# BUCUR S.A.
# DIRECTORS' REPORT
# FOR THE THIRD QUARTER OF 2026
# (PERIOD 01.01.2026 - 30.09.2026)
# - CONSOLIDATED STATEMENTS -
# Report date 23.11.2026

**in accordance with the provisions of Law 24/2017, ASF Regulation no. 5/2018 and the Bucharest Stock Exchange Code**

**CONSOLIDATED QUARTERLY REPORT**
**FOR THE THIRD QUARTER OF 2026**

Name of the issuing entity: **BUCUR S.A.**
Registered office: **Bucureşti, str. Vişinilor, nr.25, sector 2**
Telephone/fax number: **021. 323.67.30**
Sole registration code: **RO 1584234**
Trade Register number: **J1991000392402**
Regulated market on which the issued securities are traded:
**Bucharest Stock Exchange**
Subscribed and paid-up share capital: **8,327,559.40 lei**

**LEI CODE:** 254900XVWDSWNPO6FB56

Main characteristics of the securities issued by BUCUR S.A.: **joint-stock company, legal entity governed by private law, with a share capital of 8,327,559.40 lei, corresponding to 83,275,594 registered shares with a nominal value of 0.10 lei each.**

## 1. Presentation and history of the group

**The parent company** was established in 1956, under the original name of I.C.R.A. Bucureşti.

As regards the other entities within the Group, they were established as follows:

**Centrul de Afaceri Nord S.R.L.** – was established in 2005, with real estate development (promotion) as its main activity.

**Siriului Residence S.A.** - was established in 2008, with the renting and sub-renting of own or leased real estate as its main activity.

## 2. Group structure

Bucur S.A. had the following subsidiaries and associates as at 30 September 2026 and 31 December 2025. Their country of incorporation, activity and the Group's ownership percentage are presented below:

| Name | Classification | Country | Field of activity | 30.09.2026 | 31.12.2025 |
|---|---|---|---|---|---|
| ***Directly held companies:*** | | | | | |
| Centrul de Afaceri Nord S.R.L. | Subsidiary | Romania | Real estate rental | 100.0000% | 100.0000% |
| Siriului Residence S.A. | Subsidiary | Romania | Real estate rental | 99.9945% | 99.9945% |

The records of shares and shareholders are kept, under the law, by Depozitarul Central S.A. Bucuresti.

## 3. Analysis of the group's activity

### 3.1 General presentation of Bucur S.A.

The company's main activity is "Renting and sub-renting of own or leased real estate", and its secondary activities are "Buying and selling of own real estate", "Real estate development (promotion)" and "Real estate brokerage services".

I.C.R.A. Bucureşti (Întreprinderea de Comerţ cu Ridicata pentru Produse Alimentare – Food Products Wholesale Trading Enterprise), transformed in 1956 from the former "Supply Base" subordinated to the Ministry of the Food Industry, was a commercial enterprise of national interest whose object of activity was supplying the entire retail trade network, both in the capital and throughout the country, and building strategic stocks for other purposes.

Until 1981, I.C.R.A. Bucureşti carried out its activity both in the storage facilities in the Municipality of Bucharest and in those held in Olteniţa and Giurgiu, where territorial branches operated. In 1981, following the provisions of Decree 70, these branches separated from I.C.R.A. Bucureşti and became independent.

In 1990, I.C.R.A. Bucureşti was transformed (under the provisions of Government Decision no. 1040/1990) into BUCUR S.A., a Romanian legal entity governed by private law, registered with the Trade Register Office under no. J40/392/1991, with sole registration code (CUI) 1584234.

The company's registered office is located in Bucureşti, str. Vişinilor, nr.25, sector 2, which is the coordination centre for the activity of the entire company, its activity being carried out at the following locations:

- Residential complex – Bucureşti, Bd. Timişoara, nr.56B, sector 6
- Complexul Industriilor – Bucureşti, Şos. Industriilor, nr.53, sector 3
- Office building – Bucureşti, Str. Dr. Icob Felix, nr.87, sector 1;

Commercial premises:

- Bucureşti, Bd. Ion Mihalache, nr.121, sector 1
- Bucureşti, Şos. Pantelimon, nr.350, sector 2
- Bucureşti, Str. Romancierilor, nr.5, bl.C14, sector 6
- Oltenita, Str. Argesului nr. 39-43/45-47, bloc 105/106, ground floor.

All of the company's commercial premises are fully owned, are used as warehouses, commercial spaces and offices, and are leased at various occupancy rates.

### 3.2 General presentation of the subsidiaries

**Centrul de Afaceri Nord S.R.L.** is a limited liability company with its registered office in Bucharest, sector 1, str. Siriului, nr. 6-8, ground floor, registered with the Trade Register Office attached to the Bucharest Tribunal under no. J2005010142403, which provides real estate development (promotion) services. Bucur S.A. holds 100% of the company's share capital.

**Siriului Residence S.A.** is a joint-stock company with its registered office in Bucharest, sector 1, str. Siriului, nr. 22-26, ground floor, registered with the Trade Register Office attached to the Bucharest Tribunal under no. J2008014496402, which provides renting and sub-renting services for own or leased real estate. Bucur S.A. holds 99.9945% of the company's share capital.

## 4. Presentation of the significant events that occurred during the relevant period and their impact on the financial position of the issuer and its subsidiaries.

During the period 01 January 2026 – 30 September 2026, the following significant events occurred at the level of the issuer:

- by ASF Decision no. 162/12.02.2026, the prospectus for the admission to trading of Bucur S.A. shares on the regulated market was approved;
- starting with 16.03.2026, the Company's shares are traded on the regulated market operated by the Bucharest Stock Exchange;
- the Ordinary and Extraordinary General Meetings of Shareholders of 23.04.2026 approved, among others, the initiation of the merger process, the revenue and expenditure budget for 2026 and the appointment of the financial auditor for the financial years 2026 – 2028;
- by decision of the Board of Directors of 27.04.2026, Mr. Hrisca Bogdan Iustin was appointed Chairman of the Board of Directors;
- on 15.07.2026, the draft terms of the merger by absorption of the companies Casa de Bucovina – Club de Munte S.A. and Semrom Oltenia S.A. by Bucur S.A. were published;
- the Extraordinary General Meeting of Shareholders of 20.08.2026 approved the merger by absorption, with the increase of the share capital of Bucur S.A. to 10,846,079.2 lei, through the issuance of 25,185,198 new shares, the total number of shares to be 108,460,792.

