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Independent Auditors' Report

To the Shareholders of Sarantis Romania SA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sarantis Romania SA ("the Company"), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ("IFRS EU").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the 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.

Other matter – corresponding figures

The statement of financial position of the Company as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the cash flow statement for the year ended 31 December 2023, or any of the related notes were not audited.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS EU, 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.

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.

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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 auditors' 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 auditors' 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 auditors' 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.

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.

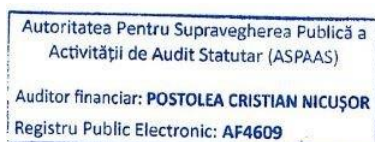
For and on behalf of KPMG Audit S.R.L.:

POSTOLEA CRISTIAN-NICUSOR



registered in the electronic public register of
financial auditors and audit firms under no
AF4609

Bucharest, 21 May 2025



KPMG Audit SRL



registered in the electronic public register of
financial auditors and audit firms under no
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SARANTIS ROMANIA S.A.

Financial statements

as at and for the year ended 31 December 2024

prepared in accordance with

International Financial Reporting Standards as adopted by EU

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SARANTIS ROMANIA S.A.
Statement of Profit or Loss and Other Comprehensive Income at 31 December 2024
(expressed in RON, unless otherwise stated)
STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2024	31 December 2023 (restated)
Tangible assets		678,532	870,755
Right of use assets	4.3	11,664,885	7,234,412
Intangible assets	4.1	1,004,973	1,287,099
Deferred tax assets	4.15	2,534,634	2,302,597
Other long-term assets		259,173	200,851
Non-current assets		16,142,197	11,895,714
Inventories	4.4	54,300,432	52,229,138
Trade receivables	4.5	93,854,904	76,463,811
Other receivables		713,913	2,069,937
Cash & cash equivalents	4.6	20,370,489	27,245,278
Current assets		169,239,739	158,008,164
TOTAL ASSETS		185,381,935	169,903,879
Share capital	4.7	8,355,012	8,355,012
Share premium		1,877,517	1,877,517
Reserves	4.7	6,498,040	6,341,342
Retained earnings	4.7	69,315,444	72,356,229
Equity		86,046,013	88,930,100
Provisions		705,011	-
Loans	4.8	12,435,250	12,436,500
Lease Liabilities	4.8	7,050,178	3,907,154
Non-current liabilities		20,190,439	16,343,654
Trade payables	4.9	66,561,708	56,624,241
Lease Liabilities	4.8	5,198,829	4,042,077
Loans	4.8	-	446,010
Other payables		4,558,577	3,517,796
Current Tax Liabilities	4.15	2,826,369	-
Current liabilities		79,145,483	64,630,124
TOTAL EQUITY AND LIABILITIES		185,381,935	169,903,879

The Board of Directors:

President of the Board
Bouras Ioannis



Vice President of the Board
Varsos Christos

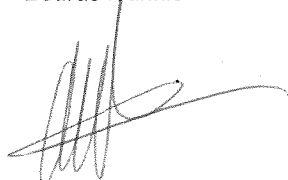


Member of the Board
Siaris Evangelos



SARANTIS ROMANIA S.A.**Statement of Profit or Loss and Other Comprehensive Income at 31 December 2024***(expressed in RON, unless otherwise stated)***STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Notes	Year ended 31 December 2024	Year ended 31 December 2023 (restated)
Revenues	4.10	434,266,775	392,254,236
Cost of sales		(272,206,126)	(248,310,612)
Gross Profit		162,060,650	143,943,625
Operating expenses:			
Other operating income	4.11	44,963	160,843
Administrative expenses	4.12	(9,263,955)	(7,379,545)
Distribution expenses	4.12	(69,795,903)	(64,463,337)
Net Operating Profit		83,045,754	72,261,585
Finance costs	4.14	(2,520,164)	(2,962,906)
Finance income	4.14	1,507,350	1,828,995
Net finance costs		(1,012,814)	(1,133,912)
Profit before Tax		82,032,941	71,127,673
Income tax expenses	4.15	(13,286,903)	(9,807,006)
Profit for the period		68,746,038	61,320,667
Other comprehensive income for the period		-	-
Total comprehensive income for the period		68,746,038	61,320,667

The Board of Directors:*President of the Board**Bouras Ioannis*

*Vice President of the Board**Varsos Christos*

*Member of the Board**Stavris Evangelos*


SARANTIS ROMANIA S.A.
Statement of Cash Flows at 31 December 2024
(expressed in RON, unless otherwise stated)



STATEMENT OF CASH FLOWS

Operating Activities	Notes	2024	2023 (restated)
Profit before tax		82,032,941	71,127,673
Adjustments for:			
Depreciation/Amortization	4.1-4.2	5,646,504	4,928,493
Foreign Exchange differences		250,637	828,270
Interest income	4.14	(1,307,325)	(1,222,796)
Interest and related expenses	4.14	2,059,317	1,532,448
		88,682,074	77,194,088
Changes in:			
Decrease / (increase) in inventories	4.4	(2,071,294)	7,016,490
Decrease / (increase) in receivables	4.5	(17,243,140)	(18,257,765)
(Decrease) / increase in liabilities (other than to banks)	4.9	11,690,817	5,111,512
Cash generated from operating activities		81,058,457	71,064,325
Interest and related expenses paid	4.14	(2,323,931)	(1,532,448)
Income taxes paid	4.14	(9,498,151)	(17,678,866)
Net cash from operating activities (a)		69,236,374	51,853,010
Investing Activities			
Payments of guarantees		(58,322)	4,608
Purchase of tangible and intangible fixed assets	4.1-4.2	(339,578)	(3,144,577)
Proceeds from sale of tangible and intangible assets		7,108	-
Interest received	4.14	1,297,141	1,226,806
Net cash from investing activities (b)		906,349	(1,913,163)
Financing Activities			
Proceeds from borrowings	4.8	25,868,800	306,786
Payment of borrowings	4.8	(25,864,070)	-
Payment of lease liabilities	4.8	(4,961,521)	(1,916,162)
Dividends paid	4.7	(71,786,259)	(54,210,921)
Net cash used in financing activities (c)		(76,743,050)	(55,820,297)
Net increase / (decrease) in cash and cash equivalents (a+b+c)		(6,600,327)	(5,880,297)
Cash and cash equivalents at beginning of period	4.6	27,245,278	33,125,728
Effect from foreign exchange differences		(274,462)	-
Cash and cash equivalents at the end of the period		20,370,489	27,245,278

The Board of Directors:

President of the Board
Bouras Ioannis

Vice President of the Board
Varsos Christos

Member of the Board
Siarlis Evangelos



STATEMENT OF CHANGES IN EQUITY

	Nominal share capital	Share premium	Reserves	Retained earnings	Total equity
Balance at 1 January 2023	8,355,012	1,877,517	6,267,146	65,246,482	81,746,157
Dividends	-	-	-	(54,210,921)	(54,210,921)
Reserves for share option plan	-	-	74,197	-	74,197
Profit for the period	-	-	-	61,320,667	61,320,667
Balance at 31 December 2023	8,355,012	1,877,517	6,341,343	72,356,228	88,930,100
Balance at 1 January 2024	8,355,012	1,877,517	6,341,343	72,356,228	88,930,100
Dividends	-	-	-	(71,786,823)	(71,786,823)
Reserves for share option plan	-	-	156,698	-	156,698
Profit for the period	-	-	-	68,746,038	68,746,038
Balance at 31 December 2024	8,355,012	1,877,517	6,498,041	69,315,443	86,046,013

The Board of Directors:

President of the Board
Bouras Ioannis

Vice President of the Board
Varsos Christos

Member of the Board
Siarlis Evangelos



1. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

These are the financial statements of Sarantis Romania S.A. ("the Company") with the registered office at Soseaua Bucuresti-Ploiesti St, No. 172-176, Building B, 2nd Floor, District 1, Bucharest, Romania. The Company is a distributor in Romania of household products, skin care and cosmetics products.

1.1. Basis of accounting

These financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union ("IFRS EU").

These financial statements are authorized for issue by the Company's Board of directors on 20 May 2025.

1.2. Consolidated financial statements

Consolidated financial statements are prepared by GR Sarantis SA in its role as the parent company of the Gr. Sarantis S.A. Group (the Group). GR Sarantis SA's domicile is located at 26 Amarousiou - Chalandriou Street, Marousi Greece. The consolidated financial statements are published on the GR Sarantis SA's website: <https://www.sarantisgroup.com>.

1.3. Functional currency and presentation currency

These financial statements are presented in Romanian Lei ("RON") which is the Company's functional currency.

1.4. Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue its activity in the foreseeable future, for at least, but not limited to a period of 12 months from the issuance of these financial statements.

1.5. Significant judgments and estimations by Management

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are as follows:

- Revenue recognition - consideration payable to the customer does not represent a payment for a distinct good or service and as such consideration payable should be accounted for as a reduction of the transaction price.
- Lease term – whether the Company is reasonably certain to exercise extension options

The Company makes estimates and assumptions related to the future. The estimates and assumptions are continually revalued and rely on past evidence and experience, adjusted in line with current market conditions and other factors, including expectations for future events that are considered reasonable under the current circumstances. Actual results may differ from the above estimates under different assumptions or conditions. Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year, are as follows:



Assets with right of use

The Company's most significant estimates regarding right-of-use assets relate to the determination of the existence of leases in specific transactions, the terms of renewal of leases and the determination of the discount rate.

Deferred tax

Deferred tax assets and liabilities are recognized in the event of temporary differences between the book value and the tax base of assets and liabilities using the tax rates that have been enacted and are expected to apply in the periods when these differences are expected to be eliminated. Deferred tax receivables are recognized for all deductible temporary differences and tax losses transferred to the extent that it is probable that taxable profit will be available and will be used against the deductible temporary differences and the transferred unused tax losses. The Company take into account the existence of future taxable income and follow a continuous conservative tax planning strategy in assessing the recovery of deferred tax receivables. Accounting estimates related to the deferred tax receivables require the management to make assumptions about the timing of future events, such as the probability of expected future taxable income and the available tax planning capabilities.

