

ROMCARBON S.A. AND SUBSIDIARIES

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Prepared in accordance with Ministry of Public Finance Order no. 2844/2016
for the approval of Accounting regulations conforming with International Financial Reporting
Standards as adopted by the European Union, with subsequent amendments**

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2024

ROMCARBON SA

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

	Note	Year ended December 31, 2024 RON	Year ended December 31, 2023 RON
Revenue from Contracts with Customers	3	307,315,650	304,683,985
Other income	5	3,784,998	4,103,607
Increase (decrease) in inventories of finished goods and work in progress		1,269,544	2,516,172
Raw materials and consumables used	6	(187,965,973)	(191,297,563)
Employee benefits expense	7	(91,859,462)	(84,574,383)
Depreciation and amortisation expenses	8	(14,627,023)	(14,320,887)
Other expenses	9	(27,483,472)	(27,713,730)
Other gains (losses)	10	210,719	5,068,419
Profit (loss) from operating activities		(9,355,019)	(1,534,380)
Finance income	11	1,820,590	944,878
Finance costs	12	(4,136,316)	(4,303,354)
Impairment losses and impairment of financial assets		(97,950)	0
Profit (loss) before tax		(11,768,695)	(4,892,856)
Tax income (expense)	13	1,367,367	(242,991)
Profit (loss) from continuing operations		(10,401,328)	(5,135,847)
Profit (loss) from discontinued operations		0	0
Profit (loss) for the year		(10,401,328)	(5,135,847)
Attributable to:			
Equity holders of the parent		(10,394,079)	(5,128,782)
Non controlling interests		(7,249)	(7,065)

The accompanying notes are integral part of these consolidated financial statements.
This is a free translation from the original Romanian version.

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

	Note	Year ended December 31, 2024 RON	Year ended December 31, 2023 RON
Profit (loss)		(10,401,328)	(5,135,847)
<i>Components of other comprehensive income that will not be reclassified to profit or loss, before tax</i>			
Other comprehensive income, before tax, gains (losses) on revaluation		0	0
Total OCI that will not be reclassified to profit or loss, before tax		0	0
<i>Components of other comprehensive income that will be reclassified to profit or loss, before tax</i>			
Gains (losses) on exchange differences on translation, before tax		(6,358)	64,719
Total OCI that will be reclassified to profit or loss, before tax		(6,358)	64,719
Total other comprehensive income, before tax		(6,358)	64,719
Income tax relating to changes in revaluation surplus included in other comprehensive income	13	186,674	485,482
Total other comprehensive income		180,316	550,201
Total comprehensive income		(10,221,012)	(4,585,646)
Comprehensive income attributable to			
Comprehensive income, attributable to owners of parent		(10,213,763)	(4,578,581)
Comprehensive income, attributable to non-controlling interests		(7,249)	(7,065)

The consolidated financial statements were approved by the Board of Directors and were authorized for issuance on March 26, 2025.

PREPARED BY,

For signatures, please refer to the original Romanian version.

HUANG LIANG NENG,
Chairman of the Board
And General Manager

VIORICA ZAINESCU,
Financial Manager

CARMEN MANAILA,
Deputy General Manager for
Administrative Operations

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

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

ROMCARBON SA

	Not e	December 31, 2024 RON	December 31, 2023 RON
ASSETS			
Non-current assets			
Property, plant and equipment	14	126,111,282	122,672,069
Investment property	15	11,909,857	10,857,912
Goodwill	16	143,461	143,461
Intangible assets other than goodwill	17	541,353	802,899
Investments accounted for using equity method	18	0	0
Investments in subsidiaries, joint ventures and associates		297,974	297,974
Other financial non-current assets		0	0
Total non-current assets		139,003,927	134,774,315
Current assets			
Current inventories	19	64,110,951	59,716,567
Trade and other current receivables	20	54,097,088	60,437,183
Other current financial assets	21	2,621,744	2,833,298
Other current non-financial assets	22	1,156,150	1,093,312
Cash and cash equivalents	23	14,353,306	33,716,158
Total current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners		136,339,239	157,796,518
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	24	0	0
Total current assets		136,339,239	157,796,518
TOTAL ASSETS		275,343,166	292,570,833
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	25	52,824,419	52,824,419
Retained earnings	26	18,532,859	30,821,626
Share premium		2,182,283	2,182,283
Other reserves	27	64,764,622	65,302,625
Total equity attributable to owners of parent		138,304,183	151,130,953
Non-controlling interests	28	906,602	913,851
Total equity		139,210,785	152,044,804
Non-current liabilities			
Other non-current provisions		1,770,513	1,803,188
Total non-current provisions		1,770,513	1,803,188
Deferred tax liabilities		5,637,270	7,477,700
Other non-current financial liabilities	29	129,900	7,409,934
Other non-current non-financial liabilities	31	9,353,314	9,784,375
Total non-current liabilities		16,890,997	26,475,197
Current liabilities			
Trade and other current payables	30	46,188,413	39,045,876
Other current financial liabilities	29	64,209,954	65,128,044
Other current non-financial liabilities	31	8,843,017	9,876,912
Total current liabilities other than liabilities included in disposal groups classified as held for sale		119,241,384	114,050,832
Liabilities included in disposal groups classified as held for sale		0	0
Total current liabilities		119,241,384	114,050,832
Total liabilities		136,132,381	140,526,029
Total equity and liabilities		275,343,166	292,570,833

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

ROMCARBON SA

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

2024	Issued capital	Share premium	Revaluation surplus	Legal & Other reserves	Reserve of exchange differences on translation	Retained earnings	Equity attributable to owners of parent	Non-controlling interests	Equity
Equity at beginning of period	52,824,419	2,182,283	38,209,797	28,092,150	(999,322)	30,821,626	151,130,953	913,851	152,044,804
Profit (loss)	0	0	0	0	0	(10,394,079)	(10,394,079)	(7,249)	(10,401,328)
Other comprehensive income	0	0	186,674	0	(6,358)	0	180,316	0	180,316
Total comprehensive income	0	0	186,674	0	(6,358)	(10,394,079)	(10,213,763)	(7,249)	(10,221,012)
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	(2,641,221)	(2,641,221)	0	(2,641,221)
Increase (decrease) through other changes, equity	0	0	(718,318)	0	(1)	746,533	28,214	0	28,214
Equity at end of period	52,824,419	2,182,283	37,678,153	28,092,150	(1,005,681)	18,532,859	138,304,183	906,602	139,210,785

The resolution of the General Meeting of Shareholders of 29.04.2024 approved the dividend allocation in amount of Lei 2,641,220.96. The amount, less the dividend tax, was transferred to the Central Depository in order to pay the dividends owed to the shareholders.

In 2024 the dividend per share was in amount of 0.005 lei/share (2023: 0.05 lei /share).

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

ROMCARBON SA

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

2023	Issued capital	Share premium	Revaluation surplus	Legal & Other reserves	Reserve of exchange differences on translation	Retained earnings	Equity attributable to owners of parent	Non-controlling interests	Equity
Equity at beginning of period	26,412,210	2,182,283	39,201,199	24,778,341	(1,061,863)	77,247,165	168,759,335	920,916	169,680,251
Profit (loss)	0	0	0	0	0	(5,128,782)	(5,128,782)	(7,065)	(5,135,847)
Other comprehensive income	0	0	485,482	0	64,719	0	550,201	0	550,201
Total comprehensive income	0	0	485,482	0	64,719	(5,128,782)	(4,578,581)	(7,065)	(4,585,646)
Issue of equity	26,412,209	0	0	0	0	(26,412,209)	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	(13,206,105)	(13,206,105)	0	(13,206,105)
Increase (decrease) through other changes, equity	0	0	(1,476,884)	3,313,809	(2,178)	(1,678,443)	156,304	0	156,304
Equity at end of period	52,824,419	2,182,283	38,209,797	28,092,150	(999,322)	30,821,626	151,130,953	913,851	152,044,804

The resolution of the General Meeting of Shareholders of 27.04.2023 approved the dividend allocation in amount of Lei 13,206,104.80. The amount, less the dividend tax, was transferred to the Central Depository in order to pay the dividends owed to the shareholders.

On 30.06.2023, it was completed the registration in the Trade Register of the increase of the company's share capital with the amount of 26,412,209.60 lei, from 26,412,209.60 lei to 52,824,419.20 lei by issuing a number of 264,122,096 new shares, with a nominal value of 0.10 lei/share, according to the AGEA decision of 04/27/2023. The capital increase was achieved by incorporating into the company's share capital the amount of 26,412,209.60 lei, representing a part of the net profit recorded in the 2022 financial year.

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Cash flows from (used in) operating activities

Profit (loss)

Adjustments for non-monetary items

	31-dec-24	31-dec-23
Profit (loss)	(10,401,328)	(5,135,847)
Adjustments for income tax expense	(1,367,367)	242,991
Interest expenses and bank fees	4,113,937	3,620,436
(Gain) / Loss on sale or disposal of fixed assets	(26,732)	(9,603)
(Gain) / Loss on sale or disposal of assets held for sale	0	(3,992,451)
(Gain) / Loss on sale or disposal of financial investments	(782,307)	0
Production of the immobilization	(2,676,844)	(873,355)
Interest income	(804,646)	(886,996)
Adjustments related to financial assets	97,950	0
Loss on impairment of stocks	962,798	451,898
Loss on impairment of trade receivables	0	(404,004)
Loss on time-barred receivables	61,710	790,821
Amortization / Depreciation of non-current assets	14,627,022	14,320,887
Net (gain) / loss on foreign exchange	(233,636)	633,143
(Gain) / Loss on revaluation of investment property	(435,954)	(974,174)
Increase / Decrease in provisions	(32,675)	374,171
Increases /(decreases) in subsidies	(3,325,296)	(3,600,219)

Movement in working capital

(Increase) / Decrease in trade and other receivables	4,198,313	(573,073)
(Increase) / Decrease in inventories	(5,357,183)	5,731,286
(Increase) / Decrease in other assets	179,150	3,664,955
Increase / (Decrease) in trade and other payables	7,844,687	(8,370,281)
Increase / (Decrease) in other payables	1,235,090	(521,956)

Total adjustments to reconcile profit (loss)

Interest paid	(3,907,534)	(3,121,846)
Income taxes refund (paid)	152,189	(40,792)
Bank commissions paid	(206,402)	(498,589)

Net cash flows from (used in) operating activities

Cash flows from (used in) investing activities

Payments for property, plant and equipment	(17,102,682)	(11,406,931)
Payments for intangible assets	(308,129)	(597,591)
Proceeds from disposal of property, plant and equipment	1,816,076	14,000
Proceeds from subsidies	2,315,700	0
Short-term financial investment	(128,384)	(2,529,566)
Proceeds from selling short-term financial investments	782,307	0
Proceeds from disposal of assets held for sale	0	7,752,606
Proceeds from sale of investment property	(615,991)	0
Interest received	804,646	886,988

Net cash flows from (used in) investing activities

Cash flows from (used in) financing activities

Proceeds from borrowing	1,749,141	11,400,105
Repayment of borrowing	(9,851,283)	(17,548,464)
Lease repayments	(97,975)	0
Dividends paid	(2,641,220)	(28,951,452)

Net cash flows from (used in) financing activities

Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes

Effect of exchange rate changes on cash and cash equivalents	0	0
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Net increase (decrease) in cash and cash equivalents

	(19,362,852)	(40,152,903)
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Cash and cash equivalents at beginning of period

	33,716,158	73,869,061
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Cash and cash equivalents at end of period

	14,353,306	33,716,158
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1. GENERAL INFORMATION

ROMCARBON S.A. (the "Parent") has its main office in Romania and the address in Buzău, Str. Transilvaniei, nr. 132 and is organised as a joint-stock company with the following identification details: registered with the Registry of Commerce under no. J10/83/1991, Fiscal Code RO1158050. Country of incorporation is Romania. As at December 31, 2024 the Parent's shares were traded on the BSE and its main shareholders were Living Plastic Industry S.R.L., Joyful River Limited Loc. Nicosia CYP, Toderiță Ștefan Alexandru. The reporting entity of the Group is Romcarbon SA.

The Parent's main activity is the manufacture of plastic packaging, NACE code 2222.
In the reporting period it wasn't changed the name of the parent company nor the field of activity.

As at December 31, 2024 the parent company was holding directly or through other subsidiaries, participating interest in the following entities, forming ROMCARBON GROUP („GROUP”):

RC ENERGO INSTALL S.R.L. is a company established in 2005, fully owned by S.C. Romcarbon S.A. The company's main office is located in Buzău, Str. Transilvaniei, nr. 132. The company was established by outsourcing the maintenance and repair of heating, water installations, sewage and substations; the main object of activity is Plumbing, heat and air conditioning installation (NACE code 4322).

LIVINGJUMBO INDUSTRY S.A. is a company established in 2002, where S.C. Romcarbon S.A. holds 99.86% of the shares and the remaining shares are held by Romanian legal persons. The company's main office is located in Buzău, Str. Transilvaniei, nr. 132. The company's main object of activity is Manufacture of plastic packing goods (NACE code 2222).

INFO TECH SOLUTIONS S.R.L. is a company established in 2005, where S.C. Romcarbon S.A. holds 99.50% of the shares and the remaining shares are held by natural persons. The company's main office is located in Buzău, Str. Transilvaniei, nr. 132. The company was established by outsourcing the IT services and its main object of activity is Other information technology and computer service activities (NACE code 6209).

YENKI S.R.L. is a company established in 2007, where S.C. Romcarbon S.A. holds 33.34% of the shares and the remaining shares are held by Romanian legal and natural persons. The company's main office is located at Soseaua Nordului, DN2, Buzău. The company's main object of activity is Operation of sports facilities (NACE code 9311).

GRINFILD LLC UKRAINE is a company established in 2007, where SC Romcarbon SA holds 62.62% of the shares and the remaining shares are held by foreign legal persons. The company's main office is located in Ukraine, Odessa region, Krijianivka locality, Str. Mikolayevska, Bl. 2. The company's main object of activity is wholesale. The company ceased its activity in 2012.

GRINRUH LLC UKRAINE is a company established in 2007, where SC Romcarbon SA holds 62.62%. The company's main office is located in Ukraine, Odessa region, Krijianivka locality, Str. Mikolayevska, Bl. 2. The company's main object of activity is construction and wholesale. The company ceased its activity in 2012.

ECO PACK MANAGEMENT SA is a company established in 2010, where SC Romcarbon SA directly holds 25.36% and 74.62% indirectly. The remaining shares are held by Romanian legal persons. The company's main office is located in Buzau, 132 Transilvaniei street, Granules Hall, room no.7, 2nd floor. The company's main object of activity is Other business support service activities n.e.c. (NACE code 8299). The company's activity was suspended until 27.11.2024.

RECYPLAT LTD is a company established in 2011, wholly owned by SC Romcarbon SA. The company's main office is located in Akropoleos, 59-61, 3rd floor, Nicosia, Cyprus.
The company's main object of activity is the Conduct of activities and business of consultants, experts in all scientific fields, financial, administrative or otherwise, in relation to the setting up, operation, development and improvement of any business, industry, company, partnership or other organization.
At the date of these statements, the company is in the process of voluntary liquidation.

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

1. GENERAL INFORMATION (continued)

Table with Group holdings

Name	Field of business	Place of business	Interest held	31-dec-24	31-dec-23	Consolidation method
			%	RON	RON	
RECYPLAT LTD CIPRU ¹⁾	Activities and business of consultants, experts in all scientific fields, financial, administrative or otherwise	Nicosia	100.00%	69,740	113,154	Global method
RC ENERGO INSTALL SRL	Plumbing, heat and air conditioning installation (NACE code 4322)	Buzau	100.00%	15,112	15,112	Global method
INFO TECH SOLUTIONS SRL	Other information technology and computer service activities (NACE code 6209)	Buzau	99.00%	1,990	1,990	Global method
LIVINGJUMBO INDUSTRY SA	Manufacture of plastic packing goods (NACE code 2222)	Buzau	99.86%	6,477,632	6,477,632	Global method
GRINFILD LTD ²⁾	Activity is wholesale	Odessa	62.62%	2,687,755	2,687,755	Global method
GRINRUH LTD ²⁾	Activity is construction and wholesale	Odessa	62.62%	4,426,809	4,426,809	Global method
ECO PACK MANAGEMENT SA ³⁾	Other business support service activities n.e.c. (NACE code 8299)	Bucharest	99.88%	2,619,254	2,619,254	Global method
YENKI SRL	Operation of sports facilities (NACE code 9311)	Buzau	33.34%	100,000	100,000	Equity method, unconsolidated
KANG YANG BIOTECHNOLOGY CO. LTD ⁴⁾	Manufacture of products beneficial to human health	Taiwan	4.81%	203,963	203,963	Outside consolidation area
Registrul Miorita SA ⁴⁾	Other financial service activities, except insurance and pension funding n.e.c. (NACE code 6499)	Cluj	3.79%	5,000	5,000	Outside consolidation area
Asociatia "Viitorul incepe azi" ⁴⁾		Buzau	14.29%	1,000	1,000	Outside consolidation area

¹⁾ On 07.06.2023, the amount of EUR 4,648,100 was collected from Recyplat LTD, resulting from the operation of reducing the share capital with a number of 10,000 ordinary shares with a value of EUR 1.00 per share, issued with a premium of issue, thus the issue premium account of Recyplat Limited, being reduced from EUR 4,648,100 to EUR 0.00. At the date of these statements, the company is in the process of voluntary liquidation.

²⁾ The company ceased its activity in 2012.

³⁾ The company's activity was suspended until 27.11.2024.

⁴⁾ Entity associated with the group.

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

2. MAIN ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") effective on the Company's reporting date, i.e. December 31, 2024 and in accordance with the provisions of Ministry of Public Finance Order no. 2844/2016 approving the Accounting regulations compliant with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, with subsequent amendments and clarifications. Such provisions are consistent with the requirements of the International Financial Reporting Standards adopted by the European Union.

Bases of preparation

The consolidated financial statements were prepared on a going concern basis, at historical cost, adjusted to hyperinflation as at December 31, 2003 for fixed assets, share capital and reserves.

The financial statements are prepared based on the statutory accounts kept in accordance with Romanian accounting principles, adjusted for compliance with IFRS

Going concern

These financial statements have been prepared under the going concern basis, which implies that the Group will continue its activity also in the foreseeable future.

To assess the applicability of this presumption, management reviews forecasts of future cash inflows. On December 31, 2024, the Group's current assets exceed current liabilities by 22,123,942 RON. In 2024, the Group recorded a loss of – 10,401,328 RON (2023: – 5,135,847 RON) and a cash flows of – 19,362,852 RON, out of which from Operating activities 3,914,942 RON, from investing activities 12,436,457 RON, and from financing activities -10,841,337 RON (2023: -40,152,903 RON, out of which from Operating activities 827,402 RON, from investing activities -5,880,494 RON, and from financing activities – 35,099,811 RON).

