

s.c.U.C.M. Reșița s.a.

(societate în reorganizare judiciară, in judicial reorganisation, en redressement)

Separate Financial Statements

prepared in accordance with the

Order of the Minister of Finance no. 2844/2016

on

SEPTEMBER 30, 2022

Separate Financial Statements on September 30, 2022
(all amounts are given in lei (RON) unless otherwise stated)

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Judicial Administrator Report on 30th September 2022

The reports on september 30 2022 were prepared in accordance with the provisions of OMFP 2844/2016, for the approval of the accounting regulations compliant with the International Financial Reporting Standards, corroborated with the provisions of Law 85/2006, Law on Insolvency Procedure.

The year 2022 was marked by the confirmation of the Reorganization Plan by Decision 351 of 01.02.2022 pronounced by the Bucharest Tribunal in file no. 75017/3/2011, which ordered that, during the reorganization, the *Company* should be managed by the Judicial Administrator. P.4

In the first three quarters, the *Company* continued its activity according to the status of a company under observation until 01.02.2022 and of a company in judicial reorganization, after this date.

For a unitary presentation of the evolution of the *Company's* activity, both in terms of the quarterly reports required by the capital market legislation, and in the reports provided in art. 106, paragraph 1 of Law 85/2006, the Judicial Administrator decided that, from the point of view of reporting, the quarters related to the Reorganization Plan should coincide with the calendar quarters.

The Judicial Administrator proceeded to prepare this report to present the economic and financial evolution of the *Company* during the analyzed period, as well as the stage of implementation of the recovery measures included in the confirmed reorganization plan.

This report will analyze the period January-September 2022.

A. Statement of assets, debts and equity

The situation of assets, debts and equity on 30.09.2022, compared to the beginning of 2022, is as follows::

Lei			
No.	Balance sheet items	01.01.2022	30.09.2022
1	Fixed assets	121,098,229	118,198,066
2	Current assets	49,621,450	37,010,208
3	Prepayments	40,764	566,938
	TOTAL ASSETS	170,760,443	155,775,212
4	Debts	926,204,790	437,256,082
5	Income in advance	11,277	83,552
6	Provisions	43,177,792	102,775,024
7	Owner's equity	(798,633,416)	(384,339,446)
	TOTAL LIABILITIES	170,760,443	155,775,212

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Compared to the beginning of 2022, on 30.09.2022 the total assets registered a decrease of 8.78%, which is mainly due to the decrease of current assets by 25.41%, and current liabilities decreased by 52.79%.

Regarding the totality of the debts, we mention the fact that the Company implemented in the accounting, in February 2022, the Payment Program related to the Reorganization Plan.

Thus, the debt accounts were adjusted with the amount of 521,343,240 lei according with the Reorganization Plan which does not mention distributions to the categories of unsecured and subordinated receivables and distributions lower than the amounts allowed to the credit table for the category of unsecured budget receivables.

The debts existing in the balance on 30.09.2022 refer only to the rest to be distributed through the Payment Program, to which are added the current debts that are paid according to the resulting documents.

The following changes were recorded in the company's assets compared to the values existing at the beginning of 2022:

Lei				
No.	Designation of indicator	01.01.2022	30.09.2022	Differences
0	1	2	3	4=3-2
1	Fixed assets	121,098,229	118,198,066	(2,900,163)
2	Current assets	49,621,450	37,010,208	(12,611,242)
3	Prepayments	40,764	566,938	526,174

The current assets existent in the patrimony registered the following evolution compared to the beginning of 2022

Lei				
No.	Designation of indicator	01.01.2022	30.09.2022	Differences
0	1	2	3	4=3-2
1	Stocks, of which:	22,512,085	14,870,993	(7,641,092)
1.a	- raw material and consumables	3,937,490	3,735,135	(202,355)
1.b	- production in progress	13,332,659	7,419,164	(5,913,495)
1.c	- finished products and goods	5,099,641	3,656,533	(1,443,108)
1.d	- down payments	142,295	60,161	(82,134)
2	Other current assets of which:	27,109,365	22,139,215	(4,970,150)
2.a	- receivables	19,667,910	17,589,583	(2,078,327)
2.b	- cash and cash equivalents	7,441,455	4,549,632	(2,891,823)

Production in progress and finished products decreased by 44.36% and 28.30%, mainly as a result of the increase in impairment adjustments related to the Căineni HPP project. This increase was imposed due to the fact that through the Reorganization Plan the claim of Hidroelectrica SA representing an advance for this project was not included in the Payment Program.

At the end of September, it can be found in the stock of finished products or works in progress, part of the items related to the hydro repair projects Motru HPP and Porti de Fier as well as engine repair for Alro Slatina, which were completed or were in an advanced stage of

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execution. Their delivery is expected to take place in October 2022 for Portile de Fier project, and November 2022 for the other mentioned projects.

In the category of finished products, it should be mentioned the sale, as part of the reorganization procedure, of some spare parts for Diesel engines produced mostly in the period 2005-2011.

There was also a decrease in receivables, by 10.57%. An important contribution in this regard was made by the proceeds from SSH Hidroserv SA according to the distribution schedule from its reorganization plan, and the assignment of part of the claim held on SSH Hidroserv SA of 2,104,504 lei in favor of DPP Consulting & Security SRL, on account of debts towards it and 1,778,398 lei in favour of SPEEH Hidroelectrica SA.

Within the liabilities of *the Company*, the patrimonial changes compared to the beginning of 2022 are the following:

Lei				
No.	Indicator name	01.01.2022	30.09.2022	Differences
0	1	2	3	4=3-2
1	Owner's equity	(798,633,416)	(384,339,446)	414,293,970
2	Debts	926,204,790	437,256,082	(488,948,708)
3	Income in advance	11,277	83,552	72,275
4	Provisions for liabilities and charges	43,177,792	102,775,024	59,597,232

The resumption on income of the debts admitted to the credit table that did not benefit from distributions, respectively benefited from diminished distributions through the Payment Program had a significant impact on the owner's equity.

B. Profit and loss account

Based on the confirmation of the Reorganization Plan and the correlation of the debts recorded in the credit table with the amounts to be distributed according to the Payment Program, the amount of 521,343,240 lei was resumed on revenues, which determined the significant increase of operating income compared to the same period of the previous year.

The following indicators stand out from the profit and loss account:

Lei			
No.	Indicator name	30.09.2021	30.09.2022
1	Turnover (2+3-4)	10,714,332	12,213,825
2	Production sold	10,714,332	12,213,825
3	Revenues from sale of goods	-	-
4	Discounts granted	-	-
5	Changes in stocks: Credit balance	196,096	-
	Debtor balance	-	511,997
6	Capitalized production	-	-
7	Exercise production (1+/-5+6)	10,910,428	11,701,828
8	Other operating revenues	295,393	526,565,097
9	Operating revenues, total (7+8)	11,205,821	538,266,925
10	Financial revenues, total	715,688	1,436,306
11	Total revenues (9+10)	11,921,509	539,703,231

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It can be notice a slight increase in turnover compared to the same period of the previous year, however there is still a low level of orders from the traditional partner Hidroelectrica SA. In this regard, the Company tried to attract new customers beyond the hydro field, both within the country and from outside the country's borders and constantly works in this direction. Nevertheless the income obtained from the current activity cannot fully support the expenses.

