TAXGATE SRL
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BSB Fashion S.A.

Opinion

1. We have audited the accompanying financial statements of BSB Fashion S.A. (the "Company"), which comprise the balance sheet as at 31 December 2025, the statement of income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. These financial statements include, among others:

    - Net assets / Total equity: 13,312,194 lei
    - Net profit: 2,807,134 lei

2. In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, 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 consolidated annual financial statements, as subsequently amended ("OMFP no. 1802/2014").

Basis for 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 the Financial Statements" section of our report. We are independent of the Company in accordance with the relevant ethical requirements applicable to the audit of financial statements in Romania, and we have fulfilled our other ethical 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.

Emphasis of matter

4. We draw attention to the necessity of organizing the internal audit function in accordance with the applicable legislation, respectively Law no. 162/2017. The Company is currently in the process of fulfilling this obligation by organizing the internal audit activity. Our opinion is not modified in respect of this matter.

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Our audit approach

Overview

Materiality
133,122 lei

5. As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered those areas where management and the directors made subjective judgements, for example with respect to significant accounting estimates that involve assumptions and consideration of 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 representing 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, its 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 about whether the financial statements are free from material misstatement. Misstatements may arise from fraud or error and 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 overall Company materiality for the financial statements as a whole, as set out below. These thresholds, 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: 133,122 lei
- How we determined it: 1% of net assets (equity)

Rationale for the materiality benchmark applied
The benchmark selected (net assets/equity), together with the 1% rule of thumb (materiality), reflects our judgement as to what is considered important by the users of the financial statements.

We consider net assets to be the most appropriate benchmark based on the following assumptions:

- management has developed new activities and revenue streams based on property, plant and equipment in progress at this moment;
- access to these financial statements is limited to a small number of users (management, shareholders, state authorities and creditors);

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- the financial statements include a limited number of significant risk areas.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above 66,561 lei, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

6. Key audit matters are those matters that, in our professional judgement, 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; 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 relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including those performed to address the matters described below, provide the basis for our audit opinion on the accompanying financial statements.

Assessment of receivables (1,319,417 lei – net value)

See Note 5 ("Statement of receivables and liabilities") and Note 6 ("Summary of accounting policies") to the financial statements.

The Company is exposed to the risk of non-recovery of trade receivables and other receivables. The method used to determine allowances for impairment of receivables does not take into account the ageing of receivables; rather, it provides for adjustments only for customers in litigation, insolvency, bankruptcy or similar situations.

Our response to the risks of material misstatement related to management's assertions regarding the measurement of these receivables at year-end consisted of audit procedures which included, among others:

- discussions with the Board and management to understand the method used to determine adjustments for impairment of receivables and the rationale for adopting this method;
- assessing, on a sample basis, the accuracy of the ageing of receivables and recalculating the impairment allowance based on the ageing analysis;
- corroborating information provided by the Company regarding customers declared insolvent or bankrupt with other audit evidence (e.g. letters from the Company's external legal advisers);
- obtaining balance confirmations from customers and other debtors at year-end, on a sample basis;

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- assessing the adequacy of the disclosures provided by the Company regarding the method used to determine allowances for impairment of receivables.

Recognition of expenses (91,067,021 lei)

See Note 6 ("Summary of accounting policies") and Note 10.e) ("Other information") to the financial statements.

We considered that there is a significant risk of material misstatement associated with the recognition of expenses. The risk of incorrect recognition of expenses arises mainly from:

- recording expenses in the incorrect accounting period;
- misstatement of expenses through non-recognition of withholding taxes.

Our response to these risks of material misstatement consisted of audit procedures which were aimed at:

- evaluating whether the criteria applied by the Company for the recognition of expenses were in compliance with the applicable accounting requirements and standards;
- examining, on a sample basis, supplier contracts in order to understand the terms of purchase transactions and to reconcile relevant information to the recognition of expenses with supporting documentation;
- assessing, on a sample basis, whether expenses were recognized in the appropriate period, by selecting transactions recorded near the end of the reporting period and comparing them with the relevant supporting documents;
- examining the purchases ledger to identify unusual transactions;
- examining the purchases ledger after year-end to identify significant transactions and verifying the related documentation in order to assess whether the corresponding expenses were recorded in the appropriate financial period;
- obtaining sufficient and appropriate audit evidence regarding the timing of expense recognition and testing the accuracy assertion.

