



PROMATERIS SA

INDIVIDUAL FINANCIAL STATEMENTS AND

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

PREPARED IN ACCORDANCE WITH THE ORDER OF THE MINISTER OF PUBLIC FINANCE NO. 2844/2016
FOR THE APPROVAL OF ACCOUNTING REGULATIONS IN COMPLIANCE WITH INTERNATIONAL FINANCIAL
REPORTING STANDARDS ADOPTED BY THE EUROPEAN UNION WITH SUBSEQUENT AMENDMENTS





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INDIVIDUAL STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2025

BALANCE SHEET, lei	Note	12/31/2025	12/31/2024
Assets			
Fixed assets			
Tangible fixed assets*	5.1	102,988,714	109,009,447
Real estate investments*	5.2	14,762,355	7,716,172
Intangible assets	5.3	1,883,386	1,408,970
Investments in capital instruments	5.4	1,592,569	2,381,591
Other fixed assets		45,901	27,502
Fixed assets – total		121,272,925	120,543,682
Current assets			
Stocks	6	32,885,571	27,196,703
Trade receivables	7.1	17,482,575	18,006,023
Other receivables	7.2	5,432,890	1,342,204
Cash and cash equivalents	8	3,033,269	751,674
Other assets	7.2	252,341	182,630
Current assets – total		59,077,646	47,479,234
TOTAL ASSETS		180,350,571	168,022,916
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	9	2,869,750	2,869,750
Issue premiums		129,728	129,728
Revaluation reserves	10	18,183,591	16,166,308
Other reservations	10	574,022	574,022
Retained earnings		71,497,156	68,042,480
Equity – total		93,254,247	87,782,288
Long-term debts			
Debts to banking institutions and other creditors	11	10,528,089	16,971,798
Deferred income tax	23	2,830,833	2,310,777
Lease liabilities	12	20,000	103,844
Investment subsidies	13	5,077,864	6,180,153
Total long-term debt		18,456,786	25,566,572
Short-term debts			
Debts to banking institutions and other creditors	11	50,920,573	41,002,588
Trade debts	14	14,204,799	10,589,872
Liabilities related to customer contracts	14	281,458	47,698
Current income tax	23	173,466	0
Lease liabilities	12	81,014	170,397
Other current liabilities	15	1,875,939	1,761,212
Investment subsidies	13	1,102,289	1,102,289
Short-term liabilities – total		68,639,538	54,674,056
Total debts		87,096,324	80,240,628
TOTAL EQUITY AND LIABILITIES		180,350,571	168,022,916

*The marked items have been restated in note 2, accounting principles, point d.

These individual financial statements were approved by the Board of Directors and were authorized for issue on 05.05.2026.

General Manager,
Tudor Georgescu

Economic Manager,
Gheorghe Luca





INDIVIDUAL STATEMENT OF COMPREHENSIVE RESULTS AS OF DECEMBER 31, 2025

PROFIT AND LOSS ACCOUNT, lei	Note	Year ended 31.12.2025	Year ended 31.12.2024
Sales revenue	16	122,766,420	99,392,191
Other operating income*	17	289,073	230,452
Income from fair value measurement of real estate investments	17	350,348	-
Profit/(loss) from the disposal of tangible assets*	17	(1,275,856)	673,543
Variation in stocks of finished products and work in progress		(2,586,274)	1,656,915
Revenues from the production of tangible and intangible assets	17	1,691,279	180,649
Expenses for raw materials, supplies and goods	18	(64,916,044)	(55,307,407)
Energy and water expenses		(6,731,872)	(4,567,969)
Personnel expenses	19	(16,606,783)	(16,229,228)
Expenses for adjustments for depreciation and amortization*		(13,395,033)	(12,600,405)
Expenses for adjustments for depreciation of financial assets and current assets		(335,429)	77,946
External service expenses	20	(10,210,383)	(9,174,981)
Other operating expenses	21	(1,128,735)	(1,049,547)
Operating profit/loss		7,910,711	3,282,159
Financial income	22	1,148,964	1,844,504
Financial expenses	22	(6,306,059)	(4,834,857)
Result before tax		2,753,616	291,806
Income tax	23	(963,079)	539,345
Net result for the period		1,790,537	831,151
Other elements of the overall result			
Profit/(loss) related to the revaluation of tangible assets (net)		3,681,422	-
Total overall result		5,471,959	831,151
Basic earnings per share (lei/share)		0.0624	0.0290
Diluted earnings per share (lei/share)		0.0624	0.0290

*The marked items have been restated in note 2, accounting principles, point d.

EARNINGS PER SHARE	12/31/2025	12/31/2024
Profit attributable to ordinary shareholders	1,790,537	831,151
Number of ordinary shares	28,697,499	28,697,499
Earnings per share	0.0624	0.0290

These individual financial statements were approved by the Board of Directors and were authorized for issue on 05.05.2026

General Manager,
Tudor Georgescu

Economic Manager,
Gheorghe Luca





CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

CASH FLOWS		Year 2025	Year 2024
Cash flows from operating activities:			
Revenues from sales of goods and services	1	134,749,107	113,205,089
Other receipts	2	140,480	8,445
Payments to suppliers of goods and services	3	(91,706,920)	(79,287,218)
Payments to employees	4	(8,705,737)	(8,658,852)
Payments on behalf of employees	5	(356,851)	(337,991)
Social security and unemployment payments	6	(5,042,730)	(5,245,764)
Payroll tax payments	7	(1,026,579)	(1,003,266)
Income tax payments	8	(450,268)	(26,308)
VAT payments	9	(146,480)	(4,286,034)
Payments regarding customs duties, other taxes and fees	10	(11,250,064)	(6,636,715)
Special fund payments	11	(136,424)	(180,489)
Other payments	12	(529,952)	(791,973)
Net cash from operating activities		15,537,583	6,758,925
Cash flows from investing activities:			
Proceeds from sales of fixed assets	13	44,616	1,807,154
Subsidy receipts for investments	22	0	88,867
Payments for acquisitions of tangible and intangible assets	14	(12,274,547)	(4,037,727)
Receipts related to other short-term assets	24	0	49,726
Payment related to other short-term assets	25	0	(49,726)
Dividend receipts	15	0	228,947
Payments for share acquisition	27	0	0
Net cash from investing activities		(12,229,932)	(1,912,759)
Cash flows from financing activities:			
Receipts from bank loans (note 11)	16	15,181,340	33,402,572
Bank loan repayments (note 11)	17	(14,547,820)	(40,800,896)
Receipts from overdraft (note 11)	18	2,063,123	3,922,735
Payments for leasing contracts	19	(202,328)	(673,555)
Interest received	20	9,403	33,060
Interest paid	21	(3,529,773)	(3,137,255)
Cash reduction due to the company division (note 4.3)	23	0	0
Shareholders' loan receipts	26	0	0
Net cash from financing activities		(1,026,056)	(7,253,339)
Net increase in cash and cash equivalents		2,281,595	(2,407,174)
Cash and cash equivalents at the beginning of the period		751,674	3,158,848
Cash and cash equivalents at the end of the period		3,033,269	751,674

These individual financial statements were approved by the Board of Directors and were authorized for issue on 05.05.2026

General Manager,
Tudor Georgescu

Economic Manager,
Gheorghe Luca





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

	Share capital	Issue premiums	Revaluation reserves	Other reservations	Retained earnings	Total equity
Balance as of January 1, 2025	2,869,750	129,728	16,166,308	574,022	68,042,480	87,782,288
Current profit/(loss)					1,790,537	1,790,537
Revaluation reserve			3,681,422			3,681,422
Total overall result	-	-	3,681,422	-	1,790,537	5,471,959
Transfer of revaluation reserve to retained earnings			(1,664,139)		1,664,139	-
Other elements of the overall result						-
					-	-
Balance as of December 31, 2025	2,869,750	129,728	18,183,591	574,022	71,497,156	93,254,247

These individual financial statements were approved by the Board of Directors and were authorized for issue on 05.05.2026 .

General Manager,
Tudor Georgescu

Economic Manager,
Gheorghe Luca

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





	Share capital	Issue premiums	Revaluation reserves	Other reservations	Retained earnings	Total equity
Balance as of January 1, 2024	2,869,750	129,728	16,584,283	574,022	66,793,354	86,951,137
Current profit/(loss)					831,151	831,151
Revaluation reserve			-			-
Total overall result	-	-	-	-	831,151	831,151
Transfer of revaluation reserve to retained earnings			(417,975)		417,975	-
Other elements of the overall result					-	-
Balance as of December 31, 2024	2,869,750	129,728	16,166,308	574,022	68,042,480	87,782,288

These individual financial statements were approved by the Board of Directors and were authorized for issue on 05.05.2026

General Manager,
Tudor Georgescu

Economic Manager,
Gheorghe Luca





1. GENERAL INFORMATION

These financial statements are the individual financial statements of PROMATERIS SA as of and for the financial year ended December 31, 2025.

The registered office is in Buftea, Sos. Bucuresti-Tirgoviste no. 1, Ilfov County, Romania, unique registration code RO 108, registration number with the Trade Register J23/835/2018.

The share capital is 2,869,750 RON divided into 28,697,499 common, registered shares, the nominal value of a share is 0.1 RON. The company's shares are traded on the Bucharest Stock Exchange (BVB) in the standard category, symbol PPL.

The party that holds ultimate control of the Company is Pogonaru Florin-Ion.

The main object of activity is the processing of bioplastic materials.

2. ACCOUNTING BASICS

a) Declaration of conformity

The annual individual financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") adopted by the European Union ("IFRS") and in accordance with the provisions of the Order of the Minister of Public Finance no. 2844/2016, for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to commercial companies whose securities are admitted to trading on a regulated market, with subsequent amendments and clarifications, as well as in accordance with law 82/1991 with subsequent amendments and completions. These provisions correspond to the requirements of the International Financial Reporting Standards, adopted by the European Union.

b) Basis for preparing individual financial statements

The annual separate financial statements have been prepared on a historical cost basis, except for the revaluation of certain properties and financial instruments which are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

c) Functional and presentation currency

These annual individual financial statements are presented in Lei (RON), which is also the functional currency. All financial information is presented in Lei, rounded, without decimals.

Foreign currency transactions are recorded in the functional currency using the exchange rate at the date of the transactions. Monetary assets and liabilities in foreign currencies outstanding at the date of the preparation of the individual financial statements are converted into RON using the exchange rates communicated by the National Bank of Romania at the date of the closing balance. Gains or losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currency are recognized in the current year's results.

