



SIMTEL
EMPOWERING A GREEN FUTURE

2023 PRELIMINARY FINANCIAL RESULTS

SMTTEL TEAM S.A., LISTED COMPANY ON THE MTS-AERO MARKET
OF THE BUCHAREST STOCK EXCHANGE

SYMBOL: SMTL

TABLE OF CONTENTS

ISSUER INFORMATION	3
MESSAGE FROM THE CEO	4
2023 KEY FINANCIAL RESULTS	7
ABOUT SIMTEL TEAM	9
KEY EVENTS IN Q4 2023 AND AFTER THE CLOSING OF THE REPORTING PERIOD	14
ANALYSIS OF THE FINANCIAL RESULTS	18
INDIVIDUAL P&L ANALYSIS	19
CONSOLIDATED P&L ANALYSIS	21
INDIVIDUAL BALANCE SHEET ANALYSIS	21
CONSOLIDATED BALANCE SHEET ANALYSIS	23
INDIVIDUAL PROFIT AND LOSS ACCOUNT	25
CONSOLIDATED PROFIT AND LOSS ACCOUNT	26
INDIVIDUAL BALANCE SHEET	27
CONSOLIDATED BALANCE SHEET	28
CASH-FLOW	29
KEY FINANCIAL RATIOS	30
DECLARATION OF THE MANAGEMENT	31

Disclaimer: The financial figures presented in the descriptive part of the report that are expressed in million RON are rounded off to the nearest integer and may result in small reconciliation differences.

ISSUER INFORMATION

INFORMATION ABOUT THIS FINANCIAL REPORT

Type of report	2023 Preliminary financial results
For financial period	01.01.2023– 31.12.2023
Date of publication of the report	26.02.2024

ISSUER INFORMATION

Name	Simtel Team SA
Fiscal code	RO 26414626
Trade registry number	J40/564/2010
Registered office	Splaiul Independenței 319L, Brussels Building, Corp A, Sector 6, Bucharest

INFORMATION ABOUT SECURITIES

Subscribed and paid-up share capital	1,577,574.60 lei
The market on which securities are traded	SMT- AeRO Premium
Total number of shares	7,887,873 shares
Symbol	SMTL

CONTACT DETAILS FOR INVESTORS

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The interim individual and consolidated financial statements as of December 31, 2023, presented on the following pages are **unaudited**.

MESSAGE FROM THE CEO

Dear shareholders,

2023 was another dynamic year for the entire Sintel team, brilliantly surpassing 2022's financial and operational achievements.

We are pleased that we have marginally exceeded this year's targeted revenue and expense budget at the individual level, registering operating revenues of 291.1 million lei, 4% more than the budgeted operating revenues. Also, the net profit at the individual level amounted to 27.7 million lei in 2023, a 14% increase compared to the budgeted net profit of 24.2 million lei.

Compared to 2022, at the individual level, operating revenues have increased by 112%, and in terms of net profit, a 139% increase has been recorded. These results represent the direct effect of the growing Sintel team's involvement in renewable energy reference projects in Romania.

During the past year, we built photovoltaic power plants with an installed power of approximately 86 MWp. The client portfolio has expanded with 87 new clients, currently consisting of companies from various sectors, such as retail, tourism, agriculture, factories, and logistics. We also continued the collaboration with existing clients, with some of them starting new projects, as in the case of CTP Romania, a developer of industrial and logistics spaces, for which we are working on the construction and installation of photovoltaic installations on the roofs of 11 of its buildings.

Also, in 2023, we installed the largest photovoltaic power plant on the roof of a single building in Romania, namely the Dedeman Turda logistics center, for Grunman Energy. The photovoltaic power plant is installed on the roof of



Dedeman's logistics center in Turda. It has an installed power of approximately 4.1 MWp through approximately 10,000 photovoltaic panels, which cover an area of 40,000 square meters. The energy produced annually by the plant will be over 4,500 MWh and reduce carbon dioxide emissions by over 2,100 tons annually.

Therefore, the renewable energy business line contributed approximately 258.6 million lei to the total turnover for 2023 at the individual level, compared to 105.5 million lei generated in 2022. The telecommunications business line contributed 10% to the total turnover in 2023 and generated revenues of approximately 29.1 million lei, compared to 28.8 million lei in 2022.

ANT Energy, the company in which Sintel invested at the end of 2021, had a dynamic activity during the past year, with the forecast projects of energy production in photovoltaic parks still being on an upward trend. In addition, at

the beginning of 2023, Sintel and ANT Energy made a strategic investment in the start-up Custom Soft Solutions (CSS) by acquiring a minority stake, 29% by Sintel and 20% by ANT Energy. Thanks to this investment, Sintel has consolidated its position in the industry, having the necessary resources to manage the entire energy ecosystem of a client - the construction and installation of photovoltaic power plants, to which specific related services are added.

Thus, after their commissioning, we ensure maintenance, forecasting, and trading of energy production through ANT Power and monitoring, optimization, and remote control of energy consumption through CSS. Through this model, we offer clients a complete solution. This ecosystem transforms the classic energy management model into an intelligent system that optimizes consumption and production, bringing important financial benefits to clients and being with them in everything the energy independence process means in the long term.

Agora Robotics, a start-up in which Sintel owns 51% as of 2022, launched for the first time at Automatica Munich, the most important robot and automation event in Europe, the first autonomous mobile robot for cleaning floors developed by a Romanian company. The goal is for this robot to enter series production in 2024.

Also, as we mentioned in the related financial reports for H1 2023 and Q3 2023, we are thrilled that in August 2023, we completed the first phase of the photovoltaic park in Plesoiu, Ilt County. At this time, we officially launched a new business line within Sintel, namely the production of renewable electricity. This step represents a remarkable opportunity for us, as we already have the necessary know-how for the installation, maintenance, and operation of photovoltaic parks. Energy production

has a much higher added value for the company and will generate critical additional revenues in the coming period.