Inventories

Inventories are valued at the lower of their acquisition cost and their net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale. Management makes estimates to calculate any provision for inventory impairment, which includes, among other factors, the inventory's obsolescence, its movement during the period, the planning for the next period, and the estimation of future selling prices.

1.6. New accounting policies

The material accounting policies that were adopted in the preparation of the financial statements of the Group are presented in Note 2. The policies are applied on a consistent manner for all annual periods unless it is stated otherwise.

a) New Accounting Standards, amendments of Standards and Interpretations applied to the financial statements

As of 1 January 2024, the Group adopted all the changes to IFRS as adopted by the European Union ("EU") related to its operations.

The following new Standards, Interpretations and Amendments to Standards have been issued by the International Accounting Standards Board (IASB), adopted by the European Union, and their application is mandatory from 1 January 2024 onwards.

IAS 1 (Amendments) Presentation of Financial Statements: "Classification of Liabilities as Current or Non-Current"

In January 2020, IASB issued amendments to IAS 1 that affect the requirements for the presentation of liabilities. Specifically, the amendments clarify one of the criteria for classifying a liability as non-current, namely the requirement for an entity to have the right to defer the settlement of the liability for at least 12 months after the reporting period. The amendments include, among other things, clarification that the entity's right to defer settlement must exist at the reporting date and clarification that the classification of the liability is not affected by the intentions or expectations of management regarding the exercise of the deferral right.



Additionally, in October 2022, IASB issued an amendment providing clarifications for the classification of debt with covenants and requires new disclosures for non-current liabilities that are subject to future covenants.

IFRS 16 Leases (Amendments): “Lease Liability in a Sale and Leaseback”

The amendments are intended to clarify the requirements of accounting by a seller-lessee regarding measuring the lease liability arising in sale and leaseback transactions. An entity applies the amendment retrospectively in cases of sale and leaseback transactions entered into after the date of the initial application of IFRS 16.

IAS 7 (Amendments) “Statement of Cash Flows” and IFRS 7 (Amendments) “Financial Instruments Disclosures”

In May 2023, IASB issued the final amendments to IAS 7 and IFRS 7 which address the disclosure requirements to be provided by entities in relation to their supplier finance arrangements.

These amendments had no impact on the annual financial statements of the Company.

b) New Accounting Standards, amendments to standards and Interpretations which are mandatorily applied in subsequent periods

The following New IFRS, Amendments to IFRS and Interpretations have been issued by the International Accounting Standards Board (IASB) but have not yet become effective for annual periods beginning on 1 January 2024. Those relating to the Company are presented below.

The Company does not intend to adopt the following New IFRS, Amendments and Interpretations before their effective date as indicated below.

IAS 21 (Amendments) “The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability” (Amendments are effective for annual periods on or after 01 January 2025)

In August 2023, International Accounting Standards Board (IASB) issued amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” which require companies to provide more useful information in their financial statements when a currency is not exchangeable to another currency. The amendments introduce a definition of the “exchangeability” of a currency and provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable. Also, additional disclosures are required in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability. The amendments have not yet been endorsed by the EU.

IFRS 18 “Presentation and Disclosure in Financial Statements” (effective for annual periods starting on or after 01.01.2027)

In April 2024 the International Accounting Standards Board (IASB) issued a new standard, IFRS 18, which replaces IAS 1 ‘Presentation of Financial Statements’. The primary objective of the Standard is to improve the assessment of a company's performance by increasing comparability in presentation in an entity's financial statements, particularly in the statement of profit or loss and in its notes to the financial statements. Specifically, the Standard will improve the quality of financial reporting due to: a) the requirement for defined subtotals in the income statement, b) the requirement to disclose, in a separate note to the financial statements, performance indicators defined by the management of the business (Management Defined Performance Measures), c) new principles for grouping/separating information.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027. Early adoption is permitted. The amendments have not yet been endorsed by the EU.



IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (effective for annual periods starting on or after 01.01.2027)

In May 2024 the International Accounting Standards Board (IASB) issued a new standard, IFRS 19, which permits to a subsidiary, without public accountability and that has a parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. An eligible subsidiary that applies IFRS 19 is required to apply the requirements in other IFRS Accounting Standards for recognition, measurement and presentation requirements but for disclosure requirements, it applies IFRS 19 instead of the disclosure requirements in other IFRS Accounting Standards, except in specified circumstances.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. The amendments have not yet been endorsed by the EU.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (Amendments are effective for annual periods on or after 1 January 2026)

The amendments clarify that a financial liability is derecognized on the "settlement date" and introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI). The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (effective for annual periods beginning on or after 1 January 2026)

In the "Annual Improvements to IFRS - Volume 11," published by the International Accounting Standards Board (IASB) on July 18, 2024, amendments were made that include clarifications, simplifications, corrections, and changes to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Hedge Accounting by a First-time Adopter
- IFRS 7 Financial Instruments: Disclosures:
 - Profit or loss on derecognition
 - Disclosures of differences between fair value and transaction price
 - Credit risk disclosures
- IFRS 9 Financial Instruments:
 - Derecognition of lease liabilities
 - Transaction price
- IFRS 10 Consolidated Financial Statements - Determining a 'de facto agent'
- IAS 7 Statement of Cash Flows - Cost Method.

The amendments to IFRS 9 clarify:

- The difference between IFRS 9 and IFRS 15 Revenue from Contracts with Customers regarding the initial measurement of trade receivables
- The issue of how a lessee accounts for the derecognition of a lease liability under IFRS 9



The amendment regarding the derecognition of lease liabilities applies only to lease liabilities that have been derecognized during or after the start of the annual reporting period in which the amendment is first applied.

The amendments are effective for accounting periods beginning on or after January 1, 2026, with early adoption permitted. These amendments have not yet been adopted by the European Union.

Amendments to IFRS 9 and IFRS 7 "Contracts for Renewable Energy from Renewable Sources" (effective for annual reporting periods beginning on or after January 1, 2026)

On December 18, 2024, the International Accounting Standards Board (IASB) published amendments to IFRS 9 and IFRS 7 concerning contracts for electricity generated from renewable sources. The purpose of these amendments is to better reflect the impact of both physical and virtual electricity contracts on financial statements.

Specifically, the amendments include:

- clarifications regarding the application of the "own use" requirement
- allowing hedge accounting when these contracts are used as hedging instruments
- the addition of new disclosure requirements to enable investors to understand the impact of these contracts on the company's financial performance and cash flows

The amendments should be applied to annual periods beginning on or after 1 January 2026, with early adoption permitted. These amendments have not yet been adopted by the European Union.

The Company is assessing the impact of the new standards and amendments on the financial statements. The amendments that are mandatorily effective in subsequent periods are not expected to have a significant impact on the financial statements of the Company.

2. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

2.1. Foreign currency transactions

Transactions in foreign currency are translated to the operating currency using exchange rates in effect during the date of the transactions.

Profit and losses from foreign exchange difference, which arise from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency with the effective exchange rates during the balance sheet date, are registered in the results.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

The following significant exchange rates have been applied:

	31 December 2024	31 December 2023
USD	4.7768	4.4958
EUR	4.9741	4.9746
CHF	5.2806	5.3666
GBP	5.9951	5.7225

2.2. Tangible assets**a) Recognition and measurement**

Tangible assets are recognized at the acquisition cost including all expenses directly attributed to the acquisition of the assets. Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results.

b) Subsequent expenditure

Subsequent expenses are registered as an increase of the tangible assets' book value or as a separate fixed asset, only to the extent where such expenses increase the future economic benefits expected to arise from the use of the fixed assets, and the cost of such may be reliably calculated. The cost of repairs and maintenance is registered in the results of the period where such are realized.

c) Depreciation

The depreciations of tangible fixed assets are calculated with the straight-line method during their useful life, which is as follows:

	Years
Buildings	from 10 to 60 years
Mechanical equipment	from 4 to 10 years
Vehicles	from 4 to 10 years
Other equipment	from 3 to 20 years

Depreciation of assets starts since when they are available for use, meaning it is in the location and condition necessary for it to be capable of operating. Depreciation starts no later than one month after functioning date and follows in the manner intended by the management, over the period reflecting their estimated economic useful life.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The book value of tangible fixed assets is examined for impairment when there are indications, namely events or changes in circumstances, that the book value may not be recoverable. If there is such an indication and the book value exceeds the estimated recoverable amount, the assets are impaired to the recoverable amount. When the book values of tangible assets exceed their recoverable value, the difference (impairment) is recognized directly as an expense in the profit and loss account.

2.3. Intangible assets**a) Recognition and measurement**

Intangible assets of are initially recognized at acquisition cost. Intangible assets include trademarks, licenses and software.

b) Subsequent expenditure

Following the initial recognition, intangible assets are calculated at cost minus accumulated amortization and any impairment loss that may have emerged.

c) Amortization

The amortization of the intangible fixed assets is calculated with the straight-line method along their economic life, depending on the utilization time of the intangible assets:

	Years
Intangible assets	from 3 to 22 years



The Company does not have intangible assets with indefinite useful lives.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Intangible assets are verified in terms of impairment allowances at the end of each reporting period. If there are indications of impairment, and the carrying amount exceeds the estimated recoverable amount, the value of those assets or the related cash-generating units is decreased to the recoverable amount. The recoverable amount of those assets is the higher of the following values net selling price or their value in use.

2.4. Impairment of non-financial assets

Assets with an indefinite useful economic life are not depreciated and are subject to impairment reviews annually and also when several events or changes in conditions indicate that the book value may not be recoverable. The assets depreciated are subject to impairment review when there are indications that their book value will not be recovered. Impairment losses are recognized for the amount for which the book value of the fixed asset exceeds its recoverable value. The recoverable value is the largest between fair value less the relevant cost required for the sale and value in use (present value of cash flows expected to be generated according to management's estimation on the future financial and operating conditions).

