ANNUAL REPORT
TURBOMECANICA
2025

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THE MESSAGE OF THE PRESIDENT – GENERAL DIRECTOR

Dear Shareholders,

The year 2025 marks 50 years of hard work, passion, and shared achievements. This anniversary is not just about the passage of time, but about the people who, day after day, dedicate themselves to supporting our present and our future.

This year, which holds special significance for us, has, however, brought about an increase in economic risk at the national level due to high inflation coupled with the introduction of austerity measures (such as the VAT increase or higher taxes on land and construction), measures that have also impacted our Company.

The financial and operational results we are presenting this year fall short of our expectations, below this team's potential, and below the budget estimates for 2025.

Although the negative impact on turnover is only 4.98%, the net profit margin has dropped significantly to 2.18%. The most significant factor driving this result is the unforeseen negative fluctuation in inventory and work-in-progress during the fiscal year.

However, there is a major difference between a bad year and a complete failure. This year has taught us a brutal but necessary lesson.

What have we learned? We have learned that our business model must be more agile. Most importantly, we learned that our resilience does not come from numbers, but from people. Despite the difficulties, we laid the groundwork for launching the civil component maintenance program for Aeroplex, we maintained the loyalty of our international customers, and we continued to develop our authorizations by applying for FAA Part 145 certification, which regulates the U.S. market. This shows me that our foundation is strong; only the structure needs to be reshaped.

In 2026, we will focus on developing civil component maintenance projects and will eliminate unprofitable projects while retaining all capabilities to support Romania's defense structure.

We will implement the approved action plan to reduce operational costs and increase the Company's productivity.

We will continue to invest, because this is where our future lies.

The year 2025 was, without a doubt, one of the most challenging in our Company's recent history. The financial results we are presenting today do not reflect our true potential and fall short of the expectations we all have.

Nevertheless, I am writing this message not merely to analyze the past, but to express my absolute confidence in our ability to turn things around and return to a path of sustainable growth.

I invite you to read the annual report, which details TURBOMECANICA's performance in 2025.

ANNUAL REPORT OF THE MANAGING BOARD

INTRODUCTION

This Annual Report as of 31.12.2025 of TURBOMECANICA S.A. is prepared in accordance with Law 24/2017 and Regulation no. 5/2018 of the Financial Supervisory Authority (FSA) on issuers of financial instruments and market operations.

The Administrators' Report as of 31.12.2025 is accompanied by the Individual Financial Statements of TURBOMECANICA S.A., in order to inform investors and interested parties about the changes in the company's position and performance for 2025, as well as about the situation on the aviation and defense industry market.

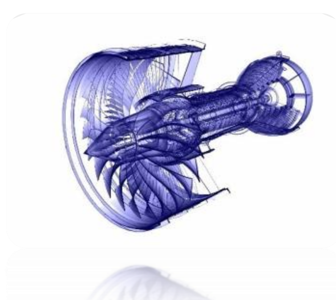
The report also includes the Statement on non-financial reporting aspects, the "Apply or Explain" statement, in compliance with the Corporate Governance Code of the Bucharest Stock Exchange and are attached as an annex to the Administrators' Report.

TURBOMECANICA prepares the individual financial statements in accordance with the Order of the Minister of Public Finance 2844/2016, for the approval of the accounting regulations in accordance with the international financial reporting standards IFRS, with the following amendments and clarifications.

ABOUT TURBOMECANICA

Turbomecanica is a Romanian company, with a half-century tradition in the aeronautical industry, and is part of the national defense industry in accordance with Law 232/2016.

Our mission began with the TURBOMECANICA Plant, in 1975 as the **sole manufacturer** of turbine engines and mechanical assemblies for helicopters (IAR PUMA 330L), as well as engines for Romanian-made aircraft (IAR 99) that are part of the endowment of the Ministry of National Defense and the Romanian Intelligence Service.



The main activities currently carried out are:

- Maintenance/Upkeep of Licensed Equipment
- Manufacture of components for civil aviation
- Manufacture of components for the energy sector

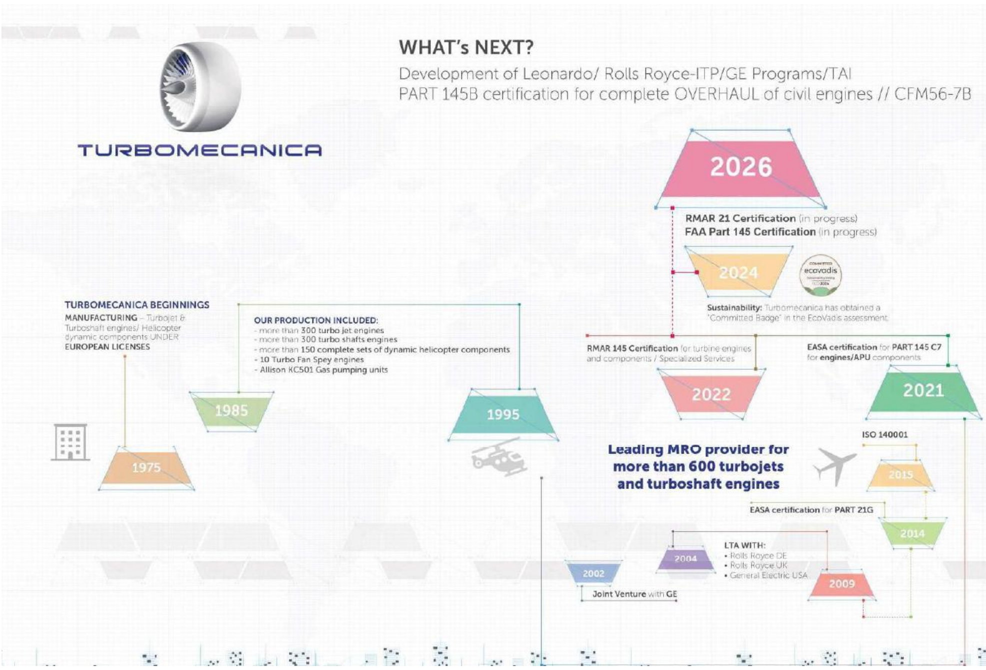
Currently, Turbomecanica continues to responsibly maintain the national flight capabilities for the PUMA IAR-330 helicopters and the IAR 99/ ȘOIM school aircraft of the **MApN (SMFA, SMFN) and SRI,** performing product maintenance activities.

On the foreign market, the Company continued in 2025 to deliver components and subassemblies for civil aviation engines. These programmes have continued to run despite the difficulties on the world market. In parallel, the manufacturing of components for gas turbines continued.

Thus, Turbomecanica continues the tradition of collaboration with important names in the international aviation market, such as Leonardo Helicopters, ITP Aero, or General Electric Hungary in the energy field, as well as other customers with smaller shares in the Company's turnover.

According to the classification of activities in the national economy, the main object of activity of TURBOMECANICA is the manufacture of military aircraft and spacecraft - NACE code 3032 and secondary NACE code 3316.

The unique company identification code at European level (EUID) is ROONRC. J1991000533409, and the identification code as a legal entity (LEI) is 529900O5AIXHHACIZH85.
The company's website is www.turbomecanica.ro.



YEAR 2025 - EVENTS, INVESTMENTS AND INDICATORS

The major event that impacted the 2025 results was the sudden change in the production schedule, which led to the postponement until 2026 of the delivery of two complete sets of helicopters to IAR Brașov. This decision was made following extensive discussions and was implemented by amending the contract addenda. Given that IAR Brașov remains the largest customer, the Company absorbed the impact to avoid damaging the good working relationship and, more importantly, to prevent the customer from facing even greater financial difficulties.

In 2025, we began the process of obtaining FAA Part 145 certification, which regulates the civil aviation engine maintenance market in the U.S.

Throughout 2025, major maintenance programs for PUMA helicopter engines and mechanical assemblies continued in collaboration with the client IAR Brașov; these contracted programs will continue through the first half of 2026 (pursuant to Addendum No. 39/02/25/2025 and No. 41/01/26/2026 to Contract 2014500 for the performance of major maintenance on a total of 12 helicopters under the UN/SAR and L/VIP Helicopter Programs, a program initiated in 2024).

In addition to these, the **NATO Program** also continued (based on Addendum No. 40/02/25/2025 to Contract 2014500 for the performance of major maintenance on a total of 15 helicopters, a program launched in 2019, with the completion of the last two NATO helicopters, 14 and 15, in 2025), were carried out (also through the partner IAR Brașov); the **NAVAL and SRI Programs** continued for the maintenance of TURMO IV C/CA engines and mechanical assemblies of the PUMA helicopters in their inventory, as well as the **LIBAN Program** for major repairs to BRP and CTP mechanical assemblies.

Strategic maintenance programs were also developed and carried out directly with clients from the Ministry of National Defense (MApN) and Avioane Craiova SA, respectively, in accordance with the details presented in the SALES – MAINTENANCE ACTIVITIES section.

For external programs, in 2025 a **reassessment of the profitability and competitiveness of certain multi-year programs (LEONARDO Helicopters Italy, GE VERNOVA Hungary / GE CHINA, ITP AERO, HONDA USA, WITZENMANN Germany**) took place, following which:

- Amendment No. 4/10/03/2025 to Framework Contract No. 0207/2004 was signed with Lenardo (providing for a significant renegotiation of prices for all items covered by the program, for the period Q4_2024 and 2025–2026, including an update to the price indexation formula starting in 2027);
- the clients **GE VERNOVA Hungary / GE CHINA** accepted the requested price increases by issuing firm orders for the period 2025–2026;
- **ITP AERO** – following re-bidding and negotiations, has accepted a price increase for the manufacture of the KH45680 housing for 2025–2026, and negotiations regarding the TBM offer are currently underway starting in 2027;
- For the **HONDA** client, **USA**: an offer was made to continue the current program at current prices for the 2026–2028 period, a program that is to be finalized upon receipt of the customer's order;
- For the **WITZENMANN** program, **Germany**, a decision was made to discontinue production (manufacture of pin parts, rings) due to its lack of profitability and customer's refusal to accept a renegotiation of the program's prices.

In 2025, the **rear-spinner repair program for CFM56-7B civil engines** was carried out, based on orders issued by the client **GE Aviation, Hungary**.

Concurrently, a bid was submitted and negotiations began with a potential new client, **AEROPLEX of Central Europe, Hungary**, for a similar **front-spinner and rear-spinner repair program for CFM56-7B and CFM56-5A civil engines**, respectively (a multi-year collaboration contract for this program is expected to be signed in 2026). Revenue from this program is estimated at an annual value between 3 million EUR and 5 million EUR.

During 2025, based on the customer's order, the manufacture of FAI batches took place, marking the start of the **pinion manufacturing programs for the mechanical assemblies of the new TAI T625 Gökbey helicopter for the client Turkish Aerospace Industries**; this program will continue in 2026 for the series production of pinions, based on price renegotiation and the firm order to be issued by customer.

During 2025, TURBOMECANICA submitted a bid for the manufacture of civil engine gears—under negotiation for 2026—with the potential client **JET HUMMEL, Austria**.

IMPLEMENTATION OF THE INVESTMENT PLAN

The Company continued its investments in 2025, but following an analysis, it limited the amount of these investments based on their urgency and immediate impact on generating benefits.

Investments in production capabilities account for 38% of the approved investment plan. Of these, 8% have been completed and include the fuel flammability tester, the retort, and the lid for the PEGAT cementation furnace. Instead of investing in equipment and modernization work for the VacuBlast blasting facility, specialists decided to purchase new sandblasting equipment capable of performing blasting as well, since the initial modernization plan also included the addition of automatic sandblasting capability. After analyzing the estimated modernization cost of 110,000 EUR compared to the price of the new equipment at 19,855 EUR, it was decided to purchase the new equipment.

The investment in 3D printers accounts for 25% of the investment plan for production capabilities. Here, it was decided to postpone these investments until 2026 and to propose purchasing only the one for plastics.

This will bring benefits in the area of SDV (Tooling) production/use and for the protection of products that are currently purchased from external sources.