Except for the above, the Company's Management has not identified other significant events that would materially affect the Group's financial position, and the financial results for the period 01 January 2026 – 30 September 2026 are in line with those budgeted for the third quarter of 2026.

## 5. General description of the financial position and performance of the issuer and its subsidiaries for the relevant period.

### 5.1. Financial position

| (all items are expressed in lei, unless otherwise stated) | 30-Sep-26 | 31-Dec-25 |
|---|---|---|
| **Non-current assets** | **147,152,728** | **155,631,555** |
| **Current assets, of which:** | **65,712,599** | **53,426,579** |
| - Inventories | 1,446,576 | 9,369,405 |
| - Trade receivables | 19,431,743 | 18,350,529 |
| **Total assets** | **212,865,327** | **209,058,134** |
| **Equity, of which:** | **184,141,195** | **173,260,319** |
| - Reserves | 1,665,512 | 1,665,512 |
| - Retained earnings | 47,873,725 | 36,992,849 |
| **Total liabilities, of which:** | **28,724,132** | **35,797,815** |
| - Current liabilities | 7,753,005 | 14,320,056 |
| **Total equity and liabilities** | **212,865,327** | **209,058,134** |

During the period 01.01.2026 – 30.09.2026, the main financial indicators evolved as follows:

- The Group's non-current assets decreased by 5.45% as at 30 September 2026 compared to the beginning of the year, mainly due to the reclassification of the receivable related to the sale of assets to Novum from non-current assets to current assets, as its maturity approaches (other non-current assets from 7,994,761 lei to 28,203 lei), as well as the depreciation recorded during the period.
- The Group's current assets increased by 23.00%, mainly as a result of the increase in cash and cash equivalents and trade receivables, partially offset by the 7.92 million lei decrease in inventories, as a result of the sale of apartments and parking spaces.
- Cash and cash equivalents increased by 73.37% compared to the beginning of the year, to 43,941,046 lei. The increase was driven by proceeds from the sale of inventories – apartments and parking spaces, the collection of receivables and cash generated from current operations.
- The value of the Group's trade receivables increased by 5.89% as at 30 September 2026 compared to the beginning of the year, mainly due to the short-term reclassification of the Novum receivable and the revaluation of receivables denominated in EUR, partially offset by collections during the period.
- Equity as at 30 September 2026 amounts to 184,141,195 lei, up 6.28% compared to the beginning of the year, as a result of incorporating the result achieved in the first nine months of 2026, amounting to 10,816,430 lei. Reserves remained at the level of the beginning of the year.
- Total liabilities recorded as at 30 September 2026 amount to 28,724,132 lei, down 19.76% compared to the amount recorded on 01 January 2026, mainly as a result of the decrease in trade payables (from 4,704,684 lei to 170,966 lei, including as an effect of eliminating intra-group balances between Bucur S.A. and Centrul de Afaceri Nord S.R.L.) and in other liabilities, namely advances received for residential units (from 7,657,242 lei to 5,606,743 lei).

## 5.2. Profit or loss

| (all amounts are expressed in lei, unless otherwise stated) | 30-Sep-26 | 30-Sep-25 |
|---|---|---|
| **Operating income, of which:** | **23,148,066** | **76,546,596** |
| - Turnover | 19,938,702 | 10,430,693 |
| **Operating expenses** | **(15,082,348)** | **(56,240,690)** |
| **Operating result** | **8,065,718** | **20,305,906** |
| **Total finance income** | **4,852,865** | **3,371,589** |
| **Total finance costs** | **(506,890)** | **(940,945)** |
| **Net financial result** | **4,345,975** | **2,430,644** |
| **Gross result** | **12,411,693** | **22,736,550** |
| **Net result for the period** | **10,816,430** | **17,614,832** |
| **Total comprehensive income for the financial year** | **10,816,430** | **17,614,832** |

In the period 01.01.2026-30.09.2026, compared to the same period of the previous year, the main indicators of the Profit and Loss Account are as follows:

- Total revenues in the analysed period amounted to 28,000,931 lei, down 64.96% compared to the same period of the previous year, when revenues were also obtained from the sale of assets.
- Total expenses for the period amounted to 15,589,238 lei, down 72.74% compared to the same period of the previous year.
- The Group's net result is 10,816,430 lei, 38.59% lower than the result of 17,614,832 lei for the same period of the previous year, which also included revenues from the sale of assets.

**5.3. Cash flow statement**

| | 30-Sep-2026 | 30-Sep-2025 |
|---|---|---|
| | | - lei - |
| Net cash from operating activities | 15,694,708 | (79,428,155) |
| Net cash from investing activities | 3,418,387 | 71,049,834 |
| Net cash from financing activities | (518,001) | (5,895) |
| Cash and cash equivalents at the beginning of the year | 25,345,952 | 30,862,212 |
| Cash and cash equivalents at the end of the year | 43,941,046 | 22,477,996 |

The balance of cash and cash equivalents recorded as at 30 September 2026 is positive, namely 43,941,046 lei.

During the period 01 January 2026 – 30 September 2026, the Group managed its treasury efficiently, honouring all its due obligations on time and in full.

For 2026, the Group's Management aims to increase the quality of the services provided to customers and to attract new customers renting large spaces, so as to obtain monthly revenues that cover the expenses generated by this activity.

Particular attention is paid to measures for the technical modernisation and revitalisation of warehouses and offices, to ensure their operation under normal conditions, both in terms of comfort and from a technical point of view:

- making investments leading to a better use of these properties, thus also creating the premises for meeting the requirements of current tenants and retaining them in the spaces already leased, as well as attracting new tenants.

The Group attaches particular importance to profitability indicators, by streamlining operational processes, and to liquidity indicators, through the efficient use of resources.

Based on these analyses, Management considers that the Group will be able to continue its activity in the foreseeable future and that the application of the going concern principle in preparing the consolidated financial statements is justified.

Attached to this report are the Simplified Interim Consolidated Financial Statements as at 30 September 2026, in accordance with Order of the Minister of Public Finance no. 2844/2016 approving the Accounting Regulations compliant with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market.

The Simplified Interim Consolidated Financial Statements as at 30.09.2026 have not been reviewed by an independent external auditor, as this is not a legal or statutory requirement.