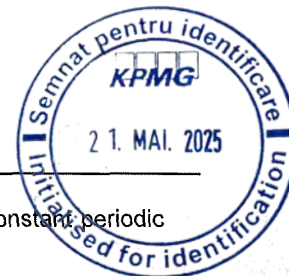
For the purpose of impairment loss assessment, assets are grouped into the smallest possible cash-generating units. An impairment loss is recognized directly in the profit or loss, unless the asset is presented at revalued amount, in which case it is recognized in other comprehensive income to the extent that it does not exceed the amount remaining in the revaluation surplus for that asset.

Non-financial assets, other than goodwill, that have been subject to impairment are re-evaluated for potential reversal of impairment at each balance sheet date if there are indications that the conditions that led to the recognition of the impairment in previous periods no longer exist. In this case, the recoverable amount of the asset is redefined, and the impairment loss is reversed by adjusting the carrying amount of the asset to its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined (net of depreciation or impairments) had the impairment loss not been recognized in prior years.

A reversal of an impairment loss on an asset is recognized immediately in the profit or loss, unless the asset is recognized at revalued amount, in which case it is recognized in other comprehensive income and increases the revaluation surplus for that asset. A reversal of an impairment loss for a cash-generating unit is allocated to the assets of the unit, excluding goodwill, in proportion to the carrying amounts of those assets. Increases in carrying amounts are treated as reversals of impairment losses or individual assets and will be recognized accordingly as described above.

2.5. Leases – lease accounting by the lessee

Leases are recognized as an asset and a corresponding liability on the date when the leased asset is available for use by the Company. Each lease payment is allocated between the liability and the finance cost.



The finance cost is recognized in the profit or loss over the lease term so as to produce a constant periodic interest rate on the remaining liability for each period.

The right of use of the asset is depreciated over the lease term on a straight-line basis or over the useful life of the asset, if the latter is shorter.

Lease liabilities include the present value of the following lease payments:

- fixed lease payments (including substantially fixed payments), reduced by any lease incentives receivable,
- variable lease payments that depend on an index or an interest rate, which are initially measured using the index or interest rate at the commencement date of the lease term,
- amounts expected to be paid by the Company based on guaranteed residual values,
- the exercise price of the purchase option, if it is reasonably certain that the Company will exercise this option and
- the payment of a penalty for terminating the lease, if the lease term reflects the exercise of the Company's option to terminate the lease

At the lease commencement date, the Company measures the lease liability at the present value of lease payments expected to be paid over the lease term. The lease payments consist of fixed payments (including substantially fixed payments) reduced by any lease incentives receivable. For discounting lease payments, the Company use the incremental borrowing rate of the Sarantis Group, as the implicit interest rate of the lease cannot be easily determined.

After the lease commencement date, the lease liability increases based on the interest on the liability and decreases with lease payments. Additionally, the carrying amount of the lease liability is remeasured if there are re-estimates or modifications to the lease agreement.

The Company has lease contracts for buildings, vehicles and other equipment used in their activities. The right-of-use assets are measured and subject to impairment testing as described in note 2.4 Impairment of non-financial assets.

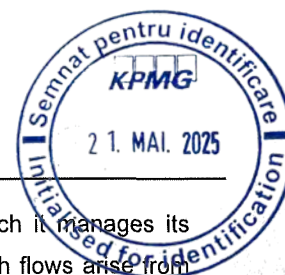
Payments made for short-term operating leases (less than 12 months) or leases of low value are recognized in profit or loss on a straight-line basis over the lease term

2.6. Financial instruments

Financial assets are classified at initial recognition and subsequently measured at amortized cost, at fair value through other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the contractual characteristics of the cash flows of the financial asset and the business model of the Company for their management. With the exception of trade receivables that do not contain a significant financial component, the Company initially measure financial assets at their fair value plus, in the case of a financial asset not valued through profit or loss, transaction costs. Receivables from customers that do not have a significant financial component are valued at the transaction price determined in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or at fair value through total income, cash flows that are "exclusive capital and interest payments (SPPIs)" of the original capital must be obtained.



The Company's business model for managing financial assets refers to the way in which it manages its financial capabilities to generate cash flows. The business model determines whether cash flows arise from the collection of contractual cash flows, the sale of financial assets, or both.

The purchase or sale of financial assets that require the delivery of assets within a timeframe specified by a regulation or a contract on the market is recognized on the trade date meaning on the date on which the Company commits to purchase or sell the asset.

For subsequent measurement purposes, financial assets are classified in the following categories:

- (a) Financial assets measured at fair value through profit or loss,
- (b) Financial assets at amortized cost and
- (c) Financial assets measured at fair value through total income without recycling of cumulative gains and losses upon derecognition

(a) Financial assets that are measured at fair value through profit or loss

Financial assets valued at fair value through profit or loss include financial assets held for trading, financial assets designated at initial recognition at fair value through profit or loss, or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for sale or repurchase in the near future. Derivatives, including embedded derivatives, are also classified as held for trading, unless defined as effective hedging instruments.

Financial assets with cash flows that are not only capital and interest payments are classified and measured at fair value through profit or loss, irrespective of the business model.

(b) Financial assets at amortized cost

The Company measure financial assets at amortized cost if both of the following conditions are met: (a) the financial asset is retained in a business model in order to hold financial assets for the collection of contractual cash flows; and (b) the contractual clauses of the financial asset generate cash flows on specific dates that consist only of capital and interest payments on the balance of the original capital.

Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

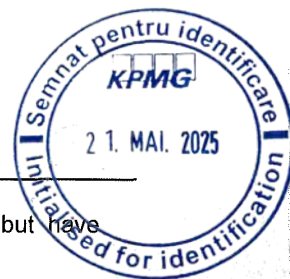
(c) Financial assets classified at fair value through total income

Upon initial recognition, the Company may choose to irrevocably classify its equity investments as equity instruments at fair value through total income when they meet the definition of equity in accordance with IAS 32 Financial Instruments: Presentation and not held for trading purposes. Classification is determined by financial instrument.

Profits and losses from these financial assets are never recycled to profits or losses. Dividends are recognized in the income statement when the payment entitlement has been established, unless the Company benefits from such income as a recovery of part of the cost of the financial asset, so that the gains are recognized in the statement of comprehensive income. Equity instruments measured at fair value through total income are not subject to an impairment test.

A financial asset is derecognized primarily when:

- The rights to receive cash flows from the asset have expired, or
- The Company have transferred their rights to receive cash flows from the asset or have undertaken to fully pay the cash flows received without significant delay to a third party under a passthrough agreement and either (a) the Company have transferred substantially all the risks and rewards of the asset or (b) the



Company have not transferred or held substantially all the risks and estimates of the asset but have transferred the control of the asset.

When the Company have transferred the rights to receive cash flows from an asset or have entered into a transfer agreement, they assess whether and to what extent they own the risks and rewards of ownership. If they have neither transferred nor retained substantially all risks and rewards of the asset but have retained control, they continue to recognize the transferred asset to the extent of their continuing involvement. In such cases, they also recognize an associated liability, which is measured based on the rights and obligations retained.

2.7. Offsetting of financial instruments

Financial assets and liabilities are offset and presented in the statement of financial position in the statement of financial position if there is a legal right to offset the amounts recognized and, in addition, if it is intended to clear the net amount, i.e. fixed assets and liabilities to be offset at the same time.

2.8. Inventories

The cost of inventories is defined using the weighted average method and includes all the expenses realized in order to render inventories to their current position and condition. During the reporting date of the statement of financial position, inventories are presented at the lowest price between acquisition cost and net realizable value.

Net realizable value is the estimated sales price during the normal conduct of the Company's activities, minus the estimated cost necessary to realize the sale.

2.9. Trade Receivables

Receivables from customers are recognized when there is an unconditional right to receive the consideration for the client's contractual obligations to the entity. A contract asset is recognized when the Company has satisfied the obligation to the customer before the customer pays or before the payment is due, for example when the goods or services are transferred to the customer prior to the Company's right to issue an invoice. Receivables from customers on credit are initially recognized at their fair value, which corresponds to the nominal value, net of impairment losses.

Expected credit losses

The Company applies the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which the provision for impairment is always measured at the amount of the expected credit losses over the life of the receivables from customers. At each balance sheet date, the historical percentages used and the estimates of the future financial situation are updated. The correlation between the historical data, the future financial situation and the expected credit losses includes significant estimates. The amount of expected credit losses depends to a large extent on the changes in the conditions and forecasts of the future financial situation. In cases where there are respective indications for certain customers, the estimates are being performed on a more specific basis taking these indications into account. In addition, past experience and forecasts for the future may not lead to conclusions indicative of the actual amount of customer default in the future. The amount of the provision is recognized in the statement of comprehensive income.



Write-offs of trade receivables are carried out through the provision that has been already formed. The write-offs concern overdue receivables for which provision has been made in previous years. The probability of collection of these receivables is low or zero, provided that the necessary legal procedures have been previously exhausted. The final elimination of a trade receivable is performed in line with the recognition requirements of the local tax / trade law.

2.10. Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand, as well as short-term highly liquid investments, such as term deposits with a maturity of less than three months.

2.11. Share capital and reserves

Share capital includes the Company's common shares.

Share capital is presented in the nominal value, in the amount according to the Company Statute and entry in the commercial register. Own funds of the Company are decreased by due contributions to the share capital.

2.12. Dividend distribution

Dividend distribution to shareholders of the Company from the period's profit, are recognized as a liability in the financial statements on the date when the distribution is approved by the General Shareholders' Meeting.

2.13. Loans

Loans are initially registered at fair value, minus any direct expenses realized for the transaction. Subsequently, loans are valued at net book cost. Any difference between the received amount (net of relevant expenses) and the repayment value is recognized in the results during the borrowing term according to the effective interest rate method. Loans are characterized as short-term liabilities unless the Company has the final right to postpone payment for at least 12 months following the balance sheet date.

