

ANNUAL REPORT 2025



In accordance with the provisions of Law 24/2017 and Financial Supervisory Authority Regulation No. 5/2018 on issuers of financial instruments and market operations.



din 1997

SIPEX

Soluții în construcții



ISSUER INFORMATION

Annual Report 2024 - in accordance with the provisions of Law **24/2017** and ASF Regulation 5/2018

Publication date of the report: **09.04.2026**

Issuer's name: **SIPEX COMPANY S.A.**

Registered office: **Com. Ariceștii Rahtivani, Parc Industrial Crangul lui Bot, DN 72, KM8, Jud. Prahova, România**

Mailing address/branch office: **Com. Ariceștii Rahtivani, Parc Industrial Crangul lui Bot, DN 72, KM8, Jud. Prahova, România**

Phone number /fax: **+40 244 434 039/ +40 244 434 038**

Contact email for investors: **investitori@sipex.ro**

Unique registration code at the Trade Registry Office: **RO 9813422**

Registration number in the Trade Registry: **J2007001802295**

Number of shares issued and characteristics: **399,893,481 shares with a nominal value of 0.1 RON**

The regulated market where the securities issued are traded: **AeRO ATS Premium**

Subscribed and paid-up share capital: **RON 39,989,348.10**

Trading symbol: **SPX**

Cod LEI: **787200HYX0GJQ2PE7065**

The financial statements for the year 2025 presented in the following pages are individual, for SIPEX COMPANY S.A., and are audited.



CONTENTS

CEO STATEMENT	4
ABOUT SIPEX COMPANY S.A.	5
MAJOR EVENTS DURING THE REPORTING PERIOD.....	13
STRATEGY	14
ACQUISITIONS AND/OR DISPOSALS OF ASSETS DURING THE ANALYSED PERIOD	14
GENERAL EVALUATION ELEMENTS. FINANCIAL PERFORMANCE	15
MEDIUM AND LONG-TERM PERSPECTIVE	23
RISKS	31
PROPOSAL FOR THE 2026 REVENUE AND EXPENDITURE BUDGET	33
DIVIDEND POLICY.....	34
ACTIVITIES OF PURCHASING OWN SHARES.....	35
FINANCIAL POSITION	36
CORPORATE GOVERNANCE PRINCIPLES.....	38
MANAGEMENT STATEMENT.....	43
SIPEX COMPANY SA SUSTANABILITY STATEMENT.....	44

ANNEX 1 – BALANCE SHEET FOR THE YEAR 2025 AND ACCOMPANYING NOTES	
ANNEX 2 – ADMINISTRATOR'S REPORT FOR THE FINANCIAL YEAR ENDING 31.12.2025	
ANNEX 3 – INDEPENDENT AUDITOR'S REPORT ON THE RESULTS FOR THE YEAR 2025	



CEO STATEMENT

Dear investors,

The year 2025 was marked by a challenging context in the construction sector, characterized by volatility in the residential segment and a moderate pace of public investments. In this environment, SIPEX remained focused on operational efficiency, financial discipline, and strengthening its market position.

The company recorded a turnover of **RON 327.6 million**, supported by the Retail channel. Through strict cost control, we managed to improve profitability, with net profit increasing by over 6% to RON 11 million. At the same time, the financial position strengthened significantly through increased liquidity and a reduced level of indebtedness, providing the company with a solid foundation for future growth, especially in the current context.



We continued investments in logistics and operational efficiency, allocating over RON 2.2 million for fleet renewal and equipment modernization. Progress was also made regarding the development plans for the production unit in Ariceștii Rahtivani, a strategic project based on state of the art technology, estimated at approximately EUR 20 million. Construction is scheduled to begin in 2026, with completion expected in 2028, depending on securing the necessary funding sources.

The year 2025 also marked SIPEX's first structured sustainability reporting exercise, based on a double materiality analysis and a formal stakeholder consultation process, with the results presented in this report. For SIPEX, this first reporting exercise provided internal clarity on the real impact of its activities, with the objective of offering investors and partners greater visibility on risks and the company's development direction.

Looking ahead, we rely on over 29 years of experience in the construction materials market to capitalize on growth opportunities, particularly in infrastructure projects and specialized materials, while maintaining our commitment to generating sustainable value for shareholders. For 2026, we aim to expand our product portfolio and further develop our own brands, Meșterică and Profit, which will support capturing opportunities in the construction sector.

Thank you for your trust and we invite you to consult the annual report for more details. For questions or clarifications, please contact us at the email address investitori@sipex.ro.

Thank you,



Constantin Irinel Gheorghe,

CEO SIPEX COMPANY

ABOUT SIPEX COMPANY S.A.

BUSINESS ACTIVITY

SIPEX COMPANY S.A. specializes in the distribution of construction materials and finishes, offering a wide range of such products, as well as technical consultancy and related services, both for the corporate market and the retail market, while also developing a dedicated strategy for the DIY market segment.

According to the registration at the National Trade Register Office (ONRC), the company's main field of activity is "wholesale trade of timber, construction materials, and sanitary equipment" - CAEN Code 4683. This has remained the same since its establishment.

EXPERIENCE

SIPEX is one of the largest distributors of construction materials in Romania, with national distribution supported by 12 logistic centers, a fleet of 191 owned vehicles, 12 coloring laboratories, as well as a specialized technical consultancy team.

Founded in 1997 by the entrepreneur Irinel Constantin Gheorghe, **SIPEX** was listed on the AeRO Market of the Bucharest Stock Exchange in June 2022, following a private placement through which it raised RON 10.6 million from 54 investors.



The company's activity began in Prahova. Currently, **SIPEX** has approximately 280 employees and operates 12 logistic centers that function as working points and sales points: Braşov, Bucharest, Cluj, Craiova, Iaşi, Ilfov (Pantelimon), Focşani, Piatra Neamţ, Prahova (Ariceştii Rahtivani), Râmnicu Vâlcea, Suceava, and Timişoara.

The company operates with an integrated business model, organized into three business lines: sales and distribution of construction materials and finishes, services (technical consultancy), and sales of colored finished products. Sales and distribution activities are carried out through three channels: traditional retail, business to business (B2B), and online. Traditional retail consists of various-sized stores other than DIY (Do It Yourself). Sales to these stores are done through dedicated agents. The B2B market segment (corporate) includes construction companies, developers, state or private institutions, craftsman teams and individuals who build or renovate their properties themselves. Since 2019, the company has had a dedicated



channel for this segment, sipexcomenzi.ro, aimed at simplifying the sales process to existing partners and reducing operational costs by offering self-service facilities.

The company provides technical consultancy services and has the capability to represent and promote the products of a new supplier in the Romanian market, both commercially, technically, and in terms of logistics and distribution. Colored finished products are made in computerized tinting laboratories from each logistic center.

The company markets a wide range of products, including both international brands, as well as private labels under the "Meșterică" and "Profit" brands since 2013. Among the brands distributed by SIPEX are: Ceresit, Rigips, Isover, Weber, Cesarom, Swisspor, Austrotherm, Baumit, Porothersm, Tondach, Brikston, Ytong, Leier, Structo, Tenco, Sapabet, Aco, Holver, Kronospan, Romstal. The main product categories sold include adhesives and mortars, hydro and thermal insulation, metals, heavy materials, and plasterboard. The own brand "Meșterică" includes products in the adhesives/plasters/mortars and expanded polystyrene (EPS) categories, as well as washable paints/primers/renderings.

SIPEX has attracted and selected since the beginning internationally recognized companies with which it has developed long-term partnerships (Henkel Romania - for over 20 years, Saint-Gobain Construction Products Romania - for over 15 years, Firos - for over 12 years, SANEX SA, Knauf, Austrotherm, Swisspor SA, Wienerberger, Tondach Romania, Brikston Construction Solutions SA, Holcim SA, ACO, Holver, Kronospan Trading, Romstal, Policolor, TeraPlast). **SIPEX** also holds licenses for Düfa and Profitec and markets washable paints, primers, and sealers under this brand in the Romanian and Bulgarian markets, following an exclusive 10-year agreement with the German group Meffert AG closed in 2017. The products included in **SIPEX**'s portfolio are produced in several factories, depending on their offerings, capacities, and services.

COMPANY HISTORY AND ACTIVITY

From its early years of activity, SIPEX has experienced significant development, which has supported the company in its efforts to open regional logistics centers, aiming for strategic regional and national representation, as well as fast delivery of **SIPEX** products and services throughout Romania.

Currently, the company benefits from national representation and distribution through a network of 12 logistics centers in different regions of the country, which operate as working and distribution points. The company's headquarters, located in Ariceștii Rahtivani commune, Prahova county, has direct access to the national road DN7, covering a total area of 21,000 square meters, hosting a showroom, offices, storage spaces, platforms, equipment, and machinery.

The 12 logistics centers are situated in: Ariceștii Rahtivani (Prahova), Bucharest, Pantelimon (Ilfov), Focșani (Vrancea), Bosanci (Suceava), Carcea (Dolj), Budești (Vâlcea), Cluj, Dumbrava Roșie (Piatra Neamț), Iași (Iași), Timișoara (Timiș), and Prejmer (Brașov), opened in the following order:

- ◆ **1997 SIPEX COMPANY** starts its activity with the first storage and office space in Ploiești, Gh. Doja 138 (operating until 2007);



- ◆ **2000** The branch in Bucharest opens, located at Timișoara Blvd. No. 100, Sector 6, Bucharest;
- ◆ **2002** The first warehouse in Ploiești opens, located at 27 Vestului Highway, Ploiești, Prahova county;
- ◆ **2005** The Focșani branch opens on Munteniei Road, T83P435, Focșani, Vrancea county;
- ◆ **2007** The new headquarters with the "Ceresit" showroom is inaugurated in Ariceștii Rahtivani, DN 72, km 8, Prahova county;
- ◆ **2011** The Cluj branch opens on Traian Vuia Boulevard, No. 206, Cluj-Napoca, Cluj county;
- ◆ **2012** The Craiova branch opens in Cârcea village, Crângului Street, No. 2, Dolj county, and the Piatra Neamț branch opens in Izvoare village, Dumbrava Roșie commune, Serei Street, No. 7, Neamț county;
- ◆ **2015** The Iași branch opens on Chimiei Boulevard, No. 12, Iași, Iași county, and the Suceava branch opens in Bosanci village, Sucevei Street, No. 81, Suceava county;
- ◆ **2017** The Timișoara branch opens on Buziașului Avenue, No. 162, Timișoara, Timiș county, and the Râmnicu Vâlcea branch opens in Racovița village, Budești commune, No. 284, Vâlcea county;
- ◆ **2018** The Pantelimon branch opens on Biruinței Boulevard, No. 189, Pantelimon, Ilfov, with 5000 sqm of storage and office space. The branches in Brașov also open, in Prejmer village, Brașovului Street, No. 162, Brașov county, and in Ploiești, Laboratorului Street, No. 10, Prahova county.

The **SIPEX** team, structured into specialized departments, coordinates projects from start to finish, with a full range of resources and product packages to support continuous activity. The company's main activities include selling products and solutions distributed by **SIPEX** and providing technical advice for selecting and implementing products.

The sales department's main objective is to develop business relationships and strengthen **SIPEX COMPANY's** position as a national leader in the Romanian construction materials market. The **SIPEX** Sales Department operates through 3 channels:

- ◆ **Online:** **SIPEX** is present in the e-commerce segment through its owned Online store. The application used directs orders to the nearest branches so that delivery can be made as quickly as possible. The store provides access to various campaigns that **SIPEX** launches at different time intervals. The 12 **SIPEX** logistics centers are equipped with the necessary equipment to ensure fast deliveries to each location from which orders are received.
- ◆ **Retail:** Traditional retail, consisting of stores of various sizes other than DIY (Do It Yourself) ones. Sales to these stores are made through dedicated agents, coordinated by regional managers and the National Sales Director. They have access to an SFA system (tablets connected to the ERP system with real-time inventory access), ensuring that orders taken quickly enter the ERP system.
- ◆ **B2B – This market segment is composed of the following partners:**



1. Construction companies (that carry out construction works for various investors or develop their own residential or industrial projects). These partners are assigned to a dedicated team for this market segment and also have access to an order platform, „sipexcomenzi.ro”, created specifically for them. The same platform provides them with information about stocks, balances, order statuses, prices set for various projects, etc.

2. Developers (investors who choose to negotiate material and construction system prices directly with a distributor). They are allocated to a dedicated team, which together with supplier representatives, provides them with the best technical and commercial solutions.

3. Teams of small craftsmen (the same **SIPEX** sales representatives try to offer them the best solutions and services (transportation, coloring, technical solutions) so that they become promoters of the product packages that **SIPEX** sells.

4. Individuals (who build on their own or renovate their own properties). The dedicated sales teams propose to them the purchase of various products from the **SIPEX** package.

The distribution and sales activity of construction materials takes place in all 12 branch offices (warehouses).

The sales department is led by two National Directors, one for each sales channel: Retail and B2B. In their role, the National Sales Directors oversee the dedicated sales teams, Retail or B2B, in each **SIPEX** branch office.

The logistics department

From its early years of activity, **SIPEX** has experienced significant development, which supports the company's efforts to open regional logistics centers, aiming for strategic regional and national representation, as well as rapid delivery of **SIPEX** products and services throughout Romania.

The main objective of **the technical department** is to provide technical advice to clients in choosing the materials needed for their projects, focusing on both quality and quantity aspects, through:

- ◆ contacting and maintaining collaborative relationships with clients in their operational area, staying updated on ongoing projects in the area, regardless of their size;
- ◆ promoting the products and systems marketed by the company to specialized designers, contractors, and ultimately to end-users;
- ◆ elaborating technical and commercial offers for the **SIPEX** product package;
- ◆ providing the best technical solutions for each project by creating personalized offers;

The procurement department ensures the optimal supply of specific products in the company's field of activity across all locations. It maintains an optimal level of stocks with the best products, solutions, and prices, covering all customer requirements. It maintains constant contact with manufacturers to stay updated on the latest industry developments in terms of products and specific technologies.

SIPEX has attracted and selected internationally recognized companies from the beginning, with whom it has developed long-term partnerships (Henkel Romania - for over 20 years, Saint-



Gobain Construction Products Romania - for over 15 years, Firos - for over 12 years, SANEX SA, Knauf, Austrotherm, Swisspor SA, Wienerberger, Tondach Romania, Brikston Construction Solutions SA, Holcim SA, ACO, Holver, Kronospan Trading, Romstal, Policolor, TeraPlast). **SIPEX** also holds licenses for Düfa and Profitec and sells washable paints, primers, and undercoats under these brands in the Romanian and Bulgarian markets, following a 10-year exclusive agreement with the German group Meffert AG in 2017. Products from the **SIPEX** portfolio are manufactured in several factories, depending on their offerings, capacities, and services.

THE RANGE OF PRODUCTS DISTRIBUTED BY SIPEX:

- ◆ Washable paint - dispersions: Ceresit, Profitec, düfa, Meșterică, Kraft, Spor, Deko;
- ◆ Tools and accessories: Meșterică;
- ◆ Products for roof and floor renovation: Ceresit, Meșterică, Tegola, General Membrane;
- ◆ Varnishes and stains: Sadolin, Hammerite, Spor, Deko;
- ◆ Primers: düfa, Profitec, Ceresit, Mesterică, Kraft, Spor, Deko;
- ◆ Products for masonry: Leier, Cemrom, Structo, Tenco, Porotherm;
- ◆ Roofs: Tondach;
- ◆ Thermal insulation system: Ceresit, Meșterică;
- ◆ Thermal insulation with mineral wool: Isover, Rockwool;
- ◆ Thermal insulation materials made of polystyrene: Swisspor, Austrotherm, Hirsch, düfa, Meșterică;
- ◆ Decorative plaster: Ceresit, Meșterică, Kraft, Vinarom, Deko;
- ◆ Suspended ceilings, moldings: Rigips, Meșterică Décor;
- ◆ Metal profiles and accessories: Rigips, Meșterică;
- ◆ Polyurethane foam, silicones: Ceresit, TKK;
- ◆ Floor screeds: Ceresit, Meșterică, Baumit;
- ◆ Waterproofing systems: Ceresit, Meșterică, Baumit, General Membrane;
- ◆ Fillers: Ceresit, Meșterică, Rigips, Baumit, Weber;
- ◆ Grout: Ceresit, Baumit;
- ◆ Standard and flexible adhesives: Ceresit, Meșterică, Baumit, Weber;
- ◆ Ceramic products: tiles and ceramic tiles: Cesarom;
- ◆ Thermo-hydro-sanitary products: Romstal;
- ◆ Underfloor heating systems: NeoTer;
- ◆ OSB, Tego, parquet, and wooden panels: Holver;
- ◆ Wastewater and rainwater retention and cleaning systems, drainage solutions: ACO;
- ◆ Paving and curb systems: Elis Pavaje, Semmerlock;
- ◆ Welded mesh, corrugated panels: Fier CTC, Intertranscom;
- ◆ Concrete additives, sealants, repair mortars: Ceresit;



ASPECTS RELATED TO PERSONNEL

The remuneration and promotion policy aims to retain employees, as well as strengthen the unity and efficiency of the team. Since the main objective of the company regarding its personnel is to stimulate the team and ensure the cooperation of its members, salaries are fixed for all departments. However, periodically, the **SIPEX** team is rewarded according to achievements and the personal contribution of each employee to the results.

