

ROMCARBON S.A.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

**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**

CONTENTS**PAGE**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	1
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND OTHER COMPREHENSIVE INCOME	2
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	3 - 4
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	5 - 6
CONSOLIDATED STATEMENT OF CASH FLOWS	7 - 8
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	9 - 54
ADMINISTRATORS' REPORT	1 - 18

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

	Note	Year ended December 31, 2025	Year ended December 31, 2024
		RON	RON
Revenue from Contracts with Customers	3	259,383,195	307,315,650
Other income	5	4,357,559	3,784,998
Increase (decrease) in inventories of finished goods and work in progress		(3,154,585)	1,269,543
Raw materials and consumables used	6	(143,326,529)	(187,965,972)
Employee benefits expense	7	(83,340,200)	(91,859,461)
Depreciation and amortisation expenses	8	(13,083,595)	(14,627,022)
Other expenses	9	(22,685,836)	(27,483,472)
Other gains (losses)	10	6,756,029	210,718
Profit (loss) from operating activities		4,906,038	(9,355,018)
Finance income	11	634,539	1,038,282
Finance costs	12	(5,247,341)	(4,136,316)
Gain/Loss from disposal of short-term investments		(52,347)	782,307
Impairment losses and impairment of financial assets		(8,202)	(97,950)
Profit (loss) before tax		232,687	(11,768,695)
Tax income (expense)	13	(79,776)	1,367,367
Profit (loss) from continuing operations		152,911	(10,401,328)
Profit (loss) from discontinued operations		0	0
Profit (loss) for the year		152,911	(10,401,328)
Attributable to:			
Equity holders of the parent		153,611	(10,394,079)
Non controlling interests		(700)	(7,249)

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, 2025 RON	Year ended December 31, 2024 RON
Profit (loss)		152,911	(10,401,328)
Components of other comprehensive income that will not be reclassified to profit or loss, before tax			
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
Components of other comprehensive income that will be reclassified to profit or loss, before tax			
Gains (losses) on exchange differences on translation, before tax		0	(6,358)
Total OCI that will be reclassified to profit or loss, before tax		0	(6,358)
Total other comprehensive income, before tax		0	(6,358)
Income tax relating to changes in revaluation surplus included in other comprehensive income	13	0	186,674
Total other comprehensive income		0	180,316
Total comprehensive income		152,911	(10,221,012)
Comprehensive income attributable to			
Comprehensive income, attributable to owners of parent		153,611	(10,213,763)
Comprehensive income, attributable to non-controlling interests		(700)	(7,249)

The consolidated financial statements were approved by the Board of Directors and were authorized for issuance on April 15, 2026.

PREPARED BY,

HUANG LIANG NENG,
Chairman of the Board
And General Manager

VIORICA ZAINESCU,
Financial Manager

CARMEN MANAILA,
Deputy General Manager for
Administrative Operations

For signatures, please refer to the original Romanian version.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

ROMCARBON SA

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

	Note	December 31, 2025 RON	December 31, 2025 RON
ASSETS			
Non-current assets			
Property, plant and equipment	14	129,959,514	126,111,282
Investment property	15	7,361,452	11,909,857
Goodwill	16	143,461	143,461
Intangible assets other than goodwill	17	333,834	541,353
Investments in subsidiaries, joint ventures and associates		292,974	297,974
Total non-current assets		138,091,235	139,003,927
Current assets			
Current inventories	19	50,826,686	64,110,951
Trade and other current receivables	20	44,933,367	54,097,088
Other current financial assets	21	1,284,301	2,621,744
Other current non-financial assets	22	626,762	1,156,150
Cash and cash equivalents	23	23,633,637	14,353,306
Total current assets		121,304,753	136,339,239
TOTAL ASSETS		259,395,988	275,343,166
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	24	52,824,419	52,824,419
Retained earnings	25	17,625,936	18,532,859
Share premium		2,182,283	2,182,283
Other reserves	26	64,230,524	64,764,622
Total equity attributable to owners of parent		136,863,162	138,304,183
Non-controlling interests	27	905,902	906,602
Total equity		137,769,064	139,210,785
Non-current liabilities			
Non-current provisions		1,641,891	1,770,513
Total non-current provisions		1,641,891	1,770,513
Deferred tax liabilities	13	5,528,204	5,637,270
Other non-current financial liabilities	28	3,437,146	129,900
Non-current governmental grants	30	5,856,674	9,353,314
Other non-current non-financial liabilities	30	0	0
Total non-current liabilities		16,463,915	16,890,997
Current liabilities			
Trade and other current payables	29	34,945,806	46,188,413
Other current financial liabilities	28	62,167,692	64,209,954
Current governmental grants	30	2,493,279	3,021,683
Other current non-financial liabilities	30	5,556,232	5,821,334
Total current liabilities		105,163,009	119,241,384
Total liabilities		121,626,924	136,132,381
Total equity and liabilities		259,395,988	275,343,166

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)

The consolidated financial statements were approved by the Board of Directors and were authorized for issuance on April 15, 2026.

PREPARED BY,

HUANG LIANG NENG,
Chairman of the Board
And General Manager

VIORICA ZAINESCU,
Financial Manager

CARMEN MANAILA,
Deputy General Manager for
Administrative Operations

For signatures, please refer to the original Romanian version.

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

ROMCARBON SA

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

2025	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	37,678,153	28,092,150	(1,005,681)	18,532,859	138,304,183	906,602	139,210,785
Profit (loss)	0	0	0	0	0	153,611	153,611	(700)	152,911
Other comprehensive income	0	0	0	0	0	0	0	0	0
Total comprehensive income	0	0	0	0	0	153,611	153,611	(700)	152,911
Dividends recognised as distributions to owners	0	0	0	0	0	(1,531,908)	(1,531,908)	0	(1,531,908)
Increase (decrease) through other changes, equity	0	0	(670,976)	136,745	133	471,374	(62,724)	0	(62,724)
Equity at end of period	52,824,419	2,182,283	37,007,177	28,228,895	(1,005,548)	17,625,936	136,863,162	905,902	137,769,064

The resolution of the General Meeting of Shareholders of 10.12.2025 approved the dividend allocation in amount of Lei 1,531,908.16. The amount, less the dividend tax, will be transferred to the Central Depository and the payment of the dividends will be made on 27.05.2026.

In 2025 the dividend per share was in amount of 0.003 lei/share (2024: 0.005 lei /share).

PREPARED BY,

HUANG LIANG NENG,
Chairman of the Board And
General Manager

VIORICA ZAINESCU,
Financial Manager

CARMEN MANAILA,
Deputy General Manager for Administrative
Operations

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

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)
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.

The consolidated financial statements were approved by the Board of Directors and were authorized for issuance on April 15, 2026.

PREPARED BY,

HUANG LIANG NENG,

**Chairman of the Board And
General Manager**

VIORICA ZAINESCU,

Financial Manager

CARMEN MANAILA,

**Deputy General Manager for Administrative
Operations**

For signatures, please refer to the original Romanian version.

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)

	31-dec-25	31-dec-24
Cash flows from (used in) operating activities		
Profit (loss)	152,911	(10,401,328)
Adjustments for non-monetary items		
Adjustments for income tax expense	79,776	(1,367,367)
Finance expenses recognized in profit	3,460,957	4,113,937
(Gain) / Loss on sale or disposal of fixed assets	(1,688,680)	(26,732)
(Gain) / Loss on sale or disposal of investment property	(3,979,858)	0
(Gain) / Loss on sale or disposal of financial assets	52,347	(782,307)
Revenues from production of the immobilization	(4,506,123)	(2,676,844)
Interest income	(634,538)	(804,646)
Expenses / (Revenues) regarding allowances for financial assets	8,202	97,950
Loss on impairment of stocks	0	962,798
Loss on time-barred receivables	20,793	61,710
Amortization / Depreciation of non-current assets	13,083,594	14,627,022
Net (gain) / loss on foreign exchange	1,754,014	(233,636)
(Gain) / Loss on revaluation of investment property	(827,928)	(435,954)
Increase / Decrease in provisions	(128,622)	(32,675)
Increases /(decreases) in subsidies	(4,025,046)	(3,325,296)
Movement in working capital		
(Increase) / Decrease in trade and other receivables	6,335,624	4,198,313
(Increase) / Decrease in inventories	13,284,266	(5,357,183)
(Increase) / Decrease in other assets	576,560	179,150
Increase / (Decrease) in trade and other payables	(11,910,068)	7,844,687
Increase / (Decrease) in other payables	(104,838)	1,235,090
Total adjustments to reconcile profit (loss)	10,850,432	18,278,017
Interest paid	(3,022,109)	(3,907,534)
Income tax paid	(349,107)	152,189
Bank commissions paid	(438,847)	(206,402)
Net cash flows from (used in) operating activities	7,193,280	3,914,942
Cash flows from (used in) investing activities		
Payments for property, plant and equipment	(17,104,411)	(17,102,682)
Payments for intangible assets	(66,096)	(308,129)
Proceeds from disposal of property, plant and equipment	5,713,830	1,816,076
Proceeds from sale of investment property	9,356,191	0
Proceeds from investments in associates	5,001	0
Proceeds from subsidies	0	2,315,700
Short-term financial investement	0	(128,384)
Proceeds from sale of short term investment	1,229,723	782,307
Payments for investment properties	0	(615,991)
Interest received	634,538	804,646
Net cash flows from (used in) investing activities	(231,224)	(12,436,457)
Cash flows from (used in) financing activities		
Proceeds from borrowing	6,309,262	1,749,141
Repayment of borrowing	(3,906,704)	(9,851,283)
Lease payments	(84,284)	(97,975)
Dividends paid	0	(2,641,220)
Net cash flows from (used in) financing activities	2,318,274	(10,841,337)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	9,280,331	(19,362,852)
Effect of exchange rate changes on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	9,280,331	(19,362,852)
Cash and cash equivalents at beginning of period	14,353,306	33,716,158
Cash and cash equivalents at end of period	23,633,637	14,353,306

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)

The consolidated financial statements were approved by the Board of Directors and were authorized for issuance on April 15, 2026.

PREPARED BY,

HUANG LIANG NENG,
Chairman of the Board
And General Manager

VIORICA ZAINESCU,
Financial Manager

CARMEN MANAILA,
Deputy General Manager for
Administrative Operations

For signatures, please refer to the original Romanian version.

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

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. J1991000083106, Fiscal Code RO1158050. Country of incorporation is Romania. As at December 31, 2025 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, 2025 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. On October 30, 2025, the court granted the application for the opening of the simplified insolvency procedure filed by ECO PACK MANAGEMENT SA

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. **The voluntary dissolution process of the company was completed in July 2025, and the company was struck off the Cyprus Registrar of Companies.**

(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-25	31-dec-24	Consolidation method
			%	RON	RON	
RECYPLAT LTD CIPRU	Activities and business of consultants, experts in all scientific fields, financial, administrative or otherwise	Nicosia	100.00%	-	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 ¹⁾	Activity is wholesale	Odessa	62.62%	2,687,755	2,687,755	Global method
GRINRUH LTD ¹⁾	Activity is construction and wholesale	Odessa	62.62%	4,426,809	4,426,809	Global method
ECO PACK MANAGEMENT SA ²⁾	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 ³⁾	Manufacture of products beneficial to human health	Taiwan	4.81%	203,963	203,963	Outside consolidation area
Registrul Miorita SA	Other financial service activities, except insurance and pension funding n.e.c.(NACE code 6499)	Cluj	3.79%	-	5,000	Outside consolidation area
Asociatia "Viitorul incepe azi" ³⁾		Buzau	14.29%	1,000	1,000	Outside consolidation area

¹⁾ The company ceased its activity in 2012.

²⁾ The company's activity was suspended until 27.11.2024. On October 30, 2025, the court granted the application for the opening of the simplified insolvency procedure filed by ECO PACK MANAGEMENT SA

³⁾ 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, 2025 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. An exception to this principle is represented by property, plant and equipment consisting of land and buildings, which are periodically measured at fair value by independent valuers, as well as investment property measured annually at fair value.

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, 2025, the Group's current assets exceed current liabilities by RON 17,723,777. In 2025, the Group recorded a profit of RON 152,911 (2024: RON -10,401,328) and cash flows of RON 9,280,331, of which RON 7,193,280 from operating activities, RON -231,224 from investing activities, and RON 2,318,274 from financing activities (2024: RON -19,362,852, of which RON 3,914,942 from operating activities, RON -12,436,457 from investing activities, and RON -10,841,337 from financing activities).

Based on the Group companies' proposed budgets for 2026 and the positive trend recorded in 2025, management believes that the Group will be able to continue its operations in the foreseeable future; therefore, the application of the going concern principle in the preparation of the 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.

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 from 1 January 2025

The following amendments are effective for the period beginning 1 January 2025:

1. Lack of exchangeability (Amendment to IAS 21 *The Effects of Changes in Foreign Exchange Rates*)

On 15 August 2023, the IASB issued *Lack of Exchangeability* which amended IAS 21 *The Effects of Changes in Foreign Exchange Rates* (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

These amendments had no effect on the consolidated financial statements of the Group.