## 6. Events after the reporting date

After 30 September 2026, the following events took place:

- by Resolution no. 882529 of 06.11.2026 (file no. 4406515/23.10.2026), the Trade Register Office admitted the registration of the merger by absorption of the companies Casa de Bucovina – Club de Munte S.A. and Semrom Oltenia S.A. by Bucur S.A., the certificate of registration of amendments being issued on 09.11.2026; the Company informed the market through the current report published on the BVB on 10.11.2026;
- the merger takes effect starting with 07.12.2026, when the share capital of Bucur S.A. increases from 8,327,559.4 lei to 10,846,079.2 lei, divided into 108,460,792 shares;
- the newly issued shares will be registered in the accounts of the shareholders of the absorbed companies on 08.12.2026, and the payment of the cash value of the share fractions, amounting to 1.0887 lei/share, will be made starting with 16.12.2026, through BCR;
- until the issuance of the securities registration certificate by the ASF and the completion of the formalities with Depozitarul Central and the BVB, the reported share capital and number of shares remain 8,327,559.4 lei and 83,275,594 shares, respectively.

The interim consolidated financial statements as at 30 September 2026 do not include the effects of the merger, as it takes effect after the reporting date. Except for the above, no other subsequent events with a significant impact on the Group's financial position and performance have been identified.

**ECONOMIC AND FINANCIAL INDICATORS AS AT 30 SEPTEMBER 2026**
**IN ACCORDANCE WITH ANNEX 13 TO ASF REGULATION NO. 5/2018**

| Indicator name | Calculation formula | UM | Q3 30-Sep-2026 | Q3 30-Sep-2025 |
|---|---|---|---|---|
| Current liquidity ratio | Current assets / Current liabilities | ratio | 8.48 | 2.31 |
| Gearing ratio | Borrowed capital / Equity *100 | % | 3.25 | n/a |
| | Borrowed capital / Capital employed *100 | % | 3.15 | n/a |
| Receivables turnover - customers | Average trade receivables balance / Turnover x 270 | days | 255.82 | 145.61 |
| Non-current assets turnover | Turnover / Non-current assets | ratio | 0.14 | 0.07 |

**Note:**

1. Current liquidity provides the guarantee that current liabilities are covered by current assets.
2. The gearing ratio expresses the effectiveness of credit risk management, indicating potential financing and liquidity problems, with an impact on meeting commitments.
   Borrowed capital = Loans over one year and other interest-bearing borrowings
   Capital employed = Borrowed capital + Equity
3. The customer receivables turnover expresses the Company's effectiveness in collecting its receivables, namely the number of days until debtors pay their debts to the company.
4. Asset turnover expresses the effectiveness of non-current asset management, by examining the turnover generated by a given amount of non-current assets.

At the end of the third quarter of 2026, the company maintains a solid and balanced financial position.

**Chairman of the Board of Directors**
**Hrisca Bogdan Iustin**

**Date: 23 November 2026**

**BUCUR S.A.**

# CONSOLIDATED FINANCIAL STATEMENTS
# (SIMPLIFIED, UNAUDITED)
# AS AT 30 SEPTEMBER 2026

**Prepared in accordance with Order of the Minister of Public Finance no. 2844/2016 approving the Accounting Regulations compliant with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market**

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# BUCUR S.A.
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## AS AT 30 SEPTEMBER 2026 (UNAUDITED)
## (all amounts are expressed in RON, unless otherwise stated)

| | 30-Sep-2026 | 31-Dec-2025 |
|---|---|---|
| **Assets** | | |
| **Non-current assets** | | |
| Intangible assets | 4,404,686 | 4,404,686 |
| Property, plant and equipment | 1,908,030 | 2,420,299 |
| Investment property | 140,811,809 | 140,811,809 |
| Investments in subsidiaries and associates | - | - |
| Loans granted to subsidiaries, associates and other entities | - | - |
| Other non-current assets | 28,203 | 7,994,761 |
| | **147,152,728** | **155,631,555** |
| **Current assets** | | |
| Inventories | 1,446,576 | 9,369,405 |
| Trade receivables | 19,431,743 | 18,350,529 |
| Other receivables | 441,271 | 245,751 |
| Prepayments | 451,963 | 114,942 |
| Loans granted to subsidiaries, associates and other entities | - | - |
| Cash and cash equivalents | 43,941,046 | 25,345,952 |
| | **65,712,599** | **53,426,579** |
| **Total assets** | **212,865,327** | **209,058,134** |
| **Equity** | | |
| Share capital | 134,601,958 | 134,601,958 |
| Other capital reserves | - | - |
| Legal reserves | 1,665,512 | 1,665,512 |
| Retained earnings | 47,873,725 | 36,992,849 |
| **Total equity** | **184,141,195** | **173,260,319** |
| **Liabilities** | | |
| **Non-current liabilities** | | |
| Long-term borrowings | 5,987,951 | 6,274,832 |
| Deferred tax liabilities | 10,545,638 | 10,545,639 |
| Deferred income | 4,045,089 | 4,262,924 |
| Other long-term liabilities | 392,449 | 394,364 |
| **Total non-current liabilities** | **20,971,127** | **21,477,759** |
| **Current liabilities** | | |
| Short-term borrowings | 677,881 | 654,765 |
| Trade payables | 170,966 | 4,704,684 |
| Other liabilities | 5,606,743 | 7,657,242 |
| Current income tax liabilities | - | - |
| Deferred income | 1,297,415 | 1,303,365 |
| **Total current liabilities** | **7,753,005** | **14,320,056** |
| **Total liabilities** | **28,724,132** | **35,797,815** |
| **Total equity and liabilities** | **212,865,327** | **209,058,134** |

These financial statements were approved by management on 23 November 2026 and signed on its behalf by:

Stefan Andrei Gabriel
**Director General**

Preda Nicoleta
**Chief Accountant**

# BUCUR S.A.
## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
## AS AT 30 SEPTEMBER 2026 (UNAUDITED)
## (all amounts are expressed in RON, unless otherwise stated)

| | 30-Sep-2026 | 30-Sep-2025 |
|---|---|---|
| Revenue from rentals, services and similar | 9,053,571 | 5,694,582 |
| Revenue from the sale of properties held as inventory | 10,379,532 | 4,255,960 |
| Revenue from services rendered | 505,599 | 480,151 |
| Revenue related to the cost of work in progress | - | - |
| Other income | 3,209,364 | 66,115,903 |
| Depreciation, amortisation, impairment and net reversal of adjustments | (610,993) | (657,503) |
| General and administrative expenses | (2,484,436) | (2,255,207) |
| Other operating expenses | (11,986,919) | (53,327,980) |
| **Operating result** | **8,065,718** | **20,305,906** |
| Dividend income | - | - |
| Interest income | 3,435,872 | 3,089,969 |
| Other finance income | 1,416,993 | 281,620 |
| **Total finance income** | **4,852,865** | **3,371,589** |
| Interest expense | (506,890) | (940,945) |
| Other finance costs | - | - |
| **Total finance costs** | **(506,890)** | **(940,945)** |
| **Net financial result** | **4,345,975** | **2,430,644** |
| **Result before tax** | **12,411,693** | **22,736,550** |
| Income tax expense | (1,595,263) | (5,121,718) |
| **Net result for the period** | **10,816,430** | **17,614,832** |
| **Total comprehensive income for the financial year** | **10,816,430** | **17,614,832** |