Considering that 2023 was another dynamic year for Sintel, 2024 promises to be at least as intense as the last one. We are excited that, as of January this year, through GES Furnizare SRL, an entity in which Sintel holds a 62% stake, obtained the energy supply license from the National Energy Regulatory Authority (ANRE). Thus, by obtaining the energy supplier's license, we consolidate our position as the market leader by offering our clients a complete package of integrated products and services.

Considering the growing size of Sintel's business, as of January this year, we implemented a series of strategic changes within our operational, sales, and marketing departments by appointing Robert Lucian Dragotoiu as Director of Engineering and Implementation Operations, Florin Alpopi as Sales Director and Ana Maria Mihailescu as Marketing Director.

In addition, two promotions took place within the group, Ana Nedea being named Director of Strategy and Development, while Alina Vilau took over the position of Director of Innovation and Digitalization. At the same time, Bogdan Lebu was appointed Marketing Director at the level of the technology companies in the Sintel portfolio - ANT Energy, Custom Soft Solutions (CSS), and Agora Robotics. These appointments represent a crucial step for Sintel on its way to consolidate its role as a leader in renewable energy in Romania.

Regarding capital market activity, we thank you for your trust over the past year and for being next to us in our mission to provide sustainable and efficient energy solutions through which we can create a cleaner environment and a better quality of life for communities in Romania. We can confirm that we are



working intensively on completing all the necessary procedures for the transfer of SMTL shares on the Main Market of the Bucharest Stock Exchange. We will keep you posted on this as news emerges.

Next, we invite you to go through this report to find out more details about the performance of Simtel in 2023. In case of any questions related to our activity, be it about the business or the activity of the

company in the capital market, please do not do not hesitate to contact us at investors@simtel.ro.

MIHAI TUDOR
CEO

2023 KEY FINANCIAL RESULTS

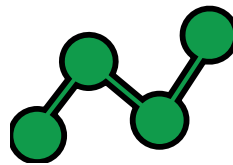
The consolidated indicators include the results generated by Simtel Team, Simtel Solar in which Simtel Team holds the entire stake, as well as ANT Energy and Agora Robotics, companies in which Simtel Team holds a 51% stake:



RON 295.6 million

Turnover

+112% vs. 2022



RON 31.9 million

Gross result

+120% vs. 2022



RON 27.4 million

Net result

+115% vs. 2022

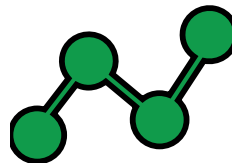
Individual level indicators:



RON 290.6 million

Turnover

+112% vs. 2022



RON 31.9 million

Gross result

+141% vs. 2022



RON 27.7 million

Net result

+139% vs. 2022



Turnover contribution

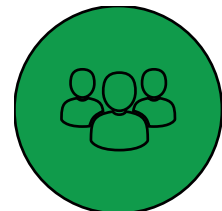
Green energy: **89%**

Telecom: **10%**

Others: **1%**



Built PV plants: **86 MWp**



87 new clients



2023 PRELIMINARY FINANCIAL RESULTS CALL

04.03.2024 || 13:00

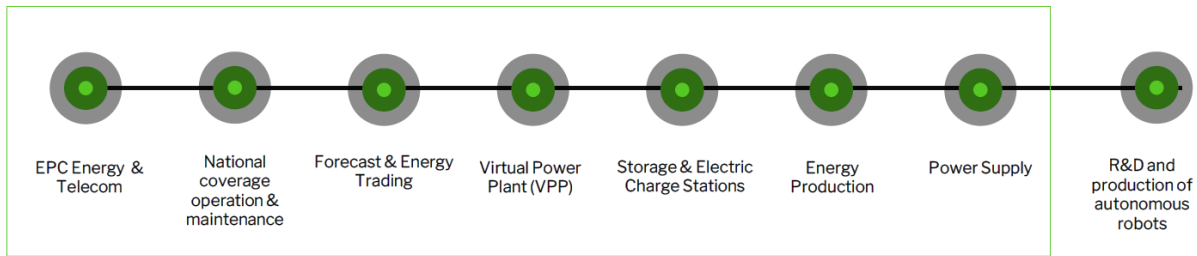
We invite you to participate in the 2023 preliminary financial results call with Simtel management to discuss the company's performance in 2023.

The call will be in Romanian and will take place on March 4, 2024, at 13:00 p.m. Romanian time.

To participate in the 2023 preliminary results call, interested parties are invited to register **HERE** .



ABOUT SIMTEL TEAM



Integrated Ecosystem

Simtel Team SA is a Romanian engineering and technology company, founded in 2010, with its headquarters in Bucharest and working stations in Bacau, Timisoara, Cluj. In 2022, Simtel established a separate company in Chisinau, Republic of Moldova, Simtel Solar with an EPC profile in renewable energy. Simtel Team operates in the fields of renewable energy, telecommunications, and industrial automation with an R&D component in industrial robots and energy efficiency. For each of these business lines, the company delivers projects both in Romania and abroad.

The main services and products offered by Simtel, by business line, are: Engineering, Procurement & Construction (EPC) for telecommunications and energy, operation and maintenance of photovoltaic power plants, forecasting and trading energy of renewable energy, Virtual Power Plant (VPP), energy storage and electric charging stations, energy production, R&D and production of autonomous robots. The company is a leader in Romania in the construction of photovoltaic plants.

