lease liability in respect of all leases in which it is a lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases for low value assets.

For these leases, the company recognises lease payments as an operating expense on a straight-line basis over the lease term. The Company leases space with parking spaces and vehicles. The lease liability is initially measured at the present value of the lease payments outstanding at the inception of the lease, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments and the price for exercising purchase options, if the lessee is reasonably certain to exercise the options, in the case of vehicles.

Lease liabilities are presented as "Lease liabilities" in the individual statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect the interest payable on the lease liability (using the effective interest method) and decreasing the carrying amount to reflect the payments made.

The company re-evaluates the lease liability (and makes a corresponding adjustment to the right-of-use asset) when:

- the lease term has changed or there is an event or a material change in circumstances that results in a change in the measurement of the exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- the lease payments change due to changes in an index or rates or a change in the expected payment below a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the change in lease payments is due to a change in the variable interest rate, in which case a revised discount rate is used).

SIMTEL TEAM SA

Notes to the Financial Statements

For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

- A lease is amended and the lease amendment is not accounted for as a separate lease, in which case the lease liability is remeasured over the lease term of the amended lease by discounting the revised lease payments using a revised discount rate at the effective date of the amendment.

Right-of-use assets comprise the initial measurement of the related lease liability, lease payments made on or before the commencement date of the lease, less lease incentives received, plus any initial direct costs. They are subsequently measured at cost less accumulated amortisation and impairment losses.

Whenever the Company has an obligation for the costs of dismantling and removing a leased asset, restoring the leased asset to its original location or returning the underlying asset to the condition specified in the terms and conditions of the lease, a provision is recognised and measured in accordance with IAS 37.

To the extent that the costs relate to a right-of-use asset, the costs are included in that right-of-use asset, except to the extent that those costs are incurred in creating inventories.

Right-of-use assets are amortised over the shorter of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right of use reflects the fact that the company expects to exercise an option to purchase, the right-of-use asset is depreciated over the useful life of the underlying asset.

Amortisation starts from the lease commencement date. Right-of-use assets are presented on a straight-line basis in the consolidated statement of financial position. The company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the policy 'Property, plant and equipment'.

Long-term borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until they are ready for their intended use or sale.

All other borrowing costs are recognised in the period in which they arise.

Amortised cost for financial assets and liabilities is calculated using the effective interest rate. The amortised cost is calculated taking into account any discount or premium on acquisition and commissions or costs that are an integral part of the effective interest rate.

Government grants

Government subsidies are not recognised until there is reasonable assurance that the subsidy will be received and all conditions attached will be met by the company.

Government grants, the principal condition of which is that the company acquires, constructs or otherwise obtains fixed assets, are recognised as deferred income in the statement of financial position and disclosed as 'grants for investment'. Deferred income is amortised in the statement of comprehensive income on a systematic and reasonable basis over the useful lives of the related assets or when the assets acquired from the grant are subject to moral obsolescence or disposed of.

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The company has no government subsidies.

Costs of pension rights and other long-term employee benefits

As part of its current activity, the Company makes payments to the Romanian State for the benefit of its employees. All the Company's employees are included in the pension plan of the Romanian State. The Company does not operate any other pension scheme or post-retirement benefit plan and, consequently, has no pension obligations. In addition, the Company has no obligation to provide additional benefits to former or current employees.

A liability is recognised for employee benefits for salaries and allowances, annual leave and sick leave in the period in which the related service is rendered at the present value of the benefits expected to be paid in exchange for that service. Liabilities recognised for short-term employee benefits are measured at the present value of the benefits expected to be paid in exchange for the related service.

The company announced at the extraordinary general meeting of shareholders on 28 December 2021 a plan reward key employees, for the years 2022 and 2023, with shares representing no more than 2% of the total number of shares, conditional on the business performance expressed as turnover growth in the following year (2023 and 2024 respectively)

The turnover growth target was achieved in 2024 compared to the turnover of 2023, and the decision to execute the Stock Option Plan in 2024 was taken at the Board of Directors' meeting on 26 July 2024. As a result, the Company distributed free of charge a total of 30,777 new shares with a nominal value of RON 0.2 per share and an average price of RON 50.3785 per share to a total of 23 employees under a Stock Option Plan granted in 2024 for the results of 2023.

Taxation

Current profit tax

Current tax is based on the taxable profit for the year. The taxable profit is different from the profit reported in the statement of comprehensive income because it does not include items of income and expense that are taxable or deductible in other years, nor items that are never taxable or deductible.

Current tax liabilities of the company are calculated on the basis of tax rates in force or substantially in force at the balance sheet date.

Current income tax receivables and payables for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax

Deferred tax is recognised as the difference between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income and is determined using the balance sheet liability method.

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Deferred tax liabilities are generally recognised for all taxable temporary differences, while deferred tax assets are recognised for deductible temporary differences and tax losses and credits carried forward to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit (and this is assumed to be applicable for example to the initial recognition of a lease by a lessee). In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and joint ventures, unless the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognised only to the extent that sufficient taxable income is likely to be available to utilise the benefits of the temporary differences and it is estimated that they will reverse in the foreseeable future.

The carrying amount of tax-deferred assets is reviewed at each balance sheet date and reduced to the extent that it is not probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to the period when the liability is settled or the asset realised, based on tax rates (and tax laws) enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax assets and liabilities reflects the tax consequences of the manner in which the company estimates, at the balance sheet date, that it will recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax relates to the same taxable entity and the same taxation authority, and the company intends to offset the deferred tax assets against the deferred tax liabilities on a net basis.

Current tax and deferred tax are recognised as income or expense in the statement of comprehensive income, except to the extent that they relate to items credited or charged directly to other comprehensive income, in which case the tax is also recognised directly in other comprehensive income, or unless they arise in the initial accounting for a business combination.

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Value added tax

Income, expenses and assets are recognised net of VAT, except:

- When the sales tax applicable to an acquisition of assets or services is not recoverable, in which case the sales tax is recognised as part of the cost of the asset or as part of the expense, as appropriate;
- Receivables and payables presented at a value including sales tax.

The net amount of sales tax recoverable from or payable to ANAF is included as part of receivables and payables in the statement of financial position.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any.

Such cost includes the cost of replacing a portion of property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Also, when a major repair is carried out, the related cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are met. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

The present value of the expected decommissioning cost of an asset after its use is included in the cost of that asset if the criteria for recognising a provision are met.

The cost of a tangible fixed asset consists of:

- its purchase price, including customs duties and non-refundable purchase taxes, after deduction of trade discounts and rebates;
- any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- the initial estimate of the costs to dismantle and move the item and to restore the site on which it is located, the obligation that the entity incurs on acquiring the item or as a consequence of using the item during a particular period for purposes other than to produce inventories during that period.

Further evaluation

Fixed assets are valued at historical cost less depreciation and any adjustments for impairment.

Depreciation of fixed assets

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful economic life.

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Depreciation of property, plant and equipment is calculated from the month in which the asset is put into service until full recovery of its entry value. In determining the depreciation of tangible fixed assets, account is taken of their economic useful lives and conditions of use.

Depreciation is calculated using the straight-line amortisation method over the useful economic life of the assets.

Land is not amortised. Land improvements are amortised on a straight-line basis over a period of up to 10 years.

The useful lives for the main categories of tangible fixed assets are shown in the table below:

	<u>Average lifespan (years)</u>
Land development	18
Buildings and construction	10
Technological equipment	8
Means of transport	4-5
Office furniture and office equipment	4
Photovoltaic plants	<u>18</u>

Property investment

Investment property is valued at cost, including transaction costs.

Investment property is derecognised either on disposal or when it is permanently retired and no future economic benefits are expected from its disposal.

Transfers into or out of investment property are made only when there is a change in use. For a property to be transferred from the investment property category to the owner-occupied property category, the cost considered for subsequent accounting is the fair value at the date of change in use.

If the real estate property used by the owner becomes investment property, the company accounts for that property in accordance with the stated policy for property, plant and equipment until the date of change in use.

Intangible assets

Intangible assets acquired separately are stated at cost less accumulated amortisation / accumulated impairment losses.

Following initial recognition, intangible assets, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated on a straight-line basis over the useful life. The estimated useful lives, residual values and amortisation method are reviewed at the end of each year and adjusted as appropriate, resulting in changes in future accounting estimates.

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Intangible assets are amortised using the straight-line method over the contract period or the useful life, as appropriate, generally up to 5 years.

Research and development expenditure

Research expenditure is recognised as an expense when incurred. Expenditure on the development of an individual project is recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it is available for use or sale;
- Its intention to complete the intangible asset and its ability to use or sell it;
- How the intangible asset will generate future economic benefits;
- Availability of resources to finalise the immobilisation;
- Its ability to reliably assess expenditure during the development of the fixed asset.

After initial recognition of the development expenditure on an asset, the cost model is applied, which requires assets to be carried at cost less any accumulated depreciation and any accumulated impairment losses. Amortisation of fixed assets commences when development is complete and the asset is available for sale/use. It is amortised over the period of expected future benefit. Depreciation is recognised in cost of goods sold. During the development period, the asset is tested annually for impairment.