Investments in the development of the new CFM-56 7B program will resume in 2026. These were and remain dependent on the Company’s ability to acquire such an engine for training and the development of specific SDVs. As of the date of this report, the Company identified in 2026 (after 4 years of searching) a training engine priced at approximately 12% of the new product value. In previous years, offers received for such engines amounted to over 50% of the new product value.

Therefore, the investment situation for 2025 is presented as follows (in Euro):

Investment plan approved	2,274,500
Investments postponed	1,860,500
Planned value for investments made	414,000
Actual realized value	321,371

As early as 2024, the Company brought its production and maintenance facilities into compliance with technical fire safety regulations in order to align with updates to the ISU requirements. The only areas still requiring investment as of 2025 are the archive areas.

The IT investment plan is 100% complete. The SOC (Security Operations Center) STI-CERT (Special Telecommunications Service - CERT) is the ideal choice for the Company, guaranteeing advanced protection of the IT infrastructure, reduced exposure to cyber risks, and rapid and efficient management of security incidents. Thus, the Company will benefit from a secure IT environment aligned with the strict standards of the aviation industry. At the same time, the modernization of the IT infrastructure enables more efficient office operations.

Miscellaneous investments account for 41% of the total investment plan. This proportion is due to the need to commission a new 20 kV power line. This process began as early as 2024 when the new electrical substation was installed in the space specifically designated for it. However, the permit to execute the connection was not issued until February 2026 by the City Hall. In 2026, work will resume on an emergency basis to complete the internal connections, so that ENEL Distribution can carry out the physical connection within the timeframe required by law.

Regarding green spaces, the Company plants approximately 6 trees on the property each year.

ECONOMIC AND FINANCIAL INDICATORS

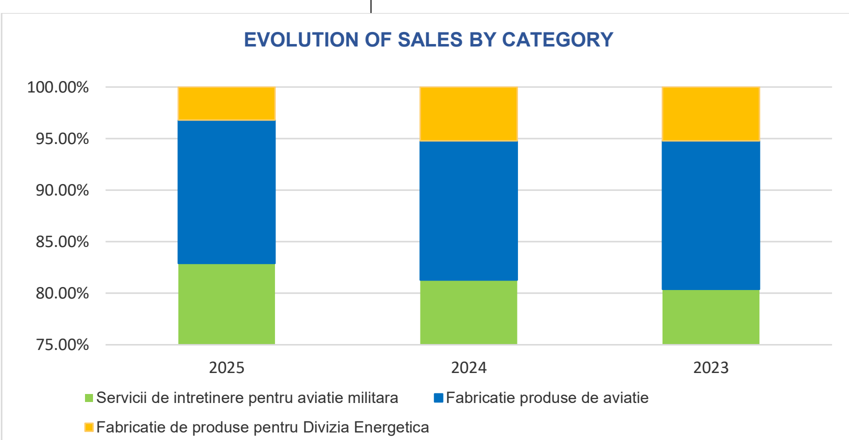
	2025	2024
Current ratio	2.21	1.91
Gearing ratio	12.08	9.94
Receivables turnover	32.25	54.38
Fixed assets turnover	1.48	1.51
Overall solvency ratio	2.71	2.44
Rate of return	1.98%	10.60%
NET Profit Rate	2.18%	11.54%
Net Treasury	10,285 th. lei	28,350 th.lei

MACROECONOMIC INDICATORS

	2025	2024
Inflation	7.3%	5.6%
Average exchange rate €	5.0415	4.9746
Average exchange rate $	4.4705	4.5984
Average exchange rate ₤	5.8340	5.8769

EVOLUTION OF SALES BY CATEGORY

CATEGORIES	2025	2024
Military Aviation Sales	110,248,118	113,798,596
Aviation Sales	18,498,218	18,867,234
Sales for the Energy Division	4,273,398	7,320,023



Maintenance services for military aviation Manufacturing of aviation products

Manufacturing of products for the Energy Division

CONTEXT OF THE ORGANISATION AND STAKEHOLDERS

The analysis of the context in which Turbomecanica operates revealed **the external and internal aspects** significant for its purpose and strategic direction that influence its capability.

They aim to:

- legal aspects - commercial, tax, labor law, environmental law, regulatory requirements of the authorities, included in the applicable regulations;
- customers and their specific regulations;
- market and competitors operating in this market;
- the emergence of new technologies;
- the values, culture and knowledge of the staff;
- the average age of the staff and the availability of human resources in the labor market.

Information on these external and internal issues and how they are monitored and analysed is documented in the specific internal regulations.

The stakeholders were also identified within the analysis of the compliance of the quality and environmental management system with the requirements of the reference standards as follows: Customers, Regulatory Authorities, Suppliers, shareholders, community and staff of the Company.

BUSINESS MODEL

Turbomecanica creates value through 3 categories of basic activities, namely:

- ✈ Maintenance of engines and mechanical assemblies (main gearbox, intermediate and rear gearboxes, main rotor head) in accordance with AACR and AAMN authorizations, civil and military equipment

- ✈ Manufacture of high-tech and high-quality equipment (aviation and energy), components and parts of TGB (rear gearboxes) and MGB (main gearboxes) of the new generation of helicopter engines of civil applications, for AW109 and A119 - AW119MKII LEONARDO HELICOPTER - Italy, of high complexity engine components for General Electric customers, Rolls-Royce, HONDA Aero, AVIO;

- ✈ An extensive range of independent services: heat treatments, chemical processes, welding, hardening and Non-Destructive Testing - NDT for different types of parts and materials, manufacture of unique components, control services.

The model is based on the Company's responsibilities as part of the national defense industry and was expanded in the early 1990s by developing the manufacture of aviation components for international manufacturers.
Subsequently, the wide range of chemical and thermal equipment and processes used in Turbomecanica began to create value by attracting service orders from customers satisfied with the specific capabilities and quality of services delivered to them.

The Notes to the Financial Statements describe how the financial reporting reflects the business model adopted by the Company, according to IFRS standards.

IMPACT OF THE GLOBAL ECONOMIC SITUATION

Earlier this year, the International Monetary Fund updated its “World Economic Outlook” report, maintaining its global economic growth forecast at 3.2%—a figure comparable to that of 2024—with the economic environment continuing to be marked by political uncertainty, trade fragmentation, and pronounced regional disparities. The Fund’s estimates for global economic growth in 2026 were left unchanged at 3.3%, below the historical average of 3.8% for the 2000–2019 period. The IMF report emphasizes that, in the medium term, the global outlook is for the pace of global economic growth to slow to 3.1%, below pre-pandemic levels. At the same time, the IMF warned that most countries must adopt stricter fiscal policies and implement reforms to stimulate sustainable economic growth.

Risks persist, particularly regarding political instability in key economies. The U.S. is seeing the most significant upward revision, with projected growth of 2.4%, marking a wider gap compared to European economies. In the eurozone, economic growth is modest, with Germany and France having revised growth forecasts of 1%.
China’s economy is gradually slowing, although growth for 2026 is estimated at 4.5%. Other emerging economies, such as India and Brazil, could benefit from regional rebalancing, while uncertainties related to energy prices and trade are affecting the global economy.

Regarding Romania, in the autumn forecast published in December 2025, the National Commission for Strategy and Forecasting estimates economic growth of 1%, similar to the European Commission’s projection, given the intensifying adverse effects of the current economic and geopolitical context. It is estimated that the gross added value of the industry will grow by 0.5% in 2026, as well; preliminary 2025 data for this figure show a 0.5% decline compared to the same period in 2024.

Risks associated with current economic forecasts remain high in the ongoing geopolitical context, particularly in the wake of the war in Ukraine and other current conflicts. Trade tensions (particularly between the U.S. and China) and the introduction of new tariff barriers remain major threats to the stability of global trade.

The escalation of current conflicts could generate new shocks to supply chains and keep energy and food prices at high levels. Large fiscal deficits and high public debt in advanced economies could put pressure on long-term interest rates, making borrowing more expensive.

Risks specific to Romania (National Commission for Strategy and Prognosis, IMF & EC) include warnings regarding a potential significant deviation from the fiscal consolidation path agreed with the EU, which could erode investor confidence and macroeconomic stability.

Similarly, maintaining high inflation alongside austerity measures (such as a VAT hike or the elimination of tax breaks) risks contracting private consumption more than anticipated. Last but not least, the high current account deficit (projected at 6–8% of GDP) makes Romania vulnerable to shifts in sentiment in international financial markets.

In the medium term, Romania’s annual economic growth rate is estimated at 2.7%, with a gradual recovery following severe fiscal adjustments starting in 2025, provided that the absorption of European funds continues, as consumption and investment remain robust, including through the continued implementation of the National Recovery and Resilience Plan (NRRP). Furthermore, economic growth is projected to exceed expectations due to strong investment in the industrial sector, which will support sustainable expansion.

TURBOMECANICA faced several challenges during 2025:

- a sudden and significant change in the production schedule during the year, which led to a significant rescheduling of deliveries for 2026;
- rising costs of raw materials, aviation-specific materials, and transportation-related costs. The aviation industry has been feeling the impact of these for nearly six years, and market estimates indicate that pressure on companies' costs will persist into 2026;
- supply chain complexity: the aerospace industry relies on extensive and complex supply chains, which can be affected by delays, disruptions, or changes in the supply of raw materials and aviation-specific materials. Managing this complexity can put pressure on costs and operational efficiency.
- funding the creation of inventories of critical raw materials and supplies to ensure a certain degree of independence in the short to medium term;
- prudent planning of all financial, material, and human resources;
- continuing operations with enhanced precautionary measures to mitigate risks to business continuity and human resources;
- analysis of medium-term business projections to ensure the Company's business continuity, an analysis that led, at the beginning of 2026, to a workforce restructuring through the collective layoff of approximately 19% of the staff.
- the legislative framework has impacted the business environment and created a lack of predictability in areas critical to business, such as energy policy, tax legislation, and social protection (increases in the minimum wage, amendments to the Labor Code, etc.).

Thus, 2025 was a year of multiple challenges, during which TURBOMECANICA took measures to mitigate risks.

COMMERCIAL ACTIVITY

BUSINESS ENVIRONMENT

The Company operates in a highly competitive environment according to the widely recognized principles of corporate governance, in accordance with Romanian legislation, European Union legislation and international practices, providing products and services on domestic and foreign markets both in the field of defense and in the field of civil aviation.

The business model is strongly influenced by the privileges and obligations of the Company resulting from its status in the category of national strategic defense industry, being recognized by the Minister of Economy as the sole supplier in Romania for the manufacturing and maintenance services of the engines and mechanical assemblies that equip the IAR PUMA 330 L helicopter and the VIPER engines that equip the IAR 99 aircraft.

In order to balance the risk generated by the concentration of the activity on the maintenance line specific to the equipment that endows the national fleet, TURBOMECANICA is constantly concerned with diversifying the portfolio of services, focusing its efforts on creating new partnerships with international partners. The latest decision in this regard was adopted by the OGMS and involves the development of the maintenance activity to serve civil aviation components.

As of the reporting date, Turbomecanica is already certified to perform maintenance work on civil aircraft engine components, specifically the CFM 56-7B, an engine powering national and international fleets of Boeing 737 NG aircraft, and is set to generate revenue from civil engine component repair services through a partnership with Aeropex, which is expected to be finalized in 2026.

SALES

MAINTENANCE ACTIVITY

In 2025, **Romania's position as a member state of the European Union and NATO, a pillar of regional stability and an important security provider in South-Eastern Europe**, reconfirmed once again the strategic importance that **TURBOMECANICA** holds within the national defense industry as the sole provider of maintenance services for the fleet of PUMA helicopters and IAR 99 STANDARD/ȘOIM/SM aircrafts of the MApN/Air Force General Staff, General Staff of the Naval Forces and the Romanian Intelligence Service.

TURBOMECANICA continues to prove at high quality standards, the capability and capacity to provide the necessary logistical support to the Romanian army, assuming the duty to strengthen Romania's defense and resilience capacity.