Based on the budgets of the companies in the Group proposed for the year 2025 and the positive growth trend recorded in the last months of 2024, the management believes that the Group will be able to continue its activity in the foreseeable future and, therefore, the application of the principle of going concern in the preparation of financial statements is justified.

Bases of consolidation

The consolidated financial statements include the financial statements of the Parent, of its subsidiaries and joint ventures.

The subsidiaries included in the consolidation process are mentioned in [Note 1 General Information](#). Control is obtained when the Parent has the power to govern the financing and operating policies of an entity to acquire benefits from the latter's activities.

In view of the Commission Delegated Regulation (EU) 2018/815 (hereinafter referred to as the ESEF RTS) which specifies the single electronic reporting format (ESEF) in which all financial statements are prepared, the Group considered it necessary to align the presentation of the overall result with the financial position. compliance with ESEF taxonomy.

The profit of the subsidiary acquired during the year is included in the consolidated income statement as at the acquisition date.

Where required, the subsidiary's financial statements are corrected to adjust its accounting policies in accordance with the policies used by the Parent.

All group transactions, balances, income and expenses are completely eliminated from the consolidation.

Non-controlling interests in net assets (excluding goodwill) of the subsidiary are disclosed separately from the Group's equity. Non-controlling interests consist in the sum of interests as at the date of the original business combination (see below) and the non-controlling share in changes in equity starting from the combination date. Losses corresponding to the minority, which exceed the non-controlling interest held in the subsidiary's equity are allocated as compared to the Group's interests, except if the minority holds an obligation and can make additional investments to cover losses.

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

2. MAIN ACCOUNTING POLICY (continued)

I. New Standards, Interpretations, and Amendments Adopted as of 1 January 2024

The following amendments apply to periods beginning on or after January 1, 2024:

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);

On 22 September 2022, the IASB issued amendments to IFRS 16 - Lease Liability in a Sale and Leaseback (the Amendments).

Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

II. Standards and Amendments Not Yet in Effect

The following modifications will become applicable in future reporting periods:

Lack of Exchangeability (Amendment to IAS 21 - The Effects of Changes in Foreign Exchange Rates)

This amendment to IAS 21 clarifies how entities should assess and account for transactions in currencies that are not freely exchangeable on foreign exchange markets. The standard introduces new requirements for identifying and measuring the applicable exchange rate when exchangeability is restricted. The objective of this amendment is to enhance consistency and comparability in financial reporting for economies with significant foreign exchange restrictions. Effective for the annual reporting period beginning 1 January 2025.

2. MAIN ACCOUNTING POLICY (continued)

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

These amendments clarify and improve the rules for classifying and measuring financial instruments, ensuring more consistent application of IFRS 9 and IFRS 7 principles. The key changes include:

- Clarification of the criteria for classifying financial assets based on the business model and cash flow characteristics.
- Enhancements to the recognition and measurement of financial liabilities, including aspects related to contractual term modifications.
- New disclosure requirements for entities using complex financial instruments, aiming to increase transparency and comparability in financial reporting.

Effective for the annual reporting period beginning 1 January 2025

Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

These amendments clarify the accounting treatment for electricity purchase agreements where supply is dependent on natural factors such as wind, solar, or hydroelectric power.

- Clarification of IFRS 9 applicability in determining whether electricity purchase agreements should be accounted for as financial instruments or executory contracts.
- Modifications to IFRS 7 disclosure requirements to improve transparency regarding risks associated with such contracts and their impact on financial statements.
- Impact on revenue recognition and financial risk assessment, particularly for entities entering long-term renewable energy contracts.

Effective for the annual reporting period beginning 1 January 2026

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorization and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures. Effective for the annual reporting period beginning 1 January 2027.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Published by the IASB in May 2024, IFRS 19 introduces a simplified reporting framework for subsidiaries that do not have a public accountability obligation but apply IFRS in their financial reporting. This standard reduces disclosure requirements for such entities while maintaining transparency and comparability of financial information. The main benefit of IFRS 19 is the reduction of administrative and reporting costs without compromising the usefulness of financial statements for users. Effective for the annual reporting period beginning 1 January 2027.

Revenue recognition

According to IFRS 15, revenue is recognized when or as the customer acquires control of the goods or services at the value that reflects the price that the Company expects to be entitled to receive in exchange for those goods and services. Income is recognized at the fair value of the services rendered or the goods delivered, net of VAT, excise duties and other sales taxes.

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

2. MAIN ACCOUNTING POLICY (continued)

IFRS 15 "Revenue from contracts with customers"

IFRS 15 "Revenue from contracts with customers" introduces a comprehensive model for the recognition and measurement of income. The standard replaces the income recognition criteria, replacing IAS 18 "Revenue", IAS 11 "Construction Contracts" and IFRIC 13 "Customer Loyalty Programs". Under the new standard, revenue is recognized when or as the customer acquires control of the goods or services at the value that reflects the price that the Company expects to be entitled to receive in exchange for those goods and services.

Being permitted by the standard, the Company adopted IFRS 15 as of January 1, 2018 using the revised retrospective method with cumulative adjustments from the initial application recognized as at 1 January 2018 in equity and without altering the figures for prior periods. Initial application has no impact on the Company's retained earnings.

Income is measured at the fair value of amounts received or receivable. Income is reduced by the value of returns, commercial rebates and other similar costs

Sale of goods

Income from sale of goods is recognized when the following conditions are met:

- i. The Group has transferred to the buyer all the significant risks and rewards of ownership of the goods;
- ii. The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii. The value of the income can be measured reliably.

Dividend and interest income

Income from dividends related to investments is recognized when the shareholders' right to receive them is established.

Revenues from services delivered

Revenues from services delivered are recognized if they can be reliably measured.

The revenue associated with the transaction must be recognized according to the stage of execution of the transaction at the balance sheet date. The outcome of a transaction can be reliably estimated when all of the following conditions are met:

- a. the amount of revenue can be reliably assessed;
- b. it is likely that the economic benefits associated with the transaction will be generated for the Company;
- c. the stage of completion of the transaction at the end of the reporting period can be reliably assessed; and
- d. the costs incurred for the transaction and the costs of completing the transaction can be reliably measured.

When the outcome of a transaction involving the revenues from services delivered cannot be reliably estimated, revenue should be recognized only to the extent of recognized recoverable expenses.

Foreign currency transactions

The Group operates in Romania and its functional currency is the Romanian leu.

When preparing the financial statements of individual entities and the Group, transactions in currencies other than the functional currency (foreign currencies) are registered at the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing at the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

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

2. MAIN ACCOUNTING POLICY (continued)

Foreign currency transactions (continued)

Foreign exchange differences are recognized in the profit and loss as they arise.

The official conversion rates used to convert balance sheet items denominated in foreign currency at the end of the reporting period were as follows:

-	December 31, 2023:	4.4958 LEI/USD	and	4.9746 LEI/EUR
-	December 31, 2024:	4.7768 LEI/USD	and	4.9741 LEI/EUR

Costs related to long-term borrowings

Costs related to long-term borrowings directly attributable to the acquisition, construction or production of assets, which require a substantial amount of time to be used or for sale are added to the cost of such assets, until such assets are ready to be used according to their purpose or for sale.

All the other borrowing costs are recognized in the income statement as incurred.

Government subsidies

Government subsidies are not recognized until there is reasonable assurance that the Group will comply with the conditions of such subsidies and the subsidies are received.

Government subsidies whose main condition is that the Group acquire, build or otherwise obtain non-current assets are recognized as deferred income in the balance sheet and are transferred to the income statement systematically and rationally throughout the useful life of such assets.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Provisions for taxes

As at December 31, 2024 the Group's financial statements include revaluation reserves. Based on the latest provisions of current legislation, such reserves may become taxable if their destination changed, by using them to cover accounting losses or by the Group's winding up. The Group's management considers that there is no intention to use such reserves to cover accounting losses. Nevertheless, if such reserves are used to cover losses, the Group must register an income tax liability in connection with such reserves.

Deferred tax

Deferred tax is recognized on the difference between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

2. MAIN ACCOUNTING POLICY (continued)

Taxation (continued)

Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than from a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, unless the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that sufficient taxable profits will be available against which the benefits of the temporary differences can be utilized and are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that there will be sufficient taxable profits to allow full or partial recovery of the asset.

Deferred tax assets and liabilities are measured at the tax rates estimated to be applied in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) in force or substantially enacted by the date of the balance sheet. The measurement of deferred tax assets and liabilities reflects the tax consequences of how the Group estimates, at the reporting date, that it will recover or settle the book value of its assets and liabilities.

Current and deferred tax for the period

Current and deferred taxes are recognized as expense or income in statement of comprehensive income, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is considered when calculating goodwill or when determining the excess of the acquirer's interests in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company on cost.

Property, plant and equipment

Land and buildings held to be used in the production or delivery of goods or services or for administrative purposes are recorded in the balance sheet at fair value less the subsequently accumulated depreciation and other losses of value.

The Group conducts the revaluation of land and buildings based on a valuation report issued by a professional valuer, in order to determine the fair value thereof as at the balance sheet date. Revaluations are conducted with enough regularity so as to ensure that the carrying amount does not differ significantly from the amount that would have been determined by using fair value at the end of the reporting period. The increases in the book values of tangible assets further to revaluation were credited to Revaluation reserves under Equity. Revaluation reserves established after 2004 are not fiscally deductible.

Gains and losses on the sale or disposal of an asset are determined as difference between income from the asset sale and their net book value. Gains and losses are recognized in the Income Statement.

The buildings' depreciation is charged to the income statement.

Assets under construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at historical cost. Depreciation of these assets, on the same basis as other tangible assets, commences when the assets are ready for their intended use.

Plant and equipment are recorded in the balance sheet at historical cost adjusted to the effect of hyperinflation as at December 31, 2003, in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies less the subsequently accumulated depreciation and impairment losses.

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

2. MAIN ACCOUNTING POLICY (continued)

Property, plant and equipment (continued)

Depreciation is registered so as to diminish the cost other than the cost of land and buildings under construction, throughout their estimated useful life, on a straight line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

Expenditures on significant improvements are capitalized if they extend the useful life of the fixed asset or result in a substantial increase in its capacity to generate revenue. Maintenance, repair costs, and minor improvements are recognized as expenses when incurred

Assets held in financial leasing are amortized over the useful life, similarly to the assets held or, if the lease term is shorter, over the term of the respective leasing contract.

Losses or gains from selling or disposing a tangible asset are computed as difference between sale revenues and the net book value of the asset and are recognized in the income statement.

The following useful lives are used in the depreciation calculation:

	<u>Years</u>
Buildings	5 – 45 years
Plant and equipment	3 – 20 years
Other installations, office equipment	3 – 30 years
Vehicles in finance lease	5 – 6 years

Investment property

Investment property are properties held to earn rentals and/or for future capital appreciation. They are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in the profit or loss in the period in which they arise.

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are carried at cost less accumulated amortization. Amortization is calculated on a straight line basis throughout their useful life. The estimated useful life and method of amortization are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The calculation of amortization uses the following useful lives:

	<u>Years</u>
Licences	1 – 5

Impairment of tangible and intangible assets, goodwill exclusively

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the Group estimates the recoverable amount of the asset in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

2. MAIN ACCOUNTING POLICY (continued)

Intangible assets (continued)

Impairment of tangible and intangible assets, goodwill exclusively (continued)

Where a reasonable and consistent basis of allocation cannot be identified, tangible assets are allocated to the smallest group of cash-generating units for which a consistent and reasonable allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including a portion corresponding to indirect fixed and variable expenses are allocated to inventories held according to the most suitable method to that class of inventory, most of them being measured using the weighted average. The net realizable value represents the estimated selling price for inventories less all estimated completion costs and costs necessary to make the sale.

Assets held for sale

Assets held for sale are represented by real estate held by the Company, which forms the object of a selling plan as at the date of the consolidated financial statements. Such assets are not depreciated and are carried at the lower of carrying amount and fair value, less costs to sell and are presented separately in the consolidated financial statements. Resulting gains and losses are included in profit or loss as they arise.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive), as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

The amount recognized as provision is the best estimate of the required amount to settle the obligation at the balance sheet date, considering the risks and uncertainties related to the obligation. If a provision is measured using estimated cash flows to settle the current obligation, then the carrying value is the current value of such cash flows.

2. MAIN ACCOUNTING POLICY (continued)

Fair value measurement IFRS 13

A number of assets and liabilities included in the Company's financial statements require measurement and / or presentation at fair value.

IFRS 13 Defines fair value as the price at which it would be collected for the sale of an asset or paid for the transfer of a debt in a regulated transaction between market participants at the measurement date (ie an exit price). The definition of fair value emphasizes that fair value is a market-based valuation, not a Company-specific value.

IFRS 13 applies when another IFRS provides or permits fair value measurements or disclosures about fair value measurements except in the following cases:

- a) Share-based payment transactions falling under IFRS 2
- b) Leasing transactions that fall under IFRS 16
- c) Measurements that are similar to fair value but do not represent fair value, such as net realizable value under IAS 2
- d) Plan assets valued at fair value in accordance with IAS 19
- e) Assets whose recoverable amount is fair value less costs associated with disposal under IAS 36

Fair Value Hierarchy - In order to improve the consistency and comparability of fair value measurements and related disclosures, this hierarchy is classified into 3 levels:

1. Level 1 inputs – quoted prices (not adjusted) on active markets for identical assets or liabilities, to which the Company has access at the measurement date
2. Level 2 inputs – inputs other than the quoted prices included in level 1 that are observable for assets or liabilities either directly or indirectly
3. Level 3 inputs– inputs for assets or liabilities that are not based on observable inputs

Financial assets and liabilities

The group applies IFRS 9 – Financial instruments which entered into force on January 1, 2018 and which uses for the classification of financial assets, the business model of the entity and the cash flow characteristics of the financial asset according to the contract.

Classification of the financial assets

According to IFRS 9 Financial instruments, financial assets are classified in:

1. financial asset valued at amortized cost if both conditions below are met:
 - the financial asset is held within a business model whose objective is to hold the financial assets to collect contractual cash flows and
 - the contractual terms of the financial asset generate, on certain dates, cash flows that are exclusively payments of the principal and the interest related to the principal owed.
2. financial asset valued at fair value through other elements of the overall result if both conditions below are met
 - the financial asset is held within a business model whose objective is fulfilled both by collecting the contractual treasury flows and by selling the financial assets and
 - the contractual terms of the financial asset generate, on certain dates, cash flows that are exclusively payments of the principal and the interest related to the principal owed
3. financial asset valued at fair value through profit or loss, unless it is valued at amortized cost in accordance with point 1 or at fair value through other elements of the comprehensive result in accordance with point 2.

With the exception of trade receivables that fall under the scope of IFRS 15, a financial asset or a financial liability is initially evaluated at fair value, and in the case of a financial asset or a financial liability that is not at fair value through profit or loss, it is added or decrease the costs of the transaction that are directly attributable to the purchase or issue of the financial asset or financial debt.

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

2. MAIN ACCOUNTING POLICY (continued)

Classification of the financial assets (continued)

After the initial recognition, the subsequent evaluation of the financial assets is done at:

- amortized cost
- the fair value through other elements of the global result or
- fair value through profit or loss

Financial assets include shares held in subsidiaries, associated entities and jointly controlled entities, loans granted to these entities, other investments held as fixed assets and other loans.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operational policy decisions of the investee, but there is no joint control or control over these policies.

The Group's investment in its associates is accounted for using the equity method. According to the equity method, the investment in a partner is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the share of the associated group's net assets at the acquisition date. Goodwill related to the associate is included in the carrying amount of the investment and is not tested separately for impairment

The profit or loss statement reflects the Group's share of the associate's results of operations. Any change in the OCI of those holdings is presented as part of the Group's OCI. In addition, when there has been a directly recognized change in equity, the Group recognizes its share of any change, when applicable, in the statement of changes in equity. Unrealized gains and losses arising from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the profit or loss share of an associate of the Group is presented in the statement of profit or loss other than operating profit and represents profit or loss after taxes and non-controlling interests in the associate's subsidiaries.

The financial statements of the associate are prepared for the same reporting period as the group. When necessary, adjustments are made to align the accounting policies with those of the Group.

After applying the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its association. At each reporting date, the Group determines whether there is objective evidence that the investment in the association is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount and then recognizes the loss in "Share of profit of an associate" in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognizes any investment retained at its fair value. Any difference between the carrying amount of the associate at the loss of significant influence and the value of the retained investment and the income from disposal are recognized to profit or loss.

The Group's financial assets include cash and cash equivalents, trade receivables and long-term investments. Financial liabilities include finance lease obligations, interest-bearing bank loans, overdrafts, trade payables and other liabilities.

For each item, the accounting policies for recognition and measurement are presented in this note. Management believes that the estimated fair values of these instruments approximate their carrying amounts.

2. MAIN ACCOUNTING POLICY (continued)

Financial assets and liabilities (continued)

Investments in associates (continued)

The impairment model in IFRS 9 requires that impairment allowances be recognized in accordance with expected credit losses and not in accordance with the model of actual credit losses provided for in IAS 39. IFRS 9 requires the Group to record an allowance for expected credit losses on all loans and financial assets attached to liabilities that are not held at fair value through profit or loss. Financial assets measured at amortized cost will be subject to impairment allowances in accordance with IFRS 9. In general, the application of the model for expected credit losses will involve the earlier recording of credit losses and will lead to an increase in the impairment allowance for the relevant items.

For some financial instruments, such as trade receivables, impairment losses are estimated based on a simplified approach, recognizing lifetime expected credit losses. The Group has established a matrix of provisions based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to borrowers and the business environment.

Borrowings are initially recognized at fair value less costs incurred with such operation. Subsequently, they are registered at amortized cost. Any difference between the entry value and the repayment value is recognized in the income statement over the borrowing term, using the effective interest method.

Financial liabilities

The Group classifies financial liabilities into one of the categories presented below, depending on the purpose for which they were acquired.

- *Measured at fair value through profit or loss* - only for the categories of derivative financial instruments held for sale. These are recognized in the balance sheet at fair value, and changes in value are recognized in the income statement.
- *Other financial liabilities*: this category includes the following:

Bank loans, which are initially recognized at amortized cost, less transaction costs directly attributable to obtaining the loans.

Debts and other short-term monetary liabilities, which are initially recognized at amortized cost, subsequently presented at cost using the market interest method.

Financial liabilities are classified as liabilities or equity according to the substance of the contractual arrangements. Interest, dividends, gains and losses related to a financial instrument classified as debt are reported as expense or income. Distributions to equity holders are directly recorded to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on net basis, or to realize the asset and simultaneously write off the obligation.

The classification of investments depends on their nature and scope and is determined on the initial recognition date.