Also, through the recruitment policy, the company intends to facilitate the training of dedicated personnel who identify with the company values and direction. The selection criteria are oriented not only towards the profile of education, formal training, or candidates' experience, but especially towards values such as trust, desire for development, motivation, and commitment. The management of the company and employees in the Finance, Marketing, IT, Procurement departments have higher education, while the personnel in the Logistics and Administrative departments have medium-level education. Through leading by example, the company's leadership has transmitted values such as punctuality, discipline, and availability throughout the entire team.

Department	Number of employees
Top Management	5
Administrative	12
Finance	32
Marketing	1
Sales	68
Acquisitions	3
IT	2
Tendering and technical department	7
Logistics	141

THE PERSONNEL STRUCTURE

The average number of employees as of December 31, 2025, was 263, slightly decreasing compared to the previous year.

Our employees are the building blocks of a strong foundation, held together by a shared drive to grow. We take pride in a core team of employees (over 20 people) who have been with the company for more than 15 to 20 years.

The employee represents the most important resource within the company and, regardless of their position, contributes daily to its development. These aspects are acknowledged by the General Director, both as a human form of respect and as a basis for appreciation of the benefits brought by a company employee.

Personnel expenses increased by 3.24%, a variation that highlights the recruitment policy adopted by the company both from a qualitative and quantitative perspective. The staff is not organized in a trade union, and the relationships between the company's management and employees are regulated by labor legislation, the individual employment contract, the collective labor agreement, and the internal regulations.



During 2025, no elements of conflict were recorded that could affect the relationship between employer and employees, with the relationship between management and staff being based on communication, trust, mutual support, respect, and self-discipline.

THE SHAREHOLDER STRUCTURE

The company, a Romanian legal entity, was established under the name **SIPEX COMPANY S.R.L.**, on October 6, 1997, registered with the Trade Register under no. J2007001802295, unique registration code no. 9813422 (RO), with headquarters in Prahova, commune Aricești Rahtivani, no. 1, DN 72, Km 8. At that time, Constantin Irinel Gheorghe, the founder of the company, was the sole shareholder, holding the positions of Administrator and General Director. The initial form of organization was a limited liability company.

In September 2021, the company changed its legal form and became **SIPEX COMPANY S.A.**, transforming into a joint-stock company.

The subscribed and paid-up share capital of the company amounts to RON 39,989,348.10, divided into 399,893,481 nominative shares with a nominal value of RON 0.1 each. As of the end of 2025, the shares are held by:

- Constantin Irinel Gheorghe, who holds 91.9% of the share capital, corresponding to a total of 367,499,997 shares.
- Other individuals and legal entities, with an 8.1% stake in the share capital, totalling 32,393,484 shares.

Shareholder	Share
Constantin Irinel Gheorghe	91.9%
Other natural and legal persons	8.1%

EXECUTIVE LEADERSHIP AND BOARD OF DIRECTORS

The leadership of the company is carried out by Mr. Constantin Irinel Gheorghe, Chairman of the Board of Directors of SIPEX, and General Director of **SIPEX** since 1997. He graduated from the Faculty of Materials Science and Engineering at the Polytechnic University of Bucharest and from the National Institute of Administration (INA) Bucharest. He was an assistant professor at the faculty he graduated from between 1992 and 1994. Constantin Irinel Gheorghe also serves as Vice President of the Federation of Construction Employers, a representative organization in the Romanian construction market.

The other 2 members of the Board of Directors are:



- ◆ Constantin Gheorghe – member of the **SIPEX** Board of Directors since 2021, since 2004 Economic Director of the Company, graduated from the Faculty of Finance and Accounting at Artifex University in Bucharest.
- ◆ Gemile Susli – member of the SIPEX Board of Directors since 2025 (from February 18) and Non-Executive Administrator, entrepreneur with over 10 years of experience in developing and managing businesses. Graduate of the Executive MBA program at Kennesaw State University, Atlanta, USA, with a specialization in Executive Business Administration – Management.

The Board of Directors and the General Manager of **SIPEX** are supported in their leadership activities by a management team consisting of the Chief Financial Officer, Marketing Director, National Sales Director for the Retail Channel, and National Sales Director for the B2B Channel, as follows:

- ◆ Constantin Gheorghe – CEO of **SIPEX** since 2004;
Before joining the **SIPEX** team, he held the position of Financial Director at International Clothing Manufacturers SRL and has over 20 years of experience in the financial and accounting field. He is also a member of the Body of Expert Accountants and Authorized Accountants of Romania since 2012.
- ◆ Sorina Macsen – Director of Marketing since 2004;
After 12 years of experience in multinational companies such as Shell Romania and Metro Cash & Carry, Ms. Macsen joined the **SIPEX** team and is currently the Marketing Director. She studied Materials Science and Engineering at the Polytechnic University of Bucharest and graduated from the Faculty of Marketing and International Business (Marketing specialization) at Spiru Haret University Bucharest in 2010. She is also a Quality Auditor and Environmental Auditor.
- ◆ Marian Ghiță – National Sales Director for the B2B Channel since 2015;
Marian Ghiță joined the **SIPEX** team in September 2004 and has held various positions within the company, including sales representative and B2B division manager. Since 2015, he has been the National Director for the channel dedicated to clients in the construction industry. He graduated from the Faculty of Management at the Petroleum and Gas University in Ploiești.
- ◆ Cristian Burtea – National Sales Director for the Retail Channel since 2017;
Graduate of the Faculty of Management - Business Administration at U.P.G. Ploiești, with 21 years of experience in sales. Cristian Burtea joined the SIPEX team in 2017 and has held various positions in sales throughout his career.

RESEARCH AND DEVELOPMENT ACTIVITY

SIPEX COMPANY S.A. does not conduct research and development activities for products or processes whose expenses would be capitalized, leading to the creation and registration of intangible assets representing expenses associated with research and development activities.

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THE IMPACT ON THE ENVIRONMENT



The company holds all the environmental permits and authorizations necessary for its activities. There are no ongoing or anticipated legal actions for breaching environmental legislation. **SIPEX** demonstrates its capability to provide services that meet customer requirements and applicable regulations, starting from 2007 when the Integrated Quality Management System - Environment - Health and Occupational Safety was certified according to ISO 9001, ISO 14001, and ISO 45001 by the German certification body TÜV Thüringen e.v.

EVALUATION OF COMPANY ACTIVITY AND MAIN RESULTS

The activity of the company **SIPEX** in the year 2025 was good.

- ◆ The results recorded as of 31.12.2025 reflect the managerial, operational, and financial efforts undertaken by the company throughout the entire year 2025, complemented by its ability to assert itself in a dynamic and highly competitive market. **SIPEX's** strategy materialized in a gross profit of RON 14.04 million. The financial performance at year-end shows a level of revenues decreased by 1.61%, but with a net result of RON 11 million. Net profit in 2025 recorded an increase of 6.11% compared to 2024.
- ◆ The turnover, amounting to RON 327.6 million, recorded at the end of 2025 a percentage decrease of 1.36% compared to the same period of the previous financial year. The fluctuation in turnover reflects variations in market demand and the dynamics of the commercial activities carried out during the analysed period.

MAJOR EVENTS DURING THE REPORTING PERIOD

- ◆ On March 18, 2025, Mr. Lucian Azoitei resigned from his position as a member of the Board of Directors. The Board of Directors acknowledged his resignation, and during the meeting on February 18, 2025, Ms. Gemile Susli was appointed as a temporary member until the election of a new member at the General Shareholders' Meeting on April 28, 2025.
- ◆ During the General Shareholders' Meeting from April 28, 2025, a new member was elected and appointed as administrator of the company until August 23, 2027, namely Mrs. Susli Gemile, a Romanian citizen.
- ◆ **SIPEX** organized the "Investor Day" on May 16, 2025, at its first logistics center in Ariceștii Rahtivani, Ploiești. The event was attended by investors and financial analysts. During this occasion, the management team presented the company's activities, financial results for the first quarter of 2025, development strategy, and its plans in the capital market.
- ◆ On May 27, 2025, **SIPEX** informed shareholders that, in accordance with the decision of the Ordinary General Meeting of Shareholders on April 28, 2025, the payment of dividends for the financial year 2024 will begin on May 30, 2025. This will be facilitated through Depozitarul Central S.A. and the designated paying agent, BCR (Banca Comercială Română), with a gross dividend value per share of RON 0.00875260659.
- ◆ In June 2025, the company was awarded for the third consecutive year by Forbes Magazine at the Forbes Gala - League of Champions event for exceptional performance over the past 10 years. We were recognized among the companies with consistent business growth and maintained profitability throughout the last decade.



- ◆ On August 20, 2025, the conference call presenting the financial results for the first half of 2025, dedicated to shareholders and investors, took place.
- ◆ On September 29, 2025, the Extraordinary General Meeting of Shareholders was held at the first call. The shareholders approved adding CAEN codes 4644, 4649, 4754, and 4755 to the company's secondary object of activity.

STRATEGY

At the national level, the company already has a significant presence in the construction materials market through regional centers, especially in the distribution segment of the industry. The company's development strategy includes expanding the geographical reach to better cover all potential areas, while simultaneously engaging in more aggressive online sales channel promotion. With proper logistics sizing, **SIPEX** aims to expand the geographical distribution of its products. The growth potential driven by both market opportunities and the company's positioning within the industry can be realized through strategic options:

- ◆ diversification of the product portfolio;
- ◆ development of existing working locations and opening of new distribution centers;
- ◆ increase in the B2B and online sales channels;
- ◆ focus on the needs of small craftsmen teams;
- ◆ sizing of the auto transport fleet to cover as much of the national market as possible;
- ◆ development of new partnerships with established suppliers to enhance the range of services and products offered;
- ◆ identification and direct offering to construction companies of all sizes across the entire country;
- ◆ develop personalized offers for individuals undertaking construction and/or renovation projects independently;

ACQUISITIONS AND/OR DISPOSALS OF ASSETS DURING THE ANALYSED PERIOD

In 2025, SIPEX continued to invest in development and sustainability, allocating over RON 2.2 million, mainly for fleet renewal (RON 2 million), as well as for technological and logistical equipment necessary to increase operational efficiency and environmental protection, detailed below:

- ◆ **Equipment acquisitions:**
 - **Photovoltaic system** - acquisition of a photovoltaic system, with a total value of RON 102,185.54.
 - **IT equipment** - printers and computers, with a total value of RON 14,856.54.
 - **Furniture, office equipment, and protective equipment**, with a total value of RON 43,174.
- ◆ **Transport vehicle acquisitions:**
 - **Passenger Cars** – 10 cars, with a total value of RON 768,687.
 - **3.5t Vans** – 1 units, with a total value of RON 195,184.
 - **Vans >3.5t** – 4 units, including 1 Daily, 3 Eurocargo, with a total value of RON 1,017,446.



In 2025, the acquisition of the property located at 20B Alexandru cel Bun Street, Pantelimon City, Ilfov County, amounting to RON 1,216,165.18, and of the property located at 12 Bucegi Street, Ploiești Municipality, Prahova County, amounting to RON 1,067,599.63, intended for resale, was finalized.

No disposals of assets with a significant impact on the company's activity took place or were recorded in 2025.

No merger, division, patrimonial changes, or significant reorganizations of the company took place during 2025.

GENERAL EVALUATION ELEMENTS. FINANCIAL PERFORMANCE

The economic and financial transactions conducted by the company have been recorded based on supporting documents and highlighted in the accounting registers, in accordance with the current legal provisions, and the results obtained as of December 31, 2025, are as follows:

A) PROFIT/LOSS

SIPEX's strategy for profitable and sustainable development materialized on December 31, 2025, in a gross profit of RON 14.04 million, marking an increase of 2.24% compared to 2024.

B) NET TURNOVER

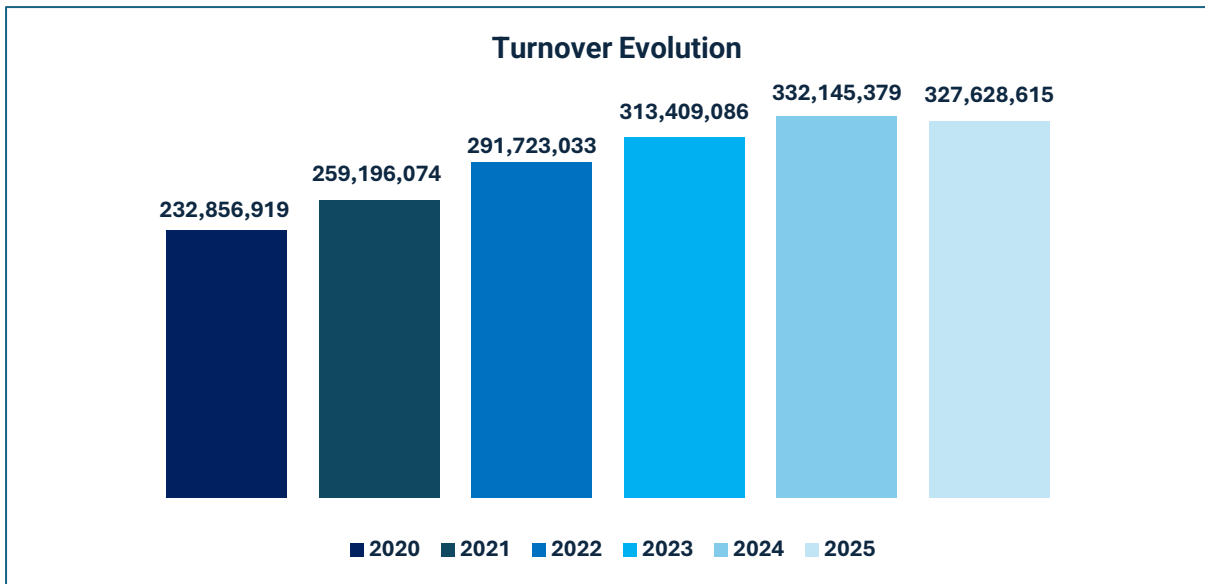
In 2025, SIPEX recorded a turnover of RON 327.6 million, down by 1.36% compared to 2024. The evolution was mainly driven by the growth of sales in the B2B channel as a result of portfolio diversification and involvement in infrastructure projects, which generated higher volumes.

Operating revenues for the financial year ended December 31, 2025, amounted to RON 334.33 million, recording a decrease of 1.63% compared to the financial year ended December 31, 2024.

RON	2020	2021	2022	2023	2024	2025
Turnover	232,856,919	259,196,074	291,723,033	313,409,086	332,145,379	327,628,615
Total revenues	236,966,633	261,722,011	297,739,310	321,781,313	340,459,156	334,988,198
Total expenses	223,099,112	242,928,738	274,530,471	309,008,705	326,723,222	320,944,241
Gross profit	13,867,521	18,743,617	23,208,839	12,772,608	13,735,934	14,043,957
Turnover	11,723,430	16,049,971	20,134,364	11,107,655	10,372,780	11,006,557

Soluții în construcții





C) COSTS

Expenses related to operations followed a similar trend to operating revenues, reaching RON 320.7 million compared to RON 326.4 million recorded in the previous year. The highest expenses were generated by costs of goods, employee salaries, external services, and other expenses.