The exchange rates of the main currencies were as follows:

	December 31, 2025	December 31, 2024
EUR	5.0985	4.9741
USD	4.3417	4.7768





2. ACCOUNTING BASICS (continued)

d) Comparative amounts and changes in the presentation of the individual statement of financial position and the individual statement of comprehensive income

BALANCE SHEET, lei	December 31, 2024 (reported as of December 31, 2024)	Increases/decreases	Note	December 31, 2024 (restated to December 31, 2025)
Tangible assets	116,725,619	(7,716,172)	5.1	109,009,447
Real estate investments	0	7,716,172	5.1	7,716,172

PROFIT AND LOSS ACCOUNT, lei	December 31, 2024 (reported as of December 31, 2024)	Increases/decreases	Note	31 December 2024 (retreated on December 31, 2025)
Other operating income*	2,115,768	(1,885,316)	17	230,452
Profit/(loss) from the disposal of tangible assets*	-	673,543	17	673,543
Expenses for adjustments for depreciation and amortization*	(13,812,178)	1,211,773		(12,600,405)

e) Application of new and revised international financial reporting standards

1. New standards, interpretations and amendments adopted as of January 1, 2025

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

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

On August 15, 2023, the IASB issued the Non-Convertibility Amendment, which amends IAS 21 The Effects of Changes in Foreign Exchange Rates (the "Amendments"). The Amendments introduce requirements for assessing when a currency is convertible into another currency and when it is not. The Amendments also require an entity to estimate the spot exchange rate when it concludes that a currency is not convertible into another currency.

These amendments had no impact on the company's individual financial statements.

2. Illustrative examples of reporting uncertainties in financial statements

On November 28, 2025, the IASB issued the document "Disclosure of Uncertainty in Financial Statements – Illustrative Examples", which amends several IFRS accounting standards by including illustrative examples that demonstrate how entities can apply IFRS standards when reporting the effects of uncertainties in their financial statements. The illustrative examples are accompanying materials to the IFRS accounting standards and do not have an effective date. The IASB issued a near-final version of the draft illustrative examples in July 2025. The Company has considered these illustrative examples in the process of preparing its separate financial statements and has not considered additional disclosures or changes in presentation necessary.

The illustrative examples were issued during 2025, without an application date.

a. New standards, interpretations and amendments that are not yet applicable

There are a number of standards, amendments to standards and interpretations issued by the IASB that will be applicable in future reporting periods and that the Company has decided not to adopt in advance.





2. ACCOUNTING BASICS (continued)

The following amendments are applicable for annual reporting periods beginning on or after 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 on the classification and measurement of financial instruments, ensuring a more consistent application of the principles of IFRS 9 and IFRS 7. The main changes include:

- Clarification of the criteria for classifying financial assets based on the business model and cash flow characteristics.
- Improvements to the recognition and measurement of financial liabilities, including aspects related to changes in contractual terms.
- New disclosure requirements for entities using complex financial instruments, with the aim of increasing the transparency and comparability of financial reporting.

2. Contracts referring to electricity dependent on natural factors (Amendments to IFRS 9 and IFRS 7)

These amendments clarify the accounting treatment applicable to electricity purchase contracts where the supply depends on natural factors such as wind, solar or hydroelectric power.

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

The following standards and amendments are applicable for the annual reporting period beginning on or after January 1, 2027:

1. IFRS 18 Presentation and disclosures in financial statements

IFRS 18 Presentation and Disclosures, issued by the IASB in April 2024, replaces IAS 1 and will result in significant consequential amendments to IFRS accounting standards, including IAS 8 Basis of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Although IFRS 18 will not have any impact on the recognition and measurement of items in individual financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These amendments include categories and subtotals in the statement of comprehensive income, aggregation/disaggregation and labeling of information, and the presentation of performance measures defined by management.

2. IFRS 19 Non-public Subsidiaries: Disclosures

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

The Company is currently assessing the impact of applying these new accounting standards and amendments.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Business continuity





The management, at the time of approval of the individual financial statements, has a reasonable expectation that the Company has adequate resources to continue in operational activity for the foreseeable future. Thus, it continues to adopt the going concern basis of accounting as the basis for preparing the individual financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Intangible assets

Separately acquired intangible assets are initially recorded at acquisition or production cost (in-house). After initial recognition, intangible assets are carried at cost less accumulated amortization and impairment loss, if any.

Amortization is calculated on a straight-line basis over the estimated useful life of the intangible asset, which is between 3 and 5 years. Most of the intangible assets recorded are computer programs and licenses.

Costs related to the maintenance of computer programs are recognized as expenses in the period in which they are incurred.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the derecognition of an intangible asset are calculated as the difference between the net disposal proceeds and their carrying amount and are recognized in the income statement when the asset is derecognized.

c) Tangible assets

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are presented in the statement of financial position at their revalued amounts. At the date of revaluation, land and buildings are treated as follows: the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the asset's carrying amount. Revaluations are performed with sufficient regularity so that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date. The last revaluation of land and buildings took place on 31 December 2025.

Any revaluation increase resulting from the revaluation of such land and buildings is credited to the revaluation reserve for tangible fixed assets, unless it reverses a revaluation decrease for the same asset previously recognized as an expense, in which case the increase is credited to profit or loss to the extent of the decrease in the previous expense. A decrease in the carrying amount resulting from the revaluation of such land and buildings is accounted for as an expense to the extent that it exceeds the balance, as applicable, in the revaluation reserve relating to a previous revaluation of the asset.

Depreciation of revalued buildings is recognized in profit or loss. As the property, plant and equipment is used, the revaluation reserve is transferred to retained earnings. Upon sale or disposal of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings.

Tangible assets in progress are recorded at cost, less any recognized impairment loss. Cost includes professional fees and, for eligible assets, capitalized borrowing costs in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other fixed assets, begins when they are available for use, that is, when they are in the location and condition necessary for them to be capable of operating in the manner intended by management .

No depreciation is calculated for owned land.

Plant, machinery and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized so as to write off the cost or value of assets (other than land and property, plant and equipment under construction) less their residual values over their useful lives, using the straight-line method, over the following economic lives determined by the Company's management, namely:

- technological equipment	8 – 12 years
- measuring, control and regulation devices and installations	4 – 12 years
- means of transport	4 – 50 years
- computer science	3 years
- furniture and work equipment	4 – 12 years
- constructions	12 - 40 years





3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

In the tangible assets category, the company also records advances paid to suppliers for the acquisition of tangible assets. The company has opted to record advances granted to suppliers for tangible assets at cost and classify them as long-term, because their settlement generates the recognition of fixed assets. Advances paid to suppliers are recorded at the time of payment in accordance with the contractual conditions and are derecognized at the time of receipt of the assets and their registration in the tangible assets category.

The net carrying amount of an item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. The revaluation surplus included in equity relating to an item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognized, upon disposal or scrapping. The gain or loss resulting from the derecognition of a property, plant and equipment is included in profit or loss when the asset is derecognized.

d) Real estate investments

To evaluate real estate investments, the entity may opt for one of the following methods:

- Cost Method – real estate investments are valued at acquisition cost less accumulated depreciation and any impairment losses.
- Fair Value Method – real estate investments are valued at market value (fair value) at each reporting date, without applying depreciation. The Company has opted for this method.

In accordance with IAS 40, the Company will measure investment property using fair value. Fair value measurement is based on a periodic assessment of the real estate market, using accepted valuation techniques, including analysis of recent sales transactions and valuations performed by authorized valuers. Any change in the fair value of an investment property will be recognized in the profit and loss account.

e) Investments in capital instruments.

This category includes the participations held by the company in entities within the group, as well as the participations held in entities outside the group perimeter.

The equity securities held in the entities within the group represent unlisted shares, for which there is no active market and for which the fair value cannot be reliably determined. Consequently, in the individual financial statements, these securities are valued at cost, less any adjustments for impairment. The Company performs impairment tests periodically, in accordance with IAS 36, and any impairment loss identified is recognized in the profit or loss account.

Participations held in entities outside the group are classified as financial assets measured at fair value through profit or loss, in accordance with IFRS 9. Changes in fair value, as well as related dividends, are recognized in the profit or loss account of the period in which they arise. For participations in entities whose shares are not quoted on an active market, fair value is determined based on appropriate valuation techniques, using, to the extent possible, observable market data.

f) Other long-term fixed assets

This category includes cash guarantees established with suppliers, with a recovery term greater than 12 months from the reporting date, classified according to IFRS 9 as financial assets measured at amortized cost.

g) Stocks

Inventories are stated at the lower of cost and net realisable value. Cost includes direct materials at cost and, where applicable, direct labour costs and those costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost (WACC) method. Net realisable value is the price at which the inventories are sold.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)





estimated sales in the ordinary course of business, less estimated costs of completion and costs to be incurred for marketing, selling and distribution.

The establishment and reversal of adjustments for inventory depreciation are made on the profit and loss account.

h) Financial instruments

Financial assets and liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and liabilities at fair value through profit or loss) are added to the fair value of the financial asset or liability.

or deducted from the fair value of financial assets or liabilities, as applicable, upon initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit or loss are recognized in current profit or loss.

i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Purchases and sales in the normal course of business are purchases or sales that require delivery of the assets within the time frame established by the contractual terms. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Financial assets are initially measured at fair value and subsequently at amortized cost because they are held within a business model to collect contractual cash flows and these cash flows consist exclusively of payments of principal and interest on the outstanding principal.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition less principal repayments, plus cumulative amortization using the effective interest method for any difference between the initial value and the maturity value, less adjustments for impairment. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjustment for impairment.

Gains or losses from exchange rate differences

The carrying amount of financial assets denominated in a foreign currency is determined in that foreign currency and converted at the spot rate at the end of each reporting period.

Loans and receivables

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method. Amortized cost is reduced by adjustments for impairment. Loans and receivables include trade and other receivables, cash and cash equivalents and bank deposits.

Trade and other receivables

Receivables are initially recognized at the transaction value as defined in IFRS 15. The Company does not have trade receivables that contain a significant financing component. Trade receivables mainly include outstanding invoices issued up to the reporting date for the delivery of goods and services. Subsequent to initial recognition, trade receivables are measured at amortized cost in accordance with IFRS 9.





3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents include balances of cash, demand deposits and deposits with maturity of up to three months from the date of establishment that have an insignificant exposure to the risk of changes in fair value, being used by the Company for the management of short-term commitments.

Impairment of financial assets

The Company recognizes an impairment adjustment for expected credit losses related to investments in financial assets measured at amortized cost, trade receivables and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument.

The Company recognizes lifetime expected credit losses for trade and other receivables. Expected credit losses for these financial assets are estimated for financial assets for which there are indications of non-collection. The Company considers that default has occurred when a financial asset is more than 360 days past due. Management of the Company

considers this policy appropriate, taking into account the fact that the exposure related to financial assets overdue for more than 90 days is reduced, and does not have a significant impact on the individual annual financial statements.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and significantly all the risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for the amounts it would otherwise pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial assets and also recognizes a secured loan for the amounts received.

liability financial and social capital

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement and the definition of financial liabilities and equity instruments.

Financial liabilities include lease obligations, interest-bearing bank loans, overdrafts, trade payables and other liabilities. For each item, the accounting policies for recognition and measurement are disclosed in this note. Management believes that the estimated fair values of these instruments approximate their carrying amounts.

Borrowings are initially recognized at fair value. Subsequently, they are measured at amortized cost, using the effective interest rate method. Any difference between the input value and the repayment value is recognized in the profit and loss account over the period of the loans, using the effective interest method.