As a structure, the operating income, on 30.09.2022, is as follows:

No.	Indicator name	30.09.2021	30.09.2022
1	Turnover	95.61%	2.27%
2	Changes in stocks	1.75%	-0.10%
3	Revenues from sale of fixed assets	0.00%	0.00%
4	Other operating revenues	2.64%	97.83%
	TOTAL	100.00%	100.00%

The Company's expenses are presented in the following table:

Lei

No.	Indicator name	30.09.2021	30.09.2022
1	Expenses on raw material and consumables	2,822,478	1,647,273
2	Other external expenses (energy and water)	3,762,913	3,528,396
3	Expenses with the personnel	19,335,650	18,008,401
4	Adjustments	2,763,218	65,518,382
5	Other operating expenses, of which :	4,774,722	5,242,133
6	Total operating expenses (rw. 1 la 5)	33,458,981	93,944,585
7	Total financial expenses	(497,038)	(409,341)
8	TOTAL EXPENSES	32,961,943	93,535,244

As a structure, operating expenses are as follows:

No.	Indicator name	30.09.2021	30.09.2022
1	Expenses on goods	9.18%	1.88%
2	Other external expenses (energy and water)	11.25%	3.76%
3	Expenses with the personnel	57.79%	19.17%
4	Adjustments	8.26%	69.74%
5	Other operating expenses	13.52%	5.46%
	TOTAL	100.00%	100.00%

The evolution of the results is presented in the following table:

Lei

No.	Indicator name	30.09.2021	30.09.2022
1	Operating revenues	11,205,821	538,266,925
2	operating expenses	33,458,981	93,944,585
3	Operating activities	(22,253,160)	444,322,340
4	Financial revenues	715,688	1,436,306
5	Financial expenses	(497,038)	(409,341)
6	Financial result	1,212,726	1,845,647
7	The profit tax	-	31,874,017
8	Net result for the financial year	(21,040,434)	414,293,970

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The net result of the financial year on September 30, 2022 materialized in a net profit of 414,293,970 lei, a result significantly influenced by the adjustment of debts in accordance with the definitive Table of creditors, compared to the same period of 2021 when a net loss of 21,040,434 lei was registered.

C. Personnel situation

On 30.09.2022 UCM Reșița had a number of 497 employees.

Between 1st January and 30th September, 2022, 109 individual employment contracts were terminated upon request.

These voluntary departures were based on the following causes:

Net higher salary levels granted by state institutions and local authorities

Acute uncertainty regarding job security generated on the one hand by the company's legal situation and on the other hand by the delay in the takeover by Hidroelectrica

On 30.09.2022, from the total staff, 40 employees have the status of re-employed pensioners who accumulate the pension with the salary.

By the end of 2022, a number of 34 people will meet the conditions for retirement, and 12 employees who have suspended their pension, can always avail themselves of the right obtained and cancel the suspension.

Due to the lack of orders, *the Company* continued to apply even in the third quarter the measure of suspension of individual employment contracts according to the provisions of art. 52 paragraph 1 letter c and art. 53 of the Labor Code in departments, services and workplaces where it was needed.

D. The situation of offers and commercial sales contracts

Regarding the situation of commercial contracts at 30.09.2022 *The Company* had contracts pending in total value of 10,169,494 lei, out of which 7,192,494 lei with execution schedules until the end of 2022, and the difference of de 2,977,000 lei with delivery in 2023.

Between July and September 2022, there were sent at the request of potential customers offers in the amount of 29,149,525 lei, out of which 571,080 lei materialized in contracts in the same period.

On 08.08.2022, the Company participated together with SSH Hidroserv SA in the auction organized by SPEEH Hidroelectrica SA for "Modernization of HA2 HPP and replacement of the automation and monitoring system related to own services HA1 – Arcești HPP ". The auction was automatically canceled from the system because on the deadline for submission of offers, none of the registered bidders encrypted the financial offer or did not respond to all the electronic evaluation factors.

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The related documents for participation in the following auctions are in the preparation phase:

SPEEH Hidroelectrică, Porțile de Fier Branch - Manufacturing cone with aspiration HA1
Tismana HPP, SN Nuclearelectrică București, Cernavodă Branch - Valve spare parts.

The aim is, further, to consolidate the segment of high power electric motor repairs from 600 kW to 6,000 kW and to entry other markets, different from the Romanian hydro market.

E. Environmental aspects

In accordance with the provisions of the Order M.M.D.D. no. 1798/2007, art. 14, which specifies that whenever there are substantive changes in the data that were the basis for issuing environmental authorizations, their review is required, UCM Reșița requested the Caraș-Severin Environmental Protection Agency, on 23.08.2022, to review the authorizations environment no. 94 of 18.11.2021, for the ABC industrial platform, and no. 96 of 25.11.2019, for the Călnicel industrial platform. The reasons for the review of the two environmental authorizations consisted of the following:

- exclusion from environmental authorization no. 94/18.11.2021 of the ABC thermal plant, which is no longer operated as it is not functional and of 4 defective and incomplete heat treatment furnaces, that can no longer be repaired, from the Thermal Treatments section on the ABC industrial platform;
- exclusion from environmental authorization no. 96 /25.11.2019, of the Călnicel thermal power plant, which is no longer operated, being unfunctional, from the Călnicel industrial platform.

This approach was the result of the findings resulting from the verification carried out by the representatives of the Caraș-Severin Environmental Protection Agency on the two sites. Conclusions were the subject of the APM CS address no. 5173/ AAA/07/05/2022.

For the implementation of the Reorganization Plan, respectively the asset valorization measure (land and construction) UCM Reșița property on the ABC and Călnicel industrial platforms, the Caraș-Severin Environmental Protection Agency was notified through address no. 129/DG 0060/05.04.2022, based on the provisions of Emergency Ordinance no. 195/2005, approved by Law no. 265/2006. Following this Notification, the subsequent additions and the verification of the targeted sites, APM CS established and sent through the addresses no. 3958/AAA/12.09.2022 and no. 3824/AAA/12.09.2022, the environmental obligations of UCM Reșița, as the current owner, as well as those for the future owner.

On 20.09.2022, UCM Reșița requested the Caraș – Severin Water Management System, a new water management authorization for the Călnicel industrial platform, considering that GA no. 430 of 31.10.2019, expires on 31.10.2022.

F. Implementation of the Reorganization Plan

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In order to implement the measures included in the Plan, there were established lists with assets that are not part of the core business, assets that are to be subject to capitalization, after the approval of the sale proposals and related regulations by the creditors.