In addition to sales growth, **SIPEX** management aimed to optimize the operational structure, with operating expenses increasing at a slower pace compared to operating revenues.

D) MARKET SHARE PERCENTAGE

The national market for construction materials and finishes is structured as follows:

- ◆ Modern DIY chains, with Dedeman holding the largest share, followed by Leroy Merlin, Brico Depot, and Hornbach.
- ◆ Traditional retail (small stores where distributors and manufacturers are present).
- ◆ B2B distribution, a channel dedicated to builders and small craftsman teams (direct sales made by distributors, and manufacturers through DIY or Traditional Retail stores).

Currently, **SIPEX** does not operate in the DIY (Do It Yourself) market segment. However, the development strategy includes plans to list certain imported product packages under the Düfa and TKK brands, as well as products branded under its own labels, Meșterică and Profit, in certain retail chains.

E) CASH FLOW

The cash management policy of **SIPEX** aims to ensure the payment of current liabilities: utilities, rent, taxes to the state budget, salaries, social insurance, etc.

The following is a comparative evolution of turnover, revenues, operating expenses, operating, financial, gross, net results, and financial indicators.



<i>Income statement</i>	31.12.2024	31.12.2025	Variation %
<i>Indicators</i>			
Turnover	332,145,379	327,628,615	(1.36)%
Operating revenues	339,872,191	334,332,432	(1.63)%
Operating profit	13,480,836	13,624,289	1.06%
Financial profit	255,098	419,668	64.51%
Gross profit	13,735,934	14,043,957	2.24%
Net profit	10,372,780	11,006,557	6.11%

No.	Name of working point	2023		2024		2025	
		Turnover	No. of Employees	Turnover	No. of Employees	Turnover	No. of Employees
1	Ariceştii Rahtivani - Prahova	75,227,168	77	66,698,619	75	63,989,025	76
2	Pantelimon - Ilfov	39,577,894	24	50,890,641	25	56,957,822	24
3	Carcea - Dolj	32,082,511	29	36,007,880	31	33,903,182	29
4	Bucureşti - Sector 6	31,313,618	20	29,221,579	20	26,330,053	19
5	Cluj Napoca -Cluj	22,576,274	17	23,888,046	19	25,863,671	17
6	Dumbrava Roşie - Neamţ	24,768,012	23	24,870,059	23	23,195,161	22
7	Iaşi - Iaşi	22,186,625	19	28,037,200	20	26,476,722	19
8	Focşani - Vrancea	19,863,166	18	20,997,701	16	20,212,815	14
9	Prejmer- Braşov	15,473,173	22	18,802,424	18	15,495,726	17
10	Bosanci -Suceava	10,358,926	12	12,719,957	12	11,963,647	13
11	Timişoara-Timiş	10,274,269	15	9,941,014	11	12,510,083	11
12	Budeşti-Vâlcea	9,707,448	11	10,070,259	10	10,730,708	10
	Total	313,409,086	287	332,145,379	280	327,628,615	271

F) INDICATORS



Liquidity, Solvency and Risk Indicators	OPTIMAL INTERVAL	December 31, 2024	December 31, 2025
Current Ratio	1-2	2.38	2.99
Immediate Liquidity	>0.8	1.57	1.85



Financial Solvency	>1	2.82	4.04
Equity Solvency	> 30%	64.52%	75.15%
Indebtedness Ratio	< 50%	2.55	1.19%
Debt Ratio (total debt / total liabilities)	< 80%	35.48%	24.76%

The Current liquidity Ratio, which reflects the company's ability to meet its short-term financial obligations using its current assets, fell outside the optimal range in 2025, reaching 0.99. This evolution is mainly driven by the increase in current assets, particularly trade receivables and inventories, in line with business activity, as well as by maintaining a controlled level of the current liabilities. Although the indicator exceeds the range considered optimal, between 1 and 2, it does not signal a liquidity risk but rather reflects the Company's strong ability to meet its short-term obligations. In the period ahead, the Company aims to optimize working capital by improving inventory turnover, accelerating receivables collection, and using available resources more efficiently.

Immediate Liquidity indicator provides an overview of the company's ability to cover its current liabilities without relying on the sale of inventories. A value above 0.8 is preferred. The company maintained values above this threshold, indicating a solid financial position in terms of immediate liquidity.

Financial Solvency indicators are above the minimum reference threshold. **SIPEX's** total assets cover total liabilities by 4.04 times. The values indicate an improvement in solvency from 2024 to 2025, and the company remains well positioned.

Equity Solvency indicates the proportion of equity within the total financial structure. A value above 30% is considered healthy. The company showed an increase in 2025 and remains well above the 30% threshold.

The Indebtedness Ratio reflects the share of long-term liabilities in equity. A value below 50% is desired. The low values indicate a low level of indebtedness compared to equity, which is positive.

The Debt Ratio (total debt / total liabilities) measures the share of total liabilities in total liabilities. A threshold below 80% is considered acceptable. The company recorded a decrease in this ratio in 2025 and remains below the 80% limit.

In conclusion, the company is in a solid financial position, with slight variations between the two analyzed periods. The indicators suggest prudent management of liquidity and solvency, with a controlled level of indebtedness.

VISION/STRATEGIES



The leadership's vision has always been focused on meeting customer needs through the presence of products and solutions provided by us in the projects of architects, builders, and our partner stores, regardless of the factors influencing our daily activities, such as customers, employees, partners/suppliers, profit, the environment, and competition. We consistently find dynamism and a desire for continuous evolution, regardless of what influences our daily



activities. This is the only way we can meet the challenge of consolidating our position as a national leader in the distribution of construction materials and finishes.

For **SIPEX**, each day is a new day, an opportunity to be better, to learn, and another chance to discover the best solutions. Constant adaptation, seeking and providing solutions in construction that meet the needs of our partners, remains the constant call of the **SIPEX** team.

The main strategic pillars of **SIPEX's** business development that underpinned the consolidation of its market position and **financial performance throughout 2025** were:

- ◆ **Consolidation of the B2B segment:** development and modernization of the Business-to-Business sales portal aimed at existing partners. The B2B portal aims to simplify the sales process for partners and reduce operational costs by offering self-service facilities (order history, invoices, scheduling, etc.). The portal is fully integrated with the Senior ERP system for retrieving price and stock information, invoices, partner account information, and order processing.
- ◆ **The introduction of mechanized application for specific product packages:** mechanized plaster, masonry mortars, skim coat systems, etc.
- ◆ **Investments in technology:** investments in software, licenses, and new marketing channels ensuring presence in the online sales segment through sipexonline.ro and sipex-comenzi.ro.
- ◆ **Investments in automation:** investments in automation systems, SFA for automatic order processing in ERP.
- ◆ **Product sales:** selling products through integrated systems, on-site technical consultancy, support in bidding provided to partners.
- ◆ **Diversity and quality of partner brands:** the diversity, quality, and reputation of partner brands and products, solutions, and services. SIPEX's main strategic partners include Henkel Romania (for 23 years), Saint-Gobain Construction Products (for 16 years), SANEX SA, Knauf, Austrotherm, Swisspor SA, Baumit Romania, Wienerberger, Tondach Romania, Brikston Construction Solutions SA, Holcim SA, ACO, Holver, Kronospan Trading, Elis Pavaje, Romstal, as well as Meffert AG (European leader in the production of paints and varnishes, such as düfa and Profitec) and Firos (for the production of the own brands Meșterică and Profit).
- ◆ **Maintaining and developing product range for owned brands, düfa and Profitec, as well as the private labels "Meșterică" and "Profit":** ensuring quality and compliance with legal requirements for the introduction and commercialization of construction products on the market; launching and developing new products under the private label.
- ◆ **Competitive pricing:** competitive prices to support **SIPEX's** consolidation in the top companies in the distribution segment (ranked second).
- ◆ **Own logistics centers:** continuous investments in the existing transport infrastructure and own fleet, which includes over 80 vans, 9 cranes, 8 Dacia Dokker+ Fort Transit vehicles, 88 cars, and 36 forklifts.



- ◆ **National expansion:** continue territorial expansion for better coverage of all geographical areas with potential. Currently, we have 12 logistics centers nationwide located in easily accessible locations for a large number of clients.
- ◆ **Professionalism:** professionalism, experience, and loyalty of the staff represent the bond that consolidates the entire company. People are our most valuable resource, and we choose to invest in their continuous development and training. Human resources are the key to our success.

Status of investments:

- ◆ Obtaining the Building Permit for the installation of a lightweight metal structure (tent) at the Craiova operating location, a project completed through securing the permit and finalizing the commissioning process report.
- ◆ At the Iași operating location, the urban planning context is more complex, due to the absence of an approved Zonal Urban Plan (PUZ) in the area, which currently limits the possibility of obtaining a Building Permit. The Company continues to assess the available options for regulating and implementing the investment, with the objective of ensuring adequate storage space.
- ◆ Updating the product portfolio presentation in the showroom located in Ariceștii Rahtivani commune, a project that was completed.
- ◆ Construction, in partnership with Sanex - Cesarom, of a showroom at the location in Ariceștii Rahtivani commune, as a tool to support the sale of ceramic tiling products, a project planned for the upcoming period.

STRUCTURE AND WEIGHT OF SALES CHANNELS FROM TOTAL REVENUE GENERATED

In 2025, the company's activity aimed at developing business relationships and consolidating **SIPEX's** position as a national leader in the construction materials market in Romania.

The sale of goods is carried out through three distribution channels, namely:

- ◆ Traditional Retail, consisting of stores of various sizes, other than DIY.
- ◆ B2B aimed at partners such as construction companies building for various investors or developing their own projects (residential/industrial).
- ◆ Online, through the online store.

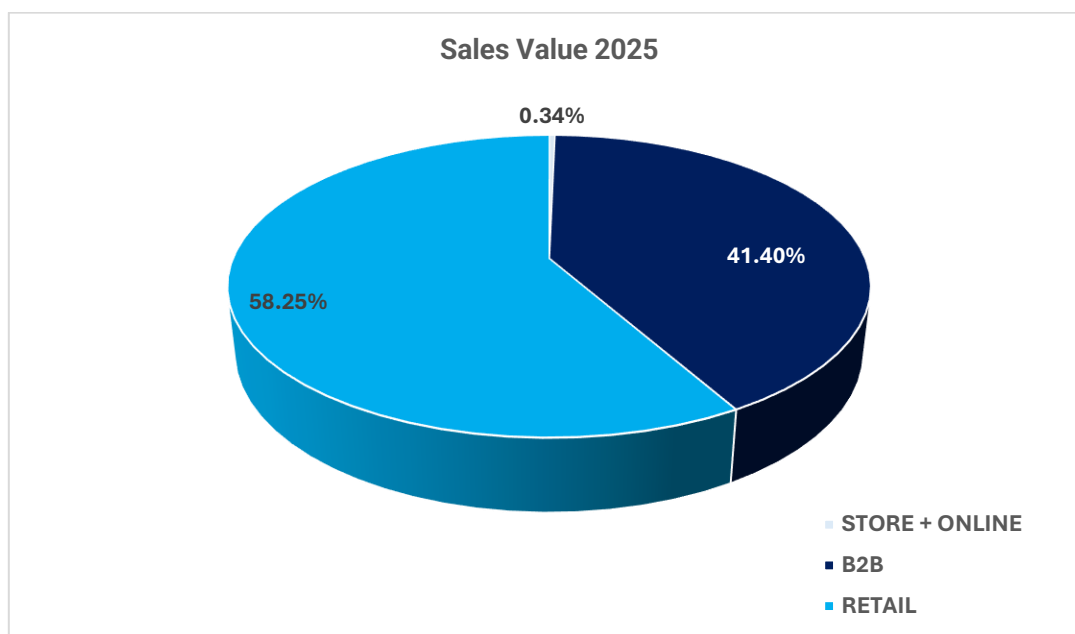
In 2025, a slight increase in sales can be observed in the Retail division, with sales rising by 1.96% compared to 2024. The B2B division recorded a decrease of 5.14%, while the Store & Online segment did not reach the initially anticipated level, registering a decline of 27.78%.

ANNUAL SALES EVOLUTION BY DIVISION (RON)

Division	Sales value 2024	Sales value 2025	Variation (%) 2025/2024
Store & Online	1,542,266	1,113,791	(27.78)%
B2B	141,183,174	133,922,788	(5.14)%



Retail	184,804,671	188,432,723	1.96%
Total sales	327,530,111	323,469,302	(1.24)%



The promotion of the distribution channels falls under the responsibility of each regional center opened by the company, with each of them recording an annual increase in turnover. Leading in terms of turnover volume are the regional centers located in: Prahova (Ariceștii Rahtivani), Pantelimon (Ilfov), Cârcea (Dolj), Bucharest (Sector 6), and Iași (Iași).

SUPPLY ACTIVITY

For the **SIPEX** business model, the supply activity represents a key competitive advantage. In the supply chain, suppliers/manufacturers of the top brands distributed by **SIPEX** are involved. For **SIPEX**, the stages of the procurement process are designed through the succession of the following activities:

- ◆ Supplier selection;
- ◆ Negotiation of all contractual provisions;
- ◆ Ensuring contract execution while adhering to clauses regarding quality, costs, rejects, and deadlines;
- ◆ Identifying optimal logistics and transportation solutions;
- ◆ Ensuring the continuity of contractual relationships with suppliers.

SIPEX has a procurement department that operates from Ariceștii Rahtivani (the central headquarters), under the direct supervision of the General Director.

The congruence between market research activity and knowledge of suppliers dedicated to the construction domain brings top products and renowned brands into **SIPEX's** offering.



These brands are associated with recognized manufacturers in the field, signifying durability and quality.

The reputation of distributed brands (Ceresit, Rigips, Isover, Weber, Cesarom, Swisspor, Austrotherm, Baunit, Porotherm, Tondach, Brikston, Ytong, Leier, Structo, Tenco, Sapabet, Aco, Holver, Kronospan, Romstal), along with attention to competitive prices, serve as tangible evidence in maintaining certain consistent standards and accessing new ones. This is beneficial for both the potential business development and the consolidation of **SIPEX COMPANY S.A.**'s position in the construction materials market in Romania.

SIPEX does not critically depend on suppliers of products or services, but in 2025, most of the products distributed by **SIPEX** that require sourcing from established manufacturers or suppliers experienced price fluctuations due to increases in raw material prices.

The company's procurement interests are constantly monitored by the procurement department, which has the role of:

- ◆ identifying manufacturers whose product offerings provide similar or complementary alternatives to **SIPEX's** offerings.
- ◆ ensuring optimal supply conditions for specific products in the industry in which the company operates, at all working points.
- ◆ constantly ensuring stocks of the best products, best solutions, at the best prices, and meeting all customer requirements.
- ◆ maintaining continuous contact with manufacturers to stay updated on the latest industry developments regarding products and specific technologies.
- ◆ mediating access to new products at competitive prices.
- ◆ exploiting timely opportunities such as limited offers or advantageous stock clearances, impossible to contract at the level of the 12 working points, ensuring:
 - flexibility and high capacity for prompt reaction to changes in the external environment.
 - continuity of contracts with strategic partners.
 - maintaining competitive cost advantages.
 - possibility of forming a rich portfolio of partners/suppliers, allowing for selection in procurement, ensuring, above all, a low degree of dependency on any one supplier.
- ◆ ensuring the quality and conformity of deliveries to the customer.
- ◆ supervising and controlling the manufacturing of products under proprietary brands (Meșterică, Profit), in accordance with contractual specifications.
- ◆ establishing contacts for the purpose of concluding strategic partnerships, which facilitate the expansion of the product portfolio.