Interest, dividends, gains and losses on a financial instrument classified as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are recorded directly in equity. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

Trade debts

Trade payables are obligations to pay for goods or services that have been purchased in the normal course of business from suppliers and are recorded at amortized cost. If goods and services provided in connection with current activities have not been invoiced, but if delivery has been made and their value is available, the respective obligation is recorded as a liability.





3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Liabilities generated by foreign currency transactions are valued in RON based on the exchange rate on the date of the transactions. Monthly, outstanding foreign currency liabilities are converted into lei using the exchange rate communicated by the National Bank of Romania valid at the end of the month.

Share capital

Ordinary shares

Ordinary shares are classified in equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognized as a reduction in equity.

Redemption and reissue of share capital (treasury shares)

When share capital recognised as part of equity is repurchased, the amount of the consideration paid, which also includes other directly attributable costs, net of tax effects, is recognised as a reduction in equity. The shares repurchased are classified as treasury shares and are presented as a reserve relating to treasury shares. When treasury shares are subsequently sold or reissued, the amount received is recognised as an increase in equity, and the surplus or deficit recorded following the transaction is presented as share premium.

Derecognition of financial liabilities

The Company derecognises financial liabilities only when the contractual obligations are discharged, cancelled or have expired. The difference between the carrying amount of the derecognised financial liability and the consideration paid and payable is recognised in profit or loss.

j) Revaluation reserve

The difference between the revalued value and the net book value of land and buildings is recognized as a revaluation reserve in equity.

If the carrying amount of an asset is increased as a result of a revaluation, this increase is recorded and accumulated in equity under revaluation reserves. However, the increase is recognized in the statement of profit or loss to the extent that it offsets a decrease of the same amount of the asset, previously recognized in the statement of profit or loss.

If the carrying amount of an asset is reduced as a result of a revaluation, this reduction is recognised in profit or loss. However, the reduction is recognised in equity in the revaluation reserve if there is a credit balance in the revaluation reserve for that asset. The revaluation reserve is transferred to retained earnings in an amount corresponding to the use of the asset (as amortisation) and on disposal of the asset.

k) Other reservations

The company allocates a value equal to at least 5% of the profit before tax to other reserves, which are represented by legal reserves. The legal reserve established until it reaches 20% of the share capital is deductible when calculating the profit tax. If this reserve is used in whole or in part to cover losses or for distribution in any form (for the issuance of new shares), the reserve becomes taxable.

l) Dividends

The amounts representing dividends distributed from the net profit of the reporting period are highlighted in the following year in the retained earnings, following the approval of this destination by the General Meeting of Shareholders.

The distribution of dividends is recognized as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.





3. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Provisions

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

As of December 31, 2025, the Company has no provisions recorded.

n) Investment subsidies

The Company recognizes government grants only when there is reasonable assurance that the contractual conditions are met and that they will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose main condition is that the Company acquires or constructs fixed assets, are recognized as deferred income in the individual statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful life of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support to the Company, without related future costs, are recognized in profit or loss in the period in which they become receivable.

o) Leasing

(i) The company as a tenant

At inception of a lease, the Company determines whether the lease is or contains a lease. The Company recognizes a right-of-use asset with a corresponding lease liability for all leases in which the Company is a lessee, except for short-term leases (with a term of 12 months or less) and leases that are low-value (less than \$5,000). For these leases, the Company recognizes lease payments as an operating expense on a straight-line basis over the term of the lease.

The liability arising from the lease contract is initially measured at the present value of the lease payments not yet paid, using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company must use the incremental borrowing rate.

The liabilities arising from lease contracts are presented separately in the individual statement of financial position. The liability arising from the lease contract is subsequently measured by increasing the carrying amount to reflect the interest related to the liability arising from the lease contract (using the effective interest rate) and by decreasing the carrying amount to reflect the lease payments made.

Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. If the lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects the fact that the Company will exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation begins at the lease commencement date. Right-of-use assets are presented on a separate line in the individual statement of financial position.

p) Revenue recognition

The Company recognizes revenue primarily from the sale of finished products and merchandise (biodegradable products). Revenue is recognized based on the consideration to which the Company expects to be entitled under a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer.

The company produces and sells a range of biodegradable and compostable materials, mainly biodegradable bags and sacks, as well as technical and specialty compounds. The products are sold to the Business-to-Business segment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)





Sales are recognized when control of the products has been transferred, which is when the products are delivered to the customer. Thereafter, the customer has full discretion over how the purchased products are used and, where applicable, the resale price of the products. Delivery occurs when the products have been shipped to the specified location, the risks of loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have expired, or the company has objective evidence that all acceptance criteria have been met. A receivable is recognized when the goods are delivered, which is when the consideration is unconditional, as only the passage of time before payment is due is required. The consideration promised in customer contracts is adjusted by the value of commercial and financial discounts, incentives, performance bonuses, penalties or other similar elements. In accordance with the Company's standard contractual terms, no return rights are granted, except in exceptional cases where the products do not meet the quality conditions assumed in the contract.

q) Employee benefits

Short-term employee benefits are measured on an undiscounted basis and are recognized as an expense as the related services are rendered. A liability is recognized at the amount expected to be paid if the Company has a present obligation. present legal or constructive obligation to pay this amount for services previously provided by the employee, and the obligation can be estimated reliably.

The Company is not engaged in any independent pension scheme and, consequently, has no obligations in this regard. The Company does not currently grant benefits in the form of employee profit sharing. The Company does not grant compensatory salaries upon retirement.

r) Income tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except when it relates to business combinations or items recognized directly in equity or other comprehensive income.

Current income tax

The current tax payment is based on the taxable profit for the year. Fiscal profit is different from the profit reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and also excludes items that will never become taxable or deductible.

The Company records current income tax in accordance with Romanian legislation in force at the date of the financial statements. The current tax rate is 16%.

Deferred tax

Deferred tax is established using the balance sheet method for temporary differences of assets and liabilities (differences between the accounting values presented in the company's balance sheet and its tax base). The company has recognized a deferred tax liability related to the revaluation reserve.

s) Financial income and expenses

The Company's financial income and expenses include:

- interest income;
- interest expenses;
- gains or losses from exchange rate differences on financial assets and liabilities;
- impairment losses on financial assets (other than trade receivables).

Interest income or expense is recognized by applying the effective interest method.





3. SIGNIFICANT ACCOUNTING POLICIES (continued)

t) Segment reporting

The Company has analyzed its operational activity and determined that it operates a single segment of activities, namely, the production and sale of finished products and merchandise through the Business-to-Business channel. The Company records sales to customers in Romania and in countries in Central and Southern Europe (Hungary, Greece, Serbia and Bulgaria), but the majority of the activity is concentrated in Romania, in a proportion of approximately 69%. The Company does not own fixed assets in countries other than Romania.

4. USE OF PROFESSIONAL ESTIMATES AND JUDGEMENTS

The preparation of individual financial statements in accordance with IFRS as adopted by the European Union requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities. The estimates and associated judgments are based on historical data and other factors considered to be reasonable in the circumstances, and the results of these factors form the basis of the judgments used in determining the carrying amounts of assets and liabilities for which no other sources of valuation are available. Actual results may differ from the estimated amounts.

Estimates and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the current period and future periods, if the revision affects both the current period and future periods.

Estimates and assumptions are used, in particular, in:

- determining and reviewing the useful life of the company's fixed assets;
- determining inventory depreciation adjustments. The company's management makes certain estimates regarding the value in use of the inventory, taking into account the possibility of use in the company's current activity and other factors specific to each category of inventory.
- determining impairment adjustments for receivables
- Fair value measurement: Fair value is the price that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company measures the fair value of an asset or liability based on the assumptions that market participants would use when pricing the asset or liability, assuming that they are acting to maximize economic benefits.

The Company uses valuation techniques that are appropriate under the circumstances and for which sufficient information is available to perform the fair value measurement, maximizing the use of relevant available information and minimizing the use of data that is not available. All assets and liabilities that are measured at fair value in the financial statements must be classified within the fair value hierarchy, based on the nature of the inputs as follows:

- Level 1 – quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 – inputs, other than quoted market prices included in level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 – unobservable inputs for the asset or liability.

At each reporting date, the company's management analyzes the values of assets and liabilities that require revaluation or restatement of fair value in accordance with the accounting policies applied. The carrying amount of the company's main assets and liabilities (cash, trade and other receivables, trade and other current liabilities) approximates their fair value at the reporting date.

The company's management believes that any differences from these estimates will not have a significant influence on the individual financial statements in the near future .





5. FIXED ASSETS

5.1 Tangible assets

PROMATERIS	Lands	construction	Installations, machines, equipment	Tangible assets in progress	Rights of use of leased assets	Advances for fixed assets	Total tangible assets
Cost							
Balance as of 01.01.2025	18,490,524	26,679,949	108,947,444	2,719,640	1,527,611	1,643,735	160,008,903
Acquisitions of tangible assets	-	-	257,948	13,995,336	-	1,773,429	16,026,713
Transfers	(6,695,835)	-	14,008,648	(13,253,818)	(754,830)		(6,695,835)
Disposals of tangible assets	(1,735,058)	-	(527,591)		-	(2,776,070)	(5,038,719)
Revaluation	2,375,611	2,114,708					4,490,319
Balance as of 31.12.2025	12,435,242	28,794,657	122,686,449	3,461,158	772,781	641,049	168,791,381
Accumulated depreciation							
Balance as of 01.01.2025	-	6,674,454	43,306,462	-	1,018,540	-	50,999,456
Depreciation for the year	-	1,881,307	12,932,194	-	167,068		14,980,569
Disposals	-	-	476,944	-	(652,129)		(175,185)
Reduction of depreciation adjustments	-	(2,150)	(23)	-	-		(2,173)
Balance as of 31.12.2025	-	8,553,611	56,715,577	-	533,479	-	65,802,667
Net book value as of 31.12.2025	12,435,242	20,241,046	65,970,872	3,461,158	239,302	641,094	102,988,714

The loss from the disposal of tangible assets was realized due to the expropriation by the Expropriator: the Romanian State through the Ministry of Transport and Infrastructure / CNAIR SA based on: Expropriation Decisions: no. 873/10.05.2021 (HG 37/2021 + rectifications) and no. 181/21.02.2025 (HG 1630/2024) for the Project: "Bucharest Ring Road", North Ring Road Sector km 0+000 – km 52+770 Land located in Buftea, Ilfov, Sos. București-Târgoviște no. 1, T46, P394/394/2. The expropriated area is 7,672 sq m for which compensation was established in the amount of 442,412 lei. On 31.12.2025, the land from which the 7,672 sq m were expropriated was valued at fair value in the amount of 1,735,058 lei. The revaluation reserve related to this asset was transferred to retained earnings, representing the surplus realized from revaluation reserves.