In the context described above, the domestic market continued to be the main pillar supporting and strengthening the Company's sales in 2025. Of TBM's total sales, which amounted to 133,019,734 LEI (excluding VAT), TBM achieved, through its internal aircraft maintenance programs as well as various industrial partnerships, total sales of products and services for the domestic market amounting to 111,473,809 LEI (excluding VAT), representing approximately 84% of TBM's total sales in 2025.
Maintenance activities in 2024 took the form of both the continuation of major repair, maintenance, and manufacturing programs for aeronautical products, as well as new programs involving collaborations within aviation programs for strategic clients: **IAR Brașov, MApN/UM01836 Otopeni, Avioane Craiova**, and other domestic clients, as detailed below:

Programs carried out through the client **IAR Brașov** (a client that continues to account for the majority of revenue – approx. 72.07%, compared to approx. 62% in 2024):

- Continuation and completion of the **PUMA helicopter modernization program – "NATO"** (with renegotiation of prices for NATO 14 and NATO 15 sets);
- Continuation of work carried out under the two major overhaul programs for TURMO IVC/CA engines and mechanical assemblies of the IAR 330 PUMA helicopter, namely:
  - "UN (SAR)" Program: completion of UN 2–UN 4 (3 helicopters);
  - "L HELICOPTERS" Program: postponement of deliveries to 2026 for L5–L6 sets (2 MApN helicopters).
- Continuation of work under the PUMA helicopter mechanical assembly overhaul program: "LEBANON" (2 CTP 196 and 328, 1BRP M335, 1AT);
- New programs and, in parallel, continuation of periodic maintenance programs for **"SMFN - NAVAL" and "SRI"** beneficiaries for major repairs (with replacement of major components with TLV) and various routine repairs, technical assistance, and supply of spare parts for **TURMO IVC/CA** engines and mechanical assemblies of the **PUMA IAR 330** helicopter;

Programs carried out directly with the strategic client **MApN** (turnover – 4.56%, down from approximately 10% in 2024):

- Execution during Q1 2025 (in accordance with contractually established delivery deadlines) of the Program for high- and medium-complexity repairs, restoration of service life, and routine repairs on TURMO IVCA engines, VIPER 632-41R/M engines, and their associated units, IAR 330 PUMA mechanical assemblies, for a total amount of 2,212,703.64 LEI (excluding VAT) – program to be delivered in 2025, under Contract No. A1-12503/12/22/2023 (VIPER 563 series engine);
- Continuation of the works covered by Framework Agreement No. A1-11427/12/19/2024 concluded for a period of 2 years (December 19, 2024 – December 19, 2026), concerning the execution of works for the "Application of BS Alert No. 65. 139 to a maximum of 28 CTP assemblies (main transmission box) for PUMA helicopters, with a maximum value of 9,380,000.00 LEI (excluding VAT), through:
- The conclusion of Subsequent Contract No. 2 (A1-2279)/March 21, 2025, Subsequent Contract No. 3 (A1-5579)/July 4, 2025, Subsequent Contract No. 4 (A1-8741)/10/17/2025 and Subsequent Contract No. 5 (A1-10479)/12/12/2025 to Framework Agreement A1-11427/12/19/2024, for the year 2025 (for 5 CTP assemblies), with a total value of 3,756,388.50 LEI (excluding VAT); Thus, for the year 2026, the following Subsequent Contracts to Framework Agreement A1-11427/12/19/2024 are to be concluded for the remaining maximum of 14 CTP assemblies in 2026.
- Various programs for maintenance work/post-delivery technical assistance services and parts supply through direct collaboration with military units subordinate to the Ministry of National Defense (UM01961 Otopeni and UM02015 Bacău);
- The Company continued implementing the VIPER engine overhaul program: in November 2025, TBM submitted to the Ministry of National Defense (MApN) a bid for standard overhaul of VIPER 632-41M and TURMO IVC/CA engines, with a view to concluding a 24-month Framework Service Agreement with MApN in 2026.

Programs carried out with the client **Avioane Craiova S.A.** (turnover – approx. 5.63% compared to approx. 10.70% in 2024):

- Continuation during the first half of 2025 of the Program for: Conversion of VIPER engines with afterburner 633-47 to the 632-41M variant, with revitalization and application of CMV, with RK at AFC for 2 VIPER engines, series 2217 and 2145, as well as 3 (three) sets of imported components contracted for 2025 under Contract No. 2023503/25.01.2023 and Addenda Nos. 1–5 to this contract, totaling 5,919,807.73 LEI (excluding VAT);
- Various VIPER engine spare parts manufacturing programs and various industrial collaboration programs, based on firm customer's orders, in the amount of 584,048.24 LEI (excluding VAT).

MANUFACTURE OF HIGH-TECH AND HIGH-QUALITY EQUIPMENT

The Company's manufacturing operations continued to be primarily focused in 2025 on the production of **components and subassemblies for aircraft engines**. These programs, despite the difficulties in the global market, continued to show an upward trend, with sales of **gas turbine** components also continuing in parallel.

The main manufacturing program for the foreign market remains the one for the client Leonardo Helicopters (manufacture of TGB assemblies and TGB/MGB components for helicopters), currently carried out under Amendment No. 4/2025 to Long Term Agreement 0207/2004 and related customer orders), with total deliveries for the year 2025 amounting to 2,633,523.73 EUR. During the third quarter of 2025, all sales prices under this program were successfully renegotiated, both for products already delivered in Q4_2024 and for those in Q1+Q2_2025, TBM thereby securing a total increase in invoiced revenue for 2025 of 2,530,220.38 LEI (equivalent to 498,216.87 EUR).

Furthermore, throughout 2025, **collaborative relationships were maintained with partners presenting significant business potential in the international market**, including **Rolls-Royce Germany—through ITP Aero, Honda, and GE Aviation Hungary** (a program implemented in 2025 through the signing of a multi-year contract for the repair of civil “spinner” components), as well as the continuation of collaboration and price renegotiation with **General Electric VERNOVA Hungary** in the industrial sector, and other clients with smaller shares in the Company’s turnover).

New programs targeting the international market were implemented as follows:

- Aviation component maintenance program: program analyses were initiated and repair bids were submitted to the **client AEROPLEX, Hungary**, for the provision of technical maintenance services for CFM 56-7B and CFM 56-A civil engine components, for which a firm contract was expected to be concluded in the first quarter of 2026;
- For the helicopter aircraft component manufacturing program for the client **Turkish Aerospace Industries**, the first sets from the FAI batches have been completed, with the final sets from the FAI batch scheduled for completion in the first quarter of 2026, followed by the start of series production of these components.
- Negotiations are currently underway with the client **Jet Hummel, Austria**, for the manufacture of turbine assemblies, a project for which FAI production is estimated to begin in the first half of 2026.

Overall, total sales to external customers amounted to 4,365,849.41 EUR (compared to the total for 2024, namely 4,870,492.65 EUR), representing a decrease of 11.58%.

Production intended for export accounted for 17.23% of TBM’s total revenue in 2025, a figure very close to the 17.28% recorded in 2024.

INTEGRATED QUALITY AND ENVIRONMENTAL ASSURANCE SYSTEM

The quality and environmental management system is based on the process model. The **QMS&M processes** are designed to ensure the regulatory framework necessary for the controlled implementation of Turbomecanica's products/services and to ensure the assessment and avoidance of risks of non-achievement of quality and environmental objectives.

The objectives of quality and environmental management in **TBM** are:

- ✓ ensuring the Company's ability to consistently provide its customers with products and services that comply with their requirements and expectations and with the legal and regulatory requirements and in compliance with the provisions of the **SR EN ISO 14001** environmental standard;
- ✓ fulfilment of compliance obligations;
- ✓ increasing environmental performance;
- ✓ facilitating the identification of opportunities to increase **customer satisfaction** by continuously improving its processes;
- ✓ identifying and managing risks and implementing opportunities associated with the Company's context and objectives.

The Quality and Environment Manual is structured in sections in accordance with the provisions of the reference standards **SR EN 9100, SR EN ISO 9001** and is correlated with **SR EN ISO 14001** through the procedures specific to this field.

During 2025, the following actions were taken in the field of quality assurance:

In order **to align with the requirements of the reference standards (quality management, environmental management and safety management), regulatory authorities and its customers,** and to implement the organizational changes applied this year in the TBM, the TBM structural entities have intervened on the following documents of the quality management and environmental management systems**:**

In 2025, **163** regulations were drafted/revised as follows:

REGULATORY CATEGORY	2025	2024	2023
General Procedures including Independent Annexes	81	50	49
Company Standards including Independent Annexes	25	33	17
Specific Work Instructions including Standalone Annexes	27	37	45
Regulations including Independent Annexes	1	3	9
Human Resources Assurance Strategy including Independent Annexes	1	0	0
Quality Plans including Independent Annexes	1	1	8
Policies (Salary Policy, Personal Data Protection Policy, Automotive Policy) including Independent Annexes	4	3	9
Quality and Environment Manual*	0	0	0
Presentation Memorandums including Independent Appendices	23	14	9

The Compliance and Safety Directorate acted in 2025 to apply a continuous improvement in the way of organizing and designing quality management, environmental management and safety management systems.

The National Military Aviation Authority could not schedule the certification audit, according to the requirements of RMAR 21G, for the authorization of TBM as a military production organization of products and components for Turmo IV C/CA, Viper 632-41 and 633-47, Allison T56-A7B/A15, IAR-330 Mechanical Assemblies, including their aggregates.

In order to prove compliance with its customers' requirements, Turbomecanica has undergone **4 second-party audits** carried out by them, as presented below:

In **May 2025, GE Aerospace** conducted an on-site **SRG (Supplier Responsibility Governance)** audit in accordance with **GE Aerospace** requirements outlined in a checklist. During the audit, the **GE Aerospace** audit team identified 1 non-compliance, for which 1 corrective action was established (completed), and the client maintained TBM as an approved supplier.

In September 2025, **Honda Aero** conducted an online **supplier surveillance** audit in accordance with **Honda Aero's** requirements outlined in a checklist. During the audit, the **Honda Aero** audit team identified no non-compliances, and the client maintained **TBM** as an approved supplier.

In September 2025, **GE Vernova** conducted an on-site **supplier surveillance** audit in accordance with **GE Vernova's** requirements outlined in a checklist. During the audit, the **GE Vernova** audit team identified no non-compliances, and the client maintained **TBM** as an approved supplier.

In October 2025, **Leonardo Helicopters** conducted an on-site **supplier surveillance** audit in accordance with supplier requirements and those specified in the EN 9100 standard. During the audit, the **Leonardo Helicopters** audit team identified 1 non-compliance, 1 observation, and 1 recommendation, for which 5 corrective actions were established (all completed), and the client maintained **TBM** as an approved supplier.

In order to prove compliance with the standards and regulations applicable in its activity, Turbomecanica has undergone **7 third-party audits** carried out by certification/supervisory authorities/bodies, as presented below:

In March 2025, **the National Military Aviation Authority (AAMN)** conducted an on-site audit for **the continuous supervision of the military maintenance organization** according to the provisions of RMAR Regulation 145. Following the audit, the **AAMN** audit team identified 3 non-compliances for which 6 corrective actions were established (all completed), with the audit result maintaining TBM's authorization as a military maintenance organization **(RO.AAMN.145.00006 – issued in December 2022).**

In Octomber 2025, **the Romanian Civil Aviation Authority (AACR)** carried out an on-line audit for **the assessment of the information security management system of the civil manufacturing organizations** according to the provisions of EU Regulation no. 748/2012 (Part 21 Section G) updated. Following the audit, the **AACR** audit team found 1 non-compliance for which 5 corrective actions were established (2 – completed and 3 in progress - rescheduled), the result of the audit maintaining TBM's authorization as a civil manufacturing organization **(RO.21G.0008 rev. 03** - initially issued in December 2014, with the current revision in February 2025), with the requirement to implement the information security management system during 2026.

In Octomber 2025, **the Romanian Civil Aviation Authority (AACR)** carried out an on-site audit for **the continuous supervision of the civil maintenance organization** according to the provisions of EU Regulation no. 748/2012 (Part 145) updated. Following the audit, the **AACR** audit team found 2 non-compliances and 1 observation for which 10 corrective actions were established (all completed), the result of the audit maintaining TBM's authorization as a civil maintenance organization (**RO.145.0051 rev. 01** - initially issued in March 2021, with the current revision in November 2024).