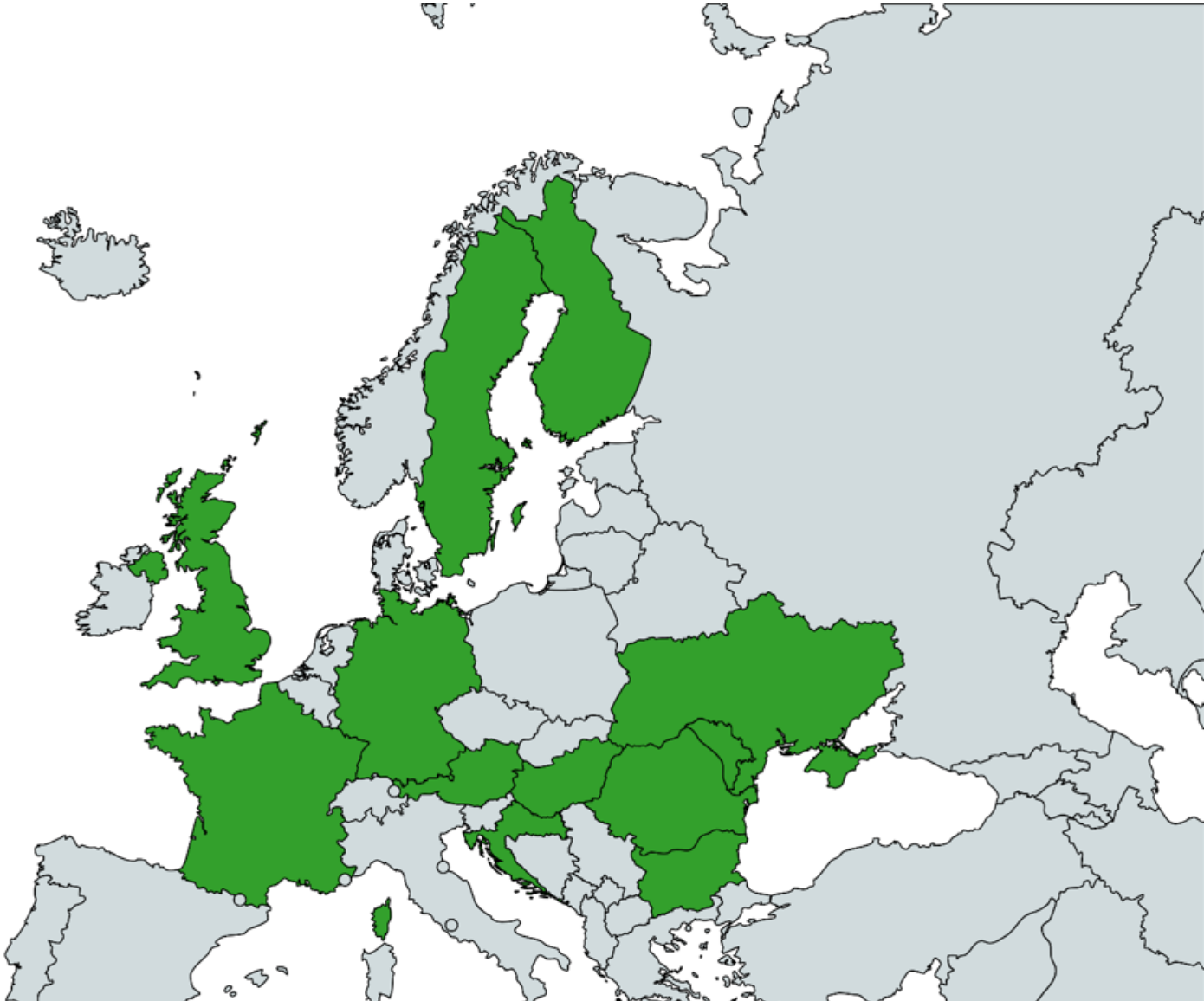
Simtel generally operates under the EPC – Engineering, Procurement & Construction business model, where the contractor delivers a complete facility to the customer at a guaranteed price and on a guaranteed date. The collaboration with customers is a mixed one, depending on the commercial terms negotiated: either Simtel finances the project in full during the construction period, and will generate revenue when it is put into operation, or the customers pay certain parts of the project value as they are implemented (e.g., when obtaining the construction permit, delivery of materials, completion of construction, commissioning).

Using the EPC model, Simtel engineers design and deliver turnkey solutions, and the project team perform process management, financing, procurement, warehousing, customer relationship, operator integration and outsource as much of the installation and construction (manufacturing) as possible. On the other hand, the Company keeps internally the knowledge that involves the commissioning of equipment, writing software, settings or dedicated software for upgrades.

The company specializes in turnkey projects: obtaining permits, designing, building/installing and commissioning equipment. Simtel also provides warranty and post-warranty maintenance.



In the last four years, Simtel Team has designed and commissioned numerous photovoltaic power plants for customers from various industries in countries such as Austria, Germany, Great Britain, Sweden, Finland, Hungary, Chile, Ukraine, Rep. Moldova and Bulgaria.



The photovoltaic parks for which Sintel provides Operation, Maintenance and Service services add up to over 287 installed MWp and produce 352,000 MWh annually, corresponding to the consumption of 106,000 homes in a year, reducing by 217,000 tons per year, gas emissions with the effect of greenhouse, thus helping to protect the environment and having a positive impact on the health and quality of life of communities, especially in densely populated urban areas.

As of December 31, 2023, Sintel Team had 119 full-time employees, compared to 92 employees as of December 31, 2022.

As part of the program carried out by Deloitte Romania together with Banca Transilvania, the Bucharest Stock Exchange and the European Bank for Reconstruction and Development, Sintel received the certification for Best Managed Companies Romania.

The certification is a direct recognition and appreciation of the company's constant efforts to develop sustainable business models, top performance and innovation.



SIMTEL TEAM PROJECTS





SIMTEL

**KEY EVENTS IN Q4 2023
AND AFTER THE CLOSING
OF THE REPORTING PERIOD**

COMPLETION OF BAICOI LOGISTICS SPACE INVESTMENT

On **November 16, 2023**, the Company informed the market about the completion of the investment in a new logistics space, in Baicoi, Prahova County, following an investment worth approximately RON 6 million, made from its own financial resources and bank financing. The new logistics space will become a supply hub for all the activities carried out by the Company. Through the new storage facility, the Company will reduce transport times and delivery distances by at least 15% compared to the current situation and will also optimize equipment storage time.

[More information here.](#)

SIGNING OF A SIGNIFICANT CONTRACT

On **December 22, 2023**, the Company informed the market about the signing of a significant contract with an entity active in the processing industry for the provision of an integrated, complete and functional solution consisting of design, supply of equipment, construction works, commissioning and the authorization of a photovoltaic power plant. The value of the contract amounts to 4,192,472.74 euros (without VAT), and its duration is 9 months, but no later than September 5, 2024.