2. Illustrative examples on reporting uncertainties in financial statements

On 28 November 2025, the IASB issued *Disclosures about Uncertainties in the Financial Statements – Illustrative examples*, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The illustrative examples are accompanying materials to IFRS Accounting Standards and do not have an effective date. The IASB had issued a near-final staff draft of the illustrative examples in July 2025. The Group has considered these illustrative examples in its preparation of the consolidated financial statements and no additional disclosures or changes in presentation were considered necessary.

The illustrative examples have been issued during 2025 with no effective date.

II. New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the annual reporting period beginning 1 January 2026:

1. Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*)

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.

2. 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.

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

2. MAIN ACCOUNTING POLICY (continued)

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

1. IFRS 18 *Presentation and Disclosure in Financial Statements*

The standard 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 categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

2. 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.

The Group is currently assessing the effect of these new accounting standards and amendments.

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.

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.

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

2. MAIN ACCOUNTING POLICY (continued)

Dividend and interest income

Dividend income related to investments is recognized when the shareholders' right to receive payment is established. Interest income is recorded on a time-proportion basis, by reference to the principal outstanding and the applicable effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset.

Revenues from services rendered

Revenue from the rendering of services is recognized at a point in time or over time as the company satisfies its performance obligations under the contract, by transferring control of the services to the customer. Revenue is recognized at the amount of consideration to which the company expects to be entitled in exchange for the services rendered.

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.

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, 2024:	4.7768 LEI/USD	and	4.9741 LEI/EUR
-	December 31, 2025:	4.3417 LEI/USD	and	5.0985 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 grants

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. These are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs that these grants are intended to compensate. Grants related to assets are recognized as deferred income and released to profit or loss over the useful lives of the related assets.

Government grants whose primary condition is that the Group should purchase, construct, or otherwise acquire non-current assets are recognized as deferred income in the statement of financial position and are transferred to profit or loss on a systematic and rational basis over the useful lives of the respective assets.

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

2. MAIN ACCOUNTING POLICY (continued)

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 of December 31, 2025, the Group's equity includes revaluation surpluses (revaluation reserves) related to property, plant and equipment, recognized following the application of the revaluation model provided by IAS 16 'Property, Plant and Equipment'. Revaluation reserves represent the difference between the revalued carrying amount of the assets and their cost, adjusted, as applicable, for accumulated depreciation and previously recognized impairment losses.

In accordance with IAS 12 'Income Taxes', a deferred tax liability is recognized for the taxable temporary differences related to these reserves, to the extent that it is probable that these differences will generate taxable amounts upon the recovery of the assets' carrying amount. The deferred tax related to the revaluation is recognized directly in other comprehensive income (OCI), in correspondence with the recognition of the revaluation reserves.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is determined using the balance sheet liability method. A deferred tax asset is generally recognized for all deductible temporary differences, to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, except where 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences of the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority, either on the same taxable entity or different taxable entities which intend to settle current tax balances on a net basis, or to realize the assets and settle the liabilities simultaneously.

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

2. MAIN ACCOUNTING POLICY (continued)

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.

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

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

2. MAIN ACCOUNTING POLICY (continued)

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.

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.

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

2. MAIN ACCOUNTING POLICY (continued)

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.

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.

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

2. MAIN ACCOUNTING POLICY (continued)

Financial assets and liabilities

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.

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

In accordance with IFRS 9 "Financial Instruments", the Group classifies financial assets at initial recognition based on the applicable business model for managing the assets and the characteristics of their contractual cash flows, into the following categories: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (FVOCI), and financial assets measured at fair value through profit or loss (FVTPL).

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income (FVOCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss (FVTPL).

At initial recognition, financial assets are measured at fair value plus, in the case of financial assets not classified as fair value through profit or loss, transaction costs that are directly attributable to the acquisition. Trade receivables that do not contain a significant financing component are initially recognized at their transaction price.

Subsequent to initial recognition, the Group measures financial assets at amortized cost, fair value through other comprehensive income, or fair value through profit or loss, depending on the classification established at initial recognition.

In the consolidated financial statements, the Group's financial assets primarily include trade and other receivables, loans granted, cash and cash equivalents, as well as other financial investments. Interests in subsidiaries are eliminated on consolidation, while interests in associates and jointly controlled entities are accounted for in accordance with IAS 28.

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.

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

2. MAIN ACCOUNTING POLICY (continued)

Investments in associates (continued)

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 recognizes allowances for expected credit losses (ECL) for financial assets measured at amortized cost, in accordance with IFRS 9 'Financial Instruments'. For trade receivables, the Group applies the simplified approach permitted by IFRS 9 and recognizes lifetime expected credit losses.

The estimation of expected credit losses for trade receivables is performed using a provision matrix based on the aging of balances, adjusted, as appropriate, for historical loss experience, current conditions, and relevant forward-looking information. At each reporting date, the Group analyzes receivable balances and records impairment adjustments corresponding to the estimated non-collection risk.

For other financial assets measured at amortized cost, the Group recognizes expected credit losses based on the credit risk associated with each instrument and its evolution since initial recognition.

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's financial liabilities are subsequently measured at amortized cost using the effective interest method, as the Group does not hold financial liabilities measured at fair value through profit or loss (FVTPL). These primarily include bank borrowings, trade payables, and other financial liabilities.

Financial liabilities are initially recognized at fair value, which, for items not measured at fair value through profit or loss, is adjusted for directly attributable transaction costs. Subsequently, borrowings and other interest-bearing financial liabilities are measured at amortized cost using the effective interest method, while trade payables and other short-term liabilities are presented at their nominal amounts (repayment value) when the effect of discounting is insignificant.

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

2. MAIN ACCOUNTING POLICY (continued)

Impairment of financial assets

Financial assets measured at amortized cost are analyzed at each reporting date to recognize expected credit losses (ECL), in accordance with IFRS 9 'Financial Instruments'. The Group recognizes impairment allowances based on a forward-looking model, which reflects the credit risk associated with the financial assets.

For trade receivables, the Group applies the simplified approach provided by IFRS 9 and recognizes lifetime expected credit losses. Impairment allowances are determined based on an aging analysis of the balances, taking into account historical loss experience, current conditions, and relevant forward-looking information.

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, PVC pipes, etc. The activities of this segment are carried out in Romcarbon SA and Livingjumbo Industry SA.

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.

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

2. MAIN ACCOUNTING POLICY (continued)

Segment reporting (continued)

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 consolidated financial statements in accordance with IFRS requires management to make estimates, assumptions, and judgments that affect the reported amounts of assets, liabilities, income, and expenses, as well as the related disclosures at the reporting date. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized prospectively in the period in which the changes occur and, if applicable, in future periods affected.

The key estimates and judgments used by management primarily relate to the determination of expected credit losses for trade receivables and other financial assets, the assessment of inventory write-downs, the estimation of useful lives for property, plant and equipment, the assessment of impairment indicators and the recoverable amount of non-financial assets, the determination of the fair value of revalued assets, the recognition of deferred tax, the measurement of provisions, as well as the revenue recognition from contracts with customers.

(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, 2025	Fiscal year ended December 31, 2024
	RON	RON
Revenues from sale of finished products and semifinished	226,931,029	258,394,135
Revenues from sale of residual products	460,523	396,286
Revenues from sale of commodities	24,762,848	34,368,279
Revenues from services delivered	2,667,433	5,463,057
Revenues from various activities	4,561,361	8,693,893
Total	259,383,195	307,315,650

4. SEGMENT REPORTING

	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
	RON	RON
Distribution of sales by geographical area		
Sales on domestic market (Romania)	182,964,409	220,956,159
Sales on foreign market (Europe)	75,418,607	85,517,808
Others (China, Israel, Turkey)	1,000,178	841,682
Total	259,383,194	307,315,650

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

4. SEGMENT REPORTING (continued)

	SEGMENT :REVENUES		SEGMENT : PROFIT	
	Fiscal year ended December 31,	Fiscal year ended December 31,	Fiscal year ended December 31,	Fiscal year ended December 31,
	2025 RON	2024 RON	2025 RON	2024 RON
Plastics processing	202,658,848	223,769,201	19,411,872	21,220,850
Regenerated polymers & Compounds	27,094,584	35,453,261	(592,942)	(4,854,786)
Other productive sectors (protection materials, Active carbon, car and industrial filters, processed PVC. etc)	6,172,858	6,592,659	893,303	813,146
Revenues from sale of goods, sale of utilities, provision of services, other revenues	23,456,905	41,500,529	1,172,845	2,075,026
Total from operations	259,383,195	307,315,650	20,885,078	19,254,237
Other income			4,357,558	3,784,998
Other gains and losses, salaries and administrative expenses			(20,336,597)	(32,492,204)
Finance expenses			(3,969,660)	(4,145,817)
Finance income			(703,692)	1,830,091
Profit before taxation			232,687	(11,768,695)

“**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 film) 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 2025	31-dec 2024	31-dec 2025	31-dec 2024
		RON	RON	RON	RON
Romcarbon, LivingJumbo Industry	Plastics processing (Polypropylene, Polystyrene, Polyethylene, PET)	107,055,800	115,145,874	79,184,462	86,606,714
Romcarbon	Regenerated polymers & Compounds	55,407,317	54,977,876	13,027,387	13,436,560
Romcarbon	Other productive sectors (protection materials, Active carbon, car and industrial filters, processed PVC, etc)	4,936,688	5,770,849	1,942,786	1,820,460
Romcarbon, RC Energo Install, Info Tech Solutions, etc	Revenues from sale of goods, sale of utilities, provision of services, other revenues	91,996,184	99,448,567	27,472,288	34,268,648
Total Assets/ Liabilities		259,395,988	275,343,166	121,626,924	136,132,381
		SEGMENT : DEPRECIATION		Segment of non-current assets additions *	
		31-dec 2025	31-dec 2024	31-dec 2025	31-dec 2024
		RON	RON	RON	RON
Romcarbon, LivingJumbo Industry	Plastics processing (Polypropylene, Polystyrene, Polyethylene, PET)	6,746,799	7,321,885	8,741,708	2,155,202
Romcarbon	Regenerated polymers & Compounds	3,146,383	3,561,568	2,255,884	8,413,538
Romcarbon	Other productive sectors (protection materials, Active carbon, car and industrial filters, processed PVC, etc)	310,155	359,124	17,629	-
Romcarbon, RC Energo Install, Info Tech Solutions, etc	Revenues from sale of goods, sale of utilities, provision of services, other revenues	2,880,259	3,384,446	4,621,638	5,795,490
Total		13,083,595	14,627,023	15,636,859	16,364,230

* 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 5% (8% in 2024) of the Group's sale.

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

5. OTHER INCOME

	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
	<u>RON</u>	<u>RON</u>
Income from lease of investment property	332,512	459,702
Income from subsidies	4,025,047	3,325,296
Total	<u>4,357,559</u>	<u>3,784,998</u>

6. RAW MATERIALS AND CONSUMABLES USED

	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
	<u>RON</u>	<u>RON</u>
Raw materials	94,370,916	123,346,418
Commodities sold	9,007,086	11,926,121
Energy expenses	21,968,070	32,213,402
Goods sold	17,878,147	20,255,066
Packaging cost	102,310	224,967
Total	<u>143,326,529</u>	<u>187,965,973</u>

7. EMPLOYEE BENEFITS EXPENSES

	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
	<u>RON</u>	<u>RON</u>
Salaries expenses	76,299,057	83,884,116
Social contributions	1,753,665	1,936,243
Meal tickets	5,287,478	6,039,103
Total	<u>83,340,200</u>	<u>91,859,462</u>

The decrease in personnel costs is due to the reduction in the average number of employees, from 1,222 in 2024 to 1,081 in 2025.

8. DEPRECIATION AND AMORTIZATION EXPENSES

	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
	<u>RON</u>	<u>RON</u>
Amortization/depreciation , out of which:	<u>13,083,595</u>	<u>14,627,023</u>
Depreciation of property, plant and equipment (Note 14)	12,809,980	14,420,874
Amortization of intangible assets (Note 17)	273,615	206,149

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

9. OTHER EXPENSES

	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
	RON	RON
Expenses with repairs	1,231,367	1,364,225
Expenses with rents	280,560	240,402
Expenses with insurance premiums	938,166	970,299
Research expenses	-	-
Other expenses with commissions	89,118	58,778
Protocol, advertising and publicity expenses	153,040	335,911
Transport	6,497,472	7,123,765
Expenses with travels	247,416	222,519
Expenses with postal charges and telecommunications	153,106	162,043
Expenses with third party services ¹	10,436,051	14,374,657
Other taxes and levies	2,260,281	1,857,550
Losses on receivables and sundry debtors	20,793	61,710
Expenses with indemnifications, fines and penalties	26,434	93,233
Other expenses	352,032	618,377
Total	22,685,836	27,483,472

¹ The indicator "Expenses with third party services" includes the cost of financial audit services. For the year 2025, the cost of financial audit services, according to the contract: 75,900 Euros (2024: 75,000 Euros).

