

**BUCUR S.A.**

**CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025**

**Drawn up in accordance with 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 adopted by the European  
Union with subsequent amendments**

**TABLE OF CONTENTS**

PAGE

INDEPENDENT AUDITOR'S REPORT.....	1
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	7
CONSOLIDATED STATEMENT OF THE OVERALL RESULT.....	8
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	9
CONSOLIDATED STATEMENT OF CASH FLOWS.....	11
NOTE 1. GENERAL INFORMATION .....	12
NOTE 2. SIMPLIFIED ACCOUNTING POLICIES.....	13
NOTE 3. STANDARDS ISSUED BUT NOT YET ENTERED INTO FORCE.....	32
NOTE 4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS .....	35
NOTE 5. REVENUE FROM CUSTOMER CONTRACTS .....	36
NOTE 6. OPERATING EXPENSES.....	36
NOTE 7. OTHER OPERATING EXPENSES.....	37
NOTE 8. EMPLOYEE BENEFITS .....	37
NOTE 9. FINANCIAL INCOME AND EXPENSES.....	38
NOTE 10. CORPORATE TAX .....	38
NOTE 11. IMMOBILIZARI CORPORALE .....	41
NOTE 12. REAL ESTATE INVESTMENTS.....	41
NOTE 13. TRADE RECEIVABLES .....	41
NOTE 14. OTHER RECEIVABLES.....	42
NOTE 15. ADVANCE INCOME AND INVESTMENT SUBSIDIES.....	42
NOTE 16. CASH AND CASH EQUIVALENTS .....	42
NOTE 17. CAPITALUL SOCIAL.....	43
NOTE 18. COMMERCIAL AND OTHER DEBTS.....	44
NOTE 19. INFORMATION ON AFFILIATED ENTITIES .....	44
NOTE 20. FINANCIAL RISK MANAGEMENT .....	45
NOTE 21. ESTIMATING FAIR VALUE .....	47
NOTE 22. CAPITAL MANAGEMENT .....	1
NOTE 23. CONTINGENT IF ANGRILY.....	1
NOTE 24. SUBSEQUENT EVENTS.....	2

## INDEPENDENT AUDITOR'S REPORT<sup>1</sup>

To the shareholders,

**Bucur S.A.**

### Report on the consolidated financial statements

#### Opinion

1. We audited the attached consolidated financial statements of the **Bucur S.A.** (the "Company"), together with its subsidiaries (the "Group"), with its registered office in Bucharest, Sector 2, 25 Visinilor Street, identified by the unique tax registration code RO 1584234, comprising the consolidated statement of the financial position as of December 31, 2025, the consolidated statement of the comprehensive result, the consolidated statement of changes in equity, the consolidated statement of cash flows for the financial year ended on that date, as well as a summary of significant accounting policies and explanatory notes.
2. The consolidated financial statements as of December 31, 2025 are identified as follows:
  - Net assets/Total equity: 173,260,319 lei
  - Net result for the financial year - profit: 29,247,682 lei
3. In our opinion, the attached consolidated financial statements provide a true and fair view of the Group's financial position as of December 31, 2025, as well as of the financial performance and cash flows for the financial year ended on that date, in accordance with 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, as amended.

#### Basis for opinion

4. We conducted our audit in accordance with the International Standards on Auditing ("ISA"), EU Regulation No. 537 of the European Parliament and of the Council (hereinafter the "Regulation") and Law No. 162/2017 (the "Law"). Our responsibilities under these standards are described in detail in the "Auditor's Responsibilities in an Audit of Consolidated Financial Statements" section of our report. We are independent from the Group, according to the Code of Ethics for Professional Accountants issued by the Council for International Standards of Ethics for Accountants (IESBA code), according to the ethical requirements that are relevant to the audit of financial statements in Romania, including the Regulation and the Law, and we have fulfilled our ethical responsibilities according to these requirements and according to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and adequate to provide a basis for our opinion.

#### Key audit aspects

5. The key audit aspects are those aspects that, based on our professional reasoning, had the greatest importance for the audit of the financial statements of the current period. These issues have been addressed in the context of the audit of the financial statements as a whole and in forming our opinion on them, and we do not provide a separate opinion on these key issues.
  - **Revenue recognition**  
*Description.* See **Note 5. Revenue from customer contracts**. The income recognition policy is presented in Note 2, letter b) – Accounting policies for the recognition of income. According to the ISA, there is an implicit risk in the recognition of revenues, due to the pressure that management may feel in relation to achieving the budgeted results. The revenues are recognized as the services are provided to the customers, respectively the revenues from the sale of goods are recognized at the time of delivery of the goods to the buyers, their delivery based on the invoice or under other conditions provided in the contract, which attest to the transfer of ownership of the respective goods to the customers.

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<sup>1</sup> Free translation from Romanian version

*Our answer.* Our audit procedures included, among others: the evaluation of the principles of revenue recognition in accordance with the provisions of OMFP 2844/2016, and in relation to the Group's accounting policies, the examination of the accuracy of the adjustments made by the Group in order to comply with the principle of independence of exercises, taking into account the contractual provisions regarding the methods of invoicing services, the testing on a sample basis of the balances of trade receivables at 31 December 2025, by sending confirmation letters.

#### **Other aspects**

6. This report is addressed exclusively to the shareholders of the Group as a whole. Our audit was carried out in order to be able to report to the Group's shareholders those aspects that we have to report in a financial audit report and not for other purposes. To the extent permitted by law, we only accept and assume responsibility for the Group and its shareholders, as a whole, for our audit, for this report.
7. Taxation in Romania is constantly evolving. There is the possibility of different interpretations of the legal provisions by the Ministry of Finance and by the local tax authorities. The Group's management recorded in the presented accounts various taxes, penalties and fees, based on the best interpretation of the tax provisions in force, an interpretation that may be challenged by a possible tax audit.

#### **Other information – Administrators' Report**

8. Administrators are responsible for preparing and presenting other information. That Other Information comprises the Annual Report, but does not include the consolidated financial statements and the auditor's report thereon.

Our opinion on the consolidated financial statements does not cover this Other Information and unless explicitly stated in our report, we do not make any conclusions of assurance with respect to them.

In connection with the audit of the financial statements for the financial year ended December 31, 2025, our responsibility is to read that Other Information and, in doing so, to assess whether that Other Information is materially inconsistent with the consolidated financial statements, or with the knowledge that we have obtained during the audit, or if it appears to be materially distorted.

As for the Administrators' Report, we have read and report whether it has been prepared, in all material aspects, in accordance with the requirements of OMFP 2844/2016, Annex 1, points 15-19 and 39-42 respectively.

Based solely on the activities to be carried out during the audit of the consolidated financial statements, in our opinion:

- a) The information presented in the Directors' Report for the financial year for which the consolidated financial statements were prepared are in conformity, in all material respects, with the consolidated financial statements.
- b) The Directors' Report was drawn up, in all material aspects, in accordance with the requirements of OMFP 2844/2016, Annex 1, paragraphs 15-19 and 26-28 respectively.

In addition, based on our knowledge and understanding of the Group and its environment, acquired during the audit of the financial statements for the financial year ended December 31, 2025, we are required to report whether we have identified material misstatements in the Directors' Report. We have nothing to report on this aspect.

#### **Responsibilities of management and persons responsible for governance for the consolidated financial statements**

9. The Group's management is responsible for preparing financial statements that provide a true and fair view in accordance with OMFP 2844/2016 and for such internal control as management deems necessary to allow the preparation of financial statements free of material misstatements, caused either by fraud or error.

10. In preparing the financial statements, management is responsible for assessing the Group's ability to continue its business, presenting, where appropriate, business continuity issues and using business continuity accounting, unless management either intends to liquidate the Group or cease operations, or has no realistic alternative other than them.

11. The persons responsible for governance are responsible for overseeing the Group's financial reporting process.

***Auditor's responsibilities in an audit of consolidated financial statements***

12. Our objectives are to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatement caused by either fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the ISA will always detect material misstatement, if any. Misrepresentations may be caused by either fraud or error and are considered material if it can reasonably be expected that they, individually or cumulatively, will influence users' economic decisions made on the basis of these consolidated financial statements.

13. As part of an audit under the ISA, we exercise professional reasoning and maintain professional skepticism throughout the audit. Also:

- We identify and assess risks of material misrepresentation of consolidated financial statements caused by either fraud or error, design and execute audit procedures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of failure to detect material misrepresentation caused by fraud is higher than that of failure to detect material misrepresentation caused by error, as fraud may involve secret agreements, forgery, intentional omissions, false statements and avoidance of internal control.
- We understand internal control relevant to the audit, with a view to designing audit procedures appropriate to the circumstances, but without the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and related presentations of information made by management.
- We draw a conclusion on the adequacy of management's use of business continuity accounting and determine, based on the audit evidence obtained, whether there is significant uncertainty about events or conditions that could raise significant doubts about the Group's ability to continue its business. If we conclude that there is material uncertainty, we must draw attention in the auditor's report to the related presentations in the consolidated financial statements or, if these presentations are inadequate, change our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to operate on the basis of the principle of business continuity.
- We evaluate the presentation, structure and content of the consolidated financial statements, including disclosures, and the extent to which the consolidated financial statements reflect the transactions and events underlying them in a manner that results in a fair presentation.

14. We communicate to those responsible for governance, among other aspects, the planned area and timing of the audit, as well as the main findings of the audit, including any significant weaknesses in internal control, that we identify during the audit.

15. We also provide governance officials with a statement of our compliance with the ethical requirements for independence and communicate to them all relationships and other matters that may reasonably be considered to affect our independence and, where applicable, related safety measures.

16. Among the aspects that we communicated to the people in charge of governance, we establish those aspects that had greater importance in the audit of the financial statements of the current period and, therefore, represent key audit aspects. We describe these aspects in our audit report, unless legislation or

regulations prevent the public presentation of that matter or if, in extremely rare circumstances, we consider that an issue should not be disclosed in our report because it is reasonably expected that the public interest benefits will outweigh the negative consequences of such disclosure.

#### **Report on other legal and regulatory provisions**

17. We were appointed by signing the audit contract dated 08.05.2023 and the related addenda to audit the Group's consolidated financial statements, for the financial year ended December 31, 2024 and 2025. The total uninterrupted duration of our commitment to the audit of the consolidated financial statements is 2 years, covering the financial years ended December 31, 2024 and 2025.

We confirm that:

- Our audit opinion is in line with the supplementary report submitted to the Group's Board of Directors, which we issued on the same date we issued this report. Also, in the conduct of our audit, we maintained our independence from the audited entity.
- We have not provided the Group with the prohibited non-audit services referred to in Article 5(1) of EU Regulation no. 537/2014.

#### **Report on compliance with Delegated Regulation (EU) 2018/815 of the European Commission as regards the Regulatory Technical Standards on the specification of a single electronic reporting format ("ESEF").**

We have carried out a reasonable assurance mission on the compliance of the consolidated financial statements prepared by the Group in accordance with Article 3 of Delegated Regulation (EU) 2018/815, which establishes the regulatory technical standards regarding the specification of a single electronic reporting format – "ESEF".

#### **Responsibility of the Group's management for digital files prepared in accordance with ESEF**

The Group's management is responsible for the preparation of digital files in accordance with ESEF, identified with the key: 91005933fafcbe891e349b8aa68f6e37d023e61bb30a2ab6490a0e5f70f7a700. This responsibility includes:

- designing, implementing and maintaining adequate internal control over ESEF reporting;
- selecting and applying the appropriate iXBRL markings,
- ensuring consistency between the digitized information and the consolidated financial statements published according to the provisions of Order 2844/2016.

#### **Auditor's Responsibility for the Audit of Digital Files**

Our responsibility is to express, on the basis of the audit evidence obtained, a conclusion on the compliance of the electronic labelling of the elements of the consolidated financial statements, in accordance with Article 3 of the Delegated Regulation, in all material aspects. Our reasonable assurance engagement has been accomplished in accordance with International Standard on Assurance Engagements 3000 (revised) – *"Assurance engagements other than audits or reviews of historical financial information"*, issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves carrying out procedures to obtain evidence of compliance with Article 3 of the ESEF Delegated Regulation. The nature, timing and extent of the procedures selected depends on the auditor's reasoning, including in assessing the risk of material deviations from the provisions of Article 3, caused either by fraud or error. A reasonable assurance mission involves:

- obtaining an understanding of the Digital File preparation process in accordance with the ESEF and the relevant internal controls;
- reconciliation of tagged data with the Group's audited consolidated financial statements,
- reconciliation of the Digital Files with the Group's audited consolidated financial statements;
- assessing the completeness of the labeling of the Company's consolidated financial statements using the XBRL markup language,
- assessing whether all the consolidated financial statements that are included in the annual financial report are prepared in a valid XHTML format.

We consider that the evidence obtained is sufficient and adequate to provide a basis for our conclusion.

**Conclusion**

In our opinion, the consolidated financial statements for the financial year ended December 31, 2025 included in the annual financial report and presented in the Digital Files comply with the requirements of the ESEF.

In this report, we do not express an audit opinion, a review conclusion or any other assurance conclusion regarding the consolidated financial statements. Our audit opinion on the Group's consolidated financial statements for the financial year ended December 31, 2025 is included in the Report on Annual Financial Statements section above.