These financial statements were approved by management on 23 November 2026 and signed on its behalf by:

Stefan Andrei Gabriel
**Director General**

Preda Nicoleta
**Chief Accountant**

# BUCUR S.A
# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
# AS AT 30 SEPTEMBER 2025
# (all amounts are expressed in RON, unless otherwise stated)

| | Share capital | Inflation adjustment of share capital | Other capital reserves | Legal reserves | Revaluation reserves | Retained earnings | Total equity |
|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2025** | **8,327,559** | **126,274,399** | **-** | **1,665,512** | **104,311** | **5,710,860** | **142,082,641** |
| Profit/(loss) for the year | - | - | - | - | - | 17,614,832 | 17,614,832 |
| *Transactions with owners:* | - | - | - | - | - | - | - |
| Dividends distributed | - | - | - | - | - | - | |
| *Other changes:* | | | | - | - | - | |
| Transfer of revaluation reserve | - | - | - | - | - | - | - |
| Set-up of legal reserve | - | - | - | - | - | - | - |
| Reserves from the fair value revaluation of certain non-current assets | - | - | - | - | - | - | - |
| Deferred tax related to revaluation reserves | - | - | - | - | - | - | - |
| Other changes | - | - | - | - | - | 15,966 | 15,966 |
| **Balance at 30 September 2025** | **8,327,559** | **126,274,399** | **-** | **1,665,512** | **104,311** | **23,341,658** | **159,713,439** |

These financial statements were approved by management on 23 November 2026 and signed on its behalf by:

Stefan Andrei Gabriel
**Director General**

Preda Nicoleta
**Chief Accountant**

# BUCUR S.A
# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
# AS AT 30 SEPTEMBER 2026 (UNAUDITED)
# (all amounts are expressed in RON, unless otherwise stated)

| | Share capital | Inflation adjustment of share capital | Other capital reserves | Legal reserves | Revaluation reserves | Retained earnings | Total equity |
|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2026** | **8,327,559** | **126,274,399** | **-** | **1,665,512** | **104,311** | **36,888,538** | **173,260,319** |
| Profit/(loss) for the year | - | - | - | - | - | 10,816,430 | 10,816,430 |
| *Transactions with owners:* | - | - | - | - | - | - | - |
| Dividends distributed | - | - | - | - | - | - | - |
| *Other changes:* | | | | | | | |
| Transfer of revaluation reserve | - | - | - | - | - | - | - |
| Set-up of legal reserve | - | - | - | - | - | - | - |
| Reserves from the fair value revaluation of certain non-current assets | - | - | - | - | - | - | - |
| Deferred tax related to revaluation reserves | - | - | - | - | - | - | - |
| Other changes | - | - | - | - | - | 64,446 | 64,446 |
| **Balance at 30 September 2026** | **8,327,559** | **126,274,399** | **-** | **1,665,512** | **104,311** | **47,769,414** | **184,141,195** |

These financial statements were approved by management on 23 November 2026 and signed on its behalf by:

Stefan Andrei Gabriel
**Director General**

Preda Nicoleta
**Chief Accountant,**

# BUCUR S.A.
## CONSOLIDATED STATEMENT OF CASH FLOWS
## AS AT 30 SEPTEMBER 2026 (UNAUDITED)
## (all amounts are expressed in RON, unless otherwise stated)

| | 30-Sep-2026 | 30-Sep-2025 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net result for the financial year | 10,816,430 | 17,614,832 |
| | | |
| **Adjustments for:** | | |
| Depreciation and amortisation expense | 610,993 | 718,358 |
| Impairment adjustments for current assets | 10,629 | (80,147) |
| Impairment adjustments for non-current assets | - | - |
| Net (gains)/losses from provisions | - | - |
| Net (gains)/losses on disposal of fixed assets | (100) | (19,464,442) |
| Unrealised foreign exchange (gains)/losses | 251,684 | 111,149 |
| Interest expense | - | - |
| Interest income | (3,435,872) | (3,089,969) |
| Increase in the fair value of investment property | - | - |
| Gain/loss on disposal of subsidiaries | - | - |
| Other non-cash income | - | - |
| Income tax expense | 1,595,263 | - |
| **Net cash from operating activities before working capital adjustments** | **9,849,027** | **(4,190,219)** |
| | | |
| (Increase)/Decrease in trade and other receivables and prepayments | 6,342,176 | (6,349,546) |
| (Increase)/Decrease in inventories | 7,922,829 | (22,767,256) |
| Increase/(Decrease) in trade and other payables | (7,566,615) | (41,689,261) |
| (Increase)/Decrease in other non-current assets | - | - |
| Income tax paid | (852,709) | (4,431,873) |
| **Net cash from operating activities** | **15,694,708** | **(79,428,155)** |
| | | |
| **Cash flows from investing activities** | | |
| Purchases of property, plant and equipment, intangible assets and investment property | (17,585) | - |
| Purchases of financial assets | - | - |
| (Increase)/Decrease in loans granted and other financial assets | - | - |
| Proceeds from the sale of property, plant and equipment | 100 | 63,962,347 |
| Loans (granted to)/repaid by subsidiaries | - | 3,997,518 |
| Acquisitions of subsidiaries | - | - |
| Interest received | 3,435,872 | 3,089,969 |
| **Net cash from investing activities** | **3,418,387** | **71,049,834** |
| | | |
| **Cash flows from financing activities** | | |
| Proceeds from bank loans | - | - |
| Repayments of bank loans | (515,586) | - |
| Interest paid | - | - |
| Payment of principal on lease liabilities | - | - |
| Dividends paid | (2,415) | (5,895) |
| **Net cash flow from financing activities** | **(518,001)** | **(5,895)** |
| | | |
| **Net increase/(decrease) in cash and cash equivalents** | **18,595,094** | **(8,384,216)** |
| Cash and cash equivalents at the beginning of the year | 25,345,952 | 30,862,212 |
| **Cash and cash equivalents at the end of the year** | **43,941,046** | **22,477,996** |

These financial statements were approved by management on 23 November 2026 and signed on its behalf by:

Stefan Andrei Gabriel
**Director General**

Preda Nicoleta
**Chief Accountant**

**BUCUR S.A.**
**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**AS AT 30 SEPTEMBER 2026 (UNAUDITED)**
**(all amounts are expressed in RON, unless otherwise stated)**

## NOTE 1. GENERAL INFORMATION

Bucur S.A. (the "Company") is a joint-stock company incorporated and operating in accordance with Romanian legislation, with its registered office in Bucharest, Str. Visinilor, Nr.25, sector 2, Romania.