THE EVOLUTION OF ACQUISITIONS Soluții în construcții

In 2025, the situation of acquisitions from the main suppliers and their share in the total purchased goods is as follows:



Merchandise acquisition value (RON)	2022	Weight (%)	2023	Weight (%)	2024	Weight (%)	2025	Weight (%)
Internal suppliers	268,579,921.33	99.28%	283,743,254.19	99.62%	309,766,532.00	99.62%	301,336,781.00	98.43%
Non-EU suppliers	945,665.87	0.35%	98,310.42	0.03%	138,570.00	0.04%	231,018.41	0.08%
Suppliers within the EU	988,665.11	0.37%	995,229.83	0.35%	1,038,940.00	0.33%	4,589,671.70	1.50%
Total	270,514,252.30		284,836,794.44		310,944,042.00		306,157,471.11	

The brands (products) held in **SIPEX's** portfolio are manufactured in several factories, depending on their offerings, capacities, and services. The selected manufacturers are characterized by efficiency, comprehensive quality control services, and adequate production capacities tailored to the requirements of European or global markets.

- **2017** - The German group Meffert AG, a European leader in the production of varnishes and paints, becomes **SIPEX's** partner in the Romanian market. For 10 years, SIPEX will hold the licenses for düfa and Profitec in Romania and Bulgaria and will market washable paints, primers, and undercoats under the düfa and Profitec brands.
- **2013** - **SIPEX** aims to stand out in the construction materials market by choosing its own brand expression, the Meșterică brand. The Meșterică range includes products in the Adhesives/Plasters/Mortars and EPS categories, developed and produced in the FIROS S.A. production units; Washable paints/Primers/Plasters whose production is carried out on the manufacturing lines belonging to Druckfarben Romania S.R.L.
- **2018** - The expansion of the düfa product range begins, including imported products (washable paints and primers), with products in the category of fiber-reinforced adhesives for polystyrene and basaltic wool, and EPS 50, 60, 70,80, on the production lines belonging to FIROS S.A.
- **2022** - Policolor becomes **SIPEX's** partner. Policolor has been a name in the Romanian industry for over 50 years, producing varnishes and paints for various markets: for home, construction, automotive, or industrial use.
- **2023** - **SIPEX** has entered a strategic partnership with TeraPlast, the largest polymer processor in Central and Eastern Europe.
- **2024** - **SIPEX** has entered a strategic partnership with Menlo Electric, one of the leading providers of components for photovoltaic power plants.



MEDIUM AND LONG-TERM PERSPECTIVE

In 2025, the company's activity took place in a challenging economic environment, which required continuous adjustment of short-term strategies to achieve the proposed objectives.



OUR SHORT- AND MEDIUM-TERM STRATEGY IS BUILT AROUND THE FOLLOWING DIRECTIONS:

1. Diversification of the product portfolio.

- Market analysis: Conducting a thorough analysis of demand in the target market to identify opportunities for product diversification.
- Partnerships with manufacturers: Establishing or expanding partnerships with new and existing manufacturers to include innovative and sustainable products in the company's offerings.
- Customer feedback: Implementing a feedback system to understand customer needs and adjust the product offering accordingly.

2. Expansion and development of working locations:

- Location assessment: Strategically identifying locations for new distribution centers based on market demand analysis and logistical accessibility.
- Infrastructure investments: Allocating financial resources to modernize infrastructure at existing workplace locations and establish new centers.
- Technology and automation: Integrating advanced technologies and automation solutions to enhance operational efficiency at distribution centers.

3. Adjusting the personnel policy with a focus on employee retention:

- Professional development: Providing training and professional development programs to support employee growth and align their skills with company objectives.
- Organizational culture: Strengthening an organizational culture that fosters engagement, innovation, and job satisfaction. The effective implementation of these action plans requires a strategic approach, properly allocated resources, and commitment from the management team.

Considering the established strategic directions, the company will focus on the following actions to achieve its short and medium-term objectives:

1. Constant monitoring of the competition to identify market trends and adjust product offerings accordingly.
2. Improving logistical processes to reduce delivery times and increase customer satisfaction.
3. Identifying and opening new distribution centers in strategic regions to cover a wider market area.
4. Developing strategic partnerships with major industry companies to increase B2B sales.



5. Replicating the successful results achieved in certain workplaces across all 12 owned locations.
6. The current context requires us to adapt our development strategy, and in the upcoming period, we aim to complement our product portfolio with some new offerings.
7. Investments in areas where we have our own logistics centers.
8. Sizing the fleet of vehicles to cover as much of the national market as possible.
9. Focusing on the needs of teams of small craftsmen.
10. Identifying and directly offering construction companies of any size across the entire country.
11. Creating personalized offers for individuals who undertake construction and/or renovation works on their own.
12. **SIPEX** is preparing the construction of a modern production facility for dry mortars, wet products, and thermal insulation materials in Ariceștii Rahtivani (Prahova). The land has been acquired and all approvals for submitting the PUZ documentation have been obtained. The investment is estimated at EUR 20 million, with works expected to begin in 2026 and completion scheduled for 2027, depending on the financing sources that can be secured.
13. The company has initiated the process of defining a medium-term sustainability strategy, which will integrate objectives and actions aimed at managing environmental impact, supporting the community, and improving corporate governance. The company plans to publish its first ESG Report in 2026, detailing the initiatives implemented and future plans for sustainable growth.

DEVELOPMENT STRATEGIES

The company already has a significant presence nationwide through its regional centers, especially in the distribution segment of the respective market. The company's development strategy entails a further expansion of its territorial reach to better cover all geographical areas with potential, concurrently with a more aggressive promotion of the online sales channel. With a proper logistics setup, **SIPEX** aims to extend the geographical distribution area of its marketed products. The growth potential, determined by both market potential and the company's positioning within the industry, can be realized through strategic options, among which the most important are:

- ◆ Investments in areas where there are own logistic centers. These investments will enable the offering of more diversified product packages and improved services to partners;



- ◆ Fleet sizing: sizing the fleet of vehicles to cover as much of the national market as possible;
- ◆ Construction companies: identifying and directly offering services to construction companies of any size throughout the country;
- ◆ Individuals: creating personalized offers for individuals who carry out construction and/or renovation works on their own;

CUSTOMER EVOLUTION

Depending on the product or service offered by our company, we can say that the sales process is carried out through a specialized internal team as well as through partners. Due to the wide range of products and services offered, **SIPEX** has a solid customer base, both individuals and legal entities, generating new or recurring revenue for the company from the sale of existing product lines, as well as new revenue due to the continuously growing customer base.

	2021	2022	2023	2024	2025
Turnover	259,196,074	291,723,033	313,409,086	332,145,379	327,628,615
% vs LY	11.3	12.5	7.43	5.98	(1.4)
No. Invoices	102,458	87,491	87,445	87,609	85,836
Average value. /Invoice (RON without VAT)	2,531.95	3,354.55	3,562.54	3,791.22	3,816.91
No. clients	4,065	4,005	3,983	3,810	3,689

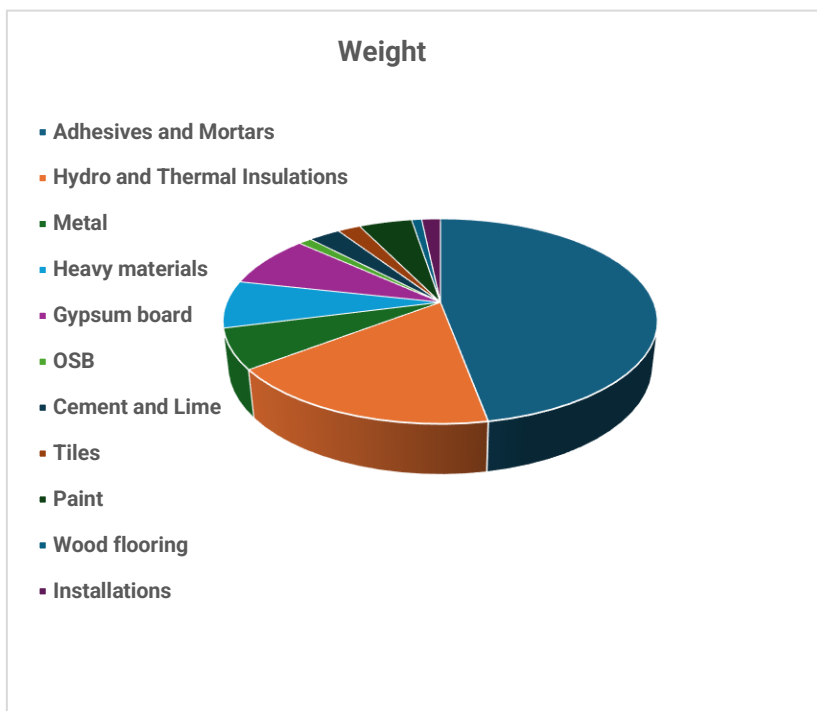
SIPEX analyses the sales situation recorded by groups and categories of products sold monthly, according to a well-established budget at the beginning of each calendar year. The sales situation recorded by groups and categories of products is evaluated from an accounting perspective through the analysis of the accounts 701 - revenues from the sale of finished products and 707 - revenues from the sale of goods.

SALES BY PRODUCT CATEGORIES

Since its establishment, **SIPEX** has attracted and selected a diversified range of internationally recognized partners for the quality of their products, efficient solutions, and the development of innovative technologies. The diversity, quality, and attractiveness of the brands and products distributed by **SIPEX** also result from the structure of sales by product categories and suppliers.

In the year 2025, the share of the main categories is as follows:





Product category	Share
Adhesives and Mortars	47.07%
Hydro and Thermal Insulations	17.57%
Metal	6.34%
Heavy materials	7.47%
Gypsum board	8.25%
OSB	1.17%
Cement and Lime	2.83%
Tiles	2.03%
Paint	4.71%
Wood flooring	0.89%
Installations	1.67%

MARKET OPPORTUNITIES / COMPETITIVE SITUATION

Recent trends in the construction market continue to confirm **SIPEX's** development potential, in a context characterized by gradual recovery, sustained public investments, and a focus on efficient and sustainable solutions.

◆ Evolution of the construction market

Following the fluctuations recorded in 2025, the Romanian construction market is entering 2026 on a path of stabilization and moderate growth. The pace is mainly supported by infrastructure projects and public investments, while the residential sector remains more volatile, influenced by financing costs and demand dynamics. In the medium term, the outlook remains favorable, especially for the construction materials segment.

◆ Competitive positioning

SIPEX strengthens its market position by maintaining exclusive partnerships with established brands such as düfa and Profitec. Its status as the sole distributor in Romania provides a significant competitive advantage, allowing the company to differentiate its offering and ensure a high level of control over the distribution chain.

◆ Development in the DIY sector



In 2026, expansion into the DIY segment becomes a concrete strategic direction. The company aims to increase its presence in this channel by diversifying its portfolio, including both imported products (düfa, TKK) and its own brands (Meșterică, Profit). This initiative responds to the growing interest in individual renovation and maintenance projects.

Opportunities in the public works sector

Public infrastructure projects continue to represent an important growth driver, particularly through:

- the implementation of projects financed through the PNRR and other European funds,
- the expansion and modernization of water and gas networks,
- the increasing focus on energy efficiency and sustainability.

This segment generates constant demand for specialized materials, offering relevant opportunities for strengthening **SIPEX's** market position.

Additional relevant trends in 2026

- the market's orientation towards sustainable and energy-efficient products;
- the digitalization of sales and logistics channels;
- the increasing importance of private labels in distributors' strategies.

THE SHARE OF LARGE CLIENTS IN THE TOTAL TURNOVER

The continuous diversification of the product portfolio, the intensified visibility and presence of the **SIPEX** brand in the target market, the competitive advantage of the logistic system, and the consolidation of the B2B segment all generate favorable effects on the company's client portfolio.

The total number of clients decreased compared to 2024, while maintaining a balanced customer portfolio at the **SIPEX** level.

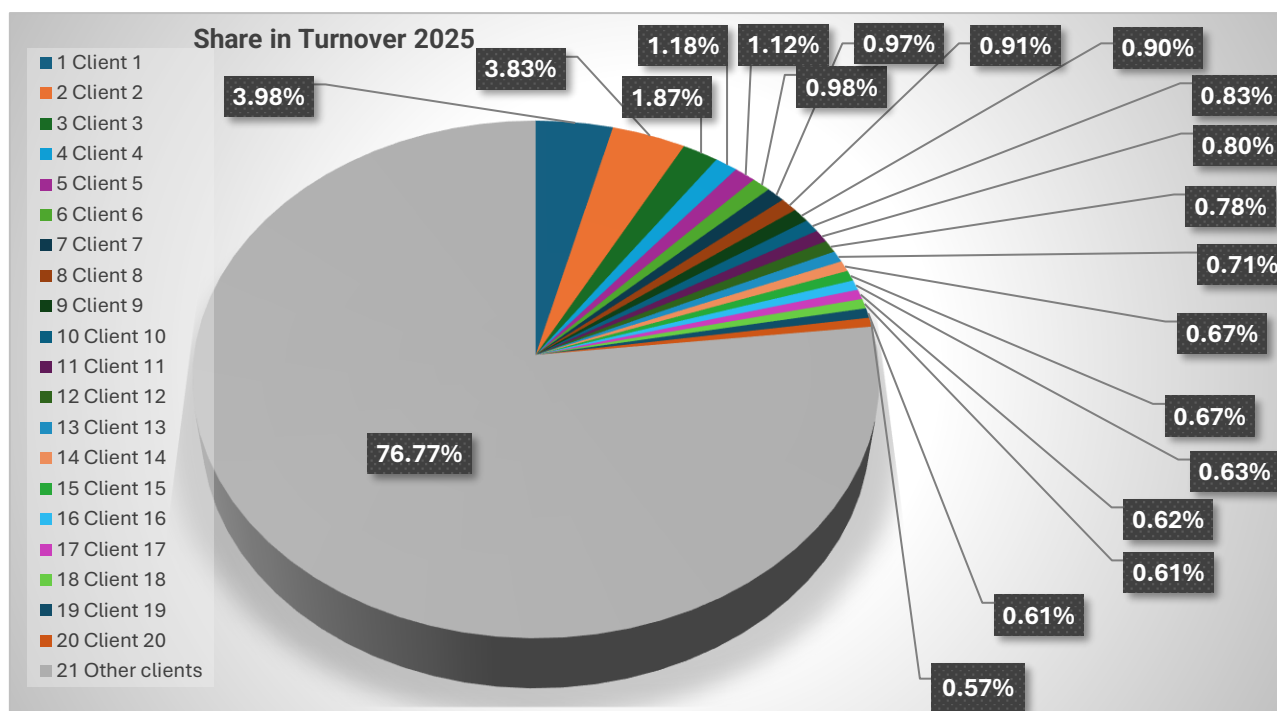
SIPEX has a balanced distribution of turnover by customer types. The retail customer segment is predominant, and the share of large clients in total turnover is low, meaning the company is not dependent on a limited number of clients. The company's largest client generates 3.98% of its annual turnover.

No.	Partner	Net value (RON)	Share in 2025 turnover
1	Client 1	13,027,530.99	3.98%
2	Client 2	12,540,430.06	3.83%
3	Client 3	6,110,992.52	1.87%
4	Client 4	3,853,395.25	1.18%
5	Client 5	3,662,791.96	1.12%



6	Client 6	3,207,863.22	0.98%
7	Client 7	3,190,473.06	0.97%
8	Client 8	2,966,751.10	0.91%
9	Client 9	2,934,894.98	0.90%
10	Client 10	2,714,926.52	0.83%
11	Client 11	2,629,273.91	0.80%
12	Client 12	2,563,632.96	0.78%
13	Client 13	2,334,886.79	0.71%
14	Client 14	2,202,359.96	0.67%
15	Client 15	2,180,120.10	0.67%
16	Client 16	2,067,414.99	0.63%
17	Client 17	2,021,108.54	0.62%
18	Client 18	2,014,692.21	0.61%
19	Client 19	2,002,590.54	0.61%
20	Client 20	1,875,328.33	0.57%
21	Other clients	251,527,157.31	76.77%
Total Turnover in 2025		327,628,615.30	100.00%





The turnover, amounting to RON 327,628,615 in 2025, was generated as follows: 97.55% from the sale of construction materials, 1.18% from the sale of tinted finished products, and 1.27% from certain service activities.

The turnover, amounting to 332,145,379, at the level of the year 2024, was achieved with 98.03% coming from the sale of construction materials, 1.25% from the sale of coloured finished products, and 0.72% from services.