On behalf of: PKF Finconta SRL

Grigore Mora Street, no. 37, Sector 1, Bucharest

Registered with the Authority for Public Supervision of the Statutory Audit Activity with the number FA32

Name of audit partner: Florentina Susnea

Registered with the Authority for Public Supervision of the Statutory Audit Activity with the number AF433

Bucharest, March 16, 2026

**BUCUR S.A.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**ON 31 DECEMBER 2025**  
(all amounts are expressed in RON, unless otherwise specified)

	<b>Note</b>	<b>31-Dec-25</b>	<b>31-Dec-24</b>
<b>Active</b>			
<b>Fixed assets</b>			
Imobilizari necorporale		4.404.686	-
Imobilizari corporale		2.420.299	2.166.206
Real estate investments	<b>12</b>	140.811.809	122.120.256
Investments in subsidiaries and associated entities		-	-
Loans to subsidiaries, associates and other entities		-	-
Other fixed assets		7.994.761	26.121
		<b>155.631.555</b>	<b>124.312.583</b>
<b>Circulating active</b>			
Stocks		9.369.405	2.766.036
Trade receivables	<b>14</b>	18.350.529	683.650
Other receivables	<b>15</b>	245.751	990.408
Advance expenses		114.942	129.191
Loans to subsidiaries, associates and other entities		-	3.997.518
Cash and cash equivalents	<b>17</b>	25.345.952	30.862.211
		<b>53.426.579</b>	<b>39.429.014</b>
<b>Total active</b>		<b>209.058.134</b>	<b>163.741.597</b>
<b>Equity</b>			
Share capital	<b>18</b>	134.601.958	134.601.958
Other capital buffers	<b>18</b>	-	-
Reserves from the legal	<b>18</b>	1.665.512	1.665.512
Result carried forward	<b>18</b>	36.992.849	5.815.170
<b>Total equity</b>		<b>173.260.319</b>	<b>142.082.640</b>
<b>Liabilities</b>			
<b>Long-term debts</b>			
Long-term loans		6.274.832	-
Deferred tax liabilities	<b>10</b>	10.545.639	10.773.465
Advance revenue		4.262.924	-
Other long-term liabilities	<b>20</b>	394.364	373.134
<b>Total long-term liabilities</b>		<b>21.477.759</b>	<b>11.146.599</b>
<b>Short-term debts</b>			
Short-term loans	<b>20</b>	654.765	-
Trade Debts	<b>20</b>	4.704.684	244.467
Other liabilities		7.657.242	9.756.867
Current tax liabilities		-	-
Advance revenue	<b>16</b>	1.303.365	511.024
<b>Total short-term liabilities</b>		<b>14.320.056</b>	<b>10.512.358</b>
<b>Total liabilities</b>		<b>35.797.815</b>	<b>21.658.957</b>
<b>Total equity and liabilities</b>		<b>209.058.134</b>	<b>163.741.597</b>

These financial statements were approved by the management on March 11, 2026 and signed on its behalf by:

Stefan Andrei Gabriel  
**Managing Director,**

Preda Nicoleta  
**Chief Accountant,**

**BUCUR S.A.**  
**CONSOLIDATED STATEMENT OF THE OVERALL RESULT**  
**ON 31 DECEMBER 2025**  
(all amounts are expressed in RON, unless otherwise specified)

	Note	2025 (12 months)	2024 (12 months)
Income from rents, services and the like	5	6.864.890	8.466.480
Income from the sale of real estate of the nature of stocks	5	28.176.014	22.745.612
Income from services provided	5	654.494	1.133.331
Revenues related to the cost of production in progress	5	-	820.442
Other income	5	71.988.763	68.693.275
Amortization, depreciation and resumption of net adjustments	6	(392.602)	(241.222)
General administrative expenses	6	(2.931.474)	(2.942.229)
Other operating expenses	6	(71.802.620)	(52.065.379)
<b>Result from the exploitation activity</b>		<b>32.557.465</b>	<b>46.610.310</b>
Dividend income			-
Interest income		5.243.208	1.287.219
Other financial income		84.694	477
<b>Total financial income</b>		<b>5.327.902</b>	<b>1.287.696</b>
Interest expenses		(165.024)	(2.038)
Other financial expenditure		-	-
<b>Total financial expenditure</b>		<b>(165.024)</b>	<b>(2.038)</b>
<b>Net financial result</b>	<b>9</b>	<b>5.162.878</b>	<b>1.285.658</b>
<b>Profit before tax</b>			
Tax expenses	10	(8.472.661)	(2.535.649)
<b>Net income for the period</b>		<b>29.247.682</b>	<b>45.360.319</b>
<b>Total comprehensive result for the financial year</b>		<b>29.247.682</b>	<b>45.360.319</b>

These financial statements were approved by the management on March 11, 2026 and signed on its behalf by:

Stefan Andrei Gabriel  
Managing Director,

Preda Nicoleta  
Chief Accountant,

**BUCUR S.A**  
**CONSOLIDATED SITUATION OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**  
 (all amounts are expressed in RON, unless otherwise specified)

	Share capital	Inflation adjustments of the share capital	Other capital buffers	Legal reserves	Revaluation reserves	Result carried forward	Total equity
<b>Balance as of January 1, 2025</b>	<b>8.327.559</b>	<b>126.274.399</b>	-	<b>1.665.512</b>	<b>104.311</b>	<b>5.710.859</b>	<b>142.082.640</b>
Profit/(loss) for the year	-	-	-	-	-	29.247.682	<b>29.247.682</b>
<i>Transactions with owners:</i>							
Dividends distributed	-	-	-	-	-	-	-
<i>Other modifications:</i>							
Transfer of the revaluation reserve	-	-	-	-	-	-	-
Constitution of the legal reserve	-	-	-	-	-	-	-
Reserves from the revaluation at fair value of fixed assets	-	-	-	-	-	-	-
Deferred tax related to revaluation reserves	-	-	-	-	-	-	-
Other modifications	-	-	-	-	-	1.929.997	<b>1.929.997</b>
<b>Balance as of December 31, 2025</b>	<b>8.327.559</b>	<b>126.274.399</b>	-	<b>1.665.512</b>	<b>104.311</b>	<b>36.888.538</b>	<b>173.260.319</b>

These financial statements were approved by the management on March 11, 2026 and signed on its behalf by:

Stefan Andrei Gabriel  
**Managing Director,**



Preda Nicoleta  
**Chief Accountant,**



**BUCUR S.A**  
**CONSOLIDATED SITUATION OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
*(all amounts are expressed in RON, unless otherwise specified)*

	Share capital	Inflation adjustments of the share capital	Other capital buffers	Legal reservations	Revaluation reserves	Result carried forward	Total equity
<b>Balance on January 1, 2024</b>	<b>8.332.559</b>	<b>126.274.399</b>	-	<b>1.246.165</b>	<b>143.755</b>	<b>(35.460.790)</b>	<b>100.536.088</b>
Profit/(loss) for the year	-	-	-	-	-	45.360.319	<b>45.360.319</b>
<i>Transactions with owners:</i>							
Dividends distributed	-	-	-	-	-	(390.643)	<b>(390.643)</b>
<i>Other modifications:</i>							
Transfer of the revaluation reserve	-	-	-	-	-	2.478	-
Constitution of the legal reserve	-	-	-	420.347	(2.478)	(420.347)	-
Reserves from the revaluation at fair value of fixed assets	-	-	-	-	-	-	-
Deferred tax related to revaluation reserves	-	-	-	-	-	-	-
Other modifications	(5.000)	-	-	(1.000)	(36.966)	(3.380.158)	<b>(3.423.124)</b>
<b>Balance as of December 31, 2024</b>	<b>8.327.559</b>	<b>126.274.399</b>	-	<b>1.665.512</b>	<b>104.311</b>	<b>5.710.859</b>	<b>142.082.640</b>

These financial statements were approved by the management on March 11, 2026 and signed on its behalf by:

Stefan Andrei Gabriel  
**Managing Director,**

Pređa Nicoleta  
**Chief Accountant,**

**BUCUR S.A.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**  
*(all amounts are expressed in RON, unless otherwise specified)*

	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activity</b>		
Net result for the financial year	29.247.682	45.360.319
<i>Adjustments for:</i>		
Depreciation expenses	392.602	254.746
Impairment adjustments for current assets	(75.519)	(47.709)
Impairment adjustments for fixed assets		-
(Gains)/Net Losses on Provisions		-
(Gains)/Net losses from disposal of fixed assets	(15.129.999)	(9.782.284)
(Gains)/Unrealized currency losses	(23.911)	593
Interest expenses		-
Interest income	(5.243.208)	(1.287.219)
Increasing the fair value of real estate investments	(10.898.965)	(28.196.430)
Gain/loss from divestiture of subsidiaries		-
Other non-monetary income	(96.816)	
<b>Net cash from operating activities before working capital adjustments</b>	<b>(1.828.133)</b>	<b>6.302.016</b>
(Increase)/decrease in trade and other receivables and advance expenses	(25.444.466)	(317.362)
(Increase)/Decrease in stocks	(6.603.369)	(2.761.970)
Increase/(decrease) of trade and other liabilities	3.152.933	4.456.008
(Increase)/decrease of other fixed assets		-
Corporate income tax paid	(8.331.963)	(7.522.746)
<b>Net cash from operating activities</b>	<b>(39.054.999)</b>	<b>155.946</b>
<b>Cash flow generated by investment activities</b>		
Acquisitions of tangible and intangible assets and real estate investments	(15.874.430)	(5.479.401)
Acquisitions of financial assets		-
(Growth)/Decrease in loans and other financial assets		-
Proceeds from the sale of property, plant and equipment	40.460.714	38.966.076
(Grants)/Repayments of loans in relation to subsidiaries	3.997.518	(3.997.518)
Branch Acquisitions		(9.401.994)
Dobanzi incasate	5.243.208	1.287.220
<b>Net cash from investment activities</b>	<b>33.827.011</b>	<b>21.374.383</b>
<b>Cash flow generated by financing activities</b>		
Receipts from bank loans	(277.886)	-
Rambursari de credite bancare		-
Dobanzi pay		-
Payment of principal on leasing debts		-
Dividends paid	(10.386)	(409.641)
<b>Net cash flow generated from financing activities</b>	<b>(288.272)</b>	<b>(409.641)</b>
<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>(5.516.260)</b>	<b>21.120.688</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>30.862.212</b>	<b>9.741.524</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>25.345.952</b>	<b>30.862.212</b>

These financial statements were approved by the management on March 11, 2026 and signed on its behalf by:

Stefan Andrei Gabriel  
**Managing Director,**

Preda Nicoleta  
**Chief Accountant,**

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

**NOTE 1. GENERAL INFORMATION**

**Bucur S.A.** The ("Company") is a Joint Stock Company, incorporated and operating in accordance with the laws of Romania, with the registered office of the Company located in Bucharest, Str. Visinilor, Nr.25, sector 2, Romania.

The main object of activity of the Company is the rental and subletting of its own or leased real estate.

The Group's accounting records are kept in Romanian and in the national currency.

The Group's activity is also carried out through the following work points:

The Company's activity is also carried out in the following locations:

Residential complex: Bucharest, bld. Timisoara, nr. 56B, sector 6;

Industrial building: Bucharest, Sos. Industriilor, no.53, sector 3;

Office building: Bucharest, str. Dr. Iacob Felix nr. 87, sector 1;

Commercial spaces:

- Bucharest, 121 Ion Mihalache Blvd., sector 1;
- Bucuresti, Sos. Pantelimon, nr.350, sector 2;
- Bucharest, str. Romancierilor, nr.5, bl. C14, sector 6;
- Oltenita Municipality, Argesului Street no. 39-43/45-47, block 105/106, ground floor.

The company records income from the rental of real estate investments owned and from the purchase and sale of its own real estate.

The company's shares are traded under the alternative trading system managed by BVB (AeRO), Financial Instruments Listed on ATS Section, Capital Securities Sector, Shares Category, the trading symbol is BUCV.

On February 12, 2026, by Decision no. 162/12.02.2026, the Financial Supervisory Authority approved the prospectus prepared for the admission to trading on the main market administered by the Bucharest Stock Exchange of the shares issued by Bucur S.A.

The Company had the following subsidiaries and associated entities as of December 31, 2025 and December 31, 2024. Their country of establishment, activity and percentage of ownership of the Group are presented below:

<b>Name</b>	<b>Classification</b>	<b>Country</b>	<b>Field of activity</b>	<b>31.12.2025</b>	<b>31.12.2024</b>
<b>Directly owned companies:</b>					
Nord Business Center S.A.	Subsidiary	Romania	Real estate rentals	100%	100%
Siriului Residence S.A.	Subsidiary	Romania	Real estate rentals	99,9945%	0,0000%

**BUCUR S.A.**  
**NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS**  
**ON DECEMBER 31, 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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## **NOTE 2. SIMPLIFIED ACCOUNTING POLICIES**

The main accounting policies applied in the preparation of these consolidated financial statements are presented below. These policies have been applied consistently throughout the years presented, unless otherwise stated.

### **2.1 Basics of preparing financial statements**

The Company's individual financial statements ("financial statements") have been prepared in accordance with the provisions of the Order of the Ministry of Finance no. 2844/2016 for the approval of the accounting regulations in accordance with the International Financial Reporting Standards ("IFRS"), adopted by the European Union, with subsequent amendments and completions.