The judicial administrator made the legal steps for the following convocations of meetings:

The Meeting of Creditors on 15.04.2022 having on the agenda "Approval of the sale, presentation and approval of the method and the regulation of the sale of the assets consisting of the Thermal power plant made of 2 boilers of 10 Gcal/h and the related installations located on the Calnicel platform - decommissioned - and the thermal power plant composed of 4 boilers of 10Gcal/h and the related installations located on the ABC platform – decommissioned; the additional information in the convenor is an integral part of the agenda and will be taken into account by creditors at the vote."

In accordance with the Sale Regulation approved by the Creditors' Assembly, the judicial administrator started the promotion, market exposure, and organized the first auction session on 07.06.2022, 14.06.2022, 21.06.2022 and 28.06.2022 starting from the market value of 100% established in the evaluation report, namely 72,702 Euro (excluding VAT) for Asset 1 and 135,651 Euro (excluding VAT) for Asset 2.

Considering that the assets were not awarded during the public auction session established by the decision of the Creditors' Assembly convened on 04.15.2022, the judicial administrator proposed the amendment of the sale regulations for public auctions, during the meeting of the Creditors' Assembly held on 08.04.2022.

At the meeting convened in BIP no. 12308/21.07.2022 presided by the judicial administrator on 04.08.2022, at 12:00 p.m., the Creditors' Meeting approved the modification of the regulation for the sale of assets consisting of the Thermal power plant composed of 2 boilers of 10Gcal/h and the related installations located on the Calnicel platform - decommissioned - and the Thermal Power Plant made of 4 boilers of 10Gcal/h and the related installations located on the ABC platform - decommissioned - for public auctions, as follows: (i) organizing a session consisting of 5 (five) weekly public auctions, starting from the market value established by the valuation report reduced by 10%, 65,432 Euro (excluding VAT) for Asset 1 and 122,086 Euro (excluding VAT) for Asset 2; (ii) in the case of non-valuation, a gradual reduction of 10% up to 50% of the evaluation value will be carried out, and 5 (five) weekly public auctions will be organized for each reduction.

The decision was recorded in the minutes of the meeting of creditors no. 552/04.08.2022, was communicated to creditors, and submitted to the case file and published in BIP no. 12893/05.08.2022.

According to the Sale Regulation amended by the Creditors' Assembly by the decision mentioned above, the judicial administrator started the promotion on the market and organized the following sessions of public auctions:

the first session of 5 weekly public auctions was established in accordance with the Sales Regulation in the period 16.08.2022-13.09.2022, the starting price of the auction being the

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market value established in the evaluation report reduced by 10%, 65,432 Euro (excluding VAT) for Asset 1 and of 122,086 Euro (excluding VAT) for Asset 2;

Taking into account that no bidder participated in the auctions organized in the above session, and therefore the assets were not awarded, the administrator organized the second auction session, established between 20.09.2022-18.10.2022, having as starting price the market value established in the valuation report reduced by 20%, 58,162 Euro (excluding VAT) for Asset 1 and 108,521 Euro (excluding VAT) for Asset 2.

At the auctions of 20th and 27th September, no bidder appeared.

UCM Reșița SA by Address no. 373/DG0000/10.10.2022 communicated to AAAS requested the agreement for the downgrading and capitalization in lump of some assets, in the form of ferrous waste,

The Committee of Creditors on 10.08.2022 had on the agenda "Presentation of the completed evaluation report of the debtor's assets, as approved by the Committee of Creditors in the meeting of 10.06.2022."

In order to implement some measures from the reorganization plan and continue the current activity, on 27.05.2022 the debtor requested the assessor appointed in the procedure, DARIAN DRS, a request for an offer to complete the Evaluation Report, drawn up in the insolvency procedure, in order to evaluate 1,700 registered shares of UCM Reșița issued by Societatea MULTI-FARM SRL., registered at the Trade Registry Office, Bucharest Court under no. J11/799/20004, Unique Registration Code RO16848458, representing 70.8333% of the total number of 2,400 shares of the Company.

The Committee of Creditors admitted on 10.06.2022 the request, and approved the completion of the valuation report of the debtor's assets according to the request and the offer attached by DARIAN DRS, which drew up the completion of the valuation report.

At the meeting of the Committee of Creditors convened in BIP no. 12798/03.08.2022, the Committee of Creditors took note of the completion of the evaluation report of the debtor's assets, as approved by the Committee of Creditors in the meeting of 10.06.2022.

The Creditors' Meeting convened on 17.08.2022 at 12:00 p.m., having on the agenda "Approval of the sale, presentation and approval of the method and regulation of the sale of assets consisting of approximately 770 tons of ferrous and non-ferrous waste identified in the company's premises during the actions of preparation of the sale of assets that do not compete with the core business, according to the reorganization plan; the additional information in the convenor is an integral part of the agenda and will be taken into account by creditors at the vote."

According to Minutes no. 572/17.08.2022, the Assembly of Creditors approved the agenda set for the meeting of 17.08.2022.

In accordance with the sale Regulation approved by the aforementioned Creditors' Meeting, the judicial administrator started the promotion, exposure on the market and organized the auction on 02.09.2022, starting from the price of 1,181,333 lei, exclusive of VAT for the

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block sale of 767.47 tons of ferrous and non-ferrous waste, consisting of 267.3 tons of steel, 498.4 tons of cast iron, 0.22 tons of copper, 1.5 tons of aluminum, 0.05 tons of special steel, located at the administrative headquarters of of the company in the municipality of Reșița, Golului street, no. 1, platform ABC, as well as in the premises of the work point, in the municipality of Reșița, Republicii boulevard, no. 102, Călnicel platform.

The goods were awarded in the auction organized on 02.09.2022 at the price of 1,181,333 lei, exclusive of VAT, as shown in the auction minutes and the award act. The price in the amount of 1,181,333 lei was paid, as follows: (i) the amount of 1,157,706.34 lei was paid by the bidder - adjudicator on 12.09.2022 by actual transfer to the insolvency account of the UCMR S.A. company - in reorganization no. RO79 BUCU 1332 2353 4186 6RON, open at ALPHA BANK S.A.; and (ii) the price difference in the amount of 23,626.66 lei, withheld at source by the adjudicator, represents the percentage of 2% - contribution to the environmental fund - which will be paid according to GEO 50/2019, the transfer of this amount being the exclusive responsibility of the adjudicator. Checking the payments made, the judicial administrator concluded that the net price of the goods is 1,157,706.34 lei and was paid-up the date of the conclusion of the adjudication act.

The Creditors' Meeting convened successively on 17.08.2022, 12.09.2022 and 30.09.2022 having on the agenda "Approval of the sale, presentation and approval of the method and regulation of the sale of the intra-urban land located in Râmnicu Vâlcea, Lacului street no. 4, Vâlcea county, point "Near IRE Troianu station", in an area of 1,000 sqm, registered in the Land Register no. 43675, no. old cad: 6503; The drawn up sale regulation is an integral part of the agenda and will be considered by the creditors at the vote."