10. OTHER GAINS (LOSSES)

	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
	RON	RON
Compensations, fines and penalties income	158,787	42,613
Gain/(loss) on disposal of property, plant and equipment	1,688,680	26,732
Gains / Losses on fair value adjustments related to investment property *	827,928	435,954
Gains / (Losses) from disposal of investment property	3,979,858	-
Net income / (expense) from provisions	(202,624)	(962,798)
Other losses	-	-
Other gains	303,400	668,219
Total	6,756,029	210,719

(*)On December 31, 2025, the Group revalued the investment properties held at the end of the financial year, resulting in an increase in the net value of Lei 827,928 (2024 : Lei 435,955), an amount that was recorded in the Profit of the year - see note 15.

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

11. FINANCE INCOME

	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
	<u>RON</u>	<u>RON</u>
Interests	634,539	804,646
Income from short-term financial investments	-	782,307
Net foreign exchange gain	-	233,637
	<u>634,539</u>	<u>1,820,590</u>
Total	634,539	1,820,590

12. FINANCE COST

	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
	<u>RON</u>	<u>RON</u>
Interest expense*	3,022,109	3,907,534
Net foreign exchange losses	1,754,014	-
Bank commissions and assimilated charges	438,848	206,403
Discounts allowed	32,370	22,379
	<u>5,247,341</u>	<u>4,136,316</u>
Total	5,247,341	4,136,316

Interest expense decreased in 2025 following the repayment of scheduled installments for investment loans.

13. INCOME TAX (EXPENSES)

Income tax expenses

	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
	<u>RON</u>	<u>RON</u>
Current income tax expense	275,720	286,389
Deferred tax income expense / (income)	(195,944)	(1,653,756)
	<u>79,776</u>	<u>(1,367,367)</u>
Total expense (income) with income tax	79,776	(1,367,367)

The tax rate applied for the reconciliation above related to 2025 and 2024 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, 2025	Fiscal year ended December 31, 2024
	RON	RON
Gross profit	232,687	(11,768,695)
Tax calculated according to the 16% rate	37,230	-
Effect of non-taxable income	(495,067)	(204,619)
Sponsorship deductions	71,203	-
Exemption of reinvested profit	-	-
Tax loss from previous years	-	-
Effect of deferred tax	(195,994)	(1,653,756)
Effect of non-deductible expenses	502,852	3,225,742
Expense with income tax recognized in income statement	(79,776)	1,367,367
Components of deferred tax liabilities		
	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
	RON	RON
Property, plant and equipment	7,373,481	7,286,602
Investment property	299,677	496,339
Inventories	(339,712)	(339,712)
Trade and other receivables	(145,370)	(136,926)
Financial investments	(1,502,272)	(1,490,313)
Provisions for risks and charges	(157,600)	(178,720)
Recognized deferred income tax liabilities	5,528,204	5,637,270
of which: deferred tax on revaluation reserves from comprehensive income	7,373,481	7,286,602
	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
	RON	RON
Opening balance as at January 1	5,637,270	7,477,700
(Expense) / Income during the year		
- movement from revaluation reserves	86,878	(186,674)
- recognized in income statement	(195,944)	(1,653,756)
- from acquisition of subsidiaries	-	-
Closing balance as at December 31	5,528,204	5,637,270

(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, 2025	43,625,862	24,953,778	202,846,936	1,573,240	10,308,845	283,308,662
Additions, of which:	-	3,350,114	11,278,077	821,641	24,974,417	40,424,249
- Transfers	-	3,487,705	8,873,196	848,541	-	13,209,442
- Revaluation	-	-	-	-	-	-
Disposals, of which:	-	-	16,011,964	14,734	20,369,659	36,396,357
- Transfers	-	-	-	-	13,209,442	13,209,442
- Transfers to investment property	-	-	-	-	-	-
- Revaluation	-	-	-	-	-	-
Balance as at December 31, 2025	43,625,862	28,303,892	198,113,048	2,380,147	14,913,604	287,336,553

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

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, 2025	43,000	5,372,668	149,845,762	750,124		156,011,554
Depreciation charge	3,231	1,623,577	11,067,672	115,502		12,809,983
Disposals from sale of assets	-	-	12,626,588	3,734		12,630,322
Revaluation decrease	-	-	-	-	-	-
Balance as at December 31, 2025	46,231	6,996,245	148,286,844	861,893		156,191,213
IMPAIRMENT						
Balance as at January 1, 2025	-	-	-	-	1,185,825	1,185,825
Balance as at December 31, 2025	-	-	-	-	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, 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
NET BOOK VALUE						
Balance as at January 1, 2025	43,582,862	19,581,111	53,001,174	823,116	9,123,020	126,111,282
Balance as at December 31, 2025	43,579,630	21,307,647	49,826,204	1,518,254	13,727,778	129,959,514

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)

Pledged and restricted tangible assets

ROMCARBON S.A.

Tangible fixed assets having a net book value at 31.12.2025 of LEI 86,887,056 (31.12.2024 : LEI 55,493,034) and investment properties with a book value at 31.12.2025 of LEI 7,361,449 (31.12.2024 : LEI 5,251,285) are established as a guarantee for loans and credit lines contracted from the following banks: UniCredit Bank SA, EXIM Banca Romaneasca SA and Banca Transilvaniei.

LIVINGJUMBO INDUSTRY S.A.

Tangible assets with a net book value of Lei 8,714,360 as of December 31, 2025 (December 31, 2023: Lei 13,049,403) 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, 2025 (31.12.2024: 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 663,450 lei as of December 31, 2025 (739,960 lei as of December 31, 2024).

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 2,451,830 lei as of December 31, 2025 (2,599,776 lei as of December 31, 2024).

15. INVESTMENT PROPERTIES

	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2024
Balance as at 1st of January	11,909,857	10,857,912
Total additions, out of which:	842,394	1,122,690
Increases from revaluation at fair value according to accounting policy	827,840	506,699
Total disposal, out of which:	(5,390,799)	(70,745)
Decreases from revaluation at fair value according to accounting policy	-	(70,745)
Balance as at 31st of December	7,361,452	11,909,857

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

15. INVESTMENT PROPERTIES (continued)

As at December 31, 2025, the Group owns in its locations in 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, 2025, the Group revaluated the investment property held at the end of the financial year, resulting in an increase in the net value of LEI 827,928, the amount was recorded in the Profit of the year.

The fair value of the investment property held by Romcarbon S.A. was determined at the reporting date based on a valuation report prepared by an independent, certified valuer. The Group's investment properties consist of land and buildings located in Buzău. The income approach was used for the valuation of buildings, while the market approach was applied for the valuation of land.

The determination of fair value involves the use of significant estimates and assumptions, including market rental levels, occupancy rates, capitalization and discount rates, as well as comparable market prices and their related adjustments. Given the use of significant unobservable inputs, the fair value of investment property is classified within Level 3 of the fair value hierarchy, in accordance with IFRS 13.

The income related to Investment properties obtained in 2025 amounts to 332,511 lei and covers the expenses incurred by the property (the value of the income recorded during 2024 was 459,702 lei).

16. GOODWILL

COST	December 31, 2025	December 31, 2024
	RON	RON
Balance at the beginning of the year	143,461	143,461
Additions from acquisition of subsidiaries	-	-
Impairment of goodwill	-	-
Disposals from sale of subsidiaries	-	-
Balance at the end of the year	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, 2025, following the review, no indications of goodwill impairment were identified.

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

17. OTHER INTANGIBLE ASSETS

	Licenses	Other intangible assets	Intangible assets in progress	Total
	RON	RON	RON	RON
COST				
Balance as at January 1, 2025	1,590,986	1,438,451	-	3,029,437
Additions	21,269	46,565	51,222	119,056
Disposals	27,950	123,999	51,222	203,171
Correction	-	-	-	-
Balance as at December 31, 2025	1,584,304	1,361,018	-	2,945,322
	Licenses	Other intangible assets	Intangible assets in progress	Total
	RON	RON	RON	RON
COST				
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	-	3,029,437
	Licenses	Other intangible assets	Intangible assets in progress	Total
	RON	RON	RON	RON
CUMULATED AMORTIZATION				
Balance as at January 1, 2025	1,519,163	968,922	-	2,488,085
Additions	41,947	231,668	-	273,614
Disposals	26,210	123,999	-	150,209
Correction	-	-	-	-
Balance as at December 31, 2025	1,534,899	1,076,590	-	2,611,489
	Licenses	Other intangible assets	Intangible assets in progress	Total
	RON	RON	RON	RON
BOOK NET VALUE				
Balance as at January 1, 2025	71,823	469,529	-	541,352
Balance as at December 31, 2025	49,405	284,428	-	333,833

18. OTHER FINANCIAL INVESTMENTS

	December 31, 2025	December 31, 2024
	RON	RON
Yenki SRL	88,011	88,011
Registrul Miorita	-	5,000
VIITORUL INCEPE AZI	1,000	1,000
Kang Yang Biotechnology Co.Ltd	203,963	203,963
Total	292,974	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 (2025: Equity 103,754 lei, Profit/Loss -2,819 lei; 2024: Equity 106,573 lei, Profit/Loss -855 lei), management decided not to consolidate it.

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

19. CURRENT INVENTORIES

	December 31, 2025	December 31, 2024
	RON	RON
Raw materials	16,579,327	20,364,313
Consumables	7,731,076	9,140,193
Items of inventory	218,751	297,779
Packaging	437,394	523,720
Finished products	9,492,476	14,949,981
Production in progress	3,714,500	3,596,586
Semi-finished products	7,055,720	8,035,722
Residual products	69,755	168,677
Commodities	9,075,285	8,118,743
Advances for inventories	241,571	2,375,297
Impairment allowances for inventories	(3,789,170)	(3,460,061)
Total	50,826,686	64,110,951

In 2025, the Group's inventory had an average turnover period of **80 days**, compared to **73 days** in 2024. 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.

20. TRADE AND OTHER CURRENT RECEIVABLES

	December 31, 2025	December 31, 2024
	RON	RON
Trade receivables	43,665,118	51,551,331
Allowances for doubtful clients	(1,811,373)	(1,937,859)
Taxes recoverable	1,376,874	2,396,102
Other receivables	940,704	898,652
Other non-trade receivables	732,601	1,188,863
Total	44,903,925	54,097,088

Trade receivables, details:

	December 31, 2025	December 31, 2024
	RON	RON
Current customers	37,168,208	40,862,345
Doubtful and in litigation customers	1,670,988	2,177,425
Bills of exchange receivable	1,574,551	2,530,285
Customers - invoices to be issued	3,251,372	5,981,275
Total	43,665,118	51,551,331

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

20. TRADE AND OTHER CURRENT RECEIVABLES (continued)

Top 5 customers of the Group

	December 31, 2025	December 31, 2024
	RON	RON
Customer 1	5,159,317	3,858,492
Customer 2	2,673,737	2,741,406
Customer 3	1,774,454	1,366,642
Customer 4	1,561,799	1,360,695
Customer 5	1,534,174	1,345,367
Total top 5 customers	12,703,481	10,672,603
% in total Current customers	29%	21%
Changes of allowance for doubtful clients	Year ended December 31, 2025	Year ended December 31, 2024
	RON	RON
Balance at the beginning of the year	1,937,859	1,642,321
Receivables transferred to expenses during the year	-	-
Decrease of allowance recognized in profit and loss	(126,486)	295,538
Balance at the end of the year	1,811,373	1,937,859

(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 2025, loss rates were lower than those from the analysis performed for 2024. Nevertheless, the company's management deemed it reasonable to maintain the loss rates applied in 2024. 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

	31/12/2025	Trade receivables – days past due					Total	
		Not past due	<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	33,776,397	2,392,563	196,477	54,032	62,505	715,676	37,197,650	
Expected loss	4,306	520	153	44	51	592	5,666	
	31/12/2024	Not past due	<30	31-60	61-90	91-120	>120	Total
Expected loss rate	0.01%	0.02%	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	

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

21. OTHER CURRENT FINANCIAL ASSETS

	December 31, 2025	December 31, 2024
	RON	RON
Short-term financial investments*	1,390,452	2,719,694
Impairment of short-term financial investments	(106,151)	(97,950)
Total	1,284,301	2,621,744

As of December 31, 2025, this indicator also includes 510,469 shares of Antibiotice S.A. (ATB) valued at RON 1,306,801. Due to a decline in their value in 2025, the provision established in 2024 was increased by RON 8,201.

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.

22. OTHER CURRENT NON-FINANCIAL ASSETS

	December 31, 2025	December 31, 2024
	RON	RON
Suppliers-debtors for services	293,262	910,175
Pre-paid amounts	333,500	245,975
Total	626,762	1,156,150

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, 2025	December 31, 2024
	RON	RON
Cash at banks	23,557,913	14,241,367
Cash on hand	36,866	27,468
Cash equivalents	38,858	84,471
Total	23,633,637	14,353,306

As of December 31, 2025, and December 31, 2024, there were no cash with restricted use.