Patents, licences, trade marks

Patents, licenses, trademarks are recognised as intangible assets and measured over their useful lives (finite - amortised, indefinite - tested for impairment).

Derecognition of intangible fixed assets

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the net carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Stocks

Inventories are stated at the lower of cost and net realisable value. The net realisable value is the estimated selling price of inventories less all estimated costs of completion and selling related costs.

Costs, including a share of fixed and variable indirect costs, are allocated to stocks held by the most appropriate method for the class of stocks.

Raw materials are valued at purchase price including transport, handling costs and net of trade discounts.

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The weighted average cost method is used for the following classes of inventories: goods, inventory, packaging, consumables.

If necessary, provisions are recorded for all categories for worn, slow-moving and defective items.

IFRS 9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets of the company include cash and cash equivalents, trade receivables and long-term investments.

A financial asset is classified as measured at amortised cost or fair value and any movement is reflected in other comprehensive income or through the statement of comprehensive income.

Initial recognition

The classification of financial assets on initial recognition depends on the contractual cash flow characteristics of the financial asset and the company's business model for managing them. Except for trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient, the company initially measures a financial asset at fair value plus, in the case of a financial asset that is not measured at fair value through the statement of comprehensive income, transaction costs. Trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient are measured at the transaction price determined in accordance with IFRS 15.

Further evaluation

The company measures financial assets at amortised cost if the following conditions are met:

- The financial asset is held within a business model with the objective of holding financial assets to collect contractual cash flows and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that represent exclusively payments of principal and interest on the outstanding principal amount outstanding (SPPI).

Derecognition of assets and liabilities

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired;

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- the company has transferred its rights to receive the cash flows arising from the asset or has assumed an obligation to pay the cash flows received in full, without material delay, to a third party under a commitment with identical cash flows; and
 - i. The company has significantly transferred all risks and rewards associated with the asset, or
 - ii. The Company has not transferred and retained substantially all the risks and rewards of the asset, but has transferred control of the asset;
- If the Company has transferred the rights to receive the cash flows from an asset or has entered into a commitment with identical cash flows and has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, nor transferred control of the asset, the asset is recognised in proportion to the Company's continuing involvement in the asset. In this case, the Company also recognises an associated liability.
- The transferred asset and associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The continuing involvement that takes the form of a guarantee of the transferred asset is measured at the lower of the asset's initial carrying amount and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises a provision for expected credit losses for all financial assets attached to debt not held at fair value through profit or loss. For trade receivables and contractual assets, the Company applies a simplified approach in calculating expected credit losses.

Therefore, the Company does not track changes in credit risk, but instead recognises a provision based on lifetime expected loss data at each reporting date. The Company analyses receivables individually and considers the effect of financial guarantees received from insurers in the calculation of expected credit losses.

Financial debts

Initial recognition

Financial liabilities are categorised as financial liabilities at fair value through profit or loss, loans and receivables or derivatives designated as hedging instruments as part of an effective hedge, as appropriate. The Company determines the classification of its financial liabilities on initial recognition.

Further evaluation

The Company values financial liabilities according to their classification as follows:

- Loans and loans: interest-bearing loans are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit and loss account when the liabilities are derecognised as well as during the amortisation

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process at the effective interest rate. Amortised cost is calculated by taking into account any discount or premium on acquisition and any fees and costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is included in the income statement under financing costs.

- Financial guarantee contracts: The Company initially recognises financial guarantee contracts as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less accumulated amortisation.

Derecognition

The company derecognises a financial liability when the related debt obligation is extinguished, cancelled or expires. If a financial liability is exchanged for another liability from the same creditor on substantially different terms, or if the terms of an existing liability are substantially modified, the exchange or modification is treated as a derecognition of the original liability and a recognition of the new liability. The difference between the related carrying amounts is recognised in the income statement.

Clearing of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only if there is currently both a legal right to set off the recognised amounts and an intention to settle on a net basis or to value the assets and settle the liabilities simultaneously.

Interest income

Interest income from a financial asset is recognised when it is probable that economic benefits will flow to the Company and when that income can be measured reliably. Interest income is accrued over time by reference to the principal and the applicable effective interest rate, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to the asset's net carrying amount at the date of initial recognition. Interest income is included in the income statement under financial income.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at home and at banks and short-term deposits with original maturity within a period of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above, net of overdrafts outstanding

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources from the company embodying

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economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the amount required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties related to the obligation. If a provision is measured using estimated cash flows to settle the present obligation, the carrying amount is the present value of those cash flows.

Affiliated parties

Parties are considered affiliated when one party has the ability to control/significantly influence the other party, through ownership, contractual rights, family relationship or otherwise.

Related parties also include the Company's principal owners, members of management, members of the board of directors and members of their families, parties with whom they jointly control other companies, post-employment benefit plans for the Company's employees.

Reported result

The accounting profit remaining after the allocation of the 5% share to the legal reserve, within the limit of 20% of the share capital, shall be taken within the retained result at the beginning of the financial year following the financial year for which the annual financial statements are drawn up, from where it shall be allocated to the other legal purposes.

The profit distribution is realised accordingly in the following financial year, after the approval of the distribution by the General Meeting of Shareholders, e.g. the amount of approved dividends and other reserves according to the legal regulations.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and to disclose contingent liabilities at the end of the reporting period.

However, the uncertainty surrounding these estimates and assumptions could result in a material future adjustment to the carrying amount of the affected asset or liability in future periods. The estimates and associated assumptions are based on historical experience and other factors that are believed to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

The following are the critical judgements, apart from those involving estimates (which are disclosed separately below), that the Company's management have made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

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Judgements

In making their judgement, the directors have considered the detailed revenue recognition criteria set out in IFRS 15 and, in particular, whether the Company has transferred control of the goods to the customer.

Following the detailed quantification of the Company's responsibility for the rectification works, and the agreed limitation on the customer's ability to request additional work or require replacement goods, the directors are satisfied that control has been transferred and that revenue recognition in the current year is appropriate.

Estimates and assumptions

Assumptions about future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company has based its assumptions and estimates on the parameters available when preparing the individual financial statements. However, existing circumstances and assumptions about future developments may change due to changes in the market or circumstances beyond the Company's control. Such changes are reflected in the assumptions as they occur.

Taxes, duties and tax provisions

There are uncertainties regarding the interpretation of complex tax regulations, changes in tax legislation and the amount and timing of future taxable profits.

All amounts due to state authorities have been paid or recognised at the balance sheet date. The Romanian tax system is undergoing a consolidation process and is in the process of harmonisation with European legislation. Different interpretations may exist at the level of tax authorities in relation to tax legislation which may lead to additional taxes and penalties. If the state authorities find tax infringements, and related regulations, it can lead to: confiscation of the amounts in the case; additional tax liabilities; fines and penalties (which are applied to the outstanding amount). As a result the tax penalties resulting from violation of legal provisions may result in a significant debt.

At the end of each financial year, the Company makes an estimate of the potential tax risks to which it may be exposed and determines the level of potential risk, using the best available estimates, and accordingly, if appropriate, recognises a specific provision in the financial statements

Stocks

Consumables, raw materials and goods are recorded at the lower of cost and net realisable value. Management reviews the age of inventories, the expiry date of products, the quality of products and any non-conforming issues, products that cannot be resold at a later date or that are rejected based on quality issues, and considers the implications of these in determining the net realisable value of aged inventories.

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The net realisable value is the selling price in the ordinary course of business, less costs of completion, marketing and distribution, taking into account future selling price movements.

Management has analysed the net realisable value of finished goods on a monthly basis, taking into account market selling prices as well as industry specific regulations.

For raw materials, specific analyses are performed taking into account the age, expiry date, possible quality problems of the elements in the balance.

All assumptions are reviewed annually.

Useful lives for fixed assets and the depreciation method

The Company estimates the useful lives for items of property, plant and equipment in accordance with the rate of consumption/wear and tear for the respective assets.

The company considers and uses the straight-line method for buildings, fixed assets acquired under finance leases and equipment.

5. SALES OF GOODS AND SERVICES AND EXPENDITURE ON RAW MATERIALS AND CONSUMABLES

The turnover realised in the financial year ending 31 December 2024 comes mainly from the sale of engineering services - turnkey installation of photovoltaic power plants.

The company monitors sales by business segment:

Sales by business segment:	1 January - 31 December 2024	1 January - 31 December 2023
Revenue from sales of finished products	-	-
Income from services rendered	270.398.312	283.791.850
Rental income	350.833	322.702
Revenue from the sale of goods	3.126.007	6.456.819
Revenue from the sale of waste products	-	12.946
Income from miscellaneous activities	3.363	5.413
Total sales	273.878.513	290.589.730

6. RAW MATERIALS, CONSUMABLES USED AND MERCHANDISE

For the financial years ending 31 December 2024 and 31 December 2023, raw materials and materials expenses are presented as follows:

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	1 January - 31 December 2024	1 January - 31 December 2023
Expenditure on raw materials and consumables:		
Raw materials	(131.214.791)	(174.318.680)
Fuel materials and spare parts	(1.097.129)	(900.399)
Goods	(2.643.418)	(6.020.166)
Inventory items	(331.545)	(271.632)
Total	(135.286.883)	(181.510.877)

7. OTHER INCOME/EXPENDITURE AND ADJUSTMENTS

7.1. Other operating income

	31 December 2024	31 December 2023
Other operating income	1.010.275	262.879
Revenue from operating subsidies for other operating expenditure	246.194	-
Damages, fines and penalties	31.756	-
Proceeds from the sale of assets and other capital operations	15.172	208.991
Total	1.303.397	471.870

The operating income category includes income from the sale of assets, income from (car) compensation, subsidies or other positive adjustments resulting from the correction of certain operations.