In November 2025, **TÜV Nord** conducted an on-site audit for **the recertification of the quality management system** in accordance with the requirements of ISO 9001:2015 and EN 9100:2018. Following the audit, the **TUV Nord** audit team identified 3 non-compliances for which 12 corrective actions were established (all completed); the audit result ensured the recertification of the TBM quality management system (the current certificates were issued in February 2023 and are valid until February 22, 2026; the updated certificates are valid until February 22, 2029).

In November 2025, **the Romanian Civil Aviation Authority (AACR)** conducted an on-site audit to **assess the civil maintenance organization's alignment with FAA requirements** in accordance with the provisions of Maintenance Annex Guidance Change 10. Following the audit, the **AACR** audit team identified 2 non-compliances for which 4 corrective actions were established (all completed); the audit result is currently under evaluation for the authorization of TBM as a civil maintenance organization in accordance with **FAA** requirements.

In November 2025, **the Romanian Civil Aviation Authority (AACR)** conducted an on-site audit for the **continuous oversight of the civil manufacturing organization** in accordance with the provisions of the updated EU Regulation No. 748/2012 (Part 21 Section G). Following the audit, the **AACR** audit team identified 3 non-compliances for which 6 corrective actions were established (1 completed and the rest in progress); the audit results are currently under evaluation for the maintenance of TBM's authorization as a civil manufacturing organization **(RO.21G.0008 rev. 03** – originally issued in December 2014, with an update in February 2025).

In November 2025, **AEROQ** conducted an on-site audit for the **quality and environment assurance management systems** in accordance with the requirements of ISO 9001:2015 and ISO 14001:2015. Following the audit, the **AEROQ** audit team identified no non-compliances; the audit result maintained TBM's certifications for the quality and environment assurance management systems (issued in November 2023) until November 9, 2026.

In order to guarantee TBM management, customers and certification bodies the correct implementation of the requirements of the quality management system / environmental management /safety management/ information security management system and maintaining their efficiency and effectiveness, the Compliance and Safety Directorate carried out in 2025 internal / external audits as follows:

Internal audits of quality management system / environment management system / safety management system / information security management system

Internal audits of the environmental management system (EMS) were conducted in accordance with the Audit Plan PA-TBM 2025, Edition 1, which was subsequently updated to Edition 2 and then to Edition 3, as approved by the General Manager.
In 2025, 26 QMS audits were conducted, during which 21 non-compliances were identified, for which 45 corrective actions were established; 86.7% of these (39) were completed.

Internal audits for the environmental management system were conducted in accordance with the Audit Plan PA-TBM 2025, Edition 1, subsequently updated to Edition 2 and then to Edition 3, approved by the General Manager.
In 2025, two EMS audits were conducted, during which one non-compliance was identified, for which two corrective actions were established and 100% of these (all) were completed.

Internal audits for the Safety Management System (SMS) and the Information Security Management System (ISMS) were conducted in accordance with the Audit Plan PA-TBM 2025, Edition 1, subsequently updated to Edition 2 and then to Edition 3, approved by the General Manager.
In 2025, two SMS and ISMS audits were conducted, during which one non-compliance was identified, for which one corrective action was established (in progress).

Internal Product Audits

The conduct of the internal products audits was carried out in accordance with the PA-TBM 2025 Audit Plan, Edition 1, subsequently updated to Edition 2 and then to Edition 3, approved by the General Manager.
In 2025, 15 product audits were carried out, in which 22 non-compliances were found, for which 44 corrective actions were established, which were completed in a proportion of 77.3% (34 completed).

Internal process audits

The internal process audits were carried out in accordance with the PA-TBM 2024 Audit Plan, Edition 1, subsequently updated to Edition 2 and then to Edition 3, approved by the General Manager.
In 2025, 14 process audits were carried out, in which 9 non-compliances were found, for which 18 corrective actions were established, which were completed in a proportion of 88.9% (16 completed).

External audits at suppliers

One audit was scheduled for the supplier **IAR Brașov** in the first half of 2025. The TBM audit team identified no non-compliances and recommended that IAR Brașov remain on the TBM Supplier List with the status “Unconditionally Accepted.”

In the second half of 2025, one audit was scheduled at the supplier **ForgeAvia Biesles**. The TBM audit team identified no non-compliances and proposed changing the status of the supplier ForgeAvia Biesles in the TBM Supplier List from “Conditionally Accepted” to “Unconditionally Accepted.”

In order to ensure the monitoring of the performance of TBM processes in order to increase customer satisfaction regarding the quality of the products/services delivered and to increase the attractiveness of these products/processes on the aeronautical sector market, the following actions were carried out in 2025:

The general procedure **PG SMQ-05 "Management Analysis"** establishes the indicators necessary to achieve the strategic objectives regarding quality and the environment and that influence the level of customer satisfaction. The evolution of these indicators in 2025 is presented below:

- **Strategic indicator I1** (degree of compliance with the production program) has an upward trend and falls within the proposed objective of at least 97%, with an overall value of 98.94%. This fact reveals that the production schedule is respected, and the non-achievements are very small.

- **Strategic indicator I2** (degree of compliance with the sales plan) has an upward trend and falls within the proposed objective of at least 97%, with an overall value of 96.86%. This fact reveals that the sales plan is being followed in general, but there are some delays of TBM in deliveries for external customers Leonardo Helicopters and occasionally for ITP Aero, IAR Brașov and Avioane Craiova.

- **The strategic indicator I211+I212** (losses due to changes in sales orders) has a variable trend and falls within the proposed target of maximum 3%, having an overall value of 3.14% (of which 3.14% is caused by TBM and 0% by customers).

- **Strategic indicator I3** (degree of non-compliance with the requirements of the technical execution documentation - non-compliances and scraps) has a decreasing trend and falls within the proposed objective of maximum 0.75%, having an overall value of 0.34%. This fact reveals that the documentation requirements are complied within TBM, and the deviations (transposed into non-compliances and scraps) have a small weight.

- **Strategic indicator I4** (degree of non-compliance of the products/services delivered - complaints) has a decreasing trend and does not fall within the proposed objective of maximum 1.0%, having an overall value of 2.52%; if unconfirmed/rejected/technically unjustified complaints are excluded, the indicator reaches the overall value of 1.38%, which also does not fall within the proposed objective (maximum 1.0%). This fact reveals that TBM ensures the compliance of the products/services delivered, but complaints for the products maintained by TBM have a large weight.

- **The I4pg strategic indicator** (external percentage loss - complaints) has a variable trend and falls within the proposed target of a maximum of 0.5% of turnover, with an overall value of 0.30%. This fact reveals that TBM ensures the compliance of the products/services delivered, and the costs of handling complaints are maintained within the established target.

- **Strategic indicator I41** (duration for resolving complaints) has a decreasing trend and falls within the proposed objective of maximum 30 days, with an overall average value of 26 days (for resolution in TBM) and 7 days (for resolution at customers/in operation). This fact reveals that TBM ensures the resolution of complaints within the deadline both at the client/user and within TBM..

- **The strategic indicator I42** (rate of warranty claims for repaired products) has an increasing trend and falls within the proposed objective of maximum 25%, with an overall value of 8.36%. This fact reveals that TBM ensures the compliance of the products/services delivered, and the complaints within the warranty period are within the established target.

- **The strategic indicator I43** (recurrence rate of the complained products) has a decreasing trend and falls within the proposed objective of maximum 25%, having an overall value of 8.45%. This fact reveals that TBM ensures the compliance of the products/services delivered, and the recurrence of complaints is within the established target.

- **The I44 strategic indicator** (median of the duration of product complaints from delivery) has an upward trend and does not fall within the proposed objective of at least 250 days, having a value of 125 days at the year end . This fact reveals that TBM ensures the compliance of the products/services delivered, but the period until complaints arise is below the set target.

- **Strategic indicator I5** (non-quality costs) has an upward trend and does not fall within the proposed objective of maximum RON 600,000/year, with an overall value of RON 1,093,727 in 2025. These costs are mainly due to the costs related to the orders for investigation/remediation of the complained products in the amount of 379,718 lei, costs related to scrap totaling 459,227 lei and costs related to corrective/repair orders totaling 254,783 lei.

- **Strategic indicator I6** – **computed in the third quarter of 2025** (turnover for the reporting period) reached RON 105,917 million, exceeding the target set of RON 85,674 million (average turnoverin the third quarter over the last 5 years), which represents an excess of RON 20.240 million (+23.6%).

- **Strategic indicator I7** – **computed in the third quarter of 2025** (net profit margin achievement rate) has a value reached of 4.05%, which is blow the 10% target. TBM has set itself the goal of achieving a net profit margin of 10%, representing the average of the MRO industry over the past decade (pre-pandemic). The MRO industry currently has lower margins of around 8-9%, according to analyses published in recent years, while TBM's net profit margin in 2024 (computed and reported in March 2025) was of 11.54%.

In the field **of special processes and the activity of quality laboratories**, in 2025, the **policy of satisfying customer requirements** was continued, as well as increasing the Company's level of attractiveness for potential customers active in the field of the aeronautical industry through the following actions:

Accreditation of special processes

The events with the strongest significance regarding the increase in the level of attractiveness of TBM on the aeronautical industry market remain the **Nadcap** accreditations of the special processes installed.

In 2025, the following special processes were reaccredited:

In February 2025, **Nadcap** conducted a surveillance audit of the **surface enhancement process** in accordance with the requirements of AC7117. During the performed audit, Nadcap identified 2 non-compliances for which 10 corrective actions were established (all completed), and the surface enhancement process was reaccredited (under the 18-month Merit Program) until November 30, 2026.

In May 2025, **Nadcap** conducted a surveillance audit of the **heat treating processes** in accordance with the requirements of AC7102, AC7101/3, and AC7101/4. During the audit, Nadcap identified 3 non-compliances for which 12 corrective actions were established (all completed), and the heat treatment processes were reaccredited (under the 24-month Merit Program) until August 31, 2027.

In August 2025, **Nadcap** conducted a surveillance audit of the **chemical Ppocessing** in accordance with the requirements of AC7108. During the audit, Nadcap identified 2 non-compliances for which 15 corrective actions were established (all completed), and the chemical processing was reaccredited until November 30, 2026.

Second-party process certifications

Leonardo Helicopters Certifications

In 2025, the qualifications of the TBM special processes previously obtained applicable to **Leonardo Helicopters items** were maintained and the qualifications of the following special processes were extended:
- **Etch Inspection of Hardened Steel Parts** (IT12/00080/00: valid until 15.03.2028);
- **Casting Impregnation** (IT12/00125/00: valid until 01.07.2028);
- **Liquid Penetrant Inspection** (IT12/00059/00: valid until 11.01.2028);
- **Heat Treatment of Steel Alloys (Normalizing, Hardening and Tempering for low-alloyed steels, Precipitation hardening of PH steels (sect. IV), Hardening and Tempering for stainless steel (sect. III))** (IT12/00130/00: valid until 02.12.2028).

PZL Swidnik Certifications

In 2025, the qualifications of the previously obtained TBM special processes applicable to the **PZL Swidnik** articles were maintained and no requalifications for special processes were initiated.

General Electric Aviation Certifications

In 2025, the special process and laboratory certifications previously obtained by TBM from **General Electric Aviation** were maintained, these being Nadcap reaccredited processes.

Rolls-Royce Certifications

In 2025, **the approvals** previously obtained by TBM from **Rolls-Royce Civil & Defense Aerospace** in accordance with the **Certificate of Approval for Quality Management System & Processes** (no expiry date) were maintained.

Avio Aero Certifications

In 2025, TBM retained the **"Etch Inspection on Steel Parts to Detect Surface Abnormalities"** certification previously obtained from **Avio Aero**, which is a Nadcap-reaccredited process.

Introduction of new milestones in production (in 2025)

For the client **Leonardo Helicopters (Italy), 20 FAI files (10 TGB parts and 10 MGB parts)** were prepared, through whichthe improvement of the manufacturing of the parts requested by the customer for the Rear Gearbox and for the Main Gearbox of the **AW109/AW119** helicopters continues.

For the client **PZL Swidnik (Poland), 5 FAI files** were prepared, through whichthe improvement of the manufacturing of the parts requested by this customer continues.

For the client **Aeroplex (Hungary), one FAI file** was prepared (approved by the client), confirming the maintenance of the component requested by this customer.