5. FIXED ASSETS (continued)
5.1 Tangible assets (continued)

Individual	Lands	construction	Installations, machines, equipment	Tangible assets in progress	Rights of use of leased car assets	Advances for fixed assets	Total intangible assets
Cost							
Balance as of January 1, 2024	26,206,696	26,679,949	107,206,802	2,504,812	1,471,635	1,595,122	165,665,016
Acquisitions of tangible assets	-	-	1,153,311	3,797,583	55,976	1,104,575	6,111,445
Transfers	(7,716,172)	-	3,582,755	(3,582,755)	-	-	(7,716,172)
Disposals of tangible assets	-	-	(2,995,424)	-	-	(1,055,962)	(4,051,386)
Revaluation	-	-	-	-	-	-	-
Balance as of December 31, 2024	18,490,524	26,679,949	108,947,444	2,719,640	1,527,611	1,643,735	160,008,903
Accumulated depreciation							
Balance as of January 1, 2024	-	5,423,483	33,028,145	-	853,804	-	39,305,432
Depreciation for the year	-	1,253,121	12,187,469	-	164,736	-	13,605,326
Disposals	-	-	(1,908,633)	-	-	-	(1,908,633)
Reduction of depreciation adjustments	-	(2,150)	(519)	-	-	-	(2,669)
Balance as of December 31, 2024	-	6,674,454	43,306,462	-	1,018,540	-	50,999,456
Net book value as of December 31, 2024	18,490,524	20,005,495	65,640,982	2,719,640	509,071	1,643,735	109,009,447





5. FIXED ASSETS (continued)

5.1 Tangible assets (continued)

Tangible assets put into operation during 2025 and 2024 represent production equipment.

The value of assets pledged in favor of banks under loan agreements is presented in note 11.

Tangible fixed assets include assets acquired through non-refundable subsidies and used in current activity. These are presented in note 13.

Fair value of land and buildings

The Company's tangible fixed assets, represented by land and buildings, are presented in the financial statements at revalued value, which represents the fair value at the valuation date, less accumulated depreciation and subsequent impairment adjustments.

The fair value assessment of the Company's land and buildings as of December 31, 2025 was carried out by TNP Global & Partners, an independent certified valuer of the Company. TNP Global & Partners is a member of the National Association of Certified Valuers of Romania and has appropriate qualifications and recent experience in assessing the fair value of properties in the relevant locations. The assessment was carried out in accordance with International Valuation Standards. The fair value of the land was determined using the direct comparison method, and the fair value of the buildings was determined using the income approach.

The following table presents the valuation methods used to determine fair values (Level 3), as well as the significant unobservable inputs used.

Category	Evaluation method	Significant unobservable inputs	Correlation between key unobservable inputs and fair value measurement
Lands	<u>Direct comparison approach</u> The fair value is estimated based on the price per square meter for land with similar characteristics (e.g. property rights, legal restrictions, financing and sale conditions, location, physical and economic characteristics and best use). The market price is based on the most recent transactions.	Adjustments for liquidity, location, area.	The estimated fair value would increase/(decrease) if: - Adjustments for liquidity, location, area would be lower/(higher)
construction	<u>Income approach and cost approach</u> The constructions were evaluated by applying the following methods, depending on the best use, availability and credibility of available market information:		
	<u>Income approach</u> The DCF valuation model estimates the present value of the net cash flows that will be generated by a building from rental income, taking into account the occupancy rate and the annual rent. The discount rate estimate takes into account, among other things, the quality of a building and its location.	Adjustments for liquidity, location, area, <u>Market rent</u> - Vacancy rate of 11.11% per year - Capitalization rates of 9.0% - Annual rent per square meter of 5 EUR/sqm, depending on location	The estimated fair value would increase/(decrease) if: - Adjustments for liquidity, location, area would be lower/(higher) - Employment rates would be higher/(lower) - Capitalization rates would be lower/(higher) - The annual rent per square meter would be higher/(lower)
	<u>Cost approach</u> The cost approach provides an indication of value by using the economic principle that a comparator will not pay more for an asset than the cost of obtaining an asset with the same utility, either by purchase or construction.	Adjustments for the price and type of construction materials, external depreciation of -8%.	

5. FIXED ASSETS (continued)





5.1 Tangible assets (continued)

Information regarding the fair value hierarchy as of December 31, 2025 and December 31, 2024:

	Level 1	Level 2	Level 3	Fair value at December 31 2025
Land and land developments (including real estate investments)	-	-	27,197,597	27,197,597
Constructions	-	-	20,241,045	20,241,045

	Level 1	Level 2	Level 3	Fair value at December 31 2024
Land and land developments	-	-	26,206,696	26,206,696
Constructions	-	-	21,256,466	21,256,466

Both during 2025 and during 2024 there were no transfers between fair value levels.

The net carrying amount at historical cost of tangible assets measured at fair value is presented in the table below:

	Historical cost value at December 31, 2025	Historical cost value at December 31, 2024
Lands	12,685,915	13,174,674
Constructions	18,116,950	18,116,950
TOTAL	30,802,865	31,291,624

5.1.a) Profit/(Loss) from the disposal of tangible assets

	December 31, 2025	December 31, 2024
Profit/(loss) from the disposal of tangible assets	(1,275,856)	673,543

The loss from the disposal of tangible assets was realized due to the expropriation by the Expropriator: the Romanian State through the Ministry of Transport and Infrastructure / CNAIR SA based on: Expropriation Decisions: no. 873/10.05.2021 (HG 37/2021 + rectifications) and no. 181/21.02.2025 (HG 1630/2024) for the Project: "Bucharest Ring Road", North Ring Road Sector km 0+000 – km 52+770 Land located in Buftea, Ilfov, Sos. București-Târgoviște no. 1, T46, P394/394/2. The expropriated area is 7,672 sq m for which compensation was established in the amount of 442,412 lei. On 31.12.2025, the land from which the 7,672 sq m were expropriated was valued at fair value in the amount of 1,735,058 lei. The revaluation reserve related to this asset was transferred to retained earnings, representing the surplus realized from revaluation reserves.

5.1.a) Revenue from the production of tangible assets

	December 31, 2025	December 31, 2024
Revenue from the production of tangible assets	978,585	180,649

5.2. Real estate investments

PROMATERIS	Real estate investments (Land)
Cost	
Balance as of 01.01.2025	7,716,172
Acquisitions of tangible assets	-
Transfers	6,695,835
Disposals of tangible assets	
Revaluation	350,348
Balance as of 31.12.2025	14,762,355

5. FIXED ASSETS (continued)





5.2. Real estate investments (continued)

On 31.12.2025 Promateris reclassified from the Land category to the Investment property category, in accordance with IAS 40 "Investment property", part of the land owned by the Company, namely the land owned in Crevedia, Lot 1, Lot 2 and Lot 3 (119,808 m2). For these lands, management does not have a defined plan as of the date of these financial statements. Investment property is valued at fair value, the related revaluation difference accumulated until 31.12.2025 will remain presented in the revaluation reserve account. The lands owned by the Company are: Belciugatele (91,242 m2), Buftea (27,404 m2 following expropriation) and Crevedia (3 lands totaling 119,808 m2).

PROMATERIS	Real estate investments (Land)
Cost	
Balance as of 01.01.2024	0
Acquisitions of tangible assets	-
Transfers	7,716,172
Disposal of tangible assets	-
Revaluation	-
Balance as of 31.12.2024	7,716,172

5.2.a) Income from fair value measurement of real estate investments

Elements	December 31, 2025	December 31, 2024
Gains from fair value adjustment — Belciugatele Land (91,242 sq m)	350,348	—
Total income from fair value measurement of investment property	350,348	—

As a result of the valuation on 31.12.2025 of the real estate investment Belciugatele Land (91,242 m2m) in the financial year ended 31.12.2025, the Company recognized in the profit or loss account net gains from the adjustment to the fair value of real estate investments in the amount of 350,348 lei, in accordance with IAS 40 "Investment Property" and with the Company's accounting policy for valuing real estate investments at fair value after initial recognition. The fair value was determined based on a valuation report prepared by an independent authorized ANEVAR appraiser, using valuation techniques in accordance with IFRS 13 "Fair Value Measurement".

5.3 Intangible assets

PROMATERIS	Total tangible assets
Cost	
Balance as of 01.01.2025	1,604,325
Acquisitions of intangible assets	652,925
Disposal of intangible assets	-
Balance as of 31.12.2025	2,257,250
Accumulated depreciation	
Balance as of 01.01.2025	195,355
Depreciation for the year	180,207
Disposals	(1,698)
Balance as of 31.12.2025	373,864
Net book value as of 31.12.2025	1,883,386





5. FIXED ASSETS (continued)

5.3 Intangible assets (continued)

	Total tangible assets
Cost	
Balance as of 01.01.2024	1,027,375
Acquisitions of intangible assets	576,950
Disposals of intangible assets	-
Balance as of 31.12.2024	1,604,325
Accumulated depreciation	
Balance as of 01.01.2024	86,549
Depreciation for the year	108,806
Disposals	-
Balance as of 31.12.2024	195,355
Net book value as of 31.12.2024	1,408,970

Intangible assets include computer programs, licenses and various software. They are amortized using the straight-line method. In the statement of financial position, they are presented at historical cost, less depreciation and any value adjustments.

5.3.a) Revenue from the production of intangible assets

	December 31, 2025	December 31, 2024
Revenue from the production of intangible assets	712,694	0

5.4 Investments in equity instruments

Investments at acquisition cost in equity instruments as of 31.12.2025 and 31.12.2024 are detailed below.

Investments in capital instruments	Balance as of 01.01.2025	Holding % as of 01.01.2025	Increases/decreases in CPP	Balance as of 31.12.2025	Holding % as of 31.12.2025
Biodeck SA	140,000	70.00%	-	140,000	70.00%
Promateris Recycling SA	25,972	80.20%	(25,972)	0	80.20%
Promateris Packaging SA	219,446	96.00%	(13,296)	206,150	96.00%
Total	385,418		(39,268)	346,150	

Investments in capital instruments	Balance as of 01.01.2024	Holding % as of 01.01.2024	Increases/decreases in CPP	Balance as of 31.12.2024	Holding % as of 31.12.2024
Biodeck SA	140,000	70.00%	-	140,000	70.00%
Promateris Recycling SA	55,441	80.20%	(29,469)	25,972	80.20%
Promateris Packaging SA	290,692	96.00%	(71,246)	219,446	96.00%
Total	486,133		(100,715)	385,418	





5. FIXED ASSETS (continued)

5.4 Investments in equity instruments (continued)

Investments at fair value in equity instruments as of 31.12.2025 and 31.12.2024 are detailed below.

Investments in capital instruments	Balance as of 01.01.2025	Holding % as of 01.01.2025	Increases/decreases in CPP	Balance as of 31.12.2025	Holding % as of 31.12.2025
Romtaty SA	1,996,173	10.00%	(749,754)	1,246,419	10.00%

Investments in capital instruments	Balance as of 01.01.2024	Holding % as of 01.01.2024	Increases/decreases in CPP	Balance as of 31.12.2024	Holding % as of 31.12.2024
Romtaty SA	974,757	10.00%	1,021,416	1,996,173	10.00%

Information regarding Romtatay SA

Romtaty SA is a Romanian-Spanish joint venture producing plastic injection molded articles, established in 1991, registered with the Trade Register Office under no. J40/2798/1992. As of 31.12.2025, the Company holds a 10% stake in the share capital of this entity worth RON 108,203 (at acquisition cost), for which it decided at the time of reporting to measure it at fair value through current results.