[More information here.](#)

OBTAINING LICENSE FROM ANRE

On **January 11, 2024**, the Company informed investors about the fact that on January 10, GES Furnizare SRL, an entity in which the Company holds a 62% stake, obtained from the National Energy Regulatory Authority (ANRE) the energy supply license, valid until January 10, 2029. Following the granting of the license by ANRE, GES Furnizare SRL will be able to conclude the first contracts with the beneficiaries, the existence of an energy supply license being a prerequisite for signing such of contracts. By obtaining the energy supplier license, the Company consolidates its position as a market leader, offering its clients a complete package of integrated products and services.

[More information here.](#)

APPOINTMENTS OF MANAGERS

On **January 18, 2024**, the Company informed the shareholders about the consolidation of its operational, sales and marketing departments, by appointing Robert Lucian Dragotoiu as Director of Engineering and Implementation Operations, Florin Alpopi as Sales Director and Ana Maria Mihailescu as Marketing Director. In addition, the Company promoted Ana Nedea to Strategy and Business Development Director and PMO, while Alina Vilau took over the Innovation and Digitalization Director position. At the same time, Bogdan Lebu was appointed Marketing Director at the technology companies in the Simtel portfolio – ANT Energy, Custom Soft Solutions (CSS) and Agora Robotics.

[More information here.](#)

CONVENING ORDINARY (OGMS) AND EXTRAORDINARY (EGMS) GENERAL MEETINGS OF SHAREHOLDERS FOR 29.02.2024

On **January 23, 2024**, the Company informed the market about the Decision of the Company's Board of Directors to Convene the Ordinary General Meeting of Shareholders (OGMS) and the Extraordinary General Meeting of Shareholders (EGMS) of the Company for February 29, 2024 (first calling), respectively March 1, 2024 (second calling), should the attendance quorum for the first meeting not be met. Items on the agenda include:

- Approval of the appointment of a new external financial auditor of the Company (Baker Tilly Klitou and Partners SRL) for the audits of the financial statements related to the fiscal years 2023 and 2024;
- Approval of the amendment of the Company's Remuneration Policy in the sense of the amendments to the remuneration limits of the members of the Board of Directors for the financial year related to the year 2024 as follows:
 - The remuneration of each member of the Board of Directors - executive director - at the level of 16,675 lei (gross) per month;
 - The remuneration of each member of the Board of Directors - non-executive director and founder of the Company - at the level of 43,125 lei (gross) per month; and
 - The remuneration of each member of the Board of Directors - non-executive director who is not the founder of the Company - at the level of 16,675 lei (gross) per month;
- Approval of the multi-year incentive plan for key employees within the Company, for the period 2024-2025, by offering options to receive free of charge a number of shares issued by the Company, representing maximum 2% of the total number of applicable Company shares at the beginning of each plan year – Stock Option Plan – (the "Plan"), subject to the fulfillment of individual performance conditions and a general condition of a concrete increase in the annual turnover, in the form presented in the EGMS.

[More information here and here.](#)

STATUS OF SIMTEL PHOTOVOLTAIC PARK PROJECTS

Project	MWp	County	Estimated Annual Production (GWh)	Land	Technical documentation	ATR (Technical Connection Permit)	Estimation of obtaining construction permit	Construction start date	Construction status	Estimated construction completion date
Pleșoiu phase 1	1	Olt	2.3	Owned	Obtained	Obtained	Obtained	Completed	100%	Q2 2023
Pleșoiu phase 2	0,7					In progress	Obtained	Q1 2024	0%	Q2 2024
Anina	7	Caras-Severin	9.0	Owned	Obtained	Obtained	Q2 2024	Q2 2024	0%	Q4 2024 - Q1 2025
Ianca	7	Braila	10.0	Owned	Obtained	Obtained	Q2 2024	Q2 2024	0%	Q4 2024 - Q1 2025
Giurgiu	52	Giurgiu	69.0	Owned	Obtained	Obtained	Obtained	Q1 2024	0%	Q4 2024 - Q1 2025
Mangalia	2.5	Constanta	3.5	Owned	Obtained	In progres	Q2 2024	Q2 2024	0%	Q4 2024 - Q1 2025
Total	69.5		93.8							

The development of the own portfolio of photovoltaic parks is ongoing according to plan. In the summary table above are highlighted in green colour the changes and/or updates that appeared compared to the last report: obtaining the ATR for the project in Anina, obtaining the Construction Permit in Giurgiu, as well as the start of a new project located in the Mangalia area.

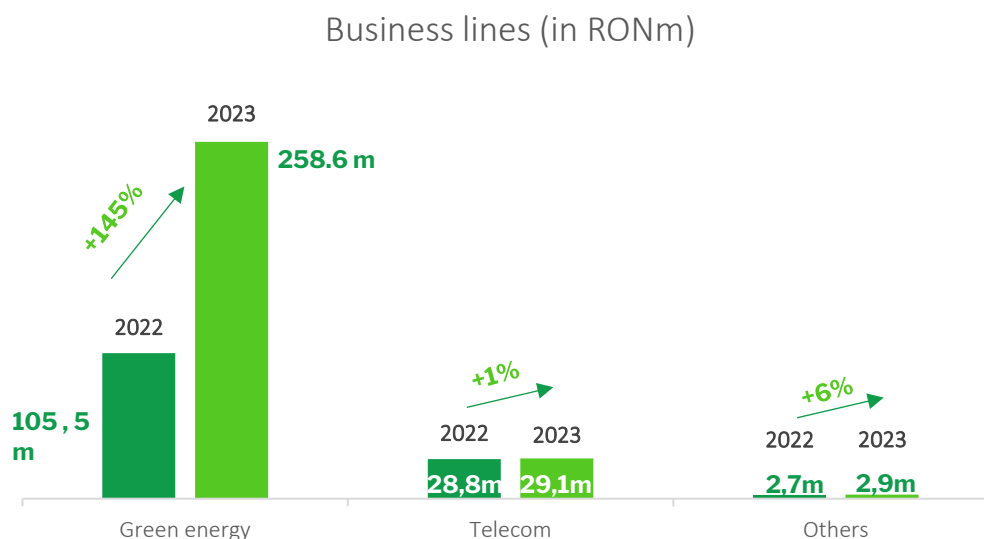
In parallel, the Company continues to identify new opportunities and projects that will be added to the existing portfolio.



