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Independent auditor's report

To the Shareholders , of BSB Fashion SA

Opinion

1. We have audited the accompanying financial statements of **BSB Fashion SA** (The "Company"), which comprise the balance sheet as at 31 December 2024, the statements of income, changes in equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes. These financial statements refer to:

- Net Asset / Total Equity: 20.510.086 lei
- Net profit 2.711.288 lei

2. In our opinion, the accompanying financial statements give a true and fair value of the financial position of the Company as of December 31, 2024 and of its financial performance and its cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 1802/2014 for the approval of the Accounting Regulations on separate annual financial statements and the consolidated annual financial statements, as amended ("OMFP No 1802/2014").

Basis for the Opinion

3. We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements of the current period. We are independent of the Company, according to the professional ethical requirements relevant to the audit of the financial statements in Romania, and we have fulfilled our other ethical professional responsibilities, in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Highlighting some aspects

4. Without qualify as our opinion, we draw attention to Note 10.c) – *Transactions with related parties*. In 2024, the company granted a loan to its affiliate, Contemporari Holding LTD, in the

amount of EUR 1.170000 (equivalent to RON 5.836.154), with a repayment term of 31 December 2026. Loans between related parties must comply with the arm's length principle, including the establishment of a market interest rate. The absence of interest or the setting of a non-compliant interest rate may lead to tax adjustments and additional inspections from the tax authorities.

5. We draw attention to the necessity for the organisation of the internal audit activity in accordance with the legislation in force, Law no. 162/2017. The Company is currently in the process of fulfilling its obligation by organizing the internal audit activity.

Our audit approach

Overview

Materiality

205.100 lei

6. As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management and the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Company materiality for the financial statements as a whole as set out below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall Company materiality

205.100 lei

How we determined it

1% from net assets(equity)

Rationale for the materiality benchmark applied

The benchmark selected (net assets/equity) together with the rule of thumb 1% (materiality) reflects our judgement on what it is considered important by the users of the financial statements.

We consider that the net assets is the most

appropriate benchmark based on the following assumptions:

- the management developed a new activity by building a new revenue stream which is based on the tangible assets in progress as this moment
- access to these financial statements is limited to a small number of users, management, shareholders state authorities and creditors
- the financial statements contain a limited number of risk areas

We agreed that we would report to them misstatements identified during our audit above 102.550 lei, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

7. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in the relation to these matters.

Accordingly, our audit included the performance of the procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below provide the basis of our audit opinion on the accompanying financial statements.

The assessment of receivables (1.198.486 lei net value) to see Note 5 (Receivables and liabilities Statement) and note 6 (Summary of accounting policies) of the financial statements.

The Company is exposed to the risk of non-recovery of trade receivables and other receivables. The method provides adjustments for impairment of receivables only to customers in the litigation, insolvency, bankruptcy or similar situations.

Our response regarding the risks of material misstatement relating to the Company's management assertion, related to the evaluation of these receivables at the end of the financial year, consisted in the audit procedures which included among others:

- Discussions with the board of the Company in order to understand the method for the determination of adjustments for impairment of receivables and the grounds for the adoption of this method;
- Assessment of the accuracy of the age of the balance;
- Corroborative evidence regarding to the customers declared insolvent/bankruptcy with other audit records (e.g. Letter from the Company external lawyers);
- Obtaining balances confirmation from customers and other debtors at the end of the year;
- Assessing the suitability of the information submitted by the Company in connection with the method for the determination of the adjustments for impairment of receivables.

Expenditure recognition (84.973.370 lei)

To see Note 6 (*Summary of accounting policies*) and note 10.e (*Other Information*) of the financial statements.

We have found that there is a significant risk of material misstatement associated with the recognition of expenditure. The risk of incorrect recognition of expenditure appears from the following causes: expenditure recognition in the wrong period and recognition of withholding tax.

Our response to these risks of material misstatement materialized in conducting the audit procedure which were aimed at:

- Evaluation if the criteria for the recognition of expenses borne by the Company were in compliance with the requirements and accounting standards in force;
- Examination of the supplier' contracts, in order to understand the terms of transactions for the purchase and to reconcile the information relevant to the recognition of expenditure and the analysis of the supporting documents;
- Assessment of the recognition of expenditure in the appropriate period by selecting the transactions recorded near the end of the financial year of reporting and comparing with the relevant supporting documents;
- Examination of the register of purchases to identify unusual transactions;
- Examination of the register of purchases after the end of the financial year to identify if there are significant transactions and verification of the relevant documentation in order to assess whether the expenditure was recorded in the financial period;
- Obtaining sufficient and appropriate audit evidence in connection with the time of recognition of expenditure and with the testing of accuracy.

Other matters-Area of applicability of the audit

8. The Company has not been audited by the tax authorities and we can not identify or quantify the impact of such control of a fiscal nature.
9. The accompanying financial statements are not intended to present the financial position, results of operations and a complete set of notes to the financial statements of the Company in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Romania. Accordingly, the accompanying financial statements are not designed for those who are not informed about Romanian legal and statutory requirements including OMFP no. 1802/2014.

Other information-Administrator's Report

10. Other information includes the Administrator's Report. Administrators are responsible for preparing and presenting the Administrator's Report in accordance with OMFP no. 1802/2014, paragraphs 489-492 of the Accounting Regulations on the separate annual financial statements and the consolidated annual financial statements and for those internal controls that the administrators consider necessary to allow the drawing up and presentation of the Directors' Report that do not contain material misstatement due to fraud or error.

The Administrator's Report is presented from page 1 to 5 and is not part of the financial statements.

Our opinion on the financial statements does not cover the Administrator's Report.

With regard to the audit of the financial statements for the period ended 31 December 2024, it is our responsibility to read the Administrator's Report and, in this regard, to assess whether there are significant inconsistencies between the Administrator's Report and the financial statements if the Administrator's Report includes, in all material respects, the information requested by OMFP no. 1802/2014, paragraphs 489-492 of the Accounting Regulations on the separate annual financial statements and the consolidated annual financial statements, and if based on our knowledge and understanding gained during the audit of the financial statements about the Company and its environment, the information included in Administrator's Report are significantly erroneous. We are asked to report on these issues. Based on our activity, we report that:

- a) in Administrator's Report we have not identified information that is not consistent with all the significant aspects of the information presented in the attached financial statements;
- b) The Administrator's Report identified above includes, in all material respects, the information required by OMFP no. 1802/2014, paragraphs 489-492 of the Accounting Regulations on Separate Annual Financial Statements and Consolidated Annual Financial Statements.

In addition, based on our knowledge and understanding of the financial statements for the period ended on 31 December 2024, regarding the Company and its environment, we have not identified information that is included in the Administrator's Report that is materially misstated.

Responsibilities of the management and those responsible for governance for the financial statements

- 11. The Management of the Company is responsible for preparing the financial statements to provide a true and fair view in accordance with OMFP no. 1802/2014 and for the internal control that management deems necessary to enable the preparation of financial statements without significant misstatement, whether due to fraud or error.
- 12. In preparing the financial statements, management is responsible for assessing the Company's ability to continue its business, for presenting, if applicable, business continuity and use-of-business accounting, unless the management intends to liquidate the Society or to stop the operations, or has no other realistic alternative out of it.
- 13. The persons responsible for governance are responsible for overseeing the financial reporting process of the Company.

Auditor's responsibilities in an audit of financial statements

- 14. Our objectives are to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, whether due to fraud or error and to the issuance of 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 ISA will always detect significant misstatement, if any. Distortions may be caused either by fraud or by error and are considered

significant if reasonable assurance can be given that they, individually or collectively, will influence the economic decisions of users made on the basis of these financial statements.