Details of the valuation report 31.12.2025 : The valuation was carried out by the company TNP Global & Partners , ANEVAR Corporate Member, Aut. No. 0092. In applying the approaches and methods for estimating the fair value of the minority stake in SC ROMTATAY SA, input data obtained from the market and from the client were used. In the income approach, forecasts provided by the client and verified by the appraiser with market data and the company's financial history were used. The availability of data and the specific market situations presented in the report led to the fact that the income approach is the only relevant and adequate for estimating the fair value of the minority stake. The fair value determined for this holding is 1,246,419 lei.

Information regarding Biodeck SA

Biodeck SA is a company registered in Romania at the Trade Register Office under no. J2019014200407, with the main activity of distributing bioplastic products. On 31.12.2025 and on 31.12.2024 PROMATERIS SA holds a 70% stake in the share capital of BIODECK SA worth RON 140,000, for which it decided at the time of reporting to value it at acquisition cost, which is also consolidated in the company's consolidated financial statements.

Information regarding Promateris Recycling SA

Promateris Recycling SA is a company registered in Romania at the Trade Register Office under no. J23/933/2021, with the main activity of recycling plastic products. On 31.12.2025 and on 31.12.2024 PROMATERIS SA holds an 80.20% stake in the share capital of Promateris Recycling SA, worth RON 81,000, for which it decided at the time of reporting to value at acquisition cost less value adjustments, this being also consolidated in the company's consolidated financial statements.

Information regarding Promateris Packaging SA

Promateris Packaging SA is a company registered in Romania at the Trade Register Office under no. J23/932/2021, with the main activity of providing packaging services. On 31.12.2025 and 31.12.2024 PROMATERIS SA holds a 96% stake in the share capital of Promateris Packaging SA, worth RON 481,000, for which it decided at the time of reporting to evaluate it at acquisition cost less value adjustments, this being also consolidated in the company's consolidated financial statements.

The company records increases/decreases in the profit and loss account for investments in capital instruments in 2025 as well as in 2024.

6. STOCKS





The main categories of inventories are raw materials and consumables, semi-finished products, finished products and merchandise. Upon disposal, inventories are valued based on weighted average cost.

Inventories are valued at the lower of cost and net realizable value. For certain inventories of used goods, periodically reviewed, adjustments for depreciation have been made.

	December 31, 2025	December 31, 2024
Raw materials and consumables	19,845,987	11,845,970
Finished and semi-finished products	12,752,551	15,312,171
Merchandise	442,274	264,575
Stock category (adjustments)		
Raw materials and consumables	(127,085)	(139,431)
Finished and semi-finished products	(28,158)	(86,582)
Merchandise	-	-
TOTAL	32,885,571	27,196,703

The value of inventories pledged to financial institutions under loan agreements is presented in note 11.

7. RECEIVABLES

7.1. TRADE RECEIVABLES

	December 31, 2025	December 31, 2024
Trade receivables from Romania	12,842,346	16,298,777
Trade receivables from other countries	7,857,717	4,576,960
Adjustments for impairment of receivables	(3,217,488)	(2,869,714)
Subtotal financial assets	17,482,575	18,006,023
Miscellaneous debtors	0	3,333
Advance payments for the purchase of services	86,783	494,452
Receivables regarding other taxes and duties	629,921	459,529
VAT receivables	4,704,007	384,890
Other receivables	3,179	-
Total	22,906,465	19,348,227

The Company's top 2 outstanding customers held a share of 32% in total outstanding receivables as of December 31, 2025 (71% as of December 31, 2024)

The Company has established a matrix of allowances based on historical credit loss experience, adjusted for prospective factors specific to the debtors and the economic environment, if applicable. The Company assesses impairment losses individually if there are indications of significant increases in credit risk at an individual level. More information is presented in Note 26.

The movement in adjustments for impairment of trade receivables is as follows:

ADJUSTMENTS	December 31, 2025	December 31, 2024
Opening balance on January 1	(2,869,713)	(2,796,667)
Increases	(482,875)	(272,558)
Discounts	135,100	199,512
Final balance as of December 31	(3,217,488)	(2,869,713)

The value of trade receivables pledged to financial institutions based on loan agreements are presented in note 11.

8. CASH AND CASH EQUIVALENTS

The company has current accounts in lei and foreign currency (EURO, USD) opened with BCR, BRD, ING, EximBank (formerly Banca Romaneasca), Unicredit, CEC Bank and Treasury. The balances at the end of the reporting period denominated in foreign currency were revalued at the BNR exchange rates for the last banking day of 2025, and the related exchange rate differences were recorded in the profit or loss of the year.





8. CASH AND CASH EQUIVALENTS (Continued)

	2025	2024
Short-term bank deposits	51,485	50,256
Cash in the bank	2,981,087	699,488
Cash on hand	697	1,930
Total	3,033,269	751,674

As of December 31, 2025 and December 31, 2024, the Company does not hold any cash or cash equivalents whose use is restricted. The entire balance of RON 3,033,269 as of December 31, 2025 (December 31, 2024: RON 751,674) is available for use in the Company's current activity.

compound	12/31/2025	12/31/2024
Cash available for use	3,033,269	751,674
Restricted cash	0	0
Total cash and equivalents	3,033,269	751,674

9. SHARE CAPITAL

As of December 31, 2025, the Company's subscribed and paid-up share capital is worth RON 2,869,750, composed of 28,697,499 ordinary shares with a nominal value of RON 0.10/share, fully paid.

As of December 31, 2024, the Company's subscribed and paid-up share capital is worth RON 2,869,750, composed of 28,697,499 ordinary shares with a nominal value of RON 0.10/share, fully paid.

The shareholder structure as of December 31, 2025 is as follows, according to the Central Depository Register:

Shareholder	December 31, 2025		December 31, 2025	
	No. of Shares	%	Share capital value	%
POGONARU FLORIN-ION	9,900,990	34.50%	990,099	34.50%
PAVAL HOLDING SRL	6,895,502	24.03%	689,550	24.03%
NORD SA	5,981,571	20.84%	598,157	20.84%
SHAREHOLDERS LIST	5,919,436	20.63%	591,944	20.63%
Total	28,697,499	100%	2,869,750	100%

The shareholder structure as of December 31, 2024 is as follows, according to the Central Depository Register:

Shareholder	December 31, 2024		December 31, 2024	
	No. of Shares	%	Share capital value	%
POGONARU FLORIN-ION	9,900,990	34.50%	990,099	34.50%
PAVAL HOLDING SRL	6,895,502	24.03%	689,550	24.03%
NORD SA	5,981,571	20.84%	598,157	20.84%
SHAREHOLDERS LIST	5,919,436	20.63%	591,944	20.63%
Total	28,697,499	100%	2,869,750	100%

10. REVALUATION RESERVES AND OTHER RESERVES

	December 31, 2025	December 31, 2024
Revaluation reserves	18,183,591	16,166,308
Legal reserves	574,022	574,022
Reserves – total	18,757,613	16,740,330

Revaluation reserves are constituted by the revaluation of land and buildings owned by the Company. The last revaluation was carried out on December 31, 2025.





10. REVALUATION RESERVES AND OTHER RESERVES (Continued)

Elements	Year 2025
Balance as of January 1, 2025	16,166,308
(+) Gross revaluation of tangible assets	4,490,318
(-) Proportional restatement of accumulated depreciation (constructions only)	-628,185
(-) Deferred tax 16% recognized in OCI	-180,711
(=) Revaluation reserve	3,681,422
(-) Transfer to Retained Earnings related to expropriated land (Buftea)	-1,246,164
(-) Annual transfer to Retained Earnings — excess depreciation (IAS 16.41) for construction	-417,975
Subtotal transfer of revaluation reserve to retained earnings	-1,664,139
Balance as of December 31, 2025	18,183,591

11. DEBT TO BANKING INSTITUTIONS AND OTHER CREDITORS

Promateris loan balance as of 31.12.2025	Currency	Equivalent balance in RON as of 31.12.2025	31.12.2025 in RON TS	31.12.2025 in RON TL	Maturity
ING long-term loan	RON	83,333	83,333	-	27.02.2026
ING long-term loan	RON	883,863	707,091	176,772	30.03.2027
ING long-term loan	RON	3,916,417	2,937,313	979,104	01.04.2027
ING long-term loan	EUR	6,090,536	2,436,214	3,654,322	06/15/2028
ING Overdraft	RON	10,994,929	10,994,929	-	15.10.2026
ING Overdraft	EUR	6,884,012	6,884,012	-	15.10.2026
ING long-term loan	RON	619,665	247,866	371,799	06/15/2028
Unicredit long-term loan	RON	257,970	257,970	-	23.02.2026
Unicredit long-term loan	RON	96,677	96,677	-	29.04.2026
Unicredit short-term loan	RON	294,272	294,272	-	29.04.2026
Unicredit short-term loan	EUR	6,122,251	6,122,251	-	02.07.2026
Unicredit short-term loan	RON	6,960,000	6,960,000	-	02.07.2026
Unicredit short-term loan	USD	1,945,082	1,945,082	-	02.07.2026
Unicredit long-term loan	EUR	2,007,655	446,145	1,561,510	19.06.2030
Long-term credit CEC	RON	3,333,333	3,333,333	-	07/18/2026
Long-term credit CEC	EUR	4,770,022	985,440	3,784,582	08/15/2028
Shareholders' loan*	RON	5,000,000	5,000,000	-	12/31/2026
Shareholders' interest	RON	998,889	998,889	-	12/31/2025
Banking institution interest	RON	189,756	189,756	-	January 2026
TOTAL		61,448,662	50,920,573	10,528,089	

*The loan is granted by the affiliated party Floreasca Development SA, Bucharest, 20 Icoanei Street, sector 2

	Currency	Balance in RON as of 31.12.2024	31.12.2024 in RON TS	31.12.2024 in RON TL	Due date
ING long-term loan	RON	583,333	500,000	83,333	27.02.2026



ING long-term loan	RON	1,590,956	707,092	883,864	30.03.2027
ING long-term loan	RON	6,853,730	2,937,313	3,916,417	01.04.2027
ING long-term loan	EUR	8,318,703	2,376,772	5,941,931	06/15/2028
ING Overdraft	RON	8,226,061	8,226,061	-	Upon notification to the bank
ING Overdraft	EUR	7,403,721	7,403,721	-	Upon notification to the bank
ING long-term loan	RON	867,530	247,866	619,664	06/15/2028
Unicredit long-term loan	RON	1,805,780	1,547,811	257,969	23.02.2026
Unicredit long-term loan	RON	386,708	290,031	96,677	29.04.2026
Unicredit short-term loan	RON	1,177,087	882,814	294,273	29.04.2026
Unicredit short-term loan	EUR	5,972,873	5,972,873	-	06/15/2025
Unicredit short-term loan	USD	2,140,006	2,140,006	-	06/15/2025
Unicredit short-term loan	RON	1,960,000	1,960,000	-	06/15/2025
Long-term credit CEC	RON	4,827,906	-	4,827,906	07/18/2026
CHECK	EUR	49,764	-	49,764	07/18/2026
Shareholders' loan*	RON	5,000,000	5,000,000		12/31/2025
Shareholders loan interest	RON	598,889	598,889		12/31/2024
Banking institution interest	RON	211,339	211,339	-	January 2025
TOTAL		57,974,386	41,002,588	16,971,798	

***The loan is granted by the affiliated party Floreasca Development SA, Bucharest, 20 Icoanei Street, sector 2**

Bank loans have a variable interest rate, determined by considering the ROBOR, EURIBOR or SOFR indicator at 1/3/6 months, to which is added a margin ranging from 1.00% - 3.00% per year, depending on the maturity and type of loan.