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

24. ISSUED CAPITAL

	Issued capital	
	December 31, 2025	December 31, 2024
	RON	RON
528,244,192 fully paid ordinary shares (2024: 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, 2025		December 31, 2024	
	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	73,400,000	13.90%	72,400,000	13.71%
Other legal entities	16,166,672	3.06%	13,899,379	2.63%
Other natural persons	156,738,326	29.67%	160,005,619	30.29%
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)

25. RETAINED EARNINGS

	December 31, 2025	December 31, 2024
	RON	RON
Balance at the beginning of the year	18,532,859	30,821,626
Net profit / (net loss) attributable to parent	153,611	(10,394,079)
Reclassification of revaluation reserve to retained earnings	584,098	718,318
Transfers to reserves	(136,745)	-
Transfers to capital	-	-
Distributed dividends	(1,531,908)	(2,641,221)
Other	24,021	28,214
Balance at the end of the year	17,625,936	18,532,859

26. OTHER RESERVES

	December 31, 2025	December 31, 2024
	RON	RON
Revaluation reserves	36,897,726	37,568,701
Legal reserves	5,552,856	5,454,218
Other reserves	22,676,038	22,637,931
Translation differences	(896,096)	(896,228)
Total	64,230,524	64,764,622

27. NON-CONTROLLING INTERESTS

	December 31, 2025	December 31, 2024
	RON	RON
Balance at the beginning of the year	906,602	913,851
Share of profit / (loss) for the year	(700)	(7,250)
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	905,903	906,602

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)

28. OTHER FINANCIAL LIABILITIES

Secured loans - at amortized cost	OTHER CURRENT FINANCIAL LIABILITIES		OTHER NON - CURRENT FINANCIAL LIABILITIES	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	RON	RON	RON	RON
Borrowings (Overdraft and Investment loans)	60,511,242	64,121,942	4,959,969	-
Lease liabilities	74,421	88,012	59,206	129,901
Total	60,585,663	64,209,954	5,019,175	129,901

Short-term bank loans	Entity	31-dec-25 RON	31-dec-24 RON
Credit line Euro – EximBank SA	Romcarbon	11,980,937	12,516,753
Credit line Euro – UniCredit Bank SA	Romcarbon	17,797,735	20,991,876
Investment loan VI in euro- UniCredit Bank	Romcarbon	388,125	1,147,805
Investment loan VII in euro- UniCredit Bank	Romcarbon	4,746,086	7,739,476
Credit line Euro – UniCredit Bank SA	LivingJumbo Industry	12,135,861	13,393,005
	LivingJumbo Industry	-	7,252,451
Credit line Euro – EximBank SA	Romcarbon	8,922,375	-
Credit activitate curenta - Eximbank SA	Energoinstall	-	1,080,577
Investment loan B. Transilvania	Romcarbon	122,094	-
Bridge loan B. Transilvania	Romcarbon	6,000,058	-
Total		62,093,272	64,121,942

Long-term bank loans	Entity	31-dec-25 RON	31-dec-24 RON
Investment loan VI in euro- UniCredit Bank	Romcarbon	-	-
Investment loan VII in euro- UniCredit Bank	Romcarbon	-	-
Investment loan B. Transilvania	Romcarbon	3,377,939	-
Total		3,377,939	-

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

28. OTHER FINANCIAL LIABILITIES (continued)

Bank	Type	Initial amount	Balance as at 31.12.2024		Balance as at 31.12.2025		Tenor	< 1 year	>1 year
			in euro	in lei	in euro	in lei			
UniCredit Bank	Credit line ¹	5,450,000 €	4,220,236 €	20,991,876	€ 3,490,779	17,797,735	18/12/2026	17,797,735	-
UniCredit Bank	Credit line ¹	2,550,000 €	2,262,784 €	11,255,312	€ 2,380,281	12,135,861	18/12/2026	12,135,861	-
Exim Banca Romaneasca SA	Credit line	2,550,000 €	2,516,385 €	12,516,751	€ 2,349,895	11,980,937	22/05/2026	11,980,937	-
Exim Banca Romaneasca SA	Credit line	1,750,000 €	1,458,043	7,252,451	1,750,000	8,922,375	22/05/2026	8,922,375	-
Banca Transilvania	Bridge Loan ²	5,426,752 €	-	-	1,176,828	6,000,058	31/12/2026	6,000,058	-
Banca Transilvania	Investment loan ²	3,165,605 €	-	-	686,483	3,500,034	20/11/2033	122,094	3,377,939
UniCredit Bank	Investment loan VI	1,000,000 €	133,225 €	662,673	€ 44,407	226,411	08/06/2026	226,411	-
UniCredit Bank	Investment loan VII	2,950,000 €	1,371,931 €	6,824,122	€ 823,159	4,196,875	08/06/2027	2,797,917	1,398,959 ³
UniCredit Bank	Credit line	1,500,000 €	429,765 €	2,137,692	€ 0	-	11/12/2026	-	-
TOTAL Credite in euro			12,392,368 €	61,640,877	12,701,831 €	64,760,286		59,983,388	4,776,898
UniCredit Bank	Investment loan VI ³			485,138		161,714	08/06/2026	161,714	-
UniCredit Bank	Investment loan VII ³			915,350		549,211	08/06/2027	366,139	183,071 ³
Exim Banca Romaneasca SA	Credit for current activity			1,080,577		-	22/05/2026		
TOTAL Credite in lei				2,481,065		710,924		527,853	183,071
TOTAL expunere				64,121,942		65,471,210		60,511,241	4,959,969

Note:

¹ The credit line contracted with UniCredit Bank SA, with a total ceiling of EUR 8,000,000, lists Romcarbon SA and Livingjumbo Industry SA as borrowers. A sublimit of EUR 5,450,000 is allocated to Romcarbon SA; within this amount, a limit of EUR 1,000,000 may only be utilized subject to the bank's approval.

The remaining sublimit of EUR 2,550,000, part of the EUR 8,000,000 total credit line from UniCredit Bank SA, is utilized by Livingjumbo Industry SA.

² In November 2025, three credit agreements were signed with Banca Transilvania for the co-financing of the investment project "ESTABLISHMENT OF A PLASTIC WASTE RECYCLING AND RECOVERY UNIT", as follows: Investment loan with a value of EUR 3,165,605 (outstanding balance as of 31.12.2025: EUR 686,483), Bridge loan with a value of EUR 5,426,752 (outstanding balance as of 31.12.2025: EUR 1,176,828) and VAT facility with a value of RON 6,650,375 (outstanding balance as of 31.12.2025: RON 0).

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

28. OTHER FINANCIAL LIABILITIES (continued)

³ In accordance with the long-term loan agreements concluded with UniCredit Bank SA, Romcarbon is subject to certain restrictive covenants. These covenants require Romcarbon, among other things, to maintain certain financial ratios, including the DSCR ratio, total financial debt/EBITDA, financial debt, current ratio, and the net financial debt-to-equity ratio.

As of the two reporting periods, December 31, 2024, and December 31, 2025, respectively, Romcarbon complied with the "Total Net Financial Debt / Equity" and "Current Ratio" indicators, both individually and on a consolidated basis with LivingJumbo Industry SA. However, it did not comply with the "Total Net Financial Debt / EBITDA" ratio, neither individually nor together with LivingJumbo Industry SA.

Consequently, in accordance with IAS 1 - paragraphs 74 and 75, Romcarbon presented as current liabilities:

- As of December 31, 2024, the long-term portion of investment loans VI and VII, amounting to RON 5,026,285.
- As of December 31, 2025, the long-term portion of investment loan VII, amounting to RON 1,582,030.

29. TRADE AND OTHER CURRENT PAYABLES

	December 31, 2025	December 31, 2024
	RON	RON
Trade liabilities	26,301,721	37,442,237
Suppliers invoices not received	5,295,486	6,980,854
Advances to clients	689,738	527,481
Sundry creditors (a) ¹	2,658,861	1,237,841
Miscellaneous payable	-	-
Total	34,945,806	46,188,413

30. OTHER NON-FINANCIAL LIABILITIES

	OTHER CURRENT NON - FINANCIAL LIABILITIES		OTHER NON-CURRENT NON - FINANCIAL LIABILITIES	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	RON	RON	RON	RON
Subsidies	2,493,279	3,021,683	5,856,674	9,353,316
Other current liabilities	5,556,232	5,821,334	-	-
Total	8,049,511	8,843,017	5,856,674	9,353,316

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

30. OTHER NON-FINANCIAL LIABILITIES (continued)

SUBSIDIES

	December 31, 2025	December 31, 2024
	RON	RON
Grants - project co-financed by European funds for 2011	807,406	966,697
Grants - project co-financed by European funds for 2015	2,808,279	3,966,508
Grants - project co-financed by European funds for 2022	661,983	738,323
Grants - project co-financed by European funds for 2024	2,156,611	2,280,305
Total Romcarbon	6,434,279	7,951,833
Grants - project co-financed by European funds for 2015	1,915,674	4,423,165
Total Livingjumbo Industry	1,915,674	4,423,165
Total	8,349,953	12,374,998

- In 2011, Romcarbon implemented the investment project: "Enterprise modernization through the acquisition of new production technologies, reprofiling, rehabilitation, and expansion of the existing production hall," funded under the Sectoral Operational Programme "Increase of Economic Competitiveness 2007-2013" (SOP IEC).
- In 2015, the following investment projects were implemented:
 - Development of Romcarbon by equipping it with new machinery under the Sectoral Operational Programme "Increase of Economic Competitiveness" (SOP IEC) 2007-2013.
 - Development of Livingjumbo Industry by equipping it with new machinery under the Sectoral Operational Programme "Increase of Economic Competitiveness" (SOP IEC) 2007-2013.

These projects are currently outside the monitoring period.
- In 2022, an energy consumption monitoring system was purchased and commissioned on the Romcarbon industrial platform. The project entitled "Implementation of an intelligent energy consumption monitoring system within Romcarbon SA," SMIS 148419, was 100% funded by non-reimbursable funds under LIOP 6.2 (Large Infrastructure Operational Programme). Project indicators for a 5-year monitoring period:
 - Through the project's implementation, a cumulative reduction in the beneficiary's environmental impact of approximately 1,895.39 tonnes of CO2 equivalent will be achieved over the implementation period (5 years).
 - An energy consumption reduction of 3.43% will be achieved at project maturity (Year 5).
- In 2024, a 999.18 kWp Photovoltaic System was purchased and commissioned, funded by the Ministry of Energy as the coordinator for the National Recovery and Resilience Plan (NRRP) – Component 6. Energy, within the project entitled: "Implementation of an electricity production capacity from renewable solar energy sources within ROMCARBON SA." Project indicators for a 5-year monitoring period:
 - Estimated annual decrease in GHG (Greenhouse Gas) emissions: 745.97 tonnes of CO2.
 - Gross primary energy production from renewable sources: 103.84 toe/year (tonnes of oil equivalent).
 - Total electricity production from renewable sources: 24,153.2 MWh.

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

30. OTHER NON-FINANCIAL LIABILITIES (continued)

OTHER CURRENT LIABILITIES

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<i>RON</i>	<i>RON</i>
Employees - salaries payable	1,183,013	1,187,395
Other social benefits granted to employees	53,260	64,418
Employee rights not claimed	2,028	2,028
Retentions from salaries payable to third parties	662,344	825,542
Other employee - related debts	277,004	301,100
Social security	2,271,460	2,446,915
Profit / Income tax	32,998	106,384
VAT payable	455,423	345,098
Tax on salaries	350,955	385,094
Other taxes, charges and similar liabilities payable	68,300	2,138
Special funds - taxes and similar liabilities	188,578	155,223
Other debts and claims	10,868	-
Total	<u>5,556,232</u>	<u>5,821,334</u>

31. 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 28, cash and cash equivalent and equity attributable to the company. Equity comprises the share capital, reserves and retained earnings as presented in notes 24, 25 and 26.

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.

Gearing ratio

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<i>RON</i>	<i>RON</i>
Borrowings	65,604,838	64,339,854
Cash and cash equivalents	23,633,637	14,353,306
Net debt	41,971,201	49,986,548
Equity at the end of the period	<u>137,769,065</u>	<u>139,210,785</u>
Net debt to equity	<u>30%</u>	<u>36%</u>

(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.

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

31. FINANCIAL INSTRUMENTS (continued)

(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

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.

(h) Credit Risk Management

Credit risk refers to the risk that a third party fails to meet its contractual obligations, thereby causing financial losses to the Group. The Group has adopted a policy of only engaging in transactions with trustworthy parties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from contractual non-compliance. The Group's exposure and the credit ratings of its contractual counterparties are monitored by management.

Trade receivables consist of a large number of customers across various industries and geographical areas. Continuous credit assessments are performed on the financial condition of customers and, where applicable, credit insurance is obtained.

The Group does not have any significant credit risk exposure to any single counterparty or group of counterparties with similar characteristics. The Group defines counterparties as having similar characteristics when they are related entities. The concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year.