ANALYSIS OF THE FINANCIAL RESULTS

INDIVIDUAL P&L ANALYSIS

In 2023, Simtel Team recorded operating revenues of 291.1 million lei at the individual level, a 112% increase compared to 2022, when the company generated operating revenues of 137.1 million lei. The net result recorded a 139% appreciation in 2023, reaching 27.7 million lei compared to 11.6 million lei in 2022.



The 2023 performance was further determined by the significant contribution of the renewable energy business line, which generated 89% of the total turnover. This division, which focuses primarily on energy efficiency solutions by building, maintaining and operating PV power plants for retailers, on their rooftops or within large, field-built PV parks, contributed approximately 258.6 million lei to the turnover related to 2023, compared to 105.5 million lei generated in 2022.

Telecommunications contributed 10% to the total turnover, and generated revenues of approximately 29.1 million lei in 2023, compared to 28.8 million lei in 2022. The share of other business lines represented 1% of total turnover, registering an increase of 6%, up to 2.9 million lei, due to revenues from the sale of equipment to third parties (individuals and legal entities).

Operating expenses reached 257.1 million lei in 2023 (+110%), compared to expenses of 122.5 million lei in 2022. The largest contribution was made by expenses with materials which amounted to 182 million lei, a 128% increase. This category is primarily composed of expenses with raw and auxiliary materials, which amounted to 181 million lei, an increase of 129%. The increase in these expenses is related to the way the company approaches the completion of projects. Projects are invoiced and material consumption is recorded as the materials are installed at the location. Under this approach, the company no longer waits for project completion to issue an invoice and record material consumption, and an invoicing installment is matched to material consumption. Also, the Company continuously invests in inventory to be able to respond to high demands from clients.

Utility expenses increased by 30% compared to 2022, reaching 150 thousand lei, while other expenses with materials increased by 54%, up to 832 thousand lei. This category of expenses mainly includes expenses with spare parts, with materials of the nature of inventory items (including protective equipment) or non-inventory materials resulting from service and maintenance activity.

The category of other operating expenses reached 56.6 million lei, registering an increase of 76% compared to 2022 amid the larger size of the business, these representing higher operational costs related to the need for a larger working space, the higher need for collaborators (covering both operational and administrative aspects of the business, such as legal and accounting services), transport, travel, insurance. From this category, 0.8% represents green stamp expenses.

Personnel expenses increased by 76% to 16.6 million lei as the average number of employees increased from 87 in 2022 to 98 in 2023. Also, especially in the economic context, there were also salary increases for the existing employees, this being the strategy implemented by the company to remain competitive in the market.

In addition to the salary increases in line with business development, the upward variation in personnel expenses was also influenced by the August 2022 legislative changes regarding salary facilities for the construction sector, by lowering the threshold from 30,000 lei to 10,000 lei. Thus, in order to compensate for the net salary loss per employee based on this legislative change, the company increased the gross salary of the employees. The legislative changes applicable to the construction sector from November 2023 also had an impact on these expenses.

Also, the costs related to the implementation of the Stock Option Plan (SOP) program, which benefited 7 employees within the company, is included in this category. The accounting value of the SOP program is 720 thousand lei, but it is important to underline that the company implemented this program through a share capital increase at the nominal value, not through a buyback, and therefore there is no impact on the cash-flow of the company.

Amortization and depreciation expenses increased by 58%, reaching 1.9 million lei, due to the increase in investments in fixed assets and software programs necessary for the development of the activity, as well as the expansion of the car park correlated with the increase in the number of operational staff.

The company ended 2023 with an operating result of 33.9 million lei at individual level, an increase of 133% compared to 2022. Financial revenue increased by 127% to 2.2 million lei as a result of revenue recognition of dividends distributed in 2022, amounting to 1.2 million lei, while financial expenses increased by 87%, reaching 4.2 million lei.

The increase in financial expenses is mainly driven by a doubling of the current bank liabilities position compared to the end of 2022, reflecting the working capital lines drawn by the company to finance the continuously growing business. Thus, the financial result was negative, a financial loss of 2 million lei in 2023, compared to a financial loss of 1.3 million lei recorded in 2022.

Therefore, Simtel Team ended 2023 with a gross result of 31.9 million lei, an increase of 141%. The profit tax amounted to 4.3 million lei for 2023. Thus, the company closed 2023 with an individual net profit of 27.7 million lei, a 139% appreciation, compared to a net profit of 11.6 million lei in 2022.

INDIVIDUAL PROFIT AND LOSS ACCOUNT INDICATORS (LEI)	31.12.2022	31.12.2023	Δ%
Operating revenue	137,057,906	291,061,600	112%
Operating expenses	122,512,490	257,128,405	110%
Operating result	14,545,416	33,933,195	133%
Financial result	(1,279,167)	(2,010,356)	57%
Gross result	13,266,249	31,922,839	141%
Net result	11,569,481	27,653,615	139%

CONSOLIDATED P&L ANALYSIS

The 2023 consolidated results include the financial results of Simtel Team as well as 51% of the financial results recorded by ANT Energy SRL, 51% of Agora Robotics SRL, and 100% of Simtel Solar Moldova.

Thus, in 2023, Simtel Team recorded consolidated operating revenue of 297.2 million lei, an increase of 113% compared to 2022, and a turnover of 295.6 million lei, an increase of 112% compared with 2022. The category of other operating revenue registered a significant increase, of 200%, up to 1.6 million lei, due to the reflection in the accounting records of Agora Robotics of the intangible assets completed on its own account. Operating expenses amounted to 262.4 million lei, +111% compared to 2022.