Other matters – Scope of the audit

7. The Company has not been subject to tax inspections by the tax authorities in recent periods and we cannot anticipate or quantify the impact of any such potential tax audit.
8. 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 users who are not familiar with Romanian statutory and legal requirements, including OMFP no. 1802/2014.

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Other information – Administrator's Report

9. Other information includes the Administrator's Report. The 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 separate annual financial statements and consolidated annual financial statements, and for such internal control as they determine is necessary to enable the preparation and presentation of an Administrator's Report that is free from material misstatement, whether due to fraud or error.

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

In connection with our audit of the financial statements for the year ended 31 December 2025, our responsibility is to read the Administrator's Report and, in doing so, to consider whether there is a material inconsistency between the Administrator's Report and the financial statements, whether the Administrator's Report is prepared, in all material respects, in accordance with the requirements of OMFP no. 1802/2014, paragraphs 489–492 of the Accounting Regulations on separate annual financial statements and consolidated annual financial statements, and whether, based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, the information in the Administrator's Report appears to be materially misstated. We are required to report on these matters. Based on the work performed, we report that:
a) we have not identified information in the Administrator's Report that is, in all material respects, inconsistent with the information presented in the accompanying financial statements;
b) the Administrator's Report referred to 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 the knowledge and understanding of the Company and its environment obtained in the course of our audit of the financial statements for the year ended 31 December 2025, we have not identified information included in the Administrator's Report that is materially misstated.

Responsibilities of management and those charged with governance for the financial statements

10. Management is responsible for the preparation of financial statements that give a true and fair view in accordance with OMFP no. 1802/2014, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

11. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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12. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

13. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 these financial statements.

14. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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16. 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 other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.

17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or 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

18. This independent auditor's report is addressed 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 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





Auditor:

Domocos Alexandra Nicoleta

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

with No AF1748

Alexandra -Nicoleta Domocos

Digitally signed by Alexandra-Nicoleta Domocos
Date: 2026.05.26 15:44:00 +03'00'

Date: 26.05.2026

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BSB FASHION SA

Financial Statement

Drawn up in accordance with IFRS regulations

December 31st 2025

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 2025 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**;**
- Net turnover: over Lei **35** million;
- Average number of employees during the financial year: **191**.

Reason for which the financial statements were audited
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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	-	698,048.14	531,102.78	450,275.44	1,722,698.95	3,402,125.32	10,465,194.08	168,068.02	10,633,262.10	14,035,387.42
Balance 31/12/2024	0.00	715,238.68	544,182.03	461,364.19	1,765,123.14	3,485,908.03	10,722,774.57	172,196.59	10894971.16	14,380,879.19
01.01.24						-			-	
Additions	0.00	15,644.32	75,412.96	-118,174.81	204,720.82	177,603.30	1,667,652.84	7,923.72	1,675,576.56	1,853,179.86
Echange diff (from opening balar	0.00	-17,190.54	-13,079.25	-11,088.74	-42,424.18	(83,782.71)	-505.20		-505.20	-84,287.91
Disposals	0.00	0.00	0.00	0.00	0.00	-	(2,478,326.97)	(39,144.69)	-2,517,471.67	-2,517,471.67
Balance 31/12/2025	**0.00**	**713,692.47**	**606,515.74**	**332,100.64**	**1,927,419.77**	**3,579,728.61**	**9,911,595.24**	**140,975.62**	**10,052,570.86**	**13,632,299.47**
							0.00	0.00		
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	-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	
Depreciation	0.00	16,640.07	41,481.99	-66,136.39	177,151.39	169,137.05	2,811,719.87	40,984.62	2,852,704.49	3,021,841.55
Echange diff (from opening balance)		328.20	-5,114.76	-2,903.43	-38,190.57	(45,880.56)			0.00	-45,880.56
Reverse of depreciation	0.00	0.00	1,928.75	28,013.66	6,988.87	36,931.28	-2,478,326.97	-39,144.69	(2,517,471.67)	-2,480,540.38
Balance 31/12/2025	**0.00**	**3,313.11**	**251,103.49**	**79,775.47**	**1,734,926.81**	**2,069,118.88**	**2,811,719.87**	**40,984.62**	**2,852,704.49**	**495,420.60**
Net book value 31/12/2024	**0.00**	**728,893.84**	**331,374.51**	**340,562.56**	**176,146.01**	**1,576,976.92**	**8,244,447.60**	**133,051.90**	**8,377,499.50**	**9,954,476.42**
Net book value 31/12/2025	**0.00**	**710,379.36**	**355,412.24**	**252,325.17**	**192,492.96**	**1,510,609.73**	**7,099,875.36**	**99,991.00**	**7,199,866.36**	**8,710,476.10**