The turnover, amounting to 313,409,086 at the level of the year 2023, was achieved with 97.25% coming from the sale of construction materials, 0.94% from the sale of coloured finished products, and 1.81% from services.

The turnover in 2022, amounting to RON 291,723,033, was achieved with 96.28% from the sale of construction materials, 1.33% from the sale of coloured finished products, and 2.39% from services.

The turnover in 2021, amounting to RON 259,196,074, was achieved with 96.57% from the sale of construction materials, 1.28% from the sale of coloured finished products, and 2.15% from services.

Due to the nature of its multi-channel trading activities, SIPEX's customer portfolio reflects a low level of concentration. The dependency rate on specific clients is relatively limited, with the top 20 customers accounting for only 23.23% of total sales volume in 2025. As these clients are predominantly construction companies engaged in diverse residential and industrial projects and hold strong market positions, the risk associated with customer concentration is considered low.



RISKS

The main risks the company is exposed to and the policies applied are detailed below:

CREDIT RISKS

Credit risk represents an accounting loss that would be recognized if contracting parties fail to fulfil their obligations. The Company is subject to credit risk due to its trade receivables and other types of receivables. References regarding the creditworthiness of clients are normally obtained for all new clients, the due date of debts is closely monitored, and amounts overdue are promptly pursued.

CURRENCY RISK

The Company is exposed to fluctuations in the exchange rate due to the debt generated by the financial leasing contract and commercial contracts concluded with foreign partners. The Company's management aims to maintain a balance between assets and liabilities in each currency.

INTEREST RATE RISK

The operational cash flows of the Company are affected by fluctuations in interest rates, primarily in RON. Management aims to maintain a balance between interest-bearing assets and liabilities. The loans contracted by the Company, outstanding as of December 31, 2025, bear variable interest rates and consist of a working capital credit facility.

TAXATION RISK

Tax legislation in Romania and the practical application of tax measures frequently change and are subject to sometimes differing interpretations by various authorities. The Romanian Government oversees a number of agencies authorized to audit both Romanian entities and foreign entities conducting activities in Romania. These audits are largely similar to those conducted in many other countries but may extend to legal or regulatory areas in which Romanian authorities may be interested. Additionally, these authorities do not appear to be subject to strict rules, and companies subject to audits may be less protected than is customary in other countries. Tax and duty statements may be subject to audit and review for a period of five years, generally from the date of their submission. In accordance with current legal regulations in Romania, the periods under review may be subject to additional checks in the future. The Company's management believes it has recorded correct values in the accounts for taxes, duties, and other obligations to the state; however, there is a risk that the authorities may take a different position from the Company's.

ECONOMIC ENVIRONMENT RISK

In the past year, the European financial sector has faced a public debt crisis triggered by major fiscal imbalances and high public debts in several European countries. Current concerns that the deterioration of financial conditions could contribute to further erosion of confidence in a subsequent stage have prompted a joint effort by governments and central banks to adopt special measures to counteract the vicious circle of increasing risk aversion and to ensure the normal functioning of the market.



Identification and evaluation of investments influenced by a credit market lacking liquidity, analysis of compliance with credit agreements and other contractual obligations, assessment of significant uncertainties, including uncertainties related to an entity's ability to continue operating for a reasonable period of time, all raise further challenges.

The Company's debtors may also be affected by liquidity crises, which could hinder their ability to meet current obligations. Deteriorating operating conditions of creditors could also impact management's forecasts of future cash flows, as well as estimates of the impairment of financial and non-financial assets.

As of the date of this report, the economic environment has been affected by the war between Ukraine, and sanctions imposed on Russia have led to price increases. We are witnessing an exceptional situation given the recent geopolitical events, but the experience accumulated by the SIPEX team will greatly assist in achieving the established objectives.

The Company's management cannot estimate events that could impact the financial sector in Romania and subsequently their financial statements.

The Company's management believes it is taking all necessary measures to support business growth in the current market conditions by:

- ◆ Constant monitoring of liquidity;
- ◆ Forecasting of current liquidity;
- ◆ Daily monitoring of cash flows and evaluation of the effects on its creditors of limited access to funds and the possibility of expanding operations in Romania;

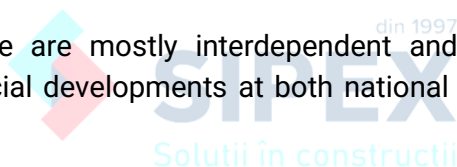
Due to the current market conditions and ongoing uncertainties expected to persist into 2026, additional effects beyond the data presented in these financial statements may be experienced.

RISKS RELATED TO HUMAN RESOURCES

These risks typically involve the probability of the Company experiencing a high turnover of qualified personnel or encountering a shortage of personnel in conditions of business development. **SIPEX** has built its organizational values and leadership style to foster employee loyalty and reduce the risk of high staff turnover.

SYSTEMATIC RISKS

The risks mentioned above are mostly interdependent and significantly influenced by economic, political, and social developments at both national and, especially, international levels.



PROPOSAL FOR THE 2026 REVENUE AND EXPENDITURE BUDGET

To support and further develop the company's position, **SIPEX** aims to expand its team and its material base in 2026. Taking these directions into account, the following revenue and expense budget has been projected for the year 2026.

Indicator	2026
RON	
Revenues from product sales	377,400,000
Commercial discounts granted	(15,800,000)
Revenue from services	2,300,000
Revenue from rents	225,000
Revenue from different activities	6,500,000
Total revenues	370,625,000
Cost of goods sold	341,015,125
Commercial discounts received	(35,000,000)
Fuel expenses	5,500,000
Repair expenses	1,350,000
Insurance expenses	1,400,000
Fee expenses	110,000
Personnel expenses	26,200,000
Other taxes and duties expenses	1,100,000
Travel expenses	80,000
Telephone expenses	190,000
Protocol expenses	250,000
Advertising and promotional expenses	500,000
Spare parts expenses	300,000
Consumables and non-stock materials expenses	400,000
Energy and water expenses	480,000
Rent expenses	2,650,000



Interest expenses	200,000
Bank commission expenses	150,000
Services expenses	1,900,000
Consultancy expenses	60,000
Depreciation of fixed assets	4,000,000
Total expenses	352,835,125
Gross profit	17,789,875
Income tax expenses	2,966,380
Net profit	14,823,495

The Revenue and Expenditure Budget was developed based on the results achieved in previous years and the estimated tax level for the current year. The projections include the value of ongoing projects, as well as opportunities currently under discussion for potential contracting. The estimates also take into account team development, salary dynamics, planned investments, and the marketing and sales activities already committed. Sales targets for both proprietary products and the services portfolio were also considered, in the context of ongoing geopolitical and energy market uncertainties.

For 2026, the Company estimates an increase in both turnover and net profit, supported by intensified commercial activity in the B2B channel, as well as by ongoing projects and identified business opportunities. Revenue is expected to grow by 11.13%, while net profit is projected to increase by approximately 34.68% compared to 2025.

DIVIDEND POLICY

Through the dividend policy proposed by the Company's management and supported by the shareholders through the General Meeting of Shareholders, **SIPEX** aims to distribute the net profit in a manner that meets both the shareholders' expectations and the needs of development.

SIPEX acknowledges the shareholders' rights to be remunerated through dividends as a form of participation in the accumulated net profits from operations, as well as an expression of the remuneration of the capital invested in the Company. When determining the distribution of the net profit realized during a financial year, the Board of Directors considers a fair and balanced distribution of the net profit between the portion due to the shareholders in the form of dividends and the portion retained for the Company's investments, aiming to ensure sustainable medium and long-term development.

Additionally, in distributing dividends, **SIPEX** considers the company's capitalization and its economic and financial situation.



ACTIVITIES OF PURCHASING OWN SHARES

In the year 2021, the Company implemented a stock option plan program aimed at retaining its employees by purchasing a total of 625.000 shares from the majority shareholder. The shares under the Stock Option Plan were granted partially in 2022, with the second part of these shares to be granted in 2023. Following the distribution of shares, 12,604 shares remained at the company's disposal.

FINANCIAL PERFORMANCE

At the end of the 2025 financial year, SIPEX recorded a turnover of RON 327.6 million, representing a decrease of 1.36% compared to the previous financial year.

Income Statement (RON)	December 31,2024	December 31,2025	Variation % 2025/2024	Share in the relevant category (12/31/2025)
Turnover	332,145,379	327,628,615	(1.36)%	100.00%
Sold production	8,755,182	8,023,870	(8.35)%	2.40%
Revenue from goods sold	323,390,197	319,604,745	(1.17)%	95.59%
Other operating income	7,726,812	6,703,817	(13.24)%	2.01%
OPERATING INCOME - TOTAL	339,872,191	334,332,432	(1.63)%	100.00%
Raw materials and consumables expenses	9,504,006	9,071,066	(4.56)%	2.83%
Other material expenses	1,146,448	988,068	(13.81)%	0.31%
Other external expenses (for energy and water)	364,618	447,943	22.85%	0.14%
Cost of goods sold	270,942,772	262,854,603	(2.99)%	81.96%
Personnel expenses	25,200,917	26,018,561	3.24%	8.11%
Impairment adjustments for tangible and intangible assets	3,508,081	3,579,124	2.03%	1.12%
Other operating expenses, of which:	15,617,174	15,944,704	2.10%	4.97%
Outsourcing expenses	7,826,296	8,939,050	14.22%	56.06%
Expenses for taxes, duties, and similar levies	1,024,399	1,203,922	17.52%	7.55%
Other expenses	6,766,479	5,801,732	(14.26)%	36.39%
Adjustments to the carrying value of current assets	107,339	1,255,079	1,069.27%	0.39%
Provisions adjustments	0	548,995	100%	4.03%



OPERATING EXPENSES - TOTAL	326,391,355	320,708,143	(1.74)%	100.00%
Operating profit or loss	13,480,836	13,624,289	1.06%	
Interest income	566,986	468,809	(17.32)%	71.49%
Other financial income	19,979	186,957	835.77%	28.51%
FINANCIAL INCOME – TOTAL	586,965	655,766	11.72%	100.00%
Impairment adjustments for financial fixed assets and financial investments held as current assets	0	0	0	0.00%
Interest expenses	309,631	179,758	(41.94)%	76.14%
Other financial expenses	22,236	56,340	153.37%	23.86%
FINANCIAL EXPENSES – TOTAL	331,867	236,098	(28.86)%	100.00%
FINANCIAL PROFIT OR LOSS:	255,098	419,668	64.51%	-
TOTAL INCOME	340,459,156	334,988,198	(1.61)%	-
TOTAL EXPENSES	326,723,222	320,944,241	(1.77)%	-
GROSS PROFIT OR LOSS:	13,735,934	14,043,957	2.24%	-
Income tax	3,363,154	3,037,400	(9.69)%	-
NET PROFIT OR LOSS	10,372,780	11,006,557	6.11%	-

Operating expenses for the reporting period decreased by 1.74% compared to the same period of the previous year. Operating revenues recorded in the current year are 1.63% lower than those of the previous year, resulting in an operating profit of RON 13.6 million.

Considering the nature of the activity, the main category of operating expenses is represented by the cost of goods. Their share amounts to 81.96% of total operating expenses as of 31.12.2025.

The development strategy, combined with effective inventory management, generated a gross profit of RON 14.04 million as of 31.12.2025.

FINANCIAL POSITION

Balance sheet indicators (RON)	December 31, 2024	December 31, 2025	Relative Variation % 2025/2024	Proportion in Total Assets / Liabilities 2025
FIXED ASSETS, of which:	25,505,940	43,086,063	68.93%	28.06%
Intangible assets	39,987	26,816	(32.94)%	0.02%
Tangible assets	25,465,953	43,059,247	69.09%	28.04%
Financial assets	0		0.00%	0.00%
CURRENT ASSETS, of which:	107,731,782	109,689,083	1.82%	71.43%



Inventories	36,653,157	41,738,717	13.87%	27.18%
Receivables	58,202,149	59,022,202	1.41%	38.44%
Short-term investments	0	0	0.00%	0.00%
Cash and cash equivalents	12,876,476	8,928,164	(30.66)%	5.81%
Prepayments	755,125	785,643	4.04%	0.51%
TOTAL ASSETS	133,992,847	153,560,789	14.60%	100.00%
Short-term liabilities	45,334,316	36,661,759	(19.13)%	23.87%
Long-term liabilities	2,206,378	1,364,467	(38.16)%	0.89%
TOTAL LIABILITIES	47,540,694	38,026,226	(20.01)%	24.76%
Provisions	0	548,995	0.00%	0.36%
Deferred revenues	0	0	0.00%	0.00%
Treasury shares	19,177	19,177	0.00%	0.01%
Losses related to equity instruments	0	0	0.00%	0.00%
Share capital	39,989,348	39,989,348	0.00%	26.04%
Share premiums	7,480,655	7,480,655	0.00%	4.87%
Reserves	4,854,664	26,502,747	445.92%	17.26%
Profit or loss carried forward	24,460,680	30,727,636	25.62%	20.01%
Profit (or loss) for the financial year	10,372,780	11,006,557	6.11%	7.17%
Profit distribution	686,797	702,198	0.00%	0.46%
EQUITY - TOTAL	86,452,153	114,985,568	33.00%	74.88%

The company's non-current assets, located at the company's headquarters and at its operating sites, consist of IT equipment, office equipment and furniture, digital platforms, licenses, and specific software.

The company also owns a number of transport vehicles (passenger cars) and goods vehicles, as well as lifting equipment (forklifts), which are used in sales activities and warehouse logistics.

SIPEX does not face any issues regarding ownership rights over its tangible assets.

Current assets represent the category with the highest share in total assets, recording an increase of 1.82% at the end of 2025 compared to the same period of the previous year. The decrease in the value of current assets is mainly due to the reduction in cash and cash equivalents.

The value of intangible assets decreased by 32.94% compared to the same period of the previous year, while the value of tangible assets increased by 69.09%.

Short-term liabilities decreased by 19.13% compared to the same period of the previous year, while long-term liabilities recorded a decrease of 38.16%.