7.2 Other operating expenditure

	1 January - 31 December 2024	1 January - 31 December 2023
Other operating expenses		
Services performed by third parties	(57.996.889)	(42.911.969)
Non-stock material	(438.043)	(560.584)
Transport of goods and staff	(988.303)	(1.814.281)
Rents	(468.842)	(1.450.506)
Commissions and fees	(123.325)	-
Travelling expenses	(998.557)	(562.578)
Insurance premiums	(693.810)	(462.385)
Maintenance and repairs	(357.438)	(356.148)
Sponsorship	(303.901)	(288.963)
Donations		(2.487)
Energy and water	(161.821)	(150.287)
Consultancy	(434.054)	(267.660)
Taxes	(3.002.148)	(5.666.318)
Other operating expenses	(2.739.848)	(1.148.638)
Total	(68.706.978)	(55.642.804)

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Expenses with services performed by third parties are mainly represented by expenses with labour performed by subcontractors, photovoltaic power plant installation services and other services.

7.3 Financial expenses

Financial expenses	<u>1 January - 31 December 2024</u>	<u>1 January - 31 December 2023</u>
Interest expenses	(3.441.964)	(2.543.332)
Expenses related to exchange rate differences	(1.228.171)	(1.863.170)
Other financial charges	(373.230)	-
Total	<u>(5.043.365)</u>	<u>(4.406.502)</u>

Interest expenses mainly consist of amounts due to credit institutions.

7.4 Financial income

Financial income	<u>1 January - 31 December 2024</u>	<u>1 January - 31 December 2023</u>
Interest income	2.720.822	6.539
Foreign exchange gains	1.032.669	1.015.344
Other financial income	963.936	1.205.267
Total	<u>4.717.426</u>	<u>2.227.150</u>

7.5 Marketing and advertising expenses

The Company recognises as marketing and advertising expenses expenses generated by media promotion campaigns. During the current year, this category mainly includes expenses for the promotion of the Company's products and projects.

	<u>31 December 2024</u>	<u>31 December 2023</u>
Advertising and publicity expenses	<u>346.241</u>	<u>270.617</u>

8 CURRENT AND DEFERRED CORPORATE INCOME TAX

The reconciliation between the result for the financial year and the tax result, extracted from the income tax return, is shown below:

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Indicator name	1 January - 31 December 2024	1 January - 31 December 2023
Operating revenue	275.181.911	291.061.600
Operating expenses	242.578.846	261.397.629
Operating result (1-2)	32.603.065	29.663.971
Financial income	4.717.426	2.208.643
Financial expenses	5.043.365	4.218.999
Financial result (4-5)	(325.939)	(2.010.356)
Gross result (3+6)	32.277.126	27.653.615
Items similar to income	-	-
Result after including items similar to income (7+8)	32.277.126	27.653.615
Deductions (tax amortisation)	2.393.840	1.722.212
Deductible legal reserve	1.231	1.050
Non-taxable income (dividend and other income)	1.133.594	1.205.267
Profit (9-10-11)	28.748.461	24.725.086
Non-deductible expenses	21.491.943	7.370.878
TAXABLE PROFIT	50.240.404	32.095.964
Tax loss to be recovered from previous years	-	-
Tax loss to be recovered in the coming years	-	-
CORPORATION TAX	8.054.571	5.135.354
Amounts representing sponsorship	303.901	283.963
Reduced corporate income tax according to GEO 153/ 2020	1.162.601	582.167
CORPORATION TAX	6.588.069	4.269.224

	<u>31 December 2024</u>	<u>31 December 2023</u>
Income tax expense		
Tax postponed	(7.003)	(39.790)
Current profit tax	<u>6.588.069</u>	<u>4.269.224</u>
Total	<u><u>6.595.072</u></u>	<u><u>4.229.434</u></u>

9 RESULT PER SHARE

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

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The weighted average number of ordinary shares during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares repurchased or issued during the period multiplied by a time-weighting factor. The time weighting factor is the number of days the shares were outstanding as a proportion of the total number of days in the period.

	31 December 2024	31 December 2023
Profit for the financial year	32.277.126	27.444.718
Number of shares	7.918.650	7.887.873
NET BASIC		
RESULT/SHARE	4,08	3,48
Profit for the financial year	32.277.126	27.444.718
Number of shares	7.895.567	7.887.873
DILUTED NET		
RESULT/SHARE	4,09	3,48

SIMTEL TEAM SA

Notes to the Financial Statements

For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

10 TANGIBLE FIXED ASSETS AND ASSETS RELATED TO THE RIGHT OF USE

	Property investment	Buildings	Land	Machinery, machinery and equipment	Furniture, office, protective equipment	Tangible fixed assets in progress	Advances	Total
Gross value at 1 January 2024	2.688.425	5.204.212	5.239.154	8.723.381	1.455.978	388.244	41.915	21.052.885
Additions	-	-	205.900	691.340	321.882	26.745.946	-	27.965.068
Re-evaluation	-	-	-	-	-	-	-	-
Outgoing	-	-	-	(175.884)	-	-	(4.757)	(180.641)
Downloads	-	609.438	-	728.842	254.455	(1.592.735)	-	-
Gross value at 31 December 2024	2.688.425	5.813.651	5.445.054	9.967.680	2.032.314	25.541.455	37.158	48.837.312
Depreciation, amortisation and impairment at 1 Jan 2024	422.659	117.894	-	3.821.462	579.072	-	-	4.518.428
Amortisation in year	84.532	310.687	-	1.681.183	359.640	-	-	2.351.510
Outgoing	-	-	-	(151.717)	-	-	20.250	(131.467)
Downloads	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairment at 31 December 2024	507.191	428.581	-	5.350.928	938.712	-	20.250	6.738.471
Net value 31 December 2024	2.181.234	5.385.070	5.445.054	4.616.750	1.093.603	25.541.456	16.908	42.098.841

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	Property investment	Buildings	Land	Machinery, machinery and equipment	Furniture, office, protective equipment	Tangible fixed assets in progress	Advances	Total
Gross value at 1 January 2023	2.688.425	457.618	5.239.154	6.122.115	1.098.009	-	12.605	12.929.500
Additions	-	4.746.595	-	2.843.753	357.969	5.708.079	3.714.805	17.371.202
Re-evaluation	-	-	-	-	-	-	-	-
Outgoing Downloads	-	-	-	(242.486)	-	(5.319.835)	(3.685.495)	(9.247.817)
Gross value at 31 December 2023	2.688.425	5.204.212	5.239.154	8.723.381	1.455.978	388.244	41.915	21.052.885
Depreciation and amortisation at 1 Jan 2023	338.128	-	-	2.625.062	298.500	-	-	2.923.562
Amortisation in year	84.532	117.894	-	1.341.839	280.572	-	-	1.740.305
Outgoing Downloads	-	-	-	(145.439)	-	-	-	(145.439)
Depreciation, amortisation and impairment at 31 December 2023	422.659	117.894	-	3.821.462	579.072	-	-	4.518.428
Net value 31 December 2023	2.265.766	5.086.319	5.239.154	4.901.919	876.906	388.244	41.915	16.534.456

SIMTEL TEAM SA

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For the financial year ending 31 December 2024

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Purchases of fixed assets in 2024 relate mainly to IT equipment, machinery for the operation of the warehouse, cars and the extension of the space for the new warehouse in Baicoi. Capitalised investments represent the investments in the development of the space and car park of the two premises owned by Simtel Team SA and leased on a long-term basis to a retail company. In the construction category, the investment for the development of the rented office space and the investment in the Baicoi central warehouse used for the company's activities are highlighted.

Real estate investments in the amount of RON 2,688,425 and a land in Baicoi in the amount of RON 4,746,595 are pledged for the investment loan in the amount of EUR 470,000 and the loan in the amount of EUR 860,000, both pledged to Unicredit SA (Note 19 Loans and similar debts).

The company recognised in the category "Assets related to the right of use" the lease of the space in which it carries out its activity as well as the leasing contracts for cars in the number of 47 in 2024 and 48 in 2023.

The lease contract includes extension and cancellation options. These options are negotiated by the Company's management in order to provide flexibility in managing the portfolio of assets held on lease and to align with the Company's business needs.

The Company's management exercises significant judgement to determine whether there is reasonable certainty for extension or termination.