On the occasion of the first two meetings at the request of the majority creditor, THE AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS, the discussion of the agenda was extended to another meeting of creditors.

During the meeting of the Assembly, held on 30.09.2022, the creditors, with a percentage of 99.4659% of the total claims, voted to approve the sale, the method and the regulation of the sale of the intra-urban land located in Râmnicu Vâlcea, Lacului street no. 4, Vâlcea county, point "Near IRE Troianu station", in an area of 1,000 sqm, registered in the Land Register no. 43675, old cadastral no. 6503.

The meeting of Creditors convened successively on 17.08.2022, 12.09.2022 and 30.09.2022 having on the agenda "Approval of the sale, presentation and approval of the method and regulation of the sale of the Asset called " Casa de cultură " located Reșița, Caraș Severin county, composed of land with an area of 9,360 sqm, the constructions that make up Casa de cultură and movable assets identified in Annex 1, buildings registered in Land Register No. 32854 Reșița (old LR 1738), having cadastral no. 656 and topographic no. 22/1, 23/1, 24/1, 25, 26, 27, 28;"

On the occasion of the first two meetings, at the request of the majority creditor, THE AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS, the discussion of the agenda was extended to another meeting of creditors.

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At the meeting of the Creditors' Assembly on 30.09.2022, following the votes cast, the judicial administrator found that, during the Assembly's meeting, the creditors, with a percentage of 99.4659% of the total claims, voted in favor of approving the sale, the method and the regulation for sale of the Asset named "Casa de cultură" located in Reșița, Caraș Severin county, composed of land with an area of 9,360 sqm, the constructions that make up Casa de cultură and movable property, real estate registered in Land Register No. 32854 Reșița (old LR 1738), having cadastral no. 656 and topographical no. 22/1, 23/1, 24/1, 25, 26, 27, 28, with the specification that before the publication of the tender notice, the specifications will be presented to creditors, in order to formulate possible objections.

The Meeting of Creditors convened successively on 17.08.2022 and 12.09.2022 having on the agenda "Approval of the sale, presentation and approval of the method and regulation of the sale of the Asset named " Creșă and Grădiniță " located in Reșița, Caraș Severin county, composed of land with an area of 2,860 sqm, Creșă and Grădiniță building and movable assets identified in Annex 1, property registered in the Land Register No. 34198 Reșița (old LR 8496), having topo. no. R202/d/9/1."

At the meetings convened in BIP no. 12704/01.08.2022 and no. 13692/29.08.2022, the majority creditor AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS requested the extension of the discussion of the agenda to another meeting of creditors.

The meeting of Creditors convened successively on 17.08.2022, 12.09.2022 and 30.09.2022 having on the agenda "Approval of the sale, presentation and approval of the method and regulation of the sale of the Asset named "Atelier Tâmplărie" located Reșița, Caraș Severin county, composed of land with an area of 1,220 sqm and a workshop building (building in an advanced state of decay, land affected by the right of servitude for pedestrians and cars), property registered in Land Register No. 37264 Reșița (old LR 12230), having cadastral no. 2164 and topographic no. G. 101/1/b/13/1/2.

At the meeting of the Creditors' Assembly convened on 30.09.2022, following the votes cast, the judicial administrator found that, during the Assembly's meeting, the creditors, with a percentage of 99.4659% of the total claims, voted in favor of approving the sale, the method and the regulation for the sale of the Asset named " Atelier Tâmplărie " located in the place. Reșița, Jud Caraș Severin, composed of land with an area of 1,220 sqm and a workshop building (building in an advanced state of decay, land affected by the right of servitude for pedestrians and cars), property registered in Land Register No. 37264 Reșița (old LR 12230), having cadastral no. 2164 and topographic no. G. 101/1/b/13/1/2.

The Creditors' Meeting convened successively on 17.08.2022, 12.09.2022 and 30.09.2022 having on the agenda:

Approval of the sale, presentation and approval of the method and regulation of the sale of the Asset named " Apartament de locuit " located Reșița, Libertății street, bl. A.1, floor1, ap. 4, Caraș – Severin county, composed of 3 rooms, kitchen, pantry, storage room, bathroom, hall and balcony, with an area of 95.81 square meters and common use space quotas, registered in the Land Register no. 32487-C1-U3, with no. topographic R209/7/etI/IV,

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together with the movable property identified in Annex 1 which is an integral part of the present and the land share related to the apartment;

Approval of the sale, presentation and approval of the method and regulation of the sale of the Asset named " Apartament de locuit " located in Reșița, Golului street no. 1, Sc. 2, floor 2, ap. 11, Caraș Severin county, consist of 2 rooms, kitchen, hall, bathroom, pantry, balcony, having 73.11 sq.m., basement (mezzanine) = 4.64 sq.m., and common use space quotas, registered in the Land Register no. 36741-C1-U2, with no. topographical R214/7/1/sc II/et II/XI, together with the movable property identified in Annex 2 which is an integral part of this and the land share related to the apartment;

Approval of the direct sale at the market value established by the evaluation report of the shares of the land located Reșița, Golului street no. 1, having Land Registry no. 36741, related to the apartments capitalized by the debtor before the opening of the insolvency procedure.

Based on the first two meetings, at the request of the majority creditor AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS, the discussion of the agenda was extended to another meeting of creditors. Minutes no. 892/17.08.2022 and no. 990/12.09.2022 were submitted to the case file, communicated to creditors and published in BIP no. 13394/19.08.2022, and no. 14601/14.09.2022.

The agenda was approved during the meeting of the Creditors' Assembly on 30.09.2022.

G. Other significant events for the activity of UCM Reșița

On 21.07.2022, SPEEH HIDROELECTRICA S.A. submitted the Binding Offer no. 83376/21.07.2022, with the intention of completion by the fourth quarter of 2022, which was presented during the meeting of the Creditors' Assembly on 04.08.2022 and submitted to the case file.

The Creditors' Assembly took note of the binding offer no. 83376/21.07.2022 formulated by SPEEH HIDROELECTRICA S.A. received by the U.C.M. SOCIETY REȘIȚA S.A. - in judicial reorganization, mentioning this aspect in Minutes no. 550/04.08.2022 which was communicated to creditors, submitted to the case file and published in BIP no. 12898/05.08.2022.

In order to approve the received offer, the judicial administrator convened in BIP no. 13298/17.08.2022 the meeting of the Assembly of Creditors held on 01.09.2022 with the following agenda:

1. Approval of the Commitment Offer no. 83376/21.07.2022, formulated by S.P.E.E.H. HIDROELECTRICA S.A., in relation to the acquisition of the business lines of the ABC platform and partially of the Călnicel platform, together with intangible elements (patents, licenses), the related contracts, considering the price and the object of the offer, taking into account the Memorandum drawn up by the judicial administrator;

Judicial Administrator Report on September 30, 2022

(all amounts are given in lei (RON) unless otherwise stated)

2. Approval of the judicial administrator's proposal for direct sale with identified buyer S.P.E.E.H. HIDROELECTRICA S.A. of the business lines related to the ABC platform and partially to the Călnicel platform, together with intangible elements (patents, licenses.), related contracts, considering the offer mentioned in point 1, according to the Memorandum.

