

U.C.M. Reșița S.A.
Sediul Social: Piața Charles de Gaulle, nr. 15
Clădirea Charles de Gaulle Plaza, etaj 3, birou Peles
011857, sector 1, București, România
Sediul Administrativ: Str. Golului, Nr. 1, 320053, Reșița, România
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UCM
Reșița SA
253
Ani de Industrie

În reorganizare judiciară
in judicial reorganisation
en redressement

CURRENT REPORT

As per Law no. 24/ 2017 and ASF Regulation no. 5/2018

Date of report: 31.03.2025

Name of the issuing trading company: U.C.M. Resita S.A.

Registered office: Charles de Gaulle Square No. 15, Charles de Gaulle Plaza Building, 3st Floor, Peles Office, Sector 1, Bucharest

Headquarters: Resita, Golului Street, no. 1, 320053, Caras-Severin County

Phone: 0355/409542; Fax: 0355/409542

Unique registration code: 1056654

Number at the Trade Register Office Bucharest: J 40/13628/2011

Subscribed and paid-up registered capital: 10,993,390.40 lei

The regulated market on which the issued securities are traded: Yearly Report related to the financial statements of the year 2024.

S.C. U.C.M. Resita S.A. informs the general public about the availability of the Yearly Report related to the financial statements of the year 2024, which were presented to the Creditors Committee according to Minutes of 27.03.2025.

The Yearly Report 2024 can be found as of 31.03.2025, on the website <http://www.ucmr.ro> and the IRIS platform link.

Starting with the same date, the parties interested in can apply, on written request, in order to obtain a copy of these documents. The management of the Company recommends that the request be transmitted using the fax/email or post/courier at the administrative headquarters of the company (working point) in Resita, Golului Street no. 1, 320053, Caras-Severin County. The fax number to which the request can be sent is 0355/409542 and the email address is: contact@ucmr.ro.

UCM RESITA SA- în reorganizare, in judicial reorganisation, en redressement,

By Judicial Administrator,

EURO INSOL SPRL and VF Insolventă SPRL Consortium



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PROPOSAL FOR COVERING THE LOSSES CARRIED OUT OF THE PROFIT OF THE ACCOUNTING YEAR 2024

UCM Reșița SA (company in judicial reorganisation, en redressement) registered at the end of the year 2024 accounting profit of 20,344,885 Lei.

The Judicial Administrator of the Company, in accordance with the provisions of law no 82/1991, decides that the profit registered at 31.12.2024, amounting to 20,344,885 Lei to be assigned for covering the losses from previous years.

Judicial Administrator:

EURO INSOL SPRL and VF Insolvență SPRL Consortium



s.c. U.C.M. Reșița s.a.

(in judicial reorganisation, en redressement)

Separate Financial Statements

prepared in accordance with the

Order of the Minister of Finance no. 2844/2016

on

DECEMBER 31, 2024

Separate Financial Statements on December 31, 2024
(all amounts are given in lei (RON) unless otherwise stated)

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**Yearly report of Judicial Administrator
for the accounting year ended on December 31, 2024**
(all amounts are given in lei (RON) unless otherwise stated)

**YEARLY REPORT
of Judicial Administrator
for the accounting year 2024**

I. Non-financial declaration

1. Presentation of SC UCM Reșița SA

UCM Reșița SA, a company located in the southwestern part of Romania, was founded on 3 July 1771 by the first kilns and forges, which is the oldest industrial unit in Romania and one of the oldest in Europe. It is worth mentioning that, at the time of their inauguration (July 3, 1771), the factories in Reșița overtook the founding of famous factories such as Krupp Germany (1811), Vitkovice (1829), Donavitz (1836), MAN (1834), Sulzer) Burmeister Wain (1843), Skoda (1851). If the beginning was devoted to the metallurgical sector, the machine building sector gradually developed, reaching to be preponderant in the last quarter of the nineteenth century. The two sectors coexisted for a long time completing each other within the same fully integrated unit. Since 1960, UCM Reșița has designed and built over 90% of the national hydropower equipment, putting in operation more than 6,325 MW installed power, representing 326 hydro-aggregates. In 1991, according to Government Decision no. 1296/1990, UCM Reșița becomes a public limited company and it is listed on the Bucharest Stock Exchange since 1997.

UCM Reșița SA was privatized in 2003, through the conclusion of the share sale-purchase contract no. 57 / 23.12.2003, between the Authority for Privatization and Shareholding Administration (APAPS), as the seller, and the consortium consisting of the Swiss company INET AG and the Association of Employees UCM Reșița SA as buyers.

According to the Conclusion of the hearing of 06.12.2011, in the file 75017/3/2011 the Bucharest Court of Law ordered the admission of the request regarding the opening of the insolvency procedure on UCM Reșița, leaving to the company the right to conduct the activity, to administer the assets, rights maintained under the supervision of the appointed judicial administrator named by the syndic judge.

On 26.10.2021, the Assembly of Creditors approved the Reorganization Plan of the activity of the debtor UCM Reșița SA proposed by the Judicial Administrator.

On 01.02.2022 by Civil Sentence no. 351 of 01.02.2022 the syndic judge confirmed the Reorganization Plan as approved by the Creditors' Assembly on 26.10.2021.

The company owns a total area of 28 hectares located on the two industrial platforms (ABC and Călnicel) as well as in other areas in the Municipality of Reșița and in Anina.

Moreover, the Company owns numerous other assets outside the current production sphere, both in Reșița (Culture House, "Semenic" Extended Program Kindergarten, previously named Extended

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Program Kindergarten no. 7, a studio apartment on Ion Corvin street, 239 apartments in former non-family homes, etc.), as well as in Anina (Screw Factory).

General Meeting of Shareholders

The General Meeting is the governing body of *the Company* through which the will of the shareholders in any matter of interest to the Company is expressed.

By Civil Sentence no. 351/01.02.2022, pronounced by the Bucharest Court, it was decided that the Company's activity during the reorganization will be led by the Judicial Administrator.

Therefore, the duties of the General Meeting of Shareholders were completely taken over by the Creditors' Meeting, respectively the Creditors' Committee.

Management of the Company

By Civil Sentence no. 351/01.02.2022, pronounced by the Bucharest Court, the management of the Company was taken over by the Judicial Administrator.

Thus, starting from 01.02.2022, the mandate of the Special Administrator, appointed by the Extraordinary General Meeting of Shareholders is limited to representing the interests of shareholders.

On 31.12. 2024, the position of Special Administrator was held by Mrs. Sorina Daniela Pop, according to the AGEA Decision from 16.04.2024.

Creditors 'Committee and Creditors' Meeting

During the observation period, the documents, operations and payments made by the Company, which do not fall under the usual conditions for carrying out the current activity, will be subject to the approval of the Creditors' Committee.

The sale regulations related to the assets to be liquidated, according to the provisions of the Reorganization Plan, are subject to the approval of the Creditors' Assembly.

Executive management of UCM Reșița S.A.

The executive management of the Company during 2024 had the following structure:

- Mr. Cosmin URSONIU – General Director
- Mrs. Liliana Nicoleta IONETE - Human Resources and Economic Director
- Mr. Cristian MURGU - Director of Production - until 11.03.2024

In the last five years, no member of the administrative or executive management of *the Company* was involved in litigation or administrative procedures.

Internal Audit

The internal audit objectives are:

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- Objective insurance and counseling of the company's systems and activities in order to make them more efficient
- Supporting the achievement of the company's objectives through a systematic and methodical approach that evaluates and improves the effectiveness of the management system, based on risk management, control and management processes.

Internal audit activity was exercised, until 11.03.2024, over all activities within the Company in accordance with the approved Annual Internal Audit Plan or Audit Missions set up by the Special Administrator outside the plan.

Internal auditing ensures greater efficiency through a more appropriate use of human and material resources, as well as better coordination between the various departments of the Company.

2. Business model description

The main activity domain according to the National Economy Classification (NACE) is "Manufacture of equipment for the production and use of mechanical power (except for engines for aircraft, motor vehicles and motorcycles) - Code 281."

The main activity of the Company is "Manufacture of engines and turbines (except for aircraft, motor vehicles and motorcycles) - 2811 CAEN Code".

3. Main suppliers

The main suppliers of UCM Reșița SA on 31.12.2024 are:

- SPEEH Hidroelectrica SA
- Divizia Pază și Protecție, Consulting & Security SRL
- Aquacaraș SA

4. Major Customers

During the first quarter of 2024, the final beneficiary of the hydro-energy equipment produced by UCM Reșița SA is SPEEH HIDROELECTRICA SA, whether the company has contracts directly with this entity or acts as a subcontractor of SSH HIDROSERV SA.

After 11.03.2024, the main clients will remain individual and legal tenants with whom the company has signed lease agreements for spaces and apartments.

5. Company development policies and their outcome

Until 11.03.2024 UCM Reșița SA has implemented and operates an Integrated Quality Management System - Environment-Health and Occupational Safety, in accordance with the SR EN ISO 9001: 2015, SR EN ISO 14001: 2015 and și SR ISO 45001:2018 referencing

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requirements, with the certification body Lloyd's Register Quality Assurance and LRQA RO SRL, as follows:

- Quality management system according to the SR EN ISO 9001: 2015 standard
- Environmental management system according to the SR EN ISO 14001: 2015 standard
- Occupational health and safety management system according to the SR ISO 45001:2018. standard.

After the sale of the core activity, on 11.03. 2024, for the leasing activities, management, administration, and conservation of assets, performed by part-time staff, an Integrated Management System and a management policy are no longer necessary.

6. Risk management

By 11.03.2024, UCM Reșița S.A. had implemented and operated an Integrated Management System, including a risk management policy.

After the sale of the core activity, on 11.03. 2024, for the leasing activities, management, administration, and conservation of assets, performed by part-time staff, an Integrated Management System and a management policy are no longer necessary.

On 31.12.2024, UCM Reșița SA is exposed to the following risks:

- Liquidity risk
- Market and economic environment risk
- Environmental risk
- Bankruptcy risk

Liquidity risk is the risk that the Company will encounter difficulties in fulfilling its obligations associated with debts that are settled in cash or by transferring another financial asset.

The *Company's* approach to liquidity risk is to provide, to the extent possible, sufficient liquidity at all times to meet its debts when they become due, both under normal and stressful conditions, without bear unacceptable losses or jeopardize the *Company's* reputation.

Risk of market and economic environment

The Romanian economy is still in transition, the economic crisis significantly affecting it, even if there is some certainty about the future evolution of Romania's policy and economic development, as a member of the Union European.

Market risk is the risk that changes in market prices, such as exchange rates, interest rates, and declining market demand will affect the *Company's* revenue.

The management of *the Company* cannot foresee the changes that will take place in Romania and their effects on the financial position, on the results of the activity or on the cash flows of *the Company* for the following accounting year, only within the limits of available information.

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Eventual changes that could affect the internal conditions of Romania and the effect they could have on the activities of the customers of *the Company* and hence, on the financial position, on results and cash flows of *the Company* could not be taken into account in preparing the *financial statements*, only within the possible limits of predictability.

The environmental risk the *Company* begins from environmental issues and includes the risk of non-compliance with existing or future legislation and criteria.

The objectives that the *Company* pursues to reduce and eliminate this risk are:

- Protecting the environment, including preventing accidental pollution;
- Ensuring compliance with legal requirements on environmental protection;
- Awareness of employees about the environmental aspects generated by the activity;
- Collaboration with customers and suppliers to ensure compliance with the Environmental Policy;
- Continuous improvement of the Environmental Management System, in order to increase the environmental performance of the *Company*.

The environmental risks were identified and assessed, as well as the environmental opportunities corresponding to the activity carried out by all departments. The established measures and the preventive actions carried out led to the prevention of the pollution of the environmental factors.

7. Aspects regarding impact over environment

Aware of the nature and magnitude of the impact of its activities, products and services on the environment, the understanding of the expectations of internal / external stakeholders regarding environmental protection, S.C. U.C.M. Reșița S.A. has proposed the continuous growth of its environmental performance as one of the important factors for sustainable development.

The objectives pursued for this purpose are as follows:

- Protecting the environment, including the prevention of accidental pollution;
- Compliance with legal requirements and fulfillment of compliance obligations;
- Employee awareness of the environmental aspects generated by the work done;
- Collaborate with customers and suppliers to ensure compliance with Environmental Policy;
- Continuous improvement of the Environmental Management System in order to increase the *Company's* environmental performance.

The way in which compliance with legal requirements in environmental and water management permits is regulated, is carefully monitored at the level of each activity compartment.

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The Company's activity is regulated by:

- Environmental obligations that UCM Reșița must fulfill upon the cessation of activities at the ABC Industrial Platform, no. 8326/AAA/01.10.2024, issued by the Caraș-Severin Environmental Protection Agency;
- Environmental obligations that UCM Reșița must fulfill upon the cessation of activities at the Călnicel Industrial Platform, no. 8327/AAA/01.10.2024, issued by the Caraș-Severin Environmental Protection Agency;
- Water management authorization no. 63/S.G.A.CS, dated 09.12.2024, valid until 09.12.2027, issued for the ABC Industrial Platform by the Caraș-Severin Water Management System.

Periodic assessments of compliance with legal provisions and other applicable requirements are carried out in relation to:

- compliance obligations - legal requirements and other obligations to which the Company subscribes;
- environmental obligations and those concerning surface and groundwater, obligations arising from the aforementioned environmental and water management regulations.

Particular emphasis is placed on controlling significant environmental aspects identified. The total number of significant environmental aspects has decreased proportionally with the reduction of activities.

According to the mentioned authorizations, UCM Reșița has/had the following responsibilities regarding environmental protection and water management:

- Evaluation of the quality of rainwater discharged through channel 16 on the ABC Platform;
- Evaluation of the quality of groundwater from boreholes F6 and F10 on the ABC Platform;
- Possession of intervention means in the event of accidental pollution;
- Effective intervention in the event of accidental pollution;
- Removal of existing waste from the site;
- Periodic reporting of the situation regarding the transport of hazardous waste;
- Decommissioning of 90 PCB-containing capacitors for disposal;
- Disposal of 7 oil transformers containing PCB that have been decommissioned.

Based on the handover to SC ECO ELA IMPORT EXPORT SRL, an authorized collector contracted for the equipment containing PCB oil, on 12.12.2024, with Approval Nos. 0052323/DI 0013/12.12.2024 and 0052324/DI 0013/12.12.2024, as well as on 18.12.2024, with Approval No. 0052326/DI 0013/18.12.2024, SC UCM Reșița SA has fulfilled its obligations for the disposal of hazardous waste from capacitors and oil transformers containing PCB with a concentration of over 50 ppm, as outlined in the 2024 disposal plan monitored by the Caraș-Severin Environmental Protection Agency. By letter No. 312/14.01.2025, APM CS approved the updated disposal plan for the year 2024, in the proposed version, which includes the following equipment: PCB capacitors:

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total = 90 units with an approximate oil content of 442 liters and PCB transformers: total = 7 units with an approximate oil content of 6,465 liters.

The UCM Reșița's activities regarding environmental protection focus on several directions:

- Waste management which is an ongoing process, with staff trained in selective collection. UCM Reșița benefits from a proper infrastructure for the collection and temporary storage of waste until it is handed over to authorized collectors for recovery or disposal, in compliance with specific legislation.
- Hazardous substances and chemical mixtures remaining from production activities are securely stored in compliant warehouses. The storage spaces have concrete floors, provide natural or forced ventilation, and are equipped with intervention means in case of accidental pollution.
- The consumption of potable water necessary for carrying out activities is monitored monthly.
- The verification of compliance with monitoring requirements for environmental factors—rainwater and groundwater—is carried out periodically, in accordance with the requirements from the water management authorization issued for the ABC industrial platform, based on the results of measurements conducted by an authorized and accredited external laboratory (RENAR), contracted for this activity.

The monitoring requirements for environmental factors are included in the two environmental permits and the Water Management Authorization that the Company holds for the two platforms. The monitoring frequency established in the regulatory documents is as follows:

- Biannually, the quality of rainwater discharged into the natural receiver Bârzava is monitored through drainage collector no. 16;
- Annually, the quality of groundwater from boreholes F6 and F10 on the ABC platform is monitored.

8. Social and staff aspects

On 31.12.2024, UCM Reșița SA had a staff of 38 employees:

- ✓ 33 employees have individual part-time work contracts for a fixed term until 12.03.2025.
- ✓ 2 employees are on medical leave.
- ✓ 3 employees have suspended work contracts due to parental leave.

The 33 active contracts correspond to the personnel necessary for the current operations, compliance with reporting obligations, management, and preservation of assets.

For health and safety at the workplace, UCM Reșița provides medical services through the Occupational Medicine Office - Doctor Viorel Tătaru, according to the service provision contract.

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Employees are consulted by the occupational physician from the medical office, in accordance with legislation HG 355/2007.

9. Data protection aspects

During the year 2024, no incidents were recorded regarding the protection and processing of personal data.

10. Climate change issues

The EGES UCM Reșița SA installation – operational points ABC and Călnicel has been included among the installations that fell under the national scheme for trading greenhouse gas emission certificates, regarding the activity of burning fuels in installations with a total nominal thermal power of over 20 MW (except for installations for the incineration of hazardous or municipal waste).

The greenhouse gas emission permits no. 123/21.04.2021 and no. 124/21.04.2021, for the period 2021-2030, held by SC UCM Reșița SA for the operational points ABC and Călnicel, expired on 16.03.2023, based on the fact that the nominal thermal power of the EGES installation fell below the level of 20 MW, due to the decommissioning of the two thermal power plants located on the ABC and Călnicel platforms.

Despite all the efforts made over time by the Company, the Environmental Fund Agency issued two enforcement decisions for the unreturned certificates corresponding to the period 2021-2022, which UCM Reșița contested.

In connection with these enforcement decisions, two court cases were pending for a total amount of 270,994 lei, as follows:

- Case 24511/3/2023, in which SC UCM Reșița SA contested Enforcement Decision 2/05.05.2022 / AFM/24658/09.05.2022 for the amount of 122,286 lei.
- Case 7983/2/2023, pending at the Bucharest Court of Appeal, where SC UCM Reșița SA contested Enforcement Decision 2/11.05.2023/ AFM /32720/15.05.2023 for the amount of 148,708 lei. This case does not have a scheduled hearing date.

The action that was the subject of case 24511/3/2022 was dismissed by Civil Judgment no. 2561/04.05.2023 issued by the Bucharest Tribunal – Administrative and Fiscal Litigation Section II, which became final on 23.07.2024 through Civil Decision no. 1642/23.07.2024 issued by the Bucharest Court of Appeal.