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

31. FINANCIAL INSTRUMENTS (continued)

(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 35 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)

31. 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 = 5.0811	USD 1 USD = 4.3247	Leu 1	December 31, 2025
2025	lei	lei	lei	Total
ASSETS	RON	RON	RON	RON
Cash and cash equivalents	280,934	48,748	23,303,955	23,633,637
Receivables and other current assets	6,586,636	-	38,346,730	44,933,366
Other current financial assets	-	-	1,284,300	1,284,300
LIABILITIES				
Trade and other liabilities	8,889,242	5,989	26,050,573	34,945,804
Short and long-term borrowings	64,760,281	-	710,924	65,471,205
Short and long-term finance lease liabilities	133,628			133,628
	EUR 1 EUR = 4.9756	USD 1 USD = 4.4958	Leu 1	December 31, 2024
2024	lei	lei	lei	Total
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
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

This is a free translation from the original Romanian version.

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

31. 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, 2025	December 31, 2024
	RON	RON
LOSS	(6,687,282)	(5,966,891)

Tables regarding liquidity and interest rate risks

The following tables present the maturity terms of the Group's financial liabilities.

The tables have been prepared based on the cash flows, not current, of the financial liabilities on the nearest date when the Group is likely to be claimed payment. The table includes both interest and cash flows related to principal

2025	Less than 1 year RON	1-2 years RON	2-5 years RON	Total RON
Non-interest bearing				
Trade liabilities	34,945,804	-	-	34,945,804
Interest bearing instruments				
Short and long-term borrowings	62,093,266	976,754	2,401,186	65,471,205
Short and long-term leases	74,421	37,232	21,974	133,628
Non-interest bearing				
Cash and cash equivalents	23,633,637	-	-	23,633,637
Receivables and other current assets	44,933,366	-	-	44,933,366
Interest bearing				
Other current financial assets	1,284,300	-	-	1,284,300
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
Interest bearing instruments				
Short and long-term borrowings	64,121,942	-	-	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

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

31. 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, 2025 would decrease/increase by RON 151,105 (2024: decrease/increase by RON 195,377).

32. 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, 2025	Year ended December 31, 2024
	<u>RON</u>	<u>RON</u>
Executive management salaries	5,023,439	4,733,002
Benefits for Board of Administration	<u>46,608</u>	<u>45,852</u>
Total	<u>5,070,047</u>	<u>4,778,854</u>

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.

	Year ended December 31, 2025	Year ended December 31, 2024
	<u>RON</u>	<u>RON</u>
Shareholder borrowings		
WU HUI TZU (Livingjumbo Industry SA)	18,417	18,417
WINPACK INDUSTRY (Eco Pack Management SA)	<u>282,094</u>	<u>282,226</u>
Total	<u>300,511</u>	<u>300,643</u>

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

33. ACQUISITION OF SUBSIDIARIES

In 2025 the Group did not purchase new subsidiaries.

34. DISPOSAL OF SUBSIDIARIES

The voluntary liquidation process of Recyplat LTD was finalized in 2025. Accordingly, this subsidiary has been excluded from the current consolidated financial statements.

35. COMMITMENTS AND CONTINGENCIES

ROMCARBON SA

Unused credit facilities as at December 31, 2025

The company has unused credit lines in amount of Eur 2,159,327 (31 December 2024: Eur 1,263,379), a bridge loan with an unused amount of EUR 4,249,924, a VAT facility with a ceiling of RON 6,650,375 and investment loans in amount of Eur 2,479,122 (31 December 2024: Eur 0). From the amount of EUR 2,159,327, the limit of EUR 1,000,000 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 86,887,056 (31.12.2024 : LEI 55,493,034) and investment properties with a book value at 31.12.2025 of LEI 7.361.449 (31.12.2024 : LEI 5,251,285) are established as a guarantee for loans and credit lines contracted from the following banks: UniCredit Bank SA, Exim banca Romaneasca SA and banca Transilvania. 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 11.12.2026), contract no. BUZA/152021/CSC, secured by mortgage on 15 equipment having a book net value of Lei 1,152,489 as at December 31, 2025

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 22, 2026), 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 186,861 as at December 31, 2025;

LIVINGJUMBO INDUSTRY SA

Unused credit facilities as at December 31, 2025

The company has unused credit facilities in amount of Eur 1,669,720 (31 December 2023: Eur 2,066,076). From the amount of EUR 1,669,720, the limit of EUR 1,000,000 from the credit line contracted with UniCredit Bank SA may only be used with the bank's approval.

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

35. COMMITMENTS AND CONTINGENCIES (continued) **LIVINGJUMBO INDUSTRY SA**

Guarantees for bank loans

At 31 December 2025, tangible assets consist in equipment and machineries having a net book value of Lei 8,714,360 (31 December 2024: Lei 13,049,403) constitute collateral for the credit lines contracted by the company with UniCredit Bank 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, 2025

The company has unused credit facilities in amount of Lei 2,000,000 (31 December 2024: Lei 919,423).

Guarantees for bank loans

At 31 December 2025, tangible assets consist in equipment and machineries having a net book value of Lei 0 (31 December 2024: 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.

36. SUBSEQUENT EVENTS

ROMCARBON SA

On February 26, 2026, the company's OGMS resolved to amend the Articles of Association, stipulating that the Ordinary General Meeting of Shareholders must be convened within no more than 5 months from the end of the financial year. This meeting is to examine the financial statements for the previous year and to establish the activity program and the revenue and expenditure budget for the current year

LIVINGJUMBO INDUSTRY SA

The company's Board of Directors decided on 19.01.2026 to prolong for a period of 3 years (17.02.2026-17.02.2029) the mandates of the Deputy General Manager (Manaila Carmen), the Manager of PP Operations (Cretu Victor) and of the Manager of PET Operations (Ungureanu Ion).

As of the date of this report, no risks have been identified that could significantly impact core revenues. However, global geopolitical tensions, both in Ukraine and the Middle East, have generated and continue to generate economic uncertainties in the energy, fuel, and raw materials markets, particularly in the virgin polymers market. Global prices for petroleum-derived products, as well as energy, have increased and are expected to remain highly volatile in the foreseeable future.

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

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

37. AUTORIZATION

The consolidated financial statements were approved by the Board of Directors and were authorized for issuance on April 15, 2026.

PREPARED BY,

HUANG LIANG NENG,
Chairman of the Board
And General Manager

VIORICA ZAINESCU,
Financial Manager

CARMEN MANAILA,
Deputy General Manager for
Administrative Operations

For signatures, please refer to the original Romanian version.



BOARD OF DIRECTOR REPORT REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS

ACTIVITY OF TEH GROUP

As of December 31, 2025, ROMCARBON SA holds participation directly and/or indirectly in 9 entities

Entity	31.12.2025		Consolidation method
	Interest held	Control	
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%	Equity method
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 2025 GROUP COMPANIES

As of December 31, 2025 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 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.

The company's voluntary winding-up was completed in July 2025, resulting in its removal from the Cyprus Registrar of Companies.

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's activity was suspended until 27 November 2024. On 30 October 2025, the court admitted the simplified insolvency procedure filed by ECO PACK MANAGEMENT SA.

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 Information technology and management consultancy activities (management and exploitation of computing resources)(NACE code 6220).

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).

GRINFILD LLC UKRAINA is a company established in 2007, with a share capital of lei 4,312,062, where 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 UKRAINA 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 2025:

ROMCARBON SA – General Manager – Huang Liang Neng

RECYPLAT LTD CYPRUS – Liquidator - Safehold Management Ltd 05.05.2024 – July 2025

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

The evolution of the subsidiaries' contribution to the consolidated net profit of the group in 2025 is presented in the table below:

Subsidiary	Result 12 M 2024 (in lei)	Result 12 M 2025 (in lei)	2025 vs 2024
Romcarbon SA	(5,992,980)	1,903,619	7,896,599
Living Jumbo Industry SA	(5,848,741)	(672,821)	5,175,921
RC Energo Install SRL	1,474,073	825,412	(648,662)
Infotech Solutions SRL	232,429	88,900	(143,529)
Recyplat Ltd Cipru	(18,093)	-	18,093
Eco Pack Management SA	(29,132)	(26,405)	2,727
Consolidation adjustments ¹	(218,884)	(1,965,793)	(1,746,909)
Total	(10,401,328)	152,911	10,554,239



Consolidation adjustments	Result 12 M 2024 (in lei)	Result 12 M 2025 (in lei)	2025 vs 2024
Elimination of the unrealized profit related to the raw material inventories and fixed assets from the Group	(218,882)	(316,045)	(97,163)
Elimination of the dividends to be received from RC Energo Install	-	(1,500,000)	(1,500,000)
Other adjustments/Corrections	(2)	(149,748)	(149,746)
Total Adjustments	(218,884)	(1,965,793)	(1,746,909)

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)	2023	2024	2025	2025 vs 2024	
TURNOVER	216,420,862	227,789,211	196,460,720	(31,328,491)	-14%
EBITDA Operational	4,873,276	579,594	5,624,072	5,044,478	870%
NET PROFIT/LOSS	3,313,809	(5,992,980)	1,903,619	7,896,599	-132%

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

Indicator (12 Months)	2023	2024	2025	2025 vs 2024	
EBITDA Operational	4,873,276	579,594	5,624,072	5,044,478	870%
Fixed assets depreciation	(9,392,805)	(9,829,769)	(9,083,643)	746,126	-8%
Revenues from subsidy from Government for investments	2,113,978	1,839,055	1,517,554	(321,501)	-17%
Interest expenses	(1,807,462)	(2,254,405)	(2,285,295)	(30,889)	1%
Gain/loss from sales of assets	3,992,452	6,827	4,433,322	4,426,495	64836%
Gain/Loss from revaluation of the investment properties	974,174	435,954	827,928	391,974	90%
Other non-operational items(provisions, penalties, donations)	(713,062)	(437,402)	330,663	768,065	-176%
Forex gain/loss	2,402,662	243,138	(1,188,482)	(1,431,620)	-589%
Other gain/loss from Financial	1,053,120	1,770,273	1,600,687	(169,585)	-10%
Tax on profit	(182,523)	1,653,756	126,813	(1,526,943)	-92%
NET PROFIT/LOSS	3,313,809	(5,992,980)	1,903,619	7,896,599	-132%



LIVINGJUMBO INDUSTRY SA

Indicator (12 Months)	2023	2024	2025	2025 vs 2024	
TURNOVER	115,487,834	109,272,489	93,304,833	(15,967,655)	-15%
EBITDA Operational	(437,348)	(451,502)	651,633	1,103,135	-244%
NET PROFIT/LOSS	(6,045,845)	(5,848,741)	(672,821)	5,175,921	-88%

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

Indicator (12 Months)	2023	2024	2025	2025 vs 2024	
EBITDA OPERATIONAL	(437,348)	(451,502)	651,633	▲	1,103,135
Fixed assets depreciation	(4,845,029)	(4,669,132)	(3,845,002)	▼	824,131
Revenues from subsidy from Government for investments	1,486,241	1,486,241	2,507,492	▲	1,021,251
Interest expenses	(1,237,042)	(1,568,238)	(723,284)	▼	844,953
Gain/loss from sales of assets	5,000	19,906	1,239,104	▲	1,219,198
Other non-operational items(provisions, penalties, donations)	(910,338)	(667,390)	(37,931)	▼	629,459
Forex gain/loss	(100,652)	6,974	(287,206)	▲	(294,180)
Other gain/loss from Financial	(6,678)	(5,600)	(121,683)	▲	(116,084)
Tax on profit	-	-	(55,943)	▲	(55,943)
NET PROFIT/LOSS	(6,045,845)	(5,848,741)	(672,821)	▼	5,175,921



Presentation of the evolution of the key indicators on production sectors

	Indicator (12 Months)	2023	2024	2025	A.2025 vs A.2024		
ROMCARBON	PLASTIC PROCESSING SECTOR : POLYETHYLENE						
	Turnover	30,894,710	36,634,416	26,312,616	(10,321,800)	-28%	
	EBITDA before overhead	2,208,646	3,689,402	2,041,465	(1,647,936)	-45%	
	Profit before overhead	1,461,071	2,890,603	1,224,611	(1,665,992)	-58%	
	PLASTIC PROCESSING SECTOR : POLYSTYRENE						
	Turnover	47,592,623	49,175,346	52,605,388	3,430,042	7%	
	EBITDA before overhead	7,925,922	7,075,847	9,044,153	1,968,306	28%	
	Profit before overhead	6,578,447	5,623,885	7,358,823	1,734,938	31%	
	PLASTIC PROCESSING SECTOR : POLYPROPYLENE						
	Turnover	32,928,129	33,981,757	36,305,468	2,323,710	7%	
	EBITDA before overhead	3,964,026	2,610,371	4,545,339	1,934,968	74%	
	Profit before overhead	3,616,936	2,208,380	4,145,727	1,937,347	88%	
	RECYCLED POLYMERS & COMPOUNDS						
	Turnover	39,125,177	35,453,261	27,094,584	(8,358,676)	-24%	
	EBITDA before overhead	(1,572,300)	(3,526,096)	343,329	3,869,425	-110%	
	Profit before overhead	(5,026,755)	(7,087,665)	(2,800,632)	4,287,033	-60%	
	OTHER PRODUCTIVE SECTORS : FILTERS, ACTIVE CARBON, PROTECTIVE EQUIPMENT, PVC TRAFFIC BASE SIGNS						
	Turnover	6,388,942	6,592,659	6,172,858	(419,802)	-6%	
EBITDA before overhead	704,507	606,749	860,055	253,306	42%		
Profit before overhead	379,493	247,625	549,900	302,275	122%		
LIVINGJUMBO INDUSTRY	PLASTIC PROCESSING SECTOR : POLYPROPYLENE						
	Turnover	60,872,037	61,613,552	58,009,601	(3,603,951)	-6%	
	EBITDA before overhead	3,964,035	1,148,809	3,755,470	2,606,661	227%	
	Profit before overhead	3,315,726	628,676	3,264,175	2,635,499	419%	
	PLASTIC PROCESSING SECTOR : PET						
	Turnover	54,615,796	47,658,936	35,295,233	(12,363,703)	-26%	
EBITDA before overhead	1,323,484	3,394,716	2,686,970	(707,746)	-21%		
Profit before overhead	(1,381,385)	731,958	467,235	(264,723)	-36%		

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.