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

2. MAIN ACCOUNTING POLICY (continued)

Financial assets available for sale (AFS)

Shares held in an unlisted capital instruments are classified as AFS and are registered at fair value. Gains and losses arising from changes in fair value are directly recognized in equity, in investment revaluation reserves, except for impairment losses, interest calculated using the effective interest method and gains and losses from the exchange rate of monetary assets, which are recognized directly in profit and loss. If the investment is sold or it is found impaired, then the gain or loss previously cumulated previous recognized in the investment revaluation reserve, is included in the profit and loss of the period.

Dividends from AFS capital instruments are recognized in profit and loss when the Group's right to receive them is established.

Impairment of financial assets

Financial assets, other than the ones recognized at fair value through the profit and loss account, are measured for impairment on each balance sheet date.

Financial assets are impaired when there is objective evidence that one or more of the events occurring after initial recognition have affected future cash flows related to the investment.

For shares available for sale, a significant or extended decline of the fair value of the security below its cost is considered objective evidence of impairment.

Certain categories of financial assets, such as receivables, assets evaluated as individually non-impaired, are subsequently evaluated for impairment collectively. Objective evidence for the impairment of a portfolio of receivables may include the Group's past experience in collective payments, an increase of delayed payments beyond the credit period, as well as visible changes of national and local economic conditions correlated with payment incidents regarding receivables.

The accounting value of the financial asset is reduced by the impairment loss, directly for all financial assets, except for trade receivables, in which case the accounting value is reduced by using a provision account. If a receivable is considered to be irrecoverable, it is eliminated and deducted from the provision. Subsequent recoveries of amounts previously written off are credited to the provision account. Changes in the accounting value of the provision account are recognized in the profit and loss account.

Derecognition of financial assets and liabilities

The Group derecognizes financial assets only when the contractual rights over cash flows related to the assets expire; or when it transfers the financial asset and substantially all risks and rewards related to the asset to another entity.

The Group derecognizes financial liabilities when and only when the Company's liabilities have been paid, written off or expired.

Segment reporting

Reporting by activity segments is based on the management's analysis of the group's activity considering production processes, sales markets, the relevance of the resulting information. Thus, the Management has identified four activity segments: Plastics processing, Recycled Polymers and compounds, Other productive sectors and Other activities.

The "Plastics processing" segment includes the income obtained by the Group from the sale of polyethylene products (agricultural films and heat-shrinkable films, polyethylene bags of various thicknesses and sizes, covers), polypropylene (polypropylene bags for the milling and bakery industry, chemistry, the sugar industry, etc. and large-sized bags - big-bags), polystyrene products (extruded polystyrene trays – standard, extruded polystyrene boards for floor insulation), PET products (PET trays and foils and films multilayer (lamination, sealing, thermoforming), PVC pipes, etc. The activities of this segment are carried out in Romcarbon SA and Livingjumbo Industry SA.

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

2. MAIN ACCOUNTING POLICY (continued)

Segment reporting (continued)

The segment "Recycled polymers & compounds" includes sales of regranulates from recycled polymers and plastic compounds from virgin polymers used by processors of plastics that produce articles for various applications in the automotive industry, the electrical and household appliances industry, furniture, construction, pipes, packaging, etc. The activity of this sector is carried out in Romcarbon SA.

In the "Other Productive Sectors" segment are included "Individual respiratory protection equipment and active carbon" which includes - respiratory protection equipment used by the large chemical and petrochemical plants in the country as well as activated carbon intended for various gas purification activities methane resulting from the process of biodegradation of household waste, greening of landfills, retention of toxic gases from incinerators, etc., the "Filters" category, which includes sales of oil, fuel and air filters for vehicles, vacuum cleaners, agriculture as well as industrial filters and "processed PVC" includes products made from recycled material intended for obtaining road signs.

Each business segment is allocated revenues and profits, assets and liabilities, depreciation and amortization expenses, and inputs of property, plant and equipment.

Earnings per share

IAS 33 - Earnings per share provides that, if an entity presents consolidated financial statements and separate financial statements, the presentation of earnings per share is based on consolidated disclosures only. If it chooses to disclose earnings per share based on its separate financial statements, it must disclose such information on earnings per share only in the statement of comprehensive income.

The Group has chosen to disclose earnings per share in the separate financial statements, based on the separate comprehensive income.

Use of estimates

The preparation of the financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the end of reporting date, and the reported amounts of revenue and expenses during the reporting period. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future period.

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

3. REVENUES FROM CONTRACTS WITH CUSTOMERS

An analysis of the Group's revenues for the reporting period is presented below:

	Fiscal year ended December 31, 2024 RON	Fiscal year ended December 31, 2023 RON
Revenues from sale of finished products ¹	246,872,722	249,100,439
Revenues from sale of commodities	34,368,279	32,316,563
Revenues from services delivered	5,463,057	4,167,180
Other revenues (revenues from sale of semi-finished goods, residual goods, other income)	20,611,592	19,099,803
Total	307,315,650	304,683,985
Segment reporting	Fiscal year ended December 31, 2024 RON	Fiscal year ended December 31, 2023 RON
Sales on domestic market (Romania)	220,956,159	220,329,430
Sales on foreign market (Europe)	85,517,808	84,026,942
Others (China, Israel, Turkey)	841,682	327,612
Total	307,315,650	304,683,985

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

4. SEGMENT REPORTING

	SEGMENT :REVENUES		SEGMENT : PROFIT	
	Exercițiul financiar încheiat la 31 Decembrie	Exercițiul financiar încheiat la 31 Decembrie	Exercițiul financiar încheiat la 31 Decembrie	Exercițiul financiar încheiat la 31 Decembrie
	2024	2023	2024	2023
	RON	RON	RON	RON
Plastics processing	223,769,201	221,742,967	21,220,850	21,059,225
Regenerated polymers & Compounds	35,453,261	39,128,957	(4,854,786)	(2,544,318)
Other productive sectors (protection materials, Active carbon, car and industrial filters, processed PVC. etc)	6,592,659	6,388,942	813,146	1,000,677
Revenues from sale of goods, sale of utilities, provision of services, other revenues	41,500,529	37,423,119	2,075,026	1,871,156
Total from operations	307,315,650	304,683,985	19,254,237	21,386,740
Other income			3,784,998	4,103,607
Other gains and losses, salaries and administrative expenses			(32,492,204)	(27,024,727)
Finance expenses			(4,145,817)	(6,706,016)
Finance income			1,830,091	3,347,540
Profit before taxation			(11,768,695)	(4,892,856)

"Plastics processing" segment include income obtained by the Group from selling polyethylene products (agriculture foils and thermo-contractible foils, polyethylene bags of different thicknesses and sizes, covers), polypropylene products (polypropylene bags for the milling and bakery industry, the chemical industry, sugar industry, etc. and big-bags), polystyrene products (extruded polystyrene trays, extruded polystyrene boards for floor insulation), PET products (PET trays and multilayer films (lamination, sealing, thermoforming), PVC tubes, etc.

"Regenerated Polymers & Compounds " segment includes income from sale of compounds and re-granulated materials made of recycled polymers and plastics compounds made of virgin polymers used by the processors of plastics products that manufacture items for various uses in the automotive industry, the electrical and household industry, furniture, constructions, pipes, packaging, etc.

Other productive sectors include the following groups of products:

- **"Materials for respiratory protection and active carbon"** include respiratory protection equipment used by the big chemical and petrochemical plants in the country as well as activated coal applied in different actions of purification of methane in the biodegradation of household waste, pit soil reclamation, retention of toxic gas from incinerators, etc.
- **"Filters"** include sales of oil, fuel and air filters for both motor vehicles and industrial use.
- **"Processed PVC"** includes products made of recycled materials used to produce traffic signs.

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

4. SEGMENT REPORTING (continued)

		SEGMENT : ASSETS		SEGMENT : LIABILITIES	
		31-dec 2024	31-dec 2023	31-dec 2024	31-dec 2023
		RON	RON	RON	RON
Romcarbon, LivingJumbo Industry	Plastics processing (Polypropylene, Polystyrene, Polyethylene, PET)	115,145,874	130,656,168	86,606,714	86,328,534
Romcarbon	Regenerated polymers & Compounds	54,977,876	62,507,285	13,436,560	15,486,466
Romcarbon	Other productive sectors (protection materials, Active carbon, car and industrial filters, processed PVC, etc)	5,770,849	6,507,893	1,820,460	1,856,108
Romcarbon, RC Energo Install, Info Tech Solutions, etc	Revenues from sale of goods, sale of utilities, provision of services, other revenues	99,448,567	92,899,487	34,268,648	36,854,922
Total Assets / Liabilities		275,343,166	292,570,833	136,132,381	140,526,030
		SEGMENT : DEPRECIATION		Segment of non-current assets additions *	
		31-dec 2024	31-dec 2023	31-dec 2024	31-dec 2023
		RON	RON	RON	RON
Romcarbon, LivingJumbo Industry	Plastics processing (Polypropylene, Polystyrene, Polyethylene, PET)	7,321,885	7,697,800	2,155,202	5.952.736
Romcarbon	Regenerated polymers & Compounds	3,561,568	5,128,315	8,413,538	1.947.399
Romcarbon	Other productive sectors (protection materials, Active carbon, car and industrial filters, processed PVC, etc)	359,124	325,239	-	-
Romcarbon, RC Energo Install, Info Tech Solutions, etc	Revenues from sale of goods, sale of utilities, provision of services, other revenues	3,384,446	1,169,533	5,795,490	1.368.055
Total		14.627.023	14,320,887	16,364,230	9,268,190

* Non-current assets additions represent inflows of fixed assets during the year and do not include inflows from purchases of subsidiaries.
In "Other activities" segment, the Group has one client (Kasakrom Chemicals SRL) whose turnover represents 8% (64% in 2023) of the Group's sale.

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

5. OTHER INCOME

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2023
	RON	RON
Income from lease of investment property	459,702	503,388
Income from subsidies	3,325,296	3,600,219
Total	3,784,998	4,103,607

6. RAW MATERIALS AND CONSUMABLES USED

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2023
	RON	RON
Raw materials	123,346,418	124,614,636
Commodities sold	11,926,121	13,928,036
Energy expenses	32,213,402	29,555,451
Goods sold	20,255,066	21,197,025
Packaging cost	224,967	2,002,415
Total	187,965,973	191,297,563

7. EMPLOYEE BENEFITS EXPENSES

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2023
	RON	RON
Salaries expenses	83,884,116	78,086,785
Social contributions	1,936,243	1,844,704
Meal tickets	6,039,103	4,642,894
Total	91,859,462	84,574,383

The increase in salary expenses is mainly due to the increase of the minimum wage in the economy in 2024 compared with 2023.

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

8. DEPRECIATION AND AMORTIZATION EXPENSES

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2023
	RON	RON
Amortization/depreciation , out of which:	14,627,023	14,320,887
Depreciation of property, plant and equipment (Note 14)	14,420,874	14,152,270
Amortization of intangible assets (Note 17)	206,149	168,616

9. OTHER EXPENSES

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2023
	RON	RON
Expenses with repairs	1,364,225	1,177,926
Expenses with rents	240,402	857,033
Expenses with insurance premiums	970,299	650,417
Research expenses	-	-
Other expenses with commissions	58,778	137,542
Protocol, advertising and publicity expenses	335,911	206,229
Transport	7,123,765	7,108,545
Expenses with travels	222,519	299,466
Expenses with postal charges and telecommunications	162,043	168,914
Expenses with third party services ¹	14,374,657	13,690,918
Other taxes and levies	1,857,550	1,825,611
Losses on receivables and sundry debtors	61,710	790,821
Expenses with indemnifications, fines and penalties	93,233	62,379
Other expenses	618,377	737,929
Total	27,483,472	27,713,730

¹ The indicator "Expenses with third party services" includes the cost of financial audit services. For the year 2024, the cost of financial audit services, according to the contract, was BDO AUDIT SRL: 75,000 Euros (2023 DELOITTE AUDIT SRL : 83,600 Euros).

10. OTHER GAINS (LOSSES)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2023
	RON	RON
Compensations, fines and penalties income	42,613	12,750
Gain/(loss) on disposal of property, plant and equipment	26,732	4,002,054
Gains / Losses on fair value adjustments related to investment property *	435,954	974,174
Gains / (Losses) from disposal of investment property	-	-
Net income / (expense) from provisions	(962,798)	(47,894)
Other losses	-	-
Other gains	668,219	127,335
Total	210,719	5,068,419

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

10. OTHER GAINS (LOSSES) (continued)

(**)On December 31, 2024, the Group revalued the investment properties held at the end of the financial year, resulting in an increase in the net value of Lei 435,955 (2023 : Lei 974,174), an amount that was recorded in the Profit of the year - see note 15.

11. FINANCE INCOME

	Fiscal year ended December 31, 2024 <i>RON</i>	Fiscal year ended December 31, 2023 <i>RON</i>
Interests	(804,646)	(886,996)
Income from short-term financial investments	(782,307)	(57,882)
Net foreign exchange gain	(233,637)	-
Total	(1,820,590)	(944,878)

12. FINANCE COST

	Fiscal year ended December 31, 2024 <i>RON</i>	Fiscal year ended December 31, 2023 <i>RON</i>
Interest expense*	3,907,534	3,121,845
Net foreign exchange losses	-	633,143
Bank commissions and assimilated charges	206,403	498,590
Discounts allowed	22,379	49,775
Total	4,136,316	4,303,354

* The interest expense increased in 2024 as a result of the increase in the reference rates, Euribor and Robor, and withdrawals from investment loans.

13. INCOME TAX (EXPENSES)

Income tax expenses

	Fiscal year ended December 31, 2024 <i>RON</i>	Fiscal year ended December 31, 2023 <i>RON</i>
Current income tax expense	286,389	60,468
Deferred tax income expense / (income)	(1,653,756)	182,523
Total expense (income) with income tax	(1,367,367)	242,991

The tax rate applied for the reconciliation above related to 2024 and 2023 is 16% and is due by all Romanian legal entities.

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

13. INCOME TAX (EXPENSES) (continued)

The total expense of the year may be reconciled with the accounting profit as follows:

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2023
	RON	RON
Gross profit	(11,768,695)	(4,892,856)
Tax calculated according to the 16% rate	-	(631,571)
Effect of non-taxable income	(204,619)	158,725
Sponsorship deductions	-	-
Exemption of reinvested profit	-	571,261
Tax loss from previous years	-	-
Effect of deferred tax	(1,653,756)	(182,523)
Effect of non-deductible expenses	3,225,742	(158,883)
Expense with income tax recognized in income statement	1,367,367	(242,991)
Components of deferred tax liabilities		
	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2023
	RON	RON
Property, plant and equipment	7,286,602	7,473,276
Investment property	496,339	426,586
Inventories	(339,712)	(295,725)
Trade and other receivables	(136,926)	(126,436)
Financial investments	(1,490,313)	-
Provisions for risks and charges	(178,720)	-
Recognized deferred income tax liabilities	5,637,270	7,477,700
of which: deferred tax on revaluation reserves from comprehensive income	7,286,602	7,473,276
	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2023
	RON	RON
Opening balance as at January 1	7,477,700	7,780,659
(Expense) / Income during the year		
- movement from revaluation reserves	(186,674)	(485,482)
- recognized in income statement	(1,653,756)	182,523
- from acquisition of subsidiaries	-	-
Closing balance as at December 31	5,637,270	7,477,700

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

14. PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT	Land	Constructions	Plant and equipment	Other fixtures, plant and furniture	Tangible assets in progress and advances	Total
	RON	RON	RON	RON	RON	RON
COST						
Balance as at January 1, 2024	43,625,862	23,513,896	189,578,142	1,100,009	8,117,339	265,935,248
Additions, of which:	-	1,439,882	13,859,868	478,927	40,911,153	56,689,831
- Transfers	-	1,472,532	13,232,570	471,629	-	15,176,731
- Revaluation	-	-	-	-	-	-
Disposals, of which:	-	-	591,075	5,695	38,719,648	39,316,417
- Transfers	-	-	-	-	15,176,731	15,176,731
- Transfers to investment property	-	-	-	-	-	-
- Revaluation	-	-	-	-	-	-
Balance as at December 31, 2024	43,625,862	24,953,778	202,846,936	1,573,240	10,308,845	283,308,662

PROPERTY, PLANT AND EQUIPMENT	Land	Constructions	Plant and equipment	Other fixtures, plant and furniture	Tangible assets in progress and advances	Total
	RON	RON	RON	RON	RON	RON
COST						
Balance as at January 1, 2023	43,625,862	21,617,686	182,952,996	1,036,724	4,394,731	253,627,999
Additions, of which:	-	1,896,208	7,291,559	80,423	13,988,059	23,256,249
- Transfers	-	1,898,259	6,943,021	43,426	-	8,884,706
- Revaluation	-	-	-	-	-	-
Disposals, of which:	-	-	666,410	17,138	10,265,450	10,948,998
- Transfers	-	-	-	-	8,884,706	8,884,706
- Transfers to investment property	-	-	-	-	-	-
- Revaluation	-	-	-	-	-	-
Balance as at December 31, 2023	43,625,862	23,513,896	189,578,142	1,100,009	8,117,339	265,935,248

This is a free translation from the original Romanian version.

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

14. PROPERTY, PLANT AND EQUIPMENT (continued)

PROPERTY, PLANT AND EQUIPMENT	Land	Constructions	Plant and equipment	Other fixtures, plant and furniture	Tangible assets in progress and advances	Total
	RON	RON	RON	RON	RON	RON
ACUMULATED DEPRECIATION						
Balance as at January 1, 2024	39,769	3,596,104	137,774,249	667,232		142,077,354
Depreciation charge	3,231	1,776,564	12,558,187	82,892		14,420,875
Disposals from sale of assets	-	-	486,674	-		486,674
Revaluation decrease	-	-	-	-	-	-
Balance as at December 31, 2024	43,000	5,372,668	149,845,762	750,124		156,011,554
IMPAIRMENT						
Balance as at January 1, 2024	-	-	-	-	1,185,825	1,185,825
Balance as at December 31, 2024	-	-	-	-	1,185,825	1,185,825
PROPERTY, PLANT AND EQUIPMENT	Land	Constructions	Plant and equipment	Other fixtures, plant and furniture	Tangible assets in progress and advances	Total
	RON	RON	RON	RON	RON	RON
ACUMULATED DEPRECIATION						
Balance as at January 1, 2023	36,537	1,984,951	125,920,582	613,338	-	128,555,408
Depreciation charge	3,231	1,611,153	12,466,854	71,032		14,152,270
Disposals from sale of assets	-	-	613,186	17,138	-	630,324
Revaluation decrease	-	-	-	-	-	-
Balance as at December 31, 2023	39,769	3,596,104	137,774,249	667,232		142,077,354
IMPAIRMENT						
Balance as at January 1, 2023	-	-	-	-	1,185,825	1,185,825
Balance as at December 31, 2023	-	-	-	-	1,185,825	1,185,825
NET BOOK VALUE						
Balance as at January 1, 2024	43,586,093	19,917,792	51,803,893	432,777	6,931,514	122,672,069
Balance as at December 31, 2024	43,582,862	19,581,111	53,001,174	823,116	9,123,020	126,111,282

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

14. PROPERTY, PLANT AND EQUIPMENT (continued) Pledged and restricted tangible assets

ROMCARBON S.A.