CORPORATE GOVERNANCE PRINCIPLES

CODE	PROVISIONS	COMPLIANT	NON-COMPLIANT	EXPLANATIONS
SECTION A - RESPONSIBILITIES OF THE BOARD OF DIRECTORS (THE BOARD)				
A1.	The company must have an internal Board Charter that includes terms of reference regarding the Board and key executive functions of the company. Managing conflicts of interest at the Board level should also be addressed in the Board Charter.	yes		
A2.	Any other professional commitments of the Board members, including positions as executive or non-executive members of the Board in other companies (excluding subsidiaries of the company) and non-profit institutions, shall be disclosed to the Board before appointment and during their term of office.	yes		
A3.	Each member of the Board shall inform the Board of any relationship with a shareholder holding directly or indirectly shares representing not less than 5% of the total voting rights. This obligation encompasses any relationship that may affect the position of the respective member on matters relating to decisions of the Board.	yes		



A4.	The annual report will inform whether an evaluation of the Board has been conducted under the leadership of the chairman. The annual report must contain the number of Board meetings.	yes		In 2024, 21 Board meetings were held.
A5.	The procedure regarding cooperation with the Authorized Consultant for a period during which this cooperation is applicable shall include at least the following:	yes		Not applicable. The period during which the issuer was required to collaborate with an Authorized Consultant has expired.
A.5.1	Contact person with the Authorized Consultant;	yes		
A.5.2	The frequency of meetings with the Authorized Consultant, which will be at least once a month and whenever new events or information require the transmission of current or periodic reports, so that the Authorized Consultant can be consulted;	yes		
A.5.3	The obligation to provide the Authorized Consultant with all relevant information and any information reasonably requested by the Authorized Consultant or necessary for the Authorized Consultant to fulfil its responsibilities;	yes		
A.5.4	The obligation to inform the Bucharest Stock Exchange regarding any dysfunctionality that arises in the cooperation with the Authorized Consultant, or the change of the Authorized Consultant;	yes		



SECTION B - INTERNAL CONTROL / AUDIT

B1.	The Board will adopt a policy so that any transaction of the company with a subsidiary representing 5% or more of the company's net assets, according to the most recent financial reporting, shall be approved by the Board.	yes		
B2.	The internal audit must be carried out by a separate organizational structure (internal audit department) within the company or through the services of an independent third-party reporting to the Board and, within the company, reporting directly to the General Manager.	yes		

SECTION C - FAIR REWARDS AND MOTIVATION

C1.	The company will publish in its annual report a section that will include total revenues of the Board members and the Chief Executive Officer and the total amount of all bonuses or any variable compensation, including key assumptions and principles for calculating them.	yes		
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SECTION D - BUILDING VALUE THROUGH INVESTOR RELATIONS



D1.	The company must organize an investor relations service made known to the general public by the person in charge. In addition to the information required by law, the company must include on its website a section dedicated to investor relations, in Romanian and English, presenting all relevant information of interest to investors, including:	yes		
D1.1	The main regulations of the company, in particular the articles of association and the internal regulations of the statutory bodies;	yes		
D1.2	CVs of members of statutory bodies;	yes		
D1.3	Current reports and periodic reports;	yes		
D1.4	Information on general meetings of shareholders: agenda and related materials; resolutions of general meetings;	yes		
D1.5	Information on corporate events such as the payment of dividends or other events that result in obtaining or limiting a shareholder's rights, including deadlines and principles for such transactions;	yes		
D1.6	Other information of an extraordinary nature that should be made public: cancellation, modification, initiation of cooperation with an Authorized consultant; or signing, renewal or termination of an agreement with a Market Marker.	yes		
D1.7	The company must have an Investor Relations function and include in the dedicated section of the company's website the name and contact details of a person who is able to provide appropriate information on request.		no	



D2.	The company must have adopted a dividend policy as a set of guidelines/principles regarding the distribution of net profit. The dividend policy should be published on the company's website.	yes		
D3.	The company must adopt a policy on forecasts, indicating whether they will be provided or not. Forecasts are quantified conclusions of studies aimed at determining the total impact of a list of factors relating to a future period (assumptions). The policy must state the frequency, the period considered and the content of the forecast. If published, forecasts will be part of annual, half-yearly or quarterly reports. The forecast policy will be published on the company's website.		no	The company follows developments in the market, what is happening in our area of interest, the results are not translated as forecast policy.
D4.	The company must fix the date and place of a general meeting to allow as many shareholders as possible to attend.	yes		
D5.	The financial reports must include information in both Romanian and English on the main factors influencing changes in sales, operating profit, net profit or any other relevant indicator.	yes		
D6.	The company must hold at least one meeting/conference call with analysts and investors each year. The information presented on these occasions will be published in the investor relations section of the Company's website at the time of the respective meeting/conference call.	yes		



MANAGEMENT STATEMENT

The management of the company confirms that the annual accounting report has been prepared in accordance with the applicable accounting standards, gives a true and fair view of **SIPEX COMPANY S.A.**, assets, liabilities, financial position, profit and loss account. Please note that the accounting report has been audited and the audit report accompanies this report. To the best of our knowledge, this report presents fairly and completely the information about the company.

Gheorghe Constantin Irinel
Chairman of the Board of Directors



SIPEX COMPANY SA SUSTANABILITY STATEMENT

ABOUT THIS STATEMENT

This Sustainability Statement is the first systematic ESG statement prepared by SIPEX COMPANY S.A. and is an integral part of the 2025 Annual Report. The statement is prepared voluntarily, in accordance with the principles of the European Sustainability Reporting Standards (ESRS) and marks the beginning of a process that the company commits to deepen and improve annually.

Reporting boundary and reporting period

This statement covers fiscal year 2025 (FY2025) and relates to the standalone legal entity SIPEX COMPANY S.A., including the headquarters and all 12 logistics centers. No consolidated entities or subsidiaries are included.

Data collection process

Data are collected directly at the site level, processed internally, and validated by the management team. Where data are incomplete or partial, this is explicitly indicated in the text of the statement. The statement has not been subject to independent external assurance in this first edition.

ESG Contact

Sorina Macsen - sorina.macsen@sipex.ro

SUSTAINABILITY GOVERNANCE

Governance structure

SIPEX's leadership structure—the Board of Directors, the CEO, and the management team—is described in detail in the *Management Team* section of this Annual Report. Responsibility for the company's sustainability performance rests with this existing structure, as there is currently no committee or role dedicated exclusively to ESG. Sustainability topics are addressed as an integral part of ongoing operational and strategic decision-making.

ESG responsibilities within the current structure

Coordination of the sustainability reporting process is ensured by the Marketing Director, Sorina Macsen, as a certified environmental auditor and ESG point of contact. Occupational health and safety (SSM) matters are managed through the outsourced SSM service and the Occupational Safety and Health Committee (CSSM), formally established and operating under its own rules of procedure adopted in 2024. Personal data protection is ensured by a certified Data Protection Officer (DPO), in accordance with GDPR requirements.

Management-approved policies and procedures

In fiscal year 2025, SIPEX has a structured set of documented policies and procedures, an integral part of its ISO-certified integrated management system ISO 9001:2015 / ISO 14001:2015 / ISO 45001:2023. This includes the quality policy, environmental policy, and occupational health and safety policy, approved by executive management and communicated across the organization.



In addition to the ISO framework, the company has formalized a series of documents directly relevant to sustainability governance: the Anti-Harassment and Equal Opportunities Policy (adopted in 2023, revised in January 2026), the Internal Regulations, the 2024–2026 Collective Labor Agreement, GDPR procedures (privacy notice procedure and personal data impact assessment procedure), the CSSM Rules of Procedure (2024), the SSM Prevention and Protection Plan, as well as standardized work instructions for warehouse operations (IL LOG 10 - warehouse work procedures, IL LOG 12 - returns to supplier).

Active certifications

SIPEX holds a TÜV Thüringen triple certification under ISO 9001:2015 (quality), ISO 14001:2015 (environment), and ISO 45001:2023 (occupational health and safety). At the end of 2025, the certification is in the process of being transferred to CERT INTERNATIONAL, which will take over the surveillance audits.

The scope of certification covers the sale and distribution of construction products and the related logistics services.

Planned developments

As sustainability reporting matures, the company is assessing the opportunity to appoint a dedicated ESG lead and to formally integrate sustainability objectives into the annual strategic planning process.

SUSTAINABILITY STRATEGY AND THE MATERIALITY PROCESS

Our approach to sustainability | ESRS 2 – SBM-1

SIPEX operates in a sector with a significant logistics and energy footprint—nationwide distribution of construction materials involves an extensive transport fleet, a network of warehouses with continuous energy consumption, and a supply chain with dozens of major commercial partners.

The company's sustainability strategy starts from this operational reality and aims to responsibly manage the identified impacts, progressively reduce associated financial risks, and capitalize on the opportunities created by the transition to a more sustainable economy.

In this first sustainability statement, the company's approach is pragmatic: identifying topics with real impact, collecting quantitative data where available, and establishing a baseline for future reporting.

Double materiality assessment process | ESRS 2 – IRO-1

Material topics were identified through a double materiality assessment process carried out during 2024–2025, in accordance with ESRS 1 requirements. The process assessed each ESG topic from two complementary perspectives: impact materiality (the effects of SIPEX's activities on the environment and society, both actual and potential) and financial materiality (risks and opportunities with the potential to significantly affect the company's financial position). The process integrated both internal assessment and the results of a formal stakeholder consultation carried out in September–October 2025.

Each topic was scored on a scale from 1 to 5 points for each dimension, based on severity, scale, and duration (for impacts), and probability, magnitude, and time horizon (for financial risks). A topic was considered material if the internal impact score reached or exceeded the



cumulative threshold of 10 points or if the financial score reached or exceeded the same threshold. The stakeholder perspective served as an additional validation input and influenced the final decision for two topics that were at the materiality threshold.

Sixteen ESG topics were assessed, covering environmental, social, and governance areas. Following the integrated analysis, 10 topics were classified as material and will be reported in detail in the following sections.

Materiality assessment results / ESRS 2 – IRO-1

Topic	ESRS standard	Material?	Stakeholder score
Greenhouse gas emissions	ESRS E1	Yes	4.28
Climate change and adaptation	ESRS E1	Yes	4.36
Pollution	ESRS E2	Yes	4.46
Waste management and the circular economy	ESRS E5	Yes	4.40
Occupational health and safety	ESRS S1	Yes	4.72
Working conditions	ESRS S1	Yes	4.70
Professional development	ESRS S1	Yes	4.64
Product quality and safety	ESRS S4	Yes	4.78
Business ethics and legal compliance	ESRS G1	Yes	4.88
Responsible supply chain	ESRS S2 / G1	Yes	4.62
Biodiversity and ecosystems	ESRS E4	No	—
Diversity and inclusion	ESRS S1	No	4.64
Relationship with local communities	ESRS S3	No	4.48
Transparency and corporate governance	ESRS G1	No	4.78

Rationale for non-material topics / ESRS 2 – IRO-1

Biodiversity and ecosystems received an impact score below the materiality threshold, as SIPEX's activities do not involve extraction of natural resources or new construction. Impact would arise only in the scenario of opening new warehouses and/or facilities and will be reassessed accordingly. The topic was not included in the stakeholder consultation questionnaire.

Diversity and inclusion received moderate internal scores, reflecting the absence of reported incidents and the existence of a formalized anti-harassment policy. Although stakeholders awarded this topic a score of 4.64, the internal impact score did not reach the materiality



threshold. The topic remains under active monitoring, and the company aims to systematically improve data collection on workforce composition in future reporting cycles.

Relationship with local communities has limited direct financial impact in the current context of the distribution business, although reputational risks exist. The score awarded by stakeholders (4.48) confirms the relevance of the topic.

Transparency and corporate governance received a high score from stakeholders (4.78) but was assessed as non-material from a direct impact perspective, given that transparency requirements are already covered through the reporting obligations applicable to companies listed on the Bucharest Stock Exchange, the annual external audit, and the content of this Annual Report.

Stakeholder engagement / *ESRS 2 – SBM-2, ESRS 2 – SBM-3*

During September–October 2025, SIPEX carried out a structured online stakeholder consultation process to identify stakeholders' perceptions regarding the importance of ESG topics. This was the company's first formal consultation of this kind and forms the basis for the external dimension of the double materiality assessment.

The questionnaire was sent to 106 recipients across the following categories: product suppliers (35%), service providers (19%), B2B customers (10%), retail customers (11%), public authorities (4%), employees (4%), investors/shareholders (2%), analysts and brokers (3%), and non-governmental organizations (5%).

A total of 51 participants responded, resulting in a 48% response rate, which is above the typical average for such consultations (30–50%), supporting the validity of the data.

All 16 assessed ESG topics received scores between 4.28 and 4.88 on a scale of 1 to 5. Governance received the highest scores (4.62–4.88), followed by the social dimension (4.48–4.72) and the environmental dimension (4.28–4.48).

The consistently high scores confirm that all proposed topics are perceived as relevant by SIPEX stakeholders, regardless of stakeholder category.

The consultation results directly influenced the decision to include the responsible supply chain among the material topics. This topic received a score of 4.62 from stakeholders, and in 2025 the company also carried out a first ESG supplier screening exercise, described in the dedicated section.

The stakeholder engagement process will be repeated annually and further developed through direct dialogue mechanisms with priority stakeholder groups.



ENVIRONMENT

GREENHOUSE GAS EMISSIONS

Context and relevance of the topic | ESRS E1-1

Greenhouse gas (GHG) emissions are one of the most significant material topics identified in the double materiality assessment, with the highest internal impact score (15/15 for the transport fleet).

SIPEX's nationwide distribution activity generates direct emissions primarily from fossil fuel consumption by its own fleet of approximately 194 vehicles, complemented by indirect emissions from electricity and natural gas consumption across the 12 logistics centers.

The company currently does not have a formal emissions reduction target; FY2025 is the first year of systematic measurement and therefore serves as the baseline year for future reporting.

Calculation methodology | ESRS E1-6

Emissions were calculated based on actual monthly consumption recorded at each location, using DEFRA 2025 conversion factors for Scope 1 and the emissions factor for Romania's national grid published by IEA/Nowtricity 2024 (0.232 kgCO₂e/kWh, location-based method) for Scope 2. The factor for electricity from own renewable sources is zero, in line with the GHG Protocol methodology. Scope 3 emissions were not calculated in this first edition of the statement and will be addressed in future reporting exercises.

Scope 1 emissions – direct sources | ESRS E1-6

Scope 1 emissions come entirely from the combustion of fossil fuels in vehicles and equipment owned by, or under the operational control of, SIPEX. Diesel is the dominant source, generating 92,6% of total direct emissions, reflecting the fleet structure—100% diesel for freight vehicles.

Fuel type	Conversion factor	Consumption (MWh)	Emissions (tCO ₂ e)	Share
Diesel	2.512 kgCO ₂ e/l	7,575	1,896.2	89%
Other fuels	(LPG, gasoline, natural gas, etc.)	900.3	186.3	11%
TOTAL Scope 1		8,475.3	2,082.5	100%

Total diesel consumption was approximately 770 thousand liters during 2025. The Ariceștii Rahtivani logistics center (headquarters, with the largest allocated fleet) generated the highest volume of Scope 1 emissions.



Scope 2 emissions – indirect sources from electricity | ESRS E1-6

Scope 2 emissions come from grid electricity consumption across the 12 logistics centers and at headquarters. They are reported using the location-based method, applying Romania's emissions factor of 0.23 kgCO₂e/kWh. SIPEX began systematic measurement in FY2025.

Indicator	Value
Total grid electricity consumption	323,062 kWh (323.1 MWh)
Scope 2 emissions (location-based)	75 tCO₂e
Emissions factor used	0.23 kgCO ₂ e/kWh (IEA/Nowtricity 2024, provisional)

Energy from own renewable sources | ESRS E1-5

Headquarters in Ariceștii Rahtivani has an 85 kW photovoltaic system (194 solar panels), installed in 2023, and the Pantelimon logistics center has its own photovoltaic installation, operational since Q4 2025.

In 2025, total production from own renewable sources was 89,643 kWh, of which 29,922 kWh were consumed directly (reducing grid demand) and 57,490 kWh were exported to the national grid.

Self-consumption of renewable energy avoided emissions of approximately 41,1 tCO₂e compared to the scenario of being supplied exclusively from the grid. [The share of renewable energy in the company's total electricity consumption is 8.5%, and 57% at the Prahova County headquarters.](#)

Consolidated GHG emissions overview | ESRS E1-6

Indicator	2025 value
Scope 1 emissions	2,082.5 tCO₂e
Scope 2 emissions (location-based)	75 tCO₂e
Total Scope 1 + Scope 2	2,157,6 tCO₂e
Scope 3 emissions	Not calculated — feasibility to be assessed
Renewable energy produced in-house	89,643 kWh
Share of renewables in electricity consumption	8.5%
Share of renewables in electricity consumption (Prahova location)	57%
Emissions intensity (tCO ₂ e/mil. RON revenue)	6.6 tCO₂e/mil. RON
Emissions avoided through in-house renewables	41.1 tCO ₂ e



Identified financial risks / ESRS E1-9

The main financial risks associated with the GHG emissions topic, identified in the materiality assessment, include:

- potential CO₂ emissions taxation in transport through expansion of the ETS2 scheme to the road sector,
- increases in fuel costs and exposure to diesel price volatility,
- the risk of urban traffic restrictions for diesel vehicles.

Objectives and measures / ESRS E1-3

To date, the company has implemented two concrete measures: installation of photovoltaic systems at headquarters in Ariceștii Rahtivani and at the Pantelimon warehouse (Ilfov) and the installation of three charging stations for electric vehicles.

For 2026–2030, the company is considering expanding renewable energy generation capacity at high-consumption locations, as well as developing a fleet renewal policy that prioritizes low-emission vehicles.

WASTE MANAGEMENT AND THE CIRCULAR ECONOMY

Context and relevance of the topic / ESRS E5-1

Waste management is a material topic identified both through the internal impact assessment and through stakeholder consultation.

SIPEX's distribution activity generates waste mainly from the packaging that accompanies goods—wood pallets, plastic wrap and packaging, cardboard—as well as mixed municipal waste from the day-to-day operations of the 12 logistics centers. The company is not a producer of hazardous industrial waste.