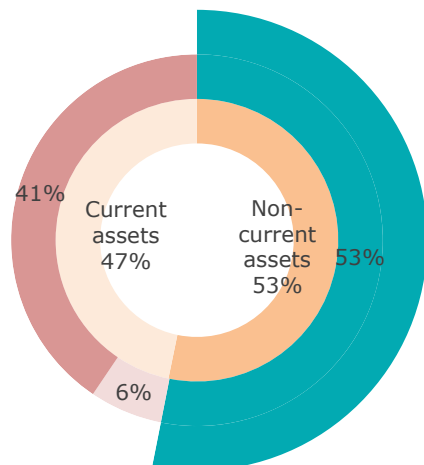


FINANCIAL STATEMENTS

A.) STATEMENT OF THE FINANCIAL POSITION

Indicator	31.12.2023	31.12.2024	31.12.2025	2025 vs. 2024	
Property, plant and equipment	122,672,069	126,111,282	129,959,514	3,848,232	▲ 3.05%
Investment property	10,857,912	11,909,857	7,361,452	-4,548,405	▼ -38.19%
Goodwill	143,461	143,461	143,461	-	— 0.00%
Intangible assets other than goodwill	802,899	541,353	333,834	-207,519	▼ -38.33%
Investments in subsidiaries, joint ventures and associates	297,974	297,974	292,974	-5,000	▼ -1.68%
Total non-current assets	134,774,315	139,003,927	138,091,235	-912,692	▼ -0.66%
Current inventories	59,716,567	64,110,951	50,826,686	-13,284,265	▼ -20.72%
Trade and other current receivables	60,437,183	54,097,088	44,933,367	-9,163,721	▼ -16.94%
Other current financial assets	2,833,298	2,621,744	1,284,301	-1,337,443	▼ -51.01%
Other current non-financial assets	1,093,312	1,156,150	626,762	-529,388	▼ -45.79%
Cash and cash equivalents	33,716,158	14,353,306	23,633,637	9,280,331	▲ 64.66%
Total current assets	157,796,518	136,339,239	121,304,753	-15,034,486	▼ -11.03%
ASSETS	292,570,833	275,343,166	259,395,988	-15,947,178	▼ -5.79%
Issued capital	52,824,419	52,824,419	52,824,419	-	— 0.00%
Share premium	2,182,283	2,182,283	2,182,283	-	— 0.00%
Reserves	65,302,625	64,764,622	64,230,524	-534,098	▼ -0.82%
Retained earnings	30,821,626	18,532,859	17,625,936	-906,923	▼ -4.89%
Equity attributable to equity holders of the parent	151,130,953	138,304,183	136,863,162	-1,441,021	▼ -1.04%
Non-controlling interests	913,851	906,602	905,902	-700	▼ -0.08%
Total equity	152,044,804	139,210,785	137,769,064	-1,441,721	▼ -1.04%
Other non-current provisions	1,803,188	1,770,513	1,641,891	-128,622	▼ -7.26%
Deferred tax liabilities	7,477,700	5,637,270	5,528,204	-109,066	▼ -1.93%
Other non-current financial liabilities	7,409,934	129,900	3,437,146	3,307,246	▲
Non-current governmental grants	9,784,375	9,353,314	5,856,674	-3,496,640	▼ -37.38%
Other non-current non-financial liabilities	-	-	-	-	—
Total non-current liabilities	26,475,197	16,890,997	16,463,915	-427,082	▼ -2.53%
Trade and other current payables	39,045,876	46,188,413	34,945,806	-11,242,607	▼ -24.34%
Other current financial liabilities	65,128,044	64,209,954	62,167,692	-2,042,262	▼ -3.18%
Current governmental grants	3,600,219	3,021,683	2,493,279	-528,404	▼ -17.49%
Other current non-financial liabilities	6,276,693	5,821,334	5,556,232	-265,102	▼ -4.55%
Total current liabilities	114,050,832	119,241,384	105,163,009	-14,078,375	▼ -11.81%
Total liabilities	140,526,029	136,132,381	121,626,924	-14,505,457	▼ -10.66%
TOTAL EQUITY AND LIABILITIES	292,570,833	275,343,166	259,395,988	-15,947,178	▼ -5.79%

STRUCTURE OF THE FINANCIAL POSITION AS AT 31.12.2025



Current liabilities: 105,163,009 RON 41%
Non-current liabilities: 16,463,915 RON 6%
Equity: 137,769,064 RON 53%
Non-current assets: 138,091,235 RON 53%
Current assets: 121,304,753 RON 47%

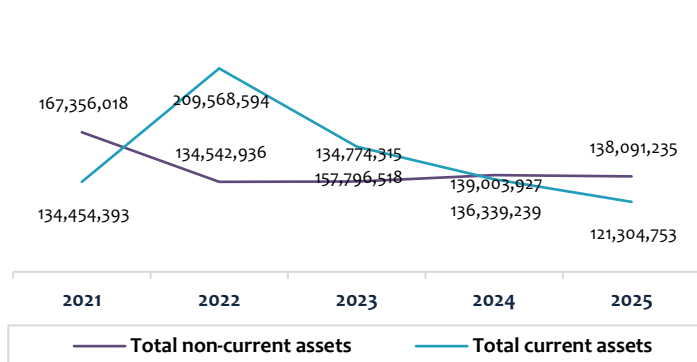


The participation of the consolidated companies in the indicators of the Statement of Financial Position in 2025 is presented in the table below:

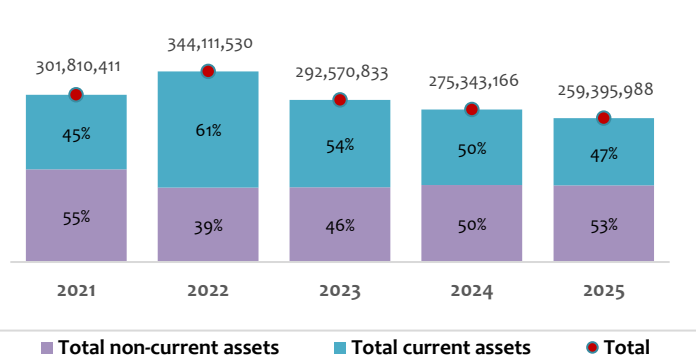
Company	Non-current assets	Current assets	Non-current liabilities	Current liabilities
Romcarbon SA	129,078,789	110,093,584	14,789,980	81,728,944
Livingjumbo Industry SA	9,569,123	33,039,059	1,522,547	51,836,386
RC Energo Install SRL	139,059	14,596,410	151,388	8,032,965
InfoTech Solutions SRL	159,903	1,155,453	0	358,848
Grinfeld 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	-
Eco Pack Management SA	9,316	156,621	0	913,558
Consolidation adjustments	(6,477,951)	(38,752,776)	0	(38,593,907)
Total	138,091,235	121,304,753	16,463,915	105,163,009

ASSETS

Total non-current assets vs. Total current assets



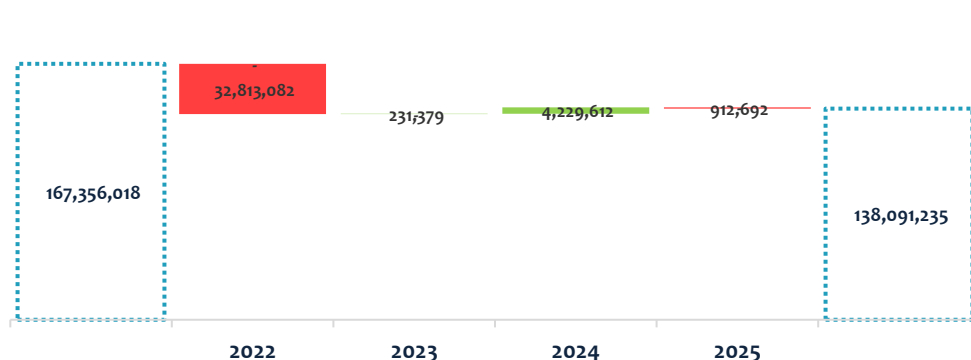
Total non-current assets vs. Total current assets



NON-CURRENT ASSETS

As at 31/12/2025, **Non-current assets** represented 53.24% of Total assets. Compared to the beginning of the year, they recorded a decrease of RON 912,692, corresponding to a reduction of 0.66%.

Evolution of the item Total non-current assets in the period 2021-2025



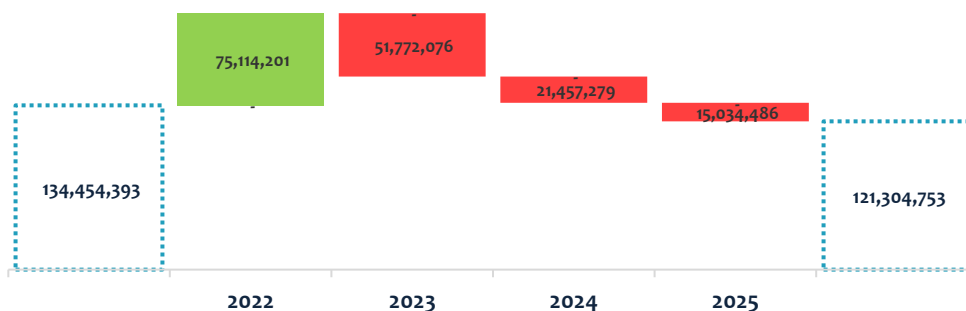
Non-current assets (lei)	31/12/2025	% in total NCA	% in total Assets	2025 vs 2024
Property, plant and equipment	129,959,514	94.11%	50.10%	3.05%
Investment property	7,361,452	5.33%	2.84%	-38.19%
Goodwill	143,461	0.10%	0.06%	0.00%
Intangible assets other than goodwill	333,834	0.24%	0.13%	-38.33%
Investments accounted for using equity method	292,974	0.21%	0.11%	-1.68%
Total non-current assets	138,091,235	100.00%	53.24%	-0.66%



CURRENT ASSETS

As at 31/12/2025, **Current assets** represented 46.76% of Total assets. Compared to the beginning of the year, they recorded a decrease of RON 15,034,486, corresponding to a reduction of 11.03%.

Evolution of the item Total current assets in the period 2021-2025

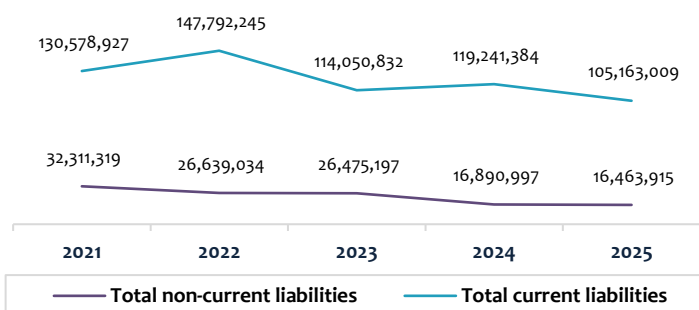


Current assets (lei)	31/12/2025	% in total CA	% in Total Assets	2025 vs 2024
Current inventories	50,826,686	41.90%	19.59%	-20.72%
Trade and other current receivables	44,933,367	37.04%	17.32%	-16.94%
Other current financial assets	1,284,301	1.06%	0.50%	-51.01%
Other current non-financial assets	626,762	0.52%	0.24%	-45.79%
Cash and cash equivalents	23,633,637	19.48%	9.11%	64.66%
Total current assets	121,304,753	100.00%	46.76%	-11.03%

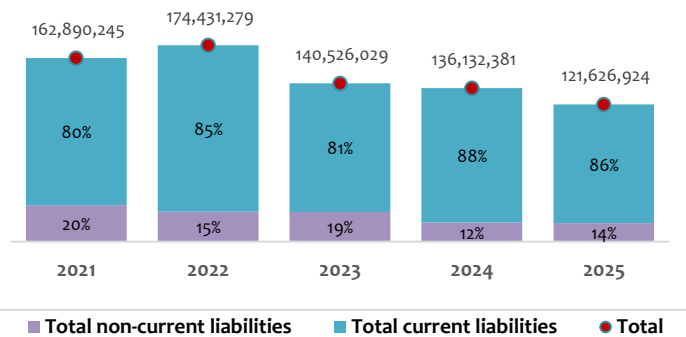
LIABILITIES

As of the reporting date, the Group's total liabilities accounted for 46.89% of **Total Equity and Liabilities**, marking a year-to-date decrease of RON 14,505,458 (-10.66%) compared to the beginning of the year.