3. The authorization of the judicial administrator to negotiate with the tenderer SPEEH HIDROELECTRICA S.A. the conditions for the direct sale of the business lines related to the ABC platform and partially to the Călnicel platform, together with intangible elements (patents, licenses), the related contracts, these being subsequently subject to the approval of the meeting of creditors.

The decisions adopted based on the votes expressed by the creditors during the meeting were the following:

1. The judicial administrator finds that, during the meeting of the Assembly, the creditors, with the legal majority, did not vote to approve or disapprove the agenda, being unable to express a vote regarding this item on the agenda caused by (1) lack of a response from SPEEH Hidroelectrica SA to Address of UCM Reșița S.A. no. 277/DF0000/28.07.2022, (2) the lack of clarifications regarding the exact perimeter of the assets that are the subject of the SPEEH Hidroelectrica S.A. offer, as well as (3) the lack of negotiations regarding this offer and the content of point 3 on the agenda regarding to the authorization of the judicial administrator to negotiate with the tenderer S.P.E.E.H. Hidroelectrica S.A.

2. The judicial administrator notes that, during the meeting of the Assembly, the creditors, with a percentage of 99.6267% of the total claims, voted in the sense that they approve the direct sale method, according to the legal provisions, namely art. 117 para. (2) from Law no. 85/2006 and art. 118 of the Law.

3. The judicial administrator finds that, during the meeting of the Assembly, the creditors, with a percentage of 99.6267% of the total claims, voted in the sense of empowering the judicial administrator to negotiate with the offeror S.P.E.E.H. HIDROELECTRICA S.A., requesting the start of negotiations on the submitted offer, regarding the concrete establishment of its object, sales conditions, especially points 5.1.5 and 5.1.6. which involves costs deducted from the purchase price and implicitly, the negotiation of the total price of the purchase, to be subsequently submitted to the approval of the meeting of creditors.

After this meeting, a correspondence was carried out with the creditors of SERRAGHIS LOAN MANAGEMENT LTD. and THE AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS that requested additional information on the scope of the transaction.

H. Subsequent Events

Through Address no. 365/DG0000/03.10.2022 the Company communicated to E.ON Energie Romania S.A. company the way to settle the current receivables in the amount of 1,946,135.09 lei, paying on 07.10.2022 the first installment in the amount of 542,135.09 lei, and signing the settlement agreement no. 368/DG0000/05.10.2022.

Judicial Administrator Report on September 30, 2022

(all amounts are given in lei (RON) unless otherwise stated)

Moreover, the company E.ON Energie Romania S.A. submitted to the case file, on 13.10.2022, a request confirming the conclusion of the agreement, he no longer insisting on resolving the request to open bankruptcy proceedings.

In accordance with the Sales Regulations approved by the Creditors' Assembly on 30.09.2022, the judicial administrator started the promotion on the market and organized the following auctions:

- ✓ 18.10.2022 - sale of land located in Râmnicu Vâlcea, Lacului street no. 4, Vâlcea county, "Near IRE Troianu station", a total area of 1,000 sqm, registered in the Land Register no. 43675, starting from the price of 150,000 Euro
- ✓ 24.10.2022, 31.10.2022, 07.11.2022, 14.11.2022, 21.11.2022, sale Real estate Casa de cultură located in Reșița, Caraș Severin county, and composed of land with an area of 9,360 square meters, registered in LR 32854, old LR 1738, having cadastral no.: 656, and topo. no.: (22/1, 23/1, 24/1, 25, 26, 27, 28), on which the Casa de cultură building with cadastral no.: 656, topo. no. (22/1, 23/1, 24/1, 25, 26, 27, 28) together with the movable goods starting from the market value established in the evaluation report (6,049,262 Euro plus VAT)
- ✓ 27.10.2022, sale Real estate Atelier Tâmplărie located Reșița, Caraș Severin county, and composed of land with an area of 1,220 sqm and a workshop building (in an advanced state of decay), registered in the Land Register no. 37264, (old LR 12230), having cadastral no.: 2164, and topo no.: G. 101/1/b/13/1/2, starting from a price higher than the market value established in the evaluation report, 25,000 euros plus VAT.
- ✓ 27.10.2022, sale of residential apartment located Reșița, Golului street no. 1, Sc. 2, floor. 2, ap. 11, Caraș Severin county, made of 2 rooms, kitchen, hall, bathroom, pantry, balcony, having 73.11 sqm, basement (mezzanine) = 4.64 sqm together with the identified movable assets and the related plot of the apartment, starting from a price higher than the market value established in the evaluation report, 28,500 euro plus VAT
- ✓ 27.10.2022, sale of residential apartment located in Reșița, Libertății street, bl. A.1, floor. 1, ap. 4, Caraș – Severin county, consisting of 3 rooms, kitchen, pantry, storage room, bathroom, hall and balcony, having 95.81 sq m. and is sold together with the identified movable property and the share of land related to the apartment, starting from a price higher than the market value established in the evaluation report, 63,500 euro plus VAT

The publications were displayed on the website of the judicial administrator <http://www.vf.ro/vf-insolvency/>, <http://www.eurolsol.eu/>, of the debtor company <http://www.ucmr.ro/> and on the UNPIR insolvency website - <https://www.licitatii-insolventa.ro/>.

UAT Reșița communicated to the judicial administrator the purchase offer no. 68130/06.10.2022 regarding the acquisition of the Asset named " Creșă and Grădiniță " located in Reșița, Caraș Severin county, composed of land with an area of 2,860 sqm,

Judicial Administrator Report on September 30, 2022

(all amounts are given in lei (RON) unless otherwise stated)

the Creșă and Grădiniță building and movable assets identified in Annex 1, property registered in the Land Register No. 34198 Reșița (old LR 8496), having topographic no. R202/d/9/1, from the debtor's patrimony at the price of 636,840 Euro exclusive of VAT.

In the next period, the judicial administrator will proceed to convene the meeting of the Creditors' Assembly for the presentation and approval of the received offer.

Judicial Administrator:

EURO INSOL SPRL and VF Insolvență SPRL Consortium

HR and Economic Director:

Nicoleta Liliana IONETE

Separate Financial Statements on September 30, 2022
(all amounts are given in lei (RON) unless otherwise stated)

STATEMENT OF JUDICIAL ADMINISTRATOR
OF
UCM REȘIȚA SA COMPANY

The Special Trustees of *the Company* hereby declare that they assume their responsibility for the Interim Financial Statements on September 30, 2022.

The Special Trustees of *the Company* confirm, regarding the interim Financial Statements on September 30, 2022, the followings:

- a) The Interim 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 Interim Financial Statements are in accordance with the applicable accounting regulations;
- c) The Interim Financial Statements present a fair image on the financial position, financial performance and other information related to the activity carried out;
- d) *The Company* carries out its activity under the condition of continuity.