11. Remuneration policy

By civil sentence no. 351/01.02.2022 issued in file no. 75017/3/2011 pursuant to art. 101 of Law 85/2006 on the insolvency procedure, the Bucharest Court, VIIth Civil Section, confirmed the reorganization plan proposed by the Judicial Administrator for the debtor UCM Reșița SA, as

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approved by the Creditors' Meeting of 26.10.2021, following that the debtor's activity during the reorganization being led by the Judicial Administrator.

Thus, in accordance with the provisions of the syndic judge related to the management of the activity by the Judicial Administrator, in conjunction with the provisions of art. 103, para. (1) of Law 85/2006 according to which, during the reorganization, the shareholders do not have the right to intervene in the management, or in the administration of the debtor's assets, the General Meeting of Shareholders has no powers on the establishment of the remuneration principles and methods used by Society.

On 31.12.2024, the Company's administration was ensured by the consortium of Judicial Administrators appointed by the Creditors' Assembly convened on 11.11.2013.

The Creditors' Assembly confirmed the syndic judge's decision to remunerate the consortium of Judicial Administrators with a fixed fee of 2500 lei (excluding VAT) and a percentage remuneration of 3% (excluding VAT) from the capitalization of the debtor's assets and/or the recovery of her debts.

The executive management of the Company was ensured on 31.12.2025 by 2 directors employed with individual employment contracts for an indefinite period.

The Company does not grant variable or share-based remuneration.

13. Aspects regarding research and development

In the financial year ended on 31.12.2024 UCM Reșița did not allocate resources for research and development. This fact is mainly due to the reorganization procedure in which the Company was, through the Reorganization Plan approved by the creditors, being no amounts provided for this budget chapter.

II. Financial Statement

The Annual Financial Statements on 31 December 2024 are prepared in accordance with the Order of the Minister of Public Finance no. 2844/2016.

Trends, elements or factors of uncertainty affecting the Company's liquidity, compared to the same period of the last year

The main economical-financial indicators are shown in the table below, with the note that "N/A" means that these indicators cannot be calculated.

Indicators	2023	2024
1 Liquidity indicators		
Indicator for current liquidity - in number of times	0,23	0,24
Indicator for immediate liquidity (acid test) - in number of times	0,05	0,19
2 Risk indicators		

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<i>Indicator for indebtedness rate</i>	N/A	N/A
<i>Indicator for interest coverage - in number of times</i> <i>(if negative, it will not be calculated)</i>	N/A	N/A
3 Activity indicators		
<i>Turnover ratio of debts - customers - in number of days</i>	150	988
<i>Turnover ratio of credits - suppliers - in number of days</i>	76	390
<i>Turnover ratio of fixed assets - number of times</i>	0,70	0,16
<i>Turnover ratio of total assets - in number of times</i>	0,24	0,04
<i>Turnover ratio of stocks - in number of times</i>	0,38	1,36
4 Profitability indicators		
<i>Gross margin on sales (%)</i>	N/A	1,57

The indicator for *current liquidity* with reference to the operating capital, respectively the indicator for *immediate liquidity* (acid test), represents the ratio between current liabilities (on short term) and current assets, and respectively the ratio between these liabilities and the current assets less the stocks.

The values of these indicators are below the levels recommended for a situation of financial stability, reflecting a reduced capacity to cover the current liabilities from the current assets, and respectively from receivables and liquidity.

The indebtedness rate shows how many times the loan capital (credits for a period exceeding one year) is included in equity, reflecting the situation for long-term financing of the Company at the end of the accounting year. This indicator is not calculated, since the Company has no credits for a period exceeding one year, respectively the equity has negative value.

The rate of interest coverage shows how many times the expenses can be covered by the interest from profit before interest and tax. The smaller are the values of these indicators, the greater is considered the risk for the Company's position. The company did not have any interest expenses in 2024 thus this indicator is not calculated.

The turnover ratio of debts-customers shows the number of days within which the debtors (customers) pay their debts to the Company and thus expresses its effectiveness on the recovery of receivables.

The turnover ratio of credits-suppliers shows the number of credit days that the Company obtains from its suppliers.

The turnover ratio of fixed assets shows the management efficiency in the use of fixed assets, expressing the value of the turnover generated by their exploitation. An increasing value shows that there is a better efficiency in the use of the fixed assets.

The turnover ratio of the total assets shows the management efficiency in the use of all the available assets, expressing the value of the turnover generated by them. In the accounting year

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ended, there is noticed a decrease in the efficiency to use *the Company's* assets, due to the lack of production activity since mid-March 2024.

The turnover ratio of stocks indicates the management efficiency in the use of current stocks, expressing the number of their revolution in relation with the total costs of the turnover.

The gross margin from sales reflects *the Company's* efficiency expressed by the weight of profit in total revenues, respectively its advantageousness (profitability).

The financial risk factors identified by the Company are:

- Liquidity risk
- Market and economic risk
- Bankruptcy risk

A summary of the nature of the activities and managerial policies for managing financial risks has been presented in point 6 - *Risk Management* in the Non-Financial Statement.

Situation of lands and issues related to the ownership on *the Company's* tangible assets

The situation of lands owned by the Company at 31.12.2024 is as follows:

No	Location	Certificate of ownership No.	Remaining area in property (square meters)
1	ABC Industrial Platform	MO3 no. 4424	135,114
2	Drinking water tank Mociur	MO3 no. 5336	1,415
3	Land for industrial water basin Dealu Mare	MO3 no. 4727	180
4	Reduction Gear Box Renk Factory	MO3 no. 4431	22,907
5	Industrial bays Cilnicel	MO3 no. 5507	20,099
6	Warehouses, storage rooms Cilnicel	MO3 no. 5506	49,321
7	Deep connection station Cilnicel	MO3 no. 5493	385
8	Compressor station	MO3 no. 7639	9,360

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	Cilnicel		
9	House of Culture	CF no. 32854	9,360
10	Nursery	MO3 no. 3907	2,860
11	Hostel no. 1	MO3 no. 3301	623
12	Hostel no. 3	MO3 no. 3302	625
13	Hostel no. 5	MO3 no. 3298	608
14	Hostel no. 2	MO3 no. 3300	621
15	Block of bachelor's rooms	MO3 no. 3297	441
16	Screw Factory Anina	MO3 no. 4429	10,781
17	Moniom	MO3 no. 4430	24,676
	Total		280,016

On 31.12.2024, all lands owned by UCM Reșița are registered.

During the year 2024, the Company sold land with a total area of 244.039 sqm, of which 180,053 sqm from the transfer of the business line CVC 210/11.03.2024 and 63,986 sqm to the Municipality of Reșița through CVC no. 1623/15.11.2024.

Claims:

On 31.12.2024, UCM Reșița was a party to a revision case related to a piece of land. The details of this file are presented in the following table:

No.	File No. In Court	Applicant	Court of jurisdiction	Hearings	Remarks
1.	3436/290/2010	Mihăilescu Gheorghe Mihăilescu Carmen- plaintiff	Courthouse Reșița	-	By the Conclusion of 09.04.2012, it was ordered the suspension of the trial of the case under Art. 36 of Law no. 85/2006

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Marketable securities issued by the Company

The shares of *the Company* are listed on the Bucharest Stock Exchange. The Company's shares are listed on the Bucharest Stock Exchange. The listing of the company's shares on BVB started on July 25, 1998, until then the company's shares were traded on the RASDAQ over-the-counter market.

Once the insolvency was declared, *the Company's* shares were suspended from trading according to the provisions of art. 43, paragraph 1 of Law 85/2006.

Starting from 09.02.2022, due to the entry into the reorganization period, the Bucharest Stock Exchange ordered the reintroduction of UCM Reșița shares to trading.

The Company's shares are registered, being issued in dematerialized form and are administered through the Bucharest CENTRAL DEPOSITARY, having a nominal value of 0.1 lei/share.

In the Articles of Incorporation of UCM Reșița SA, drawn up in accordance with the provisions of Law 31/1990, registered at the National Office of the Trade Register, the Company's main shareholder is INET AG, legal entity of Swiss nationality and at the Central Depository is registered as main shareholder the Swiss society ICESA SA.

The shareholding structure on 31.12.2024 according to the Consolidated Register of shareholders holding at least 10% issued by the Central Depository is:

- ICESA SA – 106,403,900 shares, representing 96,7890% of the share capital
- Individuals – 2,757,842 shares, representing 2,5086% of the share capital.
- Legal entities – 772,162 shares, representing 0,7024% of the share capital.

Financial – accounting status for the years 2022, 2023, 2024

In the balance sheets for the accounting years 2022, 2023, 2024 the significant balance sheet items are as follows:

Lei

No.	Balance items	2022	2023	2024
1	Lands and buildings	50,187,586	48,526,986	34,383,275
2	Technical facilities and machinery	997,246	985,243	827,720
3	Stocks	14,315,964	6,019,821	2,619,266
4	Fixed assets held for sale	69,115,526	75,190,212	21,286,852
5	Claims	14,097,268	17,110,631	12,944,530
6	Cash and bank accounts	3,083,117	3,280,252	69,842,962
7	Current assets	103,697,168	101,607,516	106,880,957
8	Current liabilities	438,254,167	440,480,352	441,139,959

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The current assets existent in the patrimony have evolved from year to year, according to the data in the table below:

No.	Designation of indicator	2022	2023	2024
1	Stocks, of which:	83,431,490	81,210,033	23,906,118
1.a	- fixed assets held for sale	69,115,526	75,190,212	21,286,852
1.b	- raw material and consumables	3,724,905	3,366,375	1,422,888
1.c	- production in progress	6,918,121	2,110,637	837,112
1.d	- finished products and goods	3,656,482	542,809	359,266
1.e	- down payments	16,456	-	
2	Other current assets of which:	20,250,112	20,390,883	82,787,492
2.a	- receivables	14,097,268	17,110,631	12,944,530
2.b	- short-term financial investment	3,069,727	545,907	69,410,851
2.c	- cash availability	3,083,117	2,734,345	432,111

In the Company's liabilities, the patrimonial changes recorded in the last 3 years are presented in the following table:

No.	Designation of indicator	2022	2023	2024
1	Owner's equity	(388,542,167)	(398,002,269)	(377,657,384)
2	Total debts	438,254,167	440,480,352	441,139,959
3	Income in advance	26,789,156	30,810,198	1,567,685
4	Provisions for liabilities and charges	82,817,115	82,776,060	77,479,199

The majority of changes in the Company's assets are related to the business lines associated with the ABC platform and partially the Călnicel platform, reclassified earlier this year as assets held for sale with a value of 60,624,641 lei, which were the subject of the Sale-Purchase Contract concluded between U.C.M. Reșița S.A. and the Hydro-Energy Machine Construction Plant SRL, signed and authenticated on 11.03.2024. The transaction price, which included not only assets held for sale but also inventories, was 67,879,000 lei.

Concurrently with the removal of these assets from the records, the amount of 29,125,883 lei was reinstated in revenues from the account of advance revenues, and the surplus from revaluation remaining in balance, amounting to 27,558,163 lei related to the ceded assets, was transferred to retained earnings.

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During the year 2024, the public auction sale of the package of Villas, comprising lands with an area of 63,986 sqm and an accounting value of 5,532,498 lei, buildings valued at 1,402,740 lei, equipment valued at 3,139 lei, and furniture valued at 7,139 lei took place. The contract was concluded between U.C.M. REȘIȚA SA and the Municipality of Reșița through authentication no. 1623/15.11.2024, with a selling price of 1,840,660.05 lei.

Additionally, there were changes among the asset elements as a result of the reclassification in 2024 of the Electric Motors Section II objectives, starting from the auction starting price, from which the costs attributable to the sale (UNPIR commissions and the judicial administrator's fees) were deducted, as well as the Cadre building and the Museum building starting from the price offered by the UAT Municipality of Reșița, coinciding with the market value from the 2017 Evaluation Report.

The total amount of reclassified assets is 6,721,281 lei, and no losses were recorded during the reclassification.

Provisions related to reclassified fixed assets were reinstated, amounting to 2,126,684 lei, respectively for the fixed assets sold during the year 2,622,385.

The existing debts as of 31.12.2024 refer only to the remaining distribution through the Payment Program, to which current liabilities are added that are paid according to the documents indicating this.

The Company has paid all debts withheld at source to the consolidated state budget related to the year 2024.

Analysis of the profit and loss account

The revenues include both income from the main activity and gains from any other sources.

The revenues from sale of goods are recognized in the profit and loss account at the date on which the risks and benefits related to the ownership on goods are transferred to the buyer, which, in most cases, coincides with the date of billing (delivery) thereof.

The revenues from goods sold (delivered) and services rendered are recognized based on the accrual principle, respectively at the date of their delivery/service rendering (transfer of ownership) to the customer.

The revenues from interest are recognized in installments (proportionally) as they are billed, in accordance with the contracts/agreements under which the loans were granted based on the accrual principle.

The revenues are recognized when there is no significant uncertainty regarding recovery of the services due and associated costs, or on possible returns of goods.

According to the profit and loss account for the year 2022, 2023 and 2024, the operating income is presented as follows:

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No.	Indicator name	31.12.2022	31.12.2023	31.12.2024
1	Turnover (2+3-4)	20,741,707	37,981,257	5,553,316
2	The production sold	20,741,707	37,981,257	5,553,316
3	Income from sale of goods	-	-	-
4	Commercial discounts granted	-	-	-
5	Inventory variation: Credit balance	-	-	-
	Debit balance	1,013,091	3,645,114	10,668,380
6	Income from the production of fixed assets	-	-	-
7	Exercise production (1+/-5+6)	19,728,616	34,336,143	(5,115,064)
8	Other operating revenues out of which:	527,932,705	1,317,525	100,175,700
8a	Income related to the sale of the business line and other fixed assets			98,845,543
9	Operating income, total (7+8)	547,661,321	35,653,668	95,060,636

In 2024, the majority of the turnover was achieved in the domestic market.

-lei-

No.	Explanations	2022	2023	2024
1	Romania	18,337,714	37,981,257	5,536,817
2	European Union	2,403,993	-	16,499
7	TOTAL turnover (3=1+2)	20,741,707	37,981,257	5,553,316

The classification of the Company's income according to their nature is presented in the following table:

Revenues	Lei		
	2022	2023	2024
Operating revenues	547,661,321	35,653,668	95,060,636
Financial revenues	1,485,305	1,293,938	3,045,147
Total revenues	549,146,626	36,947,606	98,105,783

The majority of the revenues in 2024 come from the sale of business lines related to the ABC platform and partially to the Călnicel platform. Additionally, most of the debtor balance of stock variations is attributed to products that were an integral part of this transaction.

The turnover achieved in 2024 is 5,536,817 lei, which is 85,42% lower than the turnover achieved in 2023, in the context that after the date of the Sale-Purchase Contract of the business concluded

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between U.C.M. Reșița S.A. and the Hydro-Energy Machinery Construction Plant SRL, signed and notarized on 11.03.2024, most of the revenues came solely from the rental of the residential properties and other spaces still owned by the Company.

The expenses include those costs that arise in the process of carrying out the current activities of the enterprise, as well as losses (such as those resulting from disasters).

The *Company* applies the principle of separating financial periods for the recognition of revenues and expenses, which are classified and recognized into three categories (operating, financial, exceptional).

The expenses are classified and recognized based on the principle of their connection to revenues, respectively their allocation to products or services in which such revenues are realized.

The production cost of stocks is tracked on projects and, therein on each individual product, including direct costs related to production (direct materials, direct labor, and other direct costs attributable to products, including design costs) also the share of indirect costs for production, allocated rationally as related to their manufacture.

The general expenses for administration and sale, also the share of fixed overhead unallocated to products (indirect costs for production that are relatively constant, regardless of the volume of production) are not included in the cost of stocks, but are recognized as expenses made in the period in which they occurred.

Depending on their nature, the expenses on 31.12.2024 are as follows:

No.	Expenses	Lei		
		2022	2023	2024
1.	Operating expenses	89,398,344	48,582,818	71,506,247
2.	Financial expenses	(259,173)	572,963	2,668,006
	Total expenses	89,139,171	49,155,781	74,174,253

Within the operating expenses we have the following structure:

No.	Expenses	Lei		
		2022	2023	2024
1	Expenses on goods	2,073,879	4,609,656	136,126
2	Other external expenses (energy and water)	4,505,215	4,952,362	1,670,789
3	Trade discounts received	-	-	-
4	Expenses with the personnel	23,579,635	23,954,747	5,384,960
5	Adjustments	46,911,577	6,565,479	(10,008,437)
6	Other operating expenses including:	12,328,038	8,500,571	74,322,809
6a	Expenses related to the sale of business lines and other fixed assets	-	-	66,582,954
	Total operating expenses	89,398,344	48,582,818	71,506,247

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Similar to revenues, the expenses related to the sale of the business line and other fixed assets hold the most significant share of total expenses. Regarding the remaining expenses, a significant decrease is noted, as after 11.03.2024, the Company ceased production activities.

In 2024, the Company recorded a gross profit of 23,931,530 lei. The net profit of 20,344,885 lei, remaining after the deduction of corporate tax and deferred tax, was primarily obtained in the context of the sale of the "Business Line" materialized through the contract dated 11.03.2024. This will cover part of the retained losses, in accordance with applicable legislation.

The declarations regarding the taxes, contributions and fees due to the consolidated budget of the state were drawn up and submitted within the deadlines and in accordance with the requirements set forth in the legislation in force.