The consolidated EBITDA reached in 2023 was 36.8 million lei, a 117% increase compared to 2022 and 17% higher compared to the assumed 2023 revenue and expense budget. The consolidated operating result was of 34.9 million lei, an increase of 121% compared to 2022, while the gross result recorded the value of 31.9 million lei, +120% compared to 2022. In the financial result are excluded from financial revenue the dividends distributed in 2022, in the amount of 1.2 million lei, these being recognized at the individual level, as mentioned above in the report. Therefore, at the consolidated level, Simtel Team ended 2023 with a net result of 27.4 million lei, a 115% appreciation compared to 2022.

CONSOLIDATED PROFIT AND LOSS ACCOUNT INDICATORS (LEI)	31.12.2022	31.12.2023	Δ%
Operating revenue	138,856,086	297,238,272	114%
Operating expenses	124,102,886	262,375,990	111%
Operating result	15,759,944	34,862,282	121%
Financial result	(1,282,998)	(3,008,463)	-134%
Gross result	14,476,946	31,853,819	120%
Net result	12,758,416	27,427,503	115%

INDIVIDUAL BALANCE SHEET ANALYSIS

Fixed assets increased by 67% in 2023, reaching 30.1 million lei compared to December 31, 2022. This position consists mainly of tangible assets, which increased by 52%, up to 18.8 million lei. The increase was mainly determined by the investments made by the company to build the Baicoi warehouse, a modern warehouse for the management of material inventory and the arrangement of work points in Bacau, Cluj and Timisoara.

The main tangible fixed assets of the company, in addition to those previously mentioned, are: the land in Giurgiu, Ianca and Anina (purchases made for the development of

photovoltaic projects), the commercial space purchased in 2018 and used for rent, means of transport and furniture and office equipment, in line with the growth of the operational team. Financial fixed assets increased by 94%, to 10.9 million lei. The increase is determined by the new companies GES Furnizare SRL and Custom Soft Solutions (CSS), the guarantees of good execution or good payment, which the company constitutes for certain contracts of high value during the guarantee period or during the period of their implementation, as well as the guarantee for obtaining ATR for the Giurgiu project, established with collateral cash blocked in bank deposits. Intangible assets on the balance sheet, worth 426 thousand lei in 2023, represent licenses for various IT programs and currency calculation.

Current assets increased by 37% compared to December 31, 2022, up to 156.5 million lei, amid a 73% increase in receivables, up to 67.5 million lei. The increase in receivables is in line with the increase in turnover and the closing of projects at the end of 2023. Trade receivables increased by 53%, up to 56.1 million lei, against the background of the increase in the size of the business. Claims with affiliated companies increased by 603%, as a result of the financial support given by Simtel Team SA to its own companies in the group for the development of their activity.

Inventory increased by 19% compared to December 31, 2022, up to 76.7 million lei. The increase in inventory was in line with the high demand for the solutions offered by Simtel during 2023, which led to the increase in the quantities of photovoltaic panels stored and other equipment and materials owned by the company for the purpose of implementing the contracts with its clients. The inventory sourcing process takes into account the phases of the implementation process and the delivery times of the suppliers so that the company optimizes the cash-flow. Inventory supplied in advance cover the immediate need and not the total amount of work that has to be completed. It includes both materials in the central warehouse and those on the construction sites. All of the company's inventory are part of ongoing contracts.

Cash and cash equivalents increased to 12.3 million lei as of December 31, 2023, compared to 11.2 million lei as of December 31, 2022. This balance sheet position is influenced by the different times when the company supplies or collect the invoiced installments from the projects under implementation, as well as the different collection/payment deadlines. The acquisition of inventory in advance causes variations in the cash available to the company. The company continues to finance its inventory purchases using a mix of bank financing as well as current cash-flow. At the end of 2023, this position was a positive one due to the closing of few projects that had a deadline of completion in Q4 2023 and their collection in the last week of the year, as well as the company's prudent approach to keep certain resources for investment.

INDIVIDUAL BALANCE SHEET INDICATORS (LEI)	31.12.2022	31.12.2023	Δ%
Fixed assets	18,007,010	30,132,816	67%
Current assets	114,411,251	156,505,942	37%
Prepayments	140,528	379,462	170%
Total assets	132,558,789	187,018,220	41%
Current liabilities	71,907,113	99,318,826	38%
Non-current liabilities	7,147,308	7,963,855	11%
Revenue in advance	492,106	393,685	-20%
Equity	53,012,262	79,341,854	50%
Total equity and liabilities	132,558,789	187,018,220	41%

Current liabilities increased by 38%, up to 99.3 million lei. This category is composed of liabilities to third-party suppliers, which increased by 8%, up to 44.3 million lei, amid the increase in supplied inventory. Payments to suppliers are not linked to the completion of projects. The company has negotiated payment terms with each of its suppliers. The second largest category is represented by current bank debts, which doubled, up to 44.9 million lei. These represent two financing lines contracted by the company during 2022, in the amount of 10 million lei and 20 million lei respectively, intended for the supply of inventory, as well as a financing of 25 million lei, contracted in the first part of 2023.

Compared to the end of 2022, current bank financing for inventory was 78% used at the end of 2023 compared to 62% at the end of 2022 due to the company's expenses for the development of PV projects until obtaining bank financing, especially expenses incurred for the purchase of materials. Also, until obtaining dedicated financing for the projects developed by Simtel, the company uses internal resources to start their implementation. The first phase of the Plesoiu project was financed from its own sources, the company subsequently obtaining a bank refinancing for it. Also, the investment made from own sources in the Băicoi deposit was refinanced by the bank.

The current financial leasing category increased by 38%, up to 1.1 million lei. Other current liabilities increased by 16%, up to 6.7 million lei, representing salaries and taxes owed.