15. As part of an ISA audit, we exercise professional judgment and maintain professional skepticism during the audit. Also:

- We identify and evaluate the risks of material misstatement of financial statements, whether due to fraud or error, we design and execute audit procedures in response to those risks and obtain sufficient audit evidence to provide a basis for our opinion. The risk of not detecting significant misstatement caused by fraud is higher than the failure to detect a significant misstatement caused by error, as fraud may imply secret, false, deliberate omissions, false statements, and avoidance of internal control.
- We understand the internal audit relevant to the audit in order to design audit procedures that are appropriate to the circumstances, but without the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- Formulate a conclusion as to the appropriateness of management's use of accruals based on continuity of activity, and determine, based on audit evidence obtained, whether there is significant uncertainty about events or conditions that could generate significant doubts about the ability Society to continue its activity. If we conclude that there is a significant uncertainty, we must draw attention in the auditor's report on the financial statements or, if these presentations are inappropriate, change our opinion. Our findings are based on audit evidence obtained by the date of the auditor's report. However, future events or conditions may cause the Company not to continue operating on a business continuity basis.
- We evaluate the presentation, structure and content of financial statements, including disclosures, and the extent to which the financial statements reflect the transactions and events underlying them in a manner that results in a fair presentation.

16. We communicate to those responsible with governance, among other things, the planned area and timing of the audit, as well as the main findings of the audit, including any significant internal control deficiencies that we identify during the audit.

17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them all relationships and matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of separate financial statements of the current period and therefore the key audit matters. We described these matters in our auditors' report unless law or other regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be

communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

19. This independent auditor's report is made solely to the Company's shareholders as a body. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by the law we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report or for the opinion we have formed.

Refer to the original signed Romanian version.

On behalf of TAXGATE S.R.L.

registered with the Authority for Public Supervision of the Statutory Audit Activity (ASPAAS)

with No FA1405



A handwritten signature in blue ink, appearing to be 'Alexandra Nicoleta'.

Auditor:

Domocos Alexandra Nicoleta

registered with the Authority for Public Supervision of the Statutory Audit Activity (ASPAAS)

with No AF1748

A handwritten signature in blue ink, appearing to be 'Alexandra Nicoleta'.

Date: 22.05.2025

BSB FASHION SA

Notes to the Financial Statements

For the financial year concluded on December 31st 2024

BSB FASHION SA

Financial Statement

**Drawn up in accordance with
IFRS regulations**

December 31st 2024

BSB FASHION SA

Notes to the Financial Statements

For the financial year concluded on December 31st 2024

General Information

BSB FASHION SA is a Romanian Joint Stock company, with registered office in Bucharest, Splaiul Unirii nr 108, et 2, ap 3, registered with the Trade Register under no. J40/16927/2003. Tax Registration Number 15985244 with business operator identification attribute RO.

The company has been set up in 2003 having as main object of activity: Retail sale of clothing in specialized stores. NACE code - 4771.

From 2019 the company carried out a second activity NACE code 4120 – Construction of residential and non-residential buildings

The Company has drawn up the financial statements in accordance with IFRS regulations for the approval of the accounting regulations on the individual annual financial statements and on the annual consolidated financial statements, with further changes and completions.

On December 31st 2024 the company exceeds the limits of at least two criteria provided in the Order no. 1802/2014 issued by the Minister of Public for middle size and large entities, namely:

- Total assets: over Lei **17.5** million (equivalent of EUR 3.946.953);
- Net turnover: over Lei **35** million (equivalent of EUR 7.893.906);
- Average number of employees during the financial year: **177**.

Reason for which the financial statements were audited

NOTE 1. Fixed Assets

Tangible assets										
Amounts in Euro	Land	Buildings	Machinery	Transportation	Other equipment	Total	RIGHT TO USE BUILDINGS	RIGHT TO USE CARS	Total	Grand total
Cost	-	490,518.57	524,354.27	461,364.19	1,770,226.40	3,246,463.43	9,110,336.33	183,412.76	9,293,749.08	12,540,212.51
Balance 31/12/2023	0.00	492,976.37	526,981.60	463,675.90	1,779,096.31	3,262,730.18	9,110,336.33	183,412.76	9,293,749.08	12,556,479.26
01.01.24						-			-	
Additions	0.00	224,720.11	19,827.76	0.00	-5,103.26	239,444.61	3,995,579.44	8,696.08	4,004,275.52	4,243,720.12
Exchange diff (from opening balance)	0.00	-2,457.80	-2,627.33	-2,311.71	-8,869.91	(16,266.75)	39,628.26	897.56	40,525.82	24,259.07
Disposals	0.00	0.00	0.00	0.00	0.00	-	(2,422,769.44)	(20,809.80)	-2,443,579.24	-2,443,579.24
Balance 31/12/2024	0.00	715,238.68	544,182.03	461,364.19	1,765,123.14	3,485,908.03	10,722,774.59	172,196.59	10,894,971.18	14,380,879.21
Accumulated depreciation	Land	Buildings	Machinery	Transportation	Other equipment	Total	RIGHT TO USE BUILDINGS	RIGHT TO USE CARS	Total	Grand total
31.12.23	0.00	-19,408.58	206,511.57	103,206.28	1,573,916.80	1,864,226.07	2,422,769.44	20,809.80	2,443,579.24	
Depreciation	0.00	5,656.65	30,252.71	55,753.92	5,829.79	97,493.07	2,478,326.97	39,144.69	2,517,471.67	2,614,964.74
Exchange diff (from opening balance)		96.76	-1,029.59	-514.55	-7,846.96	(9,294.33)			0.00	-9,294.33
Reverse of depreciation	0.00	0.00	-22,927.17	-37,644.03	17,077.50	(43,493.70)	-2,422,769.44	-20,809.80	(2,443,579.24)	-2,487,072.94
Balance 31/12/2024	0.00	-13,655.16	212,807.52	120,801.62	1,588,977.13	1,908,931.11	2,478,326.97	39,144.69	2,517,471.67	118,597.46
Net book value 31/12/2023	0.00	512,384.95	320,470.03	360,469.62	205,179.50	1,398,504.11	6,687,566.89	162,602.96	6,850,169.84	8,248,673.95
Net book value 31/12/2024	0.00	728,893.84	331,374.51	340,562.56	176,146.01	1,576,976.92	8,244,447.62	133,051.90	8,377,499.52	9,954,476.44

The Fixed Assets of the Company on December 31st 2024 amounted to Eur 9,954,476.44 (net value)

Amounts in Euro	Trademarks	Other intangible assets	Total
Cost	53,483.25	38,767.23	92,250.48
Balance 31/12/2023	53,483.25	38,767.23	92,250.48
Additions	0.00	11,357.29	11,357.29
Exchange diff (from opening balance)	0.00	0.00	0.00
Disposals	0.00	0.00	0.00

BSB FASHION SA

Notes to the Financial Statements

For the financial year concluded on December 31st 2024

Balance 31/12/2024	53,483.25	50,124.53	103,607.78
<i>Accumulated depreciation</i>			
31.12.24	43,927.21	37,213.92	81,141.13
Exchange diff (from opening balance)	-243.11	-185.53	-428.65
Depreciation	0.00	5,093.71	5,093.71
Rerverse of depreciation	424.60	0.00	424.60
Balance 31/12/2024	44,108.69	42,122.09	86,230.79
Net book value 31/12/2023	9,556.04	1,553.31	11,109.35
Net book value 31/12/2024	9,374.56	8,002.43	17,376.99

The **Intangible Assets** amounting to EUR **17,376.99** (net value) represent licenses and software.

The **Tangible Assets** are represented by investments in stores, motor vehicles and equipment.

NOTE 2. Provisions for liabilities and charges

In 2024 – the company has registered one provision of the value of 185,319.75 euro – regarding the rest of the payment to receive from LUXURY CONSTRUCTION EXPERT SRL.