The Fixed Assets of the Company on December 31st 2025 amounted to Eur 8,710,476.1 (net value)

Intanglible assets

Amounts in Euro	**Trademarks**	**Other intangible assets**	**Total**
Cost	53,483.25	50,124.53	103,607.78
Balance 31/12/2024	53,483.25	50,124.53	103,607.78
Additions	0.00	6,700.42	6,700.42
Echange diff (from opening balance)	0.00	0.00	0.00
Disposals	0.00	0.00	0.00
Balance 31/12/2025	**53,483.25**	**56,824.95**	**110,308.20**

Accumulated depreciation

31.12.24	44,108.69	42,122.09	86,230.79
Echange diff (from opening balance)			0.00
Depreciation	0.00	7,955.51	7,955.51
Rerverse of depreciation	-1,382.68	0.00	-1,382.68
Balance 31/12/2025	**42,726.02**	**50,077.60**	**92,803.61**
Net book value 31/12/2024	**9,374.56**	**8,002.43**	**17,376.99**
Net book value 31/12/2025	**10,757.24**	**6,747.35**	**17,504.58**

The Intangible Assets amounting to EUR **17,504.58** (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 2025 – the company has registered one provision of the value of 7,971.86 euro – regarding the advances paid to purchasers

NOTE 3. Distribution of Profit

The Company recorded a net profit of **Eur 636,790.61** in 2025

Legal reserve was distributed for the value of 32,691.68 EUR

NOTE 4. Analysis of the Operating Result

On December 31st 2025 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	**2025**	**2024**
Net Turnover	18,580,619.42	17,523,191.32
Cost of the consumed materials and provided services	-7,657,316.67	-7,073,371.91
Gross Result as related to the Net Turnover	10,923,302.75	10,449,819.40
	0	0
Other Operating Expenses	41,849.30	37,922.72
Revenues related to the cost of the work in progress	0	0
Expenses related to the cost of the work in progress	(9,620,997.00)	(9,212,736.00)
Other Operating Revenues		
Operating Result	**1,344,155.05**	**1,275,006.12**

The turnover of the Company recorded an increase of approximately 6 % in 2025 compared to 2024 – due to increase in sales

NOTE 5. Status of receivables and debts

On December 31st 2025 the status of receivables and debts of the Company was as follows:

Receivables	Balance on December 31st 2025	Liquidity term	
		<1 year	> 1 year
		2.00	3.00
Commercial receivables (a/c 4092+411+418)	317,362.89	233,391.38	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	67,838.25	67,838.25	
Other receivables related to Affiliated Entities	1,418,998.28	1,418,998.28	
Other receivables (from a/c 461. 471)	205,320.13	205,320.13	
TOTAL RECEIVABLES	2,095,529.61	1,925,548.04	86,010.06