Tangible fixed assets having a net book value at 31.12.2024 of LEI 55,493,034 (31.12.2023 : LEI 58,854,629) and investment properties with a book value at 31.12.2024 of LEI 5,251,285 (31.12.2023 : LEI 3,585,933) are established as a guarantee for loans and credit lines contracted from the following banks: UniCredit Bank SA and EXIMBANK SA.

LIVINGJUMBO INDUSTRY S.A.

Tangible assets with a net book value of Lei 13,049,403 as of December 31, 2024 (December 31, 2023: Lei 17,682,321) consisting of technical installations and equipment represent security for loans and credit lines contracted from BRD GSG and UniCredit Bank SA.

RC Energo Install SRL

Tangible assets with a net book value of Lei 0 at December 31, 2024 (31.12.2023: Lei 0) consisting of technical installations and equipment represent security for loans and credit lines contracted from Eximbank SA.

Restricted tangible assets

In 2022, an energy consumption monitoring system was purchased and commissioned on the industrial platform of Romcarbon. The project, 'Implementation of an Intelligent Energy Consumption Monitoring System within Romcarbon SA,' SMIS 148419, was financed 100% through non-reimbursable funding under POIM 6.2 – Reduction of Energy Consumption at Industrial Consumers. The general objective of the project is to implement an energy consumption monitoring system on the industrial platform in Buzău of the industrial consumer Romcarbon SA, to identify and implement energy efficiency measures aimed at achieving energy consumption savings and avoiding greenhouse gas emissions at the company level.

The net book value of the equipment purchased through this project amounts to 739,960 lei as of December 31, 2024 (816,469 lei as of December 31, 2023).

In 2024, a 999.18 kWp photovoltaic system was purchased and commissioned, financed by the Ministry of Energy, as the coordinator for the National Recovery and Resilience Plan (PNRR) – Component 6: Energy, within the project titled 'Implementation of a Renewable Solar Energy Production Capacity within Romcarbon SA.' The value of the non-reimbursable funding was 2,315,700 lei. The net book value of the equipment purchased through this project amounts to 2,599,776 lei as of December 31, 2024.

15. INVESTMENT PROPERTIES

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2023
Balance as at 1st of January	10,857,912	9,883,738
Total additions, out of which:	1,122,690	974,174
Increases from revaluation at fair value according to accounting policy	506,699	974,174
Total disposal, out of which:	(70,745)	-
Decreases from revaluation at fair value according to accounting policy	(70,745)	-
Balance as at 31st of December	11,909,857	10,857,912

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

15. INVESTMENT PROPERTIES (continued)

As at December 31, 2023, the Group owns in its locations in Iasi and Buzau non-current assets that are not used for its core activity. They are held to acquire future appreciation and to be partly rented to third parties. Based on such criteria, in accordance with IAS 40 "Investment Property", the Group decided to classify such non-current assets as investment property.

On December 31, 2024, the Group revaluated the investment property held at the end of the financial year, resulting in an increase in the net value of LEI 435,955, the amount was recorded in the Profit of the year

The income related to Investment properties obtained in 2024 amounts to 459,702 lei and covers the expenses incurred by the property (the value of the income recorded during 2023 was 503,388 lei).

16. GOODWILL

COST	December 31, 2024 RON	December 31, 2023 RON
Sold la începutul perioadei	143,461	143,461
Intrari din achizitie de filiale	-	-
Ajustari depreciere fond comercial	-	-
Iesiri din vanzarea de filiale	-	-
Soldul la sfarsitul anului	143,461	143,461

In accordance with International Financial Reporting Standards, goodwill is reviewed at the end of each reporting period for any impairment losses. As of December 31, 2024, following the review, no indications of goodwill impairment were identified.

17. OTHER INTANGIBLE ASSETS

	Licenses	Other intangible assets	Intangible assets in progress	Total
COST	RON	RON	RON	RON
Balance as at January 1, 2024	1,508,798	867,319	708,720	3,084,836
Additions	82,188	571,133	164,576	817,897
Disposals			873,295	873,295
Correction				-
Balance as at December 31, 2024	1,590,986	1,438,451	0	3,029,437

	Licenses	Other intangible assets	Intangible assets in progress	Total
COST	RON	RON	RON	RON
Balance as at January 1, 2023	1,456,321	845,455	140,646	2,442,421
Additions	54,082	20,259	568,075	642,416
Disposals	-	-	-	-
Correction	(1,604)	1,605	(1)	-
Balance as at December 31, 2023	1,508,798	867,319	708,720	3,084,836

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

17. OTHER INTANGIBLE ASSETS (continued)

	Licences	Other intangible assets	Intangible assets in progress	Total
CUMULATED AMORTIZATION				
Balance as at January 1, 2024	1,441,135	840,802	-	2,281,937
Additions	78,028	128,120		206,148
Disposals				-
Correction				-
Balance as at December 31, 2024	1,519,163	968,922	-	2,488,085
BOOK NET VALUE				
Balance as at January 1, 2024	67,663	26,516	708,720	802,899
Balance as at December 31, 2024	71,823	469,529	0	541,352

18. OTHER FINANCIAL INVESTMENTS

	December 31, 2024	December 31, 2023
	RON	RON
Yenki SRL	88,011	88,011
Registrul Miorita	5,000	5,000
VIITORUL INCEPE AZI	1,000	1,000
Kang Yang Biotechnology Co.Ltd	203,963	203,963
Total	297,974	297,974

Yenki SRL would have qualified to be consolidated using the equity method; however, due to its insignificant impact on the consolidated financial statements (2024: Equity 106,573 lei, Profit/Loss -855 lei; 2023: Equity 107,428 lei, Profit/Loss -10,429 lei), management decided not to consolidate it.

19. CURRENT INVENTORIES

	December 31, 2024	December 31, 2023
	RON	RON
Raw materials	20,364,313	22,143,281
Consumables	9,140,193	7,671,723
Items of inventory	297,779	288,556
Packaging	523,720	608,715
Finished products	14,949,981	13,847,741
Production in progress	3,596,586	3,963,651
Semi-finished products	8,035,722	9,606,038
Residual products	168,677	119,346
Commodities	8,118,743	4,008,035
Advances for inventories	2,375,297	252,281
Impairment allowances for inventories	(3,460,061)	(2,792,800)
Total	64,110,951	59,716,567

In 2024, the Group's inventory had an average turnover period of **73 days**, compared to **74 days** in 2023. The turnover period was calculated using the formula: (Opening Balance of Current Inventory + Closing Balance of Current Inventory)/2/Revenue from Contracts with Customers * 360 days.

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

20. TRADE AND OTHER CURRENT RECEIVABLES

	December 31, 2024	December 31, 2023
	RON	RON
Trade receivables	51,551,331	57,727,195
Allowances for doubtful clients	(1,937,859)	(1,642,321)
Taxes recoverable	2,396,102	2,016,081
Other receivables	898,652	1,247,405
Other non-trade receivables	1,188,863	1,088,824
Total	54,097,088	60,437,183

Trade receivables, details:

	December 31, 2024	December 31, 2023
Current customers	40,862,345	48,534,259
Doubtful and in litigation customers	2,177,425	1,521,870
Bills of exchange receivable	2,530,285	3,149,717
Customers - invoices to be issued	5,981,275	4,689,692
Total	51,551,331	57,895,537

	Year ended December 31, 2024	Year ended December 31, 2023
	RON	RON
Changes of allowance for doubtful clients		
Balance at the beginning of the year	1,642,321	2,046,324
Receivables transferred to expenses during the year		
	295,538	(404,003)
Decrease of allowance recognized in profit and loss		
Balance at the end of the year	1,937,859	1,642,321

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

20. TRADE AND OTHER CURRENT RECEIVABLES (continued)

In determining the recoverability of a receivable, the Group considers any changes in the credit quality of the receivable from the date the credit was granted to the reporting date. The concentration of credit risk is limited, given that the customer base is large and there are no connections between customers.

The analysis below was conducted strictly on the balance of the trade receivables account (Customers), excluding doubtful and litigated receivables and Bills of exchange receivable. From the analysis conducted for 2024, loss rates were lower than those from the analysis performed for 2023. Nevertheless, the company's management deemed it reasonable to maintain the loss rates applied in 2023. The Group registers adjustments of receivables as per IFRS 9, and specific allowances for doubtful clients.

Therefore, the Group's management considers that there is no need for an additional provision exceeding the allowance for doubtful debts

31/12/2024	Not past due	Trade receivables – days past due					Total
		<30	31-60	61-90	91-120	>120	
Expected loss rate	0.01%	0.02%	0.08%	0.08%	0.08%	0.08%	
Total gross carrying amount of specific un-provisioned receivables	36,640,290	3,139,108	378,224	159,491	130,390	414,841	40,862,345
Expected loss	4,671	682	295	129	107	343	6,227
31/12/2023	Not past due	Trade receivables – days past due					Total
		<30	31-60	61-90	91-120	>120	
Total gross carrying amount of specific un-provisioned receivables	0.01%	0.02%	0.08%	0.08%	0.08%	0.08%	
Total gross carrying amount of specific un-provisioned receivables	42,816,688	3,829,879	681,962	157,494	41,063	1,007,172	48,534,259
Expected loss	5,458	832	532	128	34	833	7,817

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

21. OTHER CURRENT FINANCIAL ASSETS

	December 31, 2024	December 31, 2023
	RON	RON
Short-term financial investments*	2,719,694	2,833,298
Impairment of short-term financial investments	(97,950)	-
Total	2,621,744	2,833,298

As of December 31, 2024, this indicator includes 1,000,000 shares of Antibiotice S.A. (ATB) valued at 2,560,000 lei. On December 31, 2024, a decrease in their value was identified, and an impairment provision of 97,950 lei was recorded.

On 31.12.2023, this indicator also includes a number of 25,000 Hidroelectrica (H2O) shares worth 2,529,566 lei.

22. ALTE ACTIVE CURENTE NEFINANCIARE

	December 31, 2024	December 31, 2023
	RON	RON
Suppliers-debtors for services	910,175	388,785
Pre-paid amounts	245,975	704,526
Total	1,156,150	1,093,312

23. CASH ON HAND AND AT BANKS

Within the meaning of statement of cash flows, cash and cash equivalent include petty cash and bank accounts. Cash and cash equivalents at the end of the financial year, as presented in the statement of cash flows, may be reconciled with the corresponding elements of balance sheet, as follows:

	December 31, 2024	December 31, 2023
	RON	RON
Cash at banks	14,241,367	33,506,459
Cash on hand	27,468	31,818
Cash equivalents	84,471	177,881
Total	14,353,306	33,716,158

As of December 31, 2024, and December 31, 2023, there were no cash with restricted use.

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

24. ASSETS HELD FOR SALE

	December 31, 2024	December 31, 2023
Balance at January 01	-	3,760,155
Total additions, including:	-	-
Transfers from investment properties and tangible assets	-	-
Increases from fair value remeasurement, in line with the accounting policy	-	-
Total disposals, including:	-	3,760,155
Decreases from fair value remeasurement, in line with the accounting policy	-	-
Balance at December 31	-	-

On 16.02.2023, it was signed the sale and purchase contract with LIDL ROMANIA S.C.S. the object of which is the sale of the land area of 7,407 sqm, the total price being Lei 7,659,971. The registration cost of this land is Lei 3,689,310. Initially, in December 2019, a sales-purchase antecontract was signed with LIDL ROMANIA S.C.S. on the basis of which an advance of Lei 2,419,280 (Eur 488,862) was collected in December 2021, the transaction being completed in February 2023 when the difference of Lei 5,240,691 was collected.

25. ISSUED CAPITAL

	Issued capital	
	December 31, 2024	December 31, 2023
	RON	RON
528,244,192 fully paid ordinary shares (2023: 264,122,096). The value of one share is LEI 0.1 Inflation effect according to IAS 29	52,824,419	52,824,419
	-	-
Total	52,824,419	52,824,419

	December 31, 2024		December 31, 2023*	
	No. of shares	% Holding	No. of shares	% Holding
Living Plastic Industry SRL	173,549,016	32.85%	173,549,016	32.85%
Joyful River Limited Loc, Nicosia	108,390,178	20.52%	108,390,178	20.52%
Toderita Stefan Alexandru	72,400,000	13.71%	71,000,000	13.44%
Other legal entities	13,899,379	2.63%	7,342,627	1.39%
Other natural persons	160,005,619	30.29%	167,962,371	31.80%
Total	528,244,192	100%	528,244,192	100%

The main characteristics of the securities issued by the parent company: 528,244,192 nominal shares, dematerialized, at nominal value of LEI 0.1.

*On 30.06.2023, it was completed the registration in the Trade Register of the increase of the company's share capital with the amount of 26,412,209.60 lei, from 26,412,209.60 lei to 52,824,419.20 lei by issuing a number of 264,122,096 new shares, with a nominal value of 0.10 lei/share, according to the AGEA decision of 04/27/2023. The capital increase was achieved by incorporating into the company's share capital the amount of 26,412,209.60 lei, representing a part of the net profit recorded in the 2022 financial year.

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

26. RETAINED EARNINGS

	December 31, 2024	December 31, 2023
	RON	RON
Balance at the beginning of the year	30,821,626	77,247,165
Net profit / (net loss) attributable to parent	(10,394,079)	(5,128,782)
Reclassification of revaluation reserve to retained earnings	718,318	1,479,062
Transfers to reserves	-	(3,313,809)
Transfers to capital	-	(26,412,210)
Distributed dividends	(2,641,221)	(13,206,105)
Other	28,214	156,304
Balance at the end of the year	18,532,859	30,821,626

27. OTHER RESERVES

	December 31, 2024	December 31, 2023
	RON	RON
Revaluation reserves	37,568,701	38,100,345
Legal reserves	5,454,218	5,454,218
Other reserves	22,637,931	22,637,933
Translation differences	(896,228)	(889,870)
Total	64,764,622	65,302,625

28. NON-CONTROLLING INTERESTS

	December 31, 2024	December 31, 2023
	RON	RON
Balance at the beginning of the year	913,851	920,916
Share of profit / (loss) for the year	(7,250)	(7,065)
Distribution of other capital items		
Decrease of minority holding further to the increase of parent's holding		
Corrections at dissolution of subsidiaries		
Balance at the end of the year	906,602	913,851

Non-controlling interests arise from those subsidiaries in which the Group does not hold a 100% ownership. For details, see [Note 1 General Information](#).

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

29. OTHER FINANCIAL LIABILITIES

	OTHER CURRENT FINANCIAL LIABILITIES		OTHER NON - CURRENT FINANCIAL LIABILITIES	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	RON	RON	RON	RON
Secured loans - at amortized cost				
Borrowings (Overdraft and Investment loans)	64,121,942	65,055,832	-	7,283,273
Lease liabilities	88,012	72,213	129,900	126,661
Total	64,209,954	65,128,044	129,900	7,409,934

Short-term bank loans	Entity	31-Dec-24	31-Dec-23
		RON	RON
Credit line Euro – EximBank SA	Romcarbon	12,516,753	11,951,136
Credit line Euro – UniCredit Bank SA	Romcarbon	20,991,876	23,008,050
Investment loan VI in euro- UniCredit Bank	Romcarbon	1,147,805	765,249
Investment loan VII in euro- UniCredit Bank	Romcarbon	7,739,476	2,454,160
Credit line Euro – UniCredit Bank SA	LivingJumbo Industry	13,393,005	17,129,187
	LivingJumbo Industry	7,252,451	7,825,043
Linie credit Euro – EximBank SA	EnergoInstall	1,080,577	1,923,006
Credit for current activity - Eximbank SA	Romcarbon & Livingjumbo Industry	-	-
Credit line Euro – EximBank SA *			
Total		64,121,942	65,055,831

The credit line contracted with UniCredit Bank SA has a ceiling of 8,000,000 Euro, the borrowers are Romcarbon SA and Livingjumbo Industry SA. The limit that can be used by Livingjumbo Industry SA is 2,550,000 Euros.

The credit line contracted with Exim Banca Românească SA, with a limit of 2,000,000 Euros, has, starting from November 2024, Livingjumbo Industry SA as the principal borrower and guarantor, and Romcarbon SA as the co-borrower/borrower and guarantor.

Long-term bank loans	Entity	31-Dec-24	31-Dec-23
		RON	RON
Investment loan VI in euro- UniCredit Bank	Romcarbon	-	1,147,871
Investment loan VII in euro- UniCredit Bank	Romcarbon	-	6,135,402
Total		-	7,283,273

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

29. OTHER FINANCIAL LIABILITIES (continued)

Bank	Type	Initial amount	Balance as at 31.12.2023		Balance as at 31.12.2024		Tenor	< 1 year	>1 year
			in euro	in lei	in euro	in lei			
UniCredit Bank	Credit line Euro	5,450,000 €	4,625,105 €	23,008,050	€ 4,220,236	20,991,876	18/12/2025	20,991,876	-
UniCredit Bank	Credit line Euro	2,550,000 €	1,895,769 €	9,430,695	€ 2,262,784	11,255,312	18/12/2025	11,255,312	-
Exim Banca Romaneasca SA	Credit line Euro	2,550,000 €	2,402,432 €	11,951,136	€ 2,516,385	12,516,753	25/05/2025	12,516,753	-
Exim Banca Romaneasca SA	Credit line Euro	2,000,000 €	1,572,999	7,825,043	1,458,043	7,252,451	23/05/2025	7,252,451	-
UniCredit Bank	Investment loan VI ¹	1,000,000 €	222,040 €	1,104,558	€ 133,224	662,667	08/06/2026	441,780	220,887
UniCredit Bank	Investment loan VII ¹	2,950,000 €	1,522,679 €	7,574,718	€ 1,371,931	6,824,123	08/06/2027	2,729,649	4.094,474
UniCredit Bank	Credit line Euro	2,000,000 €	1,547,560 €	7,698,493	€ 429,765	2,137,694	18/12/2025	2,137,694	-
TOTAL Credite in euro			13,788,585 €	68,592,693	11,962,603 €	61,640,877		57,325,516	4,315,361
UniCredit Bank	Investment loan VI ¹			808,562		485,138	08/06/2026	323,424	161,714
UniCredit Bank	Investment loan VII ¹			1,014,843		915,350	08/06/2027	366,139	549,210
Exim Banca Romaneasca SA	Credit for current activity			1,923,006		1,080,577	23/05/2025	1,080,577	-
TOTAL Credite in lei				3,746,411		2,481,065		1,770,140	710,924
TOTAL expunere				72,339,104		64,121,942		59,095,656	5,026,285

According to the existing loan agreements, Romcarbon is subject to certain restrictive covenants. These covenants require Romcarbon, among other obligations, to maintain specific financial ratios, including the Debt Service Coverage Ratio (DSCR), Total Financial Debt/EBITDA, Financial Debt, Current Liquidity, and the ratio of Net Financial Assets to Equity.