2.14. Current and deferred taxation

The period's charge with income tax consists of current taxes and deferred taxes. Income tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

a. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted at the reporting date. When deemed necessary provisions are made on the amounts expected to be paid to the tax authorities

Starting with the fiscal year 2024 (which is the same as calendar year), a minimum tax on turnover has been introduced for companies paying corporate income tax if their turnover exceeds EUR 50 million in the previous year. Companies with a corporate income tax lower than the minimum turnover tax, are required to pay the corporate income tax at the level of the minimum turnover tax.

The minimum tax on turnover is calculated by applying a tax rate of 1% on the total income adjusted downwards by subtracting the following items:



- Certain income (mainly non-taxable income, income not yet realized, the compensatory income, the income representing excise duties that were also reflected in the expense accounts);
- Investments (the value of fixed assets under construction caused by the acquisition/production of certain assets, recorded in the accounting records starting 1st January 2024) and
- Tax depreciation (accounting at the level of the historical cost related to certain assets purchased/produced starting 1st January 2024).

The Company's corporate income tax is higher than 1% of turnover and is presented on line Income tax expenses in the Statement of profit or and other comprehensive income.

b. Deferred tax

Deferred income tax is calculated according to the liability method which results from the temporary differences between the book value of assets or liabilities in the financial statements with their respective tax base. Deferred income tax is not recorded if such results from the initial recognition of an asset or liability in a transaction, apart from a business combination, which did not affect the accounting or the tax profit or loss when realized. Deferred tax is defined according to the tax rates and laws in effect during the balance sheet date and those expected to be effective when the deferred tax assets will be realized or the deferred tax liabilities repaid.

Deferred tax assets are recognized to the extent that there will be future taxable profit for the use of the temporary difference that creates the deferred tax asset. Deferred tax assets and liabilities are offset only when the law permits the offsetting of tax assets and liabilities and given that the deferred tax assets and liabilities arise from the same tax authority on one entity that is taxed or on different entities when the settlement is intended to take place through offsetting.

2.15. Employee benefits

a. Short-term benefits

Short-term employee benefits (apart from employment termination benefits) in money and in kind, are recognized as an expense on an accrual basis.

Share based payments

A number of key executives of the Company receive a reward (remuneration) in the form of benefits in terms of shares of the Company, while the executives provide their services in exchange for this reward (remuneration). The cost of these benefits has been predetermined by the Extraordinary General Meeting of Shareholders of the Parent Company on December 20, 2023. The reward will take place through the distribution of bonus shares to the beneficiaries, after the performance results of specific objectives have been evaluated and approved by the Board of Directors.

The company accounts for the share-based payment as equity-settled, with a corresponding increase in equity as a contribution from the parent.

2.16. Revenue

Revenue is recognized at the amount which the Company expects to be entitled to in return for the transfer of goods or services to a customer.

Revenue is defined as the amount that an entity expects to be entitled to receive in exchange for the goods or services it has transferred to a client, except for amounts collected on behalf of third parties (value added tax,

other sales tax). Variable amounts are included in the consideration and are calculated using either the "expected value" method or the "most likely amount" method.

The Company recognizes revenue when (or as it) meets the obligation to execute a contract by transferring the goods or services promised to the customer. The customer acquires control of the good or service if the customer is able to direct the use and derive virtually all the economic benefits from that good or service. Control is passed over a period or at a specific time.

Revenue from the sale of goods is recognized when the control of the good is transferred to the customer, usually upon delivery, and there is no unfulfilled obligation that could affect the acceptance of the good by the customer.

The five basic steps for the recognition of revenue from contracts with customers, according to IFRS 15 are the following:

1. Recognition of the contract with the customer,
2. Recognition of performance commitments
3. Determination of the transaction price,
4. Allocation of transaction price into the performance commitments
5. Revenue recognition as performance commitments are satisfied



The Company is active in the distribution of consumer products. The main products of the Company are perfumes, personal care products, sunscreen products, hair care products as well as food packaging products, plastic garbage bags and household cleaning products. Net proceeds from sales are measured at the fair value of the consideration received or receivable and are declared net of discounts on sales and the consideration paid to customers. These are, in particular, incentives to promote sales which are recorded as deductions from sales. Discounts are granted in accordance with existing agreements with the customers and include rebates, shopper discounts, trade expenses. Considerations payable to the customer do not represent a payment for a distinct good or service and as such consideration payable should be accounted for as a reduction of the transaction price.

A customer receivable is recognized when there is an unconditional right for the entity to receive the consideration for the contractual obligations performed to the customer. A contract asset is recognized when the Company has satisfied their obligations to the customer before the customer pays or before the payment is due, for example when the goods or services are transferred to the customer prior to the Company's right to issue an invoice.

The contractual obligation is recognized when the Company receives a consideration from the client (prepayment) or when it retains the right to a price that is unconditional (deferred income) before performing the obligations of the contract and the transfer of the goods or services. The contractual obligation is de-recognized when the contractual obligations are executed and the income is recorded in the income statement.

2.17. Contingent liabilities and provisions

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Provisions are booked when the Company has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably measured. The provisions are reviewed at every balance sheet date and are adjusted so as to reflect the present value of the expense deemed necessary to settle the liability.

Contingent liabilities are not recorded in the financial statements but are disclosed, except if the probability of an outflow of resources that embody economic benefits is very small. Contingent assets are not recorded in the financial statements but are disclosed if the inflow of economic benefits is probable.

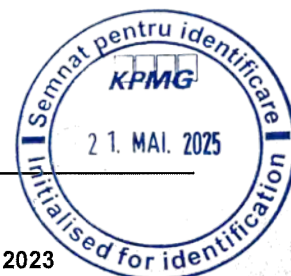
2.18 Reclassifications and corrections

During 2024, the Company performed the following restatements:

- Other receivables (e.g. prepayments) were erroneously presented as Assets transitional accounts. The presentation has been changed by restating each of the affected financial statement item for prior period.
- Trade and other payables (e.g. payroll liabilities) were erroneously presented as Current tax liabilities and Liabilities transitional accounts. The presentation has been changed by restating each of the affected financial statement item for prior period.
- Discounts granted and returns of sales, including the cost of such returns, were separately presented on the face of the Statement of profit or loss and other comprehensive income. The Company corrected the 2023 presentation in the Statement of profit or loss and other comprehensive income by presenting one single line for Revenue, net of discounts granted and returns, and one single line for Cost of sales net of cost of returns.
- The Company presented Distribution expenses by nature in the Statement of profit or loss and other comprehensive income, by presenting marketing expenses, commercial expenses and logistics & distribution expenses. The Company presented distribution expenses by function, to align with the presentation of other elements of expense presented in the Statement of profit or loss and other comprehensive income and as requested by IAS 1 and aggregated marketing expenses, commercial expenses and logistics & distribution expenses under one single line of Distribution expenses. The change in presentation provides a more relevant and reliable view of Company's expenses by function.

The following tables summarize the impact on the Company's financial statements:

	31 December 2023 [as previously reported]	Restatements	31 December 2023 [restated]
Other receivables	1,923,180	146,758	2,069,937
Assets Transitional Accounts	146,758	(146,758)	-
TOTAL CURRENT ASSETS	158,008,164	-	158,008,164
Trade payables	52,936,148	3,688,093	56,624,241
Other payables	2,093,532	1,424,264	3,517,796
Current tax liabilities	884,995	(884,995)	-
Liabilities Transitional Accounts	4,227,362	(4,227,362)	-
TOTAL CURRENT LIABILITIES	64,630,124	-	64,630,124



	31 December 2023 [as previously reported]	Restatement	31 December 2023 [restated]
Revenue	593,440,307	(201,186,070)	392,254,236
Less: Discounts and Allowances	(203,030,854)	203,030,854	-
Returns of Seasonal	1,844,784	(1,844,784)	-
Net Sales	392,254,236	-	392,254,236
Cost of seasonal returns	(1,082,114)	1,082,114	-
Cost of sales	(247,228,498)	(1,082,114)	(248,310,612)
Gross Profit	143,943,625	-	143,943,625
Other operating income	-	160,843	160,843
Marketing expenses	(21,599,498)	21,599,498	-
Commercial expenses	(28,966,011)	28,966,011	-
Distribution expenses	(13,736,985)	(50,726,352)	(64,463,337)
Administrative expenses	(7,379,545)	-	(7,379,545)
Net Operating Profit	72,261,585	-	72,261,586

Also, a correction has been identified with regard to the statement of cash flows, as a wrong value of Increase / (decrease) in liabilities was presented, as detailed in the table below:

	31 December 2023 [as previously reported]	Restatement	31 December 2023 [restated]
Increase / (decrease) in liabilities	(30,236,222)	35,347,734	5,111,512
Cash generated from operating activities	35,706,591	35,357,734	71,064,325

Prior period opening balances are not materially affected and thus a third statement of financial position has not been presented.

3. FINANCIAL RISK MANAGEMENT

3.1. Capital management

The main purpose of company capital management is retaining of a good credit rating and safe capital indexes, which will support operational activity of the Company and increase value for its shareholders. The Company manages the capital structure and because of the economic changes, conditions it enters, appropriate adjustments are made. For the purpose of retaining or correcting of capital structure, the company can regulate the dividend payment for shareholders, return the capital to shareholders or issue new shares.

The company's objectives as regards to management of capital, is to reassure the ability for the company's smooth operation, aiming at providing satisfactory returns to shareholders and to maintain an ideal capital structure by reducing thus the cost of capital. The company monitors its capital based on the leverage ratio. The leverage ratio is calculated by dividing net debt with total employed capital. Net debt is calculated as "Total debt" (including "short"-term and long-term debt" as presented in the Statement of Financial Position) minus "Cash and cash equivalents", Total employed capital is calculated as 'Equity attributable to the shareholders of the parent' as shown in the balance sheet plus net debt. The leverage ratio as of December 31, 2024 and 2023, respectively, was as follows:

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<i>Amounts in RON</i>	Sarantis Romania	
	31.12.2024	31.12.2023
Total debt	24,684,257	20,832,642
Minus		
Cash & cash equivalents	(20,370,489)	(27,245,278)
Net debt (A)	4,313,768	(6,412,636)
Shareholders' Equity (B)	86,046,013	88,930,100
Total Employed Capital (A+B)	90,359,781	82,517,464
Leverage ratio	4.8%	-7.8%

3.2. Financial instruments

The Company's financial instruments mainly consist of cash at bank, trade debtors and creditors, other receivables and other liabilities.