III STATEMENT OF CORPORATE GOVERNANCE 2024

The stage of compliance with the Corporate Governance Code on 31.12.2024 is further on presented:

Stipulations of the Code	Comply with	Do not comply or partially comply	The reason for non-compliance / Other explanatory notes
A.1. All companies should have an Internal Regulation of the Board of Directors which includes the terms of reference / responsibilities of the Board and the key management functions of the company, that applies, inter alia, the general principles of Section A.		x	By the Court Decision delivered on 06.12.2011 by Bucharest Court of Law, Section VII, to the File no. 75017/3/2011 was decided to open the general insolvency proceedings against UCM Reșița and, as a result, the company operates under the procedures regulated by Law no. 85/2006 on insolvency proceedings.
A.2. The provisions for managing the conflicts of interest should be included in the Regulation of the Board. However, the members of the Board must notify the Board with respect to any conflicts of interest that have		x	By Civil Judgment no. 351 of 01.02.2022 the syndic judge confirmed the Reorganization Plan as approved by the Creditors' Meeting on 26.10.2021. The management of the company is ensured by the Consortium of Judicial

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arisen or may arise and to abstain from participating in discussions (including by default, unless where by default would prevent organization of the quorum) and from voting on a decision on the matter which gives rise to the said conflict of interest.			Administrators consisting of EURO INSOL SPRL and VF INSOLVENCY SPRL Bucharest, confirmed by the Creditors Meeting on 11.11.2013.
A.3. The Board of Directors or the Supervisory Board must consist of at least five members.		x	The mandate of the Board of Directors of the company has ceased at the appointment of the Special Trustee. On 31.12.2021, the Company was managed by two Special Trustees appointed by the General Meeting of Shareholders on 15.12.2021, which empowered them to perform measures of U.C.M. Reșița S.A. management under the supervision of the Consortium of judicial administrators.
A.4. Most of Board members must not have executive position. At least one member of the Board of Directors or of the Supervisory Board must be independent in case of companies in Standard Category. For companies in the Premium Category, at least two non-executive members of the Board of Directors or of the Supervisory Board must be independent. Each independent member of the Board of Directors or of the Supervisory Board, as appropriate, shall submit a statement at the time of his nomination for election or re-election, and when there is any change of his status indicating elements based on which it is considered that he is independent in terms of his character and judgment, as well as the criteria laid down in the Code at A.4.1 - A.4.9.		x	On 31.12.2021 the company is in the stage of observation, under the supervision of the Judicial Administrator. Most of the relevant aspects of corporate governance stipulated by the Code of Corporate Governance at Sections A, B and C are not applicable to a company in insolvency proceedings.
A.5. Other commitments and professional obligations, relatively		x	

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permanent, of a member of the Board, including executive and non-executive positions on the Board of some companies and non-profit institutions, should be disclosed to shareholders and possible investors before his nomination and during his mandate.			
A.6. Any member of the Board of Directors must provide information on any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This liability also applies to any relationship that may affect the position of the member on matters decided by the Board.		x	
A.7. The company must appoint a Secretary of the Board responsible for supporting the work of the Board.		x	
A.8. The statement of Corporate Governance will inform if it has carried out an assessment of the Board lead by the President or the Nomination Committee and, if so, will summarize the key measures and changes resulting from it. The company must have a policy / book of reference on the assessment of the Committee comprising the purpose, criteria and frequency of the assessment process.		x	
A.9. The statement of Corporate Governance should include		x	

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information on the number of meetings of the Board and Committees during the last year, participation of administrators (in person and in their absence) and a report of the Board and Committees on their activities.			
A.10. The statement of Corporate Governance should include information on the exact number of independent members of the Board of Directors or of the Supervisory Board.		x	
A.11. The Board of companies in the Premium Category should establish a Nomination Committee consisting of people without executive position who will lead the procedures for the nomination of new members of the Board and will make recommendations to the Board. Most of the members of the Nomination Committee should be independent.		x	
B.1. The Board should establish an Audit Committee in which at least one member must be an independent non-executive director. Most of the members, including the President, must be proven to have suitable qualifications relevant to the positions and responsibilities of the Committee. At least one member of the Audit Committee should have proven and		x	

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appropriate accounting or auditing experience. For companies in the Premium Category, the Audit Committee must be composed of at least three members, and most members of the Audit Committee must be independent.			
B.2. The President of the Audit Committee should be an independent non-executive member.		x	
B.3. As part of its responsibilities, the Audit Committee should conduct an annual assessment of the internal control system.		x	
B.4. The assessment should consider the effectiveness and comprehension of the internal audit functions, the adequacy of the reports on risk management and internal control submitted by the Audit Committee of the Board, readiness and effectiveness wherewith the executive management settles the deficiencies or weaknesses identified during the internal control and submission of relevant reports to the Board.		x	
B.5. The Audit Committee must assess the conflicts of interest in connection with transactions of the company and its subsidiaries with related parties.		x	
B.6. The Audit Committee must assess the effectiveness of the internal control and risk management systems.		x	

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B.7. The Audit Committee must monitor the implementation of legal standards and internal audit standards generally accepted. The Audit Committee should receive and assess the internal audit reports of the team.		x	
B.8. Whenever the Code indicates reports and analyzes initiated by the Audit Committee, they must be followed by periodic reports (at least annually) or ad hoc, which must be submitted subsequently to the Board.		x	
B.9. None of the shareholders can have preferential treatment over the other shareholders in connection with the transactions and agreements concluded by the company with shareholders and their affiliates.	x		
B.10. The Board should adopt a policy to ensure that any transaction of the company with any of the companies with which it has close relationships whose value is equal to or greater than 5% of the net assets of the company (according to the latest financial report) is approved by the Board following a mandatory review of the Audit Committee of the Board, and disclosed correctly to shareholders and possible investors, to the extent that such transactions fall within the category of events subject to reporting requirements.		x	

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B.11. The internal audits should be conducted by a separate structural division (the department of internal auditing) of the company or by hiring an independent third party entity.	x		
B.12. In order to ensure fulfillment of the main functions of the internal audit department, this one must report to the Board via the Audit Committee. For administrative purposes and as part of the management obligations to monitor and reduce risks, it must report directly to the CEO.	x		According to the organizational structure, the internal audit office is working under the CEO.
C.1. The company must publish on its website the remuneration policy and to include in the annual report a statement on the implementation of the remuneration policy during the annual period under consideration.		x	In accordance with the provisions of the civil sentence 351/01.02.2022 regarding the management of the activity of the judicial administrator, in conjunction with the provisions of art. 103, para. (1) from Law 85/2006 according to which, during the reorganization, the shareholders do not have the right to intervene in the management, or in the administration of the debtor's assets, the AGA has no powers on the establishment of the principles and remuneration methods used by the Company.
D.1. The company should organize an Investor Relationship Department - widely publicized by the person/persons responsible or as organizational unit. In addition to the information required by the law, the company must include on its website a section dedicated to relationship with the investors, in Romanian and English, with all relevant information of interest to investors, including:		Partial	The relationship with investors is ensured by the Consortium of Trustees. On the Company's website there is a section called "Shareholder Information" where relevant information is posted. Given that the Company's activity is governed by Law 85/2006, there is a section on the Company's website called "Insolvency" where all activity reports and relevant information on the Company's activity during the reorganisation period are published.
D.1.1. Main corporate regulations:	x		

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memorandum of association, procedures for the general meetings of shareholders;			
D.1.2. Professional CVs of the members of management bodies of the company, other professional commitments of Board members, including executive and non-executive positions on the boards of companies or non-profit institutions;		Partial	
D.1.3. Current reports and periodic reports (quarterly, half-yearly and yearly) - at least those specified in paragraph D.8 - including current reports with detailed information on non-compliance with this Code;	x		
D.1.4. Information about the general meetings of shareholders: agenda and informative literature; procedure for the selection of Board members; arguments supporting proposals for the candidates selected for the Board, together with their professional CVs; questions of the shareholders regarding items on the agenda and responses from the company, including decisions adopted;	x		
D.1.5. Information on corporate issues such as payment of dividends and other distributions to shareholders, or other issues that lead to acquisition or limitation of the rights of a shareholder, including the deadlines		x	There were no corporate events.

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and principles applied to these operations. This information will be published in sufficient time to allow investors to take investment decisions;			
D.1.6. Name and contact details of the person who can provide, upon request, relevant information;	x		
D.1.7. The statements of the company (e.g. for the investors, the quarterly results, etc.), financial statements (quarterly, half-yearly, yearly), audit reports and yearly reports.	x		They are available on the company website.
D.2. The company will have a policy related to yearly distribution of dividends or other benefits to shareholders, as proposed by the CEO or the Executive Board and adopted by the Board, as a set of guidelines that the company intends to follow in connection with the distribution of net profits. The principles of yearly policy in connection with distribution to shareholders will be published on the website of the company.		x	This is not the case given the losses from previous periods to be covered in the future.
D.3. The company will adopt a policy regarding forecasts, whether they are made public or not. The forecasts refer to the quantified conclusions of the studies aimed to establish the overall impact of a number of factors relating to a future period (the so-called hypotheses): by		x	The company is in the period of observation and the forecasting policy will be subject to the Reorganization plan which was validated on 01.02.2022, and is available on the Company's website.

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its nature, this project has a high level of uncertainty; the actual results may differ significantly from the forecasts presented initially. The forecasting policy will establish the frequency, the period under consideration and the content of forecasts. If published, the forecasts can be included only in the yearly, half-yearly or quarterly reports. The forecasting policy will be published on the website of the company.			
D.4. The rules of the general meetings of shareholders should not restrict participation of shareholders in general meetings and the use of their rights. Changes to the rules will enter into force, at the earliest, from the next meeting of shareholders.	x		
D.5. The external auditors will be present at the general meeting of shareholders when their reports are discussed.		Partial	
D.6. The Board will present to the yearly general meeting of shareholders a brief assessment of the internal control system and management of significant risks and opinions on issues subject to the decision of the general meeting.		x	Not applicable in insolvency proceedings
D.7. Any specialist, consultant, expert or financial analyst may attend the meeting of shareholders, based on a		x	The Company will comply with, when needed.

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prior invitation from the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the President of the Board decides to the contrary.			
D.8. The quarterly and half-yearly financial reports will include information, both in Romanian and in English, on the key factors that influence changes in the level of sales, operating profit, net profit and other relevant financial indicators, both from one quarter to another and from year to year.	x		
D.9. A company will hold every year at least two meetings/teleconferences with analysts and investors. The information presented on these occasions will be published in the section Relationship with the Investors of the company's website at the date of meetings / teleconferences.		Partial	It has been deemed that the information submitted and all current and periodic reports published on the website allow the shareholders and investors to make grounded choices.
D.10. If a company supports various forms of artistic and cultural events, sports, educational or scientific activities and considers that their impact on the innovative nature and competitiveness of the company is part of its mission and development strategy, the company will publish the policy on its activity in this field.		x	During the insolvency period, the company is considering mainly measures for financial balancing and cost decrease.

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IV. Conclusions

SC UCM Reșița SA continued its activity in 2024 according to the status of a company under reorganization, under the leadership of the Judicial Administrator – Consortium EURO INSOL SPRL and VF Insolvency SPRL.

The Company's activity was significantly impacted by the transfer of the business to the Hydro-Energy Machinery Construction Plant SRL (UCMH), a subsidiary of SPEEH Hidroelectrica SA, on 11.03.2024. This event divides the year 2024, from an activity perspective, into two periods:

- In the first part of the year, until 11.03.2024, the Company operated under normal conditions based on the licenses and authorizations held, adhering to the execution schedules from ongoing commercial contracts; it had 429 employees with individual labor contracts, full-time.
- After the transfer to UCMH on 11.03.2024, of the core activity, all personnel, know-how related to the design and production of hydro-energy equipment, and the necessary authorizations and licenses for conducting this type of activity, the Company was left without personnel. To carry out current operations regarding the management, administration, and preservation of the remaining assets in the UCM Reșița heritage, to comply with legal reporting obligations, environmental protection, and to issue certificates for former employees according to labor legislation, on 13.03.2024, the Company hired 33 people on a part-time basis, with a maximum schedule of 2 hours/day.

After the transfer, the Company's activity focused primarily on asset sales, in accordance with the provisions of the Reorganization Plan, on renting spaces by continuing existing contracts and entering into new contracts, as well as on debt recovery as they became due.

The completion of the 36-month period stipulated by Law 85/2006, for implementing the Reorganization Plan, started at the moment of confirmation by civil judgment no. 351/01.02.2022 by the judicial administrator of the Reorganization Plan approved by the Creditors' Assembly, seriously raises doubts about the continuation of the Company's activity.

In analyzing this aspect, it is important to note that, in the event of bankruptcy, the satisfaction of creditors and the greater recovery of the debts held by them will be significantly affected by liquidation sales under forced sale conditions.

Judicial Administrator:

The consortium EURO INSOL SPRL and VF Insolvență SPRL



Separate Financial Statements on December 31, 2024
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STATEMENT OF JUDICIAL ADMINISTRATOR
OF
UCM REȘIȚA SA COMPANY

The Special Trustees of *the Company* hereby declare that they assume their responsibility for the Yearly Financial Statements on December 31, 2024.

The Special Trustees of *the Company* confirm, regarding the Yearly Financial Statements on December 31, 2024, the followings:

- a) The Yearly Financial Statements are prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union;
- b) The accounting policies used in preparing the Yearly Financial Statements are in accordance with the applicable accounting regulations;
- c) The Yearly Financial Statements present a fair image on the financial position, financial performance and other information related to the activity carried out;

Regarding the continuity of operations, the Judicial Administrator declares that it is in doubt for the following reasons:

- ✓ There has been no success in implementing the Reorganization Plan regarding the continuation of production in the two halls (blue hall and SME 2).
- ✓ The 36-month period stipulated by Law 85/2006 for implementing the Reorganization Plan, started at the moment of confirmation by civil judgment no. 351/01.02.2022, by the judicial administrator of the Reorganization Plan approved by the Creditors' Assembly has ended (Cadre building) applicable.

This statement is in accordance with Art. 30 of the Accounting Law No.82/1991, republished.

Judicial Administrator:

EURO INSOL SPRL and VF Insolvență SPRL Consortium



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Statement of financial position on 31.12.2024

Lei

Reference Statement of financial position IAS 1.10(a), 113	Note	Balance sheet items	Balance on 01.01.2023	Balance on 31.12.2024
IAS 1.54(a)	3	Tangible fixed assets	50,295,432	35,760,733
IAS 1.54(c)	3	Intangible fixed assets	444,076	4,882
	3	Financial assets	3,717,317	61,731
		Total of fixed assets	54,456,825	35,827,346
IAS 1.54(h)	4	Trade receivables and receivables from affiliated entities	4,984,273	1,564,431
IAS 1.54(g)	5	Stocks	6,019,822	2,619,266
IFRS 5.38		Deferred tax assets	75,190,211	21,286,852
IAS 1.54(o), 56	12	Fixed assets held for sale	11,324,226	9,711,099
IAS 1.54(h)	4	Other receivables	802,132	1,669,000
IAS 1.54(i)	6	Cash and cash equivalents	3,280,252	69,842,962
		Prepayments	6,600	8,503
		Total of current assets	101,607,516	106,702,113
		TOTAL ASSETS	156,064,341	142,529,459
IAS 1.54(k)	7	Supplies and other trade payables	7,739,108	5,412,091
IAS 1.54(k)	7	Taxes and other debts	408,407,356	416,386,708
IAS 1.54(o), 56	12	Deferred tax debts	24,333,888	19,341,160
IAS 1.54(l)	8	Provisions	82,776,060	77,479,199
IAS 1.55, 20.24		Revenues in advance	30,810,198	1,567,685
		Total debts	554,066,610	520,186,843
		Total assets minus Total debts	(398,002,269)	(377,657,384)
	9	Registered capital	601,685,084	601,685,084
	3	Revaluation reserves	99,992,438	64,628,520
	9	Legal reserves	1,972,406	1,972,406
		Other reserves	16,088,620	16,088,620
	9	Carried over result	(1,105,331,085)	(1,082,376,899)
	9	Current result	(12,409,732)	20,344,885
	9	Profit sharing, establishing of legal reserves		
		Total equity	(398,002,269)	(377,657,384)
		TOTAL LIABILITIES	156,064,341	142,529,459



Judicial Administrator:
EFG INSOL SPRL and V.F. Insovența SRL
Consortium



General Manager:
Cosmin URSONIU
Economic Director:
Nicoleta Liliana IONETE



Separate Financial Statements on December 31, 2024
(all amounts are given in lei (RON) unless otherwise stated)

Statement of comprehensive income on 31.12.2024

- Lei -

Reference Statement of overall result IAS 1.10(b), 81(a)	Explanations	31.12.2023	31.12.2024
IAS 1. 82(a) IAS 1.99,103 IAS 1.99, 103	Operating revenues	37,981,257	5,553,316
	Cost of sales	33,277,905	6,058,109
	Gross operating profit (loss)	4,703,352	(504,793)
IAS 1. 82(a) IAS 1.99,103 IAS 1.99, 103	Sales from business line and other fixed assets	-	98,845,543
	Cost of sales from business line and other fixed assets	-	71,334,803
	Gross profit (loss) from sales of business line and other fixed assets	-	27,510,740
IAS 1.99, 103	Other operating revenues	1,317,525	1,330,157
IAS 1.99, 103	Distribution costs	882	14,000
IAS 1.99, 103	Administrative expenses	14,537,083	7,835,787
IAS 1.99, 103	Other operating expenses	4,412,062	(3,068,072)
IAS 1. 82(a) IAS 1.99,103 IAS 1.82(b)	Financial revenues	1,293,938	3,045,147
IAS 1.85	Financial expenses	572,963	2,668,006
	Result before tax	(12,208,175)	23,931,530
IAS 1.82(d), IAS 12.77	Income tax expenses	201,557	3,586,645
	Net Profit (loss)	(12,409,732)	20,344,885
	Establishing of legal reserves under Law 31/1990	-	-
IFRS 5.33(a), 1.82(e)	Profit attributable to:	-	-
IAS 1.83(b)(ii) IAS 1.83(b)(i)	Owners of the Company	-	-
	Non-controlling interests	-	-



Judicial Administrator:
EURO INSOL SPRL and VF Insolvență SPRL
Consortium



General Manager:
Cosmin URSONIU
Economic Director:
Nicoleta Liliana IONETE
Reșița SA

S.C. U.C.M. Reșița S.A.
(in judicial reorganisation, en redressement)

Separate Financial Statements on December 31, 2024
(all amounts are given in lei (RON) unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON DECEMBER 31, 2024

- lei-

1	2	3	4	5	6	7	8	9
Explanation/Description	Registered capital	Revaluation reserves	Legal reserves	Carried over result representing surplus from revaluation reserves	Other reserves	Carried over result	Current result of the accounting year	Total
Balance on 1 st January 2024	601,685,084	99,992,438	1,972,406	275,081,046	16,088,620	11,390,412,131	12,409,732	(398,012,269)
Changes in equity - December 31 2024								
Transfer of surplus from revaluation reserves		(35,363,918)		35,363,918				
Transfer of the result of the accounting year 2023 to the carried over result						(12,409,732)	12,409,732	
Account closing - profit share								
Registration of accounting errors from previous years to the carried over result								
Net result of the current accounting year							20,344,885	20,344,885
Balance on December 31 2024 IFRS		64,628,520	1,972,406	310,444,964	16,088,620	11,392,821,963	20,344,885	(377,657,384)

The legal reserves of the Company, constituted in accordance with the provisions of the Commercial Companies Act, on 31 December 2024 amount to 1,972,406 lei,

The Company's legal reserve is partially constituted in accordance with the Companies Act, according to which 5% of the annual accounting profit is transferred within the legal reserves until their balance reaches 20% of the Company's share capital, If this reserve is used wholly or partly to cover losses or to distribute in any form, it becomes taxable in the calculation of corporation tax,