The loans detailed above are secured with a mix of guarantees consisting of:

- Fixed assets such as land and buildings
- Fixed assets such as equipment & cars
- Raw materials and finished goods inventories
- Trade receivables
- Current bank accounts, with their balance;

In addition, the company benefits on December 31, 2025 from guarantees from the Romanian Counter-Guarantee Fund and the European Investment Fund, for the partial guarantee of certain contracted loans, in accordance with the provisions of the applicable financing programs.

During 2025, the company made limited withdrawals from the contracted investment loans, the emphasis being placed on operationalizing and streamlining investments in production capacities from previous years and, at the level of banking exposure, on making all corresponding repayments, in accordance with the provisions of the credit agreements. The year 2025 exceeded the debt service peak of 2024, the company covering this debt service from operational cash flows.

At the end of 2025, based on the annual financial statements, the financial parameters of the existing credit contracts are appropriate, with the financing banks already taking note of the previously published preliminary financial statements.

During 2026, consistent with the diligent behavior already shown, the company will make all scheduled credit repayments for 2026 in a proper manner and will ensure compliance with the contractual parameters in accordance with the provisions of the credit agreements at all times.

	January 1, 2025	Proceeds	Payment	Overdraft	Interest expenses	Interest payments	Commission and revaluation expenses	Commission payments	December 31, 2025
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Debts to banking institutions	52,375,497	15,181,340	(14,547,820)	2,063,123	3,525,211	(3,529,773)	568,013	(185,818)	55,449,773
Shareholders loan	5,598,889	0	0	0	400,000	0	0	0	5,998,889
TOTAL	57,974,386	15,181,340	(14,547,820)	2,063,123	3,925,211	(3,529,773)	568,013	(185,818)	61,448,662

	January 1, 2024	Proceeds	Payment	Overdraft	Interest expenses	Interest payments	Commission and revaluation expenses	Commission payments	December 31, 2024
Debts to banking institutions	55,691,094	33,402,572	(40,800,896)	3,922,735	3,156,570	(3,137,255)	412,166	(271,489)	52,375,497
Shareholders loan	5,000,000	0	0	0	598,889	0	0	0	5,598,889
TOTAL	60,691,094	33,402,572	(40,800,896)	3,922,735	3,755,459	(3,137,255)	412,166	(271,489)	57,974,386

12. LEASING DEBT

	Passenger cars
Balance as of 01.01.2025	274,241
Inputs	
Interest expense	6,381
Lease payments	(202,328)
Exchange rate differences	22,720
Balance as of 31.12.2025	101,014

	Passenger cars
Balance as of 01.01.2024	812,906
Inputs	55,976
Interest expense	16,715
Lease payments	(609,529)
Exchange rate differences	(1,827)
Balance as of 31.12.2024	274,241

	The repayment of leasing liabilities is analyzed as follows:	
	2025	2024
Installments due within 1 year	(81,014)	(170,397)
Installments due after 1 year, but not more than 5 years	(20,000)	(103,844)
Installments due after 5 years		
TOTAL	(101,014)	(274,241)

Statement of changes in cash flows from financing





Individual	January 1, 2025	Proceeds	Payment	Interest expenses	Interest payments	New leasing	Commission and revaluation expenses	Commission payments	December 31, 2025
Lease liabilities	274,241		(202,328)	6,381	(6,381)		29,101		101,014

Individual	January 1, 2024	Proceeds	Payment	Interest expenses	Interest payments	New leasing	Commission and revaluation expenses	Commission payments	December 31, 2024
Lease liabilities	812,906		(592,814)	16,715	(16,715)	55,976	(1,827)		274,241

13. NON-REFUNDABLE SUBSIDIES

Non-repayable subsidies represent grants received by Promateris, which have not yet been re-introduced into income, resulting from the successful implementation of four projects funded by Innovation Norway during the period 2021-2024. These projects are:

- Green Europe – Efficient technologies for manufacturing innovative and environmentally friendly products;
- Green Energy for Bio-based Compostable Packaging Production;
- Bio-based Circular Solutions for Decarbonising the Local Economy;
- Communication – Green Energy for Bio-based Compostable Packaging Production.

All subsidies related to the mentioned projects have been collected in full. The Group has chosen to present these subsidies separately in the financial statements, given their nature and significance, as well as to provide a clearer picture of the amounts to be reclassified to income in future periods, in correlation with the fulfillment of the conditions related to the financing received.

The value of the non-refundable subsidies is presented below:

13. NON-REFUNDABLE GRANTS (Continued)

	December 31, 2025	December 31, 2024
Balance as of January 1	7,282,442	8,405,351
Subsidies received	-	88,867
Value of subsidies reclassified to income	(1,102,289)	(1,211,776)
Balance as of December 31	6,180,153	7,282,442
Short-term balance	1,102,289	1,102,289
Long-term balance	5,077,864	6,180,153

14. TRADE PAYABLES AND ADVANCES RECEIVED

As of December 31, 2025 and December 31, 2024, the Company had no outstanding debts.

	December 31, 2025	December 31, 2024
Trade payables to suppliers of goods and services	13,900,657	9,579,431
Trade payables to fixed asset suppliers	304,142	1,010,441
TOTAL TRADE PAYABLES	14,204,799	10,589,872
Advances received from customers	281,458	47,698
TOTAL TRADE PAYABLES AND ADVANCES RECEIVED	14,486,257	10,637,570

15. OTHER CURRENT LIABILITIES

	December 31, 2025	December 31, 2024
Debts to staff	1,152,778	1,001,933
Social contributions and other payroll taxes	721,553	759,279
Current income tax receivables	173,466	-
Other taxes, duties and similar payments	1,608	
TOTAL CURRENT DEBT	1,875,939	1,761,212





16. SALES REVENUE

	December 31, 2025	December 31, 2024
Revenue from the sale of goods	118,244,497	95,625,322
Variable consideration - discounts and rebates	(631,215)	(572,899)
Total revenue from product sales	117,613,282	95,052,423
Revenue from services rendered	104,863	112,957
Other income from contracts with customers	5,048,275	4,226,811
Total	122,766,420	99,392,191

The company's main revenue streams are:

- Revenue from the sale of products represents performance obligations related to the sale of products from bioplastics produced by the company, fulfilled at a point in time, namely when the customer receives and/or the goods are delivered. The prices are identifiable and represent the consideration paid by the customer for the sale of finished products. According to the concluded contracts, customers have established return rights. Management has analyzed historical returns and the amounts are considered insignificant.
- Revenue from services rendered are obligations performed over time. Prices are identifiable and represent the consideration paid.

The geographical analysis of revenues is included in the table below.

	Year ended at 12/31/2025	Year ended at 12/31/2024
Domestic sales	56,625,368	68,117,471
Sales on the foreign market	66,141,052	31,274,720
Sales revenue – total	122,766,420	99,392,191

In 2024 and 2025, the top customers in sales on the domestic market were: Biodeck SA (Client 1) and Dedeman SRL (Client 2). Included in the revenues from customer contracts detailed above are revenues of approximately RON 58 million (2024: RON 62 million) in relation to the company's 2 largest customers, each of which contributes significantly to total customer revenues, according to the table below.

	December 31, 2025	Percentage of total reported revenues 2025	December 31, 2024	Percentage of total reported revenues 2024
Customer 1	39,615,891	32%	52,289,639	53%
Customer 2	18,577,840	15%	4,891,377	5%
Customer 3	9,851,934	8%	4,672,292	5%
Total top 3 clients	68,045,665	55%	61,853,309	62%
Total revenue from customer contracts	122,766,420		99,392,191	

17. OTHER OPERATING INCOME

	December 31, 2025	December 31, 2024
Income from compensation, fines and penalties	2,268	60,926
Other operating income	286,805	169,526
TOTAL OTHER OPERATING INCOME	289,073	230,452

18. EXPENSES ON RAW MATERIALS AND CONSUMABLES

	December 31, 2025	December 31, 2024
Raw material expenses	58,809,682	50,263,744
Expenses related to goods	1,108,889	1,604,805
Expenses related to other consumables	944,855	1,063,255
Expenses related to packaging materials	4,052,618	2,375,603
TOTAL MATERIAL EXPENSES	64,916,044	55,307,407





19. PERSONNEL EXPENSES AND INFORMATION REGARDING EMPLOYEES, ADMINISTRATORS AND DIRECTORS

The company has no obligations regarding the payment of pensions to former directors and/or administrators, members of the Board of Directors, has not granted advances or loans to directors and/or administrators and has not issued guarantees on their behalf. The amount of remuneration of the key management members of the company is included below. In total, in 2025 the Company paid RON 771,166 (2024: RON 758,538) to the key management members. The expenses for salaries paid in 2025 and 2024, respectively, consist of the following:

	Year 2025	Year 2024
wages	15,101,012	14,663,659
<i>Of which:</i>		
- amounts paid to management	387,166	374,538
Meal voucher expenses	1,099,806	1,169,862
Social security expenses	405,965	395,707
Total salaries	16,606,783	16,229,228
Amounts paid to members of the board of directors	384,000	384,000

The average number of employees for the financial year ended December 31, 2025 is 126 (December 31, 2024: 140).

20. EXPENSES ON EXTERNAL SERVICES

	December 31, 2025	December 31, 2024
Maintenance and repair expenses	971,050	808,457
Expenses with other external benefits*	5,688,502	6,164,119
Insurance premium expenses	503,936	486,197
Expenses related to commissions and fees	357,667	253,683
Expenses for transporting goods and personnel	2,689,228	1,462,525
TOTAL EXPENDITURE ON EXTERNAL BENEFITS	10,210,383	9,174,981

* Expenses with other external services performed by third parties consist mainly of security, recycling, and audit services.

21. OTHER OPERATING EXPENSES

Other operating expenses, in the total amount of RON 1,128,735 (year 2024: RON 1,049,547) consist mainly of local taxes and duties, other than profit tax.