Debts	**Balance on December 31st 2025**	**Liquidity Term**		
		< 1 year	1 - 5 years	> 5 years
		1	3	4
Bank Loans		-	0	0
Car leasing debt	105,656.46	42,629.00	63,027.46	
Commercial Debts (a/c 401+408+419)	254,462.75	254,462.75		0
Employees related Debts (ct.421+4281)	167,139.97	167,139.97		0
Debts in related to the State Budget and the Social Security Budget	426,528.63	426,528.63		0
Commercial Debts related to affiliated non-resident entities	1,946,390.31	1,946,390.31		0
Commercial Debts related to affiliated resident entities	7,023.23	7,023.23		
Other Debts (a/c 45*+462)		1,971,868.24		
Loans from Affiliated Entities		-		0
TOTAL DEBTS	**4,879,069.59**	**4,816,043.13**	**63,027.46**	

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 **4,879,069.59** of which Eur **4,816,043.13** 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 81% of the total debts.

Name	Debts
	EUR
B&F COMERCIAL AND GARMENTS SA	1,946,390,31
B&F COMERCIAL AND GARMENTS SA – capital decrease	1,962,015.38
TOTAL	3,908,405.69

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 2025 the exchange rates used for the conversion were those used according to the group policies:

EUR 1 = RON 5.0968
EUR 1 = RON 5.0424– for P&L
USD 1 = RON 4.3377

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 2025

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 stamements 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 ther 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 2025 the Company recorded a **profit** of Eur **636,790.61** 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 2025 were EUR 1 = RON 5.0968 (December 31st 2024: EUR 1 = RON 4.9743) and USD 1 = 4.3377 (December 31st 2024: USD 1 = 4.7651).

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 significanty 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. exept 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 anaged by the Company according to the 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 2025.
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 2025.

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 whih 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 accordace 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 to exercise a dominant influence over those branches. on grounds of a contract concluded with the entity concerned or of a clause in the byaws 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 obver the majority of the voting rights of the stockholders or shareholders of that entity (branch). as consequnec 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 yo 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-com-pany the entity);
(h) the entity or any member of a group to which it belongs provides to the reporting entitiy or the 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

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 2025 the registered capital amounts to EUR 1,949,978.13 (reduced from Eur 4,094,290.34 (RON 9,093,723)
The registered capital consists of 9,093,723 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:

31.12.25	Number of Stocks	Amount	Percentage
	(thousand)	(Eur)	(%)
	number of stocks	amount	
B&F COMMERCIAL AND GARMENT INDUSTRIES SA	9,070,734.00	1,945,048.57	99.75%
OTHER – natural persons	22,989.00	4,929.56	0.25%
Total	9,093,723.00	1,949,978.13	

31.12.2024	Number of Stocks	Amount	Percentage
	(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	

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 2025 and is in accordance with the Articles of Association.

amounts in Euro	Share capital	Actuarial losses/gains reserve	Other reserves	Retained Earnings	Total
Balance as at 31.12.2024	4,532,021.04	-	246,202.35	98,393.54	4,876,616.93
Results for the period	-	-	35,729.17	603,746.23	639,475.40
Other comprehensive income after taxes	-	-	-	-	-
Share capital increase/decrease	- 2,144,312.21	-	-	-	- 2,144,312.21
Dividends distribution	-	-	-		-

	-		-		-
diff exchange loss	229,253.72		1,950.62	115,478.21	641,729.54
Balance as at 31.12.2025	**2,158,455.11**	**-**	**279,980.90**	**817,617.98**	**2,730,050.58**

NOTE 8. Information referring to Employees. Directors and Managers

Total personnel expenses were as follows:

Description of the Indicators	**2025**	**2024**
Average number of employees	191	186
Gross salaries related to the financial year	3,599,158.30	3,305,929.01
Expenses with meal tickets granted to employees	329,979.60	329,500.86
Expenses with social security contributions	157,629.10	130,589.00
Expenses with contributions to health insurance	-	-
Expenses with contribution to unemployment fund	-	-
Total Personnel expenses	4,086,767	3,426,461.13

The amount to be paid at the end of 2025, amounted to 87,321.85 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 2025 amounted to Eur 71,644.37 EUR from the account balance 428 represents the unpaid holidays of 2025 with a payment term in the first months of the year 2026 when the debt toward the employee was extinguished.