The applicable legal framework includes Law No. 211/2011 on the waste regime, Law No. 249/2015 on packaging waste management, ECO-X reporting obligations for private-label brands, as well as regulations related to the deposit-return system (SGR).

Reporting methodology / ESRS E5-4

Waste data are collected monthly at each location based on handover documents issued to authorized collection and recovery operators. Quantities are expressed in metric tons, using internally validated conversion factors (20 kg/pallet for wood packaging, 120 kg/m³ for uncompacted municipal waste, 30 kg/m³ for uncompacted plastic).

FY2025 is the first year of consolidated public reporting at the company level.



Waste generated — consolidated 2025 overview / ESRS E5-4



During 2025, SIPEX COMPANY S.A. generated a total of **457 metric tons of waste** across all 12 logistics centers, structured into six categories and managed through contracts with authorized waste collection and recovery operators.

Waste category	Waste type	Total (metric tons)
Recovered waste	Wood, plastic, paper, etc.	370
Disposed waste	Municipal waste, construction waste	87
TOTAL		458

Recovery rate above 80% – reflects that most of the waste generated is directed to recycling or reuse, rather than disposal.

Analysis by main waste streams / ESRS E5-4

Wood packaging (pallets) is the largest waste stream by volume; the entire quantity is recovered through handover to specialized operators for collection and recycling of wood waste.

Mixed municipal waste amounts to 81 metric tons (17% of the total) and comes from day-to-day operations in warehouses and offices. This category is 100% disposed of through public or private sanitation services, in accordance with contracts concluded at each location. Reducing this category through more rigorous source separation is an objective for 2026–2030.

Plastic packaging and wrap, as well as paper and cardboard packaging, are also handed over to authorized recycling operators.

Geographic distribution / ESRS E5-4

Headquarters in Ariceștii Rahtivani generated the highest volume of waste—107 metric tons—most of which is wood waste.

Legal compliance and reporting / ESRS E5-1

SIPEX complies with legal reporting obligations regarding waste generated, including annual declaration of packaging quantities placed on the market through the ECO-X system. Cumulative recycling rates for each packaging type exceeded the legal targets.

The company holds contracts with authorized waste collection and recovery operators at all 12 sites.

In fiscal year 2025, no environmental fines or sanctions were applied for non-compliant waste management.



Planned objectives and measures / ESRS E5-3



Based on the data collected in 2025, the company identified priorities for 2026–2030:

- increasing the recovery rate for plastic packaging and improving source separation;
- reducing the volume of mixed municipal waste by implementing separate collection at locations where it is not yet applied systematically.

POLLUTION AND CLIMATE CHANGE

Context and relevance of the topic | *ESRS E1-1, ESRS E2-1*

Pollution and climate change are addressed in this section as complementary topics, both identified as material following the double materiality assessment.

SIPEX's distribution activity does not involve industrial processes with significant emissions of pollutants to air, water, or soil; however, the company is exposed to accidental pollution risks and, equally, to the increasingly frequent impacts of extreme weather events on the national logistics infrastructure.

The topics are addressed in accordance with ESRS E2 (Pollution) and ESRS E1 (Climate change—adaptation dimension).

POLLUTION | *ESRS E2*

Environmental compliance and permits | *ESRS E2-2*

SIPEX COMPANY S.A. holds the necessary permits to carry out its activities, including environmental permits. Covered activities include wholesale trade of chemical products, sealants, paints, varnishes, and printing inks.

No laboratory test reports were requested or performed for emissions to air, water, or soil during fiscal year 2025, as the distribution activity does not generate pollutant emissions that exceed regulatory thresholds.

No environmental fines or sanctions were applied during the reporting period.

Identified pollution risks | *ESRS E2-4*

The main accidental pollution risks identified in the internal assessment relate to potential fuel leaks from vehicles, temporary non-compliant waste storage, and soil contamination within the perimeter of logistics platforms.

These risks are managed through: preventive fleet maintenance, contracts with authorized waste collection operators at all locations, dedicated waste platforms at headquarters, and internal emergency response procedures as part of the ISO 14001:2015 management system.



CLIMATE CHANGE – ADAPTATION | *ESRS E1-4*



Climate risk analysis / ESRS E1-9

SIPEX COMPANY S.A. prepared and updated in November 2025 an analysis of physical and transition climate risks that may affect the company's operations, with a focus on the network of peri-urban warehouses and the distribution fleet. The analysis identifies four main categories of risks:

Climate risk type	Likelihood Severity	Potential impact
Acute physical risk — heat waves	Medium Medium	Lower productivity in warehouses, accelerated vehicle wear, additional occupational health and safety (HSE) costs
Chronic physical risk — rising average temperatures	High / Medium	Higher energy costs for cooling, reduced infrastructure lifespan
Physical risk — heavy rainfall / flooding	Low / High	Temporary delivery disruptions, inventory damage, difficult access to peri-urban warehouses
Transition risk — climate regulations	High / High	Higher logistics costs through ETS2, urban traffic restrictions, GHG reporting requirements
Transition risk — shifting market preferences	Medium Medium	Impact on market share, driven by customers' sustainability expectations.

Existing adaptation measures / ESRS E1-4

The company has currently implemented the following adaptation measures for the identified climate risks: flexible working hours during heatwave periods for warehouse staff, thermal protective equipment and hydration, use of LED lighting in all locations to reduce energy consumption, insurance contracts for infrastructure and inventory exposed to physical risks, monitoring EU legislation on carbon emissions taxation, and systematic measurement of Scope 1 and Scope 2 emissions starting in fiscal year 2025.

Planned adaptation measures / ESRS E1-4

For 2026–2030, the company plans to: conduct a full energy audit of all 12 logistics centers, develop an action plan to reduce energy consumption, develop operational continuity plans for scenarios of severe climate disruptions, and gradually transition the fleet toward lower-emission vehicles.

Strategic resilience / ESRS E1-4

The internal analysis concludes that SIPEX is primarily exposed to transition risks—regulations related to polluting road transport and market pressure for ESG performance—compared to physical risks, which remain managed at the operational level.

By progressively implementing the planned measures in renewable energy, energy efficiency, and fleet management, the company can turn its exposure to climate risks into a competitive advantage in the construction materials market, where B2B customers' ESG requirements are increasing rapidly.



SOCIAL

OCCUPATIONAL HEALTH AND SAFETY

Context and relevance of the topic | *ESRS S1-1*

Occupational health and safety is the social topic with the highest combined score in the double materiality assessment and received the highest score in the stakeholder consultation within the social dimension (4.72/5.0). The nature of SIPEX's activity—handling heavy goods in warehouses, intensive road transport with an in-house fleet, and field-based commercial activity—creates significant occupational risks that require a structured and functional prevention and protection system.

OHS management system | *ESRS S1-1*

The company holds ISO 45001:2023 certification for its occupational health and safety management system, as part of the TÜV Thüringen triple certification. The prevention and protection service is outsourced, and the Occupational Safety and Health Committee (CSSM) is formally established by internal decision and operates based on its own rules of procedure adopted in 2024, which provide for periodic meetings, an annual review of OHS performance, and reporting to the territorial labor inspectorates (ITM).

Designated employees with OHS responsibilities are appointed by internal decision. Individual OHS training records are managed electronically and archived in a cloud system with a double backup copy - explicitly noted as a positive point in the TÜV audit report.

Risk assessment | *ESRS S1-4*

Risk assessments are performed and updated periodically for all job categories and locations. For fiscal year 2025, risk assessment sheets are available for: offices, warehouses, the transport department, and the sales department. The prevention and protection plan is reviewed annually and was updated in January 2025.

Work accidents and incidents | *ESRS S1-14*

The Single Register of Work-Related Events records the following situation for the reporting period:

Year	Type	ITM days	Location	Circumstances
2025	Traffic accident	5	Piatra Neamț	Road collision — third-party fault

The company did not record any work accidents within warehouse premises or operational activities during 2022–2025.

The 2025 incident was a traffic accident that occurred outside the company's premises while employees were traveling in company cars for work-related activities, with fault attributable to third parties involved in traffic.

The event was investigated and validated by the competent territorial labor inspectorates (ITM), and all required measures were implemented and formally confirmed through closure letters submitted to ITM.



The dangerous incidents register does not record any events during the reporting period.

OHS training programs / ESRS S1-13

OHS training is delivered on three levels, in line with annual programs approved by the CEO:

- **Onboarding training** includes 8 hours structured into general introductory training (4 hours, delivered by SEPP) and on-the-job training (4 hours, delivered by the site manager), covering applicable OHS legislation, SIPEX-specific risks, and internal instructions tailored by job category.
- All 64 new employees hired in 2025 received onboarding training in accordance with the approved program.
- **Periodic OHS training** is conducted quarterly or semi-annually, depending on the job's risk category, with a duration of 2 hours per session. The 2025 periodic OHS training program and curriculum cover all 12 sites and the full employee population. Periodic emergency preparedness training (SU) is carried out monthly, according to the schedule and topics approved for 2025.

ITM inspections and compliance / ESRS S1-17

During 2025, two inspections were carried out by the territorial labor inspectorates (ITM), with no sanctions/fines applied.

Key OHS indicators 2025 / ESRS S1-14

Indicator	2025 value
Work accidents with temporary incapacity for work	1 (traffic accident, third-party fault)
Days of temporary incapacity for work (ITM)	5
Fatal accidents	0
Recorded dangerous incidents	0
Employees trained at onboarding	64
ITM inspections	2 (no fines)
ISO 45001:2025 certification	Active



Planned objectives and measures / ESRS S1-4

The company's fundamental objective in the area of OHS is to maintain zero accidents within its own premises.



For 2026–2030, the identified priorities focus on continuing to strengthen the training program, including road safety training for staff who drive company vehicles.

WORKING CONDITIONS AND PROFESSIONAL DEVELOPMENT

Context and relevance of the topic / ESRS S1-1

Working conditions and professional development are material topics identified both internally and through stakeholder engagement. Employees and investors gave these topics the highest scores, considering them fundamental to workforce stability and retention.

Staff turnover in the construction materials distribution sector—a sector with seasonal activity and high physical demands—represents both an operational risk and a significant financial cost for the company.

Workforce structure / ESRS S1-6

As of December 31, 2025, SIPEX COMPANY S.A. had 271 employees, compared to 273 at the beginning of the year.

Indicator	Value as of 12/31/2025	%
Total employees	271	
Women	72	27%
Men	199	73%
Under 30	15	6%
30–50	156	58%
Over 50	100	37%
Board of Directors (BoD)	3	(1F/2M)
Management	18	(5F / 13M)
Operational team	250	(66F / 184M)

The gender breakdown reflects the specific profile of the logistics and distribution sector, with a higher share of men in operational roles (warehouse, transport). At the management level, women represent 27.8% (5 of 18), and on the Board of Directors 33.3% (1 of 3).

Type of employment contracts / ESRS S1-7

All 271 employees have open-ended employment contracts, reflecting the stability of the employment relationship. One employee works part-time, while the remaining 270 are full-time. There were no fixed-term contracts as of December 31, 2025. All employees have equal rights and benefits, regardless of work location.

Workforce movements in 2025 / ESRS S1-8

During 2025, 64 employees were hired and 58 left, resulting in a staff turnover rate of 21.3% (calculated as the number of departures divided by the annual average headcount of 271.8).



employees). The locations with the most workforce dynamics were Cluj-Napoca and Timișoara.

Turnover remains at a level that requires continued attention, given the costs associated with recruiting and onboarding new employees.

Labor relations framework / ESRS S1-9

Labor relations are governed by the 2024–2026 Collective Labor Agreement (CCM), negotiated with employee representatives and applicable company-wide. The Internal Regulations set out the rights and obligations of both parties, disciplinary procedures, and conflict resolution mechanisms.

The company complies with Romanian Labor Code provisions on working time, daily and weekly rest, paid leave, and remuneration conditions.

Professional development / ESRS S1-13

Investment in employees' professional development is an explicit strategic priority for SIPEX, with the sales team viewed as the main driver of the business. The main development programs carried out in 2025 include:

SIPEX Annual Sales Conference – the 2025 edition took place in January 2025, bringing together 90 participants from sales, procurement, finance, marketing, and technical teams from all sites, along with strategic partners. The event covered communication of the 2025 business strategy, product trainings, sales workshops, and recognition of top-performing employees.

The conference has become an annual hallmark of SIPEX's organizational culture, combining strategic alignment with sales skills development and nationwide team building.

Data on the total number of training hours per employee will be fully reported in future editions of the statement, based on a centralized tracking system currently being implemented.

Diversity and inclusion / ESRS S1-11

The company has an Anti-Harassment and Equal Opportunities Policy, adopted in 2023 and revised in January 2026. No cases of discrimination or harassment were reported in fiscal year 2025. The company has a communication channel for reporting concerns related to ethics, discrimination, or any behavior that violates internal rules. The email address used for this purpose is integritate@sipex.ro, and it has been communicated to employees.

Data on the detailed workforce structure by gender and age are presented in the table above.



Key workforce indicators 2025 / ESRS S1-6, S1-7, S1-8



Indicator	2025 value
Total employees as of 12/31/2025	271
Share of women	27%
Share of women in management	28%
Open-ended contracts	100%
Hires in 2025	64
Departures in 2025	58
Turnover rate	21.3%

Employee satisfaction survey

SIPEX considers understanding employees' perception of the workplace environment an essential element of responsible human resources management. To that end, during the reporting period the company ran the first edition of its internal employee satisfaction questionnaire, dedicated to year 2025.

A total of 156 people participated, representing a 58% response rate—above the 40% threshold considered representative for internal analyses of this type. The questionnaire was anonymous and voluntary, covering nine dimensions: communication, team climate, workload, psychological safety, fair treatment, benefits and compensation, overall satisfaction, and willingness to recommend the company as an employer.

The overall workplace satisfaction score was 3.96 out of 5. Identified strengths include communication with the direct manager (4.34/5), a respectful team climate (4.25/5), and a workload perceived as reasonable (4.17/5). Loyalty to the company is high: 54% of employees have more than 5 years of tenure.

The questionnaire results form the basis for an internal action plan currently being developed, focused on continuous improvement of working conditions, strengthening transparency in performance evaluation, investment in professional training, and strengthening mechanisms for reporting inappropriate behavior.

Planned objectives and measures | ESRS S1-4

For 2026–2030, the company aims to: continue monitoring employee satisfaction to systematically measure engagement and identify turnover drivers; centralize data on training hours per employee and job category; continue formal communications of policies and actions related to working conditions; and analyze the compensation structure by gender and age group as a basis for continuously updating fair pay policies.

PRODUCT QUALITY AND SAFETY

Context and relevance of the topic | ESRS S4-1



Product quality and safety is the topic with the highest combined impact score across the entire materiality assessment. The relevance of the topic is amplified by the nature of SIPEX's business: the company distributes construction and finishing materials that reach end users as part of works with direct implications for structural safety and housing quality.

Any product nonconformity can generate significant financial consequences (litigation, compensation, recalls) and can affect commercial relationships with B2B partners, which are the foundation of the company's business model.

SIPEX's role in the distribution chain / ESRS S4-1

SIPEX is not the manufacturer of the distributed products, except for its private-label brands (e.g. Meșterică) and products manufactured under license (Dufa, Profitek). As a distributor, the company does not alter the integrity or composition of the products—goods are received from manufacturers ready-packaged, palletized, and shrink-wrapped according to their specifications.

Primary responsibility for product quality and conformity rests with partner manufacturers. SIPEX's role is to ensure appropriate storage, handling, and distribution conditions so that products reach customers in the same condition in which they were received.

Quality management system / ESRS S4-2

SIPEX holds a TÜV Thüringen triple certification in accordance with ISO 9001:2015 (quality), ISO 14001:2015 (environment), and ISO 45001:2023 (occupational health and safety). At the end of 2025, the certification is in the process of being transferred to CERT INTERNATIONAL, which will take over the surveillance audits.

The scope of certification covers the sale and distribution of construction products and the related logistics services.

Receiving and quality control procedures / ESRS S4-2

The goods receiving process across all 12 warehouses is governed by specific work instructions. These define the steps, responsibilities, and documentation required for receiving, verifying, and recording goods, with an emphasis on ensuring traceability and conformity.