The Company's main object of activity is the renting and sub-renting of own or leased real estate. The Company earns revenue from leasing the investment property it holds and from buying and selling its own real estate.

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

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

- Residential complex – Bucureşti, Bd. Timişoara, nr.56B, sector 6
- Complexul Industriilor – Bucureşti, Şos. Industriilor, nr.53, sector 3
- Office building – Bucureşti, Str. Dr. Icob Felix, nr.87, sector 1

Commercial premises:

- Bucureşti, Bd. Ion Mihalache, nr.121, sector 1
- Bucureşti, Şos. Pantelimon, nr.350, sector 2
- Bucureşti, Str. Romancierilor, nr.5, bl.C14, sector 6
- Oltenita, Str. Argesului nr. 39-43/45-47, bloc 105/106, ground floor.

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

The Company's shares have been listed on the Bucharest Stock Exchange, Standard Category, under the symbol BUCV, since 16 March 2026.

During the period 01 January 2026 – 30 September 2026, the following significant events took place:

The Ordinary General Meeting of Shareholders of Bucur S.A., convened on first call on 23.04.2026, mainly resolved the following:

- Approval of the individual and consolidated financial statements for 2025, the Revenue and Expenditure Budget for the 2026 financial year, together with the Investment Plan for 2026;
- Approval of the allocation of the net profit for the 2025 financial year, amounting to 18,114,318 RON, as follows: undistributed retained earnings – 18,114,318 RON;
- Election of the directors, members of the Board of Directors of Bucur S.A., for a 4-year term, from 27.04.2026 until 27.04.2030, following the expiry of the term of office of the current directors, members of the Board of Directors, as follows: Hrisca Bogdan Iustin, Stefan Andrei Gabriel, Galani Andreea Ioana, Pana Robert Cosmin, Mohammad Reza Jamalizadeh Hedeshi.

The Extraordinary General Meeting of Shareholders of 23.04.2026 approved the initiation of the process of merger by absorption of the companies Casa de Bucovina – Club de Munte S.A. and Semrom Oltenia S.A. by Bucur S.A., and by decision of the Board of Directors of 27.04.2026, Mr. Hrisca Bogdan Iustin was appointed Chairman of the Board of Directors.

The draft terms of merger were published on 15.07.2026, and the Extraordinary General Meeting of Shareholders of 20.08.2026 approved the merger by absorption, with the increase of the share capital of Bucur S.A. from 8,327,559.4 lei to 10,846,079.2 lei, through the issuance of 25,185,198 new shares, the total number of shares to be 108,460,792.

The Company had the following subsidiaries and associates as at 31 December 2025 and 30 September 2026. Their country of incorporation, activity and the Group's ownership percentage are presented below:

| Name | Classification | Country | Field of activity | 30.09.2026 | 31.12.2025 |
|---|---|---|---|---|---|
| ***Directly held companies:*** | | | | | |
| Centrul de Afaceri Nord S.R.L. | Subsidiary | Romania | Real estate rental | 100% | 100% |
| Siriului Residence S.A. | Subsidiary | Romania | Real estate rental | 99.9945% | 99.9945% |

Centrul de Afaceri Nord S.R.L. is a limited liability company with its registered office in Bucharest, sector 1, str. Siriului, nr. 6-8, ground floor, registered with the Trade Register Office attached to the Bucharest Tribunal under no. J2005010142403, which provides real estate development (promotion) services. Bucur S.A. holds 100% of the company's share capital.

Siriului Residence S.A. is a joint-stock company with its registered office in Bucharest, sector 1, str. Siriului, nr. 22-26, ground floor, registered with the Trade Register Office attached to the Bucharest Tribunal under no. J2008014496402, which provides renting and sub-renting services for own or leased real estate. Bucur S.A. holds 99.9945% of the company's share capital.

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

### 2.1 Basis of preparation of the financial statements

The Group's interim consolidated financial statements (the "financial statements") have been prepared in accordance with the provisions of Order of the Ministry of Finance no. 2844/2016 approving the accounting regulations compliant with International Financial Reporting Standards ("IFRS") as adopted by the European Union, as subsequently amended and supplemented.

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

The interim consolidated financial statements as at 30 September 2026 have not been audited nor reviewed by an external auditor, as this is not a legal or statutory requirement.

These interim consolidated financial statements are prepared in accordance with IAS 34 - Interim Financial Reporting for the nine-month period ended 30 September 2026.

The interim consolidated financial statements do not include all the information and disclosures published in the annual report and should be read in conjunction with the Company's annual financial statements prepared as at 31 December 2025.

The accounting policies and measurement methods used in preparing the simplified interim consolidated financial statements are consistent with those used in preparing the Company's annual financial statements for the year ended 31 December 2025.

### 2.2 Significant accounting policies

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

#### a) Current and non-current assets and liabilities

The Group presents assets and liabilities in the statement of financial position as current or non-current. An asset is current when it is:

- expected to be realised or sold or consumed in the normal operating cycle
- held primarily for the purpose of being sold
- expected to be realised within twelve months after the reporting date, or
- cash and cash equivalents, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of being sold
- it is due to be settled within twelve months after the reporting date, or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting date

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**b) Revenue**

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

The Group's main sources of revenue consist of:

- Revenue from leasing of premises
- Revenue from the sale of goods
- Revenue from the rendering of services
- Other revenue

Revenue from the sale of goods

Revenue from the sale of goods is recorded when the goods are handed over to buyers, when they are delivered on the basis of the invoice or under other conditions provided in the contract, which attest the transfer of ownership of the respective goods to customers.

Revenue from the sale of goods is recognised when the following conditions are met:

a. the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
b. the Group no longer manages the goods sold to the degree usually associated with ownership, nor does it retain effective control over them;
c. the amount of revenue can be measured reliably;
d. it is probable that the economic benefits associated with the transaction will flow to the entity; and
e. the costs of the transaction can be measured reliably.

If the Group retains only an insignificant risk of ownership, the transaction is a sale and revenue is recognised.

The moment when the significant risks and rewards of ownership of the goods are transferred is determined by examining the circumstances of the transaction and the terms of the sales contracts.