Also, the Company prepares consolidated financial statements in accordance with the Order of the Ministry of Finance no. 2844/2016 for the approval of the accounting regulations in accordance with the International Financial Reporting Standards, with subsequent amendments and completions.

The accompanying individual financial statements are based on the Company's statutory accounting records, adjusted and reclassified for fair presentation in accordance with IFRS. The individual financial statements provide comparative information on the previous period.

The Company's financial statements have been prepared on a historical cost basis, excluding financial assets and liabilities (if any), at fair value through profit or loss, which are measured at fair value. The individual financial statements are presented in RON, unless otherwise indicated.

The Company has prepared IFRS financial statements comprising the statement of financial position, the statement of income and expenses and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended December 31, 2025, notes containing a summary of significant accounting policies and other explanatory information. The individual financial statements have been prepared on the basis of the valuation principles provided by IFRS.

### **2.2 Significant accounting policies**

The significant accounting policies applied by the Company in preparing the consolidated financial statements are presented below:

#### **a) Short-term and long-term assets and liabilities**

The company presents the assets and liabilities in the statement of the short-term or long-term financial position. An asset is current if:

- it is estimated that it will be made or sold or consumed in the normal operating cycle
- is mainly held to be sold
- it is estimated that it will be achieved within twelve months from the date of reporting, or
- cash and cash equivalents unless it is prohibited to replace or use it to pay off a debt for a period of at least twelve months from the date of reporting

All other assets are classified as fixed assets.

A debt is short-term if:

- is expected to be paid in the normal operating cycle
- is mainly held to be sold
- must be paid within twelve months from the date of reporting, or
- there is no unconditional right to postpone the payment of the obligation for at least twelve months from the date of reporting

The conditions of the debt which, at the choice of the counterparty, could lead to its settlement through the issuance of equity instruments do not affect its classification. The company classifies all other liabilities as long-term liabilities.

Deferred tax assets and liabilities are classified as long-term assets and liabilities.

## **NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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**NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**b) Revenue**

Income is recognised when the performance obligation associated with the sale is fulfilled. The transaction price comprises the fair value of the consideration received or receivable, net of value added tax, rebates and discounts.

The Company's main sources of income consist of:

- Income from renting premises
- Income from the sale of assets
- Income from the provision of services
- Other income

**Income from the sale of goods**

The income from the sale of goods is recorded at the time of delivery of the goods to the buyers, their delivery on the basis of the invoice or under other conditions stipulated in the contract, which attest to the transfer of ownership of the respective goods to the customers.

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

- a) The Group has transferred to the buyer the significant risks and advantages arising from the ownership of the goods
- b) The group no longer manages the sold goods at the level at which it would normally have done in the event of ownership of them, nor does it have effective control over them;
- c) the size of the income can be credibly assessed;
- d) the economic benefits associated with the transaction are likely to be generated to the entity; and
- e) the costs of the transaction can be credibly assessed.

If the Group retains only an insignificant ownership risk, the transaction represents a sale and the proceeds are recognized.

The moment when the transfer of the significant risks and advantages related to the ownership of the goods takes place is determined after examining the circumstances in which the transaction took place, and the terms of the sales contracts.

For goods delivered under a consignment contract, the delivery of goods from the consignor to the consignee is deemed to take place on the date on which the goods are delivered by the consignee to its customers.

For goods transmitted for testing or verification of conformity, the transfer of ownership of the goods is considered to have taken place on the date of acceptance of the goods by the beneficiary.

Commercial discounts granted after invoicing, regardless of the period to which they refer, are separately highlighted in the accounting (account 709 "Commercial discounts granted"), on behalf of third-party accounts. If the commercial discounts represent events subsequent to the balance sheet date, they are recorded at the balance sheet date in account 418 "Customers – invoices to be prepared", and are reflected in the financial statements of the year for which the reporting is made if the respective amounts are known at the balance sheet date.

Gift points granted by the Group within the framework of customer loyalty programs and which can be used to purchase free or discounted goods or services as part of a transaction for the sale of goods or services are accounted for as an identifiable component of the transaction in which they are granted (account 472 "Revenue recorded in advance"/separate analytics), when the loyalty program allows the knowledge of the information related to the value of the gift points granted, the terms at which their validity expires, the value of the honored gift points and the value of the existing gift points, to be honored in the next period. The amount corresponding to the Gift Points is recognized as income at the time when the entity fulfills its obligation to provide the prizes or at the expiration of the period during which the Customers can use the Gift Points. If it is estimated that the level of expenses necessary to fulfill the obligation to provide the prizes exceeds the value received or to be received for them, on the date on which the customer redeems them, the entity shall record a provision for the related difference.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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**NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**Income from the provision of services**

The income from the provision of services is recognized in the period in which they were provided and in correspondence with the execution stage. The provision of services includes the execution of works and any other operations that cannot be considered supplies of goods.

The stage of execution of the work is determined on the basis of work situations that accompany the invoices, reception reports or other documents attesting the stage of completion and reception of the services provided.

In the case of construction works, the recognition of income is made on the basis of the acceptance document signed by the beneficiary, which certifies that the contractor has fulfilled its obligations in accordance with the provisions of the contract and the execution documentation.

The value of the works not received by the beneficiary by the end of the period is highlighted at cost, in account 332 "Services in progress", on account of account 712 "Revenues related to the costs of services in progress".

If the sale price includes a distinct, contractually specified value intended for the subsequent provision of services, that amount is deferred (account 472 "Income recorded in advance") and recognized as income during the period in which the services are provided, but no later than the end of the period for which the subsequent provision of services was contracted.

**Income from commissions**

When the Group acts as an agent and not as principal in a transaction, the proceeds are recognised at the net amount of the Group's commission.

**Income from royalties, rents**

Income from royalties and rents are recognized based on accrual accounting, according to the contract. Incentives granted for entering into a new or renewed operating lease are recognised as an integral part of the net value of the agreed consideration for the use of the leased asset, regardless of the nature, form or timing of payment, thereby reducing rental income throughout the term of the lease on a straight-line basis.

**c) Fair value measurement**

The Company values and recognizes at fair value certain non-financial assets, such as land, construction, and real estate investments. Also, the fair values of financial instruments measured at amortised cost are estimated for the purpose of disclosure.

Fair value is the price that would be charged for the sale of an asset or paid for the transfer of debt in a normal transaction between market participants at the valuation date. Fair value measurement is based on the assumption that the transaction to sell the asset or transfer the debt takes place either:

- on the main market for the asset or debt, or
- in the absence of a main market, in the most advantageous market for the asset or debt

The main market or the most advantageous market must be accessible to the Group at the date of the valuation.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or debt, assuming that market participants are acting in their economic interest.

A fair value measurement of a non-financial asset takes into account the ability of a market participant to generate economic benefits by using the asset at the highest level or by selling it to another market participant who would use the asset at the highest level.

The Company shall use measurement techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, making maximum use of relevant observable input data and using unobservable input data to a minimum.

All assets and liabilities, for which fair value is measured or presented in the financial statements, are classified in the fair value hierarchy, described as follows, based on the lowest level of input data that is material for the measurement of fair value as a whole:

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

- Level 1: market prices quoted (unadjusted) in the active markets for identical assets or liabilities
- Level 2: input data other than prices on the listed markets included in Level 1 that are observable for the asset or for the debt, either directly or indirectly
- Level 3: Input data is unobservable for the asset or debt

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels of the hierarchy by reassessing the classification (based on the lowest level of input data that is material to the fair value measurement as a whole) at the end of each reporting period.

The Group's management establishes policies and procedures for both the recurrent measurement of fair value, such as land, construction, rolling stock, and the non-recurring measurement, such as assets held for sale from discontinued operations.

External appraisers are involved in the valuation of significant assets such as land, construction, real estate investments, and could also be involved for any significant liabilities such as contingent consideration. The involvement of external evaluators is decided annually by the management. Selection criteria include market knowledge, reputation, independence and adherence to professional standards.

At each reporting date, management analyzes the movements in the values of assets and liabilities to be revalued in accordance with the Group's policies, verifying the main inputs applied in the last measurement and evaluating changes compared to the previous measurement.

For the purpose of presenting fair value information, the Group has determined asset classes and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

**NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**d) Compare**

*Functional and presentation currency*

The items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency').

*Transactions and balances*

Foreign currency transactions are converted into the functional currency using the exchange rates on the date of transactions. Foreign exchange gains and losses resulting from the settlement of these transactions and from the conversion of monetary assets and liabilities denominated in foreign currency at the year-end exchange rate are generally recognised in the statement of profit and loss.

Foreign exchange gains and losses are presented in the individual statement of comprehensive income on a net basis under other net foreign exchange losses/(gains).

The main currencies and exchange rates are shown below:

	Closing Rate		Average Course	
	December 31	December 31	December 31	December 31
	2025	2024	2025	2024
EUR/RON	5,0985	4,9741	5,0415	4,9746
USD/RON	4,3417	4,7768	4,4705	4,5984

**NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**e) Immobilizari corporale**

Tangible assets are presented at cost, less cumulative depreciation and/or accumulated impairment losses, if applicable.

The historical cost includes expenses that can be directly attributed to the purchase of items. Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as the case may be, only

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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when it is likely that the future economic benefits associated with the item will accrue to the Group and the cost of the item can be credibly assessed. The carrying amount of any component accounted for as a separate asset is derecognised upon replacement. All other repair and maintenance costs are recognized in the profit and loss account when they are performed.

#### **Amortization**

The period of economic use is the period of time in which the asset is expected to be used by the Company. Depreciation is calculated by applying the linear method over the entire life of use of the asset. Depreciation is calculated by applying the straight-line method over the estimated life of use of the asset, as follows:

<b>Asset type</b>	<b>Years</b>
Special buildings and constructions	10 - 50 years
Technical installations and machines	3 - 30 years
Furniture si aparatutra birotica	3 - 20 years

The lifespan and depreciation method shall be reviewed periodically and, where appropriate, adjusted prospectively so that there is consistency with the expectations of the economic benefits of those assets.

#### **Derecognition**

A tangible asset is derecognised on disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss resulting from the derecognition of an asset (calculated as the difference between the net proceeds on disposal and the carrying amount of the item) is included in the profit and loss account when the asset is derecognized.

#### **Depreciere**

The carrying amount of an asset is immediately reduced to its recoverable amount if the carrying amount of the asset is greater than the estimated recoverable amount. Please refer to the accounting policies on the impairment of non-financial assets in this note.

If the carrying amount of an asset is increased as a result of a revaluation, the increase is recognised and accumulated in equity as a reserve from the revaluation. However, the increase is recognised in the profit and loss account to the extent that it resumes a decrease in the revaluation of the same value of the asset previously recognised in the profit and loss account.

If the carrying amount of an asset is reduced as a result of a revaluation, the decrease is recognised in the profit and loss account. However, the decrease is recognised in equity as revaluation reserves if there is an existing credit balance in the revaluation reserve for that asset.

The reserve from the revaluation is transferred to the result carried forward at the disposal of the asset.

#### **f) Real estate investments**

Real estate investments comprise completed properties owned for rent or capital appreciation, or both. Real estate investments mainly comprise offices, commercial real estate and real estate that are substantially occupied for use and are held mainly to obtain rental income and capital appreciation. These buildings are substantially leased to tenants and are not intended to be sold in the ordinary course of business.

Real estate investments are initially valued at cost, including transaction costs. Transaction costs include transfer fees, professional fees for legal services, and (only in the case of real estate investments held under a lease) initial leasing fees to bring the property into the condition necessary for it to operate.

#### **NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

After initial recognition, real estate investments are measured at fair value, which reflects market conditions at the reporting date. Gains or losses resulting from changes in the fair values of real estate investments are included in the profit and loss account during the period in which they occur.

Transfers into (or from) the category of real estate investments only take place when there is evidence of a change in use (such as the start of development or the start of an operating lease agreement with another party). For a transfer from the category of real estate investments to the category of inventories, the estimated cost for subsequent accounting is the fair value at the date of change in use.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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Real estate investments are derecognised either when they are disposed of (i.e. on the date on which the recipient receives control) or when they are permanently decommissioned and no future economic benefits are expected from the disposal.

The difference between the net proceeds from disposal and the carrying amount of the asset is recognised in the statement of profit and loss during the recognition period. The consideration to be included in gains or losses resulting from the derecognition of real estate investments is determined in accordance with the requirements for determining the trading price under IFRS 15.

**g) Imobilizari necorporale**

*i) Licensor*

Licenses purchased separately are presented at historical cost. They have a fixed lifespan and are subsequently accounted for at cost minus cumulative depreciation and impairment losses.

*ii) Software*

Licenses acquired separately are valued at historical cost. After initial recognition, the software is accounted for at cost minus any cumulative depreciation and any cumulative impairment losses, if any. The costs of maintaining the software are recognized at expense as they are realized.

*iii) Method and depreciation period*

Computer programs are amortized on a linear basis over a maximum period of 3 years, and licenses are amortized during their validity, which generally does not exceed 5 years.

The depreciation period and depreciation method for an intangible asset with a determined useful life shall be reviewed at least at the end of each reporting period. Changes in expected useful lives or in the expected rate of consumption of future economic benefits embodied in the assets shall be accounted for by changing the depreciation method or period, as the case may be, and shall be treated as changes to accounting estimates.