22. FINANCIAL RESULT

	December 31, 2025	December 31, 2024
Interest income	9,403	33,056
Income from exchange rate differences	1,144,837	561,084
Expenses from exchange rate differences	(1,629,546)	(1,062,312)
Income from participating interests	-	228,947
Other financial income	(5,276)	1,021,416
Interest expenses	(3,931,592)	(3,772,174)
Expenses from discounts granted	5,697	(342)
Other financial expenses	(750,618)	(29)
Financial result	(5,157,095)	(2,990,353)

23. INCOME TAX AND DEFERRED TAX

Income tax recognized in profit or loss:





	December 31, 2025	December 31, 2024
Current income tax expense	623,734	-
Deferred tax (income)/expense	339,345	(539,345)
Total	963,079	(539,345)

The tax rate for the financial periods 2025 and 2024 is 16%.

Reconciliation of current profit before tax with income tax expense in the income statement:

	Year 2025	Year 2024
Gross result	2,753,616	291,806
Income tax calculated at a rate of 16%	440,579	46,690
The effect of non-taxable income	(264,661)	(563,332)
The effect of non-deductible expenses	570,377	568,053
The effect of taxable items assimilated to income	266,262	66,876
The effect of taxable items assimilated to expenses	-	-
Effect of legal reserve	-	-
Other tax effects (tax losses)	(300,391)	(383,192)
Reduction of corporate tax with sponsorship expenses	(41,485)	-
Reduction of corporate income tax due to the bonus provided by GEO 153/2020	(46,947)	-
Total income tax expense	623,734	-

	December 31, 2025	December 31, 2024
Deferred tax		
Total deferred tax at the beginning of the period	2,310,777	2,850,122
Deferred tax expense related to temporary differences / items similar to expenses	339,345	-
Deferred tax recognized in other equity items	180,711	-
Deferred tax income related to temporary differences		(539,345)
Total deferred income tax	2,830,833	2,310,777

Nature of the temporary difference	Deferred tax until 31.12.2025	Deferred tax on 31.12.2024
Revaluation of tangible assets	(3,463,541)	(3,079,297)
Provisions	112,885	95,295
Adjustments for impairment of receivables	469,823	459,154
Adjustments for inventory depreciation	53,209	13,853
Adjustments for depreciation of tangible assets	55,679	45,288
Other temporary differences	(58,887)	15,271
Tax loss to be recovered	-	139,660
Total deferred tax (liability)	(2,830,832)	(2,310,776)

	Year 2025	Year 2024
Deferred tax expense related to temporary differences / items similar to expenses		
Expenses/(income) related to the origin and reversal of temporary differences during the year	199,685	(539,345)
Recognition / (derecognition) of previously unrecognized deferred tax assets	139,660	-
Total deferred tax expense/(income) in the Profit and Loss Account	339,345	(539,345)

24. RELATED PARTIES

As of 31.12.2025 and 31.12.2024, Promateris has the following related parties:





	Address	Activity object	Nature of the relationship with Promateris SA
Biodeck SA	Bucharest, sector 1, Street Cpt. Av. Gheorghe Marasoiu No. 13-15, 2nd Floor, Apt. 12, Sector 1, Bucharest.	Non-specialized wholesale trade NACE code 4690	Affiliated party, member of the Promateris group
Promateris Packaging SA	Buftea, Bucuresti-Tirgoviste 1, office building, building 1, ground floor, office P12	Packaging activities NACE code 8292	Affiliated party, member of the Promateris group
Promateris Recycling SA	Buftea, Bucuresti-Tirgoviste 1, office building, building 1, ground floor, office P13	Recovery of sorted recyclable materials NACE code 3832	Affiliated party, member of the Promateris group

Affiliated party name	Receivables balance as of December 31, 2025	Revenue value for the year ended December 31, 2025 (excluding VAT)
Biodeck SA	4,857,073	39,615,891
Promateris Packaging SA	1,758	8,640
Promateris Recycling SA	881	8,658

Affiliated party name	Debt balance as of December 31, 2025	Expenses for the year ended December 31, 2025 (excluding VAT)
Biodeck SA	3,523,425	7,587,803

Affiliated party name	Receivables balance as of December 31, 2024	Revenue value for the year ended December 31, 2024 (excluding VAT)
Biodeck SA	9,747,899	52,289,639
Promateris Packaging SA	-	8,520
Promateris Recycling SA	-	8,538

Affiliated party name	Debt balance as of December 31, 2024	Expenses for the year ended December 31, 2024 (excluding VAT)
Biodeck SA	287,401	1,263,041

25. TRANSACTIONS WITH SIGNIFICANT SHAREHOLDERS AND RELATED PARTIES

Significant shareholders holding at least 10% stakes as of 31.12.2025 and 31.12.2024 are:

Shareholder	No. of Shares 2025	2025%	No. of Shares 2024	2024 %
PAVAL HOLDING SRL	6,895,502	24.03%	6,895,502	24.03%
NORD SA	5,981,571	20.84%	5,981,571	20.84%

There were no transactions with significant shareholders in 2025 and 2024.

The parties affiliated with the significant shareholder as of 31.12.2025 and 31.12.2024 are:

	Address	Activity object	Nature of the relationship with Promateris SA
Dedeman SRL	Bacau, Alexei Tolstoi Street no. 8	Retail sale of hardware, glassware and painting supplies in specialized stores, NACE code 4752	Affiliated party through significant shareholder

Affiliated party name	Receivables balance as of December 31, 2025	Revenue value for the year ended December 31, 2025 (excluding VAT)	Receivables balance as of December 31, 2024	Revenue value for the year ended December 31, 2024 (excluding VAT)
Dedeman SRL	717,239	4,439,850	775,018	4,891,377





Loans from related parties

On July 6, 2023, Promateris SA contracted a loan worth RON 5,000,000 from Floreasca Development SA

The loan was granted in a single tranche, in RON, and bears interest, initially at 8% per annum, modified to 6.5% per annum starting December 30, 2025.

The repayment term has been successively extended by additional acts, most recently until December 31, 2026. The loan is unsecured and may be repaid early, in full or in part, with prior notification to the lender.

The related interest expense was in the amount of 400,000 lei in the financial year ended 31.12.2025 (598,889 lei in the financial year ended 31.12.2024)

26. MANAGEMENT OF SIGNIFICANT RISKS

General framework for risk management

The Board of Directors of the Company has overall responsibility for establishing and overseeing the risk management framework at the company level. The company's risk management policies are defined in such a way as to ensure the identification and analysis of the risks it faces, the establishment of appropriate limits and controls, as well as the monitoring of risks and compliance with the established limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the company's activities.

The activities carried out by the Company expose it to a series of risks, the significant ones being:

- capital risk – see note 26
- market risk (including foreign exchange risk, interest rate risk, price risk)
- credit risk
- liquidity risk
- environmental risk

Market risk

I. Currency risk management

The Company is exposed to limited currency risk due to the fact that most of its receivables, payables and loans are in RON. However, the Company continuously monitors and manages its exposure to exchange rate fluctuations. The most frequently used foreign currency in transactions is EUR. The carrying amount of the Company's monetary assets and liabilities denominated in foreign currencies at the reporting date was as follows:

The currency in which they are denominated	RON	EUR	USD	Other	Total as of December 31, 2025
Assets, of which:	11,254,144	7,972,265	1,541,430	346	20,768,185
Trade receivables	10,320,946	7,161,629	-	-	17,482,575
Cash and cash equivalents	680,857	810,636	1,541,430	346	3,033,269
Other short-term assets	252,341	-	-	-	252,341
Debts, of which:	41,436,676	26,673,347	1,945,082	-	75,754,475
Debts to banking institutions	27,630,215	25,874,476	1,945,082	-	55,449,773
Trade debts	7,807,571	457,407	5,939,821	-	14,204,799
Lease liabilities		101,014	-	-	101,014
Shareholder loan	5,998,889				5,998,889
Net exposure as of December 31, 2025	(30,182,532)	(18,460,631)	(6,343,473)	346	(54,986,290)





The currency in which they are denominated	RON	EUR	USD	Other	Total as of December 31, 2024
Assets, of which:	14,505,648	4,423,373	8,852	2,454	18,940,327
Trade receivables	13,834,611	4,171,412	-	-	18,006,023
Cash and cash equivalents	488,407	251,961	8,852	2,454	751,674
Other short-term assets	182,630	-	-	-	182,630
Debts, of which:	41,604,437	23,862,204	3,371,312	546	68,838,499
Debts to banking institutions	28,426,341	21,796,525	2,152,631	-	52,375,497
Trade debts	7,579,207	1,791,438	1,218,681	546	10,589,872
Lease liabilities	-	274,241	-	-	274,241
Shareholder loan	5,598,889	-	-	-	5,598,889
Net exposure as of December 31, 2024	(27,098,789)	(19,438,831)	(3,362,460)	1,908	(49,898,172)

Exchange rate sensitivity analysis

An appreciation/(depreciation) of the EUR against the RON would increase/(decrease) the profit or loss by the amounts shown below:

	2025		2024	
	10%	-10%	10%	-10%
Liabilities	(2,643,290)	2,643,290	(2,386,172)	2,386,172
Less: profit tax	(422,926)	422,296	(381,788)	381,788
Profit/(loss)	(2,220,363)	2,220,363	(2,004,385)	2,004,385
Assets	797,226	(797,226)	442,328	(442,328)
Less: profit tax	127,556	(127,556)	70,773	(70,773)
Profit/(loss)	669,670	(669,670)	371,556	(371,556)
Net profit/(loss)	(1,550,693)	1,550,693	(1,632,829)	1,632,829

II. Interest rate risk management

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk primarily relates to long-term liabilities with variable interest rates.

Bank loans have a variable interest rate, determined by considering the ROBOR or EURIBOR indicator at 1 or 3 months, to which is added a margin ranging from 1.00% - 3.00% per annum. The company has no fixed interest loans.

The sensitivity analysis of the Company's profit to interest rate risk was calculated below, taking into account the interest expenses related to bank loans recognized in the profit and loss account in the respective year.

	Interest rate variation	Change in result
December 31, 2025	+/-5%	-/+ 196,580
December 31, 2024	+/-5%	-/+ 188,609

III. Price risk

Price risk is the risk that the Company's future revenues will be negatively impacted by changes in the purchase price of raw materials and materials necessary for production. The Company constantly analyzes the evolution of purchase prices and takes measures to ensure the existence of supply requirements and the coverage of costs through selling prices.

IV. Credit risk management





Credit risk is the possibility that contracting parties will breach their contractual obligations, leading to financial losses for the Company. The Company is exposed to credit risk arising from its operational activity, mainly from the collection of trade receivables. With regard to cash and cash equivalents, the Company has analyzed the credit risk and determined that it is not significant.

Receivables

Trade receivables come from a wide range of clients operating in various fields of activity, such as retail, production, etc. To counteract this risk factor, the Company has applied restrictive product delivery policies to uncertain clients and has contracted receivables insurance policies for major customers. Exposure to credit risk is controlled by monitoring

26. SIGNIFICANT RISK MANAGEMENT (continued)

The company permanently assesses their credit risk, taking into account financial performance, payment history and, when applicable, requests non-payment risk insurance.