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

Separate Financial Statements on September 30, 2022
(all amounts are given in lei (RON) unless otherwise stated)

Statement of financial position on 30.09.2022

Lei

Reference Statement of financial position IAS 1.10(a), 113	Note	Balance sheet items	Balance on 01.01.2022	Balance on 30.09.2022
<i>IAS 1.54(a)</i>	3	Tangible fixed assets	118,089,025	114,798,041
<i>IAS 1.54(c)</i>	3	Intangible fixed assets	5,801	4,168
	3	Financial assets	3,003,403	3,395,857
		Total of fixed asse	121,098,229	118,198,066
<i>IAS 1.54(h)</i>	4	Trade receivables and receivables from affiliated entities	4,681,659	3,045,441
<i>IAS 1.54(g)</i>	5	Stocks Deferred tax assets	22,369,790	14,810,832
<i>IAS 1.54(o), 56</i>	12	Deferred tax assets	13,721,204	13,721,204
<i>IAS 1.54(h)</i>	4	Other receivables	1,407,342	883,099
<i>IAS 1.54(i)</i>	6	Cash and cash equivalents	7,441,455	4,549,632
		Prepayments	40,764	566,938
		Total of current assets	49,662,214	37,577,146
		TOTAL ASSETS	170,760,443	155,775,212
<i>IAS 1.54(k)</i>	7	Supplies and other trade payables	42,328,552	10,617,982
<i>IAS 1.54(k)</i>	7	Taxes and other debts	858,081,888	400,843,750
<i>IAS 1.54(o), 56</i>	12	Deferred tax debts	25,794,350	25,794,350
<i>IAS 1.54(l)</i>	8	Provisions	43,177,792	102,775,024
<i>IAS 1.55, 20.24</i>		Revenues în advance	11,277	83,552
		Total debts	969,393,859	540,114,658
		Total assets minus Total debts	(798,633,416)	(384,339,446)
	9	Registered capital	601,685,084	601,685,084
	3	Revaluation reserves	121,902,571	118,894,927
	9	Legal reserves	1,972,406	1,972,406
		Other reserves	16,088,620	16,088,620
	9	Carried over result	(1,500,202,582)	(1,537,274,453)
	9	Current result	(40,079,515)	414,293,970
	9	Profit sharing, establishing of legal reserves	-	0
		Total equity	(798,633,416)	(384,339,446)
		TOTAL LIABILITIES	170,760,443	155,775,212

Judicial Administrator:

EURO INSOL SPRL and VF Insolvență SPRL Consortium

HR and Economic Director
Nicoleta Liliana IONETE

Separate Financial Statements on September 30, 2022
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Statement of comprehensive income on 30.09.2022

- Lei -

Reference STATEMENT OF OVERALL RESULT IAS 1.10(B), 81(A)	Explanations	30.09.2021	30.09.2022
<i>IAS 1. 82(a) IAS 1.99,103</i>	Operating revenues	11,009,725	538,778,922
<i>IAS 1.99, 103</i>	Cost of sales	23,780,741	84,607,800
	Gross operating profit (loss)	(12,771,016)	454,171,122
<i>IAS 1.99, 103</i>	Distribution costs	-	-
	Administrative expenses	9,482,144	9,848,782
<i>IAS 1. 82(a) IAS 1.99,103</i>	Financial revenues	715,688	1,436,306
<i>IAS 1.82(b)</i>	Financial expenses	(497,038)	(409,341)
<i>IAS 1.85</i>	Result before tax	(21,040,434)	446,167,987
<i>IAS 1.82(d), IAS 12.77</i>	Income tax expenses	-	31,874,017
	Net Profit (loss)	(21,040,434)	414,293,970
	<i>Establishing of legal reserves under Law31/1990</i>	-	-
<i>IFRS 5.33(a), 1.82(e)</i>	Profit attributable to:	-	-
<i>IAS 1.83(b)(ii)</i>	<i>Owners of the Company</i>	-	-
<i>IAS 1.83(b) (i)</i>	<i>Non-controlling interests</i>	-	-

Judicial Administrator:

EURO INSOL SPRL and VF Insolvență SPRL Consortium

HR and Economic Director
Nicoleta Liliana IONETE

Separate Financial Statements on September 30, 2022

(all amounts are given in lei (RON) unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON SEPTEMBER 30, 2022

-Lei-

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
1	2	3	4	5	6	7	8	9
Balance on 01 January 2022	601.685.084	121.902.570	1.972.406	268.370.064	16.088.620	(1.768.572.645)	(40.079.515)	(798.633.416)
<i>Changes in equity - september 30, 2022</i>								
Transfer of surplus from revaluation reserves		(3.007.643)		3.007.643				-
Transfer of the result of the accounting year 2021 to the carried over result						(40.079.515)	40.079.515	-
Account closing -profit share								-
Registration of accounting errors from previous years to the carried over result								-
Net result of the current accounting year							414.293.970	414.293.970
Balance on 30 September 2022 IFRS	601.685.084	118.894.927	1.972.406	271.377.707	16.088.620	(1.808.652.160)	414.293.970	(384.339.446)

The legal reserves of *the Company*, constituted in accordance with the provisions of the Commercial Companies Act, as at 30 September 2022 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 (such as the issuance of new shares under the Companies Act), it becomes taxable in the calculation of corporation tax.

We mention that on 30.09. 2022, *the Company* has not yet reached the maximum level of legal litigation.

Judicial Administrator:

EURO INSOL SPRL and VF Insolvență SPRL Consortium

s.c. U.C.M. Reșița s.a.

(societate în reorganizare judiciară, company in judicial reorganisation, en redressement)

Separate Financial Statements on September 30, 2022

(all amounts are given in lei (RON) unless otherwise stated)

HR and Economic Director
Nicoleta Liliana IONETE

Separate Financial Statements on September 30, 2022*(all amounts are given in lei (RON) unless otherwise stated)***STATEMENT OF CASH FLOWS ON 30.09.2022**