NOTE 3. Distribution of Profit

The Company recorded a net profit of **Eur 511,914.90** in 2024

Legal reserve was distributed for the value of 35,404.52 EUR

NOTE 4. Analysis of the Operating Result

On December 31st 2024 from of the operating business of the Company resulted a profit of Eur **1,275,006.12** EUR that shows as below:

NAME OF INDICATORS	2024	2023
Net Turnover	17,523,191.32	16,472,026.57
Cost of the consumed materials and provided services	-7,073,371.91	-6,457,682.14
Gross Result as related to the Net Turnover	10,449,819.40	10,014,344.42
	0	0
Other Operating Expenses	37,922.72	28,575.79
Revenues related to the cost of the work in progress	0	0
Expenses related to the cost of the work in progress	(9,212,736.00)	(8,639,599.01)
Other Operating Revenues		
Operating Result	1,275,006.12	1,403,321.21

These explanatory notes are integral part of the IFRS reporting Package concluded on December 31st 2024

BSB FASHION SA

Notes to the Financial Statements

For the financial year concluded on December 31st 2024

The turnover of the Company recorded an increase of approximately 6 % in 2024 compared to 2023 – due to increase in sales and opening of one new store.

NOTE 5. Status of receivables and debts

On December 31st 2024 the status of receivables and debts of the Company was as follows:

Receivables	Balance on	Liquidity term	
	December 31 st 2024	<1 year	> 1 year
		2.00	3.00
Commercial receivables (a/c 4092+411+418)	290,328.80	204,311.84	86,010.06
Of which. affiliated entities:	86,010.06		86,010.06
Employees related receivables		-	-
Receivables related to the State Budget and the Social Security Budget	85,157.17	85,157.17	
Other receivables related to Affiliated Entities	1,238,747.29	1,238,747.29	
Other receivables (from a/c 461. 471)	217,115.72	217,115.72	
TOTAL RECEIVABLES	1,917,359.04	1,745,332.02	86,010.06

Debts	Balance on December 31 st 2024	Liquidity Term		
		< 1 year	1 - 5 years	> 5 years
		1	3	4
Bank Loans		-	0	0
Car leasing debt	146,583.73	42,629.00	103,954.73	
Commercial Debts (a/c 401+408+419)	453,999.88	453,999.88		0
Employees related Debts (ct.421+4281)	223,615.25	223,615.25		0
Debts in related to the State Budget and the Social Security Budget	448,169.70	448,169.70		0

BSB FASHION SA

Notes to the Financial Statements

For the financial year concluded on December 31st 2024

Commercial Debts related to affiliated non-resident entities	2,353,100.79	2,353,100.79		0
Commercial Debts related to affiliated resident entities	7,194.31	7,194.31		
Other Debts (a/c 45*+462)		19,807.59		
Loans from Affiliated Entities		-		0
TOTAL DEBTS	3,652,471.25	3,548,517.53	103,954.73	

The debts of the Company are recognized in the Balance Sheet. being certain and liquid. These were recorded at the fair value. The total of these debts is Eur **3,652,471.25** of which Eur **3,548,517.53** are current debts.

The largest weigh is represented by the debts that are commercial debts to the parent company B&F COMMERCIAL AND GARMENTS SA. These represent purchases of merchandise and were made for carrying out the current business of the company and are over 64% of the total debts.

Name	Debts
	EUR
B&F COMERCIAL AND GARMENTS SA	2,353,100.79
TOTAL	2,353,100.79

The transactions in foreign currency are converted into Romanian leu at the exchange rate on the transaction date. Receivables and debts denominated in foreign currency on the date of the Balance Sheet are converted in RON at the exchange rate of the end-period. The gains and losses resulted as consequence of the exchange rate are recorded in the Profit and Loss Account.

On December 31st 2024 the exchange rates used for the conversion were those used according to the group policies:

EUR 1 = RON 4.9743

EUR 1 = RON 4.9746– for P&L

USD 1 = RON 4.7651

NOTE 6. Summary of Accounting Policies**a) Bases of drawing up Financial Statements**

These are the individual financial statements of SC BSB FASHION SA drawn up in accordance with:

- The manual of accounting policies in force on Dec. 31st 2024

The financial statements refer only to SC BSB FASHION SA.

The Company has no branches to necessitate consolidation, but enters in the consolidation of the financial statements of the group B&F COMMERCIAL AND GARMENT SA. being part of it.

The accounting records based on which these financial staments are drawn up are made in lei (RON) based on the principal of historical cost except the statements where the fair value was used according to the IFRS group policies.

These financial statements were submitted in lei (“EUR”) except the cases where another currency is specifically mentioned.

Using Accounting Estimations

Drawing up the financial statements of the Company in accordance with the provisions of IFRS group policies with further amendments requests the management of the Company to make estimates and assumptions that affect the reported values for revenues, expenses, assets and liabilities as well as the presentation of contingent liabilities and assets at the end of the period. However, the inherent uncertainty surrounding these estimates and assumptions could result in a significant future adjustment to the accounting amount of the assets and liabilities recorded.

Business Continuity

The nature of the business of the Company may bring unpredictable variations as concerns the future cash inflows. The management analysed the issue of the opportunity to prepare the financial statements based on the principle of business continuity.

On December 31st 2024 the Company recorded a **profit** of Eur **511,914.90** the profit was approved and appropriated in the Shareholders' Meeting.

The projections made by the Management have shown that the business is profitable on long term. During this period, the Company is independent, having the financial means necessary to carry on the business.

Currency Conversions

The transactions in foreign currency are translated into RON at the exchange rate on the date of the transaction.

The exchange rates used to convert balances expressed in foreign currency on December 31st 2024 were EUR 1 = RON 4.9743 (December 31st 2023: EUR 1 = RON 4.9756) and USD 1 = 4.7651 (December 31st 2023: USD 1 = 4.5027).

The exchange rate differences, favourable or unfavourable, between the exchange rate on the date of recording the foreign currency receivables or debts or the exchange rate at which they were reported in the previous financial statements and the exchange rate on the date of concluding the financial year are recorded as revenues or expenses, as the case may be.

Comparative Statements

In case the values related to the previous period are not comparable to those related to the current period, this aspect is shown and substantiated in the explanatory notes without altering the comparative figures for the previous year.

The accounting policies have been developed according to the specific of the business and abiding by the basic accounting concepts, and namely:

- the principle of accrual accounting
- the principle of business continuity
- the principle of permanent methods
- the principle of prudence
- the principle of separate valuation of assets and liabilities
- accounting and presentation of the items of the Balance Sheet and of the Profit and Loss Account considering the economic substance of the transaction or commitment in question
- the principle of valuation at purchase cost or production cost
- the principle of significant threshold
- the principle of intangibility, and
- the principle of non-compensation.

During 2023, there were no deviations from accounting principles and policies, from the valuation methods and from other provisions in accounting regulations.

b) Fixed Assets and Depreciations**Intangible Assets**

Set-up Costs

Set-up costs are recorded as an expense in the Profit and Loss Account when they are incurred.

Software

Intangible assets consist of set-up expenses, programs, licenses; they are amortized within 12 months, except the antivirus software that are amortized according to their validity period. They are recorded at purchase cost.

Tangible assets**Cost / Valuation**

Tangible assets are assets that:

- (a) are held by an entity to be used in the production or supply of goods or services, in order to be leased to third parties or to be used for administrative purposes; and
- (b) they are used over a period longer than one year

The initial cost of tangible fixed assets consists of the purchase price, including import taxes or non-recoverable purchase charges, freight, handling, commissions, notary fees, authorization fees and other non-recoverable expenses directly attributable to the tangible fixed asset and any direct costs attributable to bringing the asset to the operating place and in operating condition.

The expenses with the maintenance and repair of fixed assets are included in the statement as they were incurred. The investments in tangible assets are recognized as a component of the assets in the form of future expenses. In order to be capitalized, they must have the effect of improving their initial technical parameters and lead to future economic benefits additional to those initially estimated.