MITIGATING CLIMATE CHANGE BY IMPROVING ENVIRONMENTAL PERFORMANCE AND PREVENTING POLLUTION

Turbomecanica has obtained **the Integrated Environmental Permit** No. 05/2016, revised on 21.02.2020, valid until 2026, for the activity of "Surface treatment of metals or plastics through electrolytic or chemical processes in which the volume of the vats is greater than 30m^3", extended by the annual visa no. 2597/16.12.2025 pe perioada 11.02.2026 – 11.02.2027.

In order to fully comply with the provisions of the integrated environmental permit, a series of objectives and actions have been established, most of them have been achieved, and the unresolved ones have been included in the Environmental Management System Program of TBM and in the Investment Plan.

The Integrated Environmental Permit, the Water Management Permit, as well as the Wastewater Takeover Agreement give the Company the right to operate under legal conditions, through permanent monitoring of the proper functioning of the depollution facilities and the existing machinery on the Company's site.

In 2025, there were no environmental incidents.

Following the controls of the National Environmental Guard carried out in 2025, the Company undertook to ensure continuous monitoring of the operating status of the installations so that they do not generate pollutant emissions that exceed the limit values allowed by law and, if this happens, to stop operating until remediation.

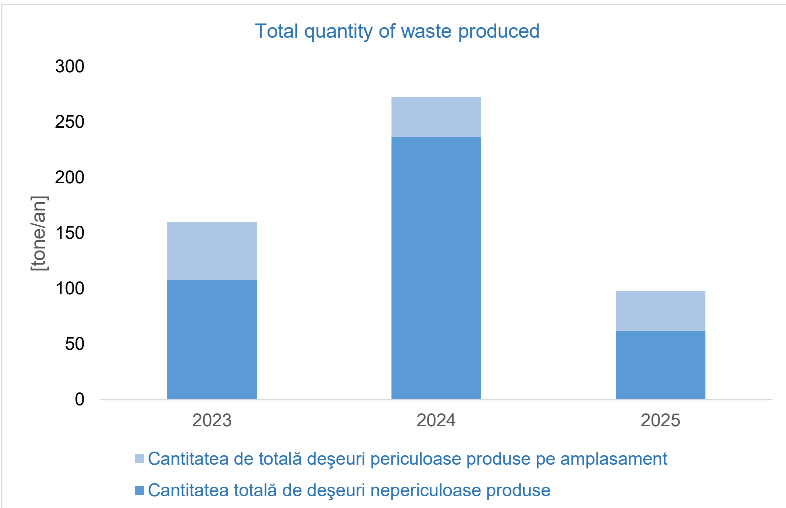
In order to prevent an emergency situation that can endanger the quality of the environment and people's health, TBM has designated intervention teams for all risk areas in society. Periodically, exercises are carried out to simulate possible damage situations that may result in accidental pollution. The exercises are aimed at raising staff awareness to avoid accidents of any nature.

Also, through the Environmental Management System Monitoring and Measurement Program, all existing pollution installations on the site are monitored weekly and periodically verified through the Preventive Predictive Maintenance Program for technological equipment, regarding their functionality under normal conditions.

Turbomecanica is constantly concerned with protecting the environment and is committed to reducing the generation of hazardous and non-hazardous waste, as far as the activity allows.

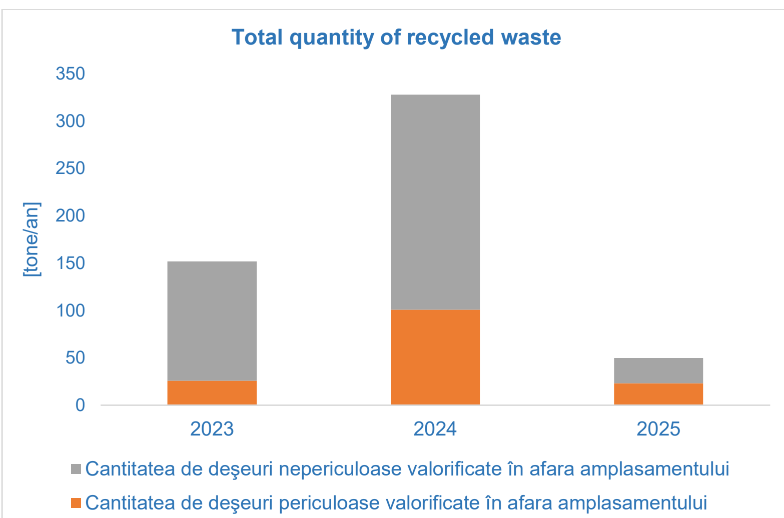
In 2025, Turbomecanica demonstrated that the actions regarding the **reduction of the amount of hazardous waste** were effective, recoding lower values compared to 2024.

At the same time, the share of **non-hazardous waste** has decreased compared to previous years because TBM is in the process of modernizing the production sections, replacing old and non-productive machine tools with state-of-the-art plant centers.



Total quantity of hazardous waste produced at location

Total quantity of non-hazardous waste produced



Quantity of non-hazardous waste recycled outside of the location

Quantity of hazardous waste recycled outside of the location

During 2024, **Turbomecanica** implemented measures with **a major impact on improving environmental performance and pollution prevention** continued in 2025, as well.

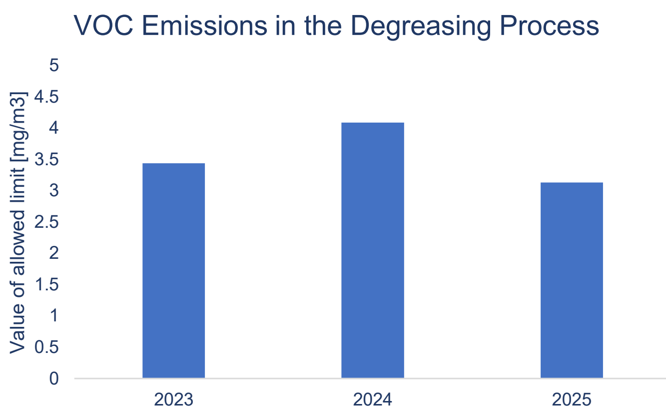
Following measurements of air emissions from the production lines, a significant reduction in the concentration of heavy metals and particulate matter was observed; for example, the concentration of cadmium decreased from 0.0087mg/m³ in 2022 to 0.0004mg/m³ in 2024, remaining at the same level in 2025; the concentration of chromium decreased from 0.0311mg/m³ in 2022 to 0.0024mg/m³ in 2025. As for the concentration of suspended particulates, it is half as high in 2025 compared to 2022 across all process lines. At the beginning of 2025, the filter systems for capturing heavy metal and dust emissions on the Copper, Cadmium, and Chromium lines, installed in 2024, were replaced.

However, it must be taken into account that the emission records and the quantities of waste are dependent on the specific level of activity.

Turbomecanica, in terms of its activity, uses organic solvents with volatile organic compounds, which fall under the legal provisions. Volatile organic compounds, VOCs, are an important category of air pollutants, commonly found in the atmosphere as a result of human activities. The main activity of the Company that generates emissions with volatile organic compounds is the parts degreasing process , the organic solvent used being tetrachloroethylene.

Following the calculation of the consumption of VOC emissions, it results that it is below the limit allowed by law as follows:

Following the half-yearly measurements by accredited laboratories in the field of environmental protection, it results that the values of VOC emissions eliminated in the painting and laboratory chemical analysis processes are below the limit allowed by law, as can be seen from the following graphs:



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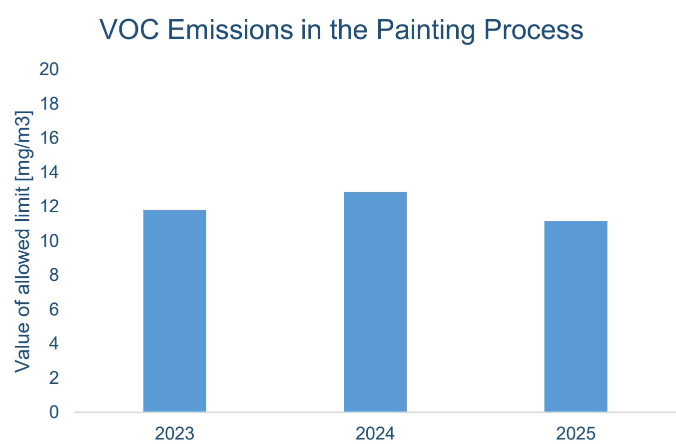
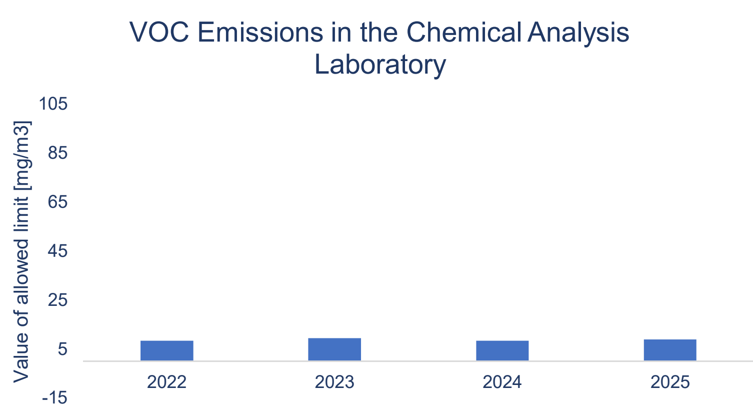




Turbomecanica, through the measures adopted, aims to limit the environmental impact and eliminate the proportionality between the increase in activity and the impact on the environment.

The decrease in VOC emissions, as well as the reduction in the consumption of organic solvents (tetrachloroethylene), in 2025 compared to 2024, was due to the efficiency of the parts degreasing processes, which were carried out primarily using an automated system—specifically, the degreasing unit—rather than manually.

NUCLEAR PROTECTION

In the second semester of 2024, the file for the reauthorization of the possession of the Eresco 42MF-W3.1 radiation generator was submitted to CNCAN and, in December 2024, the **new Authorization for the Conduct of Activities in the Nuclear Field VG 2804 / 2024 was issued by CNCAN, valid until 17.12.2029.**

On July 3, 2024, the National Commission for the Control of Nuclear Activities (**CNCAN)** carried out an inspection at the **TBM** headquarters to verify the way in which the Non-Destructive Control (**NDC**) activities with penetrating radiation are carried out within the DTC-SCPL. According to the Control Report no. 5698/03.07.2024 it was established that the **NDP activities** with penetrating radiation are carried out in conditions of full compliance with the requirements established within the authorization process.

COMPLIANCE WITH THE REACH REGULATION

According to Regulation 1907/2006 on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), Turbomecanica is classified as a downstream user of pure substances and mixtures of substances.

The substances are used in the process of metal surface coatings of parts made by **TBM**, in safe conditions regarding workers' health and environmental protection.

All suppliers of chemicals and mixtures of chemicals from which **TBM** sources substances and mixtures of substances are authorised by the European Chemicals Agency (**ECHA**).
Suppliers provide **TBM** with all information on the chemical/mixture via the Material Safety Data Sheet.

TBM keeps strict records of chemicals and mixtures of chemicals identified by **REACH** and continuously trains people involved in the process of surface metal coatings on how to use and handle substances and/or mixtures of substances, as required by the substance/mixture safety data sheet to prevent accidents of any nature.

The Company provides suppliers of substances with information on the occurrence of certain risk factors of the substance/mixtures at the time of their use, which can influence human health, as well as the occurrence of unfavorable situations on the environment.

This information helps the supplier in making new chemical exposure scenarios to prevent any undesirable situations or classify the chemical in a higher risk class than it was originally.

At the request of its customers, **TBM** provides all information on the amount of chemical substance identified by **REACH** with which the parts are enriched, as well as the degree of risk that may affect the health of people who come into contact with the product made in the Company. In 2025, TBM continued to comply with **REACH** requirements.