The carrying amount of the lease liability and movements recognised within this category in the 2024 and 2023 reporting periods:

b. Assets related to utilisation rights

Rights of use	<u>31 December 2024</u>	<u>31 December 2023</u>
Gross value at 1 January	3.181.635	3.181.635
Additions	2.733.616	-
Re-evaluation	-	-
Outgoing	-	-
Downloads	-	-
Gross value at 31 December	5.915.251	3.181.635
Depreciation, amortisation and impairment at 1 Jan 2024	1.633.159	869.974
Amortisation in year	1.381.882	763.185
Outgoing	-	-
Downloads	-	-
Depreciation, amortisation and impairment at 31 December	3.015.041	1.633.159
Net value 31 December	2.900.210	1.548.476

SIMTEL TEAM SA

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*(all amounts are expressed in lei ("RON"), unless otherwise specified)**c. Financial leasing and utilisation rights*

	<u>31 December 2024</u>	<u>31 December 2023</u>
Financial leasing Cars	2.088.251	2.637.618
Leasing rights of use Buildings	<u>3.105.134</u>	<u>1.659.740</u>
Debt at 31 December	<u><u>5.193.385</u></u>	<u><u>4.297.358</u></u>
Total Leasing debt		
Long-term debt	3.083.252	3.880.811
Short-term debt	<u>2.110.134</u>	<u>416.546</u>
Total debt at 31 December	<u><u>5.193.385</u></u>	<u><u>4.297.358</u></u>

Leasing Rights of use	31 December 2024	31 December 2023
On 1 January	<u>1.659.740</u>	<u>2.387.570</u>
Additions during the period	2.733.616	-
Interest associated with leasing debt	317.385	164.345
Ending car leases early	-	-
Leasing payments	1.625.783	736.771
Revaluation of debt	<u>20.176</u>	<u>8.941</u>
At 31 December	<u>3.105.134</u>	<u>1.659.740</u>

The following expenses represent the amounts recognised in profit or loss in relation to building leases:

	<u>1 January - 31 December 2024</u>	<u>1 January - 31 December 2023</u>
Amortisation of right-of-use assets	1.625.783	763.185
Interest expense on lease debt	<u>317.385</u>	<u>164.345</u>
Total expenses recognised in the profit and loss account	<u>1.943.168</u>	<u>927.530</u>

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For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

11 INTANGIBLE FIXED ASSETS

	Formation expenses	Development expenditure	Concessions, patents and other rights	Other intangible fixed assets	Advances	Total
Gross value at 1 January 2024	-	-	398.977	137.884	12.605	549.466
Additions			241.347	47.281	-	288.628
Outgoing Downloads						-
Costs at 31 December 2024	-	-	640.324	185.165	12.605	838.094
Depreciation, amortisation and impairment at 1 January 2024	-	-	121.223	2.689	-	123.912
Amortisation in year			278.992	140.449	-	419.441
Outgoing			-	-	12.605	12.605
Depreciation, amortisation and impairment at 31 December 2024	-	-	400.215	143.138	12.605	555.958
Net value 31 December 2024	-	-	240.109	42.027	-	282.136

SIMTEL TEAM SA

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(all amounts are expressed in lei ("RON"), unless otherwise specified)

	Formation expenses	Development expenditure	Concessions, patents and other rights	Other intangible fixed assets	Advances	Total
Gross value at 1 January 2023	-	-	75.166	2.689	-	77.855
Additions	-	-	323.811	135.195	12.605	459.006
Outgoing	-	-	-	-	-	-
Downloads	-	-	-	-	-	-
Costs at 31 December 2023	-	-	398.977	137.884	12.605	549.466
Depreciation, amortisation and impairment at 1 January 2023	-	-	48.155	2.689	-	50.843
Amortisation in year	-	-	73.068	0	-	73.068
Outgoing	-	-	-	-	-	-
Depreciation, amortisation and impairment at 31 December 2023	-	-	121.223	2.689	-	123.912
Net value 31 December 2023	-	-	277.754	135.195	12.605	425.554

SIMTEL TEAM SA

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For the financial year ending 31 December 2024

*(all amounts are expressed in lei ("RON"), unless otherwise specified)***12 FINANCIAL IMMOBILISATIONS**

The company has the following financial fixed assets:

- Securities held in affiliated entities:

Securities held in affiliated entities	Holding percentage	Shares	Shareholding value	Holding value	Impairment adjustment	31 December 2024
Plesoiu Solar SRL	99%	700	70.000	70.000	70.000	-
Simtel Industrial Control SRL	75%	531	53.100	53.100	-	53.100
Agora ROBOTICS S.R.L	51%	51	510	1.977.720	-	1.977.720
SMTL SOLAR ANINA SRL	100%	20	200	200	-	200
SMTL SOLAR IANCA SRL	100%	20	200	200	-	200
STML SOLAR GIURGIU SRL	100%	20	200	200	-	200
ANT ENERGY POWER SRL	51%	102	1.020	1.514.394	-	1.514.394
SIMTEL SOLAR SRL	100%	1	1000 MDL	269	-	269
SN ENERGIE COMPANY SRL	100%	20	200	200	-	200
CUSTOM SOFT SOLUTIONS SRL	51%		510	87.275	-	87.275
GES FURNIZARE SRL	62%	62	620	620	-	620
OASIS GREEN ENERGY 3 SRL	100%	100	1.000	2.287.690	-	2.287.690
SIRIUS IMMOB 2 SRL	100%	1.000	10.000	2.038.624	-	2.038.624
SIMTEL TECHNOLOGY SRL	100%	20	200	200	-	200
SMTL ENERGY INFRASTRUCTURE SRL	100%	20	200	200	-	200
SMTL ENERGY DEVELOPMENT SRL	100%	10.000	100.000	100.000		100.000
SMTL ENERGY SYSTEM SRL	100%	20	200	200	-	200
SMTL ENERGY PROJECT SRL	100%	20	200	200	-	200

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Securities held in affiliated entities	Holding percentage	Shares	Shareholding value	Holding value	Impairment adjustment	31 December 2023
Plesoiu Solar SRL	99%	700	70.000	70.000	70.000	-
Simtel Industrial Control SRL	75%	531	53.100	53.	-	53.
Agora ROBOTICS S.R.L	51%	51	510	1.977.720	-	1.977.720
SMTL SOLAR ANINA SRL	100%	20	200	200	-	200
SMTL SOLAR IANCA SRL	100%	20	200	200	-	200
STML SOLAR GIURGIU SRL	100%	20	200	200	-	200
ANT ENERGY POWER SRL	51%	102	1.020	1.514.394	-	1.514.394
SIMTEL SOLAR SRL	100%	1	1000	269	-	269
SN ENERGIE COMPANY SRL	100%	20	200	200	-	200
CUSTOM SOFT SOLUTIONS SRL	29%	29	290	87.	-	87.
GES FURNIZARE SRL	62%	62	620	620	-	

The companies in which Simtel Team S.A. owns 100% are new companies set up for the purpose of developing their own photovoltaic power plant projects on land acquired by the company for this purpose.

The acquisition of shares in the company Ant Energy Power S.R.L. was realised in order to expand the range of complementary services in the field of green energy, namely electricity production forecasting and sale of green certificates.

The company Agora Robotics S.R.L., through the R&D process in which it is involved, will lead to the creation of the first robot prototype that realises autonomous cleaning in industrial or retail spaces.

The company Simtel Solar S.R.L. was opened in the Republic of Moldova for the realisation of photovoltaic projects on the basis of the existing orders on the respective market.

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(all amounts are expressed in lei ("RON"), unless otherwise specified)

➤ Guarantees

Financial fixed assets	Balance at 31 December 2024	under one year	older than one year
Performance guarantees	14.607.269	5.253.977	9.353.292
Guarantees for participation in tenders	-	-	-
Other guarantees	19.754	4.490	15.264
Total	14.627.023	5.258.467	9.368.556

Financial fixed assets	Balance at 31 December 2023	<i>under one year</i>	<i>older than one year</i>
Performance guarantees	6.789.414	98.988	6.690.426
Guarantees for participation in tenders	14.000	14.000	-
Other guarantees	19.648	0	19.648
Total	6.823.062	112.988	6.710.074

➤ Cash collateral

○ At 31 December 2024

IBAN	Currency	Balance	Interest Rate	Maturity	Enquiries
RO04BACX00001013061067	LEI	450.000	0%	N/A credit guarantee	Mortgage credit line 4.500.000 lei

○ At 31 December 2023

IBAN	Currency	Balance	Interest Rate	Maturity	Enquiries
RO04BACX00001013061067	LEI	450.000	0%	N/A credit guarantee	Mortgage credit line 4.500.000 lei

SIMTEL TEAM SA

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For the financial year ending 31 December 2024

*(all amounts are expressed in lei ("RON"), unless otherwise specified)***13 STOCKS**

STOCKS	<u>31 December 2024</u>	<u>31 December 2023</u>
Raw and auxiliary materials	83.912.394	73.202.602
Raw materials and materials in course of supply	2.220.712	1.046.003
Advances on stocks	6.479.320	2.490.619
Total	<u>92.612.426</u>	<u>76.739.224</u>

14 TRADE AND SIMILAR CLAIMS

	<u>31 December 2024</u>	<u>31 December 2023</u>
Total net trade receivables of which:	<u>98.807.402</u>	<u>67.266.</u>
Commercial creditor	72.280.926	54.515.179
Trade bad debts	-	-
Customers invoices to draw up	1.016.875	(44.995)
Other trade receivables	25.879.601	12.953.079
Adjustments for expected credit losses	(370.000)	(157.000)

	<u><30 days</u>	<u>>30,<60</u>	<u>>60,<90</u>	<u>>90,<120</u>	<u>>120,<270</u>	<u>>270,<365</u>	<u>>365</u>
Commercial creditor	68.926.084	698.816	105.671	200.681	956.070	-	1.393.604

	<u>31 December 2024</u>	<u>31 December 2023</u>
Total other receivables of which:	<u>25.879.601</u>	<u>12.953.079</u>
Sundry debtors	422.672	782.945
Advances granted	1.620.604	1.695.784
Loans granted to affiliated entities	23.836.326	9.585.667
Other receivables		888.683

Trade receivables do not bear interest.