The receiving verification process includes quantitative checks (consistency between received quantities and the purchase order/delivery documents) and qualitative checks (packaging integrity, labels, product conformity).

If nonconformities are identified upon receipt—damaged products, compromised packaging, shortages, expired shelf life—goods are isolated in clearly marked quarantine areas, a findings report is completed and signed by the warehouse custodian and the supplier's representative, and the return procedure is initiated.

Products rejected upon receipt are stored in specially marked areas labeled "nonconforming product." All receiving documents are retained both physically and electronically for a minimum of 5 years, in line with the company's archiving policy.

Customer complaints management / ESRS S4-3

SIPEX has a standardized complaint intake form and a system for centralizing complaints, activated whenever complaints are received.



The complaint log is available internally. The total number of complaints and the resolution rate will be reported quantitatively in future editions, as the process for systematic collection of B2B customer satisfaction data matures.

No litigation related to the quality or safety of distributed products was recorded in fiscal year 2025.

Traceability of private-label products / ESRS S4-2

For private-label brands and products manufactured under license, SIPEX ensures full traceability from production to the end customer. How this traceability is ensured was explicitly assessed positively in the TÜV 2023 audit report.

Supplier partners with high quality standards / ESRS S4-2

SIPEX's distributed product portfolio includes leading international brands that in turn have certified quality management systems and rigorous product control processes. Concentrating purchases around top partners provides a strong foundation for the quality of the distributed portfolio.

Key quality indicators 2025 / ESRS S4-3

Indicator	2025 value
ISO 9001:2015 certification	Active, valid until Jan. 2029
ISO 14001:2015 certification	Active, valid until Jan. 2029
ISO 45001:2023 certification	Active, valid until Jan. 2029
Critical audit nonconformities	0
Product quality litigation	0
Standardized warehouse work instructions	Updated in November 2025
Complaints management system	In place, under quantitative consolidation

Planned objectives and measures / ESRS S4-4

For 2026–2027, the identified priorities include: implementing a centralized system for monitoring and reporting customer complaints with performance indicators (number of complaints, response time, resolution rate) and strengthening the supplier quality assessment process.



Context and relevance of the topic / ESRS G1-1

Business ethics and legal compliance is the topic with the highest score across the entire stakeholder consultation, confirming that SIPEX's commercial partners, investors, and



employees view ethical conduct and compliance as the foundation of a trusted relationship with the company.

Business ethics and conduct framework / ESRS G1-1

The company has a Code of Ethics, and the principles of ethical conduct are integrated into several binding documents:

- the Internal Regulations, which set out the principles of equal treatment, non-discrimination, and respect for the dignity of all employees;
- the Anti-Harassment and Equal Opportunities Policy (adopted in 2023, revised in January 2026), which defines prohibited behaviors, the complaint investigation mechanism, and applicable sanctions; and
- the 2024–2026 Collective Labor Agreement, which governs the mutual rights and obligations of the employer and employees.

In January 2026, the company issued an internal communication to employees regarding its policy on respecting dignity in the workplace and preventing harassment, marking an important step toward formally communicating standards of conduct across the organization.

Anti-corruption practices and conflicts of interest | ESRS G1-3

SIPEX has a standalone anti-corruption policy. The risk of favoritism in commercial relationships and conflicts of interest in procurement and sales processes were identified in the materiality assessment as risks with a significant impact score, particularly given the nature of the business—intensive commercial relationships with dozens of suppliers and hundreds of B2B customers.

[No cases of corruption, fraud, or conflicts of interest were reported or investigated in fiscal year 2025.](#)

Personal data protection / ESRS G1-1

SIPEX meets GDPR requirements through a documented and operational framework that includes a certified Data Protection Officer (DPO), formally appointed, and specific procedures. Records of data processing activities are archived electronically with a double backup copy in a *cloud* system—highlighted as a positive point in the TÜV 2023 audit.

Legal compliance and relations with authorities / ESRS G1-4

[In 2025, the company recorded no fines, sanctions, or litigation related to fraud, corruption, unfair competition, or breaches of environmental, labor, or commercial laws.](#)

The company complies with the reporting obligations applicable to companies listed on the Bucharest Stock Exchange (BVB) AeRO market, including periodic and annual reporting to investors.



External audit / ESRS G1-5

The integrated management system (ISO 9001/14001/45001) is subject to periodic surveillance audits conducted by the certification body. The most recent recertification audit took place in July 2023 (TÜV Thüringen) with a positive result—the system was assessed as fully effective, with no nonconformities.



At the end of 2025, in the context of the takeover of the certification services by the CERT International body, a new audit took place, with the extension of the certification of the Integrated Management System until January 2029.

Reporting and whistleblowing mechanisms / ESRS G1-1

The anti-harassment policy provides a complaint investigation procedure, including appointment of an impartial investigator and protection of the complainant's identity. Implementing a broader reporting mechanism, including at the supply chain level, covering business ethics and anti-corruption topics as well, is identified as a priority for 2026, including in the context of the requirements of the EU Whistleblower Directive.

The channel through which complaints can be sent is integritate@sipex.ro

Key governance indicators 2025 / ESRS G1-4

Indicator	Status 2025
Cases of corruption, fraud, or unfair competition	0
Litigation related to legal compliance	0
Environmental or labor fines	0
Certified DPO	Yes
Operational GDPR procedures	Yes
Anti-harassment policy	Active, revised in January 2026
Formalized anti-corruption policy	Active, planned for review in 2026
ISO certification (integrated management system)	Active, valid through 2029

Planned objectives and measures / ESRS G1-1

For 2026–2030, the identified governance priorities are: updating the Code of Ethics and the dedicated anti-corruption policy, with explicit coverage of conflict-of-interest risks in procurement and sales; implementing an integrity whistleblowing mechanism accessible to all partners; and organizing ethics training sessions for procurement, sales, and management staff.

RESPONSIBLE SUPPLY CHAIN

Context and relevance of the topic / ESRS S2-1, ESRS G1-2

Responsible supply chain received a score of 4.62/5,0 in the stakeholder consultation and was promoted to the category of material topics based on the combination of the significant financial score identified in the internal assessment and confirmation of its relevance by SIPEX's commercial partners.



The main identified risk concerns losing contracts with large customers that are sensitive to ESG criteria if SIPEX suppliers do not meet minimum responsibility standards—a risk with high likelihood and significant financial magnitude.

Supplier base profile / ESRS S2-1

SIPEX works with more than 100 product suppliers. The supplier base is dominated by international construction materials manufacturers with an established presence in the Romanian market. The top two suppliers together represent nearly two-thirds of the total value of the purchasing portfolio, which creates a concentrated risk profile, but also a high-quality foundation due to the internal standards of these multinational companies.

First supplier ESG assessment exercise – 2025 / ESRS S2-1, ESRS G1-2

For fiscal year 2025, SIPEX carried out its first supplier ESG assessment exercise by distributing a self-assessment questionnaire structured around 13 criteria grouped into three dimensions: environmental (permits, waste management, energy initiatives, packaging), social (employment contracts, training, anti-discrimination policies), and governance (incident reporting mechanism, anti-corruption policy, GDPR compliance, quality management system, and verification of their own suppliers). The questionnaire was sent via an online platform, with a response deadline of January 31, 2026.

Assessment coverage / ESRS S2-2

Eleven suppliers responded, of which 8 are in the top 20 by purchase value. The assessed suppliers represent approximately 61.4% of the total value of purchases within the top 20, covering strategic partners.

An additional 3 assessed suppliers are not in the top 20 by value but are partners with qualitative relevance within the portfolio.

Assessment results / ESRS S2-2

The average score of the 11 assessed suppliers was **9 out of 10 points**, with a purchase-value-weighted average score of **9.95 out of 10**, reflecting that suppliers with the largest purchasing volumes demonstrate the highest level of ESG maturity.

ESG score range	<50	50–100	100–250	>250	Total
10/ 10	0	1	2	4	7
9–9.9 / 10	0	0	0	2	2
8–8.9 / 10	1	1	0	0	2
Total	1	2	2	6	11

Assessment expansion plan / ESRS S2-1

Supplier ESG assessment will be progressively expanded in 2026 to other significant commercial partners that were not included in the 2025 exercise, with priority given to top-20 suppliers that have not yet been assessed.



SIPEX intends to formalize ESG criteria as part of the standard process for evaluating and selecting new suppliers, including by introducing minimum ESG eligibility requirements into contracts with strategic suppliers during fiscal year 2026.

KEY PERFORMANCE INDICATORS – DASHBOARD

Sustainability indicators 2025 | ESRS 2 – SBM-1, MDR-M

ENVIRONMENT

Indicator	Unit	2025 value	ESRS standard
Scope 1 emissions — fuels	tCO ₂ e	2082.5	E1-6
of which diesel (fleet)	tCO ₂ e	1896.2	E1-6
Scope 2 emissions — electricity (location-based)	tCO ₂ e	75	E1-6
Total Scope 1 + Scope 2 emissions	tCO ₂ e	2157.6	E1-6
Emissions intensity	tCO ₂ e per RON mil. revenue	6.6	E1-6
Total energy consumption — fuels	MWh	8475.3	E1-5
Total grid electricity consumption	MWh	323.8	E1-5
Energy from own renewables (consumed)	kWh	29,922	E1-5
In-house renewable energy production (photovoltaic)	kWh	89,643	E1-5
Share of renewables in electricity consumption	%	8.5%	E1-5
Total waste generated	metric tons	458	E5-4
Recovered waste (recycled)	metric tons	370	E5-4
Disposed waste	metric tons	87	E5-4
Waste recovery rate	%	81%	E5-4
Environmental fines	no.	0	E2-4
Valid environmental permit	Yes/No	Yes	E2-2

SOCIAL

Indicator	Unit	2025 value	ESRS standard
Total employees as of 12/31/2025	no.	271	S1-6
of which women	no. (%)	72 (27%)	S1-6
of which men	no. (%)	199 (73%)	S1-6
Women in management	no. (%)	5 of 18 (28%)	S1-6
Employees under 30	no. (%)	15 (6%)	S1-6
Employees 30–50	no. (%)	156 (58%)	S1-6
Employees over 50	no. (%)	100 (37%)	S1-6
Open-ended contracts	%	100%	S1-7
Hires in 2025	no.	64	S1-8



Indicator	Unit	2025 value	ESRS standard
Departures in 2025	no.	58	S1-8
Employee turnover rate	%	21.3%	S1-8
Work accidents with ITM	nr.	1 (traffic, third-party fault)	S1-14
Days of temporary incapacity for work	days	5	S1-14
Fatal accidents	no.	0	S1-14
Recorded dangerous incidents	no.	0	S1-14
OHS training hours	hours	Over 2,250	S1-13
Employees trained at onboarding	no.	64	S1-13
ITM inspections (fines)	no. (fines)	2 (0 fines)	S1-17
ISO 45001:2018 certification	Yes/No	Yes	S1-1
Product quality litigation	nr.	0	S4-3
ISO 9001:2015 certification	Yes/No	Yes	S4-2

GOVERNANCE & SUPPLY CHAIN

Indicator	Unit	2025 value	ESRS standard
Reported corruption/fraud cases	no.	0	G1-4
Legal compliance litigation	no.	0	G1-4
ITM / environmental / commercial fines	no.	0	G1-4
Certified DPO	Yes/No	Yes	G1-1
Active anti-harassment policy	Yes/No	Yes	G1-1
ISO 14001:2015 certification	Yes/No	Yes	G1-5
Suppliers assessed for ESG	no.	12	S2-2
Average score of assessed suppliers	/10	9	S2-2
Suppliers with no ethics or corruption litigation	%	100%	S2-2
ESG assessment coverage (% of top 20 purchase value)	%	61.4%	S2-2
Stakeholder engagement response rate	%	48%	SBM-2

REFERENCE FINANCIAL DATA

Indicator	2025 value
Revenue	327,628,615 RON <small>din 1997</small>
Net profit	11,006,557 RON

SUSTAINABILITY RISKS AND OPPORTUNITIES

Framework for identifying risks and opportunities | ESRS 2 – IRO-1



The sustainability risks and opportunities identified in this section derive from the double materiality assessment described in Section 3, complemented by insights from stakeholder engagement and by the climate risk analysis updated in November 2025. They are presented across short-term (under 2 years), medium-term (2–5 years), and long-term (over 5 years) time horizons.

Key risks / ESRS 2 – IRO-1

Risk	Type	Time horizon	Financial score	Potential impact
CO ₂ emissions taxation for transport (ETS2)	Regulatory transition	Medium	14/15	Higher logistics costs, penalties
Urban traffic restrictions for diesel fleet	Regulatory transition	Short	11/15	Limited access to urban customers
Fuel price volatility	Operational financial	Short	11/15	Pressure on operating margin
Work accidents — legal costs	Social	Short	15/15	Compensation, insurance premiums, productivity
Loss of contracts with ESG-sensitive customers	Market	Medium	12/15	Reduced B2B market share
Physical climate disruptions (flooding, heat waves)	Acute physical	Medium	10/15	Delivery disruptions, inventory damage
GDPR noncompliance / data breaches	Regulatory	Short	10/15	ANSPDCP fines, reputational risk
High staff turnover	Operational	Short	11/15	Recruitment costs, loss of know-how

Key opportunities / ESRS 2 – IRO-1

Opportunity	Type	Time horizon	Potential
Expand photovoltaic capacity	Operational	Short	Lower electricity costs, avoided emissions
Gradual transition to an efficient vehicle fleet	Operational	Medium	Lower fuel costs and Scope 1 emissions
ESG differentiation versus competitors	Market	Short–Medium	Attract B2B customers with ESG requirements
Selecting suppliers based on ESG criteria	Supply chain	Short	Lower reputational and compliance risk
ESG reporting as a tool to access green financing	Financial	Medium	Better credit terms, ESG funds
Improved energy efficiency in warehouses	Operational	Medium	Lower OPEX and Scope 2 carbon footprint



STATEMENT OF COMPLIANCE AND METHODOLOGICAL NOTES

Statement of responsibility | *ESRS 1, ESRS 2 – BP-1*

This Sustainability Statement was prepared under the responsibility of SIPEX COMPANY S.A. management and approved by the Board of Directors. The information presented reflects the company's actual situation as of the reference date and is supported by verifiable internal documentation.

Executive management is committed to continuing and deepening sustainability reporting in future financial years, progressively improving data coverage, the quality of indicators, and transparency toward all stakeholders.

Applied standards | *ESRS 1*

This statement is prepared in accordance with the principles of the European Sustainability Reporting Standards (ESRS), adopted by the European Commission through Delegated Regulation (EU) 2023/2772. The specific standards applied are: ESRS 1 (General requirements), ESRS 2 (General disclosures), ESRS E1 (Climate change), ESRS E2 (Pollution), ESRS E5 (Resource use and circular economy), ESRS S1 (Own workforce), ESRS S2 (Workers in the value chain), ESRS S4 (Consumers and end users), and ESRS G1 (Business conduct).

This statement is prepared voluntarily, as a first reporting exercise, and has not been subject to independent external assurance in this edition.

Methodological notes | *ESRS 1*

Scope 1 GHG emissions were calculated based on actual fuel consumption recorded monthly at each location, using DEFRA/DESNZ 2025 conversion factors. Scope 2 emissions were calculated using the location-based method, applying the emissions factor for Romania's national grid published by IEA/Nowtricity 2024 (0,232 kgCO₂e/kWh, provisional). Waste quantities are expressed in metric tons, using internally validated conversion factors. Workforce data are extracted from the company's HR systems, with reference dates at the end of each quarter. Where data are incomplete or estimated, this is explicitly indicated in the text of the statement.

Limitations of the first edition | *ESRS 1*

This statement is limited to consolidated data for 2025: fuel and electricity consumption, operational workforce data, annual waste reporting, and internal assessment results.

First reporting year – commitment to continuous improvement

SIPEX. views this first Sustainability Statement as a starting point, not an endpoint. The company commits to annually improving the quality of reported data, expanding indicator coverage, and subjecting the statement to independent external assurance as the internal process for collecting and managing sustainability data matures.

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