HUMAN RESOURCE

CODE OF CONDUCT AND ETHICS – PRINCIPLES AND VALUES

Turbomecanica's management has undertaken as a fundamental principle in carrying out its activity principles and values that determine the creation of a strategic partnership between leadership, management and employees through:

- ✓ Leadership based on clear strategic and operational objectives;
- ✓ Developing a professional and personal profile of employees corresponding to the highest standards of professional ethics and technical training;
- ✓ Permanent training and long-term motivation of employees, ensuring job satisfaction and loyalty to the Company;
- ✓ Career management and performance management;
- ✓ Creating a modern and adequate internal climate for the affirmation of team spirit;
- ✓ Business and team ethics, honesty;
- ✓ Lack of tolerance for human rights violations;
- ✓ Lack of tolerance for discrimination and harassment;
- ✓ Lack of tolerance for corruption, bribery and money laundering;

These **principles and values are integrated into the quality and environmental management system**, through the Internal Regulations that are tought to Turbomecanica employees annually.

The Internal Regulations provide distinct and specific chapters regarding the Company's position with regard to the listed principles.

The 2024-2025 Collective Bargaining Agreement, extended by 6 months through the agreement of the parties, provides guidelines on the Company's standards in terms of code of conduct and of ethics.

The Company discourages conflicts of interest and requires employees to avoid any situation that may affect their ability to act in the interest of the Company.

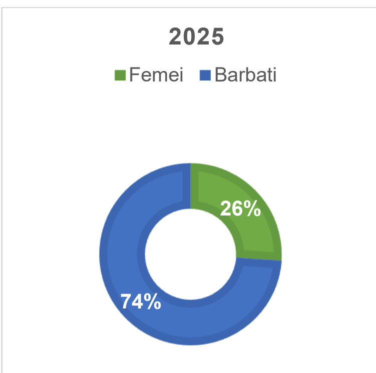
Due to its international exposure, Turbomecanica takes into account **anti-corruption policies existing at international level and also imposed or recommended by business partners**. In 2025, Turbomecanica did not register any cases of corruption, money laundering, bribery and was not a party to any legal action for unethical or corrupt behavior.

In this regard, the policy on whistleblowing in the public interest was developed in October 2023. It was developed on the basis of Law no. 361/2022 transposing Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons who report breaches of Union law.

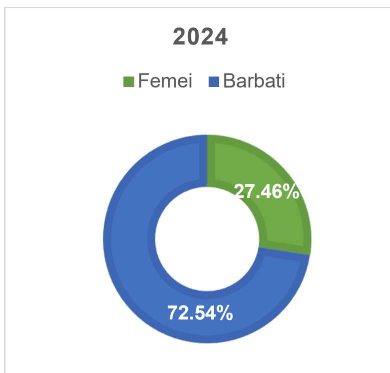
OUR STAFF

The Resource Assurance strategy adopted by the Company ensured the performance of the Production, Technical and Compliance, Quality and Organization, Human Resources, Financial - Accounting, Legal, Marketing and Sales activities in efficient conditions even if the labor market does not offer the range of specializations necessary for the aeronautical industry.
The total TBM staff as of 31.12.2025 was 448 employees, 38 people less than in the prior year.
The average age of the staff on 31.12.2024 was 49 years old compared to 47 years old in 2024. This increase of the average agerequires attracting a younger workforce.

We ensure diversity through a balance of gender distribution and taking into account the specifics of the activity, thus the staff structure is as follows:



Women Men



Women Men

Between January and December 2025, a number of 77 employees left the Company (of which 3 were retired) and 61 people were hired (2024 - 110 employees left and 107 people hired).

Total expenses with salaries and employee benefits (excluding the change in provisions for employee benefits), made in 2025, amounted to RON 65,736,418 (2024: RON 62,905,472), of which:

EXPENDITURE	2025	2024	2023
Salary expenses including benefits in kind	57,301,812	54,576,298	49,014,633
Expenditure on vouchers granted to employees	5,905,033	5,776,390	4,607,980
Expenses related to the labor insurance contribution	1,289,617	1,227,949	1,102,826
Other expenditure on insurance and social protection (aid)	377,600	269,725	245,888
Expenses related to the Company's contribution to health insurance other expenses	862,357	1,055,110	975,416

Compared to 2024, personnel expenses in 2025 registered an increase of 2,825,975 lei.

The costs involved in the recruitment process were approximately **RON 100,771** representing the costs of purchasing recruitment services and subscriptions to specialized sites (2024: **RON 265,735).** The need for outsourced recruitment services was owed to the low quality of the workforce addressed by recruitment platforms, even when using platforms specific to each position. Moreover, recruitment platforms do not offer a comprehensive range of specialists and managers.

In terms of the Company's degree of unionization, **47.99**% (2024: **47.99**%) of the Company's employees are union members.

Regarding the level of training and specialization of the staff, the situation is as follows:

EMPLOYEE TRAINING	2025	2024	2023
higher education	31.29%	30.94%	30.78%
employees with high school and post-secondary education	44.22%	39.75%	38.02%
employees who graduated from vocational schools	20.18%	25.21%	26.66%
employees who graduated from secondary school	4.31%	4.10%	4.54%

The relations between management and the employees are regulated based on the Collective Labor Agreement for the years **2024-2025** extended by another 6 months with the agreement of the parties. The socio-professional climate is permanently monitored, and there is a communication system between the social partners that does not allow the emergence of conflicts, which were non-existent in **2025**.

STAFF TRAINING

The Company's personnel policy regarding the professional training of personnel was well supported in terms of internal training. The trainings were carried out in accordance with the Annual Professional Training Plan approved for 2025.

The internal courses are tought by lecturers from among our specialists who also have trainer qualifications

In 2025, within **Turbomecanica,** according to the Annual Professional Training Plan, specific training was carried out to ensure maintaining the necessary skills for operators, inspectors and engineers.

438 employees benefited from professional training within the Certification/Authorization and Professional Qualification courses, both internally and externally, as well as in other types of Training. The total number of hours allocated to professional training was 7,220. Some of the long-term courses will continue in 2026, as well.

For the training of employees who participated in external professional qualification courses, the amount of 19,364 lei was spent.

The specific training to ensure the maintenance of the necessary skills of operators, inspectors and laboratories for special processes and laboratories, carried out according to the Annual Professional Training Plan in 2025, is structured as follows:

	2025		2024		2023	
COURSE TYPE	No. of hours	No. of participants	No. of hours	No. of participants	No. of hours	No. of participants
Certification/Authorization Course	1,480	271	1,514	326	1,430	320
Internal Qualification Course	4,560	17	8,000	33	11,085	37
External Training Course	18	7	117	72		
External Qualification Course	104	21	441	2	330	81
TOTAL	**6,162**	**316**	**10,072**	**433**	**12,845**	**438**

In order to ensure the human resources necessary to carry out the activities of manufacturing parts for aviation engines and maintenance of turbojet engines, turbo engines, helicopter mechanical assemblies, components and aggregates specific to them, as well as the production of high-tech industrial products, components and aggregates, TBM adopted the solution of practical training of students from grades 9-11 within dual education, carried out in partnership with technical colleges.

Turbomecanica has entered into partnerships with 4 technical colleges for this form of education and has publicized the Company's offer in Bucharest and its surrounding areas in order to stimulate the interest of 8th grade graduates and their parents for the field of activity in which it operates and to generate the desire to become part of the Turbomecanica team.

During the 3 years of study, Turbomecanica makes sustained efforts to transmit to students the theoretical and practical knowledge necessary for the qualification of children in the professions of Aviation Mechanic, CNC Operator, Fine Mechanics Mechanic or Lathe, Miller, hydraulic and pneumatic equipment mechanic.

In addition to practical experience, students who have concluded contracts for dual education with TBM receive:

- the bonus of 800 lei if they obtain averages above 7 in the exams during the internship and have a 100% attendance.
- additional performance scholarship of 300 lei if they have an overall annual average above minimum 8.50.
- transport settlement, for the periods of combined practice and the equivalent of one hot meal per day, during the practical training periods,
- employment in the TBM at the end of the 3 years if they obtain the qualification diploma with grades above 7.

The total number of students enrolled in TBM in dual education in **2025** was **101** students.

The total expenses with dual education made by TBM in **2025** were **407,639 lei**.

ASSESSMENT OF OCCUPATIONAL SAFETY AND MATTERS

Occupational health and safety at Turbomecanica is a priority in the Company's policy.

The entire activity of the Company is based on the principle of continuous improvement of production conditions, with direct effects in increasing occupational safety and health.

Permanently, both through the activities carried out by the workers of the FSSM and through the operational management at the level of each department, the conditions for carrying out the production activity are monitored, so that the safety conditions of the activity of all personnel are complied with.

In 2025, the investments started in the previous period towards improving working conditions and refurbishment were continued, as follows:

The technological modernization works to improve the production processes and the working microclimate, in most of the production sections within the production and storage halls, the building wings: C1, C2 and C3, continued.

The scrapped technological equipment was dismantled and evacuated and the work spaces were reconsidered so that the new machines could be operated safely within the mechanical processing sections of TBM.

Modernization works were carried out on the existing technological lines, as well as on the related ventilation installations within the SPSP section where Heat Treatments and Surface Coatings processes are carried out.

Before the beginning of extreme temperature periods, the necessary measures were taken to ensure an adequate working environment, by controlling and maintaining the water-sewer installations, the air conditioning installations, as well as the heating installations with radiant panels, ensuring the operation at normal parameters.

In all the Company's premises – production spaces, administrative spaces, warehouses, etc., periodic checks were carried out regarding the optimal functioning of the fire detection and alarm systems.

Through the occupational safety and health program for 2025, all the necessary activities were carried out to comply with the requirements provided by the Occupational Safety and Health Law no. 319/2006 and the methodological norms of application, as well as the other legislative acts in the field, in force.

In accordance with the TBM Prevention and Protection Plan, the necessary measures have been applied to ensure the improvement of the safety and health protection level of workers;

- the OSH materials have been permanently completed, according to the current legislation, which are used to carry out periodic OSH training for employees, as well as to establish the necessary measures for the safe development of technological processes;

- the acquisition of individual protective and work equipment for all TBM staff, both for the existing and for the newly hired one, continued; also the trainee students who carry out the internship in TBM benefited from work equipment, respectively overalls or gown, as the case may be;

- the supply of hygienic-sanitary materials (protective creams, hand cleaning paste, etc.) was ensured in accordance with the provisions of the Internal Regulations;

- the necessary materials for completing the first aid medical kits were purchased and general use medicines for the first emergency were provided (including anti-burn spray for workstations where high temperature work is done: welding and plasma jet cutting, etc.);

- urgent eyewash solutions were periodically purchased for the staff working in chemical risk areas: the SPSP sections: Electroplating, Storage-Packaging and Painting and the chemical analysis laboratory.

- respiratory protection masks for the staff of the SPSP, the Non-Destructive Control Laboratory of the Plasma Jet Cutting team, as well as for the staff carrying out grinding and adjustment activities;

- for the personnel of the SPM who carry out activities in low temperature areas, vests, quilted jackets and waterproof quilted jackets were provided.

- protective gloves (chemical, mechanical, etc.) were periodically purchased for the working staff, as well as abdominal and/or lumbar protection belts for the staff in the SPM-pressing, SPSP and partial ATD sections, which involve manual mass handling activities.

- for personnel whose activities are carried out in a toxic environment, antidote/protective food consisting of powdered milk and mineral water was purchased and periodically distributed, according to the regulations in force;

- the authorizations of the lifting and pressure installations owned by the Company have been extended (in accordance with the CNCIR prescriptions);

SUPERVISION OF EMPLOYEES' HEALTH AND FITNESS FOR WORK

The mandatory annual occupational medicine investigations/periodic medical check-ups for TBM staff were carried out at TBM's headquarters, in two stages, by the mobile medical team of the occupational medicine medical service provider: in March for some employees, and respectively, between September and October 2025 for the others.

From the Medical Evaluation Report drawn up by the occupational medicine doctor, it was concluded that no occupational diseases were reported in the examined employees.

The medical recommendations regarding the fitness for work for the employees notified following the periodic medical check-up were analyzed internally and, where applicable, the appropriate measures were taken.

Also, between September and October 2025, the medical check-up was also performed for the trainees who carry out the internship in Turbomecanica, for the 2025-2026 school year.

During 2025, there were no work accidents in the Company.