Gains or losses resulting from the derecognition of an intangible asset shall be calculated as the difference between the net proceeds from disposal and the carrying amount of the item and shall be recognised in the statement of profit and loss when the asset is derecognised.

**h) Borrowing costs**

Borrowing costs directly attributable to the purchase, construction or production of a property that necessarily requires a substantial period of time to be prepared for the intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are written off as expenses during the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with borrowing funds.

**i) Fixed assets held for sale and discontinued operations**

The company classifies disposable assets as held for sale, if their book values will be recovered primarily through a sale transaction, rather than through continued use. Fixed assets and disposal groups classified as held for sale are measured at the lesser of their carrying amount and fair value less costs of sale. Selling costs are the incremental costs directly attributable to the disposal of an asset (Disposal Company), excluding financial costs and income tax expenses.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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**NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**h) Fixed assets held for sale and discontinued operations**

The criteria for classification in the category held for sale are considered met only when the sale is very likely and when the asset or the Disposal Group is available for immediate sale in its current state. The actions required to complete the sale should indicate that it is unlikely that significant changes will be made to the sale or that the decision to sell will be withdrawn. Management must commit to the plan to sell the asset, and the sale must be completed within one year from the date of classification.

Tangible and intangible assets are not amortised once they are classified as held for sale.

Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

A divestiture group is qualified as a discontinued operation if it is a component of an entity that has been divested or is classified as held for sale, and

- represents a major line of business or a geographical area of operations
- is part of a single coordinated divestiture plan for a major business line or geographical area separate from operations, or
- is a subsidiary acquired exclusively for sale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of comprehensive income.

**i) Impairment of non-financial assets**

Assets that are subject to impairment or depreciation are analysed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds the recoverable amount. Recoverable value is the greater of the fair value of an asset minus disposal costs and use value. For the purpose of impairment measurement, assets are Groups at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that have undergone impairment are reviewed for a possible resumption of impairment on each reporting date.

Impairment losses on continuing operations are recognised in the statement of profit or loss, with the exception of properties previously revalued with the revaluation taken over by OCI. For such properties, depreciation is recognised in the OCI up to the value of any previous revaluation.

Goodwill is tested for impairment annually on December 31 and when circumstances indicate that the carrying amount may be depreciated. Depreciation is determined for goodwill by assessing the recoverable value of each cash-generating unit (or Group of cash-generating units) to which goodwill relates. When the recoverable value of the cash-generating unit is less than its carrying amount, an impairment loss is recognised. Impairment losses related to goodwill cannot be resumed in future periods.

**j) Leasing contracts**

The company assesses at the beginning of the contract whether a contract is or contains a leasing element. That is, the extent to which the contract confers the right to control the use of an identified asset for a period of time in exchange for consideration.

*The company as tenant*

The Company applies a unique recognition and valuation approach for all leasing contracts, with the exception of short-term leases and low-value asset leases contracts. The Group recognises leasing debts to make lease payments and right-of-use assets representing the right to use the related assets.

**i) Right-to-use assets**

The company recognises the assets with rights of use on the date of commencement of the leasing contract (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less any cumulative impairment and impairment losses and adjusted for any revaluation of leasing debts. The cost of right-of-use assets includes the amount of recognised lease liabilities, initial direct costs incurred and lease payments made on or before the commencement date, less any leasing incentives received.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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**NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**j) Leasing contracts (continued)**

Right-of-use assets are subject to impairment. Refer to the accounting policies in note 2.6 Impairment of non-financial assets.

(ii) Leasing debts

At the commencement date of the leasing contract, the Group recognises the leasing liabilities valued at the present value of the lease payments to be made during the term of the lease. Lease payments include fixed payments minus any lease incentives to receive, variable lease payments that depend on an index or rate, and amounts expected to be paid based on residual value guarantees. Lease payments also include the exercise price of a call option, which is reasonably certain to be exercised by the Group, and penalty payments for termination of the lease, if the lease term reflects the Group's exercise of the termination option.

Variable lease payments that do not depend on an index or rate are recognized as expenses during the period in which the event or condition triggering the payment occurs.

When calculating the present value of lease payments, the Group uses its incremental lending rate at the lease commencement date, as the default interest rate in the lease is not easy to determine. After the start date, the amount of the lease debts is increased to reflect the accrual of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is revalued if there is a change, a change in the lease period, a change in lease payments (for example, changes in future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the measurement of an option to call the underlying asset.

(iii) Short-term leases and low-value asset leases

The Company applies the short-term lease recognition waiver to its short-term leases (i.e. those contracts that have a lease term of 12 months or less from the start date and do not contain an option to buy). It also applies the low-value asset recognition exemption to equipment leases that are considered to be of low value. Lease payments for short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the term of the lease.

*The company as lessor*

Leasing contracts in which the Group does not substantially transfer all the risks and benefits related to ownership of an asset are classified as operational leasing. The rental income generated is accounted for on a straight-line basis over the life of the lease and is included in the income in the consolidated statement of the comprehensive result due to the operational nature. The direct initial costs incurred with the negotiation and arrangement of an operational leasing contract are added to the carrying amount of the leased asset and are recognised during the term of the lease on the same basis as the rental income. Contingent rents are recognized as income during the period in which they are obtained.

**k) Stocks**

Inventories are valued at the lesser of cost and net realizable value. The costs incurred with bringing each product to its current place and conditions are accounted for as follows:

- i. Raw materials: the purchase cost based on the first-in, first-out principle
- ii. Finished products and production in progress: the cost of direct materials and labour and part of the indirect production costs based on normal operating capacity and excluding borrowing costs. Accounting is done on a first-in, first-out basis.

Net realisable value is the estimated sale price in the normal course of business, less the estimated completion costs and the estimated costs required to complete the sale.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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**NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**2.3 Significant accounting policies (continued)**

**l) Financial instruments – initial recognition and subsequent valuation**

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial debt or equity instrument for another entity.

*l) Active finance*

*Recognition and initial evaluation*

Financial assets are classified, at initial recognition, as being subsequently measured at amortised cost, fair value through other comprehensive income (OIC) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the contractual characteristics of the cash flow of the financial asset and the business model for managing them. Except for trade receivables that do not contain a significant financing component or to which the Group has applied the practical advantage, the Group initially values a financial asset at fair value plus, in the case of a financial asset that is not measured at fair value through the profit and loss account, trading costs. Trade receivables that do not contain a significant financing component or for which the Group has applied a practical advantage are valued at the trading price.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it must generate cash flows that are "excluding principal payments and interest (SPPI)" from the remaining principal amount. This assessment is called the SPPI test and is performed at the instrument level. Non-SPPI cash flow financial assets are classified and measured at fair value through the profit and loss account, regardless of the business model.

The Group's business model for financial asset management refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from the collection of contractual cash flows, the sale of financial assets, or both. Financial assets classified and measured at amortised cost are held under a business model whose objective is to hold financial assets for the collection of contractual cash flows, and financial assets classified and measured at fair value through other comprehensive income are held within a business model whose objective is both to hold for the collection of contractual cash flows, as well as for sale.

*Further evaluation*

For the purposes of the subsequent valuation, the Group's financial assets are classified into four categories:

1. amortised financial assets (debt instruments)
2. financial assets at fair value through other comprehensive income with recycling of accumulated gains and losses (debt instruments)
3. financial assets at fair value through other comprehensive income without recycling gains and losses accrued at the time of recognition (equity instruments)
4. financial assets at fair value through the profit and loss account

*Financial assets at amortised cost (debt instruments)*

The financial assets at amortised cost are then measured using the effective interest method (EIR) and are subject to impairment. Gains and losses are recognised in the statement of profit and loss when the asset is derecognisable, altered or impaired. The effective interest method is a method of calculating the amortised cost of a financial instrument and the allocation of interest for the relevant period.

The Group's financial assets at amortised cost include trade receivables.

The Company does not hold financial assets at fair value through other comprehensive income or through the profit and loss account.

*Derecognition*

Financial assets are derecognised when the rights to receive cash flows from financial assets have expired or have been transferred and the Group has transferred substantially all risks and benefits of ownership.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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**NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**2.3 Significant accounting policies (continued)**

**1) Financial instruments – initial recognition and subsequent valuation (continued)**

*Depreciere*

The Company recognises provisions for expected credit losses (ECLs) for all debt instruments that are not held at fair value through the profit and loss account. The ECL is based on the difference between the contractual cash flows due under the contract and all cash flows that the Group expects to receive, discounted to an approximation of the initial effective interest rate.

For trade receivables and contractual assets, the Group applies a simplified approach in the calculation of ECL. Thus, The Company does not track changes in credit risk, instead recognises a loss provision based on lifetime ECLs on each reporting date.

The company considers a financial asset in default when the contractual payments have expired with 90 days. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that it is unlikely that the Group will receive the outstanding contractual amounts in full before considering any credit improvements held by the Company. A financial asset is cancelled when there is no reasonable expectation of recovery of contractual cash flow.

The company always recognises lifetime ECL for trade receivables. The expected credit losses for this financial asset are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for borrower-specific factors, general economic conditions and an assessment of both current and expected developments in conditions at the reporting date, including the time value of money, as the case may be. For all other financial instruments, the Group recognises lifetime ECLs when there has been a significant increase in credit risk since initial recognition. However, if the credit risk for the financial instrument has not increased significantly since initial recognition, the Group shall assess the loss provision for that financial instrument at an amount equal to the ECL over a period of 12 months.

The lifetime ECL represents the expected credit losses that will result from all possible non-repayment events over the expected life of a financial instrument. In contrast, the 12-month ECL represents the portion of the lifetime ECL that is expected to result from default events of a financial instrument that are possible within 12 months of the reporting date.

*Significant increase in credit risk*

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default of the financial instrument at the reporting date with the risk of default of a financial instrument at the date of initial recognition. In conducting this assessment, the Group takes into account both quantitative and qualitative information that is reasonable and acceptable, including historical experience and forward-looking information available without undue cost or effort. Forward-looking information taken in

The consideration includes the future prospects of the industries in which the Group's debtors operate, obtained from reports by economic experts, financial analysts, government bodies, relevant Reflection Societies and other similar organizations, as well as the consideration of various external sources of current and estimated economic information relating to the Group's core operations.

In particular, the following information shall be taken into account when assessing whether credit risk has increased significantly since initial recognition:

- i. an actual or expected significant deterioration in the external (if available) or internal credit rating of the financial instrument;
- ii. the significant deterioration of the external market indicators of credit risk for a given financial instrument
- iii. existing or forecast negative changes in commercial, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its payment obligations;
- iv. an actual or expected significant deterioration in the debtor's operating results;
- v. significant increases in credit risk on other financial instruments of the same borrower; and
- vi. an actual or expected significant negative change in the debtor's regulatory, economic or technological environment that results in a significant decrease in the debtor's ability to meet its payment obligations.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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**NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**2.3. Significant accounting policies (continued)**

**1) Financial instruments – initial recognition and subsequent valuation (continued)**

Regardless of the outcome of the above valuation, the Group assumes that the credit risk on a financial asset has increased significantly since initial recognition, if contractual payments are more than 30 days overdue, unless the Group has reasonable and acceptable information to the contrary.

Notwithstanding the above, the Group assumes that the credit risk of a financial instrument has not increased significantly since initial recognition, if it is determined that the financial instrument has a low credit risk at the reporting date. A financial instrument is determined to have a low credit risk if:

1. the financial instrument has a low risk of default;
2. the obligor has a strong capacity to meet its contractual obligations regarding short-term cash flows; and
3. Unfavorable changes in long-term economic and business conditions may, but not necessarily, reduce the debtor's ability to meet its contractual obligations regarding cash flows.

The Company considers a financial asset to have a low credit risk when the asset has an investment-grade external credit rating in accordance with the globally understood definition or, if an external rating is not available, the asset has an internal "performance" rating. Performance means that the debtor has a strong financial position and does not register due amounts.

For financial collateral agreements, the date on which the Group becomes a party to the irrevocable commitment is deemed to be the date of initial recognition for the purpose of valuation of the financial instrument for impairment. When assessing whether there has been a significant increase in credit risk since the initial recognition of a financial collateral agreement, the Group shall take into account changes in the risk that the debtor in question will no longer comply with the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria can identify a significant increase in credit risk before the amount becomes mature.

*Definitia nerambursarii*

The Company considers the following to be a default event for internal credit risk management purposes, as historical experience indicates that financial assets that meet any of the following criteria are generally not recoverable:

- when there is a violation of the financial indicators by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account the guarantees held by the Company).

*Financial assets impaired as a result of credit risk*

A financial asset is written down as a result of credit risk when one or more events have occurred that have a negative impact on the estimated future cash flows of that financial asset. Evidence that a financial asset is impaired as a result of credit risk includes observable data on the following events:

- a. significant financial difficulties of the issuer or borrower;
- b. breach of contract, such as non-performance of obligations or arrears;
- c. the borrower's creditor, for economic or contractual reasons related to the borrower's financial difficulty, after having granted the borrower a concession which the creditor would not otherwise consider; it becomes likely that the borrower will go bankrupt or some other form of financial reorganization; or
- d. the disappearance of an active market for that financial asset due to financial difficulties.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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**NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**2.3 Significant accounting policies (continued)**

**1) Financial instruments – initial recognition and subsequent valuation (continued)**

*Derecognition Policy*

The company cancels a financial asset when there is information indicating that the debtor is in serious financial difficulty and that there is no realistic prospect of recovery, for example, when the debtor has entered into liquidation or bankruptcy proceedings, or in the case of trade receivables, when the amounts have been outstanding for more than three years. Any of these occur earlier. Cancelled financial assets may continue to be subject to enforcement activities in accordance with the Group's recovery procedures, under legal assistance, if applicable. Any recoveries made are recognised in the profit and loss account under other gains or losses.