The financial assets and liabilities are classified as financial assets and liabilities at amortized cost and are summarized as follows:

	<u>31-Dec-24</u>	<u>31-Dec-23</u> <u>(restated)</u>
Current assets		
Trade receivables	93,854,904	76,463,811
Other receivables	713,913	2,069,937
Cash and cash equivalents	20,370,489	27,245,278
Total	114,939,306	105,779,026
Non-current liabilities		
Loans	12,435,250	12,436,500
Lease liabilities - LT	7,050,178	3,907,154
Total	19,485,428	16,343,654
Current liabilities		
Trade payables	65,343,040	56,624,241
Lease liabilities	5,198,829	4,042,077
Loans	-	446,010
Other payables	6,482,256	3,517,796
Total	77,024,125	64,630,124

The carrying amount of the above presented financial assets and liabilities is a reasonable approximation of fair value.

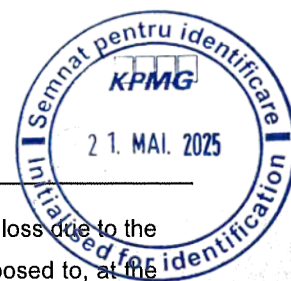
3.3. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Exchange rate risk
- Liquidity risk
- Market risk - price

The Company's administrator has the overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk



Credit risk consists of the possibility that a counterparty will cause the Company to incur a financial loss due to the breach of respective contractual obligations. The maximum credit risk which the Company are exposed to, at the date of preparation of the financial statements, is the book value of their financial assets.

Expected credit loss assessment for trade receivables

The Company's trade receivables mainly come from wholesale clients.

The defaulted payments from customers do not constitute a significant amount which may potentially and negatively affect the smooth liquidity of the Company in combination with the expanded customer base and its dispersion. As a result, there is no significant concentration of credit risk in relation to such receivables. There was one customer representing >10% of total trade receivables however the company does not consider it as a risk.

The financial condition and creditworthiness of customers are continuously monitored by the Company, which assess the level of credit provided as well as the credit limits of accounts, in accordance with the applied credit policy. This is done to effectively manage receivables before they become overdue, as well as when they become past due or doubtful. To monitor credit risk, customers are grouped based on their category, credit risk characteristics, the aging of their receivables, and any previous collection issues they have exhibited, while also considering future factors related to the customers and the economic environment. The Company has secured credit insurance for specific customers. The Company calculates expected credit losses for all trade and other receivables on an ongoing basis, in accordance with IFRS 9, taking into account the aging of balances as well as any historical and future factors affecting debtors. Expected credit loss provisions are recognized in the statement of comprehensive income.

Write-offs of trade receivables are carried out through the already established provision. The write-offs relate to overdue receivables for which a provision had been made in previous years. The likelihood of collecting these receivables is low or zero, as all necessary legal procedures have been exhausted beforehand. The final write-off of a trade receivable aligns with the recognition requirements of local tax and commercial legislation.

The Company applies the simplified approach of IFRS 9 and calculate expected credit losses throughout the lifetime of the receivables. For this purpose, the Management utilizes a table of credit loss provisions based on the maturity of balances and also based on the historical data for credit losses, adjusted for future factors in relation to the debtors and the economic environment. Bad debts are evaluated one by one in order to calculate the respective provision. The amount of the provision is recognized in the statement of comprehensive income. There was no change in the methodology applied as compared to the previous year.

As of December 31, 2024, and 2023, the aging of current and overdue trade receivables from customers and notes receivables was as follows:

	31.12.2024	31.12.2023
Current (not past due)	93,627,774	73,798,414
0-90 days past due	94,188	2,750,002
91-180 days past due	1,048	(21,963)
181-360 days past due	137,175	-
More than 360 days past due	49,119	47,358
Total	93,909,303	76,573,811

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The Company applies the simplified approach of IFRS 9 for the calculation of expected credit losses for all trade receivables across their total life.

Expected loss rates are based on the historical credit losses of the Company. Subsequently the historical loss rates are adjusted for current and future information regarding macroeconomic factors that affect the Company's customers.

The tables below present the credit risk analysis of the Company:

31-Dec-24						
<u>Trade and other receivables</u>	<u>Current</u>	<u><90</u>	<u>90-180</u>	<u>181-360</u>	<u>360+</u>	<u>Total</u>
Trade and other receivables	93,627,774	94,188	1,048	137,175	49,119	93,909,303
Expected credit loss	-	2,121	627	2,532	49,119	54,399
Percentage of expected credit loss	0.00%	2.25%	59.85%	1.85%	100.00%	0.06%

31-Dec-24						
<u>Trade and other receivables</u>	<u>Current</u>	<u><90</u>	<u>90-180</u>	<u>181-360</u>	<u>360+</u>	<u>Total</u>
Trade and other receivables	73,798,414	2,750,002	(21,963)	-	47,358	76,573,811
Expected credit loss	-	-	62,642	-	47,358	110,000
Percentage of expected credit loss	0%	0%	-285%	0%	100%	0%

Expected credit loss assessment for cash and cash equivalents

Credit risk connected with cash in bank in amount of 20,360,000 RON is not significant because the Company engages in transactions with institutions with established financial position.

The Company has cash at bank with ING Bank (A+/AA- rating), UniCredit Bank (BBB rating) and Alpha Bank Baa3 rating).

Exchange rate risk

Exchange rate risk is the probability that the fair value of a financial instrument's cash flows will fluctuate due to changes in foreign exchange rates.

The Company operates in an environment characterized by relatively high foreign exchange risk given that most of the Company's purchases are denominated in EUR. The Management of the Company is constantly examining the currencies' fluctuations and takes appropriate measures where necessary.

The table below summarized the financial assets and liabilities which are denominated in other currencies than RON:

	31-Dec-24		31-Dec-23	
	EUR	USD	EUR	USD
Current assets				
Trade receivables	7,952,589	-	6,492,495	-
Receivables Affiliates	29,186	-	72,104	-
Cash and cash equivalents	38,989	6,007	42,522	15,434
Total	8,020,764	6,007	6,607,120	15,434

SARANTIS ROMANIA S.A.
Notes to the Financial Statements at 31 December 2024
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Non-current liabilities				
Loans	(12,435,250)	-	(12,882,510)	-
Lease liabilities - LT	-	-	-	-
Total	(12,435,250)	-	(12,882,510)	-
Current liabilities				
Trade payables	(25,216,676)	(3,189,934)	(30,282,349)	(2,417,558)
Lease liabilities	-	-	-	-
Payables to Affiliates	(8,429,817)	-	(6,843,510)	-
Other payables	-	-	-	-
Total	(33,646,493)	(3,189,934)	(37,125,859)	(2,417,558)
Net position	(38,060,979)	(3,183,927)	(43,401,249)	(2,402,124)

On 31 December 2024, if the EUR had depreciated by 5% against RON, with all other variables remaining constant, the effect on the statement of comprehensive income and on the equity of the Company would be of 1,903,049 RON (2023: 2.170.062 RON). An appreciation by 5% against the relevant currencies, would have an equivalent but opposite effect, given that all other variables remain constant.

Liquidity risk

Liquidity risk consists of the risk that the Company may not be able to fulfil financial liabilities when required.

Prudent liquidity risk management implies the existence of a balance between cash flows as well as funding through adequate amounts of committed credit facilities. The Company closely monitors the amount of short-term and long-term funding as well as the proportion of such towards total debt and the composition of total debt, manages the risk that could arise from the lack of sufficient liquidity and secures that necessary borrowing facilities are maintained. The Company has sufficient credit line facilities that could be utilized to fund any potential shortfall in cash resources.

The Company takes care to manage working capital in a way that minimizes potential liquidity and cash flow risks. The contractual maturities of the Company's financial liabilities (undiscounted and including interest payments) as of December 31, 2024, and 2023, are summarized in the table below:

FY2024	Book value	up to 1 year	1 to 5 years	over 5 years	Total
Loans	(12,435,250)	(547,151)	(14,623,854)	-	(15,171,005)
Lease Liabilities	(12,249,007)	(5,713,292)	(7,510,685)	-	(13,223,977)
Suppliers	(66,561,708)	(66,561,708)	-	-	(66,561,708)
Other Liabilities	(4,558,577)	(4,558,577)	-	-	(4,558,577)
	(95,804,542)	(77,380,728)	(22,134,539)	-	(99,515,267)

FY2023	Book value	up to 1 year	1 to 5 years	over 5 years	Total (restated)
Loans	(12,436,500)	(547,206)	(15,172,530)	-	(15,719,736)
Lease Liabilities	(7,949,231)	(4,163,621)	(3,957,916)	-	(8,121,537)
Suppliers	(56,624,241)	(56,624,241)	-	-	(56,624,241)
Other Liabilities	(3,517,796)	(3,517,796)	-	-	(3,517,796)
	(80,527,768)	(64,852,864)	(19,130,446)	-	(83,983,310)

**Price risk**

Price of purchased goods is a component which has a major impact on the total profitability of Company. Changes in prices of purchasing goods can result from the international demand trends for the selected materials and from the exchange rates. In connection with big fluctuations of goods and packaging prices on the world markets and exchange rates, purchasing department makes comparative analysis of purchases from different sources, to measure profitability of domestic and foreign purchases. It is a one of main instruments of price risk minimization.