Training in the field of Occupational Safety and Health (OSH) and Emergency Situations (SU):

1. General introductory training in the fields of OSH and ED of new employees
2. Regular training of staff in the fields of OSH and SU;
3. Collective training (OSH + SU) for collaborators and visitors;
4. Periodical training of students who carry out the internship in TBM, starting with September 2025, from the following educational institutions:
   - I.C. Brătianu Technological High School,
   - Dinicu Golescu Technological High School,
   - Henri Coandă Aeronautical Technical College,
   - Valter Mărăcineanu Technical College.

Elaboration of new work instructions and revisions of existing documents on occupational safety and health (OSH) and emergency situations (SU).

Starting with December 2022, the fire prevention and extinguishing ("PSI") authorization process for TBM is underway. In 2025, work continued on implementing measures to bring the facility into compliance with PSI requirements, with a view of obtaining the Fire Safety Permit.
The technical documentation for buildings C1, C2, and C3—production and storage halls—has been completed.

In addition, work is underway to install emergency lighting and emergency exit systems in all TBM compartments/sections, as well as to install metal doors in fire-risk areas and to install compartmentalization and smoke extraction systems in document storage areas.

INTERNAL ORGANIZATION & ORGANIZATIONAL STRUCTURE

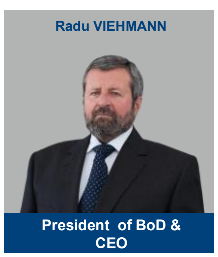
TURBOMECANICA MANAGEMENT

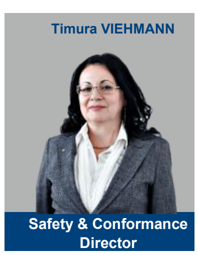
The Company's management is in a unitary system.
The Chairman of the Board of Directors is also the General Director of the Company and ensures the executive management.

The organization of the Turbomecanica management system is defined by the operational management that ensures the achievement of responsibilities and objectives based on a divisional organization,
The management at the operational level is ensured by the Directors of the 4 directorates, which form the Managing Board.

Each operational department has specific structures under it.
There were no major changes in this structure in 2025, the only change occurred in February 2025, when the Metalizing Team was established/separated within the Special Processes Section of the Production Department.
As of 31.12.2025, the non-executive management structure that ensures the current development of the activities has the following composition:

NAME AND SURNAME	POSITION
VIEHMANN Radu	President of BoD & CEO
ANGHEL Claudia	Financial & Commercial Director
VIEHMANN Timura Wendy	Safety & Conformance Director
TICĂ Sorin Daniel	Production Director
VASILESCU Șerban-Ion	Technical & Compliance Director

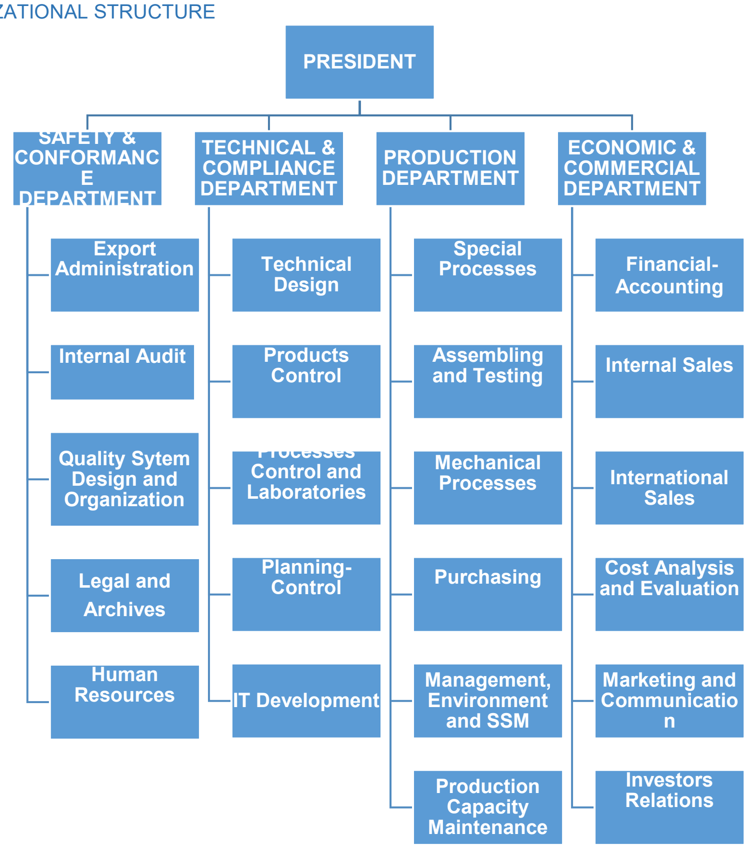




TURBOMECANICA SHAREHOLDERS

Turbomecanica operates in accordance with the Companies Law no. 31/1990, amended and supplemented. The Company was part of the public offering initiated by the Romanian Government in 1995, under the name of "Mass Privatization Program". As a result of this program, the Company fulfilled the conditions for listing on the regulated market Bucharest Stock Exchange (BVB), where it was listed on 07.10.1998.
As an issuer, the Company complies with the provisions of Law 24/2017, on the capital market, and with the specific regulations issued by the Financial Supervisory Authority (FSA) based on the said law.
The nominal value of one share is 0.1 Lei**.**

ORGANIZATIONAL STRUCTURE



MAIN SHAREHOLDERS

At the end of 2025, the shareholding structure comprises a total of 7,778 shareholders (2024: 7,482, 2023: 6,569 shareholders), natural persons and legal entities.

The synthetic shareholding structure of Turbomecanica published on 31.12.2025 on the website of the Bucharest Stock Exchange in accordance with the data received from the Central Depository presents the main shareholders as follows:

Shareholding structure

Shareholder	Shares	Percentage
Natural persons	194,556,822	52.6623 %
VIEHMANN RADU	95,758,800	25.9198 %
CIORAPCIU DANA MARIA	56,003,876	15.1590 %
Legal entities	23,122,827	6.2588 %
ROMANIAN STATETHROUGH THE AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS, BUCHAREST city, SECTOR 1	150	0.0000 %
TOTAL	**369,442,475**	**100 %**

**Information source: CENTRAL DEPOSITORY*

In 2025, TBM distributed dividends for the 2024 financial year, offering investors a yield per share of approximately 6.53%.

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The gross value per share of the dividend was RON 0.024361032/share.

CORPORATE GOVERNANCE

Turbomecanica is aCcompany that operates in accordance with the Companies Law no. 31/1990, as amended and supplemented. The Company was part of the public offering initiated by the Romanian Government in 1995, under the name of "Mass Privatization Program". As a result of this program, the Company fulfilled the conditions for listing on the regulated market **Bucharest Stock Exchange (BVB),** where it was listed on 07.10.1998.

As an issuer, the Company complies with the provisions of Law 24/2017, on the capital market, and with the specific regulations issued by the Financial Supervisory Authority (FSA) based on the said law.

The Company is managed by a Board of Directors, consisting of 5 (five) directors, appointed by the Ordinary General Meeting of Shareholders on 29.04.2024 for a period of 4 years, with the possibility of being re-elected. From among these members appointed by the Ordinary General Meeting of Shareholders, the members of the Board will elect a Chairman and a Vice-Chairman. The President is also the General Manager of the Company.

The Board of Directors is headed by the President, or, in his absence, by the Vice-President, having the same rights as the President in office.

Of the 5 members of the Board of Directors, one is also an executive director – the president and CEO – and the rest are non-executive. Mr. Radu Ovidiu Sârbu and Niculae Havrileţ declared themselves independent directors, fulfilling the criteria specified by the CGC of BVB in points A41-A49, and Mr. Man Gheorghe Alexandru is both an independent member of the Board of Directors and a member of the CAFR.

The administrators in office on 31.12.2025:

Name	Function	Year of first election	The year of expiry of this term
Radu Viehmann	President, General Manager	2000	2028
Dana Maria Ciorapciu	Non-executive director	2006	2028
Radu Ovidiu Sârbu	Independent, non-executive director	2016	2028
Niculae Havrileţ	Independent, non-executive director	2021	2028
Man Gheorghe Alexandru	Independent, non-executive director	2024	2028

The obligations and responsibilities of the directors are governed by the provisions relating to the mandate and those specifically provided for in the field of commercial companies. In addition to this, the Company adopts the Operating Regulations of the Board of Directors detailing the main attributions, the organization manner, the committees, as well as the policies to be implemented and supervised in implementation by the Board of Directors.

The Board of Directors Regulation provides the rules applicable by the BoD in order to manage conflicts of interest in Chapter F of the Board of Directors Regulation.

The members of the Board of Directors, including the Chairman, may delegate the powers of representation/or decision-making to the Directors of the Company, appointed from among the directors or from outside the Board.

The members of the Board of Directors **voluntarily and self-imposedly adopted** the Corporate Governance Code of the Bucharest Stock Exchange, approved the Corporate Governance Regulation, which can be found on the Company's website www.turbomecanica.ro and report to the BVB the status of compliance with the Corporate Governance Code of the Bucharest Stock Exchange.

TBM has made and will make the necessary professional, legal and administrative efforts to ensure alignment with the provisions of the Corporate Governance Code of the Bucharest Stock Exchange and the transparent presentation of these results.

The competences and responsibilities of the Board of Directors are those provided for in the Corporate Governance Regulations and in the Operating Regulations of the Board of Directors. The Chairman of the Board of Directors also holds the position of General Manager of the Company.

Three working committees were formed by the Board of Directors, as follows: audit committee, nomination committee and remuneration committee. Most of these committees are made up of non-executive members of the Board of Directors.

The qualification and professional experience of the directors is presented in the CVs that can be accessed on the website of the www.turbomecanica.ro Company.

The Corporate Governance Regulations are available to all interested parties on the official website of the Company www.turbomecanica.ro, *Investor Relations – Corporate Governance section*

ADMINISTRATORS' PARTICIPATION IN TBM'S SHARE CAPITAL AS OF 31.12.2025

Name	Position	No. of hares	% Share Capital
Radu Viehmann	President, General Manager	95,758,800	25.9198 %
Dana Maria Ciorapciu	Non-executive director	65,003,876	15.1590 %
Radu Ovidiu Sârbu	Independent non-executive director	-	-
Niculae Havrileț	Independent non-executive director	-	-
Man Gheorghe Alexandru	Independent non-executive director	-	-

During 2025, the Board of Directors met in 6 meetings, at least 1 meeting per quarter, with an online presence of 4-5 of its members – and adopted decisions that allow it to fulfill its duties in an effective and efficient manner. Thus, at its meetings, the Board of Directors analyzed the financial results obtained in the reporting period and cumulatively since the beginning of the year, as well as the economic performance in relation to the budget and the similar period of last year.

The directors' remuneration policy applied so far is based on the national legislation in force. The administrators have concluded mandate contracts, in which a fixed indemnity is established.

The contract model can be accessed on the website of the www.turbomecanica.ro Company. There is no variable composition of remuneration or other forms of remuneration for directors. In order to remunerate the members of the executive management based on the principles of efficiency and performance, a Remuneration Committee was created within the Board of Directors.

MANAGEMENT SYSTEM AND INTERNAL CONTROL

In accordance with the legal provisions, the financial-accounting statements and those regarding TBM's operations are audited by ERNST & YOUNG ASSURANCE SERVICES S.R.L., an independent financial auditor, appointed by the general meeting of shareholders on 29.04.2024 for a period of 3 years.

Risk management and internal control have been carried out so far directly by the specialized department within the Company and by the Board of Directors.

The Audit Committee was established and carries out its activity in accordance with the adopted regulation.
The Company has carried out all aspects related to the management of conflicts of interest, publicity of transactions, auditing, equal treatment of shareholders within the Company's current activity, approval of transactions with shareholders by the Board of Directors under the supervision of the Board and in strict accordance with the legal provisions applicable to companies whose shares are traded on a regulated market.

Also, with regard to internal audit, the Company has implemented the policies and conditions provided by law.

FAIR MOTIVATION AND REWARDS

Given the corporate size of the Company up to this date, the remuneration policy was adopted, but, given the fact that the remuneration of the members of the Board of Directors was set by the General Meeting at a level similar to those existing on the market, it did not make any changes.