When the Company establishes that a tangible fixed asset is intended for sale or improvements are made to it in the perspective of sale, at the time of the decision to change the destination, the asset is transferred from the category of tangible fixed assets to the inventory. The transfer value is the unamortized amount at the date of the transfer.

If the tangible fixed asset was revalued, at the same time with the reclassification of the asset, then the account of reserve from revaluation related to it will be closed.

If a tangible fixed asset item is revalued, all other assets in the group to which it belongs must be revalued, except when there is no active market for that asset. If the fair value of a tangible asset can no longer be determined by reference to an active market, the value of the asset presented in the Balance Sheet should be its revalued amount at the date of the last revaluation, of which the cumulative value adjustments are deducted

Amortization

The duration of economic use is the period when an asset is expected to be available for use by an entity.

Depreciation is calculated using the straight-line depreciation method over the life of the assets and it is fully deducted.

The life spans for the categories of tangible fixed assets are according to the Group Policies.

The expenses with the amortization of tangible fixed assets are recorded in the Profit and Loss Account.

Depreciation of tangible fixed assets

For the asset items, the differences noted in minus between the inventory value and the net book value of the asset items are recorded in the accounting on behalf of an additional amortization in case of depreciable assets for which depreciation is irreversible.

The accounting value of the fixed assets is represented by the purchase cost diminished by the accumulated depreciation up to that date as well as the cumulative loss of value.

c) Inventories

Inventory items

Inventory items are transferred to the expenses account on the purchase date.

Consumables

Consumables are of the nature of the standard forms used and managed by the Company according to the laws in force.

Goods for resale and Packagings

The main categories of inventories are commodities.

The cost of inventories includes all purchase costs, as well as other costs incurred to bring inventories in the form and place they are.

The stocks accounting is kept using the permanent inventory, in quantity and value.

The Company regularly performs, depending on the size of the management, the factual inventory of stocks of goods in the stores.

The determination of outflows during the period is based on the issued fiscal slips and the factual stock inventory at the end of the period.

To determine sales costs, the Company uses the FIFO method (first in, first out) and stocks are held at historical purchase cost.

On the Balance Sheet Date, the inventories are measured at the lower value between cost and probable value of completion. The probable value of completion is the estimated selling price to be achieved during carrying on the normal business, except the estimated costs for the completion of the good, where applicable, and the estimated sales costs.

Where appropriate, value adjustments are made for outdated, slow-moving or defective stocks.

Packaging is represented by paper bags provided to clients at the time of purchase.

Packaging abides by the waste recovery laws entered to the domestic market under the responsibility contract concluded with Ecologic 3R.

Work in progress - represents the value of the investments made by the Company in the development of residential buildings.

The Company has real estate development projects in its own name

d) Receivables

Commercial receivables are recognized and recorded at the initial amount of the invoices minus impairments for non-recoverable amounts.

Impairments are made when there is evidence according to which the Company will not be able to collect the receivables on the initial agreed maturity. The non-recoverable receivables are recorded as expenses when they are identified.

e) Cash and other Treasury Values

The cash on hand include petty cash and current bank accounts on December 31st 2022.

The value of the accounts in foreign currency is shown in RON at the exchange rate set by the National Bank of Romania on the last day of 2022.

f) Commercial Debts

The commercial obligations are recorded at cost, which represents the amount of the obligation that will be paid in the future for the goods and services received, whether or not they have been invoiced to the Company. Debts are recorded at their value written in documents or contracts.

g) Loans granted

The short and long term loans are recorded at the granted amount. The interest income is recorded in the interest income account.

h) Leasing Agreements**Financial Leasing**

Financial leasing contracts, which transfer to the Company all the risks and benefits related to the leased fixed assets, are capitalized at the date of the start of lease at the acquisition cost of the fixed assets financed by the lease. Lease payments are separated between interest expense and the reduction of the leasing payable. Interest expense is recorded directly to the Profit and Loss Account.

Assets capitalized within a financial leasing agreement are amortized on a basis consistent with the normal depreciation policy for similar goods.

Operational Leasing

Payments related to an operational leasing contract are recognized as an expense in the Profit and Loss Account, in a straight-line during the period of the leasing contract.

i) Provisions

The provisions are recognized when the Company has a current (legal or implicit) obligation generated by a previous event. It is probable that an outflow of resources will be required to pay the obligation, and the debt may be estimated reliably. The provisions for taxes are set up for the payment amounts due to the State Budget, under the conditions in which the respective amounts do not appear reflected as a debt in relation to the State.

The provisions are revised on each Balance Sheet Date and adjusted to reflect the best current estimate of Management in this respect. In case an outflow of resources is no longer likely for the extinguishing of an obligation, the provision must be canceled by writing-back the provisions to revenues.

j) Pensions and Benefits after Employment

During the current activity, the Company makes payments to the Romanian State for the benefit of its employees. All employees of the Company are included in the pension plan of the Romanian State. The company does not operate any other pension scheme or post-retirement benefit plan and therefore has no obligation as to pensions. In addition the Company is not required to provide additional benefits to former or current employees.

k) Taxes and Charges

The current Income tax is calculated in accordance with Romanian tax regulations and is reported through the tax return. The tax on profit rate is applied to the taxable profit, resulting from the adjustment of the accounting profit with non-taxable and / or non-deductible items, at a rate of 16%. The fiscal loss is carried forward for a period of 7 years.

Value Added Tax owed to the State Budget is established on a monthly basis, based on settlement, as the difference between the amount of tax due related to the delivered goods or provided services (collected VAT) and the deductible tax for purchases of goods and services (deductible VAT).

The difference in tax, in addition or in minus, between the collected VAT and deductible VAT is recorded in separate accounts (VAT to be paid and VAT to be recovered) and is regularized according to the law.

l) Recognition of the Revenues and Expenses

The revenues and the expenses are related to the reporting period and are highlighted on revenues and expenses items. The opening balance and no offsetting principles have also been complied with, in the meaning that asset items have not been offset by liabilities items, nor revenues and expenses, respectively.

The revenues are recorded when the significant risks and the benefits of holding property on goods are transferred to the client. The amounts representing revenues do not include sales taxes (VAT), but include the granted commercial discounts. The financial discounts granted to customers (discounts) are recorded as financial expenses of the period, without altering the value of the revenues of the Company.

m) Borrowing Costs

The interest expenses are recognized as profit or loss, being recorded in the profit or loss account, for the period they refer to.

n) Affiliates

In accordance with the Order no.1802/2014 issued by the Minister of Finance an entity is affiliated to a company if it is under the control of that company.

Control exists when the mother company meets one of the following criteria:

a) holds the majority of voting rights of the stockholders or shareholders in another entity, hereinafter referred to as a branch;

b) is a stockholder or shareholder of a branch and has the right to appoint or revoke the majority of the members of the management or supervisory bodies of that branch;

(c) is a stockholder or shareholder of a branch and has the right to exercise a dominant influence over those branches. on grounds of a contract concluded with the entity concerned or of a clause in the bylaws or articles of association if the laws applicable to the branch allows such contracts or clauses;

d) is a stockholder or shareholder of an entity and the majority of the members of the administration. management or supervisory bodies of the concerned entity (branch) who have performed these functions during the current financial year. during the previous financial year and until drawing up the annual financial statements. have been appointed only as a result of the exercise of its voting rights; or

e) is a stockholder or shareholder of an entity and alone holds control over the majority of the voting rights of the stockholders or shareholders of that entity (branch). as consequence of an agreement with other stockholders or shareholders of that branch.