The receivables balance is monitored at the end of each month and any major delivery to a customer is analyzed.

A system for evaluating customers (existing and new) has been established by checking certain databases of the Ministry of Public Finance, analyzing financial statements, creditworthiness reports from specialized companies, requesting payment guarantees (promissory note, bank guarantee letter, etc.) and establishing credit limits for each one. The value of payment guarantees received by the Company as of December 31, 2025 and December 31, 2024 is not significant.

For the Company's concentration risk, see Note 26.

The credit risk profile of trade receivables is presented based on their maturity in terms of an impairment adjustment matrix. This matrix is initially based on the Company's observed historical default rates, adjusted for prospective factors specific to the debtors and the economic environment, where applicable. Trade receivables are non-interest bearing and are generally due within 30-90 days.

The methodology used by the Company to measure expected losses for trade receivables could be described as follows:

- determining an appropriate observation period to track the historical loss rate. The company selected 2 previous periods for data collection; collecting data on trade receivables and grouping them according to their maturity status in each analyzed period and by main activities;
- analyzing the evolution of these balances over a 12-month period and determining the amounts still unpaid in each outstanding group to determine the proportion of balances in each due category that were ultimately not collected;
- determining the weighted average loss rate (%) depending on the maturity status for the 2 periods analyzed;
- applying the loss rate thus determined to trade receivables as of December 31, 2025.
- Additionally, there are trade receivables from third parties for which the Company has made individual assessments, presented below.

IFRS 9 policy:

Current receivables (Not past due):

- For current receivables or with a payment delay of up to 30 days, a value adjustment rate ranging from 0%-1% is applied, assuming that these receivables have a low risk of non-collection.
- Slightly overdue (1 - 90 days): For slightly overdue receivables (1-30 days and 31-90 days), adjustment rates in the range of 0%-5% and 10%-25% are applied, respectively, reflecting an increased risk of non-collection compared to current receivables.
- Significantly overdue (91 - 365 days): For significantly overdue receivables (91-180 days and 181-365 days), adjustment rates in the range of 30%-50% and 50%-75% are applied, respectively, corresponding to an even greater increase in the risk of non-collection.
- Very late (over 365 days): Very late receivables, with a payment delay of over 365 days, are considered to have a high risk of non-collection, and therefore an adjustment rate of 100% is applied, indicating the expectation that they are largely uncollectible.

The following table presents the risk profile of trade receivables based on the Company's impairment adjustment matrix.

Current trade receivables			December 31, 2025
Terms	BALANCES	Accumulated depreciation	Estimated loss rate (%)
Current (without overdue)	15,682,725	(46,512)	0-1%
1 – 30 days	1,227,515	(61,376)	1%-5%
31 – 90 days	593,919	(148,480)	10%-25%
90 – 180 days	33,989	(16,994)	30%-50%





180 – 365 days	666,810	(449,020)	50%-75%
Over 365 days	2,495,106	(2,495,106)	100%
Total receivables	20,700,063	(3,217,488)	
Total net receivables	17,482,575		

26. SIGNIFICANT RISK MANAGEMENT (continued)

Current trade receivables			December 31, 2024
Terms	BALANCES	Accumulated depreciation	Estimated loss rate (%)
Current (without overdue)	15,858,785	(40,140)	0-1%
1 – 30 days	1,445,608	(72,280)	1%-5%
31 – 90 days	964,982	(241,245)	10%-25%
90 – 180 days	123,451	(61,726)	30%-50%
180 – 365 days	114,351	(85,763)	50%-75%
Over 365 days	2,376,773	(2,376,773)	100%
Total receivables	20,883,950	(2,877,927)	
Total net receivables	18,006,023		

For the reconciliation of the variation between the opening and closing balances of impairment adjustments for trade receivables, see 6.1

V. Liquidity risk management

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due.

The Company's approach to liquidity risk is to ensure, to the extent possible, that it has sufficient liquidity to meet its liabilities as they fall due. To mitigate this risk factor, management has implemented restrictive policies for delivering products to uncertain customers, has requested in certain cases advance payment for delivered products and has carefully selected new customers based on their creditworthiness and financial discipline.

Below is the status of receivables and payables by maturity:

The company has no debts or receivables with maturities over 5 years.

Trade receivables and payables and other current liabilities are not interest-bearing, therefore the accounting value is similar to the contractual value .

	Carrying amount as of December 31, 2025	Contractual maturities of financial liabilities as of December 31, 2025	Less than a year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade receivables	17,482,575	17,482,575	17,482,575	-	-	-
Debts to banking institutions	(55,449,773)	(55,449,773)	(44,921,684)	(5,271,541)	(5,256,548)	-
Trade debts	(14,204,799)	(14,204,799)	(14,204,799)	-	-	-
Lease liabilities	(101,014)	(101,014)	(81,014)	(20,000)	-	-
Shareholder loan	(5,998,889)	(5,998,889)	(5,998,889)			
Net position	(58,271,900)	(58,271,900)	(47,723,811)	(5,291,541)	(5,256,548)	-

	Carrying amount as of December 31, 2024	Contractual maturities of financial liabilities as of December 31, 2024	Less than a year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade receivables	18,006,024	18,006,024	18,006,024	-	-	-





Debts to banking institutions	(52,375,497)	(52,375,497)	(35,403,699)	(8,830,578)	(8,141,220)	-
Trade debts	(10,589,872)	(10,589,872)	(10,589,872)	-	-	-
Lease liabilities	(274,241)	(274,241)	(170,397)	(103,844)	-	-
Shareholder loan	(5,598,889)	(5,598,889)	(5,598,889)	-	-	-
Net position	(50,832,475)	(50,832,475)	(33,756,833)	(8,934,422)	(8,141,220)	-

27. INFORMATION ON CAPITAL MANAGEMENT

The Company's objective related to capital management refers to maintaining the ability to continue its activity in order to provide compensation to shareholders and benefits to other interested parties and to maintain an optimal capital structure. The company monitors capital based on the degree of indebtedness, calculated as net debt divided by total capital. Net debt = total borrowings (current and long-term borrowings) minus cash and cash equivalents.

Total capital = equity plus net debt.

	MU	Year ended 31.12.2025	Year ended 31.12.2024
1 Total loans	lei	61,448,662	57,974,386
2 Cash and cash equivalents	lei	3,033,269	751,674
3 Net debt (1 – 2)	lei	58,415,393	57,222,712
4 Total equity	lei	93,254,247	87,782,288
5 Total capital (3 +4)	lei	151,669,640	145,005,000
6 Indebtedness (3 / 5*100)	%	38.51%	39.46%

The company's objective is to establish legal reserves within the limits and under the conditions provided for by art.183 of Law no. 31/1990 on commercial companies, as subsequently amended and supplemented. This objective was achieved in the financial years in which profit was achieved.

28. FISCAL LEGISLATIVE FRAMEWORK

The Romanian tax framework and its implementation in practice are subject to frequent changes and different interpretations by various regulatory authorities. Income tax returns are subject to review and correction by the tax authorities, generally for a period of five years from the date of their completion. Management believes that it has adequately recorded tax liabilities in the financial statements; however, there is a risk that the tax authorities may adopt different positions on the interpretation of these matters. The impact of these could not be determined at this date.

29. COMMITMENTS AND CONTINGENCIES

Guarantees granted

Guarantees Credit contracts + ING overdraft

Warranty type	Covered contracts + details
Building and land	Buftea real estate, value = ANEVAR valuation report balance as of 31.12.2025, 41,229,899 lei
Equipment	mortgages value ≥ purchase value / appraisal report, 35,726,453 lei
Bank accounts	16 PROMATERIS accounts at ING Bank
Receivables	excluding those from the commercial relationship with BIODECK SA balance as of 31.12.2025 13,072,625 lei
Surety BIODECK SA	joint and several; for 5 years, reconstitution in max. 4 years 9 months
Insurance assignment	Buildings and Equipment
Energy performance certificate	new commitment 2025; transmission to the Bank within max. 5 days of modification/extension

Guarantees Credit contracts + Unicredit

Warranty type	Covered contracts + details
Equipment	mortgages value ≥ purchase value / appraisal report, 36,330,402 lei





Bank accounts	3 PROMATERIS accounts at Unicredit equivalent to 2,707,549 lei
Claims	those from the commercial relationship with BIODECK SA balance as of 31.12.2025 4,857,073 lei
Insurance assignment	Equipment

Guarantees Credit contracts + CEC

Warranty type	Covered contracts + details
Equipment	mortgages value \geq purchase value / appraisal report, 8,358,374 lei
Bank accounts	2 PROMATERIS accounts at CEC Bank
Insurance assignment	Equipment

The company analyzed the restrictive clauses and contractual indicators and did not identify any cases of non-fulfillment.

Litigations

The Company's management periodically analyzes the status of ongoing litigation, and following consultation with its legal representatives, decides on the need to create provisions for the amounts involved or to present them in the financial statements. As of December 31, 2025 and December 31, 2024, the Company has no significant litigation.

Environmental impact

The Company's main activity has inherent effects on the environment. The environmental effects of the Company's activities are monitored by local authorities and by the Company's management. Therefore, no provisions have been recorded for any potential obligations, currently unquantifiable, regarding environmental aspects or necessary remedial works.

30. OTHER INFORMATION

The financial statements are audited by BDO Audit SRL, based on the financial audit contract of 8146/27.06.2025. The contractual costs for services provided by the statutory audit firm for the year ended 31 December 2025 are in accordance with the contract concluded between the two parties, in the amount of EUR 46,000.

31. EVENTS AFTER THE BALANCE SHEET DATE

The armed conflict with Iran, which began on February 28, 2026, has generated significant tensions in international energy and transport markets, including risks to navigation in the Strait of Hormuz and on Middle Eastern sea routes. The Company's management assessed the potential impact of these events on the business and concluded that the Company does not own assets, does not carry out operational activities and does not have significant customers or suppliers based in the directly affected areas, thus there is no direct exposure to the associated country risks. The Company's indirect exposure manifests itself through the following channels: (i) potential increase in the costs of electricity and natural gas used in production processes; (ii) volatility in the prices of imported raw materials (biopolymers, additives, masterbatches), influenced by oil prices and transport costs; (iii) increase in costs and delivery times for maritime imports, as a result of route redirection; (iv) volatility in the EUR/USD exchange rate associated with geopolitical tensions. Management believes that these events represent events subsequent to the balance sheet date that do NOT lead to an adjustment of the financial statements as of December 31, 2025, as they reflect economic conditions that occurred after the balance sheet date. The quantifiable impact on the results and cash flows of the following year cannot be reliably estimated at the date of authorization of these financial statements. The Company continuously monitors the evolution of the situation and will take the necessary measures to protect operating margins, including through diversification of supply sources, energy optimizations and specific currency hedging, as appropriate. Except for those presented above, there were no other events subsequent to the balance sheet date that would require adjustment or presentation in the financial statements. These separate financial statements were approved by the Board of Directors and were authorized for issue on 05.05.2026 .

General Manager,

Economic Manager,





Tudor Georgescu

Gheorghe Luca

