

**ROMPETROL WELL SERVICES SA**

**Unaudited Stand-Alone Preliminary Financial Statements**

Prepared in accordance with  
**Order of Minister of Public Finance no. 2844/2016**

**31 December 2023**

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## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	- RON -			
	Date 31.12.2023	Date 31.12.2022	Quarter 4 2023	Quarter 4 2022
<b>Turnover</b>	72,563,673	52,768,046	15,463,234	14,642,157
Revenues from contracts with customers	72,067,998	52,295,150	15,342,970	14,521,483
Rental revenues	495,675	472,896	120,264	120,674
Other operating income	923,838	460,851	787,801	331,835
<b>OPERATING INCOME - TOTAL</b>	<b>73,487,511</b>	<b>53,228,897</b>	<b>16,251,035</b>	<b>14,973,992</b>
Expenses with consumables	(19,654,780)	(15,250,181)	(3,634,463)	(3,987,327)
Power and water expenses	(585,961)	(586,223)	(172,678)	(178,449)
Merchandise expenses	(17,280)	(21,974)	(8,197)	(11,000)
Payroll costs, out of which:	(21,212,561)	(19,427,316)	(6,190,466)	(6,162,297)
Salaries	(20,295,367)	(18,527,453)	(5,941,595)	(5,902,123)
Social security contributions	(671,446)	(537,587)	(194,606)	(144,384)
Fixed assets value adjustment, of which	(5,921,961)	(4,895,557)	(1,209,152)	(1,466,720)
Depreciation	(5,921,961)	(4,895,557)	(1,209,152)	(1,466,720)
Impairment of property, plant and equipment	-	-	-	-
Allowance for inventories	65,803	88,003	65,803	88,003
Allowance for expected credit losses	(113,053)	629,748	(11,804)	512,450
Expenses with third-party services	(14,296,892)	(13,482,470)	(3,516,660)	(3,408,271)
Taxes, duties and similar expenses	(702,188)	(697,127)	(180,280)	(188,028)
Other operating expenses	(243,960)	(182,878)	(181,223)	(177,200)
<b>OPERATING EXPENSES - TOTAL</b>	<b>(62,682,833)</b>	<b>(53,825,975)</b>	<b>(15,039,120)</b>	<b>(14,978,839)</b>
<b>OPERATING RESULT</b>	<b>10,804,678</b>	<b>(597,078)</b>	<b>1,211,916</b>	<b>(4,847)</b>
Interest income	3,839,711	3,849,094	1,013,977	870,167
- of which, revenues from related parties	3,825,036	3,843,126	1,009,736	867,756
Other financial income	42,505	801,290	10,698	410,325
<b>FINANCIAL INCOME - TOTAL</b>	<b>3,882,216</b>	<b>4,650,384</b>	<b>1,024,675</b>	<b>1,280,492</b>
Other financial expenses	(832,047)	(1,175,979)	(256,542)	(32,996)
<b>FINANCIAL EXPENSES - TOTAL</b>	<b>(832,047)</b>	<b>(1,175,979)</b>	<b>(256,542)</b>	<b>(32,996)</b>
<b>FINANCIAL RESULT</b>	<b>3,050,169</b>	<b>3,474,405</b>	<b>768,133</b>	<b>1,247,496</b>
<b>RESULT BEFORE TAX</b>	<b>13,854,847</b>	<b>2,877,328</b>	<b>1,980,049</b>	<b>1,242,650</b>
Income tax expense	(2,086,984)	(427,811)	(199,864)	(204,954)
<b>RESULT FOR THE YEAR</b>	<b>11,767,863</b>	<b>2,449,517</b>	<b>1,780,185</b>	<b>1,037,696</b>
Earnings per share	0,0423	0,0088	0,0064	0,0037
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</b>	<b>(1,213,037)</b>	<b>(589,678)</b>	<b>(1,213,037)</b>	<b>(589,678)</b>
Actuarial gain / (losses) relating to retirement benefits	(173,572)	(590,099)	(173,572)	(590,099)
Remeasurement of fair value of financial assets measured at fair value through other comprehensive income	(1,039,466)	421	(1,039,466)	421
<b>TOTAL COMPREHENSIVE INCOME, net of tax</b>	<b>10,554,826</b>	<b>1,859,839</b>	<b>567,147</b>	<b>448,018</b>