As of December 31, 2024, based on the prepared Financial Statements, Romcarbon complied with the ratios for "Net Financial Debt to Equity" and "Current Liquidity," both on a standalone basis and consolidated with LivingJumbo Industry SA. However, Romcarbon failed to meet the required "Net Financial Debt to EBITDA" ratio, both individually and together with LivingJumbo Industry SA.

In this regard, Romcarbon did not obtain a waiver letter from the lending institution stating that the company was not in breach of the loan covenants, as these covenants were calculated based on the submitted annual financial statements.

¹ Consequently, as of December 31, 2024, and in accordance with IAS 1 - paragraphs 74 and 75, Romcarbon classified the long-term portion of Investment Loans VI and VII, amounting to 5,026,285 RON, as current liabilities

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

30. TRADE AND OTHER CURRENT PAYABLES

	December 31, 2024	December 31, 2023
	RON	RON
Trade liabilities	37,442,237	31,500,565
Suppliers invoices not received	6,980,854	5,152,844
Advances to clients	527,481	899,052
Sundry creditors (a) ¹	1,237,841	1,493,415
Miscellaneous payable	-	-
Total	46,188,413	39,045,876

31. OTHER NON-FINANCIAL LIABILITIES

	OTHER CURRENT NON - FINANCIAL LIABILITIES		OTHER NON-CURRENT NON - FINANCIAL LIABILITIES	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	RON	RON	RON	RON
Subsidies	3,021,683	3,600,219	9,353,316	9,784,375
Other current	5,821,334	6,276,693	-	-
Total	8,843,017	9,876,912	9,353,316	9,784,375

SUBSIDIES

As at December 31, 2024 the value of investment subsidies received from the Group amounts to 12,374,998 lei, as follows:

Romcarbon SA:	7,951,833 lei
Livingjumbo Industry SA:	4,423,165 lei

As at December 31, 2023 the value of investment subsidies received from the Group amounts to 13,384,594 lei, as follows:

Romcarbon SA:	7,475,188 lei
Livingjumbo Industry SA:	5,909,406 lei

32. FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital to ensure that Group entities will be able to continue as a going concern while maximizing revenues for shareholders, by optimizing the debt and equity balance.

The Group's capital consists of liabilities, which include the borrowings presented in note 29, cash and cash equivalent and equity attributable to the company. Equity comprises the share capital, reserves and retained earnings as presented in notes 25, 26 and 27.

The management of the Group's risk also consists of a regular review of the capital structure. As part of this review, the management considers the cost of capital and risks associated with each class of capital. Based on the management's recommendations, the Group will balance the general structure of its capital by dividend payment, issuance of new shares and redemption of shares, as well as by contracting new debts or settling existing debts.

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

32. FINANCIAL INSTRUMENTS (continued)

Gearing ratio

	December 31, 2024	December 31, 2023
	RON	RON
Borrowings	64,339,854	72,537,978
Cash and cash equivalents	(14,353,306)	(33,716,158)
Net debt	49,986,548	38,821,820
Equity at the end of the period	139,210,785	152,044,804
Net debt to equity	36%	26%

(b) Main accounting policies

Details of the main accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

(c) Objectives of financial risk management

The Group's treasury function supplies services necessary to the business, coordinates access to national and international financial market, monitors and manages financial risk related to the Group's operations through reports on internal risks, analyzing exposure by the degree and extent of risks. Such risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

(d) Market risk

The Group's activities expose it firstly to financial risks regarding the fluctuation of the foreign exchange rate (see (e) below) and interest rate (see (f) below). There has been no change in the Group's exposure to market risks or in the manner the Group manages and measures risks.

(e) Currency risk management

The Group undertakes transactions denominated in various foreign currencies. Hence, exposure to exchange rate fluctuations arises. Exchange rate exposures are managed within approved policies.

(f) Interest rate risk management

The Group is exposed to interest rate risk given that Group entities borrow funds both at fixed and at variable interest. The risk is managed by the Group by maintaining a balance between fixed rate and variable rate borrowings.

The Group's exposures to interest rates over financial assets are presented in the section regarding liquidity risk management under this note.

(g) Other risks regarding prices

The Group is exposed to risks related to equity, arising from equity investments. Equity investments are held for strategic purposes rather than commercial purposes. The Group does not actively trade such investments.

32. FINANCIAL INSTRUMENTS (continued)

(h) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The management monitors the Group's exposure and the credit ratings of its contractual counterparties.

Trade receivables consist of a large number of clients from various industries and geographical areas. Credit is constantly assessed as regards the clients' financial status and, if applicable, credit insurance is concluded.

The Group does not have any significant credit risk exposure towards any counterparty or any group of similar counterparties. The Group defines counterparties as having similar characteristics when they are related entities. At no time during the year has the credit risk percentage exceeded 5% of the gross monetary assets.

(i) Liquidity risk management

The ultimate responsibility for liquidity risk management rests with the Board of Administration, which has built a proper liquidity risk management framework regarding the Group funds' short, medium and long term insurance and the liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, backup banking facilities and loan facilities, by continually monitoring cash flows and matching the maturity profiles of financial assets and liabilities. Note 32 includes a list of additional facilities not drawn, available to the Group in order to further mitigate liquidity risk.

(j) Fair value of financial instruments

The fair values of financial assets and liabilities are determined as follows:

- the fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined by reference to quoted market prices;
- the fair value of other financial assets and liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and
- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The financial statements include unlisted share holdings, measured at fair value. The best estimate for fair value is determined using the historical cost of shares.

The financial instruments in the balance sheet include trade receivables and other receivables, cash and cash equivalents, short and long term borrowings and other liabilities. The estimated fair values of such instruments approximate their carrying values. The carrying values represent the Group's maximum exposure to credit risks related to existing receivables.

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

32. FINANCIAL INSTRUMENTS (continued)

The carrying values of the Group's currencies expressed in monetary assets and liabilities as at the reporting date are as follows:

	EUR 1 EUR = 4.9756 lei	USD 1 USD = 4.4958 lei	Leu 1 lei	31 Decembrie 2024 Total
2024				
ASSETS	RON	RON	RON	RON
Cash and cash equivalents	117,841	155,500	14,079,965	14,353,306
Receivables and other current assets	8,716,609	-	45,380,479	54,097,088
Other current financial assets	-	-	2,621,546	2,621,546
Other current non-financial assets	130,362	-	1,025,788	1,156,150
LIABILITIES				
Trade and other liabilities	13,122,128	16,933	33,049,353	46,188,413
Short and long-term borrowings	55,301,889	-	8,820,053	64,121,942
Short and long-term finance lease liabilities	217,912	-	-	217,912
Other current non-financial liabilities	208	-	8,842,809	8,843,017
	EUR 1 EUR = 4.9746 lei	USD 1 USD = 4.4958 lei	Leu 1 lei	31 Decembrie 2023 Total
2023				
ASSETS	RON	RON	RON	RON
Cash and cash equivalents	10,338,945	135,659	23,241,553	33,716,158
Receivables and other current assets	9,467,543	-	50,969,641	60,437,183
Other current financial assets	-	-	2,833,298	2,833,298
Other current non-financial assets	130,362	-	962,950	1,093,312
LIABILITIES				
Trade and other liabilities	10,839,833	935	28,205,108	39,045,876
Short and long-term borrowings	68,592,693	-	3,746,411	72,339,104
Short and long-term finance lease liabilities	198,874	-	-	198,874
Other current non-financial liabilities	208	-	9,876,703	9,876,912
	-	-	-	-

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

32. FINANCIAL INSTRUMENTS (continued)

The situation of changes in liabilities from financing activities

	Bank loans and other borrowings	Lease	Total
January 01, 2024	72,339,105	198,874	72,537,979
Cash from financing activities	(8,102,142)	(97,975)	(8,200,117)
Non-monetary items	-	-	-
Unrealised (gain) / loss on foreign exchange	(115,023)	-	(115,023)
Changes in fair values	-	-	-
Entries from leasing	-	117,014	117,014
December 31, 2024	64,121,940	217,913	64,339,853

	Bank loans and other borrowings	Lease	Total
January 01, 2023	78,781,793	-	78,781,793
Cash from financing activities	(6,148,358)	-	(6,148,358)
Non-monetary items	-	-	-
Unrealised (gain) / loss on foreign exchange	(294,330)	-	(294,330)
Changes in fair values	-	-	-
Entries from leasing	-	198,874	198,874
December 31, 2023	72,339,105	198,874	72,537,979

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

32. FINANCIAL INSTRUMENTS (continued)

The Group is mainly exposed to EUR and USD exchange rates. The following table details the Group's sensitivity to a 10% increase and decrease in the LEI against the USD/EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to top management and represents management's estimate of the reasonably possible changes in foreign exchange rates. The vulnerability analysis includes only outstanding foreign currency denominated in monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. In the following table, a negative number below indicates a decrease in profit, whereas the LEI weaken 10% against the EUR/USD. For a 10% strengthening of the LEI against the EUR/USD, there would be an equal and opposite impact on the profit and other equity, and the balances below will be positive. Changes will be attributable to the exposure related to EUR borrowings at the end of the year.

	December 31, 2024	December 31, 2023
	RON	RON
LOSS	(5,953,876)	(5,956,003)

Tabele privind riscurile de lichiditate și de rată a dobânzii

Următoarele tabele detaliază datele până la scadență a datoriilor financiare ale Societății.

Tabelele au fost întocmite pe baza fluxurilor de numerar neactualizate ale datoriilor financiare la cea mai apropiată dată la care este posibil ca Societății să i se solicite să plătească. Tabelul include atât dobânda cât și fluxurile de numerar aferente capitalului.

2024	Less than 1 year RON	1-2 years RON	2-5 years RON	Total RON
Non-interest bearing				
Trade liabilities	46,188,413	-	-	46,188,413
Other current liabilities	8,843,017	-	-	8,843,017
Interest bearing instruments				
Short and long-term borrowings	59,095,654	5,026,288	-	64,121,942
Short and long-term leases	88,012	83,686	46,214	217,912
Non-interest bearing				
Cash and cash equivalents	14,353,306	-	-	14,353,306
Receivables and other current assets	54,097,088	-	-	54,097,088
Interest bearing				
Other current financial assets	2,621,546	-	-	2,621,546
2023	Less than 1 year RON	1-2 years RON	2-5 years RON	Total RON
Non-interest bearing				
Trade liabilities	39,045,876	-	-	39,045,876
Other current liabilities	9,876,912	-	-	9,876,912
Interest bearing instruments				
Short and long-term borrowings	64,935,459	5,815,448	1,588,196	72,339,104
Short and long-term leases	72,213	126,661	-	198,874
Non-interest bearing				
Cash and cash equivalents	33,716,158	-	-	33,716,158
Receivables and other current assets	60,437,183	-	-	60,437,183
Interest bearing				
Other current financial assets	2,833,298	-	-	2,833,298

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

32. FINANCIAL INSTRUMENTS (continued)

Interest sensitivity analysis

The sensitivity analysis below was determined based on the exposure to interest rates for loans received from financial institutions at the reporting date.

For floating rate bank debt, the analysis was performed assuming that the amount of the debt at the reporting date was similar for the entire year.

If interest expense had been 5 percent higher/lower and all other variables held constant:

- The profit for the year ended December 31, 2024 would decrease/increase by 195,377 RON (2023: decrease/increase by 156,092 RON).

33. RELATED PARTY TRANSACTIONS

The transactions among the Parent and its subsidiaries – Group's related parties – were eliminated from the consolidation and are not presented under this note. Companies and individuals may be deemed related parties if one party holds control or exercises significant influence over the other party.

Indemnities granted to top management

The remuneration of managers and other top management members was the following:

	Year ended December 31, 2024 RON	Year ended December 31, 2023 RON
Executive management salaries	4,733,002	4,653,575
Benefits for Board of Administration	45,852	45,138
Total	4,778,854	4,698,713

The remuneration of the General Director is established by the Board of Directors, based on the mandate contract, and that of the staff with executive functions is determined by the General Director, based on the individual employment contract, in compliance with the remuneration policy approved by the SGM, depending on the performance of individuals and market conditions.

Shareholder borrowings	Year ended December 31, 2024 RON	Year ended December 31, 2023 RON
WU HUI TZU (actionar Livingjumbo Industry SA)	18,417	18,417
WINPACK INDUSTRY (actionar Eco Pack Management SA)	282,226	255,647
Total	300,643	274,064

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

34. ACQUISITION OF SUBSIDIARIES

In 2024 the Group did not purchase new subsidiaries.

35. DISPOSAL OF SUBSIDIARIES

In 2024 the Group did not dispose any subsidiaries

36. COMMITMENTS AND CONTINGENCIES

ROMCARBON SA

Unused credit facilities as at December 31, 2024

The company has unused credit lines in amount of Eur 1,263,379 (31 December 2023: Eur 972,463) and investment loans in amount of Eur 0 (31 December 2023: Eur 988,772). From the amount of 1,263,379 Euros, the limit of 1,000,000 Euros from the credit line contracted with UniCredit Bank SA may only be used with the bank's approval.

Guarantees for bank loans

Tangible fixed assets having a net book value at 31.12.2024 of LEI 55,493,034 (31.12.2023 : LEI 58,854,629) and investment properties with a book value at 31.12.2024 of LEI 5,251,285 (31.12.2023 : LEI 3,585,933) are established as a guarantee for loans and credit lines contracted from the following banks: UniCredit Bank SA and Exim banca Romaneasca SA. For the loans from the banks, the Company also guaranteed with the present and future cash availability from the accounts opened with creditor banks, with inventories of raw materials, materials and goods for sales having a minimum value of Eur 4,600,000, assigned the present and future receivables, as well as their accessories, coming from the present and future contracts with specific clients, these having the status of assigned debtors. Also, the Company assigned the rights resulting from the insurance policies issued with the object of the immovables and movable goods brought as a guarantee.

Guarantees granted for loans contracted by Group companies

Guarantees granted to LivingJumbo Industry SA for the following loans contracted from UniCredit Bank SA:

- Non-binding loan – cash line – in amount of Eur 450,000 (due in 08.06.2027), contract BUZA/044/2016 secured by mortgage on inventories, having a value of Eur 4,600,000;
- Credit line having a ceiling of Eur 2,000,000 (due in 18.12.2025), contract no. BUZA/152021/CSC, secured by mortgage on 15 equipment having a book net value of Lei 918,591 as at December 31, 2024

Guarantees granted to Livingjumbo Industry SA for the credit line contracted from Exim Banca Romaneasca SA

- Credit line in amount of EUR 2,000,000 (due on May 23, 2025), Contract 9 - ABZ/28.05.2020, secured by a fidejussio contract concluded between the bank and Romcarbon SA. Starting from November 2024, the contract designates Livingjumbo Industry SA as the principal borrower and guarantor, and Romcarbon SA as the co-borrower/borrower and guarantor

Guarantees granted to RC Energo Install SRL for the following loans contracted from Exim Banca Romaneasca SA:

- Credit line in amount of Lei 2,000,000 for financing the current activity (due on May 23, 2025), guaranteed by **movable** mortgage of subsequent rank over the movable asset Coperion line (line for filtering, regrinding and production of compounds in the form of ZSK 70 mc 18 grains), inventory no. 24781, having a net book value of Lei 207,204 as at December 31, 2024;

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

36. COMMITMENTS AND CONTINGENCIES (continued) LIVINGJUMBO INDUSTRY SA

Unused credit facilities as at December 31, 2024

The company has unused credit facilities in amount of Eur 2.066.076 (31 December 2023: Eur 1,533,671). From the amount of 2,066,076 Euros, the limit of 1,000,000 Euros from the credit line contracted with UniCredit Bank SA may only be used with the bank's approval.

Guarantees for bank loans

At 31 December 2024, tangible assets consist in equipment and machineries having a net book value of Lei 13,049,403 (31 December 2023: Lei 17,682,321) constitute collateral for loans and credit lines contracted by the company with UniCredit Bank SA and Exim Banca Romaneasca SA.

For the loans from the banks, the Company also guaranteed with the mortgage over inventories, with present and future cash availability from the accounts opened with creditor banks, assigned the present and future receivables, as well as their accessories, coming from the present and future contracts with specific clients, these having the status of assigned debtors.

Also, the Company assigned the rights resulting from the insurance policies issued with the object of the immovables and movable goods brought as a guarantee.

RC ENERGO INSTALL SRL

Unused credit facilities as at December 31, 2023

The company has unused credit facilities in amount of Lei 919,423 (31 December 2023: Lei 76,994).

Guarantees for bank loans

At 31 December 2024, tangible assets consist in equipment and machineries having a net book value of Lei 0 (31 December 2023: Lei 0) constitute collateral for the credit line contracted by the company with EximBank SA. For the loans from the banks, the Company also guaranteed with a promisory note, with the present and future cash availability from the accounts opened with creditor banks, assigned the present and future receivables, as well as their accessories, coming from the present and future contracts with specific clients, these having the status of assigned debtors.

Also, the Company assigned the rights resulting from the insurance policies issued with the object of the immovables and movable goods brought as a guarantee.

37. SUBSEQUENT EVENTS

In February 2025, the management of ROMCARBON SA, LIVINGJUMBO INDUSTRY SA, RC ENERGO INSTALL SRL, and INFO TECH SOLUTIONS SRL signed a new collective labor agreement with employee representatives for the period 2025–2027.

The group did not identify other significant subsequent events.

As of the date of this report, no risks have been identified that would significantly affect the income from the basic activity, however, the global geopolitical tensions arising from the military interventions in Ukraine by the Russian Federation have generated and are generating economic uncertainties on the energy and capital markets, the global prices of energy prices have increased and are expected to be very volatile in the foreseeable future. At the date of this report, management cannot reliably estimate the effects on the Company's financial outlook and cannot rule out negative consequences for the business, operations and financial condition. Management considers that it is taking all necessary measures to support the sustainability and growth of the Company's business in the current circumstances and that the professional reasoning in these financial statements remains adequate.

38. AUTORIZATION

The consolidated financial statements were approved by the Board of Directors and were authorized for issuance on March 26, 2025.

PREPARED BY,

For signatures, please refer to the original Romanian version.