Non-current liabilities increased by 11% compared to December 31, 2022, reaching 8 million lei, of which 6.4 million lei represent bank liabilities (+25% compared to the end of 2022) and 1.5 million lei, financial leasing (-24% compared to the end of 2022). Non-current bank liabilities are also based on a financing with an existing InnovFin guarantee in Q1 2022, in the amount of 4.5 million lei, which was transformed into a 5-year loan at the time of the expiry of the guarantee, being reclassified from revolving financing to non-current liability.

Equity increased by 50%, reaching 79.3 million lei. The increase is mainly determined by retained earnings, but also includes the increase in share capital and issue premiums resulting from the share capital increase carried out for the implementation of the SOP program.

CONSOLIDATED BALANCE SHEET ANALYSIS

At a consolidated level, as of December 31, 2023, fixed assets amounted to 32.2 million lei, an increase of 73% compared to December 31, 2022, while current assets recorded a value of 156.5 million lei, a 37% increase. Current liabilities amounted to 104.7 million lei,

an increase of 47%, and non-current liabilities to 8.2 million lei, +14% compared to the end of 2022. Equity reached 80.2 million lei, an increase of 48%.

Total bank liabilities and non-current and current financial leases at the consolidated level amount to 53.9 million lei. Taking into account the position of the cash and cash equivalents of 12.3 million lei, the Company had a Net Debt of 41.6 million lei at the end of 2023.

Taking into account a consolidated EBITDA of 36.8 million lei, the Company had at the end of 2023 a Net Debt/EBITDA of 1.13x, which represents a very healthy indicator for a company that plans to develop certain PV park projects that require additional bank financing.

CONSOLIDATED BALANCE SHEET INDICATORS (LEI)	31.12.2022	31.12.2023	Δ%
Fixed assets	18,602,308	32,228,643	73%
Current assets	114,418,221	156,487,540	37%
Prepayments	140,528	4,687,928	3236%
Total assets	133,161,057	193,404,111	45%
Current liabilities	71,298,851	104,661,051	47%
Non-current liabilities	7,158,174	8,151,014	14%
Provisions	0	16,515	100%
Revenue in advance	492,106	393,685	-20%
Equity	54,211,926	80,181,846	48%
Total equity and liabilities	133,161,057	193,404,111	45%

INDIVIDUAL PROFIT AND LOSS ACCOUNT

INDIVIDUAL PROFIT & LOSS ACCOUNT (LEI)	31.12.2022	31.12. 2023	Δ %
Operating revenue, of which:	137,057,906	291,061,600	112%
Turnover	137,029,958	290,589,730	112%
Other operating revenue	27,948	471,870	1588%
Operating expenses, of which:	122,512,490	257,128,405	110%
Material expenses, of which:	79,727,688	182,031,140	128%
<i>Expenses with raw materials and auxiliaries</i>	<i>79,072,726</i>	<i>181,048,371</i>	<i>129%</i>
<i>Utilities expenses</i>	<i>115,778</i>	<i>150,287</i>	<i>30%</i>
<i>Other expenses</i>	<i>539,184</i>	<i>832,482</i>	<i>54%</i>
Personnel expenses	9,415,544	16,616,894	76%
Depreciation and amortization	1,200,981	1,897,906	58%
Other operating expenses	32,168,277	56,582,465	76%
Operating result	14,545,416	33,933,195	133%
Financial income	973,624	2,208,643	127%
Financial expenses	2,252,791	4,218,999	87%
Financial result	(1,279,167)	(2,010,356)	57%
Total revenues	138,031,530	293,270,243	112%
Total expenses	124,765,281	261,347,404	109%
Gross result	13,266,249	31,922,839	141%
Income tax/other taxes	1,696,768	4,269,224	152%
Net result	11,569,481	27,653,615	139%

CONSOLIDATED PROFIT AND LOSS ACCOUNT

CONSOLIDATED PROFIT & LOSS ACCOUNT (LEI)	31.12.2022	31.12.2023	Δ%
Operating revenue, of which:	139,862,830	297,238,272	113%
Turnover	139,320,048	295,608,710	112%
Other operating revenue	542,782	1,629,562	two hundred%
Operating expenses, of which:	124,102,886	262,375,990	111%
Material expenses, of which:	79,791,231	184,197,280	131%
<i>Expenses with raw materials and auxiliaries</i>	79,117,069	183,184,722	132%
<i>Utilities expenses</i>	116,055	150,287	29%
<i>Other expenses</i>	558,107	862,270	54%
Personnel expenses	10,494,117	18,644,440	78%
Depreciation and amortization	1,224,376	1,948,623	59%
Other operating expenses	32,593,162	57,585,648	77%
Operating result	15,759,944	34,862,282	121%
Financial income	974,840	1,540,335	58%
Financial expenses	2,257,838	4,548,799	101%
Financial result	(1,282,998)	(3,008,463)	134%
Total revenues	140,837,670	298,778,608	112%
Total expenses	126,360,724	266,924,788	111%
Gross result	14,476,946	31,853,819	120%
Income tax/other taxes	1,718,530	4,426,316	158%
Net result	12,758,416	27,427,503	115%