SIMTEL TEAM SA

Notes to the Financial Statements

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(all amounts are expressed in lei ("RON"), unless otherwise specified)

As at 31 December 2024, sundry debtors mainly represent payments made on behalf of customers in the authorisation process, amounts to be settled to a third party as contractually agreed between the parties.

In this category are also included advances for settlement granted to employees for travelling in the interest of the company, which are within the settlement period.

15 CASH AND SHORT-TERM DEPOSITS

	<u>31 December 2024</u>	<u>31 December 2023</u>
Cash at banks - Current accounts in lei	17.699.091	12.055.659
Cash at banks - Current accounts in foreign currency	295.156	228.012
Bank deposits	3.388.796	-
House in lei	465	2.157
Other values	2.185	6.185
Total	<u>21.385.693</u>	<u>12.292.013</u>

Cash at bank consists of cash, current accounts with banks, bank deposits with a term of three months or less if held for the purpose of covering short-term cash needs, cheques and commercial bills deposited with banks. Overdrafts are included in the statement of financial position under amounts owed to credit institutions falling due within one year.

Collateralised deposits are included in the balance sheet under Financial fixed assets.

For the cash flow statement, cash and cash equivalents are net of overdrafts.

16 ISSUED CAPITAL AND RESERVES

During the year 2021, by the decision of the Extraordinary General Meeting of the Associates of 01.03.2021, the company's form of organisation was changed from a limited liability company to a joint-stock company.

It was also established:

- Split of the 10 lei shares at the nominal value of 0.20 lei (one 10 lei share becomes 50 shares at the nominal value of 0.2 lei)
- Increase of the share capital by the amount of 1.198.000 lei representing the value of 5.990.000 shares

The share capital structure as at 31.12.2021 is the result of the modification of the share capital established on the basis of the Extraordinary General Meeting of Shareholders' Resolution no. 4/10.05.2021.

The shareholders approved the increase of the share capital by issuing 1,055,000 new registered shares in dematerialised form offered for subscription through the private placement offer

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addressed to qualified investors and the approval of the admission to trading of the company's shares within the multilateral trading facility of the BVB.

The administrator, by Resolution 6/27.05.2021, having the authorisation of the shareholders by HAGA 4/10.05.2021, approves the increase of the share capital by 211,000 lei, from 1,200,000 lei to 1,411,000 lei, by issuing 1,055,000 shares at the nominal value of 0.20 lei/share, notes the valid subscription on 27.05.05.2021 of 3,318,868 shares under the Private Placement and approves the closing of the offer with an allocation ratio of 0.3178794697 at the issue price of RON 13/share of which RON 0.20/share par value and RON 12.8/share share premium.

The share premium related to this capital issue is 13,504,000 lei.

In July 2022 the share capital increase took place on the basis of HAGEA no. 1/28.12.2021, registered in the Trade Register by Resolution 100531/19.07.2022, Certificate of Registration of the Share Capital 544242/18.07.2023, Memorandum of Association updated on 07.07.2022 and Certificate of Establishment no. 669291/20.07.2022.

The share capital structure presented as at 31.12.2022 is the result of the modification of the share capital established on the basis of the Extraordinary General Meeting of Shareholders' Resolution no. 1/28.12.2021. The shareholders approved the increase of the share capital by issuing 705,500 new registered shares in dematerialised form offered for subscription through the private placement offer for sale addressed to qualified investors and the approval of the admission to trading of the company's shares in the multilateral trading facility of the BVB.

The Administrator by Resolution 19/29.06.2022, having the authorisation of the shareholders by HAGA 1/28.12.2021, approves the increase of the share capital from 1,411,100 lei to 1,552,100 lei by 141,100 lei by issuing 705,500 shares at the nominal value of 0.20 lei / share, notes the valid subscription on 29.06.2022 under the Private Placement and approves the closing of the offer with an allocation ratio of 0.2753589990 at the issue price of RON 18.2094/share of which RON 0.20/share nominal value and RON 18.0094/share share premium.

The share premium related to this capital increase was RON 12,705,631.70.

During 2022 the second share capital increase took place on the basis of HAGEA no. 4/08.04.2022, registered in the Trade Register by Resolution 154174/02.11.2022, Certificate of Registration of the Share Capital 670182/26.10.2023, Articles of Incorporation updated on 24.10.2022.

At 31 December 2023, the share capital of the Company is RON 1,577,575 (31 December 2022: RON 1,572,326), divided into 7,887,873 shares with a nominal value of RON 0.2 (31 December 2022: 7,861,630 shares with a nominal value of RON 0.2). All shares are issued and fully subscribed.

On 29 June 2023, a capital increase took place through the issue of 26,245 new shares with a par value of RON 0.2 per share and a nominal value of RON 5,249, offered free of charge to a total of 7 employees under a Stock Option Plan. This transaction resulted in a share capital increase of RON 5,249 and a share premium of RON 714,751

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On 19 September 2024 a capital increase took place through the issue of 30,777 new shares with a nominal value of RON 0.2 per share and a total nominal value of RON 6,155.4, offered free of charge to a number of 23 employees under a Stock Option Plan.

At 31 December 2024 - 31 December 2023 the shareholder structure is as follows:

	<u>31 December 2024</u>		<u>31 December 2023</u>	
Nedea Iulian	1.688.941	21,3286%	1.849.226	23,4439%
Bazarciuc Sergiu-Eugen	1.671.375	21,1068%	1.831.375	23,2176%
Vilau Radu-Laurentiu	1.669.375	21,0816%	1.829.375	23,1923%
List shareholders	2.888.959	36,483%	2.377.897	30,1462%
	<u>7.918.650</u>	<u>100%</u>	<u>7.887.873</u>	<u>100%</u>

Equity	<u>31 December 2024</u>	<u>31 December 2023</u>
Share capital	1.583.730	1.577.575
Share premiums	30.963.983	29.419.638
Legal reserves	316.746	315.515
Other reserves	-	-
Profit for the year	79.632.246	47.405.452
TOTAL OWN CAPITAL	<u>112.496.705</u>	<u>78.718.180</u>

17 PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

As part of its current activity, the Company makes payments to the Romanian State for the benefit of its employees. All the Company's employees are included in the pension plan of the Romanian State. The Company does not operate any other pension scheme or post-retirement benefit plan and, consequently, has no pension obligations. In addition, the Company has no obligation to provide additional benefits to former or current employees.

The Company has approved a multi-year plan to incentivise key employees for the period 2023-2024 by offering them options to receive free of charge a number of shares issued by the Company representing no more than 2% of the total number of shares in the Company applicable at the beginning of each year of the plan - Stock Option Plan.

Under the SOP programme, granted in 2023, a total of 26,245 shares were granted, resulting in an increase in share capital with a total nominal value of RON 5,249. The Group granted option rights for a total of 7 employees. The amount granted SOP was RON 720,000, the difference between the nominal value and the conversion price was reflected in the share premium. This issue was reported on the capital market through information number dated 26/2023.

Under the SOP programme, granted in 2024, a total of 30,777 shares were granted, leading to an increase in share capital with a total nominal value of RON 6,155.4. The Group granted option rights to a total of 23 employees. The amount granted SOP was RON 1,550,500, the difference between the nominal value and the conversion price was reflected in the Capital Premium. This issue has been reported on the capital market by informing the date number: 61/2024.

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18 STAFF COSTS AND INFORMATION ON EMPLOYEES, MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

The average number of employees of the Company was as follows:

	31 December 2024	31 December 2023
Average number of employees	124	98

The composition of the Company's management on 31 December 2024 is as follows:

Crt. No.	Name	Position
1	IULIAN NEDEA	President C.A
2	TUDOR MIHAI RADU	General Director
3	GOGORITA MIRELA	Economic Director
4	BAZARCIUC SERGIU	Operational Director
5	RADU VILAU	Technical Director

During the financial year ended 31 December 2024, the Company granted indemnities to the directors in accordance with the remuneration policy approved by the AGM in the total amount of RON 1.952.700 (2023: RON 1.130.500).

As at 31 December 2024 and 31 December 2023, the Company had no pension obligations to former directors or former members of executive management. As at 31 December 2024 and 31 December 2023, the Company had no recorded advances for settlement to directors and executive management. As at 31 December 2024 and 31 December 2023, there were no guarantees or future obligations assumed by the Company on behalf of directors and executive management.