On December 31, 2024, the Company has not yet reached the maximum level of legal litigation,

Judicial Administrator:
EUROCONSORT SPRL and
F Insolvency Consortium



General Manager:
Cosmin URSONIU
Economic Director:
Nicoleta Liliana IONETE



Separate Financial Statements on December 31, 2024
(all amounts are given in lei (RON) unless otherwise stated)

STATEMENT OF CASH FLOWS ON 31,12,2024

-Lei-

Name of the element	No. line	Financial exercise ended on:	
		31 decembrie 2023	31 decembrie 2024
OPERATING ACTIVITIES			
Net profit+Result carried over from correction of accounting errors	1	(12,208,175)	16,965,284
Adjustments for:			
Adjusting the value of tangible and intangible assets	2	8,850,799	10,240,510
Adjusting the value of financial assets	3	(701,990)	2,373,132
Expenses (revenues) with adjustments for depreciation of current assets	4	4,114,581	(7,021,559)
Adjustments to the provisions for risks and expenses	5	12,587	(547,792)
Expenses with the donating granted	6	(182,048)	-
Revenues from interests and other financial income	7	(86,399)	(2,391,583)
Expenses with interests and other financial income	8		
Cash flow before changes in working capital (row. 1 to 8)	9	(200,645)	19,617,992
Decrease /(Increase) – customers and other assimilated accounts	10	(2,895,893)	1,667,048
Decrease /(Increase) in stocks	11	(2,018,097)	(3,289,282)
Decrease /(Increase)- supplies and other assimilated accounts	12	1,380,039	(23,590,179)
Cash flow from operating activities (row. 9 to 12)	13	(3,734,596)	(8,594,421)
Revenue from interests	14	83,399	2,376,763
(Net increase) / Net decrease in restraint	15	(1,361)	(30,673)
Cash flow from operating activities (row.13 to 15)	16	(3,652,558)	(3,248,331)
Investing activities			
Cash payment for long-term purchasing of land and other assets	17	(18,560)	(15,685)
Proceeds from sales of real estate	18	219,058	69,719,660
Revenues from dividends	19	578,108	76,394
Net cash used in investing activities (row. 17 to 18)	20	778,606	69,780,369
Financing activities			
Discounts of borrowed amounts	21	-	-
Net cash used in financing activities (row. 21)	22	-	-
Net increase/(Decrease) in cash and cash equivalents (row. 16+20+22)	23	(2,873,952)	66,532,038
Cash and cash equivalents at the beginning of the year	24	5,954,786	3,080,834
Cash and cash equivalents at the end of the period (row. 23+24)	25	3,080,834	69,612,872

Judicial Administrator:
EURO INSOL SPRL and VF Insolvență SPRL

Cosmin URSONIU



General Manager:
Cosmin URSONIU
Economic Director:
Nicoleta Liliana IONETE



Separate Financial Statements on December 31, 2024
(all amounts are given in lei (RON) unless otherwise stated)

Economic - Financial Indicators on 31,12,2024

Indicator	Calculation method	Value
1, current liquidity	1=2/3	0,24
2, Current assets (lei)	2	106,693,610
3, Current liabilities (lei)	3	441,139,959
4, Level of indebtedness	4=5/6	#N/A
5, Borrowed capital (lei)	5	-
6, Capital employed (lei)	6	(377,657,384)
7, Turnover ratio of customer debits (days)	7 = 8/9 x 365	213
8, Average balance of trade receivables (lei)	8	3,243,565
9, Turnover (lei)	9	5,553,316
10, Turnover ratio of fixed assets (days)	10 = 11/12 x 365	2,355
11, Fixed assets (lei)	11	35,827,346
12, Turnover (lei)	12	5,553,316

Judicial Administrator:
EURO-INSOL SPRL and VF Insolvență SPRL
consortium



General Manager:
Cosmin URSONIU
Economic Director:
Nicoleta Liliana IONETE



Separate Financial Statements on December 31, 2024
(all amounts are given in lei (RON) unless otherwise stated)

1. Reporting entity

General information

IAS 1,138 (a), (b), UCM REȘIȚA S.A., - (company in insolvency, en procedure collective) is a joint stock company with the headquarters in Romania,

IAS 1,51(a)-(c) The separate financial statements, in accordance with IFRS, has been prepared for the accounting year ended on December 31, 2024,

The main activity of *the Company* is the manufacture of engines and turbines (except aircrafts, vehicles and motorcycles) – CAEN Code: 2811,

The Company was incorporated and registered at *ONRC* based on the Government Decision (GD) no, 1296/1990 completed and modified by GD no, 334/1991, operating under the laws of Romania,

On 31,12,2024, the registered office of UCM Reșița was in Bucharest, Charles de Gaulle Square 15, Charles de Gaulle Plaza Building, 3rd Floor, Peleş Office, Sector 1, as mentioned in Endorsement no, 592087/15,11,2019, registered at ONRC at no, J40/13628/2011, Fiscal Code RO 1056654, and the administrative headquarters in Reșița, Golului Street no, 1 (Cadre building),

The main activity of *the Company* consists in manufacturing and marketing of hydro power units (hydraulic turbines, valves, governors and hydro generators), hydro mechanical equipment, large hydraulic servomotors, bearings and half-bearing shells, spare parts for Diesel engines and others,

The Company provides also services for the design of new constructive solutions or for the rehabilitation and enhancement of the existing ones, as well as specialized engineering services for technical assistance in areas related to its main field of activity,

2. Basis for preparation of separate financial statements

IAS 1,112(a)

2,1 Declaration of conformity

IAS 1,16 The Separate Financial Statements have been prepared in accordance with the provisions of the Order no, 2844/2016 of the Minister of Public Finance, with respect to the approval of Accounting Regulations in compliance with the International Financial Reporting Standards (IFRS) applicable to companies whose marketable securities are admitted to trading on a regulated market (*OMPF 2844/2016*)

The Judicial Trustee/Administrator of the *Company*, undertake the liability for drawing up the Yearly Separate Financial Statements on 31,12,2024 and confirm that they are in compliance with the applicable Accounting Regulations,

Separate Financial Statements on December 31, 2024
(all amounts are given in lei (RON) unless otherwise stated)

Regarding continuity, the Judicial Administrator declares that it is in doubt for the following reasons:

- The implementation of the reorganization plan regarding the continuation of production in the two halls (blue hall and SME 2) has not been successful,
- The 36-month period provided by Law 85/2006 for the implementation of the reorganization plan, initiated at the time of confirmation by the civil sentence no, 351/01.02.2022, by the judge supervising the approved reorganization plan by the Creditors' Assembly has ended,

2.2 Basis of evaluation

The Company drawn up the Yearly Separate Financial Statements for the year ended on December 31, 2024 in accordance with OMPF 2844/2016, as amended and supplemented, These provisions meet the requirements of International Financial Reporting Standards (IFRS) adopted by the European Union (EU), except for IAS 21 The Effects of change in foreign exchange rates on functional currency,

In order to prepare these Separate Financial Statements in accordance with legislative requirements in Romania, the functional currency of *the Company* is considered to be RON ("Romanian leu"),

The Separate Financial Statements presented have been prepared on a historical cost basis, For all periods up to and including the year ended on December 31, 2011, *the Company* has prepared the Separate Financial Statements in accordance with the accounting principles generally accepted in Romania (OMPF 3055/2009, as amended),

The Separate Financial Statements for the year ended on December 31, 2012 were the first of this kind that *the Company* has prepared in accordance with IFRS, year when it was applied also IFRS 1 - "First-time Adoption of IFRS",

These Separate Financial Statements have been audited,

The Company does not apply IFRS issued and not adopted on 31.12.2024, and cannot estimate the impact of non-application of these provisions on the separate financial statements, and intends to apply these provisions only at their entry into force,

Consolidated Financial Statements

In accordance with IAS 27 "Consolidated and Separate Financial Statements", *the Company* should present consolidated financial statements that strengthen the investments in subsidiaries, In preparing the consolidated financial statements should be combined the financial statements of the parent company and those of its subsidiaries, item by item, by adding together all similar items of assets, liabilities, equity, revenues and expenses,

On 31.12.2024, the Company holds no subsidiary,

Separate Financial Statements on December 31, 2024
(all amounts are given in lei (RON) unless otherwise stated)

2,3 Functional currency used for presentation

The items included in the separate financial statements of *the Company* are measured using the currency of the economic environment in which the entity operates ("the functional currency"), that means Romanian leu,

According to IAS 1,51 (d), (e), these separate financial statements are presented in Lei, and all financial information is in Lei, rounded to 0 decimal, unless otherwise stated,

2,4 The use of estimates and professional judgments

Preparation of separate financial statements in conformity with IFRS requires management's use of professional judgments, estimates and assumptions that affect application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses, The actual results may differ from these estimates,

The estimates and assumptions are reviewed regularly, These revisions of the accounting estimates are recognized in the period in which the estimate was reviewed and in future affected periods,

2,5 New International Standards that are not applied by the Company

The Company does not apply certain IFRSs/ IASs or new provisions/modifications/additions/interpretations of them issued by the IASB (International Accounting Standards Board) and not adopted at the date of drawing up the financial statements, namely:

- IAS 7 "Statement of Cash Flows" – Amended by the Annual Improvements to IFRS Accounting Standards Volume 11 (effective for annual reporting periods commencing on or after January 1, 2026);
- IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" - IAS 8 (2005) will be replaced by IAS 8 (2024) Bases for preparing financial statements when an entity applies IFRS 18 Presentation in financial statements (effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted);
- IFRS 7 "Financial Instruments: Presentation" - Amended by the Annual Improvements to IFRS Accounting Standards Volume 11 (effective for annual reporting periods commencing on or after January 1, 2026);
- Reporting periods commencing on or after January 1, 2026, must be applied retroactively);
- IFRS 10 "Consolidated Financial Statements" - Amended by the Annual Improvements to IFRS Accounting Standards Volume 11 (effective for annual reporting periods commencing on or after January 1, 2026);
- IFRS 18 "Presentation in Financial Statements" – a new standard that will replace IAS 1 Presentation of Financial Statements and aims to improve how entities communicate in their financial statements (effective for the first IFRS annual financial statements of an entity for periods beginning on or after January 1, 2027);
- IFRS 19 "Subsidiaries without Public Accountability: Presentation" – a new standard that allows a subsidiary to provide reduced disclosures when applying IFRS accounting standards in its financial statements, It is optional for eligible subsidiaries and establishes

Separate Financial Statements on December 31, 2024
(all amounts are given in lei (RON) unless otherwise stated)

presentation requirements for subsidiaries that choose to apply it (effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted);

- IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" - Amendments to SASB standards issued to enhance their international applicability; SASB standards facilitate the implementation and application of IFRS S1 (amendments effective for annual reporting periods beginning on or after January 1, 2025),

Presentation of separate financial statements

The Company applies IAS 1 Presentation of Financial Statements (2007) revised, which entered into force on January 1, 2009,

As a result, *the Company* presents to shareholders all amendments thereto in the Statement of Changes in Shareholders' Equity,

The comparative information has been reconciled so that they conform to the revised standard, As the impact of change in accounting policy is reflected only on presentation aspects, there is no impact on earnings per share,

IAS 1 "Presentation of Financial Statements" is governing the basis for presentation of financial statements for general purpose, in order to ensure comparability both with financial statements of the entity for previous periods and with the financial statements of other entities,

a) Basis of accounting and reporting in hyperinflationary economies

The currency used by *the Company* for evaluation and reporting is the "Romanian Leu" ("RON"),

IAS 29 - "Financial Reporting in Hyperinflationary Economies", requires that the statements of companies that are reporting in the currency of a hyperinflationary economy should be made in terms of the current monetary unit at the date of the balance sheet and all amounts must be restated in the same conditions, IAS 29 states that reporting of operating results and financial position in local currency without restatement related to inflation is useless, since the money lose their purchasing power so quickly that a comparison between the value of transactions or of other events that occur at different moments, even within the same reporting period, is wrong, IAS 29 suggests that an economy should be considered hyperinflationary if certain conditions are met; one of them being that the cumulative rate of inflation over a period of three years exceeds 100%,

By December 31, 2003 adjustments were made to reflect the application of IAS 29 "Financial reporting in hyperinflationary economies",

Implementation of IAS 29 to specific categories of transactions and balances in the financial statements is presented below:

Monetary assets and liabilities

Monetary assets and liabilities have not been reassessed for the implementation IAS 29 since they are already expressed in terms of the current monetary unit at the date of the balance sheet,

Separate Financial Statements on December 31, 2024
(all amounts are given in lei (RON) unless otherwise stated)

Non-monetary assets and liabilities and equity

Equity components have been restated by applying the inflation index for the month in which the assets, liabilities and equity components were initially recorded in the financial statements (the date of purchase or contribution) until December 31, 2003, The remaining non-monetary assets and liabilities are not restated using the inflation index, considering that their value is updated as a result of the application of alternative accounting treatments of evaluation during the previous periods,

b) Estimates and assumptions

Preparation of individual financial statements in conformity with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, of contingent assets and liabilities at the date of the financial statements and of the reported amounts of revenues and expenses registered during the reporting period, The actual results may be different from these estimates, The estimates are periodically reviewed and, if adjustments are required these are reported in the profit and loss account for the period in which they become known,

The uncertainties related to these estimates and assumptions may cause, in the future, significant adjustments of the values presented in the financial statements, as a result of insolvency proceedings which *the Company* is involved,

These adjustments are likely to significantly affect *the Company's* assets that can no longer be achieved under normal operating conditions, in this case being required a massive depreciation in value (possibly more than 50%) due to the very probable recovery by enforcement and / or by the procedure of insolvency, a situation that causes a corresponding damage to the profit and loss account,

In the process of applying *the Company's* accounting policies, the management has made estimates for provisions, impairment of receivables and stocks, which have significant effect on the values stated in the individual financial statements,

c) Registered capital

The shares held by the Company are classified (shown) at nominal values and, in accordance with the Law of Trading Companies (*L 31/1990*) and the articles of incorporation their total value is to be found in the registered capital,

The dividends on holdings of shares (capital), established under Decision of AGA, are recognized as a liability in the period in which their distribution is approved,

d) Equity papers in affiliated entities

The investments held in affiliated entities are presented in the separate financial statements of *the Company* at cost less any impairment,

The dividends receivable from affiliated entities are recognized when *the Company* established the right to receive payment,

Separate Financial Statements on December 31, 2024
(all amounts are given in lei (RON) unless otherwise stated)

e) Tangible fixed assets

Recognition and measurement of fixed assets

The fixed assets, except lands and buildings, are recognized according to the requirements of OMFP 2844/2016 and are shown in the accounts at cost, less the accumulated depreciation and the impairment losses,

The buildings are stated at fair value based on periodic assessments, at least every three years, carried out by independent external evaluators, Any accumulated depreciation at the date of revaluation is eliminated from the gross carrying amount of the asset and the net amount is recorded as revalued amount of the asset,

The buildings are stated at revalued amounts on 31,12,2014 and the lands at revalued amount on 31,12,2011,

If a fixed asset includes significant components that have different useful lives, they are accounted (depreciated) individually,

Subsequent expenses on maintenance and repairs

The expenses with repairs or maintenance of fixed assets are made to restore or maintain the value of these assets and are recognized in the comprehensive income on the date they are made, while the expenses made in order to improve the technical performance are capitalized and depreciated over the remaining period of depreciation for that fixed asset,

Depreciation

The fixed assets are depreciated from the month following the date of purchase or the date of commissioning, as appropriate, using their lifetime periods,

Depreciation is calculated using the straight-line method over the lifetime of the fixed assets and/or their components, which is accounted separately,

The terms of depreciation used are as follows:

- | | |
|--|--------------|
| • Constructions | 6 – 50 years |
| • Equipment and machinery | 2 – 28 years |
| • Other installations, tools and furniture | 2 – 15 years |

The land and fixed assets in progress are not depreciated and the ongoing investments are depreciated from the date of commissioning,

The estimated useful lives and the depreciation method are reviewed periodically to ensure they are consistent with the projected evolution of economic benefits generated by the tangible assets,

Tangible assets are derecognized from the balance sheet when the asset exits the equity or when no benefits are expected from the use of the asset, Losses or gains on disposal/sale of fixed assets are recognized in the statement of the comprehensive income,

Separate Financial Statements on December 31, 2024
(all amounts are given in lei (RON) unless otherwise stated)

f) Intangible assets

Recognition and evaluation

The intangible assets acquired by *the Company* are recognized and presented at cost, less accumulated depreciation and impairment losses,

Depreciation

Depreciation is recognized in the comprehensive income, on a straight line basis, over the estimated lifetime (service life) of the intangible asset,

Most of the intangible assets recorded by *the Company* are represented by the software programs, which are depreciated linearly over a period of 3 years,

g) Depreciation of the value for non-financial assets

According to IAS 36 Depreciation of Assets, the value of tangible and intangible assets is reviewed annually to identify circumstances that indicate their depreciation,

Whenever the net value of the asset exceeds its recoverable amount, depreciation of its value is recognized in the statement of the comprehensive income for tangible and intangible assets,

The recoverable amount represents the highest value between the net selling price of an asset and its value in use, The net selling price represents the amount obtainable from the sale of the asset in a normal transaction, and the value in use represents the present value of future cash flows estimated if continuing to use the asset and from its sale at the end of its service lifetime, The recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating units, Reversal of impairment losses recognized in previous years may occur when there is an indication that the impairment losses recognized for that asset no longer exist or has decreased; the cancellation shall be recorded as revenue,

h) Financial assets

In accordance with IAS 39 "Financial Instruments: Acknowledgment and assessment", *the Company's* financial assets are classified into the following categories: held-to-maturity and loans and receivables originated by *the Company*,

The investments with fixed or determinable payments and fixed maturity, other than loans and receivables originated by *the Company*, are classified as held-to-maturity,

These financial assets are recognized in the historical cost or at the value determined by their acquisition contract, the cost of acquisition including also the transaction costs, the gains and losses being recognized in the statement of the comprehensive income when the financial assets are derecognized or impaired, as well as through the depreciation process,

Derecognizing of financial assets occurs when the rights to receive cash flows from the asset have expired, or *the Company* has transferred its rights to receive cash flows from the asset (directly or through a "pass-through" commitment), All normal purchases and sales of financial assets are recognized at the transaction date, i.e, the date when *the Company* commits to purchase an asset,

Regular purchases and sales are those that require delivery of assets within the period generally accepted by the regulations or conventions valid on that market,

Separate Financial Statements on December 31, 2024
(all amounts are given in lei (RON) unless otherwise stated)