Maintaining alternative active suppliers, evaluating alternative materials, pre-ordering and creating safety stocks where and when necessary, conducting consolidated tenders at the Group level, and developing and maintaining a strong pipeline for margin improvement are some of the procurement strategies we follow with the aim of managing market volatility.

The Company regularly monitors the profitability of individual products and on the basis of these data takes action related to the optimization of the purchase price or the sale of the products

4. EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**4.1. INTANGIBLE ASSETS**

	Other development expenses	Trademarks	Other intangible assets - computer software	Total
Gross book value				
Balance at 1 January 2023	23,866	45,151	4,928,200	4,997,216
Additions	-	-	40,831	40,831
Disposals	-	-	(678,360)	(678,360)
Balance at 31 December 2023	23,866	45,151	4,290,671	4,359,687
Additions	-	-	47,271	47,271
Disposals	-	-	-	-
Balance at 31 December 2024	23,866	45,151	4,337,942	4,406,958
	Depreciation of other development expenses	Depreciation trademarks	Depreciation of other intangible assets - computer software	Total
Accumulated depreciation				
Balance at 1 January 2023	23,866	43,557	3,533,685	3,601,107
Additions	-	870	148,971	149,841
Disposals	-	-	(678,360)	(678,360)
Balance at 31 December 2023	23,866	44,427	3,004,296	3,072,588
Additions	-	724	328,673	329,397
Disposals	-	-	-	-
Balance at 31 December 2024	23,866	45,151	3,332,969	3,401,985
	Other development expenses	Trademarks	Other intangible assets - computer software	Total
Net book value				
At 1 January 2024	-	724	1,286,375	1,287,099
At 31 December 2024	-	-	1,004,973	1,004,973



4.2. TANGIBLE ASSETS

	Buildings - Technical Works	Equipment & Other Equipment	Vehicles	Furniture	Total
Gross book value					
Balance at 1 January 2023	1,408,996	2,164,665	125,635	727,831	4,427,128
Additions	8,257	239,665	-	-	247,922
Disposals	-	(153,565)	-	(151,822)	(12,016)
Balance at 31 December 2023	1,417,253	2,250,765	125,635	576,009	4,369,663
 Balance at 1 January 2024	 1,417,253	 2,250,765	 125,635	 576,009	 4,369,663
Additions	-	296,302	-	-	296,302
Disposals	-	(200,843)	(112,864)	-	(313,707)
Balance at 31 December 2024	1,417,253	2,346,225	12,771	576,009	4,352,259

	Buildings - Technical Works	Equipment & Other Equipment	Vehicles	Furniture	Total
Accumulated Depreciation					
Balance at 1 January 2023	955,612	1,729,204	125,636	502,152	3,312,604
Depreciation for the period	238,979	199,033	-	45,061	483,073
Disposals	-	(144,947)	-	(151,822)	(296,769)
Balance at 31 December 2023	1,194,591	1,783,290	125,636	395,391	3,498,908
 Balance at 1 January 2024	 1,194,591	 1,783,290	 125,636	 395,391	 3,498,908
Depreciation for the period	187,332	262,533	-	36,417	486,282
Disposals	-	(198,599)	(112,865)	-	(311,464)
Balance at 31 December 2024	1,381,923	1,847,224	12,771	431,808	3,673,727

	Buildings - Technical Works	Equipment & Other Equipment	Vehicles	Furnitur es	Total
Net book value					
At 1 January 2024	222,662	467,475	-	180,618	870,755
At 31 December 2024	35,330	499,001	-	144,201	678,532

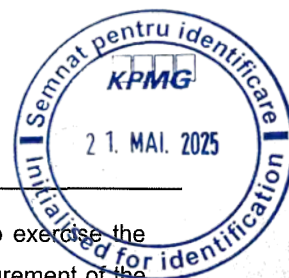
There are no tangible assets which are a security for liabilities of the company as of 31 December 2024 and 31 December 2023.

At 31 December 2024 and 31 December 2023 the Company had no future investment commitments.

4.3. RIGHT OF USE ASSETS

The Company has lease contracts for buildings, vehicles and other equipment used in their activities. The leases run for a period between 1 year and 10 years and there are several lease agreements where the Company has the option to renew the lease after the contractual period.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Some leases contain extension options exercisable by the Company before the end of the non-cancellable contract period.

SARANTIS ROMANIA S.A.
Notes to the Financial Statements at 31 December 2024
(expressed in RON, unless otherwise stated)


The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. When determining the lease term to be used for the measurement of the lease, the Company considers all relevant facts and circumstances that create an economic incentive for exercising either the extension or termination option of the lease term. The Company reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant changes in circumstances within its control.

A breakdown of the right of use assets and movement during the year is presented below.

	<i>Buildings</i>	<i>Vehicles</i>	<i>Other equipment</i>	<i>Total</i>
Cost				
Balance at 1 January 2023	14,953,832	4,781,722	449,416	20,184,970
Additions	2,675,030	190,010	-	2,865,040
Disposals	-	(94,569)	-	(94,569)
Balance at 31 December 2023	17,628,862	4,877,163	449,416	22,955,441
Balance at 1 January 2024	17,628,862	4,877,163	449,416	22,955,441
Acquisitions in Period	2,295,221	7,134,460	-	9,429,681
Disposals	(66,531)	(1,455,997)	-	(1,522,627)
Balance at 31 December 2024	19,857,552	10,555,626	449,416	30,862,594

	<i>Buildings</i>	<i>Vehicles</i>	<i>Other equipment</i>	<i>Total</i>
Accumulated Depreciation				
Balance at 1 January 2023	8,340,035	2,928,121	251,863	11,520,019
Depreciation in Period	3,002,605	1,228,823	64,152	4,295,580
Disposals	-	(94,570)	-	(94,570)
Balance at 31 December 2023	11,342,640	4,062,374	316,015	15,721,029
Balance at 1 January 2024	11,342,640	4,062,374	316,015	15,721,029
Depreciation in Period	3,082,635	1,767,180	64,328	4,914,143
Disposals	(3,220)	(1,434,243)	-	(1,437,463)
Balance at 31 December 2024	14,422,055	4,395,311	380,343	19,197,709

	<i>Buildings</i>	<i>Vehicles</i>	<i>Other equipment</i>	<i>Total</i>
Net book value				
At 1 January 2024	6,286,222	814,789	133,401	7,234,412
At 31 December 2024	5,435,497	6,160,315	69,073	11,664,885

Additions to right of use assets represent contract modifications based on contractual rent adjustment mechanism as well as new vehicles rent contracts signed during the year. Derecognition of right of use assets are amounts mainly related to contract terminations.

Amounts recognized in profit and loss

	2024	2023
Interest on lease liabilities	559,071	222,603
Expenses relating to short-term leases	301,765	555,044
Total	860,836	777,647

Amounts recognized in the statement of cash flows

	2024	2023
Cash outflows for leases	(4,961,521)	(4,474,416)
Interest paid for leases	(559,071)	(222,603)
Total	(5,520,592)	(4,697,019)

SARANTIS ROMANIA S.A.**Notes to the Financial Statements at 31 December 2024***(expressed in RON, unless otherwise stated)***4.4. INVENTORIES**

	31 December 2024	31 December 2023
Merchandise	50,964,146	49,146,817
Packaging & Other Auxiliary Materials	585,598	636,424
Goods in transit	2,935,610	2,445,896
Impairment due to obsolescence	(184,921)	-
Total	54,300,432	52,229,138



The company's inventories are free of encumbrances.

4.5. TRADE RECEIVABLES

	31 December 2024	31 December 2023 (restated)
Trade receivables	93,263,714	74,435,532
Trade accruals	(7,679,856)	(5,526,805)
Trade receivables due from related parties	29,186	72,104
Allowance	(54,399)	(110,000)
Net trade receivables	85,558,645	68,970,829
Checks and notes receivables	8,296,259	7,492,982
Allowance	-	-
Net checks and notes receivables	8,296,259	7,492,982
Total	93,854,904	76,463,811

Trade receivables are interest-free, and their term of payment is 30-120 days. Trade receivables with related parties are presented in Note 15.

Trade accruals represent accruals for discounts to be granted for sales made in 2024.

The analysis of the provision of trade receivables is as follows:

	31 December 2024	31 December 2023
Opening balance	110,000	90,000
Additions for the year – allowance for trade receivables	-	20,000
Reversal for the year – allowance for trade receivables	(56,601)	-
At the end of a period	54,399	110,000

Information about the Company's exposure to credit and market risks and impairment losses for trade receivables is included in Note 3 Financial risk management.

4.6. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash in hand	10,489	21,463
Cash at banks	105,994	77,950
Bank deposits	20,254,006	27,145,865
Total	20,370,489	27,245,278

As of 31 December 2024 and 31 December 2023 the Company does not have any restricted cash or deposits.

Information about the Company's exposure to credit and market risks is included in Note 3 Financial risk management.

SARANTIS ROMANIA S.A.
Notes to the Financial Statements at 31 December 2024
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4.7. SHARE CAPITAL AND RESERVES

4.7.1 Share capital

Share capital of Sarantis Romania S.A. as of 31 December 2024 and 31 December 2023 is:

	31 December 2024	31 December 2023
Subscribed and paid share capital – RON	8,355,012	8,355,012
Number of ordinary shares	8,355,012	8,355,012
Value of a share (RON/share)	1	1

As at 31 December 2024 and 31 December 2023 all shares are fully paid. All shares rank equally regarding the Company's residual assets.

As of 31 December 2024 and 31 December 2023 the shareholders of the Company are as following:

	Number of ordinary shares in 2024	Percentage of holding	Number of ordinary shares in 2024	Percentage of holding
GR SARANTIS S.A.	8,353,704	99.98434%	8,353,704	99.98434%
SARANTIS BULGARIA EOD	1,308	0.01566%	1,308	0.01566%

During 2024 and 2023 there were no changes in the structure of shareholding of the Company

4.7.2 Reserves

Reserves represent the following:

- the legal reserves in amount of RON 1,671,002
- the special reserves in amount of RON 1,151,361;
- reserves for reinvested profit of RON 3,675,677 and
- share premium reserves in amount of RON 1,877,517.