*Assessment and recognition of expected credit losses*

The assessment of expected credit losses is a function of the probability of default, the default loss (i.e. the magnitude of the loss if there is a default event) and the risk of default. The assessment of the probability of default and loss in the event of default is based on historical data adjusted with forward-looking information as described above. As regards the exposure to the risk of default, for financial assets, it is represented by the gross carrying amount of the assets at the reporting date; for financial collateral agreements, the exposure includes the amount drawn at the reporting date, together with any additional amounts expected to be drawn in the future up to the default date determined on the basis of historical trend, the Group's understanding of the specific future financing needs of borrowers and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group under the contract and all cash flows that the Group expects to receive, discounted at the initial effective interest rate. For a lease receivable, the cash flows used to determine expected credit losses are consistent with the cash flows used in the measurement of the lease receivable in accordance with IFRS 16.

For a financial guarantee agreement, since the Group is obliged to make payments only in the event of a default by the debtor under the terms of the secured instrument, the provision for expected losses represents the advance payment for the repayment of the holder for a credit loss that is incurred less than the amounts that the Group expects to receive from the holder, debtor or any other party.

If the Group has measured the loss provision for a financial instrument at an amount equal to the lifetime ECL in the previous reporting period, but at the current reporting date determines that the conditions for the lifetime ECL are no longer met, the Group shall assess the loss provision at an amount equal to the 12-month ECL on the current reporting date, with the exception of assets for which the simplified approach has been used.

The Company recognises an impairment gain or loss in the statement of profit and loss for all financial instruments, with an adjustment corresponding to their carrying amount through an account of provisions for losses, except for investments in debt instruments that are measured at FVTOCI, for which provisions for losses are recognised in other comprehensive income and accumulated in the revaluation reserve and do not reduce the value accounting of the financial asset in the statement of the financial position.

*Derecognition of financial assets*

The company recognises a financial asset only when the contractual rights to the cash flows in the asset expire or when it transfers the financial asset and, substantially, all risks and benefits of ownership of the asset to another entity. If the Group fails to transfer and retain substantially all of the risks and benefits of ownership and continues to control the transferred asset, the Group recognises the retained interest in the asset and an associated liability for the amounts it would have to pay. If the Group substantially retains all the risks and rewards associated with ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a loan secured for the proceeds received.

Upon derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the amount of consideration received and receivable is recognised in the profit and loss account. In addition, upon derecognition of an investment in a debt instrument classified under FVTOCI, the gain or loss previously accrued in the investment revaluation reserve is reclassified in the profit and loss account. On the other hand, on the derecognition of an investment in an equity instrument that the Group chose at initial recognition to value as FVTOCI, the gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the profit and loss account, but is transferred to retained earnings.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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**NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**2.3 Significant accounting policies (continued)**

**l) Financial instruments – initial recognition and subsequent valuation (continued)**

*ii) Financial debts*

*Recognition and initial evaluation*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the profit and loss account, loans and loans, liabilities or as derivatives designated as hedging instruments in an effective risk hedge, as applicable.

All financial liabilities are initially recognised at fair value and, in the case of all financial liabilities, except derivatives, net of directly attributable trading costs.

The Group's financial obligations include customers and similar accounts, loans and loans, including overdrafts.

*Further evaluation*

For the purpose of further assessment, financial liabilities are classified into two categories:

- financial liabilities at fair value through the profit and loss account
- financial liabilities at amortized cost (loans and loans)

*Financial liabilities at fair value through the profit and loss account*

Financial liabilities at fair value through the profit and loss account include financial liabilities held for trading, designated at initial recognition at fair value through the profit and loss account. Financial liabilities are classified as held for trading if they are incurred for redemption purposes in the near future. This category also includes derivatives recorded by the Group that are not designated as hedging instruments in hedging relationships as defined by IFRS 9, Financial Instruments. Separate embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of income and loss. Financial liabilities designated at initial recognition at fair value through the profit and loss account are designated at the original recognition date and only if the criteria in IFRS 9, Financial Instruments are met. The Group did not designate any financial liability at fair value through the profit and loss account.

*Financial debts at amortized cost (loans and loans)*

This is the most relevant category for the Company. After initial recognition, interest-bearing loans and loans are subsequently valued at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognised in the profit and loss account when liabilities are derecognised as well as through the EIR amortisation process. The amortized cost is calculated taking into account any discount or premium from the purchase and commissions or costs that are an integral part of the EIR. The amortization of the EIR is included as financing costs in the profit and loss account. This category generally applies to interest-bearing loans and loans.

*Derecognition*

A financial debt is cancelled when the debt obligation is paid or cancelled or expires. When an existing financial debt is replaced by another from the same creditor on substantially different terms, or the terms of an existing debt are substantially changed, such exchange or modification is treated as the cancellation of the original obligation and the recognition of a new debt. The difference in the respective book values is recognised in the consolidated statement of income and losses.

**m) Cash and short-term deposits**

Cash and cash equivalents include cash on hand, term deposits with financial institutions, other short-term, highly liquid investments with initial maturities of three months or less, which are easily convertible into known cash amounts and which are subject to an insignificant risk of change in value and overdrafts. Overdrafts are presented in the context of short-term debt loans in the consolidated statement of financial position.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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**NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**2.3 Significant accounting policies (continued)**

**n) Trade receivables**

Trade receivables are recognised at the trading price established in accordance with IFRS 15. Subsequently, they are valued at amortised cost using the effective interest method, minus loss provisions. The Group assesses, at each balance sheet date, the need to set up provisions for the impairment of trade receivables. When assessing the expected credit loss (hereinafter referred to as the "ECL"), the Group uses reasonable and acceptable forward-looking information, which is based on assumptions for the future movement of different economic factors and how these factors will affect each other. The probability of default is key input data in the ECL measurement. The probability of default is an estimate of the probability of default over a certain time horizon, the calculation of which includes historical data, assumptions and expectations regarding future conditions.

**o) Commercial and other debts**

These amounts represent debts for goods and services supplied to the Group before the end of the financial year that are unpaid. Amounts are not guaranteed and are usually paid within 30 days of recognition. Trade liabilities and other liabilities are presented as short-term liabilities, unless payment is not due within 12 months of the reporting period. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. This category also includes non-commercial liabilities, such as VAT and social contributions recognised at the value of the best estimate of the expenses necessary to settle the current obligation at the end of the reporting period.

**p) Loans**

The loans are initially recognised at fair value, net of transaction costs incurred. The loans are then valued at amortized cost. Any difference between the receipts (net of transaction costs) and the redemption amount is recognized in the profit and loss account during the period of the loans using the effective interest method. Fees paid on the establishment of loan facilities are recognised as loan transaction costs, to the extent that part or all of the facility is likely to be drawn. In this case, the commission is deferred until the draw occurs. To the extent that there is no evidence that part or all of the facility is likely to be drawn, the fee is capitalized as an advance payment for liquidity services and amortized over the period of the facility to which it relates.

Loans are removed from the balance sheet when the obligation specified in the contract is fulfilled, cancelled or expires. The difference between the carrying amount of a financial liability that has been settled or transferred to another party and the consideration paid, including any non-cash assets transferred or assumed liabilities, is recognised in the profit and loss account as other financial income or costs. Loans are classified as short-term liabilities, unless the Group has the unconditional right to defer debt settlement for at least 12 months after the reporting period.

**q) Supplies**

Provisions are recognised when the Group has a current obligation (statutory or implied) as a result of a past event and it is likely that the Group will be obliged to pay this obligation. If the Group expects part or all of the provision to be repaid, for example under an insurance contract, the reply is recognised as a separate asset, but only when the reply is practically secure. The expenses related to any provision are presented in the profit and loss account net of any reimbursement.

The amount recognised as a provision is the best estimate of the consideration required to settle the current obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is valued using the estimated cash flows for the settlement of the current obligation, its carrying amount is the present value of those cash flows (when the effect of the value of money over time is significant). The increase in supply due to the passage of time is recognized as a financial cost.

Provisions for warranty costs are recognised according to the number of wagons repaired and delivered to the customer, the potential number of wagons for which additional repair work will be carried out during the warranty period and the average cost of an intervention during the warranty period. Initial recognition is based on historical experience. The initial estimate of warranty costs is reviewed annually.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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**NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**2.3 Significant accounting policies (continued)**

**r) Employee benefits**

Employees' short-term benefits include salaries, both monetary and non-monetary benefits, annual leave and accrued sick leave that are expected to be fully settled within 12 months of the end of the period in which employees perform the service, as well as related social security contributions. Short-term employee benefits are recognized as an expense as services are provided. The group does not provide employees with long-term benefits.

*Pensions - Defined benefit plans*

The Group's employees are legally obliged to make contributions described in the financial statements as social security contributions to the National Pension Fund, administered by the State Social Insurance Plan (a determined contribution plan financed on a payment basis). If the members of the state social insurance plan cease to be employed within the Group, there will be no obligation on the part of the Group to pay the benefits obtained by these employees in previous years. The Group's contributions are included in employee benefits expenses.

**s) Revenue from customer contracts**

*Determination of enforcement obligations*

As regards the sale of property, the Group concluded that the goods and services transferred in each contract constitute a single performance obligation. In relation to the services provided to real estate investment tenants (such as cleaning, security, landscaping, reception) as part of the lease agreements in which the Group is the lessor, the Group has established that the promise is the property management service in general and that the service provided each day is distinct and substantially the same. Although the individual activities that constitute the performance obligation vary significantly throughout the day and from day to day, the nature of the overall promise to provide administration services is the same from day to day. Therefore, the Group has concluded that tenant services are a series of daily services that are performed individually over time, using a measure of progress over time, as tenants simultaneously receive and consume the benefits offered by the Company.

*Principal versus agent – services provided for tenants*

The Company ensures that certain services provided to tenants of real estate investments included in the contract that the Group concludes as lessor are provided by third parties. The group considered that it controls the services before they are transferred to the tenants, as it has the ability to direct the use of those services and derive benefits from them. In making that decision, the Group considered that it was primarily responsible for fulfilling its promise to provide those specified services, as it deals directly with tenants' complaints and is primarily responsible for the quality or adequacy of the services. In addition, the Group is free to set the price it charges tenants for the specified services. The Group therefore concluded that it was the principal of those contracts. In addition, the Group concluded that it transfers control of these services over time, as the services are provided by third-party service providers, as this happens when tenants receive and at the same time consume the benefits of these services.

*Determining the timing of recognition of income from the sale of property*

The company assessed the timing of the recognition of income on the sale of goods based on an analysis of the rights and obligations under the terms of the contract. The Group concluded that, in general, contracts relating to the sale of completed real estate are recognised at some point at the time of the transfer of control. For unconditional exchanges of contracts, control is generally expected to pass to the customer together with ownership. For conditional exchanges, this is expected to be achieved when all significant conditions are met.

**Asset transfers both from and within the real estate investment category**

IAS 40 Real Estate Investment provides that transfers from and into the real estate investment category must be evidenced by a change in use. Conditions that indicate a change in use involve professional reasoning, and treatment can have a significant impact on financial statements because real estate investments are recorded at fair value and inventories are recorded at cost.

Transfers to (or from) the category of real estate investments are made only when there is evidence of a change of use. For a transfer from the category of real estate investments to the category of inventories, the cost considered for subsequent accounting is the fair value at the date of change of use. If a property in stock becomes a real estate investment, the difference between the fair value of the property at the date of transfer and its previous book value is recognized in the profit and loss account.

*Valuation and recoverable amounts of real estate investments*

For real estate investments, assets are mainly valued using the market approach, the income-based approach, based on the discounted cash flow or direct capitalization technique, and the residual method. For the market approach, the key assumptions underlying the market value of the Group's land assets are: the resulting selection of comparable land to determine the 'bid price', which is taken as a basis to form an illustrative

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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price, and the amount of adjustments applied to the bid price to reflect transaction prices and differences in location and condition.

For the income-based approach based on the updated cash flow technique, valuations are prepared taking into account the total amount of net annual rents receivable for the properties and, where applicable, the associated costs.

A yield that reflects the risks inherent in net cash flows is then applied to the net annual rents to arrive at the valuation of the property. For the revenue-based approach based on the direct capitalisation methodology for the estimation of fair value, the following elements will be analysed: gross potential income, gross effective income, net operating income, operating costs, capital expenditures, capitalisation rate.

The valuation is highly sensitive to these variables, and adjustments to these input data would have a direct impact on the resulting valuation.

The fair value measurement for all real estate investments was classified as a Level 3 fair value.

Climate change and related regulations can affect property values mainly in two ways. First, adverse weather conditions can cause damage, loss of income and/or reduced lifespan of the affected properties.