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

During 2025 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 2025 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 2025:**

a) Current Liquidity indicator (Working capital indicator) = Current assets **4,943,102.54** / Current Debts : **4,879,069.59** = 1.01

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= (Current assets – Inventories : 4,943,102.54 – 3,314,273.77) / (Current Debts: 4,879,069.59) = 0.33
(Acid Test indicator)

2. Liquidity indicators 2024:

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

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= (Current assets – Inventories : 5,398,501.63– 3,618,285.33) / (Current Debts: 4,774,262.17) = 0.37
(Acid Test indicator)

2.
Risk Indicators 2025:

a) Indicator of the degree of indebtedness:

Borrowed Capital / Own Equity x 100 or Borrowed Capital : 0 / Employed Capital: 1,949,978.13 x 100 =0.00

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 riskyer.

Profit before payment of interest and tax on profit: 773,768.44 / Interest expense: 3,372.39 = 229.44

Risk Indicators 2024:

c) Indicator of the degree of indebtedness:

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

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

d) 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 riskyer.

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

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

2025:

Cost of Sales : 7,657,316.67
---------- = 2.31 (Number of times)
Average Inventory level : 3,314,273.77

2024:

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

2025:

Average Inventory level: 3,314,273.77
---------- x 365 = 157 days
Cost of Sales: 7,657,316.67

2024:

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

- 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.

2025:

Average balance of clients : 280,246.38
---------- x 365 = 5.50 days
Turnover 18,580,619.42

2024:

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

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

2025 :

Turnover : 18,580,619.42
---------- = 1.83
Fixed Assets : 10,173,256.98

2024 :

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

3.4 Total Assets Turnover

2025

Turnover: 18,580,619.42
---------- = 1.23
Total Assets : 15,116,359.52

2024

Turnover: 17,523,191.32
---------- = 1.05
Total Assets : 16,651,807.19

3.5 Suppliers Turnover

2025

$$\frac{\text{Average Balance of Suppliers}}{\text{Turnover}} = \frac{2,207,876.29}{18,580,619.42} * 365 = 43.37 \text{ days}$$

2024

$$\frac{\text{Average Balance of Suppliers}}{\text{Turnover}} = \frac{2,815,030.56}{17,523,191.32} * 365 = 58.61 \text{ days}$$

4. Profitability Indicators - expresses the efficciency 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:

2025:
Profit before interest. exchange rate and tax on profit: 773,768.44
---------- =0.16
Capital employed: 1,949,978.13

2024:
Profit before interest. exchange rate and tax on profit: 645,364.77
---------- =0.16
Capital employed: 4,094,290.34

b) Gross Sales

2025:
Gross Profit from sales : 1,344,155.05
---------- x 100 = 7.29
Turnover: 18,580,619.42

2024:
Gross Profit from sales : 1,275,006.12
---------- x 100 = 7.29
Turnover: 17,523,191.32

Note 10. Other Information

a) History

SC BandF fashion Group SA is a Romanian joint stock company founded in 2003.
With an entirely private registered capital fully paid-up amounting to EUR 1,949,978.13 (RON 9,093,723.00)
The registered capital consists of 9,093,723 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), in 2023 with the same value of Eur 2,144,312.43 (10,000,001 lei) and in 2025 with the same value of Eur 2,144,312.43 (10,000,000 lei)
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 2025 Eshop represents 11.05 % from the total clothes sales.
In 2025, the company had 36 stores, from which 2 are opened in 2025 (iasi Moldova and Ramnicu Valcea)