Total non-current liabilities vs. Total current liabilities

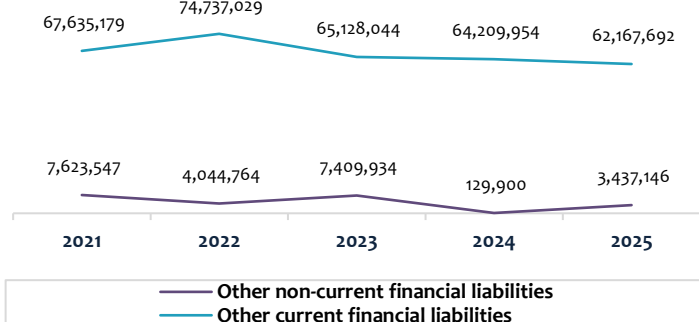


Total non-current liabilities vs. Total current liabilities

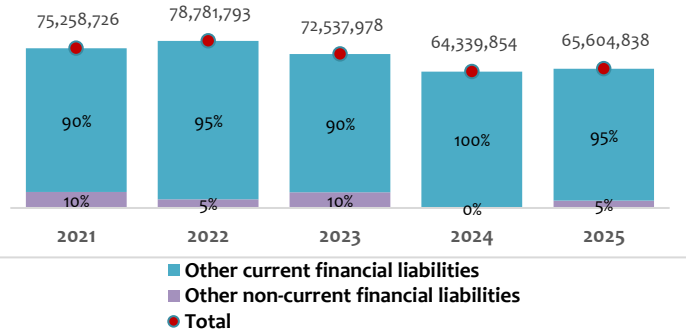


BORROWINGS

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



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





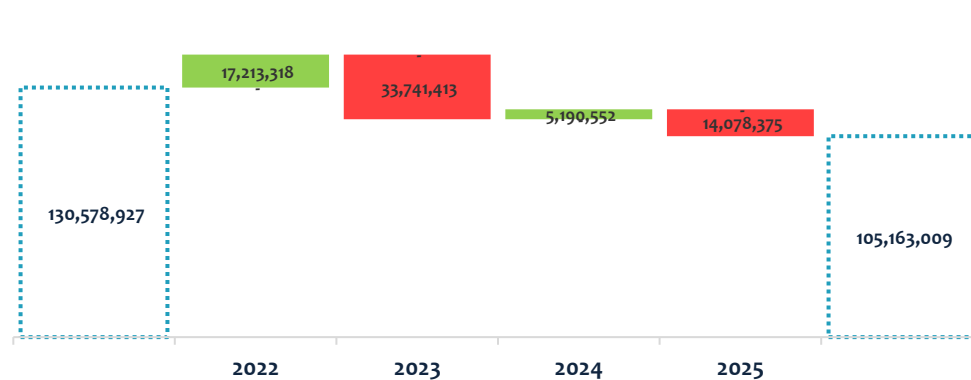
STRUCTURE OF BORROWINGS

Company	31.12.2024	31.12.2025	2025 vs 2024
Romcarbon, total, out of which:	42,395,909	53,335,348	10,939,439
< 12 months	42,395,909	49,957,410	7,561,501
> 12 months	-	3,377,939	3,377,939
LivingJumbo Industry, total, out of which:	20,645,456	12,135,857	(8,509,599)
< 12 months	20,645,456	12,135,861	(8,509,595)
> 12 months	-	-	-
EnergoInstall, total, out of which:	1,080,577	-	(1,080,577)
< 12 months	1,080,577	-	(1,080,577)
> 12 months	-	-	-
Total borrowings, out of which:	64,121,942	65,471,205	1,349,263
< 12 months	64,121,942	62,093,271	(2,028,671)
> 12 months	-	3,377,939	3,377,939
Total leasing, out of which:	217,912	133,628	(84,284)
< 12 months	88,012	74,421	(13,591)
> 12 months	129,900	59,206	(70,694)

CURRENT LIABILITIES

As at 31/12/2025, **Current liabilities** represented 86.46% of Total Liabilities and 40.54% of Total Equity and Liabilities. Compared to the beginning of the year, they recorded a decrease of RON 14,078,375, corresponding to a reduction of 11.81%.

Evolution of the item Total current liabilities in the period 2021-2025



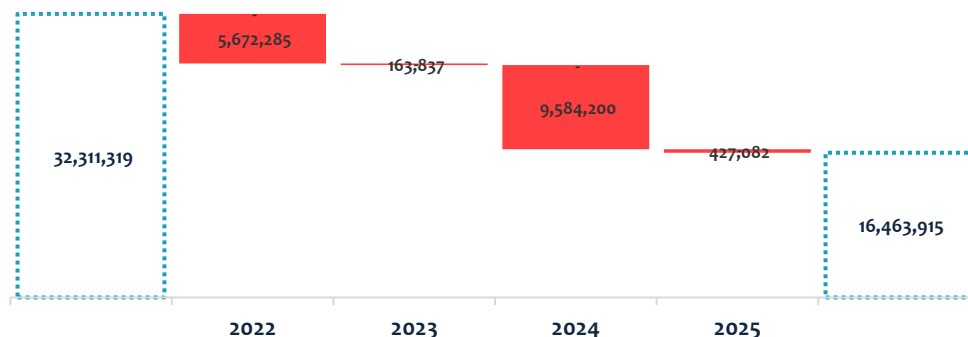
Current liabilities (lei)	31/12/2025	% in total liabilities	% in Total Current liabilities	% in Total Equity and liabilities	2025 vs 2024
Trade and other current payables	34,945,806	28.73%	33.23%	13.47%	-24.34%
Other current financial liabilities	62,167,692	51.11%	59.12%	23.97%	-3.18%
Current governmental grants	2,493,279	2.05%	2.37%	0.96%	-17.49%
Other current non-financial liabilities	5,556,232	4.57%	5.28%	2.14%	-4.55%
Total current liabilities	105,163,009	86.46%	100.00%	40.54%	-11.81%



NON-CURRENT LIABILITIES

As at 31/12/2025, **Non-current liabilities** represented 13.54% of Total Liabilities and 6.35% of Total Equity and Liabilities. Compared to the beginning of the year, they recorded a decrease of RON 427,082, corresponding to a reduction of 2.53%.

Evolution of the item Total non-current liabilities in the period 2021-2025

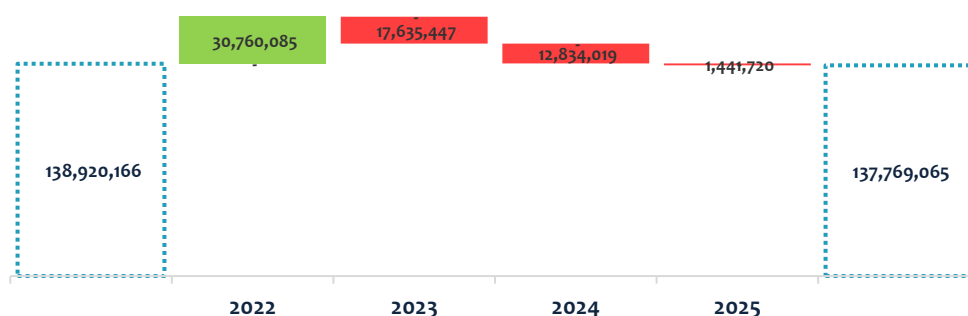


Non-current liabilities (lei)	31/12/2025	% in total liabilities	% in Total Non-current liabilities	% in Total Equity and liabilities	2025 vs 2024
Other non-current provisions	1,641,891	1.35%	9.97%	0.63%	-7.26%
Deferred tax liabilities	5,528,204	4.55%	33.58%	2.13%	-1.93%
Other non-current financial liabilities	3,437,146	2.83%	20.88%	1.33%	2545.99%
Non-current governmental grants	5,856,674	4.82%	35.57%	2.26%	-37.38%
Other non-current non-financial liabilities	-	-	-	-	-
Total non-current liabilities	16,463,915	13.54%	100.00%	6.35%	-2.53%

EQUITY

As at 31/12/2025, **Equity** represented 53.11% of Total Equity and Liabilities. Compared to the beginning of the year, they recorded a decrease of RON 1,441,720.

Evolution of the item Total equity in the period 2021-2025



Equity (lei)	31/12/2025	2025 vs 2024
Issued capital	52,824,419	0.00%
Share premium	2,182,283	0.00%
Reserves	64,230,524	-0.82%
Retained earnings	17,625,936	-4.89%
Equity attributable to equity holders of the parent	136,863,162	-1.04%
Non-controlling interests	905,902	-0.08%
Total Equity	137,769,064	-1.04%

B.) STATEMENT OF THE COMPREHENSIVE INCOME

Indicator (lei)	2023	2024	2025	2025 vs.2024	
Revenue from contracts with customers	304,683,985	307,315,650	259,383,195	▼	(47,932,455) -16%
Other Income	4,103,607	3,784,998	4,357,559	▲	572,561 15%
Increase (decrease) in inventories of finished goods and work in progress	2,516,172	1,269,543	(3,154,585)	▲	(4,424,128) -348%
Raw materials, consumables and utilities	(191,297,563)	(187,965,972)	(143,326,529)	▼	44,639,443 -24%
Employee benefits expense	(84,574,383)	(91,859,461)	(83,340,200)	▼	8,519,261 -9%
Depreciation and amortisation expenses	(14,320,887)	(14,627,022)	(13,083,595)	▼	1,543,427 -11%
Other expenses	(27,713,730)	(27,483,472)	(22,685,836)	▼	4,797,636 -17%
Other gains (losses)	5,068,419	210,718	6,756,029	▲	6,545,311 3106%
Profit (loss) from operating activities	(1,534,380)	(9,355,019)	4,906,038	▼	14,261,057 -152%
Finance Income	886,996	1,038,282	634,539	▼	(403,743) -39%
Finance costs	(4,303,354)	(4,136,315)	(5,247,341)	▲	(1,111,026) 27%
Gain/loss from disposal of short-term financial investment	57,882	782,307	(52,347)	▼	(834,654) -107%
Gain/loss from the impairment of financial investment	-	(97,950)	(8,202)	▼	89,748 -92%
Profit / (loss) before tax	(4,892,856)	(11,768,695)	232,687	▼	12,001,382 -102%
Tax income (expense)	(242,991)	1,367,367	(79,776)	▼	(1,447,143) -106%
Profit (loss) of the year, attributable to	(5,135,847)	(10,401,328)	152,911	▼	10,554,239 -101%
Equity holders of the parent	(5,128,782)	(10,394,079)	153,611	▼	10,547,690 -101%
Minority interest	(7,065)	(7,249)	(700)	▼	6,549 -90%
Profit (loss) from continuing operations	(5,135,847)	(10,401,328)	152,911	▼	10,554,239 -101%
Differences from foreign operations	64,719	(6,358)	-	▼	6,358 -100%
Deferred tax adjustment for non-deductible tax revaluation reserves	485,482	186,674	-	▼	(186,674) -100%
Comprehensive income of the year, attributable to:	(4,585,646)	(10,221,012)	152,911	▼	10,373,923 -101%
Equity holders of the parent	(4,578,581)	(10,213,763)	153,611	▼	10,367,374 -102%
Minority interest	(7,065)	(7,249)	(700)	▼	6,549 -90%
Indicator	2023	2024	2025	2025 vs.2024	
EBITDA OPERATIONAL	5,210,408	2,302,907	7,168,969	▲	4,866,062 211%
Indicator	2023	2024	2025		
Personnel @ 31 of December	1,388	1,289	1,134		
Average no. of personnel	1,245	1,222	1,081		



From EBITDA OPERATIONAL to NET PROFIT

Indicator	2023	2024	2025		2025 vs.2024	
EBITDA OPERATIONAL	5,210,408	2,302,907	7,168,969	▲	4,866,062	211%
Fixed assets depreciation	(14,320,887)	(14,627,022)	(13,083,595)	▼	1,543,427	-11%
Revenues from subsidy from Government for investments	3,600,219	3,325,296	4,025,046	▲	699,750	21%
Interest expenses	(3,121,845)	(3,907,534)	(3,022,109)	▼	885,425	-23%
Gain/loss from sales of assets	4,002,054	26,732	5,668,538	▲	5,641,806	21105%
Gain/loss from revaluation of the property investment	974,174	435,954	827,928	▲	391,974	90%
Other non-operational items	(1,510,286)	(1,097,700)	(136,561)	▼	961,139	-88%
Forex gain/loss	(633,143)	233,636	(1,754,014)	▲	(1,987,650)	-851%
Net gain/loss from selling the short-term financial investments	57,882	782,307	(52,347)	▼	(834,654)	-107%
Other gain/loss from Financial	848,569	756,728	590,832	▼	(165,896)	-22%
Tax on profit	(242,992)	1,367,368	(79,777)	▼	(1,447,145)	-106%
NET PROFIT/LOSS	(5,135,847)	(10,401,328)	152,911	▼	10,554,239	