INDIVIDUAL BALANCE SHEET

INDIVIDUAL BALANCE SHEET (LEI)	31.12.2022	31.12.2023	Δ%
Fixed assets, of which:	18,007,010	30,132,816	67%
Intangible assets	27,012	425,554	1475%
Tangible assets	12,356,236	18,800,222	52%
Financial assets	5,623,762	10,907,040	94%
Current assets, of which:	114,411,251	156,505,942	37%
Inventories	64,293,631	76,739,224	19%
Receivables	38,918,953	67,479,484	73%
Trade receivables	36,779,595	56,145,725	53%
Receivables with affiliated companies	1,372,209	9,650,905	603%
Other assets	767,149	1,682,854	119%
Cash and cash equivalents	11,198,667	12,287,234	10%
Prepayments	140,528	379,462	170%
Total assets	132,558,789	187,018,220	41%
Current liabilities, of which:	71,907,113	99,318,826	38%
Third party suppliers	41,207,019	44,335,685	8%
Liabilities to affiliates	2,692,644	2,270,949	-16%
Credits	21,484,500	44,943,647	109%
Financial leasing	795,751	1,097,957	38%
Other current liabilities	5,727,199	6,670,588	16%
Non-current liabilities, of which:	7,147,308	7,963,855	11%
Loans	5,130,308	6,424,194	25%
Financial leasing	2,017,000	1,539,661	-24%
Revenue in advance	492,106	393,685	-20%
Total liabilities	79,546,527	107,676,366	35%
Equity, of which:	53,012,262	79,341,854	50%
Subscribed and paid-up capital	1,572,326	1,577,575	0%
Share premium	28,704,887	29,419,638	2%
Legal reserves	314,465	315,515	0%
Profit or loss carried forward	10,883,368	20,376,561	87%
Profit or loss for the period	11,569,481	27,653,615	139%
Distributed profit	(32,265)	(1,050)	-97%
Total equity and liabilities	132,558,789	187,018,220	41%

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET (LEI)	31.12.2022	31.12.2023	Δ%
Fixed assets, of which:	18,602,308	32,228,643	73%
Intangible assets	541,811	2,094,570	287%
Tangible assets	12,433,008	19,194,296	54%
Financial assets	5,627,490	10,939,777	94%
Current assets, of which:	114,418,221	156,487,540	37%
Inventories	64,293,631	77,645,650	21%
Receivables	38,726,154	65,210,382	68%
Trade receivables	36,859,776	56,376,012	53%
Receivables with affiliated companies	0	6,046,479	100%
Other assets	1,866,378	2,787,891	49%
Cash and cash equivalents	11,398,436	13,631,508	20%
Prepayments	140,528	4,687,928	3236%
Total assets	133,161,057	193,404,111	45%
Current liabilities, of which:	71,298,851	104,661,051	47%
Third party suppliers	41,306,816	49,467,825	20%
Liabilities to affiliates	1,898,566	2,270,949	20%
Credits	21,484,500	44,943,647	109%
Financial leasing	795,751	1,097,957	38%
Other current liabilities	5,813,218	6,880,673	18%
Non-current liabilities, of which:	7,158,174	8,151,014	14%
Loans	5,130,308	6,424,194	25%
Financial leasing	2,027,866	1,726,820	-15%
Provisions	0	16,515	100%
Revenue in advance	492,106	393,685	-20%
Total liabilities	78,949,131	113,222,265	43%
Equity, of which:	54,211,926	80,181,846	48%
Subscribed and paid-up capital	1,573,856	1,579,394	0%
Share premium	28,704,887	29,419,638	2%
Legal reserves	314,791	315,841	0%
Other reserves	0	1,205,267	100%
Profit or loss carried forward	10,892,241	20,235,252	86%
Profit or loss for the period	12,758,416	27,427,503	115%
Distribution of profit	(32,265)	(1,050)	-97%
Total equity and liabilities	133,161,057	193,404,111	45%

CASH-FLOW

Indicator	Individual 31.12.2023	Consolidated 31.12.2023
OPERATING ACTIVITY		
Result before tax	31,922,839	31,853,819
Adjustments for:		
(+) Depreciation and amortization expenses for tangible and intangible assets	1,897,906	1,948,623
(+) Net interest expense	2,536,793	2,544,370
Cash flow before change in working capital	36,357,538	36,346,813
Decrease/(increase) clients and other assimilated accounts	(28,799,464)	(27,312,011)
(Decrease)/increase suppliers and other assimilated accounts	16,068,187	22,003,854
Decrease/(increase) inventories	(12,445,593)	(13,352,019)
Operating cash flow	(25,176,870)	(18,660,176)
Interest paid	(2,543,332)	(2,544,457)
Profit tax paid	(3,934,807)	(4,142,436)
Net cash flow from operations	4,702,528	10,999,743
INVESTMENT ACTIVITY		
Financial assets acquisitions	(5,283,278)	(5,312,287)
Granted loans	(8,278,696)	(11,883,121)
Paid dividends	(2,025,939)	(2,211,260)
Acquisitions of tangible and intangible assets	(8,740,434)	(10,262,670)
Collected interest	6,539	15,241
Net cash flow (used) in investment activities	(24,321,808)	(29,654,097)
FINANCIAL ACTIVITIES		
Received dividends	185,321	0
Withdrawals/ repayments loans	20,522,526	19,998,628
Net cash flow used in financing activities	20,707,847	19,998,628
Net increase/(Decrease) in cash and other liquid assets	1,088,567	1,344,274
Cash and other liquidity at the beginning of the year	11,198,667	12,287,234
Cash and other liquidity at the end of the period	12,287,234	13,631,508

KEY FINANCIAL RATIOS

The main financial indicators are presented at the individual level.

Current ratio as of 31.12.2023

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{156,505,942}{99,318,826} = \mathbf{1.58}$$

Gearing ratio as of 31.12.2023

$$\frac{\text{Borrowed capital}}{\text{Equity}} \times 100 = \frac{7,963,855}{79,341,854} \times 100 = \mathbf{10.04\%}$$

$$\frac{\text{Borrowed capital}}{\text{Employed capital}} \times 100 = \frac{7,963,855}{87,305,709} \times 100 = \mathbf{9.12\%}$$

Borrowed capital = Loans over 1 year

Employed capital = Borrowed capital + Equity

Fixed assets turnover as of 31.12.2023

$$\frac{\text{Turnover}}{\text{Fixed assets}} = \frac{290,589,730}{30,132,816} = \mathbf{9.64\%}$$

DECLARATION OF THE MANAGEMENT

Bucharest, February 26, 2024

I confirm, according to the best available information, that the individual and consolidated preliminary financial results for the 2023 give a true and fair view of the assets, liabilities, financial position and revenue and expense situation of Sintel Team SA and that the preliminary report provides a fair and true view of the important events that occurred in 2023 and their impact on the company's financial statements.

Iulian Nedea

Chairman of the Board of Directors of Sintel Team SA