HUANG LIANG NENG,

Chairman of the Board

And General Manager

VIORICA ZAINESCU,

Financial Manager

CARMEN MANAILA,

**Deputy General Manager for
Administrative Operations**



BOARD OF DIRECTORS' REPORT REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS

ACTIVITY OF THE GROUP

As at December, 2024 ROMCARBON SA holds participations directly and/or indirectly in 11 entities:

Entity	31.12.2024		Metoda consolidarii
	Interest held	Control held	
RECYPLAT LTD CIPRU	100.00%	100.00%	Global
RC ENERGO INSTALL SRL	100.00%	100.00%	Global
ECO PACK MANAGEMENT SA	25.36%	99.88%	Global
LIVINGJUMBO INDUSTRY SA	99.86%	99.86%	Global
INFOTECH SOLUTIONS SRL	99.50%	99.50%	Global
GRINFILD LLC UCRAINA	62.62%	62.62%	Global
GRINRUH LLC UCRAINA	62.62%	62.62%	Global
YENKI SRL	33.34%	33.34%	Not consolidated
REGISTRUL MIORITA SA	3.79%	3.79%	Outside the consolidation area
KANG YANG BIOTECHNOLOGY CO.LTD	1.95%	1.95%	Outside the consolidation area
ONG VIITORUL INCEPE AZI (VIA)	14.29%	14.29%	Outside the consolidation area

PRESENTATION OF THE GROUP AND THE MAIN INDICATORS ACHIEVED IN 2024

PRESENTATION OF THE GROUP'S MEMBER COMPANIES

As at December 31, 2024 the company was holding directly or through other subsidiaries, participating interest in the following entities:

RECYPLAT LTD is a company established in 2011, having a share capital of Lei 69,743 (EUR 16,000) wholly owned by Romcarbon SA. The company's main office is located in Akropoleos, 59-61, 3rd floor, Nicosia, Cyprus. The company's main object of activity is the Conduct of activities and business of consultants, experts in all scientific fields, financial, administrative or otherwise, in relation to the setting up, operation, development and improvement of any business, industry, company, partnership or other organization.

RC ENERGO INSTALL SRL is a company established in 2005, with a share capital of lei 2,000, fully owned by Romcarbon S.A. The company's main office is located in Buzău, Str. Transilvaniei, nr. 132. The company was established by outsourcing the maintenance and repair of heating, water installations, sewage and substations; the main object of activity is Plumbing, heat and air conditioning installation (NACE code 4322).

ECO PACK MANAGEMENT SA is a company established in 2010, with a share capital of lei 1,446,000, where Romcarbon SA directly holds 25.36% and 74.62% indirectly. The remaining shares are held by Romanian legal persons. The company's main office is located in Buzau, 132 Transilvaniei street, Granules Hall, room no.7, 2nd floor. The company's main object of activity is Other business support service activities n.e.c. (NACE code 8299). The company had its activity suspended until November 27, 2024,

INFO TECH SOLUTIONS SRL is a company established in 2005, with a share capital of lei 2,000, where Romcarbon S.A. holds 99.50% of the shares and the remaining shares are held by natural persons. The company's main office is located in Buzău, Str. Transilvaniei, nr. 132. The company was established by outsourcing the IT services and its main object of activity is Other information technology and computer service activities (NACE code 6209).

LIVINGJUMBO INDUSTRY S.A is a company established in 2002, with a share capital of lei 5,644,800, where Romcarbon S.A. holds 99.86% of the shares and the remaining shares are held by other Romanian legal person. The company's main office is located in Buzău, Str. Transilvaniei, nr. 132. The company's main object of activity is Manufacture of plastic packing goods (NACE code 2222).



GRINRUH LLC UKRAINE is a company established in 2007, with a share capital of lei 4,426,809, where Romcarbon SA holds 62.62%. The company's main office is located in Ukraine, Odessa region, Krijianivka locality, Str. Mikolayevska, Bl. 2. The company's main object of activity is construction and wholesale. The company ceased its activity in 2012.

YENKI SRL is a company established in 2007, with a share capital of lei 328,000, where Romcarbon S.A. holds 33.34% of the shares and the remaining shares are held by Romanian legal and natural persons. The company's main office is located at Soseaua Nordului, DN2, Buzău. The company's main object of activity is Operation of sports facilities (NACE code 9311).

Organization 'VIITORUL INCEPE AZI (VIA)', established in accordance with GO no. 26/2000, is a non-governmental, non-profit and non-political organization; The association's mission is to improve the quality of technical professional training and development in the Buza area (Romania), to support and promote the interests and needs of its members in front of the authorities and/or various bodies, third parties. The association was established in 2022 by 7 economic operators from Buzau - Voestalpine RAILWAY SYSTEMS ROMANIA SA, URBIS SERV SRL, LUCSOR IMPEX SRL, URSUS BREWERIES SA, ROMCARBON SA, BENCOMP SRL, GREENFIBER INTERNATIONAL SA - as founding members, with contribution equal in its patrimony and with equal right to vote in the General Assembly. The association's assets, worth 7,000 lei, constituted by the membership contribution of the founding members.

ACTIVITY OF THE GROUP OF COMPANIES

PRESENTATION OF THE GROUP COMPANIES

The following persons ensured the executive management of the group companies in 2023:

ROMCARBON SA – General Manager – Huang Liang Neng

RECYPLAT LTD CYPRUS – Director – Nicos Avraamides until 05.05.2024

Liquidator - Safehold Management Ltd starting with 05.05.2024

RC ENERGO INSTALL SRL – General Manager Duca Eugen Florin

ECO PACK MANAGEMENT SA –Sole administrator WEY, JIANN-SHYANG

INFO TECH SOLUTIONS SRL- General Manager Hristache Cornel

LIVINGJUMBO INDUSTRY SA – General Manager WU,HUI-TZU

GRINFILD LLC UKRAINE – The company has not been operating since 2012

GRINRUH LLC UKRAINE – The company has not been operating since 2012

YENKI SRL – Administrator Petre Romeo Florinel

ACTIVITY OF THE GROUP OF COMPANIES

The evolution of the subsidiaries' contribution to the consolidated net profit of the group in 2024 is presented in the table below:

Company	Result 12M 2023 (in lei)	Result 12M 2024 (in lei)	2024 vs 2023
Romcarbon SA	3,313,809	(5,992,980)	(9,306,789)
Living Jumbo Industry SA	(6,045,845)	(5,848,741)	197,104
RC Energo Install SRL	289,398	1,474,073	1,184,675
Infotech Solutions SRL	283,646	232,429	(51,217)
Recyplat Ltd Cipru	(2,856,302)	(18,093)	2,838,209
Eco Pack Management SA	(2,540)	(29,132)	(26,592)
Consolidation adjustments *	(118,012)	(218,884)	(100,872)
Total	(5,135,847)	(10,401,328)	(5,265,481)

Consolidation adjustments	Result 12M 2023 (in lei)	Result 12M 2024 (in lei)	2024 vs 2023
Elimination of the unrealized profit related to the raw material inventories and fixed assets from the Group companies	(85,444)	(218,882)	(133,438)
Corrections	(32,568)	(2)	32,566
Total Adjustments	(118,012)	(218,884)	(100,872)



The main indicators of the Statement of profit or loss registered by the two major companies of the Group, Romcarbon SA and Livingjumbo Industry SA, according to their Standalone Financial Statements.

ROMCARBON SA

Indicator	12 Months of 2022	12 Months of 2023	12 Months of 2024	2024 vs 2023	
Turnover	265,048,639	216,420,862	227,789,211	11,368,349	5%
Operational EBITDA	14,036,140	4,873,276	579,594	(4,293,682)	-88%
Profit	51,471,690	3,313,809	(5,992,980)	(9,306,789)	-281%

From **EBITDA Operational** to **Net Profit/Loss**

Indicator	12 Months of 2022	12 Months of 2023	12 Months of 2024	2024 vs 2023	
EBITDA OPERATIONAL	14,036,140	4,873,276	579,594	(4,293,682)	-88%
Fixed assets depreciation	(9,609,158)	(9,392,805)	(9,829,769)	(436,964)	5%
Revenues from subsidy from Government for investments	2,206,664	2,113,978	1,839,055	(274,923)	-13%
Interest expenses	(1,286,399)	(1,807,462)	(2,254,405)	(446,943)	25%
Gain/loss from sales of assets	2,106,927	3,992,452	6,827	(3,985,624)	-100%
Gain/loss from re-evaluating the investment property	170,996	974,174	435,954	(538,220)	-55%
Other non-operational items(provisions, penalties, donations)	(2,625,737)	(713,062)	(437,403)	275,660	-39%
Forex gain/loss	274,153	2,402,662	243,138	(2,159,524)	-90%
Other gain/loss from Financial	47,110,176	1,053,120	1,770,274	717,153	68%
Tax on profit	(912,071)	(182,523)	1,653,756	1,836,279	-1006%
NET PROFIT/LOSS	51,471,690	3,313,809	(5,992,980)	(9,306,789)	-281%

LIVINGJUMBO INDUSTRY SA

Indicator	12 Months of 2022	12 Months of 2023	12 Months of 2024	2024 vs 2023	
Turnover	164,064,764	115,487,834	109,272,489	(6,215,345)	-5%
Operational EBITDA	8,164,661	-437,348	(451,502)	(14,154)	3%
Profit	3,477,122	(6,045,845)	(5,848,741)	197,104	-3%

From **EBITDA Operational** to **Net Profit/Loss**

Indicator	12 Months of 2022	12 Months of 2023	12 Months of 2024	2024 vs 2023	
EBITDA OPERATIONAL	8,164,661	(437,348)	(451,502)	▲	(14,154)
Fixed assets depreciation	(4,829,234)	(4,845,029)	(4,669,132)	▼	175,897
Revenues from subsidy from Government for investments	1,486,241	1,486,241	1,486,241	—	-
Interest expenses	(895,464)	(1,237,042)	(1,568,238)	▲	(331,196)
Gain/loss from sales of assets	-	5,000	19,906	▲	14,906
Other non-operational items(provisions, penalties, donations)	(345,627)	(910,338)	(667,390)	▼	242,948
Forex gain/loss	(46,915)	(100,652)	6,974	▼	107,626
Other gain/loss from Financial	(56,540)	(6,678)	(5,600)	▼	1,078
NET PROFIT/LOSS	3,477,122	(6,045,845)	(5,848,741)	▼	197,104


Presentation of the evolution of the key indicators on production sectors - **12 Months**

	Indicator (12 luni)	2022	2023	2024	A,2024 vs A,2023	
ROMCARBON	PLASTIC PROCESSING SECTOR : POLYETHYLENE					
	Turnover	36,512,692	30,894,710	36,634,416	5,739,706	19%
	EBITDA before overhead	2,439,836	2,208,646	3,689,402	1,480,756	67%
	Profit before overhead	1,697,246	1,461,071	2,890,603	1,429,532	98%
	PLASTIC PROCESSING SECTOR : POLYSTYRENE					
	Turnover	54,425,638	47,592,623	49,175,346	1,582,723	3%
	EBITDA before overhead	7,382,299	7,925,922	7,075,847	(850,075)	-11%
	Profit before overhead	6,131,441	6,578,447	5,623,885	(954,562)	-15%
	PLASTIC PROCESSING SECTOR : POLYPROPYLENE					
	Turnover	40,326,620	32,928,129	33,981,757	1,053,628	3%
	EBITDA before overhead	3,454,650	3,964,026	2,610,371	(1,353,655)	-34%
	Profit before overhead	3,129,217	3,616,936	2,208,380	(1,408,556)	-39%
	RECYCLED POLYMERS & COMPOUNDS					
	Turnover	51,224,339	39,125,177	35,453,261	(3,671,916)	-9%
	EBITDA before overhead	6,952,632	(1,572,300)	(3,526,096)	(1,953,797)	124%
	Profit before overhead	3,094,107	(5,026,755)	(7,087,665)	(2,060,910)	41%
LIVINGJUMBO INDUSTRY	OTHER PRODUCTIVE SECTORS : FILTERS, ACTIVE CARBON, PROTECTIVE EQUIPMENT, PVC TRAFFIC BASE SIGNS					
	Turnover	9,569,410	6,388,942	6,592,659	203,717	3%
	EBITDA before overhead	2,933,897	704,507	606,749	(97,758)	-14%
	Profit before overhead	2,623,639	379,493	247,625	(131,868)	-35%
	PLASTIC PROCESSING SECTOR : POLYPROPYLENE					
	Turnover	87,305,549	60,872,037	61,613,552	741,515	1%
	EBITDA before overhead	9,554,043	3,964,035	1,148,809	(2,815,226)	-71%
	Profit before overhead	8,842,685	3,315,726	628,676	(2,687,050)	-81%
	PLASTIC PROCESSING SECTOR : PET					
	Turnover	76,759,215	54,615,796	47,658,936	(6,956,860)	-13%
	EBITDA before overhead	3,208,616	1,323,484	3,394,716	2,071,232	156%
	Profit before overhead	576,980	(1,381,385)	731,958	2,113,343	-153%

Note: In the item "Turnover", in addition to the revenues from sales of finished products, the revenues from the sale of goods, revenues from services and other sales made by the production sectors are included.



FINANCIAL STATEMENTS

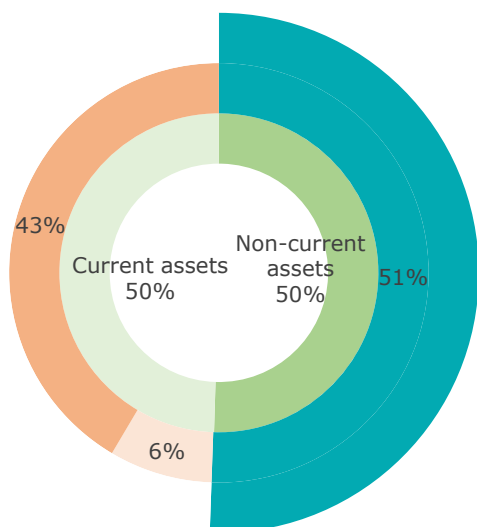
A.) STATEMENT OF THE FINANCIAL POSITION

Indicator	31.12.2022	31.12.2023	31.12.2024	2024 vs. 2023		
Property, plant and equipment	123,886,765	122,672,069	126,111,282	3,439,213	▲	2.80%
Investment property	9,883,738	10,857,912	11,909,857	1,051,945	▲	9.69%
Goodwill	143,461	143,461	143,461	0	—	0.00%
Intangible assets other than goodwill	329,100	802,899	541,353	-261,546	▼	-32.58%
Investments in subsidiaries, joint ventures and associates	297,974	297,974	297,974	0	—	0.00%
Total non-current assets	1,898	0	0	0	—	
Current inventories	134,542,936	134,774,315	139,003,927	4,229,612	▲	3.14%
Trade and other current receivables	65,899,751	59,716,567	64,110,951	4,394,384	▲	7.36%
Other current financial assets	60,979,526	60,437,183	54,097,088	-6,340,095	▼	-10.49%
Other current non-financial assets	263,414	2,833,298	2,621,744	-211,554	▼	-7.47%
Cash and cash equivalents	4,796,687	1,093,312	1,156,150	62,838	▲	5.75%
Property, plant and equipment	73,869,061	33,716,158	14,353,306	-19,362,852	▼	-57.43%
Non-current assets classified as held for sale	3,760,155	0	0	0	—	
Total current assets	209,568,594	157,796,518	136,339,239	-21,457,279	▼	-13.60%
ASSETS	344,111,530	292,570,833	275,343,166	-17,227,667	▼	-5.89%
Issued capital	26,412,210	52,824,419	52,824,419	0	—	0.00%
Share premium	2,182,283	2,182,283	2,182,283	0	—	0.00%
Reserves	62,917,677	65,302,625	64,764,622	-538,003	▼	-0.82%
Retained earnings	77,247,165	30,821,626	18,532,859	-12,288,767	▼	-39.87%
Equity attributable to equity holders of the parent	168,759,335	151,130,953	138,304,183	-12,826,770	▼	-8.49%
Non-controlling interests	920,916	913,851	906,602	-7,249	▼	-0.79%
Total equity	169,680,251	152,044,804	139,210,785	-12,834,019	▼	-8.44%
Other non-current provisions	1,429,017	1,803,188	1,770,513	-32,675	▼	-1.81%
Deferred tax liabilities	7,780,659	7,477,700	5,637,270	-1,840,430	▼	-24.61%
Other non-current financial liabilities	4,044,764	7,409,934	129,900	-7,280,034	▼	-98.25%
Other non-current non-financial liabilities	13,384,594	9,784,375	9,353,314	-431,061	▼	-4.41%
Total non-current liabilities	26,639,034	26,475,197	16,890,997	-9,584,200	▼	-36.20%
Trade and other current payables	63,161,506	39,045,876	46,188,413	7,142,537	▲	18.29%
Other current financial liabilities	74,737,029	65,128,044	64,209,954	-918,090	▼	-1.41%
Other current non-financial liabilities	9,893,710	9,876,912	8,843,017	-1,033,895	▼	-10.47%
Total current liabilities	147,792,245	114,050,832	119,241,384	5,190,552	▲	4.55%
Total liabilities	174,431,279	140,526,029	136,132,381	-4,393,648	▼	-3.13%
TOTAL EQUITY AND LIABILITIES	344,111,530	292,570,833	275,343,166	-17,227,667	▼	-5.89%





STRUCTURE OF THE FINANCIAL POSITION AS AT 31.12.2024



Current liabilities: 119,241,384 RON | 43%

Non-current liabilities: 16,890,997 RON | 6%

Equity: 139,210,785 RON | 51%

Non-current assets: 139,003,927 RON | 50%

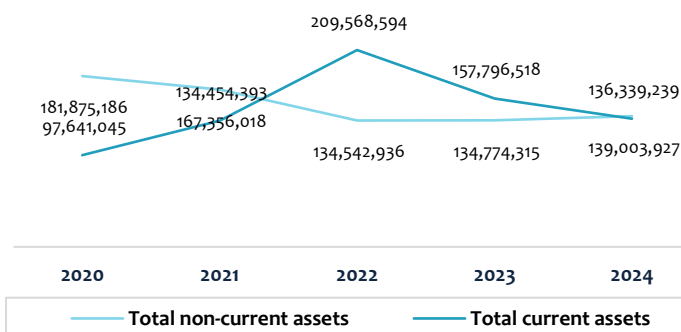
Current assets: 136,339,239 RON | 50%

The participation of the consolidated companies in the indicators of the Statement of Financial Position in 2024 is presented in the table below:

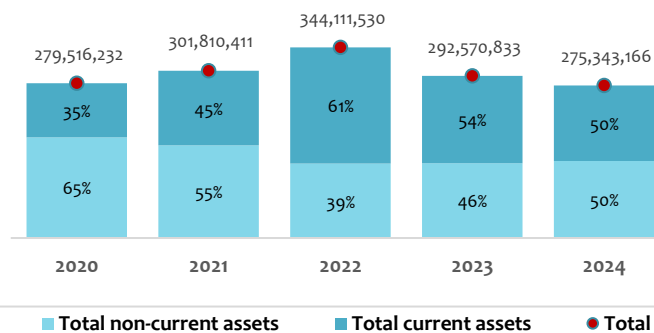
Company	Non-current assets	Current assets	Non-current liabilities	Current liabilities
Romcarbon SA	126,388,534	110,595,629	13,170,660	81,444,887
Livingjumbo Industry SA	15,213,352	42,190,695	3,471,640	64,010,338
RC Energo Install SRL	169,139	21,256,187	194,951	13,954,066
InfoTech Solutions SRL	226,548	1,004,667	53,747	292,643
Grinfild Ucraina	4,426,809	8,614	0	879,485
Grinruh Ucraina	1,186,187	1,007,788	0	6,728
Recyplat LTD	0	0	0	(219,632)
Eco Pack Management SA	28,751	161,062	0	911,028
Consolidation adjustments	(8,635,392)	(39,885,402)	0	(42,038,159)
Total	139,003,927	136,339,239	16,890,997	119,241,384

ASSETS

Total non-current assets vs. Total current assets



Total non-current assets vs. Total current assets

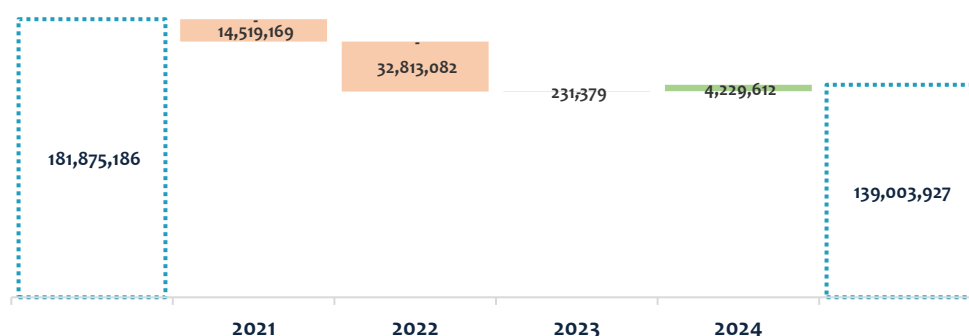




NON-CURRENT ASSETS

Non-current assets have a weight in Total Assets of 50.48% recording an increase of LEI 4,229,612, i.e. 3.14% as compared with the beginning of the year.