The Group's revenues come from the following sources:

- Rentals
- Income from miscellaneous activities
- Sale of goods
- Other services provided

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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**NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**2.3 Significant accounting policies (continued)**

**s) Revenues from customer contracts (continued)**

Revenue from contracts with customers is recognised when control over goods or services is transferred to the customer.

A claim is recognized when the customer owes a consideration that is unconditional (i.e. it is only necessary to pass the time before the payment of the consideration is due).

In general, sales and cost of sales are recorded based on the gross amount received from the customer for the products sold and services rendered and the amount paid to the seller for the products purchased, excluding value added taxes.

*Significant financing component*

The company does not expect to have contracts in which the period between the transfer of the goods or services promised to the customer and the payment by the customer exceeds one year. Accordingly, the Group does not adjust any of the trading prices for the time value of money.

**t) Corporate income tax**

*Deferred income tax*

Current corporate income tax assets and liabilities are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and tax laws used to calculate the amount are those that are adopted or substantially adopted at the reporting date, in the countries where the Group operates and generates taxable income.

*Deferred tax*

Deferred tax is obtained using the liability method for temporary differences between the tax bases of assets and liabilities and their carrying values for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in cases where:

- The deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a combination of undertakings and, at the time of the transaction, does not affect either the accounting profit or the taxable profit or loss.
- With regard to taxable temporary differences associated with investments in subsidiaries, branches and associated entities and interests in associations, when the timing of the resumption of temporary differences can be controlled and it is likely that temporary differences will not be resumed in the foreseeable future.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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**NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**2.3 Significant accounting policies (continued)**

**t) Corporate income tax**

Deferred tax assets are recognised for all deductible temporary differences, reporting of unused tax credits and any unused tax losses, to the extent that the taxable profit for which deductible temporary differences can be used and the carry-forward of unused tax credits and unused tax losses is likely to be available, unless:

- the deferred tax asset related to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, does not affect either the accounting profit or the taxable profit or loss; and
- With respect to deductible temporary differences associated with investments in subsidiaries, branches and associates and interests in associations, deferred tax assets are recognised only to the extent that temporary differences are likely to resume in the foreseeable future and the taxable profit for which the temporary differences can be used will be available.

The carrying amount of deferred tax assets shall be reviewed at each reporting date and reduced to the extent that it is no longer likely that there will be sufficient taxable profit to allow all or part of the deferred tax asset to be used. Unrecognised deferred tax assets are revalued at each reporting date and are recognised to the extent that it has become likely that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are valued at the tax rates that are expected to apply in the year in which the asset is realized or when the debt is paid, based on the tax rates (and tax laws) that have been adopted or substantially adopted at the reporting date. Corporate income tax on items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or in equity and not in the profit and loss account. Deferred tax claims and deferred tax liabilities are set off if there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same tax authority.

**u) Sales tax**

Income, expenses and assets are recognized net of the amount of sales tax (VAT), except in the following situations:

- if the sales tax made on the acquisition of assets or services cannot be recovered from the tax authority, in which case the sales tax is recognised as part of the cost of acquiring the asset or as part of the expense item, as the case may be; and
- receivables and liabilities that are declared with the amount of sales tax included.

The net amount of sales tax recoverable from or payable to the tax authority is included as part of the receivables or liabilities in the consolidated statement of the financial position.

**v) Subventii guvernamentale**

Government subsidies are recognised where there is reasonable assurance that the subsidy will be received and all conditions attached to it will be met. When the subsidy relates to an asset, it is recognised as deferred income and recognised as income in equal amounts over the useful life of the related asset.

**w) Dividend**

The Company acknowledges the obligation to pay a dividend when the allocation is authorized and the allocation is no longer at the discretion of the Group. According to Romanian corporate laws, a dividend allocation is authorized when approved by the shareholders. A corresponding amount is recognised directly in equity.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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**NOTE 2. SIMPLIFIED ACCOUNTING POLICIES (continued)**

**2.3 Significant accounting policies (continued)**

**x) Contingent assets and liabilities**

A contingent duty is:

- a possible obligation arising from previous events and the existence of which will only be confirmed by the occurrence or non-inclusion of one or more uncertain future events that are not entirely under the control of the Group; or
- a present obligation resulting from past events that is not recognized because:
  - a. it is not likely that an outflow of resources incorporating economic benefits will be necessary to discharge the obligation; or
  - b. The value of the obligation cannot be assessed with sufficient credibility.

Contingent liabilities are not recognised in the Group's financial statements, but are disclosed unless the possibility of an outflow of resources incorporating economic benefits is reduced.

A contingent asset is a possible asset resulting from past events and the existence of which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, which are not entirely under the control of the Group.

A contingent asset is not recognised in the Group's financial statements, but is presented when a stream of economic benefits is likely.

**y) Subsequent events**

Events that occur after the reporting date of 31 December 2025, which provide additional information about the conditions prevailing at the reporting date (adjustment events) are reflected in the consolidated financial statements. Events that occur after the reporting date that provide information about events that occurred after the reporting date (non-adjusting events), when material, are presented in the notes to the consolidated financial statements.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
(all amounts are expressed in RON, unless otherwise specified)

**NOTE 3. STANDARDS ISSUED BUT NOT YET ENTERED INTO FORCE**

During the current year, the Group considered the application of all new standards and amendments to the International Financial Reporting Standards (IFRS), which are relevant to its operations and are in force for the accounting periods starting on January 1, 2024 approved by the European Union.

**(i) New standards and amendments to existing standards in force for the current reporting period**

The following new standards and amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are in force for the current reporting period:

Standard/Interpreting <i>[IAS 8.31(a), 8.31(c)]</i>	Nature of the imminent change in accounting policy <i>[IAS 8.31 (b)]</i>	Possible impact on financial statements <i>[IAS 8.31(e)]</i>
<b>Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities into Short-Term Liabilities and Long-Term Liabilities issued by the IASB on January 23, 2020, and Amendments to IAS 1 "Presentation of Financial Statements" - Long-Term Liabilities</b> with Financial Indicators issued by the IASB on October 31, 2022	The amendments issued in January 2020 provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements existing at the reporting date. The amendments issued in October 2022 clarify how the conditions that an entity must comply with within twelve months of the reporting period affect the classification of a liability and set the effective date for both amendments to the annual periods starting with or after 1 January 2024	The adoption of the amendments did not have a significant impact on the individual financial statements.
<b>Amendments to IAS 7 Statements of Cash Flows and IFRS 7 Financial Instruments: Disclosures to Be Provided - Financing Agreements in Relation to Suppliers</b> issued by the IASB on May 25, 2023.	According to the amendments, requirements on the information to be submitted are added, as well as indications within the existing requirements on the information to be provided for the provision of qualitative and quantitative information on financing agreements in relation to suppliers	The amendments did not lead to significant changes in the financial statements
<b>Amendments to IFRS 16 Leasing Contracts - Lease Liabilities in a Sale and Leaseback Transaction</b> , issued by the IASB on September 22, 2022	The amendments require the seller-lessee to subsequently assess the leasing debts arising from a leaseback transaction, so that it does not recognise any gains or losses related to the retained right of use. The new requirements do not prevent the seller-lessee from recognising in the profit or loss account gains or losses from the partial or total termination of a lease	The amendments did not lead to significant changes in the financial statements

The adoption of these standards and amendments to existing standards did not lead to significant changes in the Group's financial statements.

**(ii) Standards and amendments to existing standards issued by the IASB and adopted by the EU but not yet entered into force**

The following new standards and amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) that have not yet entered into force for the annual financial reporting period ended December 31, 2025 and have not had an impact or been applied in the preparation of these financial statements:

Standard/Interpreting <i>[IAS 8.31(a), 8.31(c)]</i>	Nature of the imminent change in accounting policy <i>[IAS 8.31 (b)]</i>	Possible impact on financial statements <i>[IAS 8.31(e)]</i>
<b>IFRS 18 Presentation and Disclosures to Be Provided in Financial Statements</b> issued by the IASB on April 9, 2024 will replace IAS 1 Presentation of Financial Statements	The standard introduces three sets of new requirements for companies to improve their financial performance reporting and to give investors a better basis for analysing and comparing companies. The main changes in the new standard compared to IAS 1 refer to: (a) the introduction of categories (operating, investment, financing, corporate income tax and discontinued operations) and sub-totals defined in the profit or loss statement; (b) the introduction of requirements to improve aggregations	The Company anticipates that the adoption of these new accounting standards will not have a material impact on the Company's performance in the future

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
(all amounts are expressed in RON, unless otherwise specified)

<b>Standard/Interpreting</b> <i>[IAS 8.31(a), 8.31(c)]</i>	<b>Nature of the imminent change in accounting policy</b> <i>[IAS 8.31 (b)]</i>	<b>Possible impact on financial statements</b> <i>[IAS 8.31(e)]</i>
	and disaggregations; (c) the introduction of information on Performance Measures Established by Management (MPCs) in the notes to the financial statements. Although IFRS 18 does not affect the recognition or measurement of items in the financial statements, its impact on the presentation is material, in particular with respect to the statement of financial performance and the inclusion of performance measures defined by management in the financial statements	

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
(all amounts are expressed in RON, unless otherwise specified)

**NOTE 3. STANDARDS ISSUED BUT NOT YET ENTERED INTO FORCE (continued)**

**(iii) New standards and amendments to existing standards issued by the IASB but not yet adopted by the EU**

At the time of approval of these financial statements, the following existing standards have been issued by the IASB but have not yet been adopted by the EU:

Norm/Interpretation  [IAS 8.31(a), 8.31(c)]	Nature of the imminent change in accounting policy  [IAS 8.31 (b)]	Possible impact on financial statements  [IAS 8.31(e)]
<b>Amendments to IFRS 9 and IFRS 7 - Amendments to the classification and measurement of financial instruments</b> issued by the IASB as of May 30, 2024	The amendments clarify the classification of financial assets that have environmental, social, corporate governance (ESG) and similar characteristics. The amendments also clarify the date on which a financial asset or liability is derecognised and introduce additional disclosure requirements with respect to investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have contingent characteristics	The Company anticipates that the adoption of these amendments to the existing accounting standards will not have a significant impact on the Group's performance in the future
<b>Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale of or Contribution of Assets between an Investor and Associates or Joint Ventures</b> , issued by the IASB on September 11, 2014	The amendments resolve the contradiction between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, gains or losses are recognised when the assets sold or contributed represent an undertaking. That amendment could only be applied if the entity had not developed an accounting policy to that effect	The Company anticipates that the adoption of these amendments to the existing accounting standards will not have a significant impact on the Group's performance in the future
<b>IFRS 19 Non-Public Liability Subsidiaries: Disclosures Issued</b> by the IASB on May 9, 2024	The standard allows subsidiaries to provide restricted information when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for eligible subsidiaries and sets out disclosure requirements for subsidiaries that choose to apply it	The Company anticipates that the adoption of these new accounting standards will not have a significant impact on the Group's performance in the future
<b>IFRS 14 Deferral Accounts for Regulated Activities</b> Issued by the IASB on January 30, 2014	This standard is intended to allow entities that are adopting IFRS for the first time, and that currently recognise deferral accounts related to regulated activities under previous generally accepted accounting policies, to continue to do so when transitioning to IFRS	The Company anticipates that the adoption of these new accounting standards will not have a significant impact on the Group's performance in the future
<b>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 – Annual Improvements to IFRS Accounting Standards – Volume 11</b> issued by the IASB on July 18, 2024	These amendments include clarifications, simplifications, corrections and amendments in the following areas: (a) the hedging accounting adopted by an entity adopting the standards for the first time (IFRS 1); (b) the gain or loss on decommissioning (IFRS 7); (c) the presentation of the deferred difference between fair value and the trading price (IFRS 7); (d) the introduction and presentation of credit risk information (IFRS 7); (e) the removal of lease liabilities from the record by the lessee (IFRS 9); (f) the trading price (IFRS 9); (g) the establishment of a 'de facto representative' (IFRS 10); (h) the cost-based method (IAS 7).	The Company anticipates that the adoption of these amendments to the existing accounting standards will not have a significant impact on the Group's performance in the future

The Group anticipates that the adoption of these new standards and amendments to existing standards will not have a significant impact on the consolidated financial statements in the future.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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**NOTE 4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS**

Estimates and judgments are evaluated on an ongoing basis and are based on historical experience adjusted to current market conditions and other factors.

Management makes estimates and assumptions about the future, which affect reported amounts of income, expenses, assets and liabilities, as well as information presentations. The resulting accounting estimates will by definition rarely be identical to the actual results. Management's estimates, assumptions and judgments, which present a material risk of generating a material adjustment in the carrying values of assets and liabilities in the next financial year are presented below.

**Estimates and assumptions**

The following key accounting estimates and the related assumptions and uncertainties inherent in the accounting policies applied are essential to understanding the underlying financial reporting risks and the effects that these accounting estimates, assumptions and uncertainties have on the consolidated financial statements.

*Revaluation of tangible assets*

The Company values its land, buildings and real estate investments at revalued values, changes in fair value being recognized in other comprehensive income or comprehensive income statement.

*Provisions for expected credit losses on trade receivables*

The company uses a provision matrix to calculate the ECL for trade receivables and contractual assets. Provisioning rates are based on the due days for Companies of different customer segments that have similar loss patterns (e.g. depending on the type of service and the type of relationship with the Group (related party or third party)).