The Company has no financial assets at fair value registered in the profit and loss account or financial assets available for sale,

i) Financial debts

In accordance with IAS 39 "Financial Instruments: Recognition and Measurement", *the Company's* financial debts are classified into the following categories: loans, trade debts and other debts,

The trade debts are stated at nominal amounts payable for goods or services received, Short and long term loans are initially recognized at the nominal value, representing the amount received under this head, not including the specific costs (fees, interest),

The gains and losses are recognized in the statement of the comprehensive income on derecognizing of debts, as well as through the depreciation process, Derecognizing of financial debts occurs if an obligation is fulfilled, canceled or expires, The financial assets and debts are compensated only if *the Company* has a legally enforceable right to make compensations and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously,

j) Debts related to leasing contracts

Financial leasing contracts

The leasing contracts in which *the Company* takes substantially the risks and benefits of ownership are classified as financial leasing, The amounts due are included in the short or long term debts, the elements of interest and other costs of financing being recorded in the profit and loss account during the contract period, Assets held under the financial leasing contracts are reflected in the accounting system using the accounts of tangible and intangible assets and are depreciated over their useful lifetime,

The rates paid to the lessor plus the interest is highlighted as a debt in the account 406 "Debts from operations of financial leasing",

Operating leasing contracts

The leasing contracts in which a significant portion of the risks and benefits of ownership are assumed by the lessor are classified as operating leasing contracts, the payments (expenses) made under such contracts being recognized in the comprehensive income on a straight-line basis during the contract period, the leased assets are recorded in the accounting system of the lessee, in the off-balance sheet accounts,

k) Transactions in foreign currency

Functional currency and presentation currency: the financial statements of *the Company* are prepared using the currency of the economic environment in which operates,

The functional currency and the currency used for presentation of financial statements is the Romanian leu ("RON"),

Transactions in foreign currency are translated into RON applying the exchange rate at the transaction date, The monetary assets and liabilities denominated in foreign currencies are revalued in RON at the exchange rate at the balance sheet date,

Separate Financial Statements on December 31, 2024
(all amounts are given in lei (RON) unless otherwise stated)

The gains and losses resulting from differences in foreign exchange rate, realized or unrealized, are recorded in the statement of the comprehensive income,

The exchange rates on December 31, 2023 and 2024 are as follows:

Currency	December 31, 2023	December 31, 2024
RON/EUR	4,9746	4,9741
RON/USD	4,4958	4,7768
RON/GBP	5,7225	5,9951
RON/CHF	5,3666	5,2806

l) Stocks

The stocks are recorded in the accounting system at the minimum value between the cost and the net realizable value,

The net realizable value represents the estimated selling price to be received under ordinary course of activity, less the costs related to sell,

The value of stocks is based on the weighted average cost, including expenses incurred in acquiring them and bringing to the current location, and in the case of stocks produced by *the Company* (semi-finished and finished goods, work in progress); the cost includes an appropriate percentage from the indirect costs, depending on the organization of production and the current activity, The inventory method used is that of "perpetual inventory",

At the annual inventory of stocks, the Company identifies the stocks that are not intended for sale contracts in progress or have not been identified as useful in current manufacturing costs or future projects,

The Company's management analyzes and proposes/decides the adjustments (depreciation) of stocks according to the accounting policy approved in this respect and the results of the inventory,

The inventory of stocks shall be made according to the internal procedure and the inventory manual, related both to the needs of *the Company* and the law in force,

m) Receivables

Trade receivables are stated at their nominal value less the adjustments for their depreciation, the adjustments that are carried out where there is objective data and information about the fact that *the Company* will not be able to collect all amounts in due time,

The Company records depreciations of 100% for trade receivables older than 360 days and for those in dispute,

n) Cash and cash equivalents

The cash includes the cash in hand and in bank accounts, Cash equivalents are short-term investments, highly liquid, which can be quickly converted into a sum of money, with the original maturity of maximum three months and have an insignificant risk of change in value,

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Records of them are kept on banks, currencies, respectively on pay desks and cash advances holders being evaluated, in case of foreign currency by using their exchange rate (reference rate) with the national currency (RON) released by the National Bank of Romania (BNR),

o) Debts

The debts are initially recognized at the fair value of the consideration to be paid and include the payable amounts, invoiced or not, for goods, works and services,

q) Loans

The costs related to loans are recorded as an expense in the period in which they occur, except the case when the loans are for the construction of assets that are qualified for capitalization, *The Company* classifies its loans on short-term and long-term, depending on the maturity specified in the credit agreement,

The loans are initially recognized at the net value of withdrawals, They are subsequently carried at the depreciated cost, using the method of effective interest rate, the difference between the value of withdrawals and the redemption value being recognized in the net profit of the period, during the entire loan period,

p) Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all conditions attached will be satisfied, When the grant relates to an expense item, it is recognized as income over the period necessary to correlate, on a systematic basis, the grant with the costs to be offset, When the grant relates to an asset, it is recognized as deferred income and taken to income in equal amounts over the expected life of the related asset,

When *the Company* receives non-monetary grants, the asset and the grant are recorded at gross and nominal values and they are reflected in the overall result over the expected life and the consumption rate of the benefit afferent to the support asset, in equal annual installments, When loans or similar forms of assistance are provided by the government or similar institutions at an interest rate below the rate applicable on the market, the effect of this favorable interest is regarded as additional government grant,

r) Benefits of employees

Short-term benefits:

As of December 31, 2024, the Company does not provide employees with any benefits,

Post employment benefits –plan for retired pay:

The Company does not contribute to any other plan for retired pay or retirement benefits and has no other future obligations such as those mentioned, for its employees,

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s) Profit tax

The tax on profit or losses of the year comprises current tax and deferred tax, The assets and liabilities for current profit tax, for current and prior periods, are recognized at the value expected to be reimbursed by or paid to the taxation authorities,

The current profit tax is calculated in accordance with tax legislation in force in Romania and is based on the results reported in the statement of the comprehensive income of *the Company*, prepared in accordance with local accounting standards, after adjustments performed for tax purposes, The current profit tax is applied to the accounting profit, as adjusted in accordance with tax legislation at a rate of 16%,

The tax losses may be carried forward for a period of seven years,

The deferred profit tax reflects the tax effect of temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the tax values used in order to calculate current profit tax, The deferred profit tax, recoverable or payable, is determined using tax rates that are expected to be applicable in the year in which the temporary differences will be recovered or settled, Assessment of the deferred profit tax, payable or recoverable, reflects the tax consequences that would follow from the manner in which *the Company* expects to realize or settle the carrying amount of its assets and liabilities at the date of the balance sheet,

The assets and liabilities from the deferred tax are recognized regardless of when the temporary differences are likely to be realized,

The assets and liabilities from the deferred tax are not updated, The assets from the deferred tax are recognized when it is probable that there will be sufficient future taxable profits against which the deferred tax can be used, The liabilities from the deferred tax are recognized for all taxable temporary differences,

s) Recognition of revenues and expenses

The revenues from sale of goods are recognized in the comprehensive income at the date when the risks and benefits of ownership on the goods are transferred to the buyer which, in most cases, coincides with the date of invoice (delivery) thereof,

The revenues from the goods sold (delivered) and services rendered are recognized on an accrual basis, respectively at the date of delivery/provision (transfer of ownership) to the customer,

The revenues from interest are recognized in installments (proportionally) as they are invoiced/are generated according to contracts/agreements under which the loans were granted on an accrual basis,

The revenues are recognized when there is no significant uncertainty regarding recovery of the counter benefits due and associated costs or possible returns on the assets,

The expenses are classified and recognized based on the principle of their connection to revenues, respectively their allocation on products, services which make these revenues,

The production cost of stocks is followed on projects and, within these projects, on each individual product and includes direct costs related to production (direct materials, direct labor, and other direct costs attributable to products, including design costs) and the share of indirect costs of production allocated rationally as related to their manufacture,

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The general administrative expenses, selling expenses and unallocated share of fixed overhead products (indirect production costs that are relatively constant, regardless of the volume of production) are not included in the cost of stocks but are recognized as expenses in the period in which they occurred,

The Company applies the principle of separation of accounting years for the recognition of revenues and expenses that are classified in three categories (operational, financial and exceptional),

t) Fair value of financial instruments

The management believes that the fair values of *the Company's* financial instruments are not significantly different from their carrying values, due to the short terms of settlement, reduced transaction costs and/or the variable interest rate that reflects current market conditions,

f) Provisions

A provision is recognized when, and only when *the Company* has a current obligation (legal or constructive) as a result of a past event and if it is probable (more likely to succeed than not be realized) as an output of resources embodying economic benefits, will be required to settle the obligation, and it can make a reasonable estimate of the amount of the obligation,

The provisions are reviewed at the end of each accounting year and are adjusted to reflect the current best estimate,

When the effect of money value in time value is significant, the value of the provision is the present value of the expenses required to settle the obligation,

u) Contingent debts or assets

The contingent debts are not recognized in the financial statements, They are disclosed in notes, unless the case when the possibility of an outflow of resources embodying economic benefits is very small,

A contingent asset is not recognized in the financial statements but is disclosed in notes when an inflow of economic benefits is probable,

v) Subsequent events

The events subsequent to the date of the balance sheet are those events, favorable and unfavorable, that occur between the date of the balance sheet and the date when the financial statements are authorized for issue,

The events subsequent to the date of the balance sheet that provide additional information about *the Company's* position at the date of the balance sheet are subsequent events that led to adjustment of the financial statements,

The events subsequent to the date of the balance sheet that provide information about the conditions that arose after the balance sheet date don't require adjustment of the financial statements and are disclosed in the notes, if they are significant,

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w) Affiliated parties

A party is considered to be affiliated if by ownership, contractual rights, and family relationship, or otherwise, has the power to control directly or indirectly or to influence significantly the other party,

Affiliated parties include also individuals such as main owners, management and members of the Board of Directors and their families,

According to the International Financial Reporting Standards, **an entity is affiliated to a reporting entity if it meets any of the following conditions:**

- The entity and the reporting entity are members of the same group;
- An entity is an associate or joint venture of the other entity;
- Both entities are joint ventures of the same third party;
- An entity is a joint venture of a third entity and the other is an associate of the third entity;
- The entity is a post-employment benefit plan for the benefit of the reporting entity's employees or an entity affiliated to the reporting unit, If the reporting entity itself represents such a plan, the sponsoring employers are also affiliated with the reporting entity;
- A person who has control or joint control over the reporting entity, has significant influence over the entity or is a member of the key personnel of the entity's management;
- The entity is controlled or jointly controlled by a person or an affiliate member of its family, if that person:
 - has control or joint control over the reporting unit;
 - has significant influence over the reporting entity, or
 - is a member of the key management personnel of the reporting unit or of a parent company of the reporting entity,

x) Correction of accounting errors

Accounting errors found in the financial statements at the date of their drawing up may refer either to the current accounting year or in previous accounting years, correction will be performed at the date when becoming aware of them,

When recording the operations required to correct the accounting errors, are applied the provisions of IAS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors", stating that the entity must correct retrospectively significant errors of the period in the first set of financial statements which publication was approved after their discovery, by means of: restating the comparative amounts for the prior period presented in which the error occurred or if the error occurred before the first prior period,

According to OMFP 2844/2016, correction of errors related to previous accounting years does not require publication of the revised yearly financial statements for that accounting year, and their correction is performed based on the retained earnings account, without affecting the result of the current accounting year,

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The correction of the errors related to the current financial year, is carried out, before the approval of the annual financial statements, by reversing (the registration in red/with the minus sign or by the method of the reverse registration) of the incorrectly recorded operation and, at the same time, the corresponding recording of the operation in question,

y) Reserves

The Company creates legal reserves according to Art. 183 of Law 31/1990,

Given the provisions of OMFP 2844/2016, *the Company* creates legal reserves from the profit of the entity, within the quotas and limits set by the law, but also from other sources provided by the law,

The Company considered necessary a change in the accounting policy for recognizing the surplus from revaluation of tangible fixed assets in order to incorporate it into a separate reserve account, as the assets are used by *the Company* (in proportion as they are depreciated), respectively when the assets are out of the accounting records,

Thus, starting with 2010, it was decided to recognize as realized the differences from revaluation of fixed assets in proportion as they are depreciated,

3. Fixed assets

The amounts (gross, net), depreciation, composition and other relevant issues relating to the movement of fixed assets during the financial year ended 31,12,2024 are presented below,

3,1 Intangible fixed assets

The statements of movement and depreciation of intangible fixed assets in the accounting year 2024 are presented in Tables no. 1, 2 and 3 below,

Table no. 1 – Inputs and outputs of intangible fixed assets (gross values)

- lei -

Explanations	31.12.2023	Inputs	Transfers	Outputs	31.12.2024
0	1	2	3	4	5=1+2-3-4
Other intangible fixed assets	1,668,083	-	-	472,000	1,196,083

At the end of 2024, the *Company* reclassified a number of fixed assets as assets held for sale, following the publication of the sales offer for the Electric Motors II Division, resulting in a decrease in the value of intangible assets by 472,000 lei,

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Table no, 2 – Cumulative depreciation of intangible assets

- lei -

Explanations	31.12.2023	Costs with depreciation	Cumulative depreciation of outputs	31.12.2024
0	1	2	3	4=1+2-3
Other intangible fixed assets	(1,224,007)	(35,372)	(68,177)	(1,191,202)

Table No, 3 – Net accounting values of intangible assets

- lei -

Explanations	31.12.2023	31.12.2024
0	1	2
Other intangible fixed assets	444,076	4,882

The lifetimes used to calculate the amortization of intangible assets is 3 years,
The depreciation method used is the straight-line one,

3,2 Tangible fixed assets

The statements of movement and depreciation of tangible fixed assets in the accounting year 2024 are presented in tables no, 4, 5 and 6 below,

Table no, 4 – Inputs and outputs of tangible fixed assets (gross values)

lei -

No,	Explanations	31.12.2023	Inputs	Outputs	Revaluation on 31.12.2024	31.12.2024
0	1	2	3	4	5	6=2+3-4+5
1,	Lands and land improvements	25,359,829	-	7,254,016	-	18,105,813
2,	Buildings	51,200,972	-	8,355,142	-	42,845,830
3,	Equipment	28,519,477	15,685	8,560,851	-	19,974,311
4,	Furniture and others	575,265	-	334,044	-	241,221
5,	Fixed assets under construction	914,941	-	-	-	914,941
	TOTAL (1+2+3+4+5)	106,570,484	15,685	24,504,053	-	82,082,116

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The entries for the year 2024, amounting to 15,685 lei, are represented by the purchase of IT equipment, including laptops, a computer, and a server,

During the year 2024, a public auction was held for the sale of a package of villas comprising land with an area of 63,986 square meters and a book value of 5,532,498 lei, buildings valued at 1,402,740 lei, equipment worth 3,139 lei, and furniture valued at 7,139 lei, The contract was concluded between U,C,M, REȘIȚA SA and the Municipality of Reșița, authenticated under number 1623/15,11,2024, with a selling price of 1,840,660,05 lei (excluding VAT),

Moreover during the same year, there was a write-off of equipment valued at 21,303 lei, At the end of 2024, the *Company* reclassified a series of fixed assets as assets held for sale, which justifies most of the fixed asset exits, These include:

- The Cadre building with the equipment, furniture inside, and the associated land of 2,179 square meters;
- The Museum building with the equipment and models inside, along with the associated land of 336,5 square meters;
- The Electric Motors II section with all the constructions, equipment, and machinery located in the section, and the associated land covering an area of 19,377 square meters,

Table no, 5 – Cumulative depreciation of tangible fixed assets

-lei -

No,	Explanations	31.12.2023	Costs with depreciation	Cumulative depreciation of outputs	Revaluation on 31.12.2024	31.12.2024
0,	1	2	3	4	5	6=2+3-4-5
1,	Land improvement	-	-	-	-	-
2,	Buildings	28,033,815	2,260,399	3,725,845	-	26,568,369
3,	Equipment	27,534,235	13,415	8,401,059	-	19,146,591
4,	Furniture and others	335,527	798	101,378	-	234,947
	TOTAL (1+2+3+4)	55,903,577	2,274,612	12,228,282	-	45,949,907

Table no, 6 – Net accounting values of tangible fixed assets

- lei -

No,	Explanations	01,01,2023	31,12,2024
0,	1	2	3
1,	Land and land improvement	25,359,829	18,105,813
2,	Buildings	23,167,158	16,277,462
3,	Equipment	985,243	827,721

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4,	Furniture and others	239,738	6,273
5,	Fixed assets under construction	914,941	914,941
6,	Adjustments for depreciation of fixed assets under construction	(371,476)	(371,476)
	TOTAL (1+2+3+4+5+6)	50,295,433	35,760,734

The situation of immovable assets proposed for sale, before reclassification, is further on presented,

Table no. 7 Values of fixed assets at the date of reclassification,

No,	Explanations	Gross value as of 31.12.2024	Cumulative depreciation 31.12.2024	Remaining value at 31.12.2024	Remaining revaluation reserve at 31.12.2024
A	Moniom	349,714	-	349,714	325,038
1	Land	349,714	-	349,714	325,038
B	Casa de cultură	28,695,279	3,788,648	24,906,631	14,182,562
2	Land	3,719,780	-	3,719,780	2,089,951
3	Buildings	24,975,499	3,788,648	21,186,851	12,092,611
C	Cadre	577,904	383,024	194,880	180,276
4	Land	189,023	-	189,023	180,276
5	Buildings	352,398	346,541	5,857	-
6	Equipment	27,029	27,029	-	-
7	Furniture and others	9,454	9,454	-	-
D	Museum	673,361	259,569	413,792	174,128
8	Land	29,070	-	29,070	27,724
9	Buildings	292,585	146,292	146,293	146,185
10	Equipment	41,203	35,441	5,762	219
11	Furniture and others	310,503	77,836	232,667	-
E	SME II	16,757,971	10,645,360	6,112,611	5,154,171
12	Land	1,503,426	-	1,503,426	1,431,349
13	Buildings	6,307,419	2,256,087	4,051,332	3,722,822
14	Equipment	8,468,178	8,314,147	154,031	-
15	Furniture and others	6,948	6,948	-	-
16	Intangible Assets	472,000	68,178	403,822	-
	TOTAL (A+B+C)	47,054,229	15,076,601	31,977,628	20,016,175

On 31,12,2024 the Company owns, mainly:

Land, total area of 280,016 square meters;

Buildings, with a developed area of 160,183 square meters, and built from the ground surface of 105,010 square meters;

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Technological equipment specific for machine building industry, numbering over 800 pieces,