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

For goods delivered for testing or for verification of compliance, the transfer of ownership of the goods is deemed to take place on the date the goods are accepted by the beneficiary.

Trade discounts granted after invoicing, regardless of the period to which they relate, are recorded separately in the accounts (account 709 "Trade discounts granted"), against third-party accounts. Where trade discounts represent events after the balance sheet date, they are recorded at the balance sheet date in account 418 "Customers – invoices to be issued" and are reflected in the financial statements of the reporting year if the respective amounts are known at the balance sheet date.

Gift points granted by the Group under customer loyalty programmes, which may be used to purchase goods or services free of charge or at a discount, as part of a sale of goods or rendering of services, are accounted for as a separately identifiable component of the transaction in which they are granted (account 472 "Deferred income"/separate analytical account), when the loyalty programme allows information to be known regarding the value of gift points granted, their expiry dates, the value of gift points redeemed and the value of existing gift points to be redeemed in the following period.

The amount corresponding to gift points is recognised as revenue when the entity fulfils its obligation to supply the awards or when the period in which customers may use the gift points expires. If the expenses required to fulfil the obligation to supply the awards are expected to exceed the consideration received or receivable for them at the date the customer redeems them, the entity records a provision for the difference.

Revenue from the rendering of services

Revenue from the rendering of services is recognised in the period in which the services were rendered and in accordance with the stage of completion. The rendering of services also includes the execution of works and any other operations that cannot be considered deliveries of goods.

The stage of completion of the work is determined on the basis of work statements accompanying the invoices, acceptance reports or other documents attesting the stage of completion and the acceptance of the services rendered.

In the case of construction works, revenue is recognised on the basis of the acceptance certificate signed by the beneficiary, certifying that the contractor has fulfilled its obligations in accordance with the provisions of the contract and the execution documentation.

The value of works not accepted by the beneficiary by the end of the period is recorded at cost in account 332 "Services in progress", against account 712 "Revenue related to the costs of services in progress".

Where the selling price includes a separate amount, specified in the contract, for the subsequent rendering of services, that amount is deferred (account 472 "Deferred income") and recognised as revenue over the period during which the services are rendered, but no later than the end of the period for which the subsequent services were contracted.

Commission revenue

When the Group acts as an agent rather than as a principal in a transaction, revenue is recognised at the net amount of the Group's commission.

Royalty and rental revenue

Royalty and rental revenue is recognised on an accrual basis, in accordance with the contract. Incentives granted for entering into a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the nature, form or timing of the incentive payment, thus reducing rental income over the entire lease term on a straight-line basis.

**c) Fair value measurement**

The Company measures and recognises certain non-financial assets, such as land, buildings and investment property, at fair value. Also, the fair values of financial instruments measured at amortised cost are estimated for disclosure purposes.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group at the measurement date.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement

as a whole:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: inputs are unobservable for the asset or liability

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

The Group's management determines the policies and procedures for both recurring fair value measurement, such as land, buildings and rolling stock, and for non-recurring measurement, such as assets held for sale in discontinued operations.

External valuers are involved in the valuation of significant assets, such as land, buildings and investment property, and may also be involved for any significant liabilities, such as contingent consideration. The involvement of external valuers is decided annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, management analyses the movements in the values of assets and liabilities that are required to be remeasured or reassessed in accordance with the Group's policies, verifying the main inputs applied in the latest valuation and assessing the changes compared to the previous valuation.

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

**d) Foreign currency translation**

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in profit or loss.

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

The main currencies and exchange rates are presented below:

| | **Closing rate** | | |
|---|---|---|---|
| | **30 September 2026** | **31 December 2025** | **Change** |
| EUR/RON | 5.2785 | 5.0985 | +3.530% |
| USD/RON | 4.6474 | 4.3417 | +7.041% |

**e) Property, plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and/or accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are recognised in profit or loss when incurred.

Depreciation

The economic useful life is the period of time over which the asset is expected to be used by the Company. Depreciation is calculated using the straight-line method over the entire useful life of the asset.

Depreciation is calculated using the straight-line method over the estimated useful life of the asset, as follows:

| Asset type | Years |
|---|---|
| Buildings and special constructions | 10 - 50 years |
| Technical installations and machinery | 3 - 30 years |
| Furniture and office equipment | 3 - 20 years |

Useful lives and the depreciation method are reviewed periodically and, if appropriate, adjusted prospectively so that they are consistent with expectations regarding the economic benefits generated by the respective assets.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss when the asset is derecognised.

Impairment

The carrying amount of an asset is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Refer to the accounting policies on impairment of non-financial assets in this note.

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

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

The revaluation reserve is transferred to retained earnings upon disposal of the asset.

**f) Investment property**

Investment property comprises completed property held to earn rentals or for capital appreciation or both. Investment property mainly comprises offices, commercial property and property that is substantially occupied for use and held mainly to earn rental income and for capital appreciation. These buildings are substantially leased to tenants and are not intended to be sold in the ordinary course of business.

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and (only in the case of investment property held under a lease) initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise.

Transfers to (or from) investment property are made only when there is evidence of a change in use (such as the commencement of development or the inception of an operating lease with another party). For a transfer from investment property to inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use.

Investment property is derecognised either when it has been disposed of (i.e., at the date the recipient obtains control) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price under IFRS 15.

**g) Intangible assets**

i) Licences

Separately acquired licences are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

ii) Software

Separately acquired licences are measured at historical cost. Following initial recognition, software is carried at cost less any accumulated amortisation and any accumulated impairment losses, if any. Software maintenance costs are recognised as an expense as incurred.

iii) Amortisation method and period

Software is amortised on a straight-line basis over a maximum period of 3 years, and licences are amortised over their period of validity, which generally does not exceed 5 years.

The amortisation period and amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

**h) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a property that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**i) Non-current assets held for sale and discontinued operations**

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification are regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale must be completed within one year from the date of classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

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

A disposal group qualifies as a discontinued operation if it is a component of an entity that has either been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or

- is a subsidiary acquired exclusively with a view to resale

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

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

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses of continuing operations are recognised in the statement of profit or loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying amount may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. When the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

**k) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

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

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments

made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

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

The Company as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the consolidated statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**l) Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- raw materials: purchase cost on a first-in, first-out basis
- finished goods and work in progress: cost of direct materials and labour and a proportion of production overheads based on normal operating capacity, excluding borrowing costs. Accounting is on a first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**m) Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

*Initial recognition and measurement*

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and

measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

*Subsequent measurement*

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

1. financial assets at amortised cost (debt instruments)
2. financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
3. financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
4. financial assets at fair value through profit or loss

*Financial assets at amortised cost (debt instruments)*

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period.