4.7.3 Dividends

The following dividends were declared and paid by the Company for the year:

	31 December 2024			31 December 2024		
	Distributed Dividends	Withholding Tax	Dividends paid	Distributed Dividends	Withholding Tax	Dividends paid
GR.SARANTIS S.A.	71,775,580	-	71,775,580	54,202,447	-	54,202,447
SARANTIS BULGARIA	11,243	564	10,679	8,475	425	8,900
Total	71,786,823	564	71,786,259	54,210,922	425	54,211,347

Distribution of dividends is performed based on the retained earnings of the Company calculated based on the Romanian Accounting Standards (OMF 1802/2024).

The net profit as of 31 December 2024 in the amount of 68,746,038 RON will remain undistributed until the approval of the Statutory Financial Statements by the general Assembly of Shareholders.

4.8. LOANS AND LEASE LIABILITIES

4.8.1 Loans received from related parties

In December 2018, the Company received a loan from SARANTIS D.O.O. - SERBIA, in the amount of 2.500,000 EURO, loan to be restituted in full until 23 December 2019, with an interest of 3.44%. The loan agreement was extended until 31 December 2029. Interest rates applicable for the loan during 2024 are as following:

SARANTIS ROMANIA S.A.**Notes to the Financial Statements at 31 December 2024***(expressed in RON, unless otherwise stated)*

1 January 2024 - 1 April 2024	3.19%
1 April 2024 - 30 April 2024	3.15%
1 May 2024 - 31 August 2024	3.80%
1 September 2024 - 31 December 2024	4.40%

As of 31 December 2024 the balance of the loan is 12,435,250 RON (31 December 2023: 12,882,510 RON, out of which interest due 446,010 RON).

In 2024, the Company received a loan from SARANTIS SKOPJE D.O.O. in the amount of 4,500,000 EURO, loan which has been restituted in full on 16th December 2024. The interest applicable for the loan for 2024 was of 4.25%.

4.8.2 Other loans

As of 31 December 2024 and 31 December 2023, the Company contracted a credit line with UNICREDIT Bank in amount of 6.000.000 Euro for financing of working capital requirements and issuance of bank guarantee letters and credit cards.

The loan is guaranteed with a mortgage on receivables and guarantee on the current accounts opened by the Company with UNICREDIT Bank.

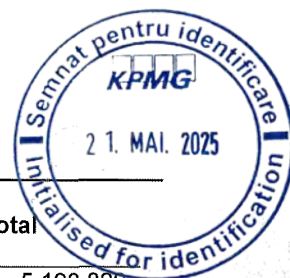
As of 31 December 2024 and 31 December 2023, the Company used the credit line for issuance of letters of credits and guarantee letters to suppliers. As of 31 December 2024 the amount used is of 477,930 EURO (equivalent of 2,377,272 RON at the exchange rate of 2024 year end) (31 December 2023: 303,881 EUR, equivalent of 1,511,690 RON at the exchange rate of 2023 year end).

Beneficiary	Currency	Balance not used as of 31 December 2024	Balance used as of 31 December 2024	Type
WEIFANG DAIJIANG PLASTICS CO., LTD	USD	100,233	-	Letter of Credit
WEIFANG DAIJIANG PLASTICS CO., LTD	USD	2,984	-	Letter of Credit
WEIFANG DAIJIANG PLASTICS CO., LTD	USD	-	223,350	Letter of Credit
WEIFANG DAIJIANG PLASTICS CO., LTD	USD	-	130,857	Letter of Credit
CHANGLE RUISEN PLASTIC PRODUCTS CO. LTD.	USD	-	143,463	Letter of Credit
Total letter of credit - USD		103,217	497,671	Letter of Credit
Total letter of credit – EUR equivalent		99,123	477,930	
ROMPETROL DOWNSTREAM SRL	EUR	60,312	-	Letter of guarantee
Total– EUR equivalent	EUR	159,435	477,930	

4.8.3 Liabilities from leases

As at 31 December 2024 and 31 December 2023, the Company leases assets representing property, vehicles and other equipment. Property leases are represented by lease of the Company's headquarters (located in Bucharest, Sos. Bucuresti-Ploiesti no 172-176, District 1, Romania) and lease of warehouses (located in Dragomiresti Vale, Ilfov, Str. Piersicului nr. 1, Romania). Property leases contain clauses for additional rent payments that are based on changes in local price indices. All lease contracts are denominated in EUR.

As at 31 December 2024 the lease liabilities are presented as following:

SARANTIS ROMANIA S.A.
Notes to the Financial Statements at 31 December 2024
(expressed in RON, unless otherwise stated)


	Buildings	Vehicles	Other equipment	Total
Short term Lease Liabilities	3,401,337	1,775,561	21,931	5,198,829
Long term Lease Liabilities	2,565,298	4,483,318	1,562	7,050,178
Total	5,966,636	6,258,879	23,492	12,249,007

As at 31 December 2023 the lease liabilities are presented as following:

	Buildings	Vehicles	Other equipment	Total
Short term Lease Liabilities	3,290,481	711,142	40,455	4,042,078
Long term Lease Liabilities	3,733,725	149,935	23,495	3,907,155
Total	7,024,206	861,077	63,950	7,949,233

4.8.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Loans	Lease liabilities	Total
Balance at 1 January 2024	12,882,510	7,949,232	20,831,742
Changes from financing cash flows			-
Proceeds from loans and borrowings	25,868,800		25,868,800
Repayment of borrowings	(25,864,070)		(25,864,070)
Payment of lease liabilities		(4,961,521)	(4,961,521)
Total changes from financing cash flows	4,730	(4,961,521)	(4,956,791)
			-
The effect of changes in foreign exchange rates	(187,376)	1,117	(186,259)
Other changes			-
New leases		9,260,179	9,260,179
Interest expense	1,500,246	559,071	2,059,317
Interest paid	(1,764,860)	(559,071)	(2,323,931)
Total liability-related other changes	(264,614)	9,260,179	8,995,565
Balance at 31 December 2024	12,435,250	12,249,007	24,684,257

	Loans	Lease liabilities	Total
Balance at 1 January 2023	12,368,500	9,558,608	21,927,108
Changes from financing cash flows			-
Proceeds from loans and borrowings	306,786		306,786
Repayment of borrowings			-
Payment of lease liabilities		(1,916,162)	(1,916,162)
Total changes from financing cash flows	306,786	(1,916,162)	(1,609,376)
The effect of changes in foreign exchange rates	207,224	68,927	276,151
Other changes			-
New leases		237,859	237,859
Interest expense	1,309,845	222,603	1,532,448
Interest paid	(1,309,845)	(222,603)	(1,532,448)
Total liability-related other changes	-	237,859	237,859
Balance at 31 December 2023	12,882,510	7,949,232	20,831,742

SARANTIS ROMANIA S.A.**Notes to the Financial Statements at 31 December 2024***(expressed in RON, unless otherwise stated)***4.9. TRADE AND OTHER PAYABLES****A. Trade payables**

	31 December 2024	31 December 2023 (restated)
Trade payables due to related parties	8,429,817	6,843,510
Suppliers	52,953,780	46,092,638
Accrued expenses	3,959,443	3,688,093
Total	65,343,040	56,624,241

Trade payables are interest-free and usually settled within 60-120 days. Trade payables due to related parties are presented in Note 15.

Accrued expenses include accruals for marketing and media expenses in amount of 3,504,942 RON (31 December 2023: 3,611,127 RON).

B. Other payables

	31 December 2024	31 December 2023 (restated)
Salary liabilities	3,061,168	1,657,300
Other liabilities towards the state budget	3,137,111	1,688,971
Other short term and similar liabilities	283,977	171,525
Total	6,482,256	3,517,796

As of 31 December 2024 Salary liabilities include an accrual for bonuses to employees that will be paid in the following year in amount of 1,120,461 RON (31 December 2023: 358,409 RON).

Other liabilities towards the state budget are represented mainly by VAT payables as of period end and salary contributions for the Company's employees.

4.10. REVENUE

	Year ended 31 December 2024	Year ended 31 December 2023
Domestic Sales	431,732,181	388,301,934
Direct Export	2,398,295	3,053,148
Revenues with related parties	136,299	899,154
	434,266,775	392,254,236

The above amounts represent the value of Revenue net of trade discounts granted during the period, in amount of 239,101,760 RON (2023: 203,030,854 RON).

4.11. OTHER OPERATING INCOME

	Year ended 31 December 2024	Year ended 31 December 2023
Services to Third Parties	586	133,739
Income from Services to Personnel	37,282	11,443
Other Revenue	7,095	15,659
	44,963	160,842

4.12. Expenses per Category

SARANTIS ROMANIA S.A.**Notes to the Financial Statements at 31 December 2024***(expressed in RON, unless otherwise stated)*

Expenses per category by nature are analyzed as follows:

Description	01.01-31.12.2024	01.01.-31.12.2023 (restated)
Cost of goods	272,206,126	248,310,612
Distribution Expenses:	69,795,903	64,463,337
Employee expenses	22,279,611	19,395,401
Third-party fees	427,221	397,718
Third-party benefits	2,943,849	3,114,076
Taxes - duties	1,837,978	1,637,253
Sundry expenses	37,352,451	35,452,522
Depreciation	4,954,793	4,466,368
Administrative Expenses:	9,263,955	7,379,545
Employee expenses	6,375,118	4,860,064
Third-party fees	698,876	591,339
Third-party benefits	1,021,880	828,146
Taxes - duties	1,576	333
Sundry expenses	534,506	659,639
Depreciation	631,999	440,023

Sundry Expenses of 37,352,451 RON are mainly represented by: Advertising and Promotion expenses: 23,562,844 Ron, Freight and transport expenses: 4,785,315 RON, Merchandising Services: 3,632,194 RON, Fuels: 1,211,377 RON.