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. 31st 2025	
			CURRENCY VALUE	RON VALUE	CURRENCY VALUE	RON VALUE
B&F COMMERCIAL AND GARMENTS SA	Purchase of goods	10,744,198.58	7,476,106.59	38,104,220.07	1,252,465.69	6,383,567.11
B&F COMMERCIAL AND GARMENTS SA	other	407891.3341	327,276.16	1,668,061.13	258236.18	1316178.162
B&F COMMERCIAL AND GARMENTS SA	Royalties	1,473,772.81	300,561.69	1,531,902.82	593,992.56	3,027,461.28
BDT SUPPORT SA	Purchase of goods	-			-	
TOTAL		**12,625,862.72**	**8,103,944.44**	**41,304,184.02**	**2,104,694.43**	**10,727,206.55**

b. Sales:

NAME OF THE AFFILIATED PARTY	TYPE OF TRANSACTION	Balance at the beginning of year - RON	TRANSACTIONS DURING THE YEAR		BALANCE ON DEC, 31st 2025	
			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, 31st 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**

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, 31st 2025	
			CURRENCY VALUE	RON VALUE	CURRENCY VALUE	RON VALUE
BDT SUPPORT	loan	199,002.00			39,044.50	199,002.00
Contempori	loan	128,355.00	53,207.74	271,189.22	78,391.23	399,544.44
TOTAL		**327,357.00**	**53,207.74**	**271,189.22**	**117,435.73**	**598,546.44**

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, 31st 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
Contempori	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**

d. Loans granted to affiliated entities and other related parties:

Description	Date of Contract	Interest Rate	Euro Value	RON Value	Credit balance on Dec, 31st 2025 Euro	Credit balance on Dec, 31st 2025 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
	01.01.24-31.12.24	**01.01.25-31.12.25**
Operating Revenues	17,523,191.32	18,580,619.42
Operating Expenses without Tax on Profit	16,286,107.92	17,278,313.67
Operating Result	1,237,083.40	1,302,305.75
Financial Revenues		
Financial Expenses	629,641.35	570,386.61
Financial Result	**-629,641.35**	**-570,386.61**
other revenues and costs	**37,922.72**	**41,849.30**
Accounting result	**645,364.77**	**773,768.44**
Setting up Legal Reserve		
Result after inclusion of revenue-like items	**645,364.77**	**773,768.44**
Establishing legal reserve (deductible expense)	32,394.72	32,691.62
Non-deductible expenses		
Profit tax	144,919.55	120,424.42
Non-deductible Expenses	261,263.67	114,155.80
Total: Non-deductible Expenses	**406,183.21**	**234,580.22**
Loss of the previous years to be recovered		
Taxable profit	905,747.17	752,652.60
Profit tax -16% of taxable profit	**144,919.55**	**120,424.42**

f) Operational Leasing
The Company has no operating leasing

g) Financial Leasing
The Company has concluded 6 financial leasing contracts amounting to 105,656.00 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".

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 15,556.72 (Eur 44,185.61 in 2024) 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 2025 are as follows:

	31.Dec.24	**31.Dec.25**
Land as goods	384,245.82	337,225.86
Work in progress	469,054.55	285,578.07
Goods in stock	3,138,626.25	2,999,080.95
Total inventories	**3,991,926.62**	**3,621,884.88**

The Company have not registered adjustments for depreciation of goods on Dec. 31st 2025.

NOTE 12 Cash and Cash Equivalent

Petty cash and bank accounts show the following balances on Dec. 31st 2025:

	Dec. 31st 2024	**Dec. 31st 2025**
Cash on hand in bank –in RON	**1,322,748.53**	**1,250,490.43**
Cash on hand in bank –in currency	**46,461.40**	**27,618.57**
Cash in hand - in RON	**40,485.76**	**31,806.70**
Cash in Hand- in currency	**-**	**-**
Total liquidity	**1,409,695.69**	**1,309,915.70**