The lifetimes used to calculate the depreciation of tangible assets are established according to Government Decision no, 2139/30,11,2004 (GD 2139/2004), for buildings being between 8–50 years, and for equipment between 8–24 years, the depreciation method used being the linear one,

Revaluation of fixed assets

The tangible fixed assets, such as buildings and special constructions, were reassessed on 31,12,2014 by s,c, Darian DRS S,A., an ANEVAR member company,

The Company chose as method to reflect the results of revaluation in the accounting system, canceling of cumulative depreciation up to the date of revaluation and presentation of tangible fixed assets, such as buildings and special constructions, at fair values,

The tangible fixed assets, such as lands, were revalued on 31,12,2011 by s,c, FD Capital Management, a company member of ANEVAR,

The changes of the revaluation reserves during the financial year are presented below in Table no, 8,

Table no, 8 - Statement of changes in revaluation reserves

-lei -

No,	Explanations	31,12,2023	31,12,2024
0	1	2	3
1,	Revaluation reserves at the beginning of the accounting year	99,553,785	99,992,438
2,	Differences in revaluation reserves transferred into reserves as the assets are depreciated during the year and at deregistration of assets	(2,511,177)	(35,363,918)
3,	Revaluation differences recorded during the accounting year as a result of revaluation	2,949,630	-
4,	Revaluation reserves at the end of the accounting year (4=1+2+3)	99,992,438	64,628,520

The reductions in the revaluation reserve during the year refer to the revaluation differences amounting to 2,079,667 lei that were transferred to account 1175 - "Retained earnings representing the surplus realized from revaluation reserves," according to IFRS provisions, as assets are depreciated, in accordance with the policy adopted by the Company, as well as the transfer of the revaluation reserve of 33,284,251 lei (17,694,935 lei for land and 15,589,316 lei for buildings and special constructions) of fixed assets sold,

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Within 1990-1995, UCMR, like all state-owned companies, was forced to revalue the equity of the company and the increase of the registered capital in accordance with the methodology developed by HG 945/1990, HG 26/1992 and HG 500/1994, In 2012, by applying IAS 29 – “Financial reporting in hyperinflationary economies”, began adjustment of the revaluation differences included in the registered capital, according to the regulations listed above, in total amount of 13,094,760 lei, amount that was reclassified to revaluation reserves included in the registered capital,

The Company did not keep all data related to historical cost (purchase) of tangible fixed assets and, therefore, cannot provide information of this kind (gross values at historical cost, depreciation),

Tangible fixed assets pledged and restricted

The Company holds at the date of these financial statements pledged and mortgaged assets in favor of A,A,A,S, (taken over from A,N,A,F) and in favor of Serraghis Loan Management Ltd, (taken over from B,C,R),

On 31,12,2024 the net book value of the tangible assets representing Serraghis Loan Management Ltd, guarantee is 10,098,294 lei (4,449,432 lei constructions and 5,648,862 lei lands) and those of A,A,A,S, guarantee is 7,963,267 lei (3,301,007 lei for constructions and 4,662,260 lei for lands),

Pledged and mortgaged goods, of the nature of fixed assets held for sale, are presented in note 5,1,

No new pledges or mortgages were introduced in 2024,

3.3 Financial assets

Table no, 9 presented below shows the statement of equity papers held by *the Company* in other entities,

Table no, 9 – Equity papers held in other entities

-lei -

Explanations	31,12,2023	31,12,2024
Romanian Commodities Exchange	26,000	26,000
TOTAL	26,000	26,000

The Company has shareholding in Romanian Commodities Exchange (BRM), holding 26 shares with a nominal value of 1,000 lei per share, representing 0,325% of BRM capital,

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Other financial assets

The performance bond guarantees are retained by customers for the goods supplied by *the Company*, which may be returned only after the deadlines, provided that all the contractual clauses are fulfilled,

Generally, 70% of the performance bond guarantee value shall be returned after concluding the minutes of putting into operation, and the difference of 30% will be returned at 24 months after commissioning,

The performance bond guarantees with maturity less than one year, amounting 5,092,963 lei, with the value of adjustment in amount of 4,174,704 lei related to guaranties due and unpaid on 31,12,2024 are included in the trade receivables, (see Note no, 4),

Table no,10 shows the statement of performance bond guarantees (other fixed assets),

Table no, 10 - Performance bond guarantees recoverable in a period longer than 1 year
- lei -

No,	Explanations	31,12,2023	31,12,2024
0	1	2,	3,
1,	Performance guarantees given to customers recoverable in a period longer than one year	11,342,510	9,889,627
2,	Debtors for the guarantees filed	6,660	7,074
3,	Adjustments for impairment of other receivables	(7,657,853)	(9,860,970)
	TOTAL (1+2+3)	3,691,317	35,731

A series of performance guarantees with a maturity date in 2025 were included in the category of recoverable guarantees within a period of less than one year, which led to a decrease in the other category of recoverable performance guarantees within a period of more than one year,

Among these are the guarantees related to contracts concluded with SSH Hidroserv Rm,Vâlcea for the Dăești objectives - contracts no, 28/2020 (357,436 lei) and no, 29/2020 (368,649 lei) and for Turnu HPP objective - contract no, 68/2023 (132,613 lei),

Adjustments for the impairment of guarantees recorded a significant increase following adjustments to the performance guarantees associated with the following projects: 2,173,120 lei for the Răstolița HPP project (related to contracts no, 317, 318, 319, 320, and 321/2008 concluded with Hidroelectrica Cluj), 84,012 lei for PDF HPP (contracts no, 153/2021 and no, 72/2023 concluded with SSH Hidroserv PDF), and 15,371 lei for the HPP Galceag project (contract no, 12/2024 concluded with SSH Hidroserv Sebeș),

4. Receivables

The statement on the main receivables and payables of *the Company* is presented below,

Table no, 11 below shows the statement of trade receivables and other receivables, respectively the adjustments (depreciation) thereof,

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Table No. 11 – Receivables and adjustments (their depreciations)

- lei -

No,	Explanations	Balance at 31,12,2023	Balance at 31,12,2024	Liquidity term	
				Under 1 year	Over 1 year
1	Trade receivables	17,827,497	14,732,877	14,732,877	-
2	Value adjustments for depreciation of trade receivables	(12,904,798)	(13,168,446)	(13,168,446)	-
3	Total net values for trade receivables (1 + 2)	4,922,699	1,564,431		-
4	Receivables to be collected from related parties	61,574	-		-
5,	Value adjustments for depreciation of other receivables	-	-		-
6	Total net values for other receivables (4+5)	61,574	-		-
7	Other receivables, of which:	27,365,682	26,620,018	26,620,018	-
7,1	Deferred tax acc, to IFRS	11,324,226	9,711,099	9,711,099	-
8	Value adjustments for depreciation of other receivables	(15,239,324)	(15,239,919)		-
9	TOTAL NET VALUES OF RECEIVABLES (7+8)	12,126,358	11,380,099		-
10	TOTAL NET VALUES OF RECEIVABLES (3+6+9)	17,110,631	12,944,530	12,944,530	-

Subsequent to the completion of the business transfer, the Company ceased production activities, primarily engaging in commercial activities consisting of renting space, by executing existing contracts and concluding new contracts,

Among the active companies, the main clients from whom the Company is to collect amounts are: the Municipality of Reșița with a receivable of 195,364 lei representing rental value, followed by Reșița Reductoare și Regenerabile (47,646 lei in rent), Vila Melisa SRL (36,685 lei in rent and utilities), and Eco Ela Import-Export (17,308 lei for transformer waste), The amount of 3,874,408,55 lei representing advances for electricity consumption settled debts recorded to Hidroelectrică based on the issuance of related invoices,

The Company applied the principle of prudence and adjusted through depreciation the entire amount of uncertain receivables of 11,712,746 lei,

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Under "*Other receivables*" the highest values are represented by the receivables for deferred tax: 9,711,099 lei and by the debtors from loans granted by *the Company*, respectively Sports Club UCM Reșița, in amount of 14,727,010 lei, amount for which *the Company* made adjustments for depreciation since 2011,

5. Stocks

5.1 Fixed assets held for sale

During 2022, 2023 and 2024 in accordance with the Sale Regulations approved by the Assembly of Creditors, a series of assets were proposed for sale, The assets that were not adjudicated at the end of 2024 will continue to be promoted, released on the market and have organized auctions in 2025, These assets are:

- ✓ "Casa de Cultură" located in Reșița, Caraș Severin county, consisting of land with an area of 9,360 sqm, the constructions that make up the building with an area of 12,843 sqm,
- ✓ Land "Moniom", built-up area land in loc, Moniom, with an area of 24,676 sqm,
- ✓ The Cadre Building with the equipment, furniture inside, and the associated land of 2,179 sqm;
- ✓ The Museum Building with the equipment and models inside and the associated land of 336,5 sqm;
- ✓ The Electric Motors II Section with all constructions, equipment, and machinery located in the section and the associated land covering an area of 19,377 sqm,

The immobilized assets reclassified as assets held for sale were recorded at the lower value of the carrying amount and fair value minus costs incurred from the sale,

For Casa de Cultură (the House of Culture) asset, reclassified during 2022, ½ of the starting price at the auction was taken into account, considering the low interest in these objectives and the auction regulations that provide for the successive decrease of the price by 10% in installments of auction sessions, up to the level of 50% of the initial value, As the level of 50% was reached, a new analysis and approval of sales offers is required,

The land "Moniom", has been reclassified in 2023 from the starting price of the auction, from which the costs attributable to the sale (UNPIR and judicial administrator's fees) have been deducted,

The objective of the Electric Motors II Section was reclassified in 2024 starting from the auction starting price, from which attributable sale costs (commissions of UNPIR and the judicial administrator) were deducted,

The objectives of the Cadre Building and the Museum Building were reclassified in 2024 starting from the price offered by UAT Municipiul Reșița, which coincides with the market value in the 2017 Valuation Report,

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For the exposed objectives, the situation is as follows:

- ✓ "House of Culture":
 - fixed assets held for sale 14,215,856 lei;
 - losses incurred in full from revaluation reserves 10,690,775 lei in 2022;
- ✓ Land "Moniom"
 - fixed assets held for sale 349,714 lei;
 - losses 289,856 lei, charged to revaluation reserves,
- ✓ Cadre Building
 - immobilized assets held for sale: 194,879 lei;
 - no losses from reclassification,
- ✓ Museum Building
 - immobilized assets held for sale: 413,791 lei;
 - no losses from reclassification,
- ✓ Electric Motors II Section
 - immobilized assets held for sale: 6,112,610 lei;
 - no losses from reclassification

Of the total fixed assets held for sale in the amount of 21,286,852 lei, a part is guaranteed in favor of AAAS and in favor of Serraghis Loan Management Ltd, their value being 14,565,570 lei and 5,913,645 lei,

The business lines related to the ABC platform and partially the Călnicel platform, previously reclassified this year as assets held for sale valued at 60,624,641 lei, were the subject of the Sale-Purchase Agreement concluded between U.C.M, Reșița S.A, and Uzina de Construcții Mașini Hidroenergetice SRL, signed and authenticated on 11,03,2024, The transaction price, which included not only assets held for sale but also inventories, was 67,879,000 lei, Concurrently with the exit of these assets from the records, an amount of 29,125,883 lei was recognized as revenue from the advance income account, and the surplus from the re-evaluation remaining in balance, amounting to 27,558,163 lei related to the transferred assets, was transferred to retained earnings,

5,2 Stocks

The status and structure of current assets, such as stocks, is shown in the table no 12:

Table no, 12 - Stocks and their value adjustments

- lei -

No,	Explanations	31.12.2023	31.12.2024
1	Raw materials	4,150,227	4,144,172
2	Materials	742,632	733,513
3	Inventory items	536,166	533,762
4	Packages and materials from third parties, raw materials and materials in progress of purchasing	696,026	695,625

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5	Semi-finished products	1,668,370	1,668,370
6	Production in progress	18,415,930	9,468,775
7	Finished products	6,355,764	4,634,539
8	Total of gross value (1+2+3+4+5+6+7)	32,565,115	21,878,756
9	Adjustment of value for raw materials	(2,169,294)	(3,651,976)
10	Adjustment of value for materials	(376,839)	(538,359)
11	Adjustment of value for inventory objects	(197,475)	(362,044)
12	Adjustment of value for packages	(15,068)	(131,805)
13	Adjustment of value for semi-finished products	(1,576,731)	(1,578,681)
14	Adjustment of value for production in progress	(16,396,931)	(8,721,352)
15	Adjustment of value for finished products	(5,812,955)	(4,275,273)
16	Total value adjustments (9+10+11+12+13+14+15)	(26,545,293)	(19,259,490)
17	Total net value (8+16)	6,019,822	2,619,266

The finished products and work-in-progress related to the Căineni and Pașcani projects were part of the assets subject to the Sale-Purchase Agreement between UCM Reșița and Uzina de Construcții Mașini Hidroenergetice SRL (UCMH) dated on 11,03,2024, leading to a significant decrease in these types of inventories and their corresponding value adjustments,

Regarding the rest of the inventories, in the absence of production activity after 11,03,2024, movements have been at a very low level. This resulted in additional depreciation of raw materials and inventory items. The devaluation was doubled as per the assessment report from 2017, which was the basis for determining the net realizable value, and regarding materials procured after the report date, which were in stock as of 31,12,2024, the adjustment recorded is half of the cost,

The determination of the net realizable value for semi-finished goods, finished products, and work-in-progress took into account the likelihood that their disposal may occur as residual products, a principle that was also the basis for the 2017 evaluation,

6, Cash and cash equivalents

The statement on cash and credits committed is shown in Table no,13:

Table no, 13– The available cash and credits committed

- lei -

No,	Explanations	31,12,2023	31,12,2024
1,	Bank accounts in Lei	2,692,537	412,422
2,	Bank accounts in foreign currency	5,509	1,481
3,	Cash in hand	36,298	18,208
4,	Treasury advances	-	-

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5,	Short-terms deposits	545,908	69,410,851
6,	Other securities		-
7,	Total cash in hand (1+2+3+4+5+6)	3,280,252	69,842,962
8,	Restricted cash (account securities)	199,418	230,090
9,	Total deficit/surplus of account (7-8)	3,080,834	69,612,872

Since the end of 2024, the Company has several term deposits totaling 69,410,851 lei, with amounts primarily originating from money obtained from asset sales in accordance with the provisions of the reorganization plan and not distributed to creditors, including:

- three term deposits for three months, with a cumulative value of 64,098,140 lei from the sale of the business line to Uzina de Construcții Mașini Hidroenergetice SRL;
- a three-month term deposit worth 3,324,530 lei from the sale of the Mociur platform to Ceetrus România SRL;
- a one-month term deposit worth 545,907 lei from the sale of social shares held in Multi-Farm SRL;
- a one-month term deposit worth 439,161 lei from the sale of the asset of the "Vile" objective, This bank deposit is constituted as payments are received since the company accepted the request from the buyer, UAT Municipiul Reșița, for installment payments in 10 equal installments for the price difference of 332,923,50 euros remaining after paying the 10% guarantee of the asset value;
- two one-month term deposits with a total value of 980,000 lei,

The available funds will be used to pay the remaining amounts owed to budget creditors according to the approved payment program related to the Company's reorganization plan,

7, Debts

The statement on the main debt (commercial, banking, budgetary obligations and other creditors) is shown in Table no, 14,

Table no, 14 – Summary statement of debts

- lei -

No,	Explanations	31,12,2023	31,12,2024	Written in the final table of creditors	Currently	Liquidity time		
						Less than 1 year	1-5 years	Over 5 years
1,	Amounts owed to credit institutions	-	-	-	-	-	-	-
2,	Advances received in account of orders from customers	710,685	558,875		558,875	558,875	-	-
3,	Trade payables	7,028,423	4,853,216	4,331	4,848,885	4,848,885	-	-
4,	Bills payable	-	-	-		-	-	-

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5,	Loans and interests owed to the main shareholder	-	-	-	-	-	-	-
6,	Other debts, including tax and social securities	432,741,244	435,727,868	230,696,277	205,031,591	205,031,591	-	-
	TOTAL (1+2...+6)	440,480,352	441,139,959	230,700,608	210,439,351	210,439,351	-	-

7.1 Trade debts and advances received in account of orders from customers

The amounts due to related parties are detailed in Note no, 14,

On December 31, 2024, the main amounts received in advance from orders from internal and external clients are from Romelectro SA (266,115 lei) and Boving Fouress Private Limited (57,151 euros),

As a result of the steps taken to close contracts that were not subject to assignment to Uzina de Construcții Mașini Hidroenergetice SRL, the contract with the French company Turbiwatt SAS was terminated, the goods brought for processing were returned, and services performed until the return were invoiced, Advances collected during the project that exceeded the invoiced amounts at termination were returned to the client,

At the end of 2023, the company recorded estimated debts based on meter readings for electricity consumption amounting to 2,038,708 lei, which were invoiced by the supplier SPEEH Hidroelectrica SA in June 2024 and were fully covered from the advance of 3,874,408 lei existing at the end of the previous year,

As of December 31, 2024, the most significant debts are to the Divizia Pază și Protecție Consulting & Security SRL for security services, totaling 2,966,450 lei,

Since the transfer of the business to Uzina de Construcții Mașini Hidroenergetice SRL, the Company has not carried out production activity, and the main suppliers it collaborated with during 2024, in terms of value, are represented by service providers: Divizia Pază și Protecție Consulting & Security SRL Schitu (security services), Euro-Insol SPRL and VF Insolvență SPRL (judicial administration), SPEEH Hidroelectrica SA Bucharest (electricity supply), Pluxee România SRL Bucharest (meal vouchers), Aquacaraș SA Reșița (water and sewer services), CCHAPT Dezvoltări de Proiecte SRL (engineering and design services), Brantner Servicii Ecologice SA (sanitation services), and Rețele Electrice Banat SA Timișoara (electricity distribution),

According to the Sales-Purchase Contract no, 210/11.03.2024 regarding the transfer of the business line, the Company has maintained in force the utility supply contracts indicated in section B of Annex 5 until the buyer (Hydroelectric Machine Construction Plant LLC) concludes new contracts with the respective suppliers or with other suppliers providing the same utilities at

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the same consumption points, During this period, after receiving each invoice from the utility suppliers, the Company has re-invoiced to the buyer without any markup the utility costs amounting to 3,779,669 lei,

7,2, Amounts owed to credit institutions

On 31,12,2024 the Company does not owe any amount to credit institutions,

Because of its insolvency at the date of these financial statements, the Company does not have access to financing from banks or non-banking financial institutions,

7,3 Debts to shareholder, the state consolidated budget and other creditors

The other debts, including tax and social security to be paid within a period of up to one year are shown in Table 15 below,