In 2023, **Sundry Expenses** consisted mainly in: Advertising and Promotion expenses: 21,527,046 RON, Freight transport expenses 4,530,620 RON, Merchandising Service: 2,651,803 RON, Fuels: 1,014,792 RON.

4.13. PAYROLL EXPENSES

As of 31 December 2024 and 31 December 2023 the employees of the Company were as follows:

	31 December 2024	31 December 2023
Sales and marketing	110	119
Storage and production	47	45
Administration	37	21
	194	185

As of 31 December 2024 the total value of wages and salaries paid by the Company were of 27,136,982 RON (31 December 2023: 22,866,982 RON).

There were no payments in form of company's shares and no long-term benefits for employees.

SARANTIS ROMANIA S.A.**Notes to the Financial Statements at 31 December 2024***(expressed in RON, unless otherwise stated)***4.14. NET FINANCE COSTS**

	Year ended 31 December 2024	Year ended 31 December 2023
Interest expense	(1,936,762)	(1,416,657)
Interest income	1,297,141	1,226,806
Bank charges	(122,554)	(115,790)
Net foreign exchange losses	(460,847)	(1,430,459)
Net foreign exchange income	210,210	602,189
Net foreign exchange result	(250,637)	(828,270)
Net financial revenues and expenses	(1,012,814)	(1,133,912)

4.15. INCOME TAX

	Year ended 31 December 2024	Year ended 31 December 2023
Current income tax	13,518,939	10,897,625
Income Tax bonification	(232,036)	(871,810)
Total	13,286,903	10,025,815

The Company was not subject to a tax audit for the period 2019 – 2024.

Reconciliation of effective tax rate

	2024	Year ended 31 December 2024	2023	Year ended 31 December 2023
Profit before tax from continuing operations		82,032,941		70,780,334
Tax using the Company's domestic tax rate	16.00%	13,125,270.53	16.00%	11,324,853
Non-deductible expenses	4.26%	3,497,350.75	3.99%	2,822,549
Tax-exempt income	-2.57%	(2,106,783.75)	-1.72%	(1,216,288)
Tax incentives	-1.50%	(1,228,935.00)	-4.10%	(2,905,299)
Total	16.2%	13,286,903	14.17%	10,025,815

Movements in deferred tax balances

	31 December 2023	Amounts recognized in profit or loss	31 December 2024
Povision for other liabilities	2,102,968	212,290	2,315,258
POP stock	73,376	(40,177)	33,199
Other elements	11,871	25,072	36,943
Right of use assets	114,371	(20,912)	93,460
Tangible and intangible assets	10	25,317	25,327
Provision for obsolete inventories	-	29,588	29,588
Provisions for bad debt	-	859	859
Total	2,302,597	232,036	2,534,634

Regulations regarding VAT, corporate and personal income tax, social insurance contributions are liable to frequent changes. As a result, there are often no references to recorded regulations or legal precedents. Regulations which are in force are ambiguous, causing differences in opinions about legal interpretations of tax

SARANTIS ROMANIA S.A.**Notes to the Financial Statements at 31 December 2024***(expressed in RON, unless otherwise stated)*

regulations between bodies of state administration and companies. Tax settlements and other settlements (e.g. customs and currency) can be a subject of control conducted by bodies of state administration, which are able to impose significant fines, and additional liabilities may be charged with interest. These facts create tax risk in Romania which is higher than in countries with more developed tax systems. Tax settlements may be subject to inspection for a period of five years from the end of the year in which the tax was due. As a result of inspections, the existing tax settlements may be subject to additional tax liabilities.

As described in Note 1, the Company is part of the Sarantis group, which is subject to the legislation regarding a global minimum tax level in accordance with Pillar II of the OECD/G20 Inclusive Framework on BEPS global minimum tax rules, implemented at the European Union level through Council Directive (EU) 2523/2022 on ensuring a minimum level of taxation ("Directive 2523"), implemented in Romania through Law 431/2023, applicable starting from January 1, 2024. Pillar II stipulates the establishment of a minimum effective tax rate of 15% at the level of all jurisdictions that are part of the Inclusive Framework, a measure designed to reduce the possibilities of base erosion through profit shifting between jurisdictions.

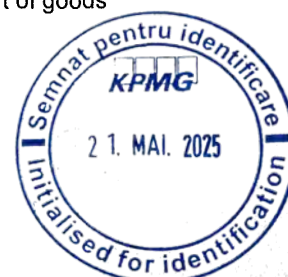
Romania has implemented in its national legislation (according to Article 17 of Law 431/2023) the QDMTT – Qualified Domestic Minimum Top Up Tax, which represents an option for the Romanian state whereby additional tax is calculated and paid in the jurisdiction where the entities are taxed at a reduced level (where the effective tax rate is less than 15%). Thus, any additional tax related to constituent entities located in Romania is calculated in accordance with the QDMTT rules and paid to the tax authorities in Romania. The national additional tax is calculated at the jurisdiction level, which will be allocated to the constituent entities in Romania based on a formula that takes into account the proportion of the qualified profit of the constituent entity compared to the aggregate qualified profit of all constituent entities in Romania.

The Sarantis Group has not met the minimum criteria necessary for the application of legislation ensuring a global minimum level of taxation.

4.16. RELATED PARTIES

The Company has balances and had transactions with related parties companies. All transactions with related party companies were performed at market price, and the Company observed the transfer pricing rules and guidelines provided by the Romanian tax legislation when performing these transactions.

Name	Country	Relationship and transaction types with the entities
Sarantis D.O.O. Serbia	Serbia	Sales of goods / Loan received
Sarantis Hungary Wszl Kft	Ungaria	Sales of goods
Sarantis Doo Banja Luka	Macedonia	Sales of goods
Gr. Sarantis SA - Greece	Grecia	Sale of good / Import of goods
Sarantis Bulgaria Ltd.	Bulgaria	Sales of goods
Sarantis Czech Republic s.r.o.	Cehia	Sales of goods
Sarantis Poland	Polonia	Import of goods
Polipak Sp. z o.o., Poland	Polonia	Import of goods



SARANTIS ROMANIA S.A.**Notes to the Financial Statements at 31 December 2024***(expressed in RON, unless otherwise stated)***Receivables from related parties:**

	31 December 2024	31 December 2023
Sarantis D.O.O. Serbia	-	69,868
Sarantis Hungary Wszl Kft	-	1,478
Sarantis Doo Banja Luka	-	-
Gr. Sarantis SA - Greece	142	719
Sarantis Bulgaria Ltd.	29,044	22
Sarantis Czech Republic s.r.o.	-	17
Total	29,186	72,104

**Payables to related parties**

	31 December 2024	31 December 2023
Gr. Sarantis SA - Greece	4,743,186	2,375,018
Sarantis Poland	3,008,089	4,078,561
Polipak Sp. z o.o., Poland	593,152	358,905
Other related parties	80,178	31,026
Total	8,424,605	6,843,510

Loans payable to related parties

	31 December 2024	31 December 2023
Sarantis D.O.O., Serbia	12,435,250	12,882,510
Out of which interest payable	-	446,010

Income from sales to related parties

	Year ended 31 December 2024	Year ended 31 December 2023
Sarantis Czech Republic s.r.o.	-	176,927
Gr. Sarantis SA Greece	25,721	201,176
Sarantis D.O.O. Serbia	52,953	278,561
Sarantis Bulgaria Ltd.	57,625	110,123
Sarantis Hungary Kft.	-	132,368
Total	136,299	899,154

Goods purchased from related parties

	Year ended 31 December 2024	Year ended 31 December 2023
Sarantis Czech Republic s.r.o.	664,267	368,668
Gr. Sarantis SA, Greece	38,287,674	39,261,906
Sarantis D.O.O., Serbia	118,066	419,416
Sarantis Poland	15,011,398	17,828,437
Stella Pack SA	175,087	-
Polipak Sp. z o.o., Poland	12,454,506	5,746,551
Ergopack LTD, Ukrain	377,562	556,516
Sarantis Hungary Kft.	133,678	74,385
Sarantis Bulgaria Ltd., Bulgaria	217,454	23,294
Total	67,439,693	64,279,173

Other purchases from related parties

	Year ended 31 December 2024	Year ended 31 December 2023
Gr. Sarantis SA, Greece	546,949	1,432,401
Sarantis Bulgaria Ltd., Bulgaria	-	5,955
Total	546,949	1,438,356

SARANTIS ROMANIA S.A.
Notes to the Financial Statements at 31 December 2024
(expressed in RON, unless otherwise stated)



Financial expenses – interest

	Year ended 31 December 2024	Year ended 31 December 2023
Sarantis Skopje Macedonia	871,435	743,672
Sarantis D.O.O. Serbia	497,710	445,777
	1,369,145	1,189,449

4.17. COMMITMENTS AND CONTINGENCIES

As of 31 December 2024 and 31 December 2023, the Company contracted a credit line with UNICREDIT Bank in amount of 6.000.000 Euro for financing of working capital requirements and issuance of bank guarantee letters and credit cards.

Please refer to Note 7.2 for details of the above letters of credits and guarantee letters.

The Company does not have commitments for capital expenditures.

4.18. LITIGATION CASES

There are no pending or under arbitration litigation cases and decisions by judicial or arbitration bodies which may significantly affect the financial statements of the Company.

4.19. EVENTS AFTER THE BALANCE SHEET DATE

In January 2025, the company signed a loan agreement with Sarantis Skopje, with a value of 5,000,000 EUR and with an interest rate of 3.561% per year. The loan will be repaid by Sarantis Romania SA by December 31, 2025. On April 1, 2025, the merger project of the company with Stella Pack SRL was approved. As of this date, the warehouse in Prejmer (Braşov) becomes a working point for Sarantis, and the employees were transferred to the Sarantis team.

Bucharest, 20 May 2025

The Board of Directors:

President of the Board
Bouras Ioannis

Vice President of the Board
Varsos Christos

Member of the Board
Siaris Evangelos