General Manager,  
FLOREA Georgian Stefan

Prepared by,  
Moise Luiza-Roxana  
Finance Manager

**STATEMENT OF FINANCIAL POSITION**

	Date <b>31.12.2023</b>	- RON - Date <b>31.12.2022</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Tangible assets	21,371,048	24,696,706
Right of use asset	11,746,246	13,313,521
Real estate investments	414,197	432,799
Intangible assets	59,652	60,619
Financial assets	8,966,492	10,204,052
Other financial assets	6,580,872	2,539,595
<b>Total non-current assets</b>	<b>49,138,507</b>	<b>51,247,292</b>
<b>Current Assets</b>		
Inventories	5,442,042	5,951,473
Trade and similar receivables	18,263,004	16,943,438
Availabilities in cash pooling system	50,730,823	46,117,041
Other current assets	1,053,746	1,099,439
Collateral cash for guarantee letters	121,112	1,404,000
Cash and deposits	648,543	491,717
<b>Total current assets</b>	<b>76,259,270</b>	<b>72,007,108</b>
<b>Total assets</b>	<b>125,397,777</b>	<b>123,254,400</b>
<b>Capital and reserves</b>		
<b>Capital</b>		
Share capital, of which:	28,557,446	28,557,446
Subscribed and paid in share capital	27,819,090	27,819,090
Share capital adjustments	738,356	738,356
Legal reserves	5,563,818	5,563,818
Other reserves	24,619,128	25,832,165
Retained earnings	12,854,944	12,854,944
Retained earnings IFRS transition	18,041,378	18,041,378
Current result	11,767,863	2,449,517
<b>Total equity</b>	<b>101,404,577</b>	<b>93,299,268</b>
<b>Long-term liabilities</b>		
Employee benefits liabilities	1,175,961	1,032,717
Deferred tax liabilities	844,685	1,088,141
Lease liability	6,172,638	8,645,653
Other liabilities	77,748	93,449
<b>Total long-term liabilities</b>	<b>8,271,032</b>	<b>10,859,960</b>
<b>Current liabilities</b>		
Trade payables and similar liabilities	12,669,755	16,118,478
Income tax payable	419,415	354,898
Lease liability	2,632,998	2,621,796
<b>Total current liabilities</b>	<b>15,722,168</b>	<b>19,095,172</b>
<b>Total liabilities</b>	<b>23,993,200</b>	<b>29,955,132</b>
<b>Total equity and liabilities</b>	<b>125,397,777</b>	<b>123,254,400</b>

**General Manager,**  
 FLOREA Georgian Stefan

**Prepared by,**  
 Moise Luiza-Roxana  
 Finance Manager

**STATEMENT OF CHANGES IN EQUITY**

- RON

**For the year ended as at 31 December 2022**

	Share capital	Legal reserves	Other reserves	Retained earnings	Retained earnings IFRS transition	Current result	Total equity
<b>Balance at 1 January 2022</b>	<b>28,557,446</b>	<b>5,563,818</b>	<b>56,194,311</b>	<b>28,832,881</b>	<b>18,041,378</b>	<b>1,629,634</b>	<b>138,819,467</b>
<b>Current result</b>						2,449,517	2,449,517
<b>Other comprehensive income</b>	-	-	<b>(426,892)</b>	-	-	-	<b>(426,892)</b>
Remeasurement of fair value of financial assets measured at fair value through other comprehensive income (b)	-	-	421	-	-	-	421
Actuarial gain / (losses) relating to retirement benefits (a)	-	-	(427,313)	-	-	-	(427,313)
<b>Total comprehensive income</b>	-	-	<b>(426,892)</b>	-	-	-	<b>(426,892)</b>
Profit distribution	-	-	-	1,629,634	-	(1,629,634)	-
Dividends	-	-	-	(47,542,825)	-	-	(47,542,825)
Transfer from other reserve to retained earnings (c)	-	-	(29,935,254)	29,935,254	-	-	-
<b>Balance at 31 December 2022 including OCI</b>	<b>28,557,446</b>	<b>5,563,818</b>	<b>25,832,165</b>	<b>12,854,944</b>	<b>18,041,378</b>	<b>2,449,517</b>	<b>93,299,268</b>

**For the year ended as at 31 December 2023**

	Share capital	Legal reserves	Other reserves	Retained earnings	Retained earnings IFRS transition	Current result	Total equity
<b>Balance at 1 January 2023</b>	<b>28,557,446</b>	<b>5,563,818</b>	<b>25,832,165</b>	<b>12,854,944</b>	<b>18,041,378</b>	<b>2,449,517</b>	<b>93,299,268</b>
<b>Profit for the year</b>						11,767,863	11,767,863
<b>Other comprehensive income</b>	-	-	<b>(1,213,037)</b>	-	-	-	<b>(1,213,037)</b>
Remeasurement of fair value of financial assets measured at fair value through other comprehensive income (b)	-	-	(1,039,466)	-	-	-	(1,039,466)
Actuarial gain / (losses) relating to retirement benefits (a)	-	-	(173,572)	-	-	-	(173,572)
<b>Total comprehensive income</b>	-	-	<b>(1,213,037)</b>	-	-	-	<b>(1,213,037)</b>
Profit distribution	-	-	-	2,449,517	-	(2,449,517)	-
Dividends	-	-	-	(2,449,517)	-	-	(2,449,517)
<b>Balance at 31 December 2023 including OCI</b>	<b>28,557,446</b>	<b>5,563,818</b>	<b>24,619,128</b>	<b>12,854,944</b>	<b>18,041,378</b>	<b>11,767,863</b>	<b>101,404,576</b>
	<b>28,557,446</b>	<b>5,563,818</b>	<b>25,832,165</b>	<b>12,854,944</b>	<b>18,041,378</b>	<b>2,449,517</b>	<b>93,299,268</b>

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 Finance Manager

**The legal reserve** is in amount of RON 5,563,818 (2022: RON 5,563,818). The company constituted the legal reserve in accordance with the provisions of the Romanian trading companies law, which requires at least 5% of the annual company's profit before tax to be transferred to legal reserve until the ending balance of this reserve reaches 20% of the company's share capital.