Statement of comprehensive income on quarters

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2025 vs. Q1 2024	Q2 2025 vs. Q2 2024	Q3 2025 vs. Q3 2024	Q4 2025 vs. Q4 2024
Revenue from contracts with customers	68,222,452	66,094,832	65,253,147	59,812,764	(6,647,042)	(5,840,375)	(19,475,472)	(15,969,566)
Other Income	856,490	2,132,732	699,233	669,104	(179,227)	1,126,560	(366,482)	(8,290)
Increase (decrease) in inventories of finished goods and work in progress	(2,322,578)	(1,091,326)	1,110,128	(850,809)	(3,290,348)	(5,867,905)	5,639,904	(905,779)
Raw materials, consumables and utilities	(41,097,485)	(35,506,049)	(36,369,176)	(30,353,819)	5,776,011	12,788,487	14,079,473	11,995,472
Employee benefits expense	(21,951,026)	(21,102,054)	(20,369,363)	(19,917,757)	952,672	1,641,148	3,470,445	2,454,996
Depreciation and amortisation expenses	(3,358,686)	(3,291,553)	(3,223,430)	(3,209,926)	370,076	447,908	546,884	178,559
Other expenses	(4,250,782)	(5,021,215)	(4,665,707)	(8,748,132)	1,137,086	148,274	396,126	3,116,150
Other gains (losses)	51,373	1,164,950	406,166	5,133,540	27,333	966,976	278,388	5,272,614
Profit (loss) from operating activities	(3,850,242)	3,380,317	2,840,998	2,534,965	(1,853,439)	5,411,073	4,569,267	6,134,156
Finance Income	90,040	135,910	211,867	196,722	(206,913)	63,114	(40,254)	(219,690)
Finance costs	(1,034,731)	(2,194,722)	(964,826)	(1,053,062)	(15,231)	(1,092,530)	111,032	(114,297)
Gain/loss from disposal of short-term financial investment	-	(29,917)	174,555	(196,985)	(661,677)			
Gain/loss from the impairment of financial investment	(130,000)	22,065	-	99,733	(130,000)	22,065	-	197,683
Profit / (loss) before tax	(4,924,933)	1,313,653	2,262,594	1,581,373	(2,867,260)	4,253,175	4,814,600	5,800,867
Tax income (expense)	(9,524)	(126,731)	(36,107)	92,586	123,358	(113,009)	(21,642)	(1,435,850)
Profit (loss) of the year, attributable to	(4,934,457)	1,186,922	2,226,487	1,673,959	(2,743,902)	4,140,166	4,792,958	4,365,017
Equity holders of the parent	(4,933,393)	1,184,457	2,225,689	1,676,858	(2,744,193)	4,136,043	4,790,808	4,365,032
Minority interest	(1,064)	2,465	798	(2,899)	291	4,123	2,150	(15)
Profit (loss) from continuing operations	(4,934,457)	1,186,922	2,226,487	1,673,959	(2,743,902)	4,140,166	4,792,958	4,365,017
Differences from foreign operations	132	-	(132)	-	427	(439)	6,299	71
Deferred tax adjustment for non-deductible tax revaluation reserves		-	-	-	-	-	-	(186,674)
Comprehensive income of the year, attributable to:	(4,934,325)	1,186,922	2,226,355	1,673,959	(2,743,475)	4,139,727	4,799,257	4,178,414
Equity holders of the parent	(4,933,261)	1,184,457	2,225,557	1,676,858	(2,743,766)	4,135,604	4,797,107	4,178,429
Minority interest	(1,064)	2,465	798	(2,899)	291	4,123	2,150	(15)
EBITDA OPERATIONAL	(1,363,875)	3,445,607	5,052,718	34,519	(2,197,504)	2,804,956	3,988,699	269,911



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 2023	% in total	12 Months of 2024	% in total	12 Months of 2025	% in total	2025 vs 2024%
Romcarbon SA	214,230,854	61%	225,633,834	63%	194,436,270	64%	-13.83%
LivingJumbo Industry SA	115,487,834	33%	109,272,489	31%	93,304,833	31%	-14.61%
RC Energo Install SRL	20,393,926	6%	19,637,385	5%	13,993,962	5%	-28.74%
Info Tech Solutions SRL	2,029,034	1%	2,510,008	1%	1,968,942	1%	-21.56%
Total, out of which:	352,141,648	100%	357,053,716	100%	303,704,007	100%	-14.94%
Within the Group	47,457,663	13%	49,738,066	14%	44,320,812	15%	-10.89%
Outside of the Group	304,683,985	87%	307,315,650	86%	259,383,195	85%	-15.60%

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

Structure of revenues	12 Months of 2023	% in total	12 Months of 2024	% in total	12 Months of 2025	% in total	2025 vs 2024%
Sales of finished goods (701+709)	249,100,439	82%	246,872,722	80%	217,783,696	84%	-11.78%
Sales of intermediary goods	9,958,085	3%	11,521,413	4%	9,147,333	4%	-20.61%
Sales of residual products	293,095	0%	396,286	0%	460,523	0%	16.21%
Services rendered	4,167,180	1%	5,463,057	2%	2,667,433	1%	-51.17%
Sales of goods purchased for resale	32,316,563	11%	34,368,279	11%	24,762,848	10%	-27.95%
Revenues from sundry activities	8,848,623	3%	8,693,893	3%	4,561,362	2%	-47.53%
Total	304,683,985	100%	307,315,650	100%	259,383,195	100%	-15.60%

D.) CASH-FLOW

	12 Months of 2024	12 Months of 2024	12 Months of 2025
Net cash generated by operating activities	827,402	3,914,942	7,193,280
Net cash (used in)/generated by investing activities	(5,880,494)	(12,436,457)	(231,224)
Net cash (used in)/generated in financing activities	(35,099,811)	(10,841,337)	2,318,274
Net increase in cash and cash equivalents	(40,152,903)	(19,362,852)	9,280,331
Cash and cash equivalents at the beginning of the year	73,869,061	33,716,158	14,353,306
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-	-
Cash from subsidiaries acquired during the year	-	-	-
Cash and cash equivalents at the end of the period	33,716,158	14,353,306	23,633,637

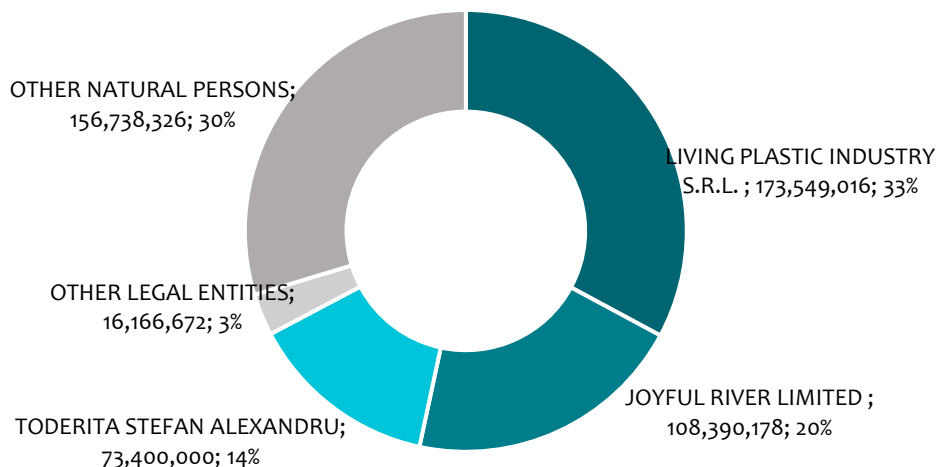


E.) FINANCIAL RATIOS

Indicator	Formula	12 Months of 2024	12 Months of 2024	12 Months of 2025
EBIT	Net profit + Income tax + Expenses with interest	(1,771,011)	(7,861,161)	3,254,796
EBITDA	EBIT + Depreciation-Subsidies for investment	8,949,657	3,440,565	12,313,345
Sales	Revenue + Rental and royalty income	305,187,373	307,775,352	259,715,708
EBITDA to sales ratio	EBITDA/Sales	2.93%	1.12%	4.74%
EBITDA to Equity ratio	EBITDA/Equity	5.89%	2.47%	8.94%
Gross profit margin	Gross profit/Sales	-1.60%	-3.82%	0.09%
Current ratio	Current assets/Current liabilities	1.38	1.14	1.15
Quick ratio	(Current assets-Inventories)/Current liabilities	0.86	0.61	0.67
Non-current liabilities to Equity ratio	Non-current liabilities/Equity	17%	12%	12%
Total liabilities to Assets ratio	Total liabilities/Total Assets	48%	49%	47%
Interest coverage ratio	EBIT/Interest expenses	(0.57)	(2.01)	1.08
Account receivable turnover ratio	Average receivables/Sales (days)	72	67	69
Account payable turnover ratio	Average payables/Sales (days)	60	50	56
Return on assets (ROA)	Net profit/Assets	-1.7554%	-3.7776%	0.0589%
Return on equity (ROE)	Net profit/Equity	-3.3779%	-7.4716%	0.1110%
Return on sales (ROS)	Net profit/Sales	-1.6829%	-3.3795%	0.0589%



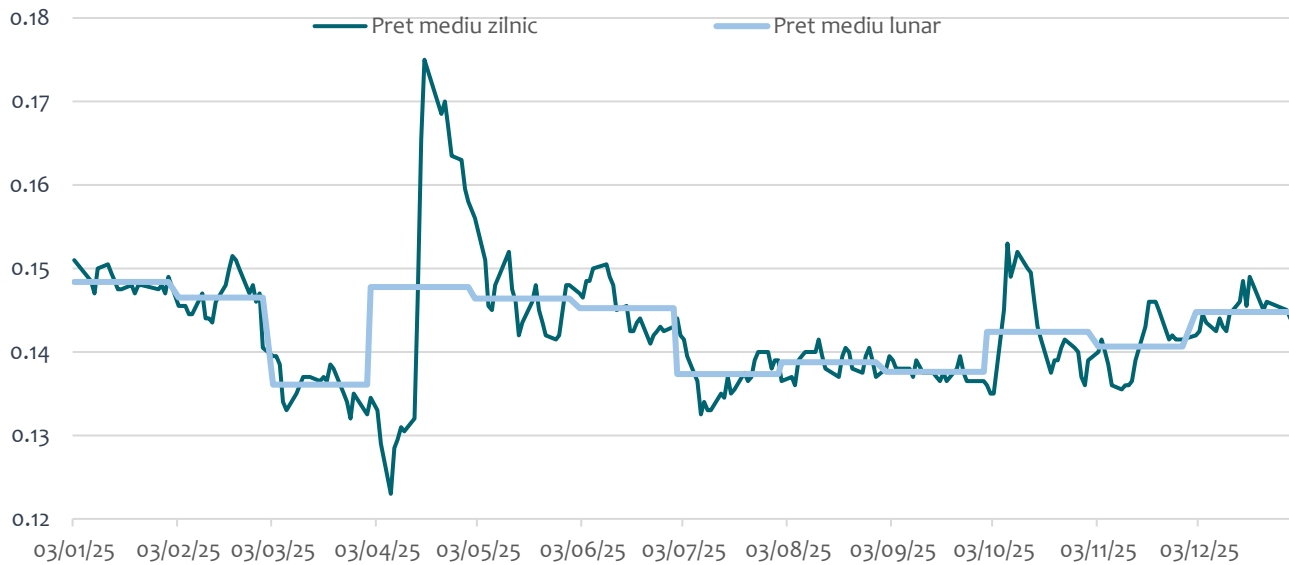
STRUCTURE OF SHAREHOLDERS



* 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 average price of ROCE shares in anul 2025



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 internal 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.

Riscul de piata

La data prezentului raport nu sunt identificate riscuri care sa afecteze semnificativ veniturile din activitatea de baza, totusi, tensiunile geopolitice globale aparute in urma interventiilor militare in Ucraina ale Federatiei Ruse au generat si genereaza incertitudini economice pe piata de energie si de capital, preturile globale ale energiei au crescut si sunt de asteptat sa fie foarte volatile in viitorul previzibil. La data prezentului raport, conducerea nu poate estima in mod fiabil efectele asupra perspectivelor financiare ale Grupului si nu poate exclude consecintele negative asupra afacerii, operatiunilor si situatiei financiare. Conducerea considera ca ia toate masurile necesare pentru a sprijini sustenabilitatea si cresterea activitatii Grupului in circumstantele actuale si ca rationamentele profesionale din aceste situatii financiare raman adecvate.

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 2026, 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.

The priority objectives are also in 2026 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

ROMCARBON SA | [Thinking forward](#)

Buzau, Str. Transilvaniei, nr.132

Cod postal 120012

Tel.0238.711.155

Fax.0238.710.697

www.romcarbon.com

investor.relations@romcarbon.com

Urmareste-ne si pe **Linked in**