An entity is "connected" to another entity if:

a) the entity and the reporting entity are members of the same group (which means that each mother company, branch and branch of the same group is related to the others);

b) an entity is an associate entity or a jointly controlled entity by the other entities (or associate entity or entity controlled jointly by a member of the group to which the other entity belongs)

c) both entities are jointly controlled entities of the same third party;

d) an entity is a jointly controlled entity of a third entity and the other is an associate of the third entity;

e) the entity is a post-employment benefit plan for the benefit of employees of the reporting entity or of an entity related to the reporting entity. If the reporting entity itself is such a plan, the sponsor employers are also linked to the reporting entity;

f) the entity is controlled or jointly controlled by a person identified in point 474 (from Order no. 1802/2014 issued by the Minister of Public Finance)

g) a person identified in point 474 (i) significantly influences the entity or is a member of the key management personnel of the entity (or of the mother-company the entity);

(h) the entity or any member of a group to which it belongs provides to the reporting entity or to the mother company of the reporting entity services related to the key management personnel of respective entity.

k) Accounting Errors

Correcting errors related to previous financial years does not change the financial statements of those exercises. In case of errors related to previous financial years, their correction does not require the adjustment of the comparative information presented in the financial statements.

Any impact on comparative information referring to the financial position and financial performance, to the change in the financial position, respectively, is shown in the explanatory notes and adjusted to the result carried forward during the year.

l) Events after Balance Sheet Date

BSB FASHION SA

Notes to the Financial Statements

For the financial year concluded on December 31st 2024

The Events after Balance Sheet date that provide additional information about the position of the Company on the Balance Sheet Date (events that lead to the adjustment of financial statements) are reflected in the financial statements. The Events after Balance Sheet date that do not result in the adjustment of the financial statements are presented in the notes if they are significant.

NOTE 7. Participation and Financing Sources

As of December 31st 2024 the registered capital amounts to EUR 4,094,290.34 (reduced from Eur 6,238,602.76) (RON 19,093,723)

The registered capital consists of 19,093,723 shares with a nominal value of RON 1 each.

Capital was reduced according to the shareholders decision.

Participation in the registered capital and its structure is as follows:

31.12.2024	Number	Amount	Percentage
	of Stocks		
-			
	(thousand)	(Eur)	(%)
	number of stocks	amount	
B&F COMMERCIAL AND GARMENT INDUSTRIES SA	19,045,455.00	4,083,940.17	99.75%
OTHER – natural persons	48,268.00	10,350.17	0.25%
Total	19,093,723.00	4,094,290.34	

31.12.2023	Number	Amount	Percentage
	of Stocks		
		-	-
	(thousand)	(Eur)	(%)
	number of stocks	amount	-
B&F COMMERCIAL AND GARMENT INDUSTRIES SA	19,045,455.00	<u>4,083,940.17</u>	<u>99.75%</u>
OTHER – natural persons	48,268.00	<u>10,350.17</u>	<u>0.25%</u>
		-	-
Total	19,093,723.00	<u>4,094,290.34</u>	-

Participation in the profits and losses of the company will be proportional to the share of stocks held by each stockholder.

The obligations of the Company are guaranteed by the registered capital.

This capital was registered in the accounts of the Company, it is emphasized in the Balance Sheet on December 31st 2023 and is in accordance with the Articles of Association.

<i>amounts in Euro</i>	Share capital	Actuarial losses/gains reserve	Other reserves	Retained Earnings	Total
Balance as at 31.12.2023	4,532,021.04	-	212,730.71	465,158.54	4,279,593.21
Results for the period	-	-	35,404.52	478,724.49	514,129.01
Other comprehensive income after taxes	-	-	-	-	-
Share capital increase/decrease	-	-	-	-	-

These explanatory notes are integral part of the IFRS reporting Package concluded on December 31st 2024

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Notes to the Financial Statements

For the financial year concluded on December 31st 2024

Dividends distribution	-	-	-	-	-
diff exchange loss			1,932.89	84,827.59	627,511.26
Balance as at 31.12.2024	4,532,021.04	-	246,202.35	98,393.54	4,166,210.96

NOTE 8. Information referring to Employees, Directors and Managers

Total personnel expenses were as follows:

Description of the Indicators	2024	2023
Average number of employees	186	173
Gross salaries related to the financial year	3,386,457.71	3,034,699.13
Expenses with meal tickets granted to employees	337,527.13	268,098.32
Expenses with social security contributions	133,770.00	123,663.68
Expenses with contributions to health insurance	-	-
Expenses with contribution to unemployment fund	-	-
Total Personnel expenses	2,433,638.09	3,426,461.13

The amount to be paid at the end of 2024, amounted to 139,435.67 EUR from the account balance 421 represents the liquidation of December with a payment term in the first days of the year when the debt toward the employee was extinguished altogether.

The amount to be paid at the end of 2024 amounted to Eur 74,112.29 EUR from the account balance 428 represents the unpaid holidays and target bonus of 2023 with a payment term in the first months of the year 2024 when the debt toward the employee was extinguished altogether.

Salary obligations have been withheld calculated and paid in accordance with the legislation in force, always paid in due time.

During 2024 the Company's administrator was Mr. Bitharas Vasileios, a Greek citizen residing in Greece.

On the date of drawing up the financial statements for the financial year 2024 the Company's Administrator is Mr. Bitharas Vasileios

The term of office the Administrator is valid for 4 (four) years, as of the date of the signing of the Articles of Association of the Company.

No loans or allowances have been granted to the director and there are no future obligations such as the guarantees assumed by the Company on their behalf.

NOTE 9. Economic and Financial Ratios and Indicators

The main economic and financial indicators of the company are described as follows:

1. Liquidity indicators 2024:

	Current assets	5,398,501.63	
a) Current Liquidity indicator	=	-----	= 0.90
(Working capital indicator)	Current Debts :	5,997,405.50	

The acceptable recommended value of this indicator is above the value of 1;

This indicator provides the guarantee of covering current debts from current assets.

	Current assets – Inventories :	5,398,501.63–	3,618,285.33
b) Immediate Liquidity indicator=	-----		= 0.37

BSB FASHION SA

Notes to the Financial Statements

For the financial year concluded on December 31st 2024

(Acid Test indicator)	Current Debts:	4,774,262.17
-----------------------	----------------	--------------

Liquidity indicators 2023:

Current assets	5,741,391.71
Current assets	5,175,692.94

a) Current Liquidity indicator = ----- = 1.084
 (Working capital indicator) Current Debts : 4,774,262.17

The acceptable recommended value of this indicator is above the value of 1;
 This indicator provides the guarantee of covering current debts from current assets.

b) Immediate Liquidity indicator= ----- = 0.39
 (Acid Test indicator) Current Debts: 4,774,262.17

Current assets – Inventories : 5,175,692.94– 3,315,332.03

2. Risk Indicators 2024:

a) Indicator of the degree of indebtedness:

Borrowed Capital	Borrowed Capital : 0	
----- x 100	or -----x 100	=0.00
Own Equity	Employed Capital: 4,094,290.34	

where:

- Borrowed capital = loans over one year;
- Employed capital = borrowed capital + equity.

b) Interest Rate Indicator - determines how many times the legal entity can pay interest charges. The lower the value of the indicator. the more the position of the legal entity is considered riskier.

Profit before payment of interest and tax on profit:	645,364.77	
-----		= 23.5
Interest expense: 27,454.10		

Risk Indicators 2023:

a) Indicator of the degree of indebtedness:

Borrowed Capital	Borrowed Capital : 0	
----- x 100	or -----x 100	=0.00
Own Equity	Employed Capital: 6,238,602.77	

where:

- Borrowed capital = loans over one year;
- Employed capital = borrowed capital + equity.

b) Interest Rate Indicator - determines how many times the legal entity can pay interest charges. The lower the value of the indicator. the more the position of the legal entity is considered riskier.