Salary and related tax expenditures recorded during 2023 and 2024 are as follows:

Categories	31 December 2024	31 December 2023
Expenditure on salaries	(24.015.330)	(14.978.094)
Expenditure on vouchers granted to employees	(927.945)	(855.232)
Social insurance expenditure	(545.059)	(356.050)
Remuneration expenses in equity instruments	(1.550.500)	(720.000)
Total	(27.038.835)	(16.189.376)

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19 LOANS AND SIMILAR DEBTS

At 31 December 2024 and 31 December 2023, the Company had the following loans and credit facilities outstanding:

Debt type	Financing	Amount borrowed (loan currency)	Currency credit	Nominal interest rate (% p.a.)	Expiry date	Balance at 31 December 2023	Balance at 31 December 2024	under one year	More than 1 year and less than 5 years	Guarantees / pledges	Covenants
SIMTEL TEAM - Letters of guarantee											
Non-cash commitment facility	Unicredit Bank	45.000.000	Ron	N/A	16.03.2029	5.051.161	8.518.642	168.666	8.349.976	Chattel mortgage on bank accounts/ collateral deposit 25% of SGB value	Proportional or min. 70% runout
Non-cash commitment facility	Unicredit Bank	7.200.000	Ron	N/A	20.01.2028	1.650.995	6.858.865	1.291.677	5.567.188	Property mortgage on Simtel apartments/ chattel mortgage on bank accounts	Proportional or min. 70%. Goods valuation report
SGB issuance facility	BRD	4.000.000	Eur	N/A	21.03.2025	-	1.337.735	-	1.337.735	Movable mortgage on receivables/stocks and bank accounts opened BRD	Proportional or min 60%. Coverage 110% receivables/stocks vs. balance utilised
Total non-cash facilities (Eur/ Ron)						6 702 156 Ron	1.337.735 Eur 22 031 533 Ron	1 460 343 Ron	1.337.735 Eur 20 571 190 Ron		
SIMTEL TEAM - Overdraft/Credit											
Working capital facility	Unicredit Bank	10.000.000	Ron	ROBOR 3M+1.5% EURIBOR 3M+1.5%	02.05.2025	9.993.176	-	-	-	Chattel mortgage on bank accounts / stocks / deposits	Proportional or min 70 %. Coverage 125% receivables/stocks vs. balance utilised
Working capital facility	Unicredit Bank	25.000.000	Ron	ROBOR 3M+1.5% EURIBOR 3M+1.5%	16.05.2025	24.988.270	11.746.151	11.746.151	-	Chattel mortgage on bank accounts / stocks / deposits	Proportional or min 70 %. Coverage 150% receivables/stocks vs. balance utilised

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(all amounts are expressed in lei ("RON"), unless otherwise specified)

Working capital facility (non committed)	Unicredit Bank	4.500.000	Ron	ROBOR 1M+2.4%	02.08.2027	3.123.316	2.251.693	871.623	1.380.070	Movable mortgage on bank accounts / receivables/collateral deposit 450.000 Ron	Proportional or min 70 % . Goods guarantee insurance
Medium/long-term financing	Unicredit Bank	470.000	Eur	EURIBOR 1M+4%	10.12.2027	208.889	156.667	52.222	104.445	Simtel real-estate mortgage on Simtel premises/ chattel mortgage on bank accounts/ receivables Fidejusiune Iulian Nedea/ Bazarciuc Sergiu	Proportional or min 70 % . Minimum level of capitalisation 15%
Medium/long-term financing	Unicredit Bank	4.000.000	Ron	ROBOR 3M+2.5%	28.06.2024	10	-	-	-	Closed in 2024	
Medium/long term financing (Garant Construct)	Unicredit Bank	5.000.000	Ron	ROBOR 3M+1.9%	18.12.2026	-	5.000.000	-	5.000.000	Mortgage on bank accounts State guarantee - commitment t FNGCIMM	Running condition Keep supporting documents 10 years
Medium/long-term financing	Unicredit Bank	860.000	Eur	EURIBOR 3M+2.2%	27.12.2028	860.000	688.000	172.000	516.000	Chattel mortgage bank accounts / property mortgage property Simtel deposit deposit Baicoi	Running condition Land/building valuation report Insurance policy
Working capital financing facility	ING	4.000.000	Eur	EURIBOR 1M+1.5%	11.10.2024	1.596.978	-	-	-	Closed in 2024	
Revolving facility	BRD	6.000.000	Eur	ROBOR 3M+1.25% EURIBOR 3M+1.25%	21.03.2025	-	1.035.497	1.035.497	-	Chattel mortgage on bank accounts / stocks / deposits	Proportional or min 60% . Coverage 110% receivables/stocks vs. balance utilised
Factoring Facility/ FINTRA	BRD	8.000.000	Eur	EURIBOR 1M+1.5%	21.03.2025	-	3.050.256	3.050.256	-	Chattel mortgage on bank accounts / stocks / deposits	Proportional or min 60% . Coverage 110% receivables/stocks vs. balance utilised Paying invoices on time

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For the financial year ending 31 December 2024

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Medium/long-term financing	BRD	5.000.000	Ron	ROBOR 3M+1.25%	29.04.2027	-	5.000.000	-	5.000.000	State guarantee - FNGCIMM commitment	Proportional or min 60%. Use credit only for the contractually agreed purpose
TOTAL Facilities Eur/ Ron equivalent						2.665.867 Eur 51,366,394 Ron	1 880 164 Eur 33,349,969 Ron				

SIMTEL TEAM SA

Notes to the Financial Statements

For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

20 TRADE AND OTHER DEBTS

Trade and other payables as at 31 December 2024 and 31 December 2023 are as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Total net trade payables, of which:	118.323.426	40.342.436
Local trade debts	76.765.043	23.427.641
External trade debts	28.823.500	12.693.888
Invoices to draw up	118.323.426	40.342.436
	<u>31 December 2024</u>	<u>31 December 2023</u>
Total other debts of which:	15.386.891	12.884.991
Advances received and other debts	1.314.717	6.219.207
Debts to shareholders/associates	-	-
Dividends	-	17.956
Value added tax	4.322.292	3.306.287
Corporate income tax	5.403.608	1.458.454
Contributions and payroll taxes	941.610	916.148
Salaries	1.352.886	935.468
Sundry creditors	-	6
Subsidies	673.371	-
Guarantees received	1.362.211	-
Other debts	16.196	31.465

Commercial debts are non-interest bearing and are usually settled within 0-120 days.

21 PROVISIONS

As at 31 December 2024 and 31 December 2023 the Company has recognised provisions for untaken holidays.

	<u>31 December 2024</u>	<u>31 December 2023</u>
Other provisions	598.775	444.301

SIMTEL TEAM SA

Notes to the Financial Statements

For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

22 ADVANCE INCOME

At 31 December 2024 and 31 December 2023, deferred income is presented as follows:

31 December 2024	31 December 2023	<i>amount to be resumed in less than 1 year</i>	<i>amount to be resumed in a period longer than 1 year</i>
298.787	393.685	98.421	200.366
298.787	393.685	98.421	200.366

As at 31 December 2024, the Company has recorded prepaid income of RON 298,787 (31 December 2023: RON 393,685), which represents the Fit-out contribution granted by the landlord for the fit-out of the leased space, which is recognised in income on a monthly basis over the initial term of the lease, as the initial fit-out costs are amortised.

23 PRESENTATION OF RELATED PARTIES

An entity is "linked" to another entity if:

- a) directly or indirectly, through one or more entities:
 - controls or is controlled by the other entity or is under common control of the other entity (this includes parent companies, subsidiaries or member subsidiaries);
 - has an interest in that entity that gives it significant influence over it; or
 - has joint control over the other entity;
- b) represents an associated entity of the other entity;
- c) is a joint venture in which the other entity is a partner;
- d) represents a member of the key management personnel of the entity or its parent company;
- e) represents a close member of the family of the person mentioned in lit. a) or d);
- f) represents an entity that is controlled, jointly controlled or significantly influenced, or for which significant voting power in such an entity is given, directly or indirectly, by any person referred to in (d) or (e); or
- g) the entity is a post-employment benefit plan for the benefit of the employees of the other entity or the employees of any related entity of such company.