-Lei-

Name of the element	No. line	Financial exercise ended on:	
		30 September 2021	30 September 2022
OPERATING ACTIVITIES			
Net profit+Result carried over from correction of accounting errors	1	(21,040,434)	414,293,970
Adjustments for:			
Adjusting the value of tangible and intangible assets	2	3,390,636	3,292,618
Adjusting the value of financial assets	3	(713,368)	(1,446,977)
Expenses (revenues) with adjustments for depreciation of current assets	4	(589,929)	2,458,475
Adjustments to the provisions for risks and expenses	5	-	59,597,232
Expenses with the donating granted	6	-	-
Revenues from interests and other financial income	7	(41,987)	(32,133)
Expenses with interests and other financial income	8	-	-
Cash flow before changes in working capital (line 1 to 8)	9	(18,994,782)	478,163,185
Decrease /(Increase) – customers and other assimilated accounts	10	3,112,407	7,075,003
Decrease /(Increase) in stocks	11	957,821	714,289
Decrease /(Increase)- supplies and other assimilated accounts	12	13,286,210	(362,584,028)
Cash flow from operating activities (row. 9 to 12)	13	(1,638,344)	123,368,449
Revenue from interests	14	40,148	32,133
(Net increase) / Net decrease in restraint	15	157,023	(67,909)
Cash flow from operating activities (row.13 to 15)	16	(1,441,173)	123,332,673
INVESTING ACTIVITIES			
Cash payment for long-term purchasing of land and other assets	17	(2,097)	-
Proceeds from sales of real estate	18	18,969	-
Revenues from dividends	19	1,840	-
Net cash used in investing activities (row. 17 to 19)	20	18,712	-
FINANCING ACTIVITIES			
Discounts of borrowed amounts	21	-	(126,292,405)
Net cash used in financing activities (line. 21)	22	-	(126,292,405)
Net increase/(Decrease) în cash and cash equivalents (line 16+20+22)	23	(1,422,461)	(2,959,732)
Cash and cash equivalents at the beginning of the year	24	8,843,740	7,240,752
Cash and cash equivalents at the end of the period (row. 23+24)	25	7,421,279	4,281,020

Judicial Administrator:

EURO INSOL SPRL and VF Insolvență SPRL Consortium

HR and Economic Director

Nicoleta Liliana IONETE

Separate Financial Statements on September 30, 2022
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Economic - Financial Indicators on 30.09.2022

Indicator	Calculation method	Value
1. Current liquidity	1=2/3	0.08
2. Current assets (lei)	2	37,010,208
3. Current liabilities (lei)	3	437,256,082
4. Level of indebtedness	4=5/6	#N/A
5. Borrowed capital (lei)	5	0
6. Capital employed (lei)	6	(384,339,446)
7. Turnover ratio of customer debits (days)	$7 = 8/9 \times (365/4 \times 3)$	81
8. Average balance of trade receivables (lei)	8	3,595,606
9. Turnover (lei)	9	12,213,825
10. Turnover ratio of fixed assets (days)	$10 = 11/12 \times (365/4 \times 3)$	2,649
11. Fixed assets (lei)	11	118,198,066
12. Turnover (lei)	12	12,213,825

Judicial Administrator:

EURO INSOL SPRL and VF Insolvență SPRL Consortium

HR and Economic Director
Nicoleta Liliana IONETE

Separate Financial Statements on September 30, 2022
(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 September 30, 2022.

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 30.09.2022, the registered office of UCMR 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.

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.

The Company's products and services are delivered/delivered both on the domestic market and on the foreign market.

In the domestic market, the main customers are in the hydro power field: S.P.E.E.H. HIDROELECTRICA SA, S.S.H HIDROSERV S.A and ROMELECTRO SA, plus ALMET INTERNATIONAL LTD SRL.

External clients are active both in the hydropower field and in other areas, and are from Austria, and Germany.

The individual financial statements have been prepared starting from the assumption that the Company will continue its business without significant changes in the foreseeable future.

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)*

EURO INSOL SPRL and VF Insolvență SPRL Consortium as the Judicial Trustee/Administrator of the Company, undertake the liability for drawing up the Interim Separate Financial Statements on 30.09.2022 and confirm that they are in compliance with

Separate Financial Statements on September 30, 2022

(all amounts are given in lei (RON) unless otherwise stated)

the applicable Accounting Regulations and *the Company* shall conduct its work under the condition of continuity.

2.2 Basis of evaluation

The Company drawn up the Interim Separate Financial Statements for the year ended on September 30, 2022 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 not audited.

The Company does not apply IFRS issued and not adopted on 30.09.2022, 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.

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 30.09.2022, *the Company* also holds 1 subsidiary, s.c. MULTI-FARM s.r.l. that has as its object the sale of medicines and pharmaceuticals. *The Company* has decided not to present consolidated financial statements, considering that the consolidated financial information, which should be presented in the statement of financial position and overall result as on 30.09.2022, would not significantly differ from *the Company's* individual financial statements on 30.09.2022.

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

Separate Financial Statements on September 30, 2022

(all amounts are given in lei (RON) unless otherwise stated)

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.

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, in the "Statement of Changes in Shareholders' Equity" *the Company* presents to shareholders all amendments thereto.

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.

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✓ **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.

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.

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

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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 fiscal 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.

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.

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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, 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. *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.

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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.

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 September 30, 2021 and 2022 are as follows:

Currency	<u>September 30, 2021</u>	<u>September 30, 2022</u>
RON/EUR	4,9471	4,9490
RON/USD	4,2653	5,0469
RON/GBP	5,7431	5,6367
RON/CHF	4,5627	5,1652

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.

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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.

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:

The Company contributes for its employees by paying contributions to Social Security (retirement, health) giving them some benefits upon retirement, according to the period of work in the company (a reward up to 4 gross salaries per *Company* for a seniority over 25 years in UCM Reșița, respectively up to 2 average gross salaries per *Company* for a seniority between 10-25 years in UCM Reșița, respectively 1 average gross salaries per company for a seniority between 5-10 years in UCM Reșița). These contributions are recognized as an expense when the services are rendered.

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In addition to the grants and allowances provided expressly by law, the Company grants to its employees the following benefits:

- granting of bereavement benefits representing four average gross wages per *Company* upon the death of an employee of the *Company* and one average gross salary per company in case of death of the husband (wife) or of a first degree relative (parents, children);
- granting of two average gross wages per *Company* for the birth of each child;
- granting of one average gross salary per to the dismissal of an employee for whom it was issued a decision by the relevant medical expertise finding physical and/or mental inability thereof, which does not allow him to fulfill his duties appropriate to the position held.

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.

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 7 (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.

ș) 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.

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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.

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.

ț) 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.

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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.

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.

For the correction of the errors related to the current financial year, wrong accounting entries are corrected, 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

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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. Significant transactions or events

On 21.07.2022, SPEEH HIDROELECTRICA S.A. submitted the Binding Offer no. 83376/21.07.2022, with the intention of completion by the fourth quarter of 2022, which was presented during the meeting of the Creditors' Assembly on 04.08.2022 and submitted to the case file.

The Creditors' Assembly took note of the binding offer no. 83376/21.07.2022 formulated by SPEEH HIDROELECTRICA S.A. received by the U.C.M. SOCIETY REȘIȚA S.A. - in judicial reorganization, mentioning this aspect in Minutes no. 550/04.08.2022 which was communicated to creditors, submitted to the case file and published in BIP no. 12898/05.08.2022.