Profit before payment of interest and tax on profit:	732,417.69	
-----		= 0
Interest expense: 2,265.1		

3. Business Indicators (management indicators) - provide information on:

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Notes to the Financial Statements

For the financial year concluded on December 31st 2024

- the input or output speed of the legal person's cash flows;
- the ability of the legal person to control working capital and its core commercial activities.

3.1 Inventory turnover (Stock turnover) - approximates how many times the stock has been rolled over the financial year

2024:

Cost of Sales : 7,073,371.91
 ----- = 1.95 (Number of times)
 Average Inventory level : 3,618,285.33

2023:

Cost of Sales : 6,457,682.14
 ----- = 1.95 (Number of times)
 Average Inventory level : 3,315,332.03

- Number of storage days – indicates the number of days in which the goods are stored in the unit

2024:

Average Inventory level: 3,618,285.33
 ----- x 365 = 187 days
 Cost of Sales: 7,073,371.91

2023:

Average Inventory level: 3,315,332.03
 ----- x 365 = 187 days
 Cost of Sales: 6,457,682.14

- Number of storage days – indicates the number of days in which the goods are stored in the unit

3.2 Days sales-outstanding- calculates the effectiveness of the legal person in collecting its receivables; expresses the number of days until the debtors pay their debts to the legal person.

2024:

Average balance of clients : 292,474.12
 ----- x 365 = 6.09 days
 Turnover 17,523,191.32

2023:

Average balance of clients : 242,882
 ----- x 365 = 5.38 days
 Turnover 16,472,026.57

3.3 Fixed assets turnover – evaluates the efficiency of fixed assets by analyzing the turnover against fixed assets

2024 :

Turnover : 17,523,191.32
 ----- = 1.51
 Fixed Assets : 11,601,880.14

2023 :

Turnover : 16,472,026.57
 ----- = 1.95
 Fixed Assets : 8,465,429.55

3.4 Total Assets Turnover

BSB FASHION SA

Notes to the Financial Statements

For the financial year concluded on December 31st 2024**2024**

Turnover: 17,523,191.32

----- = 1.21

Total Assets : 17,000,381.77

2023

Turnover: 16,472,026.57

----- = 1.03

Total Assets : 13,641,122.50

3.5 Suppliers Turnover**2024**

Average Balance of Suppliers

Turnover

$$= \frac{2,815,030.56}{17,523,191.32} * 365 = 58.61 \text{ days}$$

2023

Average Balance of Suppliers

Turnover

$$= \frac{2,032,067.45}{16,472,026.57} * 365 = 45.03 \text{ days}$$

4. Profitability Indicators - expresses the efficiency of the legal person in making profit from the available resources:**a) Return on capital employed** - represents the profit the legal person obtains from the money invested in the business:**2024:**

Profit before interest, exchange rate and tax on profit: 645,364.77

----- =0.16

Capital employed: 4,094,290.34

2023:

Profit before interest, exchange rate and tax on profit: 732,417.69

----- =0.18

Capital employed: 4,094,290.34

b) Gross Sales**2024:**

Gross Profit from sales : 1,275,006.12

----- x 100 = 7.29

Turnover: 17,523,191.32

2023:

Gross Profit from sales : 1,403,321.21

----- x 100 = 8.52

Turnover: 16,472,026.57

Note 10. Other Information**a) History**

SC BSB FASHION SA is a Romanian joint stock company founded in 2003.

With an entirely private registered capital fully paid-up amounting to EUR 4532021.04 (RON 19,093,723.00)

The registered capital consists of 19,093,723 stocks with a nominal value of RON 1 each.

The capital was reduced in 2022 with the value of Eur 2,144,312.43 (10,000,001 lei), and in 2023 with the same value of Eur 2,144,312.43 (10,000,001 lei).

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Notes to the Financial Statements

For the financial year concluded on December 31st 2024

The company was purchased in 2018 by B & F COMMERCIAL AND GARMENTS SA based in GREECE by incorporating the capital of a supplier debt

In April 2018 started working the E-shop store.

In 2024 Eshop represents 11.37 % from the total clothes sales.

In 2024, the company had 36 stores, from which 2 are opened in 2024 (Lynne Constanta and bsb Vivo Cluj)

a) Foreign Currency Transactions

Transactions in foreign currency are translated into RON at the exchange rate set by the National Bank of Romania ("NBR") valid at the transaction date.

Receivables and debts expressed in foreign currency on the Balance Sheet Date are translated into RON using the exchange rates at the end of the period. Foreign exchange gains or losses are included in the Profit and Loss Account. as income or expenses. as appropriate.

c) Transactions with Affiliated Parties

Transactions with affiliated parties are presented in the table below. broken down by transaction. purchase and sales categories: In december 2022, BDG Real Estate Investment has sold his shares in BDT Support SA - to a individual from bulgaria and BDT SUPPORT SA is no longer affiliated.

a. Purchase:

NAME OF THE AFFILIATED PARTY	TYPE OF TRANSACTION	Balance at the beginning of year - RON	TRANSACTIONS DURING THE YEAR		BALANCE ON DEC. 31 st 2024	
			CURRENCY VALUE	RON VALUE	CURRENCY VALUE	RON VALUE
B&F COMMERCIAL AND GARMENTS SA	Purchase of goods	8,120,110.60	7,208,871.74	35,859,090.70	1,973,599.55	11,221,569.48
B&F COMMERCIAL AND GARMENTS SA	other		307,604.62	1,530,117.66		
B&F COMMERCIAL AND GARMENTS SA	Royalties		282,309.72	1,404,293.24	282,309.72	1,404,293.24
BDT SUPPORT SA	Purchase of goods	-			-	
TOTAL		8,120,110.60	7,798,786.08	38,793,501.60	2,255,909.27	12,625,862.72

NAME OF THE AFFILIATED PARTY	TYPE OF TRANSACTION	Balance at the beginning of year - RON	TRANSACTIONS DURING THE YEAR		BALANCE ON DEC. 31 st 2023	
			CURRENCY VALUE	RON VALUE	CURRENCY VALUE	RON VALUE
B&F COMMERCIAL AND GARMENTS SA	Purchase of goods	8,120,110.60	5,883,007.67	29,271,492.96	1,617,067.36	8,045,880.36
B&F COMMERCIAL AND GARMENTS SA	other		231,266.17	1,150,687.96		
B&F COMMERCIAL AND GARMENTS SA	Royalties		270,781.02	1,347,298.04	0.00	0.00
TOTAL		8,120,110.60	6,385,054.86	31,769,478.96	1,617,067.36	8,045,880.36

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Notes to the Financial Statements

For the financial year concluded on December 31st 2024

b. Sales:

NAME OF THE AFFILIATED PARTY	TYPE OF TRANSACTION	Balance at the beginning of year - RON	TRANSACTIONS DURING THE YEAR		BALANCE ON DEC, 31 st 2024	
			CURRENCY VALUE	RON VALUE	CURRENCY VALUE	RON VALUE
B&F COMMERCIAL AND GARMENTS SA	Management fee	425,666	0.00	0	86,010.59	425,666
BDT SUPPORT	Sales of Goods	94,861			19,165.77	94,861
BDG REAL ESTATE INVESTMENT	Sales of Goods	0			0	0
TOTAL		520,527.00	0.00	0.00	105,176.36	520,527.00

NAME OF THE AFFILIATED PARTY	TYPE OF TRANSACTION	Balance at the beginning of year - RON	TRANSACTIONS DURING THE YEAR		BALANCE ON DEC, 31 st 2023	
			CURRENCY VALUE	RON VALUE	CURRENCY VALUE	RON VALUE
B&F COMMERCIAL AND GARMENTS SA	Management fee	425,666	0.00	0	86,010.59	425,666
BDT SUPPORT	Sales of Goods	94,861			19,165.77	94,861
BDG REAL ESTATE INVESTMENT	Sales of Goods	0			0	0
TOTAL		520,527.00	0.00	0.00	105,176.36	520,527.00

c. Interest to be received:

NAME OF THE AFFILIATED PARTY	TYPE OF TRANSACTION	Balance at the beginning of year - RON	Interest to be received DURING THE YEAR		BALANCE ON DEC, 31 st 2024	
			CURRENCY VALUE	RON VALUE	CURRENCY VALUE	RON VALUE
BDT SUPPORT	loan	659,984.00	310.54	1,545.11	39,995.58	199,002.00
Contemporari	loan	0.00	25,796.89	128,355.00	25,796.89	128,355.00
TOTAL		659,984.00	26,107.43	129,900.11	65,792.47	327,357.00

NAME OF THE AFFILIATED PARTY	TYPE OF TRANSACTION	Balance at the beginning of year - RON	Interest to be received DURING THE YEAR		BALANCE ON DEC, 31 st 2023	
			CURRENCY VALUE	RON VALUE	CURRENCY VALUE	RON VALUE
BDG REAL ESTATE INVESTMENT	loan	1,271,354.96	-177,196.10	-881,656.93	0.00	0.00

These explanatory notes are integral part of the IFRS reporting Package concluded on December 31st 2024

BSB FASHION SA

Notes to the Financial Statements

For the financial year concluded on December 31st 2024

TOTAL		1,271,354.96	-177,196.10	-881,656.93	0.00	0.00
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d. Loans granted to affiliated entities and other related parties:

Description	Date of Contract	Interest Rate	Euro Value	RON Value	Credit balance on Dec, 31 st 2024	Credit balance on Dec, 31 st 2024
					Euro	RON
Affiliated Entities						
Contempori		5%		0	1,170,000.00	5,836,154.00
Total					1,170,000.00	5,836,154.00

In 2016 the Company granted a loan to BDG amounting to RON 5,675,626 for a period of one year, It was extended until Dec, 31st 2024. The loan was returned during 2023.

The annual interest rate is according to BNR for non-financial corporations,

It is calculated and notified on monthly basis

Due to the fact that the loan was repaid before end 2024, according to the contract, the interest was reduced by 70%.

In 2024, the company granted a loan to Contempori amounting to RON 1,170,000.00 euro until 31.12.2026

e) Tax on profit

The reconciliation of the tax result with the accounting result is listed in the table below:

Name of Indicator	Period	Period
	01.01.22-31.12.23	01.01.24-31.12.24
Operating Revenues	16,472,026.57	17,523,191.32
Operating Expenses without Tax on Profit	15,097,281.15	16,286,107.92
Operating Result	1,374,745.41	1,237,083.40
Financial Revenues		
Financial Expenses	670,903.52	629,641.35
Financial Result	-670,903.52	-629,641.35
other revenues and costs	28,575.79	37,922.72
Accounting result	732,417.69	645,364.77
Setting up Legal Reserve		
Result after inclusion of revenue-like items	732,417.69	645,364.77
Establishing legal reserve (deductible expense)	19,664.18	33,183.82

BSB FASHION SA

Notes to the Financial Statements

For the financial year concluded on December 31st 2024

Non-deductible expenses		
Profit tax	75,990.99	148,449.62
Non-deductible Expenses	97,262.48	267,627.75
Total: Non-deductible Expenses	173,253.48	416,077.38
Loss of the previous years to be recovered		
Taxable profit	474,943.71	927,810.15
Profit tax -16% of taxable profit	75,990.99	148,449.62

f) Operational Leasing

The Company has no operating leasing

g) Financial Leasing

The Company has concluded 6 financial leasing contracts amounting to 150,782.00.00 EUR, all for cars acquisitions. They expires : 2 contracts in 2027 and 4 contracts in 2028.

h) Guarantees

The Company has not received guarantees.

i)

In 2018, The Company had concluded 2 Joint Venture Agreements with Bdg Real Estate Investment SA concerning the development of 2 real estate projects.

Bsb Fashion bought the lands from the 2 projects - so the contracts were closed

j) Contingents**Taxation**

All amounts due to the State for the taxes and charges have been paid or recorded on the Balance Sheet Date. The fiscal system in Romania is undergoing consolidation and harmonization with European legislation. with different interpretations of the authorities in relation to tax legislation. which may give rise to additional taxes. fees and penalties.

In Romania. if the state authorities discover violations of the legal provisions. they may. as appropriate. confiscate the amounts in question. tax additional tax obligations. apply fines. may apply late payments (applied to the actual remaining payment amounts). Therefore. the fiscal sanctions resulting from breaches of the legal provisions may reach significant amounts to be paid to the State.

The Company considers that it has paid on time and in full all taxes. charges. penalties and penalty interests. as the case may be.

The Romanian tax authorities did not carry out any controls regarding the calculation of the corporate tax up to this date.

In Romania. the right of the fiscal body to establish tax receivables has a statute of limitation of 5 years. unless the law provides otherwise. The statute of limitation begins to run from July 1st of the year following the one for which the tax liability is due. unless the law provides otherwise.

Transfer Price

In accordance with the relevant tax legislation the fiscal evaluation of a transaction with affiliated parties is based on the concept of market price for that transaction. Based on this concept. transfer prices need to be adjusted to reflect market prices that would have been set between entities that do not have an affiliate relation and that act independently. based on "normal market conditions".

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Notes to the Financial Statements

For the financial year concluded on December 31st 2024

It is likely that transfer price verifications will be carried out in the future by tax authorities to determine whether those prices comply with the "normal market conditions" principle and that the taxpayer's taxable base is not distorted.

Legal claims (including estimated value).

There are no significant cases to be described.

Interest Rate Risk

The Company has no borrowings. so there are no risks caused by the interest rate changes

Exchange Rate Risk

The Company does not have foreign currency loans. so there are no risks for the exchange rate fluctuation

Purchases are largely in EUR.

Payments are made periodically by buying the required currency on the market

Credit Risk

The Company carries out business relations only with natural persons and does not lend on credit.

The management has complied with the current market conditions and believes that. based on the measures taken. the Company will continue to operate under optimal conditions.

k) Commitments

Capital involvements – There are no significant cases to be described.

l) Guarantees granted to third parties

Guarantees amounting to Eur 44,185.61 (Eur 150,138.20 in 2023) are given in cash deposit to the store owners – and they are on short term.

The company has signed a contract with Vista bank, worth 1,000,000.00 EUR for issuing letters of guarantee in favor of the stores lessors.

No withdrawal has been made so far.

m) Received warranties

There are no cases to be described.

n) Events after Balance Sheet Date

No events after the balance Sheet date

NOTE 11. Inventories

The inventories held by the Company on Dec. 31st 2024 are as follows:

	31.Dec.23	31.Dec.24
Land as goods	461,226.67	384,245.82
Work in progress	259,153.98	469,054.55
Goods in stock	2,577,049.37	3,138,626.25
Total inventories	3,297,430.02	3,991,926.62

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Notes to the Financial Statements

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The Company have not registered adjustments for depreciation of goods on Dec. 31st 2024.

NOTE 12 Cash and Cash Equivalent

Petty cash and bank accounts show the following balances on Dec. 31st 2023:

	Dec. 31 st 2023	Dec. 31 st 2024
Cash on hand in bank –in RON	1,159,267.46	1,322,748.53
Cash on hand in bank –in currency	38,839.09	46,461.40
Cash in hand - in RON	70,714.06	40,485.76
Cash in Hand- in currency	-	-
Total liquidity	1,268,820.61	1,409,695.69

The liquidity in Lei, EUR and in foreign currency has been fully confirmed by the banks where the company has accounts.