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

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

*Derecognition*

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

*Impairment*

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

*Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers

both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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

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

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

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

1. the financial instrument has a low risk of default;
2. the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
3. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has an external credit rating of "investment grade" in accordance with the globally understood definition or, if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

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

*Definition of default*

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

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

*Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a. significant financial difficulty of the issuer or the borrower;
b. a breach of contract, such as a default or past due event;
c. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender(s) would not otherwise consider; it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
d. the disappearance of an active market for that financial asset because of financial difficulties.

*Write-off policy*

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss within other gains or losses.

*Measurement and recognition of expected credit losses*

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

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

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

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

*Derecognition of financial assets*

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have

to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

ii) Financial liabilities

*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of all financial liabilities other than derivative financial instruments, net of directly attributable transaction costs.

The Group's financial liabilities include customers and similar accounts, loans and borrowings, including bank overdrafts.

*Subsequent measurement*

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- financial liabilities at fair value through profit or loss
- financial liabilities at amortised cost (loans and borrowings)

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9, Financial Instruments. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of income and losses. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9, Financial Instruments are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

*Financial liabilities at amortised cost (loans and borrowings)*

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss. This category generally applies to interest-bearing loans and borrowings.

*Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of income and losses.

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

Cash and cash equivalents include cash on hand, term deposits with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

**o) Trade receivables**

Trade receivables are recognised at the transaction price determined in accordance with IFRS 15. Subsequently, they are measured at amortised cost using the effective interest method, less loss allowances. The Group assesses, at each balance sheet date, the need to set up allowances for the impairment of trade receivables. When measuring expected credit loss (hereinafter "ECL"), the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

**p) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. This category also includes non-trade payables, such as VAT and social contributions, recognised at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

**q) Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

**r) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will be required to settle that obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

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

Provisions for warranty-related costs are recognised based on the number of wagons repaired and delivered to the customer, the potential number of wagons for which additional repair work will be performed during the warranty period

and the average cost of an intervention during the warranty period. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

**s) Employee benefits**

Short-term employee benefits include wages and salaries, both monetary and non-monetary benefits, annual leave and accumulated sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, as well as related social security contributions. Short-term employee benefits are recognised as an expense as the services are rendered. The Group does not grant long-term benefits to employees.

Pensions - Defined benefit plans

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

**t) Revenue from contracts with customers**

Determination of performance obligations

With respect to the sale of property, the Group concluded that the goods and services transferred in each contract constitute a single performance obligation. In relation to the services provided to tenants of investment property (such as cleaning, security, landscaping, reception) as part of the lease agreements into which the Group enters as a lessor, the Group has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same. Although the individual activities that comprise the performance obligation vary significantly throughout the day and from day to day, the nature of the overall promise to provide management services is the same from day to day. Therefore, the Group has concluded that the services to tenants represent a series of daily services that are individually satisfied over time, using a time-elapsed measure of progress, because tenants simultaneously receive and consume the benefits provided by the Company.

Principal versus agent considerations – services to tenants

The Company arranges for certain services provided to tenants of investment property included in the contract the Group enters into as a lessor to be provided by third parties. The Group has determined that it controls the services before they are transferred to tenants, because it has the ability to direct the use of these services and obtain the benefits from them. In making this determination, the Group considered that it is primarily responsible for fulfilling the promise to provide these specified services, because it deals directly with tenants' complaints and is primarily responsible for the quality or suitability of the services. In addition, the Group has discretion in establishing the price that it charges to the tenants for the specified services. Therefore, the Group has concluded that it is the principal in these contracts. In addition, the Group has concluded that it transfers control of these services over time, as the services are rendered by the third-party service providers, because this is when tenants receive and, at the same time, consume the benefits from these services.

Determining the timing of revenue recognition on the sale of property

The Company has evaluated the timing of revenue recognition on the sale of goods based on a careful analysis of the rights and obligations under the terms of the contract. The Group has generally concluded that contracts relating to the sale of completed property are recognised at a point in time when control transfers. For unconditional exchanges of contracts, control is generally expected to transfer to the customer together with the legal title. For conditional exchanges, this is expected to take place when all the significant conditions are satisfied.

Transfers of assets to and from investment property

IAS 40 Investment Property requires that transfers to and from investment property must be evidenced by a change in use. Conditions indicating a change in use involve professional judgement, and the treatment can have a significant impact on the financial statements, since investment property is carried at fair value, whereas inventories are carried at cost.

Transfers to (or from) investment property are made only when there is evidence of a change in use. For a transfer from investment property to inventories, the deemed cost for subsequent accounting is the fair value at the date of change in

use. If an inventory property becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

Valuation and recoverable amounts of investment property

For investment property, the assets are valued mainly using the market approach, the income approach based on the discounted cash flow technique or direct capitalisation, and the residual method.

For the market approach, the key assumptions underlying the market value of the Group's land assets are: the selection of comparable land used to determine the "asking price", which is considered as the basis for forming an illustrative price, and the amount of adjustments applied to the asking price to reflect transaction prices and differences in location and condition.

For the income approach based on the discounted cash flow technique, valuations are prepared by considering the aggregate of the net annual rents receivable from the properties and, where relevant, the associated costs.

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

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

The fair value measurement for all investment property has been categorised as a Level 3 fair value.

Climate change and related regulations may affect property values in two main ways. Firstly, adverse weather conditions may cause damage, loss of income and/or reduced useful lives of the affected properties.

The Group's revenue derives from the following sources:

- rentals
- revenue from sundry activities
- sale of goods
- other services rendered

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

A receivable is recognised when the customer owes consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

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

Significant financing component

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

**u) Income tax**

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- in respect of taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Income tax

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Income tax relating to items recognised directly in other comprehensive income or in equity is recognised in other comprehensive income or in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**v) Sales tax**

Revenues, expenses and assets are recognised net of the amount of sales tax (VAT), except:

- when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

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

**w) Government grants**

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

**x) Dividends**

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Group. Under Romanian corporate law, a distribution of dividends is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**y) Contingent assets and liabilities**

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- a present obligation that arises from past events but is not recognised because:
    a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
    b. the amount of the obligation cannot be measured with sufficient reliability.

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is not recognised in the Group's financial statements but is disclosed when an inflow of economic benefits is probable.

**NOTE 3. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS**

Estimates and judgements are continually evaluated and are based on historical experience adjusted for current market conditions and other factors.