The provisions matrix is initially based on the Group's historically observed default rates. The Group will calibrate the matrix to adjust the historical experience of credit losses with forward-looking information. At each reporting date, historically observed default rates are updated and changes in forward-looking estimates are analyzed.

Assessing the correlation between observed historical default rates, forecasted economic conditions, and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and forecasted economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future. Information about ECL on the Group's trade receivables.

*Taxes*

Deferred tax receivables are recognised for unused tax losses to the extent that the taxable profit for which the losses could be used is likely to be available. Significant management appreciation is required to determine the value of deferred tax assets that can be recognized, based on the likely period and the level of future taxable profits, along with future tax planning strategies.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
(all amounts are expressed in RON, unless otherwise specified)

**NOTE 5. REVENUE FROM CUSTOMER CONTRACTS**

	<b>2025</b>	<b>2024</b>
	<b>(12 months)</b>	<b>(12 months)</b>
Income from rents, services and the like	6.864.890	8.466.480
Income from the sale of real estate of the nature of stocks	28.176.014	22.745.612
Income from services provided	654.494	1.133.331
Other income	71.701.637	68.693.275
Revenues related to the cost of production in progress	-	820.442
Income from various activities - maintenance	287.126	-
<b>Total</b>	<b>107.684.161</b>	<b>101.859.140</b>

	<b>2025</b>	<b>2024</b>
	<b>(12 months)</b>	<b>(12 months)</b>
<b>Other income</b>		
Gain/(loss) from fair value measurement	10.898.965	28.074.712
Other operating income - fines, compensation	21.167	61.686
Income from the sale of real estate assets/investments	59.618.420	38.969.784
Income from subsidies	96.816	-
Other income	1.066.269	1.587.093
<b>Total</b>	<b>71.701.637</b>	<b>68.693.275</b>

All of the above-mentioned revenue streams are recognized at a time.

**NOTE 6. OPERATING EXPENSES**

	<b>2025</b>	<b>2024</b>
	<b>(12 months)</b>	<b>(12 months)</b>
Depreciation expenses	(392.602)	(70.784)
Provisions and impairment adjustments	-	(170.438)
Personnel expenses	(2.931.474)	(2.942.229)
Other operating expenses	(71.802.620)	(52.065.379)
<b>Total</b>	<b>(75.126.696)</b>	<b>(55.248.830)</b>

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
(all amounts are expressed in RON, unless otherwise specified)

**NOTE 7. OTHER OPERATING EXPENSES**

<b>Other operating expenses</b>	<b>2025</b> <b>(12 months)</b>	<b>2024</b> <b>(12 months)</b>
Royalties and rents	(55.091)	-
Commissions and fees	(122.254)	(117.168)
Protocol, advertising and advertising	(16.377)	(21.147)
Utility expenses	(1.177.424)	(1.422.859)
Other expenses for services performed by third parties	(3.391.564)	(4.028.703)
Expenditure on raw materials and consumables	(63.693)	(322.589)
Other operating expenses - from disposal of assets	(44.488.421)	(29.186.592)
Expenditure on goods	(21.332.219)	(15.748.203)
Expenses with taxes and fees	(682.840)	(807.066)
Other expenses	(472.737)	(411.048)
<b>Total</b>	<b>(71.802.620)</b>	<b>52.065.379</b>

Other expenses are, in particular, insurance expenses, commissions and telecommunications expenses.

**NOTE 8. EMPLOYEE BENEFITS**

The cumulative average number of employees is as follows:

<i>Average number of employees:</i>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Technical, economic, specialized and administrative	10	16
Operational	1	1
Meseriasis	3	3
Workers	2	6
<b>Total</b>	<b>16</b>	<b>26</b>

The expenses with salaries and related taxes recorded in 2025 and 2024 are as follows:

	<b>2025</b> <b>(12 months)</b>	<b>2024</b> <b>(12 months)</b>
Salaries	(2.736.363)	(2.661.558)
Other benefits granted to employees (meal vouchers)	(117.480)	(197.020)
Social security	(77.631)	(83.651)
<b>Total</b>	<b>(2.931.474)</b>	<b>(2.942.229)</b>

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
(all amounts are expressed in RON, unless otherwise specified)

**NOTE 9. FINANCIAL INCOME AND EXPENSES**

**Financial income**

	<b>2025</b>	<b>2024</b>
	<b>(12 months)</b>	<b>(12 months)</b>
Interest income	5.243.208	1.287.219
Other financial income	86.694	477
<b>Total</b>	<b>5.327.902</b>	<b>1.287.696</b>

**Financial expenditure**

Interest expenses	(165.024)	(2.038)
Other financial expenditure	-	-
<b>Result net</b>	<b>5.162.878</b>	<b>1.285.658</b>

**NOTE 10. CORPORATE TAX**

The main components of corporate income tax expenses for the years ended December 31, 2025 and December 31, 2024 are:

	<b>2025</b>	<b>2024</b>
	<b>(12 months)</b>	<b>(12 months)</b>
Current tax	(8.700.487)	(6.494.763)
Deferred tax	227.826	3.959.114
<b>Total</b>	<b>(8.472.661)</b>	<b>(2.535.649)</b>

Details about the calculation of the current and deferred corporate income tax are presented below.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
(all amounts are expressed in RON, unless otherwise specified)

**NOTE 10. CORPORATE TAX (continued)**

Reconciliation of tax expenditures and accounting profit multiplied by Romania's national tax rate for 2025 and 2024:

**Corporate tax reconciliation**

	<b>2025</b> <b>(12 months)</b>	<b>2024</b> <b>(12 months)</b>
<b>Pre-tax profit/(loss)</b>	<b>37.720.343</b>	<b>14.638.225</b>
<b>Corporate tax at 16%</b>	<b>6.035.255</b>	<b>2.342.116</b>
The tax effect of non-deductible expenses for determining the taxable profit	1.386.126	1.076.369
The Tax Effect of Non-Taxable Income in Determining Taxable Profit	(14.243)	(445.661)
Other revenue-like items	5.992.759	4.275.814
Tax effect of tax loss to be recovered from previous years	-	-
Other elements	(4.699.410)	(798.633)
<b>Corporate income tax expenses</b>	<b>8.700.487</b>	<b>6.494.763</b>
The effect of the tax loss recovered from previous years for which deferred tax was not recognized	-	-
<b>Income tax expense reported in the profit and loss account</b>	<b>8.700.487</b>	<b>6.494.763</b>

**Deferred tax**

Deferred tax rates refer to the following:

<b>2025</b>	<b>Sold net la</b> <b>December 31,</b> <b>2024</b>	<b>Recognised</b> <b>in the Profit</b> <b>and Loss</b> <b>Account</b>	<b>Recognised in</b> <b>other</b> <b>elements of</b> <b>the overall</b> <b>result</b>	<b>Balance as of December 31, 2025</b>		
				<b>Net</b>	<b>Deferred</b> <b>tax assets</b>	<b>Deferred tax</b> <b>debts</b>
Revaluation of buildings and real estate investments	(10.773.462)	227.827	-			(10.545.639)
<b>(Liabilities) / assets with tax deferred before clearing</b>	<b>(10.773.462)</b>	<b>227.827</b>	<b>-</b>			<b>(10.545.639)</b>
Tax compensation	-	-	-	-	-	
<b>(Liabilities) / deferred tax assets, net</b>	<b>(10.773.462)</b>	<b>227.827</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10.545.639)</b>

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
(all amounts are expressed in RON, unless otherwise specified)

**NOTE 10. CORPORATE TAX (continued)**

<b>2024</b>	<b>Sold net la December 31, 2023</b>	<b>Recognised in the Profit and Loss Account</b>	<b>Recognised in other elements of the overall result</b>	<b>Balance as of December 31, 2024</b>		
				<b>Net</b>	<b>Deferred tax assets</b>	<b>Deferred tax debts</b>
Revaluation of buildings and real estate investments	(14.779.222)	4.005.757	-	10.773.465	-	10.773.462
<b>(Liabilities) / assets with tax deferred before clearing</b>	<b>(14.779.222)</b>	<b>4.005.757</b>	-	<b>10.773.465</b>	-	<b>10.773.462</b>
Tax compensatio n	-	-	-	-	-	
<b>(Liabilities) / deferred tax assets, net</b>	<b>(14.779.222)</b>	-	-	-	-	<b>10.773.462</b>

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
(all amounts are expressed in RON, unless otherwise specified)

**NOTE 11. IMMOBILIZARI CORPORALE**

*Fair value considerations*

Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

The evaluators applied evaluation techniques that maximize the use of relevant observable input data and minimize the use of unobservable data.

**NOTE 12. REAL ESTATE INVESTMENTS**

	December 31, 2025			31 December 2024		
	Land and land development	Special buildings and constructions	Real estate investments in progress	Land and land development	Special buildings and constructions	Real estate investments in progress
<b>Opening Balance</b>	<b>89.256.967</b>	<b>32.837.555</b>	<b>25.734</b>	<b>87.139.397</b>	<b>22.825.923</b>	<b>25.734</b>
Inputs	8.178.733	7.623.780	-	5.521.806	-	-
Outputs	38.793.166	31.868.975	25.734	23.672.628	6.344.069	-
Gain/(loss) from fair value measurement	(1.060.000)	10.898.965	-	20.268.391	16.355.701	-
<b>Closing Balance</b>	<b>57.582.534</b>	<b>83.229.275</b>	<b>-</b>	<b>89.256.967</b>	<b>32.837.555</b>	<b>25.734</b>

**NOTE 13. TRADE RECEIVABLES**

	31-Dec-25		31-Dec-24	
	Scadenta sub 1 an	Maturity between 1-5 years, over 5 years	Scadenta sub 1 an	Maturity between 1-5 years
		7.994.761		
Trade receivables - customers	18.349.935	-	683.650	-
Business Creator – Uncertain Customers	238.728	-	311.875	-
Impairment adjustments for trade receivables	(238.134)	-	(311.875)	-
Other receivables	245.751	-	990.408	-
<b>Total</b>	<b>18.596.280</b>	<b>7.994.761</b>	<b>1.674.058</b>	<b>-</b>

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
(all amounts are expressed in RON, unless otherwise specified)

Below are the movements of impairment adjustments for expected credit losses for trade receivables:

	<b>31-Dec-25</b>	<b>31-Dec-24</b>
<b>On January 1</b>	<b>(311.875)</b>	<b>(350.683)</b>
Impairment adjustments for trade receivables	-	-
Derecognition	(73.741)	(38.808)
<b>On December 31</b>	<b>(238.134)</b>	<b>(311.875)</b>

Trade receivables are not interest-bearing.

**NOTE 14. OTHER RECEIVABLES**

	<b>31-Dec-25</b>	<b>31-Dec-24</b>
Miscellaneous debtors	183.084	2.379
Miscellaneous debtor impairment adjustments	-	(1.779)
Advances granted	2.026	-
Corporate income tax and other similar receivables	48.265	986.294
VAT to be recovered	2.137	-
Other receivables	10.239	3.514
<b>Total</b>	<b>245.751</b>	<b>990.408</b>

**NOTE 15. ADVANCE INCOME AND INVESTMENT SUBSIDIES**

	<b>31-Dec-25</b>	<b>31-Dec-24</b>
Other Advance Income	1.012.917	379.070
Investment grants	4.533.372	131.953
<b>Total</b>	<b>5.566.289</b>	<b>511.023</b>

**NOTE 16. CASH AND CASH EQUIVALENTS**

	<b>31-Dec-25</b>	<b>31-Dec-24</b>
Bank deposits	24.684.240	10.746.904
Cash and cash equivalents expressed in RON	374.620	20.108.086
Cash and cash equivalents denominated in EUR	277.803	4.356
Cash and cash equivalents expressed in USD	-	599
Cash in the house – RON	9.289	2.267
<b>Total</b>	<b>25.345.952</b>	<b>30.862.212</b>

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
(all amounts are expressed in RON, unless otherwise specified)

**NOTE 17. CAPITALUL SOCIAL**

	<b>31-Dec-25</b>	<b>31-Dec-24</b>
Capital social subscris	8.327.559	8.327.559
Share capital adjustments – IAS 29	126.274.399	126.274.399
<b>Total</b>	<b>134.601.958</b>	<b>134.601.958</b>

Share capital structure:

<b>Actionari</b>	<b>Sold la 30 December 2025</b>	<b>Share (%)</b>	<b>Sold la December 31, 2024</b>	<b>Share (%)</b>	<b>Sold la January 1, 2024</b>	<b>Share (%)</b>
Long Shield Investment Group S.A. Other shareholders (natural and legal persons)	5.660.889	68%	5.660.889	68%	5.660.889	68%
	2.666.671	32%	2.666.671	32%	2.666.671	32%
<b>Total</b>	<b>8.327.559</b>	<b>100,00%</b>	<b>8.327.559</b>	<b>100,00%</b>	<b>8.327.559</b>	<b>100,00%</b>

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
(all amounts are expressed in RON, unless otherwise specified)

**NOTE 18. COMMERCIAL AND OTHER DEBTS**

	31 dec 2025		31 dec 2024	
	Short term	Long term	Short term	Long term
Trade Debts	4.704.684	-	244.467	-
Bank loans	654.765	-	-	-
Advance revenue	1.303.365	-	511.023	-
Other liabilities	7.657.242	-	9.756.868	11.146.599
<b>Total Liabilities</b>	<b>14.320.056</b>	<b>-</b>	<b>10.512.358</b>	<b>11.146.599</b>

The structure of other liabilities is as follows:

	31 dec 2025		31 dec 2024	
	Short term	Long term	Short term	Long term
Deferred tax liabilities	-	10.545.639	-	10.773.465
Liabilities related to personnel	270.453	-	253.559	-
VAT payable and other taxes	301.703	-	129.940	-
Dividend	631.244	-	641.631	-
Warranties	-	394.364	-	373.134
Creditor customers	5.456.332	-	8.731.737	-
High creditors	997.510	-	-	-
<b>Total Liabilities</b>	<b>7.657.242</b>	<b>10.940.003</b>	<b>9.756.867</b>	<b>11.146.599</b>

Terms and conditions of the above financial debts: commercial debts are not interest-bearing and are normally paid within 30-90 days.