	<i>amounts in Euro</i>	<i>amounts in Euro</i>
	From 1.1 to 31.12.2024	From 1.1 to 31.12.2023
<u>Operating activities</u>		
Profit (losses) before tax	645,403.70	757,484.97
<i>Plus / Minus adjustments (ifrs) :</i>	370,655.99	-26,019.66
Depreciation & Amortization	386,622.34	745,371.44
Provisions		
Net changes in working capital :		
Decrease / (Increase) of inventories	-302,086.87	-80,119.09
Decrease / (Increase) of trade receivables	231,156.81	5,479.48
(Decrease) / (Increase) of liabilities (apart from banks)	2,535,204.98	2,451,838.95
	3,866,956.94	3,854,036.08
<i>Minus:</i>		
Debit interest and related expenses paid	0.00	
Income taxes paid	74,833.44	89,840.69
Total inflows / (outflows) from operating activities (a)	3,792,123.50	3,764,195.40
<u>Investment activities</u>		
Purchase-Development of tangible and intangible assets	-2,864,792.51	-1,584,135.83
diff exchange rates	-50,532.44	0.00
Interest Received	342.36	356.05
Dividends received	0.00	0.00

These explanatory notes are integral part of the IFRS reporting Package concluded on December 31st 2024

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Notes to the Financial Statements

For the financial year concluded on December 31st 2024

Total inflows / (outflows) from investment activities (b)	-2,914,982.60	-1,583,779.78
Financing activities		
Proceeds from borrowings	0.00	
Payments for borrowings	0.00	
diff exchange rates - capital	-709,874.37	-651,501.70
Payments for finance leases	-67,272.98	-69,963.62
Dividends paid / capital decrease	0.00	-2,090,738.24
Total inflows / (outflows) from financing activities (c)	-777,147.35	-2,812,203.56
Net change in cash & cash equivalents for the period (a) + (b) + (c)	99,993.55	-631,787.95
Cash & cash equivalents at the beginning of the period	1,313,975.42	1,945,763.37
Cash & cash equivalents at the end of the period	1,413,968.98	1,313,975.42
Difference between 2024 - 2023	99,993.56	-631,787.94
Check	0.00	0.00

NOTA 13. Financial Result

	2023	2024
Financial Revenues		
Interest Income	-177,887.09	-67,136.21
Other Financial Revenues	33,434.23	10,267.45
Total	-144,452.87	-56,868.76
Financial Expenses		
Impairment of financial assets	466,688.49	544,723.30
Interest Expenses		
Supplier provision	-	-
Exchange Rate Losses	59,762.16	28,049.29
Total	526,450.65	572,772.59
Financial Result	-670,903.52	-629,641.35

The negative financial result is the result IFRS Impairment of financial assets

Note 14.**Real Estate Business**

These explanatory notes are integral part of the IFRS reporting Package concluded on December 31st 2024

NOTA 16. IFRS Adjustments

IFRS Adjustments for IFRS 9

FINAL IFRS 9 CALCULATION IN EURO

Rate 31/12/2024	Amounts in Euro								
4.9743	until 90 days	91-180	181-270	271-360	361-450	above 450	Total on 31.12.2024	Unpaid on 06.03.2025	
E- Distributie Muntenia SA	0.00						0.00	0.00	
OTHER	0.00	49.60	0.00	0.00	0.00	0.00	49.60	49.60	
BDT	0.00	0.00	0.00	0.00	0.00	19,070.02	19,070.02	19,070.02	
BDG	0.00	0.00	0.00	0.00	0.00		0.00	0.00	
B&F	86,015.78	0.00	0.00	0.00	0.00	0.00	86,015.78	86,015.78	
							0.00		
Total open amount	86,015.78	49.60	0.00	0.00	0.00	19,070.02	105,135.40	105,135.40	
Loss Rate	3.36%	5.40%	31.37%	14.29%	28.27%	85.55%			
Loss Allowance	2,890.13	2.68	0.00	0.00	0.00	16,313.95	19,206.76		

	until 90 days	91-180	181-270	271-360	361-450	above 450	Total on 31.12.2024	Unpaid on 06.03.2025
BDT	40,006.03	0.00	0.00	0.00	0.00	0.00	40,006.03	
Total open amount	40,006.03	0.00	0.00	0.00	0.00	0.00	40,006.03	0.00
Loss Rate (Altman z score)							4.54%	
Basel							75.00%	
Loss Allowance							1,361.02	

	until 90 days	91-180	181-270	271-360	361-450	above 450	Total on 31.12.2024	Unpaid on 06.03.2025
BDG	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total open amount	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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Notes to the Financial Statements

For the financial year concluded on December 31st 2024

Loss Rate (Altman z score)							0.04%
Basel							75.00%
Loss Allowance							0.00

Total amount of Loss Allowance IFRS 9 (in the P&L of the period 1.1. - 31.12)	20,567.77
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Ifrs Adjustments for IFRS 16 Right to use Assets

<i>Amounts in Euro</i>	Land and Buildings	Cars	Total
Balance 01 January 2024	9,149,459.37	184,310.31	9,333,769.68
Additions	3,995,579.44	8,696.06	4,004,275.50
exchange rates diff			
Disposals	-2,422,769.44	-20,809.80	-2,443,579.24
Balance 31 December 2024	10,722,269.37	172,196.57	10,894,465.94
	10,722,269.37	172,196.57	10,894,465.94
<i>Accumulated Depreciation</i>			
Balance 01 January 2024	-2,422,769.44	-20,809.80	-2,443,579.24
Depreciation	-2,478,326.97	-39,144.69	-2,517,471.67
Reverse of depreciation	2,422,769.44	20,809.80	2,443,579.24
Balance 31 December 2024	-2,478,326.97	-39,144.69	-2,517,471.67
Net book value as at 31 Decemeber 2023	6,726,689.93	163,500.51	6,890,190.44
Net book value as at 31 December 2024	8,243,942.40	133,051.88	8,376,994.28

The net book value of the Right to use Assets has increased in 2024 to a value of EUR **8,376,994.28** (from 2023 EUR **6,890,190.44**) due to the fact that many of the contracts are renewed.

Usually, all contracts are negotiated in the last 6 months of the contract.

IAS 37 Provisions, contingent liabilities and contingent assets

The company has signed a contract with Vista bank, worth 1,000,000.00 EUR for issuing letters of guarantee in favor of the stores lessors.

No withdrawal has been made so far.

NOTA 17. Operating segments

In 2024, the company had 2 lines of business:

Code 4771 and related - selling woman clothes into our own stores

And Code 4120 – Real Estate investments.

The result of the 2 business are:

1/1 - 31/12/2024	Clothing	Real estate	Other	Total
Sales	16,961,115.61	562,075.70	0.00	17,523,191.32
EBITDA	1,703,810.20	-313,733.16	0.00	1,390,077.03
Depreciation	716,662.97	636.84	0.00	

These explanatory notes are integral part of the IFRS reporting Package concluded on December 31st 2024

BSB FASHION SA

Notes to the Financial Statements

For the financial year concluded on December 31st 2024

Financial cost	28,049.29	0.00	0.00	
Profit before tax	645,364.77	0.00	0.00	645,364.77
Tax	-139,756.80	0.00	0.00	-139,756.80
Deferred Tax	6,306.93			6,306.93
Profit after tax	511,914.90			511,914.90

1/1 - 31/12/2023	Clothing	Real estate	Other	Total
Sales	15,712,924.64	759,101.92	0.00	16,472,026.57
EBITDA	1,433,541.53	79,343.36	0.00	1,512,884.89
Depreciation	720,705.04	0.00	0.00	
Financial cost	59,762.16	0.00	0.00	
Profit before tax	732,417.69	0.00	0.00	732,417.69
Tax	-76,435.00	0.00	0.00	-76,435.00
Deferred Tax	-51,447.89			-51,447.89
Profit after tax	604,534.80			604,534.80

Administrator.

BITHARAS VASILEIOS

DRAWN UP BY.

Carabas George