As at and for the financial years ended 31 December 2024 and 31 December 2023 the Company had balances and transactions with the following related parties:

SIMTEL TEAM SA

Notes to the Financial Statements
For the financial year ending 31 December 2024

(all amounts are expressed in lei ("RON"), unless otherwise specified)

Entity name	Country of origin	Nature of the relationship	Nature of transactions
Simtel Industrial Control SRL	Romania	Affiliated party	Supply of materials/ Borrowing current assets
Plesoiu Solar SRL	Romania	Affiliated party	Company loan project
SMTL Solar Anina SRL	Romania	Affiliated party	Company loan project
SMTL Solar Ianca SRL	Romania	Affiliated party	Company loan project
SMTL Solar Giurgiu SRL	Romania	Affiliated party	Company loan project
Agora Robotics SRL	Romania	Affiliated party	Active borrowing. R&D
Simtel Solar SRL	Moldova	Affiliated party	Start activity loan
SN Energie Company SRL	Romania	Affiliated party	Company loan project
Custom Soft Solution SRL	Romania	Affiliated party	Company loan project
Ges Furnizare SRL	Romania	Affiliated party	Company loan project
Oasis Green Energy 3 SRL	Romania	Affiliated party	Company loan project
Sirius Immob 2 SRL	Romania	Affiliated party	Company loan project
SMTL Energy Infrastructure SRL	Romania	Affiliated party	Company loan project
SMTL Energy Project SRL	Romania	Affiliated party	Company loan project
SMTL Energy System SRL	Romania	Affiliated party	Company loan project
SMTL Energy Development SRL	Romania	Affiliated party	Company loan project
SIMTEL TECHNOLOGY SRL	Romania	Affiliated party	Company loan project

Balances arising from related party transactions:

	31 December 2024	31 December 2023
Trade payables to related parties	178.963	398.767
Trade receivables from related parties	10.813.737	65.237
Loans granted to related parties	23.836.326	9.585.667
<i>Net position in relation to related parties</i>	<u>34.829.026</u>	<u>9.252.137</u>
Commercial debts to other related parties	1.722.331	1.871.031
Trade receivables from other related parties	27.020	27.020
<i>Net position in relation to other related parties</i>	<u>(1.749.351)</u>	<u>(1.844.011)</u>

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Notes to the Financial Statements

For the financial year ending 31 December 2024

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Related party transactions:

	31 December 2024	31 December 2023
Services performed by related parties	85.544	655.381
Purchasing water from related parties	-	-
Purchase of stocks from related parties	-	-
Acquisition of fixed assets	-	-
<i>Total purchases from related parties</i>	85.544	655.381
Income from sales of products to related parties	503.088	1.756.216
Income from services rendered to related parties	34.406.809	4.925.139
Dividend income	887.400	1.205.267
Interest income from related parties	2.535.755	-
Other income from related parties	20.596	-
<i>Total sales to related parties</i>	38.353.648	7.886.622

24 COMMITMENTS AND QUOTAS

24.2 Angajamente

Capital commitments

Other than the finance leases outstanding at 31 December 2024, described above, the Company has no other capital commitments to purchase fixed assets.

Guarantees and guarantees given to third parties

In accordance with the provisions of the loan agreements entered into with Romanian banking institutions, the Company had as at 31 December 2024 pledged fixed assets with a net value of RON 7,435,020 (2023 RON 7,435,020).

Letters of guarantee issued amount to RON 22,031,533 (2023: RON 6,702,156). They are issued both under the bank's SGB issuance facilities without blocked cash collateral and with cash collateral of 25% of the value of the SGB.

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21.1 Other commitments and quotas

A. Tax

All amounts due to the State for taxes and duties have been paid or recorded at the balance sheet date. The tax system in Romania is undergoing consolidation and continuous change, and there may be different interpretations by the authorities in relation to the tax legislation, which may give rise to additional taxes, duties and penalties.

If the state authorities discover breaches of the Romanian legal provisions, they may, as appropriate: confiscation of the amounts in question, imposition of additional tax obligations, application of fines, application of late payment surcharges (applied to the amounts actually outstanding). Therefore, tax penalties resulting from violations of the legal provisions may amount to significant sums to be paid to the State.

The Company believes that it has paid all taxes, levies, penalties and penalty interest on time and in full, to the extent applicable. The Company's management does not anticipate material adverse effects of such audits, which could have a material impact on these financial statements. In Romania, the fiscal year remains open for audit for a period of 5 years.

B. Transfer prices

In accordance with the relevant tax legislation, the tax assessment of a transaction with related parties is based on the concept of the arm's length price of the transaction. Based on this concept, transfer prices must be adjusted to reflect market prices that would have been determined between unrelated entities acting independently on an arm's length basis.

It is likely that transfer pricing audits will be carried out in the future by the tax authorities in order to determine whether the transfer prices comply with the "arm's length principle" and that the tax base of the Romanian taxpayer is not distorted.

The Group initiated the transfer pricing analysis by calling in external specialised services in order to have the transfer pricing file finalised by the date of filing the corporate income tax returns.

C. Legal claims

At the date of these financial statements, the Company was involved in an ongoing litigation in which the Company is a party.

Management regularly analyses the situation of ongoing litigation and, in consultation with its legal representatives, decides whether it is necessary to create provisions for the amounts involved or to present them in the financial statements.

The Company's management believes that these disputes will not have a material impact on the Company's operations and financial position.

SIMTEL TEAM SA

Notes to the Financial Statements

For the financial year ending 31 December 2024

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D. Environmental issues

The Company has incurred environmental protection expenses for irrigation, drainage, scarification and other expenses related to arable land works in accordance with the requirements of the Concession Contract.

The company is frequently subject to inspections by the National Environmental Guard and the Environmental Fund Administration to verify the fulfilment of various environmental obligations. The Company's management considers that it fulfils its environmental obligations in compliance with the applicable legislation and has not recorded any provisions for possible future expenses that may be necessary to fulfil these obligations.

Also, the Company's management does not anticipate any material adverse effects of such audits that could have a material impact on these financial statements. The Company has no environmental liabilities that would require the creation of provisions.

E. Cash-flow risk

This is the risk that the company will be unable to honour its payment obligations when due. A prudent cash-flow risk management policy involves maintaining a sufficient level of cash, cash equivalents and financial availability through adequately contracted credit facilities.

The company monitors the level of projected cash inflows from the collection of trade receivables, as well as the level of projected cash outflows for the payment of trade and other payables. Thanks to this business model, which includes the provision of monitoring services under a fixed monthly fee, the company manages to maintain a healthy cash flow.

F. Liquidity risk

Liquidity risk is associated with the holding of fixed or financial assets. The company's activity does not depend on holding fixed or financial assets and their transformation into liquid assets. The company's fixed assets are used in current operations.

G. General economic risks

The issuer's activities are sensitive to economic cycles and general economic conditions. Both international financial crises and an unstable economic environment may have a material adverse effect on the Issuer's business, results of operations and financial position.

Socio-political turbulences may also have an impact on the company's activity. International financial markets have felt the effects of the global financial crisis that started in 2008. These effects were also felt on the Romanian financial market in the form of low capital market liquidity, as well as an increase in medium-term financing interest rates due to the global liquidity crisis.

In the future, such a scenario could be repeated and any significant losses suffered by the international financial market, with major implications for the local market, could affect the Issuer's ability to obtain new loans or financing on sustainable terms.

SIMTEL TEAM SA

Notes to the Financial Statements

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(all amounts are expressed in lei ("RON"), unless otherwise specified)

Geopolitical developments and inflationary pressures: The continuation and outcome of the war in Ukraine may undoubtedly affect European economies, however, it is noticeable that concerns about Europe's energy sufficiency have diminished. The recent conflict in the Middle East has contributed to growing insecurity, while a possible escalation of the conflict over oil-rich countries (e.g. Iran) could trigger a new energy crisis and, consequently, inflationary pressures, hampering Europe's economy;

The ongoing military conflict in Ukraine and related targeted sanctions against the Russian Federation may have an impact on the European and global economy. The Company has no direct exposure to Ukraine, Russia or Belarus. However, the impact on the general economic situation may require revisions to certain assumptions and estimates. This may result in material adjustments to the carrying value of certain assets and liabilities in the next financial year.

At this stage, management estimates that the war has no impact on the financial statements. As events are ongoing, the long-term impact may affect sales volume, cash flows, and profitability. However, as of the date of these financial statements, the Company continues to meet its obligations as they come due and therefore continues to apply the going concern basis of preparation.

H. Competition risk

The entry of new competitors on the market will intensify competition and put pressure on the company's business, with the risk of a fall in profits and even insolvency.

I. Risk of loss of reputation

It is a risk inherent to the company's activity, as reputation is particularly important in the business environment, especially in the company's field of activity, cyber security. Reputational risk is inherent to the economic activity of Simtel Team S.A.

The ability to retain and attract new customers also depends on the recognition of the Simtel Team S.A. brand and its reputation for the quality of the services offered on the market. A negative public opinion about the company could result from actual or perceived practices in the cybersecurity market in general, such as negligence while providing services or even from the way the company conducts or is perceived to conduct its business.

J. Tax and legal risk

The Issuer is governed by Romanian law and even if Romanian law has been largely harmonised with the European Union legislation, there may be subsequent changes, i.e. new laws and regulations may be introduced, which may have an effect on the company's activity. Legislation in Romania is often unclear, subject to different interpretations and implementations and frequent changes. Both the changes in tax and legal legislation, as well as possible events generated by their application, may materialise in possible fines or lawsuits filed against the company, which may impact the issuer's activity.

K. Investment risks in Romania in the economic and political context

SIMTEL TEAM SA

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The Romanian economy is vulnerable to regional or international recessions, financial and general economic problems may be felt more acutely in certain markets or sectors. Political and social changes may also be an unpredictable factor. Romania does not have all the business, legal and regulatory infrastructure that would exist in a developed economy. Legislation is subject to varying interpretations and is frequently amended.

L. Other risks

Potential investors should consider that the risks set out above are the most significant risks known to the company at the time of writing. However, the risks set out in this section do not necessarily include all those risks associated with the issuer's business, and the company cannot guarantee that it includes all relevant risks.

There may be other risk factors and uncertainties of which the company is not aware at the time of writing that may change the actual future results, financial condition, performance and achievements of the issuer and may cause the company's share price to decline. Investors should also undertake the necessary due diligence in order to make their own assessment of the suitability of the investment.

M. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's exposure to the risk of changes in foreign currency exchange rates mainly relates to the Company's operating activities (when income or expenses are denominated in a currency other than the functional currency of the Company).

The company has transactions in currencies other than its functional currency (RON).

The exposure to foreign exchange risk (due to the EUR currency) is not significant, thus the Company does not use hedging instruments.

31 December 2024	EUR	RON	Total
Commercial receivables	422.678	72.505.123	72.927.801
Cash and cash equivalents	295.156	21.090.537	21.385.693
Other current receivables	-	25.879.601	25.879.601
Total assets (1)	717.834	119.475.261	120.193.095
Trade debts	28.823.497	89.499.929	118.323.426
Short-term loans	18.883.744	-	18.883.744
Long-term loans	14.466.226	-	14.466.226
Leasing debts	5.193.385	-	5.193.385
Other current liabilities	0	15.386.891	15.386.891
Total debts (2)	67.366.851	104.886.820	172.253.671

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For the financial year ending 31 December 2024

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31 December 2024	EUR	RON	Total
Difference (1) - (2)	(66.649.017)	14.588.441	(52.060.576)

31 December 2023	EUR	RON	Total
Commercial receivables	343.700	53.969.484	54.313.184
Cash and cash equivalents	694.510	11.597.503	12.292.013
Other current receivables	-	12.953.079	12.953.079
Total assets (1)	1.038.210	78.520.066	79.558.276
Debts	12.296.376	28.046.060	40.342.436
Short-term loans	44.912.821	-	44.912.821
Long-term loans	6.453.573	-	6.453.573
Leasing debts	4.297.357	-	4.297.357
Other current liabilities	0	12.884.991	12.884.991
Total debts (2)	67.960.127	40.931.051	108.891.178
Difference (1) - (2)	(66.921.917)	37.589.015	(29.332.902)

Currency risk sensitivity

The sensitivity to a reasonably possible change in the exchange rate of the EUR (of 10 per cent), with all other variables held constant, of the Company's profit before tax (due to changes in the value of monetary assets and liabilities) is considered by the Company to have an insignificant impact. The Company's exposure to foreign exchange changes in any other currencies is not material.

N. Personal data protection risk

In the course of its business, the company collects, stores and utilises data that is protected by personal data protection laws. Although the Issuer takes precautionary measures to protect customer data in compliance with the legal requirements on privacy protection, especially in the context of the implementation of the General Data Protection Regulation (EU) 2016/79 also in Romania (as of 25 May 2018), the risks of data leakage cannot be completely eliminated. The company takes this risk into account and takes precautionary measures in order to protect customer data, in compliance with the legal requirements in force. The Issuer is taking all precautionary measures required in this area, but there is a possibility that, given that it conducts business with various contractual partners, they may not fully comply with the relevant contractual terms and all data protection obligations imposed on them.

O. Credit risk

Credit risk is the risk that a counterparty will fail to fulfil its obligations under a financial instrument or under a customer contract, resulting in a financial loss. The Company is exposed

SIMTEL TEAM SA

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to credit risk from its operating activities (mainly trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

P. Commercial creditor

Customer credit risk is managed by the company, subject to established policy; however the company considers the credit risk on receivables to be low. The receivables balance is monitored at the end of each reporting period and any major delivery to a customer is analysed. Impairment indicators are analysed at each reporting date.

The Company assesses the concentration of risk on trade receivables as low.

Q. Risk of attachment of the issuer's accounts

Garnishment of accounts is an enforcement measure that can be applied to a company. Thus, the issuer's accounts may be blocked as a result of the attachment, if creditors of the issuer request this measure to recover their debts. The seizure of the company's accounts entails the blocking of the amounts in the seized accounts and may result in the company being hindered or unable to honour its future obligations on agreed terms.

R. Risk associated with insolvency and bankruptcy

The Romanian bankruptcy and enforcement laws do not provide the same level of rights, remedies and projections that creditors enjoy under the legal regimes of other EU jurisdictions. In particular, Romanian bankruptcy and enforcement law and practice may make the recovery by the company of amounts related to secured and unsecured claims in Romanian courts more difficult and time-consuming compared to other countries.

S. Liquidity risk

The Company monitors its risk of funding shortfalls using a recurring liquidity planning tool.

At 31 December 2024 the company has long-term financing.

All of the company's liabilities at 31 December 2024 will be due in less than 1 year, except for lease debt, bank loans and overdrafts.

The table below details the maturity profile of the company's trade and financial debts:

At 31 December 2024	<30 days	30 - 60 days	60 - 120 days	>120 Days	Total
Commercial creditor	68.926.084	698.816	306.352	2.996.549	72.927.801
Cash and cash equivalents	21.385.693	-	-	-	21.385.693
Other current receivables	1.620.604	-	-	24.258.997	25.879.601

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At 31 December 2024	<30 days	30 - 60 days	60 - 120 days	>120 Days	Total
Total assets (1)	91.932.381	698.816	306.352	27.255.546	120.193.095
Trade debts	109.987.681	2.367.495	57.455	5.910.795	118.323.426
Short-term loans	165.577	165.577	331.154	18.221.436	18.883.744
Long-term loans	-	-	-	14.466.226	14.466.226
Leasing debts	175.845	175.845	351.690	4.490.005	5.193.385
Other current liabilities	7.931.504	-	5.403.608	2.051.779	15.386.891
Total debts (2)	118.260.607	2.708.917	6.143.907	45.140.240	172.253.671

At 31 December 2023	<30 days	30 - 60 days	60 - 120 days	>120 Zile	Total
Commercial creditor	39.651.104	779.019	5.998.901	8.086.156	54.515.179
Cash and cash equivalents	12.292.013	-	-	-	12.292.013
Other current receivables	3.759.961	263.645	2.709.243	6.220.228	12.953.079
Total assets (1)	55.703.078	1.042.664	8.708.144	14.306.384	79.760.270
Debts	17.916.653	4.022.000	3.477.707	14.926.077	40.342.436
Short-term loans	165.587	165.587	331.173	44.250.475	44.912.821
Long-term loans	-	-	-	6.453.573	6.453.573
Leasing debts	75.983	70.668	142.102	4.008.604	4.297.357
Other current liabilities	6.607.965	342.360	5.145.883	788.783	12.884.991
Total debts (2)	24.766.188	4.600.615	9.096.865	70.427.512	108.891.180

22 SUBSEQUENT EVENTS

1. Branch opening in Germany

In January 2025, a subsidiary was opened in Essen, Germany, in which Simtel Team SA holds 95% of the share capital. With this expansion, the Company transfers the expertise accumulated in Romania to one of the most advanced renewable energy markets in Europe. Thus, the subsidiary strengthens the Company's position in the field of photovoltaic energy and opens new opportunities for collaborations and strategic partnerships, supporting the European energy transition through innovation, efficiency and sustainability.

In a first step, the German subsidiary will offer preventive and corrective maintenance services for photovoltaic and electricity storage systems. These services are essential for optimising the performance of installations and reducing the risks associated with outages. In the medium term, the Company intends to expand the subsidiary's activity by introducing other business lines in its portfolio, including EPC (Engineering, Procurement, Construction) projects for photovoltaic systems and energy storage solutions, as well as the commercialisation of autonomous robots produced by Agora Robotics, a company part of the Group dedicated to this activity.

The choice of Essen, located in the North Rhine-Westphalia region, was determined both by its proximity to existing customers and partners, as well as by its easy access to markets in neighbouring countries. Locally, the Company will have an operational team comprising both technical staff and business development specialists, whose main responsibility will be to identify opportunities to scale up the Group's business lines in Germany and neighbouring countries.

2. The choice of Raiffeisen Bank S.A. ("RBRO") as intermediary in connection with the possible initiation of a corporate bond issue

In February 2025, RBRO was appointed to carry out the necessary activities to assess the potential interest and market conditions under which a possible corporate bond issue would be organised. The results of this assessment will only be presented to the Company's management to analyse the appropriateness of such an issuance and will not be disclosed to the market.

The mandate was granted following the approval in principle of a bond issue, adopted at the Extraordinary General Meetings of the Company's Shareholders held on 08.04.2022 and 25.04.2023. If, following the preliminary assessment of market conditions, the Company's management decides to issue corporate bonds, a new approval will be submitted to the vote of a new Extraordinary General Meeting of Shareholders.

SIMTEL TEAM SA

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(all amounts are expressed in lei ("RON"), unless otherwise specified)

3. Obtaining a licence from ANRE Republic of Moldova

On 04.03.2025, GES ENERGY TRADE SRL, a Moldovan entity in which the Company holds a 42.7% stake, obtained from the National Agency for Energy Regulation (ANRE) the energy supply licence, valid until 03.03.2035.

Following the granting of the licence by ANRE, GES ENERGY TRADE SRL will be able to sign the first contracts with the beneficiaries, the existence of an energy supply licence being a prerequisite for signing such contracts.

By obtaining the energy supplier licence, the Company strengthens its position as a market leader, offering its customers a complete package of integrated products and services.

23 AUDIT HONOURS

In 2024, the company's auditor was Baker Tilly Klitou and Partners SRL, according to the service agreement dated 12 November 2024.

Approved:
24th of March 2025

Mihai Radu Tudor
General Manager

Mirela Gogorita
Finance Manager