Evolution of non-current assets in the period 2020- 2024

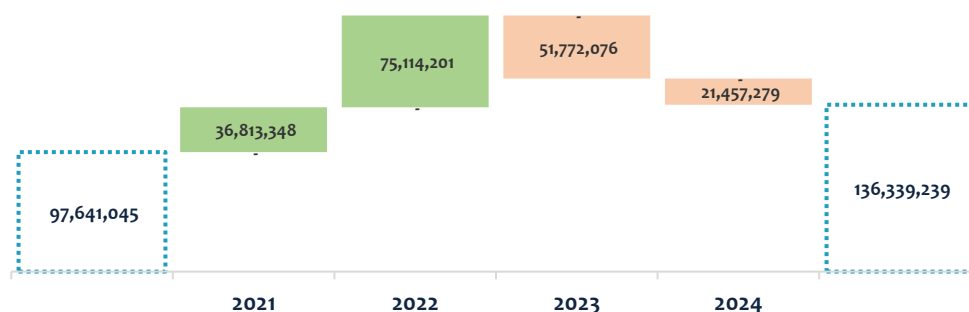


Non-current assets (lei)	31/12/2024	% in total NCA	% in total Assets	2024 vs 2023
Property, plant and equipment	126,111,282	90.72%	45.80%	2.80%
Investment property	11,909,857	8.57%	4.33%	9.69%
Goodwill	143,461	0.10%	0.05%	0.00%
Intangible assets other than goodwill	541,353	0.39%	0.20%	-32.58%
Investments accounted for using equity method	297,974	0.21%	0.11%	0.00%
Total non-current assets	139,003,927	100.00%	50.48%	3.14%

CURRENT ASSETS

Current assets have a weight in Total Assets of 49.52% recording a decrease of - LEI 21,457,279, i.e. -13.60%, as compared with the beginning of the year.

Evolution of current assets in the period 2020- 2024



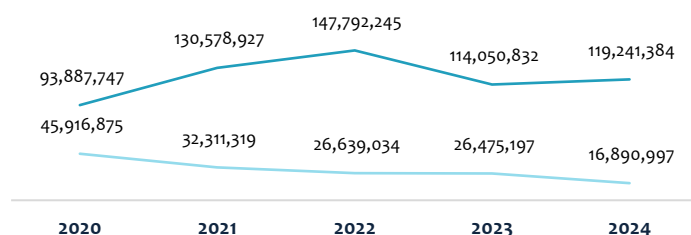
Current assets (lei)	31/12/2024	% in total CA	% in Total Assets	2024 vs 2023
Current inventories	64,110,951	47.02%	23.28%	7.36%
Trade and other current receivables	54,097,088	39.68%	19.65%	-10.49%
Other current financial assets	2,621,744	1.92%	0.95%	-7.47%
Other current non-financial assets	1,156,150	0.85%	0.42%	5.75%
Cash and cash equivalents	14,353,306	10.53%	5.21%	-57.43%
Total current assets	136,339,239	100.00%	49.52%	-13.60%



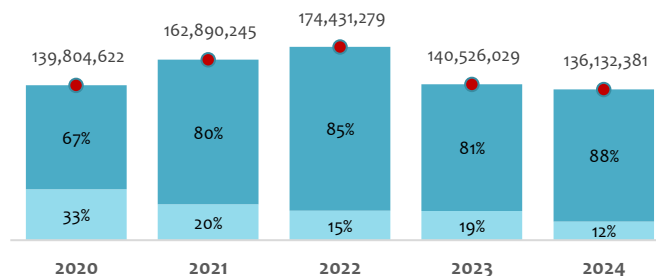
LIABILITIES

Total Liabilities hold 49.44% of the Group 's Equity&Liabilities recording a decrease of - Lei 4,393,648, i.e. -3.13%, as compared with the beginning of the year.

Total non-current liabilities vs. Total current liabilities



Total non-current liabilities vs. Total current liabilities

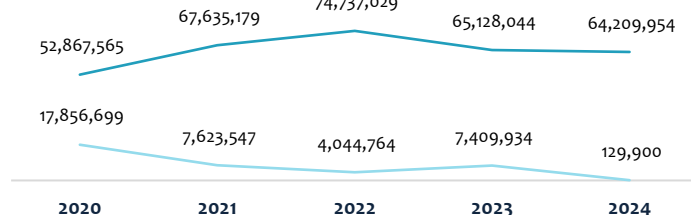


— Total non-current liabilities — Total current liabilities

■ Total non-current liabilities ■ Total current liabilities ● Total

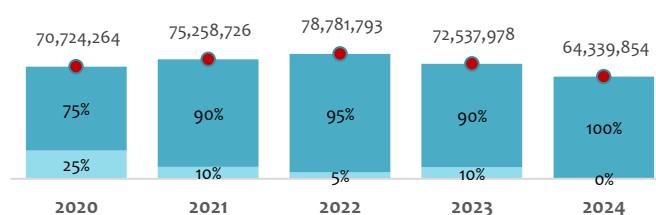
BORROWINGS

Other non-current financial liabilities vs. Other current financial liabilities



— Other non-current financial liabilities
— Other current financial liabilities

Other non-current financial liabilities vs. Other current financial liabilities



■ Other current financial liabilities
■ Other non-current financial liabilities
● Total

STRUCTURE OF BORROWINGS

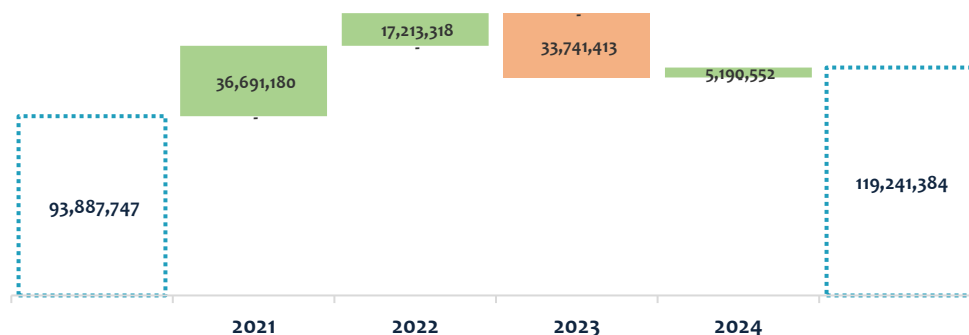
Company	31.12.2023	31.12.2024	2024 vs 2023
Romcarbon, total, out of which:	45,461,868	42,395,909	(3,065,958)
< 12 months	38,178,595	42,395,909	4,217,315
> 12 months	7,283,273	0	(7,283,273)
LivingJumbo Industry, total, out of which:	24,954,230	20,645,456	(4,308,775)
< 12 months	24,954,230	20,645,456	(4,308,775)
> 12 months	-	-	-
EnergoInstall, total, out of which:	1,923,006	1,080,577	(842,429)
< 12 months	1,923,006	1,080,577	(842,429)
> 12 months	-	-	-
Total borrowings, out of which:	72,339,104	64,121,942	(8,217,162)
< 12 months	65,055,831	64,121,942	(933,889)
> 12 months	7,283,273	0	(7,283,273)
Total leasing, out of which:	198,874	217,912	19,038
< 12 months	72,213	88,012	15,799
> 12 months	126,661	129,900	3,239



CURRENT LIABILITIES

Current liabilities of the Group have a weight in Total Liabilities of 87.59% and in Total Equity and Liabilities of 43.31% recording an increase of LEI 5,190,552, i.e. 4.55%, as compared with the beginning of the year.

Evolution of current liabilities in the period 2020- 2024

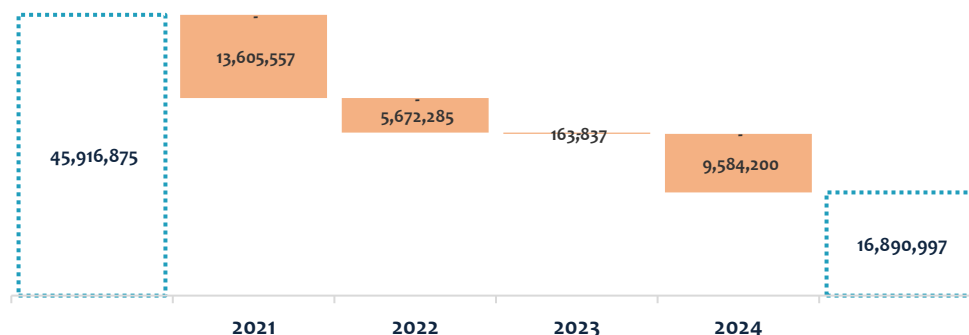


Current liabilities (lei)	31/12/2024	% in total liabilities	% in Total Current liabilities	% in Total Equity and liabilities	2024 vs 2023
Trade and other current payables	46,188,413	33.93%	38.74%	16.77%	18.29%
Other current financial liabilities	64,209,954	47.17%	53.85%	23.32%	-1.41%
Other current non-financial liabilities	8,843,017	6.50%	7.42%	3.21%	-10.47%
Total current liabilities	119,241,384	87.59%	100.00%	43.31%	4.55%

NON-CURRENT LIABILITIES

Non-current liabilities have a weight in Total Equity and Liabilities of 6.13% recording a decrease of - LEI 9,584,200, i.e. -36.20%, as compared with the beginning of the year.

Evolution of non-current liabilities in the period 2020- 2024

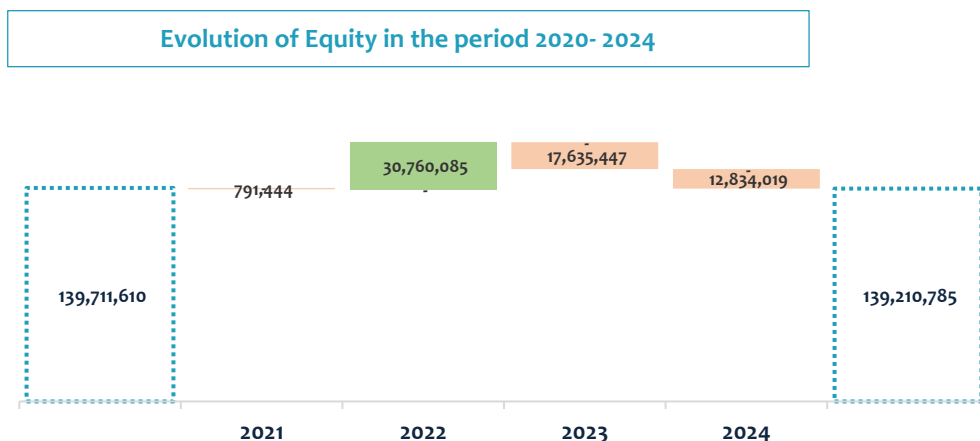


Non-current liabilities (lei)	31/12/2024	% in total liabilities	% in Total Non-current liabilities	% in Total Equity and liabilities	2024 vs 2023
Other non-current provisions	1,770,513	1.30%	10.48%	0.64%	-1.81%
Deferred tax liabilities	5,637,270	4.14%	33.37%	2.05%	-24.61%
Other non-current financial liabilities	129,900	0.10%	0.77%	0.05%	-98.25%
Other non-current non-financial liabilities	9,353,314	6.87%	55.37%	3.40%	-4.41%
Total non-current liabilities	16,890,997	12.41%	100.00%	6.13%	-36.20%



EQUITY

The Equity have a weight in Total Equity and Liabilities of 50.56% recording a decrease of - LEI 12,834,019, i.e. - 8.44%, as compared with the beginning of the year.



Equity (lei)	31/12/2024	2024 vs 2023
Issued capital	52,824,419	0.00%
Share premium	2,182,283	0.00%
Reserves	64,764,622	-0.82%
Retained earnings	18,532,859	-39.87%
Equity attributable to equity holders of the parent	138,304,183	-8.49%
Non-controlling interests	906,602	-0.79%
Total Equity	139,210,785	-8.44%



B.) STATEMENT OF THE COMPREHENSIVE INCOME

Indicator (lei)	12 Months of 2022	12 Months of 2023	12 Months of 2024	2024 vs.2023		
Revenue from contracts with customers	381,985,677	304,683,985	307,315,650	▲	2,631,665	1%
Other Income	4,287,141	4,103,607	3,784,998	▼	(318,609)	-8%
Increase (decrease) in inventories of finished goods and work in progress	11,496,807	2,516,172	1,269,543	▼	(1,246,629)	-50%
Raw materials, consumables and utilities	(263,732,961)	(191,297,563)	(187,965,972)	▼	3,331,591	-2%
Employee benefits expense	(78,261,063)	(84,574,383)	(91,859,461)	▲	(7,285,078)	9%
Depreciation and amortisation expenses	(14,538,409)	(14,320,887)	(14,627,022)	▲	(306,135)	2%
Other expenses	(30,646,145)	(27,713,730)	(27,483,472)	▼	230,258	-1%
Other gains (losses)	2,276,748	5,068,419	210,718	▼	(4,857,701)	-96%
Profit (loss) from operating activities	12,867,795	(1,534,380)	(9,355,018)	▲	(7,820,638)	510%
Finance Income	290,047	944,878	1,820,589	▲	875,711	93%
Finance costs	(2,894,705)	(4,303,354)	(4,136,316)	▼	167,038	-4%
Net gain/(loss) on disposal of financial investments	44,525,895	-	-			
Share of profit (loss) of associates*	2,402,565	-	-			
Gain/loss from the impairment of financial investment	-	-	(97,950)	▲	(97,950)	
Profit / (loss) before tax	57,191,597	(4,892,856)	(11,768,695)	▲	(6,875,839)	141%
Tax income (expense)	(1,066,842)	(242,991)	1,367,367	▲	1,610,358	-663%
Profit (loss) of the year, attributable to	56,124,755	(5,135,847)	(10,401,328)	▲	(5,265,481)	103%
Equity holders of the parent	56,119,419	(5,128,782)	(10,394,079)	▲	(5,265,297)	103%
Minority interest	5,336	(7,065)	(7,249)	▲	(184)	3%
Profit (loss) from continuing operations	56,124,755	(5,135,847)	(10,401,328)	▲	(5,265,481)	103%
Differences from foreign operations	-	64,719	(6,358)	▼	(71,077)	-110%
Net losses from revaluation of tangible assets	745,264			—	-	
Deffered profit tax allocated to the comprehensive income	273,332	485,482	186,674	▼	(298,808)	-62%
Comprehensive income of the year, attributable to:	57,143,351	(4,585,646)	(10,221,012)	▲	(5,635,366)	123%
Equity holders of the parent	57,138,015	(4,578,581)	(10,213,763)	▲	(5,635,182)	123%
Minority interest	5,336	(7,065)	(7,249)	▲	(184)	3%

*In Decembrie 2022 Grupul a vandut detinerea in Romgreen Universal LTD

Indicator	12 Months of 2022	12 Months of 2023	12 Months of 2024	2024 vs.2023		
EBITDA OPERATIONAL	24,700,499	5,210,408	2,302,907	▼	(2,907,501)	-56%

Indicator	2022	2023	2024
No. of personnel @ 31 Decembrie	1,414	1,388	1,289
Average no. of personnel	1,338	1,245	1,222



From EBITDA OPERATIONAL to NET PROFIT

Indicator	12 Months of 2022	12 Months of 2023	12 Months of 2024		2024 vs 2023	
EBITDA OPERATIONAL	24,700,499	5,210,408	2,302,907	▼	(2,907,501)	-56%
Fixed assets depreciation	(14,538,409)	(14,320,887)	(14,627,022)	▲	(306,135)	2%
Revenues from subsidy from Government for investments	3,692,905	3,600,219	3,325,296	▼	(274,923)	-8%
Interest expenses	(2,364,092)	(3,121,845)	(3,907,534)	▲	(785,689)	25%
Gain/loss from sales of assets	1,191,313	3,988,054	(1,789,344)	▼	(5,777,398)	-145%
Gain/loss from re-evaluating the investment property	170,996	974,174	435,954	▼	(538,220)	-55%
Other non-operational items	(2,845,355)	(1,496,287)	718,377	▼	2,214,664	-148%
Forex gain/loss	71,336	(633,143)	233,636	▼	866,779	-137%
Share of profit / loss of associates(Romgreen)*	2,402,565	-	-	—	-	0%
Net gain from financial investments	44,525,895	57,882	782,307	▲	724,425	1252%
Other gain/loss from Financial	183,944	848,569	756,728	▼	(91,841)	-11%
Tax on profit	(1,066,842)	(242,991)	1,367,367	▲	1,610,358	-663%
NET PROFIT/LOSS	56,124,755	(5,135,847)	(10,401,328)	▲	(5,265,481)	103%



On quarters, the Statement of the comprehensive income has the following evolution:

Indicators	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2024 vs. Q1 2023	Q2 2024 vs. Q2 2023	Q3 2024 vs. Q3 2023	Q4 2024 vs. Q4 2023
Revenue from contracts with customers	74,869,494	71,935,207	84,728,619	75,782,330	(15,003,257)	2,935,091	13,620,280	1,079,551
Other Income	1,035,717	1,006,172	1,065,715	677,394	4,204	(5,972)	35,114	(351,955)
Increase (decrease) in inventories of finished goods and work in progress	967,770	4,776,579	(4,529,776)	54,970	(985,384)	4,790,840	(4,750,499)	(301,587)
Raw materials, consumables and utilities	(46,873,496)	(48,294,536)	(50,448,649)	(42,349,291)	15,025,872	(5,192,456)	(6,246,192)	(255,633)
Employee benefits expense	(22,903,698)	(22,743,202)	(23,839,808)	(22,372,753)	(2,478,180)	(2,772,021)	(3,047,424)	1,012,547
Depreciation and amortisation expenses	(3,728,762)	(3,739,461)	(3,770,314)	(3,388,485)	(107,970)	(126,487)	(122,159)	50,481
Other expenses	(5,387,868)	(5,169,489)	(5,061,833)	(11,864,282)	1,335,783	(285,173)	(559,484)	(260,868)
Other gains (losses)	24,040	197,974	127,778	(139,074)	(3,998,380)	176,355	107,840	(1,143,516)
Profit (loss) from operating activities	(1,996,803)	(2,030,756)	(1,728,268)	(3,599,191)	(6,207,311)	(479,823)	(962,524)	(170,980)
Finance Income	958,630	193,426	252,121	416,412	711,234	108,102	67,681	(11,306)
Finance costs	(1,019,500)	(1,102,192)	(1,075,859)	(938,765)	57,651	(1,746)	(62,852)	173,985
Gain/loss from the impairment of financial investment	-	-	-	(97,950)	-	-	-	(97,950)
Profit / (loss) before tax	(2,057,673)	(2,939,522)	(2,552,006)	(4,219,494)	(5,438,426)	(373,467)	(957,695)	(106,251)
Tax income (expense)	(132,882)	(13,722)	(14,465)	1,528,436	410,456	291,781	(736,888)	1,645,009
Profit (loss) of the year, attributable to	(2,190,555)	(2,953,244)	(2,566,471)	(2,691,058)	(5,027,970)	(81,686)	(1,694,583)	1,538,758
Equity holders of the parent	(2,189,200)	(2,951,586)	(2,565,119)	(2,688,174)	(5,027,538)	(82,184)	(1,693,951)	1,538,376
Minority interest	(1,355)	(1,658)	(1,352)	(2,884)	(432)	498	(632)	382
Profit (loss) from continuing operations	(2,190,555)	(2,953,244)	(2,566,471)	(2,691,058)	(5,027,970)	(81,686)	(1,694,583)	1,538,758
Differences from foreign operations	(295)	439	(6,431)	(71)	(451)	352	(66,774)	(4,204)
Deferred profit tax allocated to the comprehensive income	-	-	-	186,674	-	-	-	(298,808)
Comprehensive income of the year, attributable to:	(2,190,850)	(2,952,805)	(2,572,902)	(2,504,455)	(5,028,421)	(81,334)	(1,761,357)	1,235,746
Equity holders of the parent	(2,189,495)	(2,951,147)	(2,571,550)	(2,501,571)	(5,027,990)	(81,831)	(1,760,725)	1,235,364
Minority interest	(1,355)	(1,658)	(1,352)	(2,884)	(432)	498	(632)	382
EBITDA OPERATIONAL	833,629	640,650	1,064,019	(235,392)	(1,991,245)	(524,079)	2,515,325	(2,907,501)



C.) REVENUES FROM CONTRACTS WITH CUSTOMERS

The participation of the consolidated subsidiaries in obtaining the item "Revenues", in the reporting period is presented in the below table:

Company	12 Months of 2022	% in total	12 Months of 2023	% in total	12 Months of 2024	% in total	2024 vs 2023%
Romcarbon SA	262,801,054	59%	214,230,854	61%	225,633,834	63%	5,32%
LivingJumbo Industry SA	164,064,764	37%	115,487,834	33%	109,272,489	31%	-5,38%
RC Energo Install SRL	17,005,204	4%	20,393,926	6%	19,637,385	5%	-3,71%
Info Tech Solutions SRL	1,124,044	0%	2,029,034	1%	2,510,008	1%	23,70%
Total, out of which:	444,995,067	100%	352,141,648	100%	357,053,716	100%	1,39%
Within the Group	63,009,389	14%	47,457,663	13%	49,738,066	14%	4,81%
Outside of the Group	381,985,677	86%	304,683,985	87%	307,315,650	86%	0,86%

In the reporting period, the "Revenues" indicator, by component elements, is presented below:

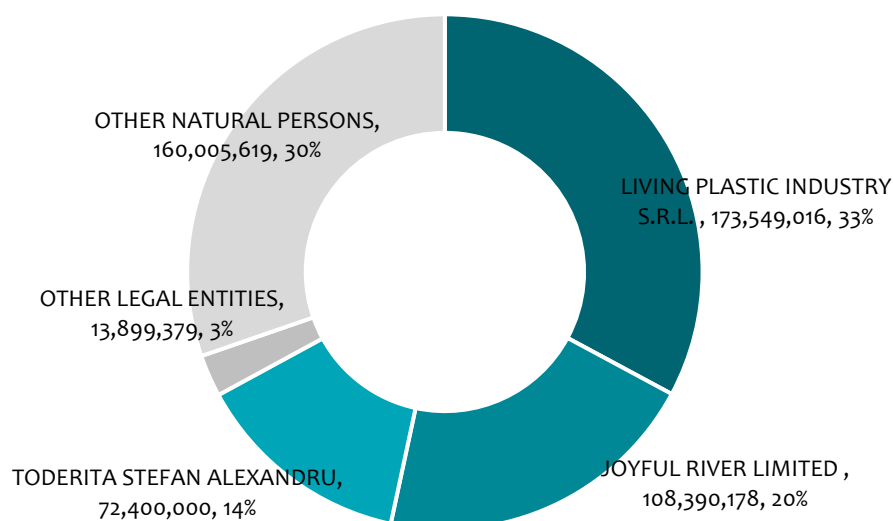
Structure of revenues	12 Months of 2022	% in total	12 Months of 2023	% in total	12 Months of 2024	% in total	2024 vs 2023%
Sales of finished goods (701+709)	313,728,863	82%	249,100,439	82%	246,872,722	80%	-0,89%
Sales of intermediary goods	17,584,021	5%	9,958,085	3%	11,521,413	4%	15,70%
Sales of residual products	479,172	0%	293,095	0%	396,286	0%	35,21%
Services rendered	3,141,708	1%	4,167,180	1%	5,463,057	2%	31,10%
Sales of goods purchased for resale	37,641,933	10%	32,316,563	11%	34,368,279	11%	6,35%
Revenues from sundry activities	9,409,981	2%	8,848,623	3%	8,693,893	3%	-1,75%
Total	381,985,677	100%	304,683,985	100%	307,315,650	100%	0,86%

D.) CASH-FLOW

	12 Months of 2022	12 Months of 2023	12 Months of 2024
Net cash generated by operating activities	(6,738,464)	827,402	3,914,942
Net cash (used in)/generated by investing activities	70,172,389	(5,880,494)	(12,436,457)
Net cash (used in)/generated in financing activities	(7,161,758)	(35,099,811)	(10,841,337)
Net increase in cash and cash equivalents	56,272,168	(40,152,903)	(19,362,852)
Cash and cash equivalents at the beginning of the year	17,596,893	73,869,061	33,716,158
Effects of exchange rate changes on the balance of cash held in foreign currencies	0	0	0
Cash from subsidiaries acquired during the year	0	0	0
Cash and cash equivalents at the end of the period	73,869,061	33,716,158	14,353,306

**E.) FINANCIAL RATIOS**

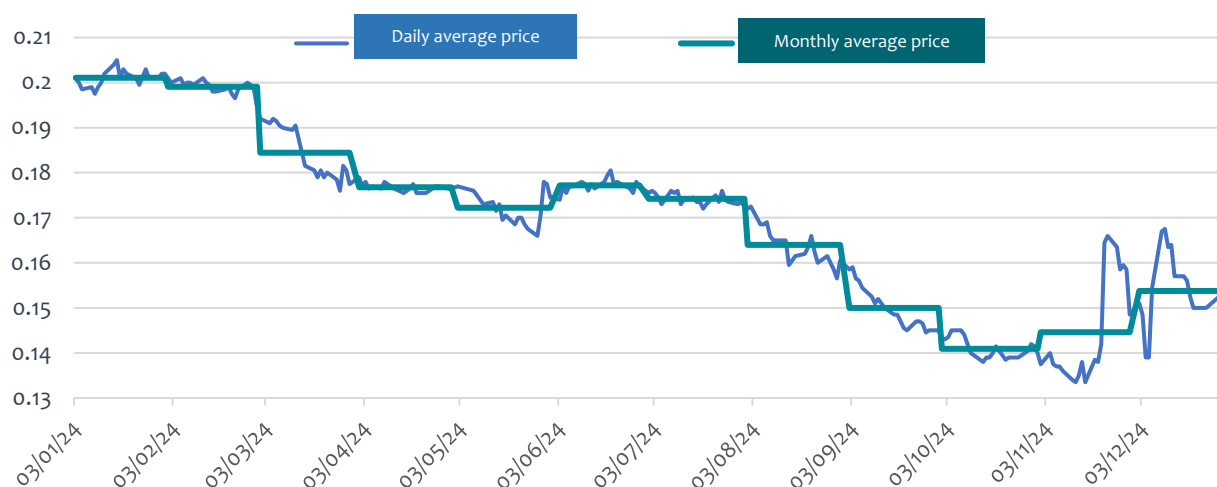
Indicator	Formula	12 Months of 2022	12 Months of 2023	12 Months of 2024
EBIT	Gross profit + Income tax + Expenses with interest	59,555,689	(1,771,011)	(7,861,161)
EBITDA	EBIT + Depreciation-Subsidies for investment	70,401,193	8,949,657	3,440,565
Sales	Revenue + Rental and royalty income	382,579,913	305,187,373	307,775,352
EBITDA to sales ratio	EBITDA/Sales	18.40%	2.93%	1.12%
EBITDA to Equity ratio	EBITDA/Equity	41.49%	5.89%	2.47%
Gross profit margin	Gross profit/Sales	14.95%	-1.60%	-3.82%
Current ratio	Current assets/Current liabilities	1.42	1.38	1.14
Quick ratio	(Current assets-Inventories)/Current liabilities	0.97	0.86	0.61
Non-current liabilities to Equity ratio	Non-current liabilities/Equity	16%	17%	12%
Total liabilities to Assets ratio	Total liabilities/Total Assets	51%	48%	49%
Interest coverage ratio	EBIT/Interest expenses	25.19	(0.57)	(2.01)
Account receivable turnover ratio	Average receivables/Sales (days)	54	72	67
Account payable turnover ratio	Average payables/Sales (days)	56	60	50
Return on assets (ROA)	Net profit/Assets	16.3100%	-1.7554%	-3.7776%
Return on equity (ROE)	Net profit/Equity	33.0768%	-3.3779%	-7.4716%
Return on sales (ROS)	Net profit/Sales	14.6701%	-1.6829%	-3.3795%

**STRUCTURE OF SHAREHOLDERS**

* On 30.06.2023, it was completed the registration in the Trade Register of the increase of the company's share capital with the amount of 26,412,209.60 lei, from 26,412,209.60 lei to 52,824,419.20 lei by issuing a number of 264,122,096 new shares, with a nominal value of 0.10 lei/share, according to the AGEA decision of 04/27/2023. The capital increase was achieved by incorporating into the company's share capital the amount of 26,412,209.60 lei, representing a part of the net profit recorded in the 2022 financial year.



Evolution of the average price of ROCE shares in 2024



Starting from 26.09.2023, a share price correction factor was applied with a value of 2. Details [HERE](#).

*
* *



INTERNAL CONTROL

Internal control aims at ensuring a rigorous and effective management of the Group's activity through the adoption by the Group's member companies of policies and procedures which ensure consistency of objectives, identify the key factors of success and communicate to the entity's managers in real-time information on performance and perspectives.

Internal control is organized so as to comply not only with financial-accounting regulations, but with all regulations, such as environmental, occupational health and safety, emergency situations, the Civil Code.

The Group's organization chart establishes the hierarchical levels of responsibility and authority existing and allows knowledge of functional and managerial aspects of the organization.

The Boards of Administration are independent of the management at the organization and their members are involved in management activities, which they supervise carefully. The Boards of Administration of the Group's member companies delegates to the managers responsibilities regarding internal control and make systematic and independent assessments of the internal control system established by management.

Internal (financial) audit has an assistance function that must ensure management that each of the companies' internal procedures are implemented and adhered to by all departments involved.

Regular or permanent check and assessment according to the Program approved by each of the Group companies' management of the quality operation of internal control is performed to determine whether internal controls are applied according to the procedures and if they are modified appropriately when the situation requires.

Internal control establishes methods by which employees are assessed, trained, promoted and rewarded as staff represents an essential component of internal control. The organizational chart, the internal regulations (IR), job descriptions are updated according to the modifications.

Each of the Group companies' management has taken action in order to remove or reduce incentives that could cause employees to engage in dishonest, illegal or immoral activities. They are found in the Internal Regulations and other regulations issued but also in personal examples.



Management is in charge of the filling of specific positions by competent personnel who has the knowledge and skills to perform the tasks characteristic of each function.

The Group faces various risks arising from the external or the internal environment that must be managed appropriately by management. Risk identification and analysis is an ongoing process and a critical component of an effective internal control. Some of the examples are the Group member companies' inability to achieve the set objectives, staff quality, importance and complexity of basic economic processes, introduction of new information technologies, entry of new competitors on the market etc.

Management identifies and assesses these risks and formulates specific measures to reduce the risk at an acceptable level.

For an adequate split of the responsibilities (tasks) in order to prevent significant frauds and errors, the Company applies:

- The division of the administration of assets to avoid the risk of theft;
- The division of the authorization of the operations of assets administration;
- The separation of the IT tasks from the tasks of the persons outside the IT system (the tasks related to the design and control of accounting software are separated from the ones related to the update of information)

Inside each Group member company, there are three different functions, whose separation (their aggregation is not admitted) represents the grounds for mutual control between departments and performers, namely:

- achievement of the objectives of the organization
- preservation of the assets of the organization
- the accounting function;

For an efficient internal control, the same person cannot fulfill all such roles. If any two of such roles are fulfilled by the same person, the risk of error and fraud is higher.

Most of the operations and transactions involve at least two of the presented roles; as result, errors and frauds can be easily detected, because they result in a lack of correlation between the statements, between the departments or performers.

The internal accounting and financial control is a major element of internal control inside the entity and it relates to the entire processes of obtaining and communicating the accounting and financial information in order to obtain reliable information and in accordance with legal requirements.

The internal accounting and financial control focuses on providing:

- compliance of the accounting and financial information with the applicable rules;
- application of the management instructions according to this information;
- protection of the assets;
- prevention and detection of accounting and financial frauds and irregularities;
- reliability of the information disseminated and used internally for controlling purposes, to the extent it contributes to preparing published accounting and financial information;
- reliability of the annual published financial statements and other information communicated to the market.

All intern control activities seek to perform a permanent and periodical review of activities, in order for the management to identify the best solutions for its decisions for increasing the performance of the company and become more competitive on the market.

THE GROUP'S OBJECTIVES AND POLICIES REGARDING RISK MANAGEMENT

The parent company implemented risk management in accordance with Standard SR EN ISO 31010 – Risk Management. Risk Assessment Techniques, identifying and assessing risks involving every operating department in the organization. The Company drafted a Risk Register for every operating department, the Organization's Risk Register and the Risk Treatment Action Plan.

Capital risks

The management of the Group's risk also consists in a regular review of the capital structure. The Group will balance the general structure of its capital by dividend payment, issuance of new shares and redemption of shares.

Financial risks

The Group's treasury function supplies services necessary to the business, coordinates access to national and international financial market, monitors and manages financial risk related to the Group's operations through reports on internal risks, analyzing exposure by the degree and extent of risks.



Liquidity risk

Liquidity risk, also called funding risks, is the risk for a company to face difficulties in raising funds to fulfill its commitments associated to the financial instruments.

The ultimate responsibility for liquidity risk management rests with the Board of Administration, which has built a proper liquidity risk management framework regarding the Group funds' short, medium and long term insurance and the liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, backup banking facilities and loan facilities, by continually monitoring cash flows and matching the maturity profiles of financial assets and liabilities.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The management monitors the Group's exposure and the credit ratings of its contractual counterparties.

Market risk

As of the date of this report, no risks have been identified that would significantly impact revenues from core activities. However, global geopolitical tensions arising from the Russian Federation's military interventions in Ukraine have generated and continue to generate economic uncertainties in the energy and capital markets. Global energy prices have increased and are expected to remain highly volatile in the foreseeable future.

At the date of this report, management is unable to reliably estimate the effects on the Group's financial outlook and cannot rule out potential negative consequences for its business, operations, and financial position. Management believes it is taking all necessary measures to support the sustainability and growth of the Group's operations under the current circumstances and considers that the professional judgments applied in these financial statements remain appropriate.

ELEMENTS OF PERSPECTIVE

In the year 2025, the management will continue to take all measures to ensure the development of the Group's activity in safe conditions for all interested parties, in the current context of the raw materials and materials market, where the availability and price of raw materials has represented a continuous challenge, the cost of plastic granules returning to an increased level since the first months of the year, the utility market with prices that remain at a high level, in the context of the geopolitical climate created by the war in Ukraine, and last but not least the labor market, which shows continuous volatility growth.

For the year 2025, the Group aims to strengthen its position on the markets in which it operates, making the investments made in previous years more efficient as well as new investments in the circular economy and recycling by accessing non-refundable funds within the investment programs coordinated by the Ministry of Energy, as coordinator of reforms and/or investments for the National Recovery and Resilience Plan (PNRR).

The priority objectives are also in 2024 the realization of a range of products as diversified as possible and at the highest quality standards and the investment of important resources in technologies intended to ensure the economic growth of the company in the following financial exercises.

The activity of the companies within the Group is not affected by the restrictions on external financing, it has the ability to control the flow of collections and minimizes the risks of non-collection. We have not identified the prerequisites for exposure to major risks in terms of cash flows. There will be pressure on the RON/EUR exchange rate, but we cannot estimate its level.

NON-FINANCIAL REPORTING

The sustainability statement is included as an annex to the Board of Directors' Report attached to the Consolidated Financial Statements

Chairman of the Board and General Manager,

Huang Liang Neng

Financial Manager,

ec. Zainescu Viorica Ioana

General Manager for Administrative Operations,

Manaila Carmen

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