Table No, 15 – Statement of debts to shareholder, the state consolidated budget and other creditors

No,	Explanations	31,12,2023	31,12,2024	Out of which on 31,12,2024	
				Written in the final table of creditors	current
0	1	2	3	4	5
1	Associates, current accounts - loan	-	-	-	-
2	Associates, current accounts - interest	-	-	-	-
3	Social security payable	54,879,525	54,241,987	-	54,241,987
4	VAT payable	26,594,127	27,198,241	-	27,198,241
5	VAT non-payable	12,039	12,039	-	12,039
6	Wages taxes	7,275,033	7,172,481	-	7,172,481
7	Obligations to unemployment fund	69128	69,128	-	69,128
8	Obligations to special funds, other taxes, charges and remittances	81,026,914	84,955,658	1,073,322	83,882,336
9	Other creditors	261,632,922	261,597,914	229,622,955	31,974,959
10	Retained performance bond guarantees	208,680	208,680		208,680
11	Salaries and other personnel benefits	600,533	8,000	-	8,000

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12	Other payables to employees	442,343	263,740	-	263,740
	Total other debts (excluding bank credits)	432,741,244	435,727,868	230,696,277	205,031,591

The total current debt includes also the deferred tax debt in the total amount of 19,341,160 lei,

According to the Sales-Purchase Contract no, 210/11.03.2024 regarding the transfer of the business line, the Company has maintained in force the utility supply contracts indicated in section B of Annex 5 until the buyer (Hydroelectric Machine Construction Plant LLC) concludes new contracts with the respective suppliers or with other suppliers providing the same utilities at the same consumption points, During this period, after receiving each invoice from the utility suppliers, the Company has re-invoiced to the buyer without any markup the utility costs amounting to 3,779,669 lei,

At the court hearing on 05.03.2024 in case no, 35929/3/2023, the court rejected the request concerning the rectification of the activity report published in B,P,I, no, 18760/20.11.2023, in relation to the need to analyze the specified payment request and to mention the completion of the clarifications of the tax records, as being moot, and rejected the rest of the appeal filed by the appellant GENERAL REGIONAL DIRECTORATE OF PUBLIC FINANCE BUCHAREST, represented by the Medium Taxpayers Fiscal Administration,

Against the Report on the distribution of the collected price within the reorganization procedure of U,C,M, Reșița SA, published in the Bulletin of Insolvency Procedures no, 8714 dated May 10, 2024, appeals were filed by creditors, the National Agency for Fiscal Administration – forming the associated file no, 15398/3/2024 and respectively by UAT Municipality of Reșița – forming the associated file no, 16447/3/2024, both pending at the Bucharest Tribunal - 7th Civil Section, with a deadline set for 18.06.2024,

At the court hearing, file no, 15398/3/2024 was resolved by rejection, and file no, 16447/3/2024 was sent for retrial with a new hearing date set for 17.09.2024,

At the court hearing on 17.09.2024, in file no, 16447/3/2024, concerning the appeal filed by UAT Municipality of Reșița against the Report on the distribution of the collected price within the reorganization procedure of U,C,M, Reșița SA published in the Bulletin of Insolvency Procedures no, 8714 dated May 10, 2024, the court admitted the exception of inadmissibility of the appeal and rejected the appeal filed by UAT Reșița, with the right to appeal within 7 days from the notification,

As of the date of preparing this report, there was no information regarding the appeal,

Loans (financing) granted by the majority shareholder

At the date of these Financial Statements there are no loans granted to the majority shareholder,

7.4 Debts related to leasing contracts

On 31.12.2024 the Company no longer has signed leasing contracts,

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8, Provisions

The situation regarding the provisions made and their evolution towards 31,12,2024 is showed in Table no, 16 below,

Table no, 16 - Evolution of provisions in the accounting year 2024

- lei -

No,	Explanations	31,12,2023	Increase	Reduction	31,12,2024
1	Provisions for litigation	61,374,696	4,358	-	61,379,054
2	Provisions for costs within the guaranty period	14,347	-	-	14,347
3	Provisions for costs required to dismantling of tangible assets	20,802,727	-	4,749,069	16,053,658
4	Provisions for risk s and expenses (suppliers)	32,140	-	-	32,140
5	Provisions for employee retirement benefits	552,150	-	552,150	-
	TOTAL (1+2+3+4+5)	82,776,060	4,358	5,301,219	77,479,199

The provision established in 2014 by applying a 20% depreciation related to some unfavorable factors, external to the analyzed properties, to estimate a level of obtainable values, values that rather depend on the nature of the pressure to sell to which the seller is subjected, was partially resumed (2,126,684 lei) considering that when reclassifying fixed assets held for sale, prices were taken into account in accordance with the offers or with reasonable estimates of them, and depreciations were made where required,

Moreover, the provision of 2,622,385 lei for fixed assets sold during the year was resumed,

Given that on 31,12,2024, no benefits for employees are foreseen to be granted, the provision established the previous year has been fully resumed,

Provisions were established/decreased in accordance with the events that generated them,

9, Structure of shareholding and equity

In the Constitutive Act of UCM Reșița SA, drawn up in accordance with the provisions of Law 31/1990, registered at the National Office of the Trade Register, the Company's main shareholder is INET AG, legal entity of Swiss nationality, and at the Central Depository is registered as main shareholder the Swiss society ICESA SA,

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Shareholder structure on 31,12,2024, according to the consolidated Register of shareholders that hold at least 10% issued by the Central Depository is:

- ✓ ICESA SA - 106,403,900 shares, representing 96,7890% of the share capital
- ✓ Individuals - 2,757,842 shares, representing 2,5086 % of the share capital
- ✓ Legal entities - 772,162 shares, representing 0,7024 % of the share capital
- ✓

As the Romanian economy was a hyperinflationary economy until 31,12,2004, applying of IAS 29 – Financial Reporting in Hyperinflationary Economies, requires restatement of the registered capital elements, legal reserves, other reserves existing in the balance at the date of application for the first time of IFRS which were highlighted in the balance at historical cost, so that the registered capital and other reserves have been updated based on monthly price indices, as reported by the National Statistics Institute in the period 01,01,1991 - 31,12,2003,

The adjustment, from the application of IAS 29, was performed by restating the Financial Statements for the years 2010,2011 and 2012, on the reported result in the account 118 - "Retained earnings resulting from the adoption of IAS 29 for the first time,

On 31,12,2024 the Company had no bonds issued,

The Company is listed on Bucharest Stock Exchange since 1998, but as of 06,11,2011, the date of opening the general proceeding of insolvency, the company was suspended from trading, Starting from 09,02,2022, after the entry into the reorganization period, the Bucharest Stock Exchange ordered the reintroduction of UCM Reșița shares to trading,

The shares issued by the Company are registered, dematerialized, and they are administered by s,c, Central Depository s,a, Bucharest,

Table no. 17 – Structure of equity and evolution of results for the accounting years 2023 and 2024, also of major adjustments on retained earnings

No,	Explanations	31,12,2023	31,12,2024
0,	1,	2	3
1,	Registered capital	601,685,084	601,685,084
A	Total (1)	601,685,084	601,685,084
2,	Revaluation reserves	99,553,985	99,992,438
3,	* Transfer of surplus from revaluation reserves	(2,511,177)	(35,363,918)
4,	* Use of revaluation reserves	2,949,630	
5,	* Registration of revaluation reserves		
B	Total (2+3+4+5)	99,992,438	64,628,520
6,	Legal reserves	1,972,406	1,972,406
7,	Increases in legal reserves from the result of current		

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	accounting year	-	-
C	Total (6+7)	1,972,406	1,972,406
8,	Earnings representing surplus from revaluation reserves	272,569,869	275,081,046
9,	* Transfer of surplus from revaluation reserves	2,511,177	35,363,918
D	Total (8+9)	275,081,046	310,444,964
10,	Other reserves	16,088,620	16,088,620
E	Total (10)	16,088,620	16,088,620
11,	Loss carried forward	(1,808,741,568)	(1,380,412,131)
12,	* Transfer of accounting year result to retained earnings account	428,329,437	(12,409,732)
13,	* Registration of accounting errors from previous years to retained earnings account	-	-
	Restatement of IFRS, of which:	-	-
14,	* Adjustment of provisions for employees' retirement benefits	-	-
15,	* Reduction in deferred tax receivables recognized on the retained earnings account	-	-
F	Total (11+12+13+14+15)	(1,380,412,131)	(1,392,821,863)
16,	Profit sharing	-	-
17,	* Account closure - profit sharing	-	-
18,	* Increases in legal reserves from the result of current accounting year	-	-
G	Total (16+17+18)	-	-
19,	Profit / (Loss)	428,329,427	(12,409,732)
20,	* Transfer of accounting year result to retained earnings account	(428,329,437)	12,409,732
21,	* Account closure - profit sharing	-	-
22,	* Net result of current accounting year	(12,409,732)	20,344,885
H	Total (19+20+21+22)	(12,409,732)	20,344,885
	TOTAL (A+B+C+D+E+F+G+H)	(398,002,269)	(377,657,384)

10, Revenues from current activity

The turnover for 2024 is 5,553,316 lei and is mostly generated on the domestic market, Tables no,18 and 19 below show the structure of revenues/sales on types and geographic areas,

Table no, 18 – Structure of revenues from current activities

- lei -

No,	Explanations	2023	2024
1,	Revenues from sold production	37,981,257	5,553,316
2,	Revenues from sale of goods	-	-
3,	TOTAL TURNOVER (3=1+2)	37,981,257	5,553,316

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Table no, 19 – Revenues from current activities on geographic areas

- lei -

No,	Explanations	2023	2024
1,	România	37,981,257	5,536,817
2,	European Union	-	16,499
3,	TOTAL cifra de afaceri (3=1+2)	37,981,257	5,553,316

11, Expenses

The cost of sales for the years ended on December 31, 2023 and 2024 is as follows:

Explanations	2023	2024
Raw material and materials	4,467,553	88,708
Goods	-	0
Facilities	4,794,314	1,536,677
Expenses with the personnel	18,549,951	3,695,153
External services	466,161	272,164
Value adjustments on fixed assets	1,233,726	366,284
Other expenses	121,086	39,745
Changes in stocks of finished goods and production in progress	3,645,114	59,378
Total cost of sales	33,277,905	6,058,109

The general administrative expenses for the years ended December 31, 2023 and 2024 are as follows:

Explanations	2023	2024
Raw material and materials	142,103	47,417
Facilities	158,048	134,113
Expenses with the personnel	5,404,796	1,689,807
External services	4,165,475	1,636,667
Value adjustments on fixed assets	1,258,228	1,943,700
Other expenses	3,408,433	2,384,083
Total general administrative expenses	14,537,083	7,835,787

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12, Current and deferred profit tax

The Company uses the information from accounting and/or other information required by the tax legislation applicable to the calculation, assessment and declaration of its obligations to the consolidated state budget,

The profit tax is calculated and determined based on data and information from the accounting checking balances, being elaborated in this respect also the tax returns, in accordance with the applicable regulations in force,

In 2024, the Company recorded a net profit of 20,344,885 lei, mainly obtained in the context of the sale of the "Business Line" materialized through the contract dated 11,03,2024, This will cover part of the carried-forward losses, in accordance with applicable legislation,

The statements on taxes, contributions and fees payable to the consolidated state budget and local budgets were prepared and submitted within the time and in accordance with the requirements of the law in force,

Based on the application of IFRS criteria for recognition and assessment of the balance sheet assets and liabilities, results temporary deductible or taxable differences between the accounting base and the tax base, differences that will result in amounts that are deductible or taxable in determining the taxable profit (or loss tax) in future tax periods, when the carrying amount of those assets and liabilities will be recovered or settled,

Table no, 20 Deferred tax

- lei -

Explanations	31.12.2023	31.12.2024
Deferred tax receivables	11,324,226	9,711,099
Deferred tax liabilities	24,333,888	19,341,160

Table no, 21 Calculation of deferred tax - 2024

No,	Category / Explanations	Carrying amount	Tax base	Temporary deductible differences	Temporary taxable differences	Receivables	Debts
1	Provisions for litigation	4,358		4,358		697	
2	Cancellation of provisions for immovable decommissioning	(4,749,069)		(4,749,069)		(759,851)	

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3	Provisions for employee benefits 2022	(552,150)		(552,150)		(88,344)	
4	Adjustments for other fixed receivables - execution guarantees	2,374,264		2,374,264		379,882	
5	Cancellation of adjustments for other fixed receivables - execution guarantees	(1,131)		(1,131)		(181)	
6	Adjustments for inventory depreciation	1,964,546		1,964,546		314,327	
7	Cancellation of adjustments for inventory depreciation	(9,250,349)		(9,250,349)		(1,480,056)	
8	Adjustments for depreciation of stocks	264,257		264,257		42,281	
9	Cancellation of adjustments for receivables depreciation	(14)		(14)		(2)	
10	Differences between accounting depreciation and fiscal depreciation	2,309,984	230,287		2,079,698		332,751
11	Reduced reserves at sale inventory	(33,284,247)			(33,284,247)		(5,325,479)
12	Differences upon reclassifying fixed assets - inventory (2022, 2023)		136,753	(136,753)		(21,880)	
	TOTAL	(40,919,551)	367,040	(10,082,041)	(31,204,549)	(1,613,127)	(4,992,728)

13, Information on employees, managers and directors

On 31,12,2024, the Company had the structure of the personnel as shown in Table no. 22 below,

Table no. 22 – Structure of employees

No,	Category	Number of employees		%
		31.12.2023	31.12.2024	
1,	Production personnel	304	0	0
2,	Administrative personnel	138	38	100%
	TOTAL	442	38	100%

The executive management of the Company during 2024 was composed of:

- Mr, Cosmin URSONIU – General Director
- Mrs, Liliana Nicoleta IONETE - Human Resources and Economic Director
- Mr, Cristian MURGU - Director of Production, until 11,03,2024,

On 31,12,2024, the Company has no obligation of any kind (credits granted or future liabilities such as guarantees, etc,) incurred to former members of the administrative, management or supervisory departments,

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The expenses with the wages made by *the Company* in the accounting year 2024 are shown in Table no, 23 below,

Table no, 23 – Expenses with the wages in the accounting year 2024

-lei -

No,	Explanations	01,01-31,12,2024
1,	Expenses with the wages of personnel	4,963,357
2,	Expenses in kind and with vouchers for meals	268,267
3,	Contribution of the company to social security	111,660
4,	Other expenses on insurance and social protection	41,676
	TOTAL	5,384,960

14, Affiliated parties

In order to prepare these financial statements and presentation of transactions with affiliated parties (natural/ legal persons), the third parties are considered to be affiliated if one of them has the ability to control the other party or to exercise significant influence over the other party, in taking decisions on current operations with economic/financial effects,

In evaluating each possible relationship/transactions with affiliated parties, the emphasis is on the economic essence of the relationship and not necessarily on its legal form, For the purposes of the above, it is envisaged both the definition of affiliated parties in the Financial Reporting Standards, as well as those disclosed in the notes (point f in Presentation of Financial Statements),

The *Company* has an associated entity Bursa Română de Mărfuri, Bucharest,

On 31,12,2024 the Company no longer has any subsidiaries,

The situation of transactions with affiliated parties is presented in Tables no, 24, 25 below,

Table no, 24 – Sales / purchases of goods / services to and from affiliated parties

- lei -

No,	Explanations	2023	2024
	<i>Sales of goods and services</i>		
1,	Affiliated entities		
2,	Subsidiary companies	9,334	-
3,	Major shareholder	-	
4,	Others	-	
5,	Total sales (1+2+3+4)	9,334	-

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	<i>Purchases of goods/services</i>		
6,	Subsidiary companies	-	-
7,	Affiliated entities	-	-
8,	Major shareholder	-	-
9,	Total purchases (6+7+8)	-	-

The volume of sales and purchases to and from affiliated parties, excluding related VAT,

Table no, 25 – Receivables (debit balances) to affiliated parties

- lei -

No,	Explanations	31,12,2023	31,12,2024
1,	Subsidiary companies – trade receivables	82,084	-
2,	Affiliated entities	-	-
3,	Major shareholder	-	-
4,	Others	-	-
5,	Advances granted to affiliated entities	-	-
	Total trade receivables (1+2+3+4+5)	82,084	-

At the date of these Financial Statements the Company does not record any obligations towards the Company's main Shareholder, ICESA SA,

On 31,12,2024 there were not registered loans granted to affiliated parties,

15, Commitments (contractual obligations), guarantees and contingent liabilities (litigation)

The key aspects of commitments and litigations that have affected or may affect the obligations of *the Company* in the future are outlined below,

15,1 Commitments and guarantees

a) Commitments on capital transactions (investments)

The *Company* has no commitments regarding capital operations at 31,12,2024,

b) Commercial Commitments received

The *Company* has no credentials guaranteed contracts on 31,12,2024,

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c) Guarantees granted to third parties

As of 31,12,2024, the Company does not have guarantees to third parties in the form of bank guarantee letters,

15,2 Contingent liabilities and litigation

a) Actions at the law court

STATUS OF LITIGATIONS PENDING AT THE LAW COURTS ON 31,12,2024

Table no, 26 - COMMERCIAL LITIGATION

No,	PARTIES	U,C,M,R, S,A IN POSITION OF	NO, of FILE	LAW COURT	PROCESS STAGE	DELIVERED SENTENCE	AMOUNT / OTHER DATA
1	SC GIA Security	Creditor	1388/115/2012	Caraș- Severin Law Court	Bankruptcy proceedings-	Time limit: 20,06,2024	7,885,60 lei
2	SC Hydro- Engineering	Creditor	5911/115/2013	Caraș- Severin Law Court	Bankruptcy proceedings – request for enrolment in the table of creditors	Time limit: 29,02,2024	126,633,68 lei
3	SC Libarom Agri	Creditor	29140/3/2012	Law Court Bucharest	Bankruptcy proceedings –	Time limit: 15,05,2024	Requests the amount of 1,289,570,079,97 lei, Allowable the amount of 3,706,200,00 lei, according to the decisions in case no, 29140/3/2012/a1
4	SC ISPH București	Creditor	38503/3/2014	Law Court Bucharest	Insolvency proceedings – reorganization	Time limit: 16,02,2024	32,460,00 lei
5	SC IMB Miloș	Creditor	1088/115/2015	Caraș- Severin Law Court	Insolvency proceedings - reorganization	Time limit: 07,03,2024	18,200,46 lei
6	SC Hidroserv SA	Creditor	36365/3/2016	Law Court Bucharest	Insolvency proceedings –	Time limit: 29,05,2024	21,725,537,41 lei