**NOTE 19. INFORMATION ON AFFILIATED ENTITIES**

i) Total balances and transactions

**Active**

	31-Dec-25	31-Dec-24
Trade receivables	-	-
Other receivables	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Liabilities**

	31-Dec-25	31-Dec-24
Commercial and other debts	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Revenue**

	31-Dec-25	31-Dec-24
Venturi from the sale of goods and services	15.091	135.180
<b>Total</b>	<b>15.091</b>	<b>135.180</b>

**Expenses**

	31-Dec-25	31-Dec-24
Procurement Services	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

**NOTE 19. INFORMATION ON AFFILIATED ENTITIES (continued)**

ii) Balances and transactions by entity

**Sales – VAT included**

	<b>31-Dec-25</b>	<b>31-Dec-24</b>
Unisem SA	9,042	25,159
Germina Agribusiness	-	88,809
CI-CO S.A.	6,049	21,212
<b>Total</b>	<b>15,091</b>	<b>135,180</b>

**Purchases with VAT**

	<b>31-Dec-25</b>	<b>31-Dec-24</b>
Unisem SA		
Germina Agribusiness		
CI-CO S.A.		
<b>Total</b>		-

**Terms and Conditions of Transactions with Affiliated Entities:**

Sales to and purchases from affiliated entities are made at normal market prices. The outstanding balances at the end of the year are not guaranteed, they are interest-free, and the settlement takes place in cash or by compensation. No guarantees were provided or received for receivables or debts with affiliated entities.

**NOTE 20. FINANCIAL RISK MANAGEMENT**

i) Financial risk factors

Financial risks are managed and monitored by the Group's management. Financial risks are the risks arising from the financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's management identifies, assesses and hedges financial risks.

Risk management is carried out in accordance with the policies approved by the Board of Directors. The Board of Directors provides guidance for overall risk management, as well as policies covering specific areas such as currency risk, interest rate risk, credit risk and investing excess liquidity.

ii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The Group's market risks arise from open positions in (a) foreign currency and (b) interest-bearing assets and liabilities, to the extent that they are exposed to general and specific market movements. Management sets limits on currency risk exposure and interest rates that can be acceptable, which are monitored regularly. However, the use of this approach does not prevent losses outside these limits in the event of more significant market movements. The vulnerability to market risks listed below is based on the change of one factor while keeping all other factors constant. In practice, this is unlikely to occur, and changes in some factors can be correlated - for example, changes in interest rates and changes in exchange rates.

iii) Currency risk

Currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

The company has a low exposure to currency risk, as most transactions are made in national currency

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

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**NOTE 20. FINANCIAL RISK MANAGEMENT (continued)**

iv) Price risk

The company does not have significant exposure to price risk because it does not hold any significant securities or commodities.

v) Interest rate risk

As the Group's interest-bearing assets do not generate significant interest, changes in market interest rates have no significant direct effect on the Group's revenues.

The Group's interest rate risk arises mainly from long-term loans. Loans issued at variable rates expose the Group to cash flow interest rate risk.

Senior management analyzes the Group's interest rate exposure on a dynamic basis. Different scenarios are simulated, taking into account refinancing, renewal of existing positions and alternative sources of financing. Based on these scenarios, the Group calculates the impact on profit or loss of a given change in the interest rate. The scenarios are put into practice only for debts that represent the main interest-bearing positions.

All loans at the date of the statement of financial position are variable rate loans.

vi) Liquidity risk

Prudent liquidity risk management involves maintaining sufficient cash, the availability of financing through an adequate amount of committed credit facilities and the ability to close market positions. Due to the dynamic nature of the core business, the Group aims to maintain financing flexibility by using available credit lines and bank loans.

vii) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by defaulting on an obligation. Credit risk arises from cash and cash equivalents held with banks, trade receivables, financial guarantees and deposits with banks and financial institutions.

The Company has policies in place to ensure that service contracts are concluded with customers with an adequate credit history. Trade receivables consist of a large number of customers, mostly represented by customers with accounts in Romania and there is no significant concentration of credit risk.

Cash and cash equivalents are placed with financial institutions, which are considered to have a low risk of default.

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

**NOTE 20. FINANCIAL RISK MANAGEMENT (continued)**

viii) Credit risk (continued)

Trade receivables

The Company applies the simplified IFRS 9 approach to the measurement of expected credit losses, which applies a lifetime loss provision for all trade receivables

To assess the expected credit losses, trade receivables were grouped based on common credit risk characteristics and due dates. Contractual assets refer to unaccounted for works in progress and have virtually the same risk characteristics as trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables represent a reasonable approximation of the loss rates for contractual assets.

Trade receivables are cancelled when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the inability of a debtor to commit to a repayment plan with the Group and the inability to make contractual payments for a period of more than 360 days.

**NOTE 21. ESTIMATING FAIR VALUE**

i. Financial assets and liabilities measured at fair value

As of December 30, 2025 and December 31, 2024, the Group does not hold financial instruments measured at fair value.

II. Non-financial assets measured at fair value

The table below analyses the Group's assets and liabilities measured at fair value, depending on the valuation method. On 30 December 2025 and 31 December 2024 there were no transfers between fair value levels.

The different levels are defined below:

- Prices quoted (unadjusted) on active markets for identical assets or liabilities (Level 1);
- Input data other than quoted prices included in Level 1, which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2);
- Input data for the asset or debt that is not based on observable market data (i.e. unobservable input data) (Level 3).

**30 December 2025**  
**Assets**

	Level 1	Level 2	Level 3
Construction			
Real estate investments		140.811.808	

**December 31, 2024**

**Assets**

	Level 1	Level 2	Level 3
Construction	-	217.705	-
Real estate investments	-	122.120.256	-

**BUCUR S.A.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON 31 DECEMBER 2025**  
**(all amounts are expressed in RON, unless otherwise specified)**

**NOTE 21. ESTIMATION OF FAIR VALUE (continued)**

**III. Financial assets and liabilities not measured at fair value, but for which fair value is presented**

The following tables analyze within the fair value hierarchy the assets and liabilities of the Group that are not measured at fair value, but for which fair value is presented.

The assets and liabilities included in these tables are accounted for at amortised cost; their book values represent a reasonable approximation of fair value.

Trade receivables include contractual amounts for settlement of transactions and other obligations owed to the Group. Commercial and other liabilities and loans represent contractual amounts and obligations owed by the Company.

**30 December 2025**

<b>Active</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Commercial and other receivables	-	18.596.280	-
Cash and cash equivalents	25.345.952	-	-
<b>Total active</b>	<b>25.345.952</b>	<b>18.596.280</b>	<b>-</b>
<b>Liabilities</b>			
Credite bancare	-	6.929.597	-
Commercial and other debts	-	12.361.926	-
<b>Total liabilities</b>	<b>-</b>	<b>19.291.523</b>	<b>-</b>

**December 31, 2024**

<b>Active</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Commercial and other receivables	-	1.674.058	-
Cash and cash equivalents	30.862.212	-	-
<b>Total active</b>	<b>30.862.212</b>	<b>1.674.058</b>	<b>-</b>
<b>Liabilities</b>			
Credite bancare	-	-	-
Commercial and other debts	-	10.001.335	-
<b>Total liabilities</b>	<b>-</b>	<b>10.001.335</b>	<b>-</b>

## NOTE 22. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to protect its ability to continue to operate in order to deliver profits to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of maintaining or adjusting the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital based on the degree of indebtedness, which is calculated as "net debt" divided by total capital. Net debt is calculated by the Group as total loans minus cash and cash equivalents.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Interest-bearing loans	<b>6.929.597</b>	-
Leasing debts	-	-
minus: cash and cash equivalents	25.345.952	30.862.212
<b>Net debt</b>	<b>18.416.355</b>	<b>N/A</b>
Equity	173.260.319	142.082.640
<b>Capital and Net Debt</b>		
<b>Indebtedness</b>	<b>10,63%</b>	<b>N/A</b>

To achieve this overall objective, capital management, among other things, aims to ensure that it meets the financial indicators in interest-bearing loans and loans that define the requirements of the capital structure.

Failure to comply with financial indicators would allow the bank to request early repayment of loans and loans. In the current period, there were no violations of the financial indicators in any interest-bearing loans and loans.

## NOTE 23. CONTINGENT IF ANGRILY

### i) Litigation

Bucur S.A. has opened several procedures for the recovery of commercial receivables. They are in various stages of trial. The group made value adjustments for all the disputed claims.

### i) Commitments

#### *Legislation in Romania*

Legislation and regulations regarding taxation, payments to state authorities, foreign exchange transactions, and other business-related aspects continue to change. The interpretation of legislation and regulations is subject to the opinions of state authority inspectors, Central Bank officials and representatives of the Ministry of Finance and other ministries and authorities. Entities in Romania may, as a result of uncertainties in the interpretation and application of the legislation (and associated regulations), be subject to an assessment for additional payments and/or penalties following verifications carried out by representatives of state authorities.

The current regime of sanctions and fines applicable in case of discovery of violations of Romanian legal provisions is extremely severe. The sanctions can reach the confiscation of the amounts in question (in case of violation of the exchange rate regime) and the imposition of fines of more than 100% of the value of unpaid taxes and fees. Late payment surcharges (applied to the actual balance of outstanding amounts) are percentages that vary and are applied daily or monthly. Therefore, penalties and fines can consist of significant amounts that must be paid to the state.

The Group's management considers that, to the best of their knowledge, they have provided in the financial statements for any known or potential liabilities related to the amounts owed to the state authorities.

#### *Taxation*

The taxation system in Romania has undergone a process of consolidation and harmonization with the European Union legislation. However, there are still different interpretations of tax law. In various circumstances, tax authorities may take different approaches to certain aspects and may assess additional tax liabilities, along with late payment interest and penalties.

**NOTE 24. QUOTAS AND COMMITMENTS (continued)**  
Commitments (continued)

In Romania, tax periods remain open for 5 years for tax audits. The Group's management considers that the tax liabilities included in these financial statements are fairly established.

*Market risk*

Romania's economy continues to develop and there are ongoing changes as policies and legislation are aligned with the requirements for membership of the European Union. Any changes that may occur in Romania and their effect on the Group's financial position, results of operations and cash flows, were not taken into account when preparing the financial statements.

*Environmental regulations*

Currently, the environmental legislation in Romania continues to develop. Recent and ongoing changes in legislation strengthen environmental requirements. However, the impact of these developments on the Group's financial statements cannot be estimated.

Various environmental regulations have been established which, among other requirements, require companies to adopt the necessary controls to protect the population and the environment, to maintain and monitor certain levels of safety and to be responsible for the environment. The purpose of these laws is to issue standards in accordance with several international conventions signed by Romania.

As of December 30, 2025 and December 31, 2024, the Group's management considers that there are no situations that require provisions for environmental debts.

*Transfer prices*

Romania's transfer pricing legislative framework provides for the market price principle, the definition of affiliated entities and the methods of transfer pricing at market level, as well as details on the scope and application of transfer pricing rules to transactions with affiliated entities. The burden of proof lies with taxpayers engaged in transactions with affiliated entities who are required to prepare a transfer pricing documentation file that must be submitted at the request of the tax authorities during a tax audit. In practice, the Romanian tax authorities may request additional specific documentation on a case-by-case basis. Thus, it is possible for tax authorities to carry out in-depth transfer pricing inspections to ensure that the taxable profit and/or value in the customs burden of imported goods are not distorted by the effects of transfer pricing between related entities. The Group's management cannot evaluate the outcome of such an inspection.

With this in mind, if compliance with the market price principle cannot be proven, a future tax audit could challenge the values of transactions between affiliated entities and adjust the tax result with additional taxable income/non-deductible expenses (i.e. assess the additional corporate income tax liability and related penalties).

The Group's management considers that the transactions with related parties have been concluded at market level.

iii) **Warranties**

The company withheld guarantees from tenants in the amount of RON 349,488 (December 31, 2024: RON 328,258), as well as investment guarantees in the amount of RON 44,876 (December 31, 2024: RON 44,876).

**NOTE 24. SUBSEQUENT EVENTS**

There were no post-balance sheet events that could influence the ability of users of the financial statements to make assessments and make correct decisions or that would adjust the figures presented for 2025.

These financial statements were approved by the management on March 11, 2026 and signed on its behalf

Stefan Andrei Gabriel

**Managing Director**

Preda Nicoleta

**Chief Accountant**