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

	amounts in Euro	***amounts in Euro***
	From 1.1 to 31.12.2025	**From 1.1 to 31.12.2024**
Operating activities		
Profit (losses) before tax	765,509.73	645,403.70
Plus / Minus adjustments (ifrs) :	-1,855,444.81	371,187.57
Depreciation & Amortization	418,027.51	386,622.34
Provisions		
Net changes in working capital :		
Decrease / (Increase) of inventories	217,047.20	-302,618.45
Decrease / (Increase) of trade receivables	38,531.61	231,156.81
(Decrease) /(Increase) of liabilities (apart from banks)	120,747.21	2,535,204.96
	-295,581.55	**3,866,956.92**

Minus:		
Debit interest and related expenses paid	0.00	
Income taxes paid	135,096.53	74,833.44
Total inflows / (outflows) from operating activities (a)	**-430,678.08**	**3,792,123.48**
Investment activities		
Purchase-Development of tangible and intangible assets	886,612.52	-2,864,792.49
diff exchange rates	-33,984.30	0.00
Interest Received	0.00	342.36
Dividends received	0.00	0.00
Total inflows / (outflows) from investment activities (b)	**852,628.22**	**-2,864,450.13**
Financing activities		
Proceeds from borrowings	0.00	
Payments for borrowings	0.00	
diff exchange rates - capital	-526,003.41	-709,874.37
Payments for finance leases	0.00	-67,272.98
Dividends paid / capital decrease	0.00	0.00
Total inflows / (outflows) from financing activities (c)	**-526,003.41**	**-777,147.35**
Net change in cash & cash equivalents for the period (a) + (b) + (c)	-104,053.27	150,525.99
Cash & cash equivalents at the beginning of the period	1,413,968.98	1,263,442.99
Cash & cash equivalents at the end of the period	1,309,915.70	1,413,968.98
Difference between 2025 - 2024	-104,053.27	150,525.99

NOTA 13. Financial Result

	2024	**2025**
Financial Revenues		
Interest Income	-67,136.21	53,816.47
Other Financial Revenues	10,267.45	42,757.73
Total	**-56,868.76**	**96,574.21**
Financial Expenses		
Impairment of financial assets	544,723.30	502,628.54
Interest Expenses		
Supplier provision	-	-
Exchange Rate Losses	28,049.29	164,332.28
Total	**572,772.59**	**666,960.82**
Financial Result	**-629,641.35**	**-570,386.61**

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

Note 14.

Real Estate Business
The Company has 4 real estate projects under development:

Project in Pantelimon Saturn Street accomplished at 95 %, value of the building Eur 672,109 (Ron 3,426,746)., will be conclude in 2026 and sold in 2026.
Project in Pantelimon. Saturn Street, T 74, p753/1 value of the land Eur 42,653 (Ron 260,105) will be sold in 2026
Project in Bucharest Gura Calitei Street value of the work in progress: Eur 338,745 (RON 1,727,090)- The project was sold 03/2026.
Project in Bucharest Petricani 50 Street we have to sale the parking places –Eur 13,940(Ron 71,073). We estimate the closure of the project in 2026.

NOTA 15. Deferred tax

Due to the IFRS changes from 2025, the company had registered deferred tax active for the value of EUR (16,110.01) Considering the amount existing in 2024 the total is now for EUR 26,270.97

Reconciliation between Tax base and IFRS Base (Balance Sheet accounts only)		**Tax Rate**	**16%**
Trial Balance Account	**Account description**	**Deferred tax Asset**	**Deferred tax Liability**
117400	Other retained earnings due to the correction of fundamental errors;		12,676.78
129000	Profit appropriation;	0.00	-189,242.64
167100	Other loans and similar debts - cars;	0.00	-258.16
205000	software licence;	168,500.69	0.00
208000	Other intangible assets;	308.60	0.00
213100	Plant and machinery;	4,482.19	0.00
213200	Measurement, control and adjustment devices;	1,118.22	0.00
303200	OTHER INVENTORIES	0.00	0.00
419000	Advance payments from customers;	0.00	-0.29
442600	Input VAT;	2,414.62	0.00
		0.00	0.00
		0.00	0.00
	expenses	0.00	0.00
	revenues	0.00	-15,091.40
		0.00	0.00
		0.00	0.00
		316,500.29	**-310,344.58**

31.12.24	41,362.37
Offset balance 31.12.2025	26,270.97

Deferred tax accoring to TB	26,270.97
Check	**0.00**

NOTA 16.