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					reorganization		
7	SC SITTNER TRANS	Creditor	408/115/2020	Caraș-Severin Law Court	Merits of the case - simplified insolvency procedure	Time limit: 23,05,2024	25785,83 lei
8	VF Insolventa SPRL, SC AC Management SRL, SC Aquaris Crivaia SRL si SC Kmobil SRL	Defendant	1471/3/2013	Bucharest Law Court	Merits of the case - request for pending the case	T: 13,06,2023-granted a new deadline of 07,11,2023 for the resolution of the request for the reinstatement of the case,	Action for annulment of the sales contract no. 388/13,02,2009
9	Romelectro SA	Creditor	909/3/2022	Bucharest Law Court	Merits of the case - insolvency procedure	Time limit: 05,03,2024	7,614,990, 56 lei
10	SSH Hidroserv SA	Creditor	30582/3/2022	Bucharest Law Court	Merits of the case -	At the deadline of 05,04,2023, the plea of lis pendens was admitted and the case file no. 10756/3/2021 was attached	Action for annulment, nullity of the acts and operations of the debtor
11	SC PRODMEC SA	Creditor	2628/115/2023	Caraș-Severin Law Court	Merits of the case - insolvency proceedings	Time limit: 21,03,2024	3,283,21 lei
13	AC Management SRL	Creditor	761/30/2023	Timiș Law Court	Merits of the case - First instance court	An objection is lodged for non-inclusion in the creditor's estate	

Table no. 27 Civil/criminal/litigation disputes

No,	PARTIES	U,C,M,R, S,A IN POSITION OF	NO, of FILE	LAW COURT	PROCESS STAGE	DELIVERED SENTENCE	AMOUNT / OTHER DATA
1	SC Energy Holding SA – responsible party in the civil lawsuit, Alexandrescu Costin Răducu, Țicu Elena Lavinia – defendants, ANAF, ANRE, ș.a, – civil parties	Responsible party in the civil lawsuit	8308/3/2021	Bucharest Tribunal	Merits	Decision no. 137/14,02,2025 – defendants with the right to appeal within 10 days from communication (not final)	Skimming – 59,480,839 lei

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2	Administrația Fondului pentru Mediu	Claimant	7983/2/2023	Tribunalul București	Merits	Decision no, 10331/20,12,2024 – rejects the appeal (the decision was not communicated for an appeal)	148,708 lei
3	Cumpănasu Cornel	Forced Intervenor	7846/290/2023	Caraș-Severin Tribunal	Action for declaration	Deadline: 30,04,2025	
4	Prefect of Caras-Severin County Municipality of Resita	Forced Intervenor	2464/115/2023	Timișoara Court of Appeal	Administrative guardianship	No established deadline	
5	AC Manag., Fundatia UDR, K Mobile, Chebuțiu A, Preda C, Sinea L, Cociorva D, Oprescu B, Condrea A	Claimant	1291/62/2023	Brașov Tribunal	Merits	Deadline: 05,05,2025	Tort liability 49,256,066,09 lei
6	AC Management	Claimant	5384/69/2023	Brașov Tribunal	Merits – separated from Case 1291/69/2023	Deadline: 07,03,2025	Tort liability 49,256,066,09 lei
7	UDR Foundation – Defendant, Municipality of Reșița through the Mayor – intervenor	Claimant	13474/3/2013***	Caraș-Severin Tribunal	Appeal	Deadline: 28,05,2025	Revocation of donation agreement
8	Ene Andrei Gheorghe, Untaru Alexandra	Defendant	5732/290/2023	Reșița Court	Merits	Deadline: 20,03,2025	LR Correction
9	SC Gia Security	Creditor	1388/115/2012	Caraș-Severin Tribunal	Merits	Deadline: 05,06,2025	- bankruptcy proceedings 7,885,60 lei
10	VF Insolventa SPRL, AC Management, Aquaris, Kmobile	Defendant	1471/3/2013	Bucharest Tribunal	Merits	Deadline: 03,06,2025	action for Cvc annulment 388/13,02,2009
11	SC Hydro Engineering	creditor	5911/115/2013	Caraș-Severin Tribunal	Merits - bankruptcy	Deadline: 03,04,2025	126,633,68 lei
12	SC Libarom Agri	creditor	29140/3/2012	Bucharest Tribunal	Merits - bankruptcy	Deadline: 28,05,2025	3,706,200 lei - admisa din 1,289,570,079 97
13	SC ISPH București	creditor	38503/3/2014	Bucharest Tribunal	Merits - reorganization	Deadline: 14,03,2025	32,460 lei
14	SC IMB Milos	creditor	1088/115/2015	Caraș-Severin Tribunal	Merits - reorganization	Deadline: 12,06,2025	18,200, 46 lei
15	SC HIDROSERV SA	creditor	36365/3/2016	Bucharest Tribunal	Merits - insolvency	Deadline: 12,06,2025	21,725,537,41 lei
16	Sittner Trans SRL	creditor	408/115/2020	Caraș-Severin Tribunal	Merits - insolvency	Deadline: 03,04,2025	25,785,83 lei
17	Romelectro	creditor	909/3/2022	Bucharest Tribunal	Merits - insolvency	Deadline: 01,04,2025	7,614,990,56 lei
18	Prodmecc	creditor	2628/115/2023	Caraș-Severin Tribunal	Merits - insolvency	Deadline: 13,03,2025	3283,21 lei
19	AAAS, Evergent	Third-party garnishee	5518/299/2024	Bucharest Tribunal	Appeal	Deadline: 11,03,2025	2,007,940,41 lei

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20	AAAS, Evergent	Third-party garnishee	5992/299/2024	Bucharest Tribunal	Appeal	No established deadline	2,080,576,55 lei
21	AAAS, Evergent	Third-party garnishee	6031/299/2024	Bucharest Tribunal	Appeal	No established deadline	2,890,350,61 lei
22	AAAS, Evergent	Third-party garnishee	6593/299/2024	Sector 1 Court	Merits	No established deadline	8,425,301,96 lei
23	AAAS, Evergent	Third-party garnishee	6835/299/2024	Sector 1 Court	Merits	Deadline: 13,03,2025	1,844,878,13 lei
24	AAAS, Evergent	Third-party garnishee	6836/299/2024	Bucharest Tribunal	Appeal	Deadline: 26,03,2025	1,798,679,58 lei
25	AAAS, Evergent	Third-party garnishee	6864/299/2024	Bucharest Tribunal	Appeal	No established deadline	1,715,266,89 lei
26	AAAS, Evergent	Third-party garnishee	7390/299/2024	Bucharest Tribunal	Appeal	Deadline: 05,03,2025	1,569,194,14 lei
27	AAAS, Evergent	Third-party garnishee	7766/299/2024	Bucharest Tribunal	Appeal	Deadline: 28,03,2025	439,897,10 lei
28	AAAS, Evergent	Third-party garnishee	7770/299/2024	Bucharest Tribunal	Appeal	Deadline: 11,04,2025	2,364,339,18 lei
29	AAAS, Evergent	Third-party garnishee	7771/299/2024	Sector 1 Court	Merits	Deadline: 14,03,2025	1,671,618,43 lei
30	AAAS, Evergent	Third-party garnishee	7772/299/2024	Sector 1 Court	Merits	No established deadline	460,377 lei
31	AAAS, Evergent	Third-party garnishee	9259/299/2024	Bucharest Tribunal	Appeal	No established deadline	51,533,58 lei
32	AAAS, Evergent	Third-party garnishee	9361/299/2024	Sector 1 Court	Merits	No established deadline	2,962,201,63 lei
33	AAAS, Evergent	Third-party garnishee	10757/299/2024	Bucharest Tribunal	Appeal	No established deadline	1,230,220,35 lei
34	AAAS, Evergent	Third-party garnishee	5519/299/2024	Sector 1 Court	Merits	Deadline: 26,03,2025	1,676,329 lei
35	AAAS, Evergent	Third-party garnishee	5520/299/2024	Sector 1 Court	Merits	No established deadline	2,159,333,17 lei
36	AAAS, Evergent	Third-party garnishee	6861/299/2024	Bucharest Tribunal	Appeal	No established deadline	734,667,71 lei
37	AAAS, Evergent	Third-party garnishee	10543/299/2024	Bucharest Tribunal	Appeal	Deadline: 14,03,2025	532,329,42 lei
38	AAAS, Evergent	Third-party garnishee	10865/299/2024	Bucharest Tribunal	Appeal	No established deadline	184,405,80 lei
39	AAAS, Evergent	Third-party garnishee	35178/299/2024	Sector 1 Court	Merits	Deadline: 13,03,2025	659,407,96 lei
40	AAAS, Evergent	Third-party garnishee	35872/299/2024	Sector 1 Court	Merits	Deadline: 11,03,2025	18,813,59 lei
41	AAAS, Evergent	Third-party garnishee	36358/299/2024	Sector 1 Court	Merits	No established deadline	1358,50 lei
42	AAAS, Evergent	Third-party garnishee	36360/299/2024	Sector 1 Court	Merits	Deadline: 09,04,2025	2,111,149,97 lei
43	AAAS, Excelsior Fluss Grup	Third-party garnishee	36361/300/2024	Sector 1 Court	Merits	No established deadline	495,666,94 lei
44	AAAS, Excelsior Fluss Grup	Third-party garnishee	36362/300/2024	Sector 1 Court	Merits	No established deadline	3,417,73 lei

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b) Taxation and Transfer Pricing

The taxation system in Romania is in a phase of consolidation and harmonization with EU legislation; therefore, the tax legislation still allows different interpretations (texts formulated equivocal and/or insufficiently precise, inconsistencies with other regulative documents, etc.),

The practices for the financial statements remain open for inspection for 5 years,

The Company's management considers that the tax obligations included in these *financial statements* are properly set,

The tax legislation in Romania includes also rules on transfer pricing between affiliated parties,

The current legislative framework (the *Fiscal Code* and other specific regulations) establishes the principle of "market value" for transactions between affiliated parties, and the methods of transfer pricing,

Therefore, it is possible for the tax authorities to initiate checks on transfer pricing, to ensure that the fiscal outcome and/or the equity input value of goods are not distorted by the effect of the prices used in dealing with affiliated parties,

As the results of such checks are difficult to predict (quantify), the management of *the Company* is unable to assess/quantify the risks of transfer pricing,

c) Environmental contingencies and other contingencies

The Company's activity is regulated by:

- The environmental obligations of UCM Reșița upon the cessation of operations at the ABC Industrial Platform, no, 8326/AAA/01,10,2024, issued by the Caraș – Severin Environmental Protection Agency,
- The environmental obligations of UCM Reșița upon the cessation of operations at the Călnicel Industrial Platform, no, 8327/AAA/01,10,2024, issued by the Caraș – Severin Environmental Protection Agency,
- The water management authorization no, 63/S,G,A, – CS, dated 09,12,2024, valid until 09,12,2027, issued for the ABC Industrial Platform, by the Caraș – Severin Water Management System,

Environmental authorizations are issued by the Caraș – Severin Environmental Protection Agency, while water management authorizations are issued by the Caraș – Severin Water Management System,

16, Management of financial risk

Below is a summary of the nature of management activities and policies to control the financial risks,

(i) Currency risk

The Company operates in Romania, in an economic environment with strong fluctuations of the national currency against other currencies; The company has transactions in a currency other than the functional currency (RON),

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Transactions made in foreign currency are converted into lei at the exchange rate valid on the date of the transaction,

Therefore, there is a moderate risk of depreciation of net monetary asset value expressed in domestic currency, the foreign exchange market in Romania regarding conversion of domestic currency in other currencies being organized by the rules and common practices strengthened in the last years and the role of BNR in this regard is very important,

Currently, there is no market from abroad to perform conversion of the domestic currency into other currencies,

(ii) Credit risk (rates, interests)

Credit risk involves the *Company* incurring a financial loss as a result of a breach of contractual obligations by a customer or a counterparty to a financial instrument, and this risk arises primarily from trade receivables, The *Company* monitors the exposure to credit risk by analyzing the seniority of the receivables it registers and acts to recover the past due or expired ones,

Exposure to credit risk is influenced by the individual characteristics of each client and the country in which he operates, Most of UCM Reșița's clients operate in Romania,

The *Company's* management permanently monitors the degree of exposure to such risks, in order to keep it to a level as low as possible,

(iii) Liquidity risk

The *Company* may encounter difficulties in fulfilling its obligations associated with debts that are settled in cash or by transferring another financial asset,

The *Company's* approach to liquidity risk is to provide, to the extent possible, sufficient liquidity at all times to meet its debts when they become due, both under normal and stressful conditions, without bear unacceptable losses or jeopardize the *Company's* reputation,

To counteract this risk factor, the *Company* applied restrictive measures to deliver the products to uncertain customers, even requesting advance payment,

The management of the *Company* is also concerned with the careful selection of new customers according to their creditworthiness and financial discipline,

(iv) Risk of market and economic environment

The Romanian economy is still in transition, the economic crisis significantly affecting it, even if there is some certainty about the future evolution of Romania's policy and economic development, as a member of the Union European,

Market risk is the risk that changes in market prices, such as exchange rates, interest rates, and declining market demand will affect the *Company's* revenue,

The management of the *Company* cannot foresee the changes that will take place in Romania and their effects on the financial position, on the results of the activity or on the cash flows of the *Company* for the following accounting year, only within the limits of available information,

Eventual changes that could affect the internal conditions of Romania and the effect they could have on the activities of the customers of the *Company* and hence, on the financial position, on

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results and cash flows of *the Company* could not be taken into account in preparing the *financial statements*, only within the possible limits of predictability,

The instability of the market for raw materials and materials is a risk that has been mitigated by market research, renegotiation of contract terms and even change of suppliers, if it was not possible to change the terms,

The risk of price volatility from electricity, methane gas, metals, diesel, was prevented, as far as possible, by finding new suppliers or renegotiating contracts with traditional suppliers,

Identification and evaluation of business opportunities, including the development (capital investment), influenced by the current state of economic recession (crisis), analysis of compliance with the crediting contracts and other contractual obligation, evaluation of significant uncertainties, including those related to the ability of *the Company* to continue to operate for a reasonable period of time, due to falling demand, all these are permanent tasks in attention of Company's management for the purposes of identification, access and use of financial resources, respectively substantiation of possible future financial flows,

The customers of *the Company* can also be affected by the crisis situations, the lack of liquidity which could affect their capacity to pay the current debts,

Impairment to customers' business and operating conditions may also affect grounding of cash flow provisions, respectively the analysis of *the Company's* financial assets (debts) depreciation
The Company's management cannot predict all events that could affect the industrial sector in Romania, respectively their impact on *the financial statements*,

17, Continuity of activity

Events and conditions with significant impact on the continuity of activity

As a result of the confirmation of the Reorganization Plan by the syndic judge based on the decision 351/01,02,2022, SC UCM Reșița SA continued its activity in 2024 according to the status of a company under reorganization, under the leadership of the Judicial Administrator Consorțiul EURO INSOL SPRL and VF Insolvency SPRL,

Undoubtedly, the event with significant impact on the continuation of activity is the conclusion, in the first quarter of the year, of the Sales-Purchase Agreement for the Business, between UCM Reșița and Hydro-Energy Machine Construction Plant SRL (UCMH), authenticated under no, 210 on 11,03,2024,

Through this contract, the Company transferred to UCMH, in exchange for the price of 67,879,000 RON, the Business related to the ABC Industrial Platform and the Călnicel Industrial Platform, namely the economic activity consisting of the manufacturing and marketing of hydro aggregates and auxiliary equipment, as well as providing rehabilitation and improvement services, specialized engineering, and technical assistance in this field, including the assets included in the Transaction Perimeter,

After the transfer to UCMH of the core activity, the entire personnel, the know-how related to the design and production of hydro-energy equipment, and the necessary authorizations and

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licenses for conducting this type of activity, the remaining Company, lacking personnel, was unable to carry out any activity in the blue hall and SME2, referred to in the Plan as "New UCMR". Therefore, it took steps to sell these assets, as provided in the reorganization Plan,

To carry out the current operations regarding the management, administration, and conservation of the remaining assets of UCM Reșița, in order to comply with legal reporting obligations, environmental protection, and to issue certificates to former employees according to labor legislation, it hired personnel on a fixed-term basis, part-time, with a maximum schedule of 2 hours/day,

Another event that seriously puts into question the continuation of the Company's activity is the end of the 36-month period provided by Law 85/2006 for the implementation of the reorganization Plan, initiated at the time of confirmation, through civil sentence no, 351/01.02.2022, by the judicial administrator of the reorganization Plan approved by the Creditors' Assembly,

18, Subsequent Events

In accordance with the Sales Regulation approved by the Creditors' Assembly on 20.08.2024, the Judicial Administrator continued to expose the asset Electric Motors Section II – Călnicel platform to the market, organizing auctions on 20.02.2025, 04.03.2025, and 14.03.2025, on the UNPIR online auction platform in the Industrial Properties section, starting at a price of 14,804,611 lei (exclusive of VAT). However, there were no registered participants,

On 24.02.2025, the specifications were purchased by the company ECO COLECT DEU RECYCLING SRL as a mandatory preliminary step in the participation procedure for the auction organized on 04.03.2025,

Considering the measures mandated by the Minutes drawn up by the Head of the Caraș-Severin County Service of the National Archives during the thematic control conducted on 4.12.2024, it was revealed that it is absolutely necessary to hand over the contaminated documents to a specialized firm,

Therefore, the Judicial Administrator convened the Creditors' Committee on 12.02.2025, with the following agenda: "Presentation of the archival service offers made by the company VILTEHNICA S,R,L., as follows:

a) The technical-financial offer for providing archival services for the documents in the debtor company's archives that show signs of biological contamination (mold), specifically the documents indicated by the National Archives, located in ROOMS 1, 2, and 3 (administrative building), with the mention that these will be taken separately, along with the existing cabinets/wardrobes, to be decontaminated, inventoried, and subsequently preserved without additional costs for the decontamination operation, for the price of 143,760 Euro plus VAT, payable from the debtor's assets,

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b) The technical-financial offer for providing archival services for the remaining documents in the debtor company's archives presented during the site visit, which are stored in several locations within U,C,M, Reșița, for the price of 98,936 Euro plus VAT, payable from the debtor's assets, According to the negotiations held, if the documents mentioned in both points are taken over, an 11% discount from the final total value will be granted,

The Creditors' Committee approved the presented offer and the continuation of the handover of the archival fund of UCM Reșița SA to SC VILTEHNICA S,R,L,

Judicial Administrator:

EURO INSOL SPRL and VF Insolvență SPRL

Consortium



General Manager:

Cosmin URSONIU

Economic Director:

Nicoleta Liliana IONETE