Management makes estimates and assumptions concerning the future, which affect the reported amounts of revenues, expenses, assets and liabilities, as well as the disclosures. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management's estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are presented below.

Estimates and assumptions

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

Revaluation of property, plant and equipment

The Company carries its land, buildings and investment property at revalued amounts, with changes in fair value being recognised in other comprehensive income or in the statement of comprehensive income.

Provision for expected credit losses on trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (e.g., by type of service and by type of relationship with the Group (related party or third party)).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

**NOTE 4. FINANCIAL RISK MANAGEMENT**

i) Financial risk factors

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

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

ii) Market risk

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

iii) Currency risk

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

The Company has a low exposure to currency risk, as most transactions are carried out in the national currency.

iv) Price risk

The Company is not significantly exposed to price risk, as it does not hold any significant securities or commodities.

v) Interest rate risk

As the Group's interest-bearing assets do not generate significant interest, changes in market interest rates do not have any significant direct effect on the Group's income.

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

Senior management analyses the Group's interest rate exposure on a dynamic basis. Various scenarios are simulated, taking into consideration refinancing, renewal of existing positions and alternative financing sources. Based on these scenarios, the Group calculates the impact on profit or loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

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

vi) Liquidity risk

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

vii) Credit risk

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

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

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

Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and a failure to make contractual payments for a period greater than 360 days.

**NOTE 5. CONTINGENCIES AND COMMITMENTS**

i) Litigation

Bucur S.A. has initiated several proceedings for the recovery of trade receivables. These are at various stages of trial. The Group has recorded value adjustments for all receivables in litigation.

ii) Commitments

*Romanian legislation*

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

The current regime of sanctions and fines applicable where breaches of Romanian legal provisions are discovered is extremely severe. Sanctions may extend to the confiscation of the amounts in question (in the case of breaches of the foreign exchange regime) and the imposition of fines of more than 100% of the value of unpaid taxes and duties. Late-payment interest (applied to the actual balance of overdue amounts) represents percentages that vary and are applied daily or monthly. Consequently, penalties and fines may consist of significant amounts payable to the state.

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

*Taxation*

The Romanian taxation system has undergone a process of consolidation and harmonisation with European Union legislation. However, there are still different interpretations of the tax legislation. In various circumstances, the tax authorities may take different approaches on certain matters and may assess additional tax liabilities, together with late-payment interest and penalties.

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

*Market risk*

The Romanian economy continues to develop and there are ongoing changes as policies and legislation are aligned with the requirements for accession to the European Union. Any changes that might occur in Romania and their effect on the Group's financial position, results of operations and cash flows have not been taken into account in the preparation of the financial statements.

*Environmental regulations*

Environmental legislation in Romania is currently still developing. Recent and ongoing changes in legislation strengthen environmental requirements. However, the impact of these developments on the Group's financial statements cannot be estimated.

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

As at 30 September 2026 and 31 December 2025, the Group's management considers that there are no situations requiring provisions for environmental liabilities.

*Transfer pricing*

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

In view of this, if compliance with the arm's length principle cannot be demonstrated, a future tax audit could challenge the values of transactions between related parties and could adjust the tax result with additional taxable income / non-deductible expenses (i.e., assess additional income tax liabilities and related penalties).

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

iii) Guarantees

The Company has retained guarantees from tenants amounting to 347,574 RON (31 December 2025: 349,489 RON), as well as guarantees for investments amounting to 44,876 RON (31 December 2025: 44,876 RON).

**NOTE 6. SUBSEQUENT EVENTS**

After 30 September 2026, the following events took place:

- by Resolution no. 882529 of 06.11.2026 (file no. 4406515/23.10.2026), the Trade Register Office admitted the registration of the merger by absorption of the companies Casa de Bucovina – Club de Munte S.A. and Semrom Oltenia S.A. by Bucur S.A., the certificate of registration of amendments being issued on 09.11.2026; the Company informed the market through the current report published on the BVB on 10.11.2026;
- the merger takes effect starting with 07.12.2026, when the share capital of Bucur S.A. increases from 8,327,559.4 lei to 10,846,079.2 lei, divided into 108,460,792 shares;
- the newly issued shares will be registered in the accounts of the shareholders of the absorbed companies on 08.12.2026, and the payment of the cash value of the share fractions, amounting to 1.0887 lei/share, will be made starting with 16.12.2026, through BCR;
- until the issuance of the securities registration certificate by the ASF and the completion of the formalities with Depozitarul Central and the BVB, the reported share capital and number of shares remain 8,327,559.4 lei and 83,275,594 shares, respectively.

These interim consolidated financial statements do not include the effects of the merger, as it takes effect after the reporting date. Except for the above, no other subsequent events with a significant impact on the Group's financial position and performance have been identified.

**NOTE 7. MANAGEMENT STATEMENT**

To the best of our knowledge, we confirm that the simplified interim consolidated financial statements as at 30 September 2026 and for the period then ended, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the Group's financial position and performance, as required by the applicable accounting standards, and that the information presented in this report gives a true and fair view of the main events that occurred during the first nine months of the financial year and their impact on the simplified interim consolidated financial statements.

These simplified interim consolidated financial statements were approved by management on 23 November 2026 and signed on its behalf by:

| | |
|---|---|
| Stefan Andrei Gabriel | Preda Nicoleta |
| **Director General** | **Chief Accountant** |

**STATEMENT**

**in accordance with the provisions of**
**Law 24/2017 on issuers of financial instruments and market operations**

The undersigned **HRIȘCĂ BOGDAN IUSTIN**, in my capacity as Chairman of the Board of Directors of BUCUR S.A. (*hereinafter the "Company" or the "Issuer"*), a joint-stock company managed under a one-tier system, with its registered office at Str. Vișinilor nr. 25, Sector 2, Bucuresti, registered with the Trade Register Office under no. J1991000392402, sole registration code 1584234, whose shares are admitted to trading on the regulated market operated by Bursa de Valori București S.A., Main Market segment,

hereby declare, in accordance with the provisions of art. 69 of Law no. 24/2017, as subsequently amended and supplemented, the following:

In my opinion, the interim financial statements as at 30.09.2026, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit and loss account of the issuer or of its subsidiaries included in the consolidation of the Group's financial statements, as required by the applicable accounting standards, and the quarterly report of the Board of Directors includes a fair analysis of the development and performance of the issuer BUCUR S.A., as well as a description of the main risks and uncertainties specific to the activity carried out.

**Chairman of the Board of Directors**

Hrișcă Bogdan Iustin