In order to approve the received offer, the judicial administrator convened in BIP no. 13298/17.08.2022 the meeting of the Assembly of Creditors held on 01.09.2022 with the following agenda:

1. Approval of the Commitment Offer no. 83376/21.07.2022, formulated by S.P.E.E.H. HIDROELECTRICA S.A., in relation to the acquisition of the business lines of the ABC platform and partially of the Călnicel platform, together with intangible elements (patents, licenses), the related contracts, considering the price and the object of the offer, taking into account the Memorandum drawn up by the judicial administrator;

2. Approval of the judicial administrator's proposal for direct sale with identified buyer S.P.E.E.H. HIDROELECTRICA S.A. of the business lines related to the ABC platform and partially to the Călnicel platform, together with intangible elements (patents, licenses.), related contracts, considering the offer mentioned in point 1, according to the Memorandum.

3. The authorization of the judicial administrator to negotiate with the tenderer SPEEH HIDROELECTRICA S.A. the conditions for the direct sale of the business lines related to the ABC platform and partially to the Călnicel platform, together with intangible elements (patents, licenses), the related contracts, these being subsequently subject to the approval of the meeting of creditors.

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The decisions adopted based on the votes expressed by the creditors during the meeting were the following:

1. The judicial administrator finds that, during the meeting of the Assembly, the creditors, with the legal majority, did not vote to approve or disapprove the agenda, being unable to express a vote regarding this item on the agenda caused by (1) lack of a response from SPEEH Hidroelectrica SA to Address of UCM Reșița S.A. no. 277/DF0000/28.07.2022, (2) the lack of clarifications regarding the exact perimeter of the assets that are the subject of the SPEEH Hidroelectrica S.A. offer, as well as (3) the lack of negotiations regarding this offer and the content of point 3 on the agenda regarding to the authorization of the judicial administrator to negotiate with the tenderer S.P.E.E.H. Hidroelectrica S.A.

2. The judicial administrator notes that, during the meeting of the Assembly, the creditors, with a percentage of 99.6267% of the total claims, voted in the sense that they approve the direct sale method, according to the legal provisions, namely art. 117 para. (2) from Law no. 85/2006 and art. 118 of the Law.

3. The judicial administrator finds that, during the meeting of the Assembly, the creditors, with a percentage of 99.6267% of the total claims, voted in the sense of empowering the judicial administrator to negotiate with the offeror S.P.E.E.H. HIDROELECTRICA S.A., requesting the start of negotiations on the submitted offer, regarding the concrete establishment of its object, sales conditions, especially points 5.1.5 and 5.1.6. which involves costs deducted from the purchase price and implicitly, the negotiation of the total price of the purchase, to be subsequently submitted to the approval of the meeting of creditors.

After this meeting, a correspondence was carried out with the creditors of SERRAGHIS LOAN MANAGEMENT LTD. and THE AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS that requested additional information on the scope of the transaction.

4. Further Events

Through Address no. 365/DG0000/03.10.2022 the Company communicated to E.ON Energie Romania S.A. company the way to settle the current receivables in the amount of 1,946,135.09 lei, paying on 07.10.2022 the first installment in the amount of 542,135.09 lei, and signing the settlement agreement no. 368/DG0000/05.10.2022.

Moreover, the company E.ON Energie Romania S.A. submitted to the case file, on 13.10.2022, a request confirming the conclusion of the agreement, he no longer insisting on resolving the request to open bankruptcy proceedings.

In accordance with the Sales Regulations approved by the Creditors' Assembly on 30.09.2022, the judicial administrator started the promotion on the market and organized the following auctions:

- ✓ 18.10.2022 - sale of land located in Râmnicu Vâlcea, Lacului street no. 4, Vâlcea county, "Near IRE Troianu station", a total area of 1,000 sqm, registered in the Land Register no. 43675, starting from the price of 150,000 Euro

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- ✓ 24.10.2022, 31.10.2022, 07.11.2022, 14.11.2022, 21.11.2022, sale Real estate Casa de cultură located in Reșița, Caraș Severin county, and composed of land with an area of 9,360 square meters, registered in LR 32854, old LR 1738, having cadastral no.: 656, and topo. no.: (22/1, 23/1, 24/1, 25, 26, 27, 28), on which the Casa de cultură building with cadastral no.: 656, topo. no. (22/1, 23/1, 24/1, 25, 26, 27, 28) together with the movable goods starting from the market value established in the evaluation report (6,049,262 Euro plus VAT)
- ✓ 27.10.2022, sale Real estate Atelier Tâmplărie located Reșița, Caraș Severin county, and composed of land with an area of 1,220 sqm and a workshop building (in an advanced state of decay), registered in the Land Register no. 37264, (old LR 12230), having cadastral no.: 2164, and topo no.: G. 101/1/b/13/1/2, starting from a price higher than the market value established in the evaluation report, 25,000 euros plus VAT.
- ✓ 27.10.2022, sale of residential apartment located Reșița, Golului street no. 1, Sc. 2, floor. 2, ap. 11, Caraș Severin county, made of 2 rooms, kitchen, hall, bathroom, pantry, balcony, having 73.11 sqm, basement (mezzanine) = 4.64 sqm together with the identified movable assets and the related plot of the apartment, starting from a price higher than the market value established in the evaluation report, 28,500 euro plus VAT
- ✓ 27.10.2022, sale of residential apartment located in Reșița, Libertății street, bl. A.1, floor. 1, ap. 4, Caraș – Severin county, consisting of 3 rooms, kitchen, pantry, storage room, bathroom, hall and balcony, having 95.81 sq m. and is sold together with the identified movable property and the share of land related to the apartment, starting from a price higher than the market value established in the evaluation report, 63,500 euro plus VAT

The publications were displayed on the website of the judicial administrator <http://www.vf.ro/vf-insolvency/>, <http://www.euroinsol.eu/>, of the debtor company <http://www.ucmr.ro/> and on the UNPIR insolvency website - <https://www.licitatii-insolventa.ro/>.

UAT Reșița communicated to the judicial administrator the purchase offer no. 68130/06.10.2022 regarding the acquisition of the Asset named " Creșă and Grădiniță " located in Reșița, Caraș Severin county, composed of land with an area of 2,860 sqm, the Creșă and Grădiniță building and movable assets identified in Annex 1, property registered in the Land Register No. 34198 Reșița (old LR 8496), having topographic no. R202/d/9/1, from the debtor's patrimony at the price of 636,840 Euro exclusive of VAT.

On 21.10.2022, the Company received payment request no. MBR-JRD 68475/18.10.2022 which the ANAF issuer sent to the Bucharest Court in file no. 75017/3/2011 regarding the insolvency procedure of UCM Reșița.

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At the deadline of 25.10.2022, the syndic judge granted a new deadline, 14.02.2023, by which the Company must present a point of view in relation to the ANAF request.

In the next period, the judicial administrator will proceed to convene the meeting of the Creditors' Assembly for the presentation and approval of the received offer.

The Committee of Creditors convened on 21.10.2022 approved the financial statements related to the third quarter of 2022, according to Minutes no. 1314/21.10.2022.

Judicial Administrator:
EURO INSOL SPRL and VF Insolvență SPRL Consortium

HR and Economic Director
Nicoleta Liliana IONETE