Ifrs Adjustments for IFRS 9

FINAL IFRS 9 CALCULATION IN EURO

Rate 31/12/2025 5.0968 **Amounts in Euro**

	until 90 days	91-180	181-270	271-360	361-450	above 450	Total on 31.12.2024	Unpaid on 06.03.2026
E- Distributie Muntenia SA	0.00						0.00	0.00
OTHER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BDT	0.00	0.00	0.00	0.00	0.00	18,611.68	18,611.68	18,611.68
BDG	0.00	0.00	0.00	0.00	0.00		0.00	0.00
B&F	83,971.53	0.00	0.00	0.00	0.00	0.00	83,971.53	83,971.53
							0.00	
Total open amount	**83,971.53**	**0.00**	**0.00**	**0.00**	**0.00**	**18,611.68**	**102,583.20**	**102,583.20**
Loss Rate	3.36%	5.40%	31.37%	14.29%	28.27%	85.55%		
Loss Allowance	**2,821.44**	**0.00**	**0.00**	**0.00**	**0.00**	**15,921.85**	**18,743.29**	

	until 90 days	91-180	181-270	271-360	361-450	above 450	Total on 31.12.2024	Unpaid on 06.03.2026
BDT	39,044.50	0.00	0.00	0.00	0.00	0.00	39,044.50	
Total open amount	**39,044.50**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**39,044.50**	**0.00**
Loss Rate (Altman z score)							4.54%	
Basel							75.00%	
Loss Allowance							**1,328.30**	

	until 90 days	91-180	181-270	271-360	361-450	above 450	Total on 31.12.2024	Unpaid on 06.03.2026
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**
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)	**20,071.59**	102,300.90

Ifrs Adjustments for IFRS 16 Right to use Assets

Amounts in Euro	Land and Buildings	Cars	Total
Balance 01 January 2025	10,722,269.37	172,196.59	**10,894,465.96**
Additions	1,667,652.84	7,923.72	**1,675,576.56**
exchange rates diff			
Disposals	-2,478,326.97	-39,144.69	**-2,517,471.67**
Balance 31 December 2025	**9,911,595.24**	**140,975.62**	**10,052,570.86**
	9,911,595.24	140,975.62	10,052,570.86
Accumulated Depreciation			
Balance 01 January 2025	**-2,478,326.97**	**-39,144.69**	**-2,517,471.67**
Depreciation	-2,811,719.87	-40,984.62	**-2,852,704.49**
Reverse of depreciation	2,478,326.97	39,144.69	**2,517,471.67**
Balance 31 December 2025	**-2,811,719.87**	**-40,984.62**	**-2,852,704.49**
Net book value as at 31 December 2024	**8,243,942.40**	**133,051.88**	**8,376,994.28**
Net book value as at 31 December 2025	**7,099,875.36**	**99,991.00**	**7,199,866.36**

The net book value of the Right to use Assets has increased in 2025 to a value of EUR **7,199,866.36 (**from 2024 EUR **8,376,994.28**) due to the fact that we have 5 contracts are to be renewed in 2026.
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 - 31/12/2025	Clothing	Real estate	Other	Total
Sales	18,268,465.98	312,153.44	0.00	18,580,619.42
EBITDA	1,484,877.34	-124,870.46	0.00	1,360,006.88
Depreciation	421,906.16	631.25	0.00	

Financial cost	164,332.28	0.00	0.00	
Profit before tax	773,768.44	0.00	0.00	**773,768.44**
Tax	-121,723.62	0.00	0.00	**-121,723.62**
Deferred Tax	-15,254.21			**-15,254.21**
Profit after tax	**636,790.61**			**636,790.61**

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	
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**

Administrator. **DRAWN UP BY.**

BITHARAS VASILEIOS **Carabas George**