**Other reserves** represent reserves constituted on the basis of mandatory legislation, respectively reserves for elements of other comprehensive income as well as other capital reserves:

- a) The decrease in other reserves with the amount of RON 173,572 represents the net impact from remeasurement gain / (loss) of retirement benefits and other similar liabilities related to the personnel generated by the changes in assumptions and measurement technique applied.
- b) The subsequent valuation of financial assets at fair value, representing investments in equity instruments and for which the Company elected to present the gain / (loss) in other elements of comprehensive income according to IFRS 9 Financial instruments, has determined an decrease in other reserves with RON 1,039,466.
- c) The transfer from other reserves to retained earnings in the amount of RON 29,935,254 represents the effect of the decision of General Ordinary Meeting of Shareholders from 27 April 2022 to distribute dividends from this category of reserves.

**Retained earnings** represent reserves constituted through the distribution of prior year profits, respectively the cover of prior year losses.

**Retained Earnings IFRS transition** represent the retained earnings constituted on the first adoption of IAS, less IAS 29, as well as adoption of other mandatory IFRSs.

During the Annual General Meeting of the Shareholders from 26 April 2023, it was decided the distribution of dividends in gross amount of RON 2,449,517.

**STATEMENT OF CASH FLOW**
**Indirect method**

- RON

	<b>December 31 2023</b>	<b>December 31 2022</b>
<i>Cash flows from operating activities:</i>		
<b>Net result before tax</b>	<b>13,854,847</b>	<b>2,877,328</b>
<i>Adjustments for:</i>		
Depreciation and adjustments related to tangible assets and investment properties	4,222,744	3,718,319
Depreciation and adjustments related to right of use assets	1,660,944	1,103,906
Depreciation and adjustments related to intangible assets	38,273	73,331
Impairment of property, plant and equipment	-	-
Provisions for post-employment benefits plans and other provisions	(63,389)	(159,995)
Adjustments for inventory depreciation	(65,803)	(88,003)
Allowance for trade and other receivables	113,053	(629,748)
Trade receivables and sundry debtors write off	27,337	175,937
Earnings from debts write-off (unclaimed dividends)	(787,549)	(331,392)
Interest income	(3,839,711)	(3,849,094)
Interest expense	615,745	810,706
Loss / (profit) from tangible asset sales	(135,461)	(128,979)
Unrealized foreign exchange differences (Gain)/Loss	66,488	(221,691)
<b>Operating profit before working capital changes</b>	<b>15,707,517</b>	<b>3,350,624</b>
Decrease / (Increase) of performance guarantees and dividend payments accounts	(2,578,389)	3,479,280
Decrease / (Increase) of trade and other receivables	(1,410,833)	30,674,403
Decrease / (Increase) of inventories	575,234	(987,363)
(Decrease) / Increase of trade and other debts	(1,825,099)	1,972,848
Paid income tax	(2,034,869)	(397,969)
Leasing interest paid	(611,509)	(807,496)
<b>Net cash flow from operating activities</b>	<b>7,642,051</b>	<b>37,284,325</b>
<i>Cash flows from investments:</i>		
Payments for purchase of tangible and intangible assets	(929,941)	(3,363,959)
Receipts from sale of tangible and intangible assets	149,614	133,825
(Increase) / Decrease of cash pooling balance	(4,528,494)	8,962,583
Received interest	3,754,423	3,791,708
<b>Net cash from investments</b>	<b>(1,554,398)</b>	<b>9,524,158</b>
<i>Cash flows from financing activities:</i>		
Payments corresponding to leasing contracts	(2,628,979)	(1,819,968)
Proceeds from sale of financial assets	100	-
Dividends paid	(3,301,948)	(44,724,030)
<b>Net cash flows from financing activities</b>	<b>(5,930,827)</b>	<b>(46,543,997)</b>
Net (decrease) / increase of cash and cash equivalents	157,077	263,829
Net foreign exchange differences	(251)	657
Cash and cash equivalents at the beginning of the financial year	491,717	227,231
<b>Cash and cash equivalents at the end of the financial year</b>	<b>648,543</b>	<b>491,717</b>

**General Manager,**  
 FLOREA Georgian Stefan

**Prepared by,**  
 Moise Luiza-Roxana  
 Finance Manager

## **Disclaimer**

The Financial Statements, prepared as at 31 December 2023, refers to the company Rompetrol Well Services SA, are preliminary and not audited.

Information included in this report are made available at the date of the current report and may be subject to update, review, modification or change without prior notice.

The analysis of the manner of transposing the financial transactions of the company for the financial year 2023 into the financial statements will continue until the financial statements are finalized and audited, which is why the presented information may change both in terms of value and of the way of presentation and classification.

**General Manager,**  
FLOREA Georgian Stefan

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