ADDING VALUE TO INVESTOR RELATIONS

The Company has a website with a section dedicated to investor relations, the content of which is to be updated in accordance with the provisions of the Board of Directors Regulation and the Corporate Governance Code.
The Company publishes on its website all the information regarding the general meetings, the conditions of participation, documents, etc., the current reports, the corporate events, including the payment of dividends.

The Company has not adopted a dividend payment policy so far, but has demonstrated consistency and predictability in terms of dividend payment.
The dedicated section contains information on the Company's management, members of the Board of Directors, contact details of the person responsible for investor relations.

The Company invites upon request, specialists, consultants or experts as accredited journalists to the meetings of the General Shareholders' Meeting, to the extent that the Chairman of the Board deems appropriate, and organizes two meetings with analysts and investors each year.

NON-FINANCIAL STATEMENT

During the prior periods, in accordance with the accounting regulations regarding the preparation of the separate annual financial statements and the consolidated annual financial statements, the entities that, at the balance sheet date, exceed the criterion of having an average number of 500 employees during the financial year, were responsible for including a **non-financial statement** in the directors' report. This obligation was repealed for the current year. In 2025, in accordance with the Order of the Minister of Finance no. 85/2024, listed companies that exceed an average number of 500 employees during the financial year have the responsibility to publish, as part of the management report, **sustainability reporting** aligned with the European Sustainability Reporting Standards (ESRS).
Turbomecanica registered an average number of 445 employees during 2025 (2024: 475 employees), consequently the Company is not under the obligation to report the non-financial statement.
However, the Board of Directors of the Company decided **to continue to present the non-financial information** that were previously reported for 2025 as well, in the form of this non-financial statement, incorporated in the Report of the Board of Directors, in order to ensure comprehensive, detailed and transparent reporting to investors and stakeholders.

KEY NON-FINANCIAL ASPECTS INCLUDED IN THE ANNUAL REPORT

KEY NONFINANCIAL ASPECTS	CHAPTER OF THE ANNUAL REPORT 2025	PAGE
Business model, Background of the organisation and stakeholders	Background of the organisation and stakeholders	10
Policy on Quality , Environment & Safety Matters	Integrated Quality and Environmental and Safety Assurance System	17
Improving environmental performance	Climate change mitigation by improving environmental performance and preventing pollution	24-28
Performance Improvement in the field of pollution prevention	Climate change mitigation by improving environmental performance and preventing pollution	24-28
Climate change mitigation	Climate change mitigation by improving environmental performance and preventing pollution	24-28
Sustainable use of resources	Sustainable development and sustainable use of resources	44
Turbomecanica's principles and values Code of Conduct and Ethics	Code of Conduct and Ethics - principles and values	29
Sustainable development	Non-financial statement Sustainable development and sustainable use of resources	41-44
Social responsibility	Social responsibility	46
Social and personnel matters	Human resource	30
Promoting diversity	Human resource	30
Human rights and the struggle against corruption and money laundering	Human resource Sustainable development and sustainable use of resources	29 45
Corporate governance	Corporate governance	38
Risk and opportunity management	Risk and Opportunity Management	47

COMPLIANCE WITH REGULATORY REQUIREMENTS AND OTHER RELEVANT ASPECTS

The Company's activity is organized and regulated internally, taking into account the observance of the provisions of national and international legislation and standards in the aeronautical field by:

- ✓ the documents of the Quality, Environmental & Safety Management System **(Q&E&SMS)** that in 2025 was supervised by the competent state authorities in accordance with **ISO 9001, ISO 14001 AS EN 9100, AQAP 2110** the documents that are the basis for obtaining the **TBM** authorization by **AACR** (Romanian Civil Aviation Authority) and by **AAMN** (National Military Aviation Authority), as a **manufacturer and MRO** in accordance with Regulation (EU) 748/2012 Part 21, no. 1321/2014 Part 145 and RMAR 145
- ✓ Implementation of Turbomecanica's specific customer requirements
- ✓ Accounting policy manual prepared in accordance with the national accounting regulatory framework and the international financial reporting standards ("IFRS")
- ✓ Corporate Governance Regulations
- ✓ European Commission's Guidelines to the Reporting of Non-Financial Information (2017/C215/01)
- ✓ ISO 26000 principles and recommendations
- ✓ CNVM Regulation no. 1 on issuers and securities transactions

In November 2024, after the audit evaluation of the Safety Management System implemented in accordance with the "New Part 145" in the TBM Maintenance Organization" and after the completion of the proposed actions, AACR updated the Certificate granted, confirming the implementation of this system (RO.145.0051 rev. 1/28.11.2024). Furthermore, in 2025, following an additional audit of the Safety Management System implemented in accordance with “New Part 21” at TBM Manufacturing Organization, AACR updated the certificate it had issued, confirming the implementation of this system (RO.21G.0008 rev. 03/11.02.2025).

Turbomecanica complies with all regulatory and reporting requirements, always adopting the best practices in the field, in order to ensure the correct, complete and transparent information of all stakeholders.
The Company has been reporting for at least 5 years non financial information relevant for investors, as part of the Annual Report of the Board of Directors (the summary of these information is included in the previous chapter.

With regard to the reporting requirements of Commission Delegated Regulation (EU) 2021/2139, the Company has not identified economic activities eligible for the EU Taxonomy.

As far as social responsibility is concerned, Turbomecanica follows as a guideline the 7 principles of the ISO 26000 standard correlated with the dedicated national and international standards and regulations, in terms of: environmental requirements, ethics, trade union activity, fair commercial practices, the fight against corruption and bribery, stakeholders and care for the community.

SUSTAINABLE DEVELOPMENT & SUSTAINABLE USE OF RESOURCES

Our continuous and sustained efforts regarding the sustainable development of the Company have not lost sight of the efficiency of waste management and investments in our own production capacities to ensure compliance with the standards imposed in the aeronautical field.

According to the Corporate Governance Regulation, the executive management is ensured by the Executive Director who carefully monitors the activity of the 4 departments (Financial and Commercial, Production, Technical and Compliance, Quality and Organization) that are responsible for ensuring the sustainable development strategy of social, economic and environmental activities. The Chief Executive Officer shall accordingly inform the Board of Directors whenever appropriate on these matters.

The proposal of the **sustainable development** strategy and the performance management together with the planning of resources and deadlines are established by the Board of Directors by assuming the strategic objectives for the current year, approved by the General Manager.

Responsibilities are divided according to the organizational structure as follows:

- Activities dedicated to the commercial relationship, ensuring fair commercial practices, ensuring financial resources and analysis of development opportunities, **ensuring transparent communication with stakeholders**, **avoiding money laundering**, **compliance with corporate governance regulations** are the responsibility of the Economic and Commercial Department.
- Activities dedicated to the analysis of customer requirements, the development of technologies, production planning, the development of ERP software for production resource planning, the management of the technical archive are the responsibility of the Technical and Compliance Department.
- Activities dedicated **to the environment, health and safety at work**, **sustainable use of resources** by reducing utility consumption, equipment maintenance, ensuring supply are the responsibility of the Production Department.
- Dedicated activities of compliance of the **quality and environmental management system with specific standards and customer requirements, social responsibility activities, personnel activities, anti-discrimination, Risk Management**, process and product audit activities, **human rights legal compliance aspects, anti-corruption and bribery**, archiving activities in accordance with the National Archives Law are the responsibility of the Quality and Organization Department.

Each responsibility is assigned an activity manager. In certain circumstances, some actions may be the direct responsibility of the Board of Directors.

Having objectives whose fulfillment depends on interdepartmental activities, they are allocated in percentages to each department involved in their fulfillment depending on the proportion of involvement.

All corrective actions, established following the identification of deviations from the established process parameters, are based on causality analyses to identify the root cause.

The reporting of the procedural performance, the degree of achievement of the objectives, the stage of fulfillment of the corrective actions is carried out by the manager, monthly/quarterly/half-yearly depending on the definition of the process indicator. Half-yearly results are reported in the management analysis.

The directors of all departments participate in the reporting meetings together with the heads of the reporting structural entities.

The Turbomecanica team pursues a common goal, namely the development of the Company by penetrating the market of maintenance services for civil and military aircrafts, as well as for the growth of the existing customers portfolio . In this regard, we are constantly focusing on optimizing the performance of the resource allocation and consumption processes and we are permanently committed to identifying solutions to reduce the impact on the environment, by replacing hazardous substances, increasing air quality and last, but not least, recycling.

Turbomecanica is committed to continuously developing and improving its management, quality and environmental systems so that it can carry out its activity at the highest level according to the standards applied.

In this regard, Turbomecanica undertakes through its quality and environment policy to **maintain sustainable development**, by:

- ✓ ensuring communication, understanding and application of the quality and environmental policy;
- ✓ ensuring periodic training and awareness of all employees of the organization on the importance of complying with quality and environmental requirements;
- ✓ ensuring the increase of the effectiveness of the quality and environmental management system, so as to guarantee the provision of compliant and safe products and services, while also ensuring the improvement of environmental performance by promoting technical solutions and technologies that are as safe as possible for the environment;
- ✓ ensuring compliance with the legislation in force and with the regulations on quality and environmental protection;
- ✓ ensuring the identification and analysis of the risks related to the processes carried out and their monitoring in order to keep them within the accepted limits;
- ✓ management of environmental matters in the processes carried out in such a way as to minimize the impact generated on the environment;

Accordingly, we are still committed to **protecting the environment and the sustainable use of resources** by:

- ➢ Communication of the quality and environment policy to all stakeholders;
- ➢ Compliance with all legal and regulatory requirements;
- ➢ Ensuring the disposal of hazardous waste by certified means;
- ➢ Increasing the proportion of reusable waste;
- ➢ Reducing the amount of hazardous waste;
- ➢ Reducing greenhouse gas emissions;

We are convinced that by being aware of the importance of adopting **ethical behavior by each employee** and by constantly worrying about safety, we will be able to increase customer satisfaction and reduce the impact on the environment.

TURBOMECANICA made in 2024 a sustainability analysis, based on which EcoVadis issued the "Sustainability Scorecard" on 10.09.2024 with a score of 57 out of 100 points. This corresponds to 62%, meaning that TBM's score is equal to or higher than that of 62% of the companies that completed the questionnaire on the EcoVadis platform. For 2025, an Action Plan has been developed, aiming to implement KPIs and measures that will lead to an improvement in the sustainability score. At the moment, the project is on hold due to the postponement of the mandatory implementation deadline.

SOCIAL RESPONSIBILITY

Turbomecanica has cultivated, since the beginning, the ideology of passing on the profession from father to son, an ideology as a result of which the Company benefits from an internal society based on familiarity and respect.

From the point of view of communication with the local community, and with secondary school, high school and university educational institutions, Turbomecanica is represented by the Director of Conformance and Safety who dedicates time and effort in organizing and monitoring the training of the young generations of specialists in the aeronautical industry.

Taking into account in particular the specificity of the object of activity carried out, based on the partnership contracts concluded with 3 (three) educational units and with the administrative-territorial units within the radius of which they are located, TBM has proposed the continuous and lasting training of the necessary skills of students, thus supporting their transition from school to a job.

This initiative reflects TBM's continued commitment to training and integrating young people into the industrial sector, thus contributing to the sustainable development of the skilled aviation workforce. Through these efforts, the Company not only ensures an effective transition from theoretical education to practical application, but also strengthens the link between industry and the education system, providing valuable opportunities for young professionals.

To this end, TURBOMECANICA has allocated a wide range of resources to support professional training, including educational materials such as textbooks and course materials, logistical support by providing access to production lines and a specially equipped training workshop, as well as human resources by involving specialists in the process of teaching specific theoretical concepts. These initiatives aim to develop the skills and abilities necessary to prepare students for integration into the workforce upon completion of their studies.

In September 2025, TBM continued to strengthen its involvement in the development of the next generation of specialists in the aviation industry, signing new partnership agreements with educational institutions for a new cycle of vocational training, following the dual education enrollment offers for the 2025–2026 school year, for an additional 48 students, with the following professional qualifications: CNC machine operator and hydraulic and pneumatic equipment mechanic.

At the same time, we maintain a close connection with the Faculties of Aerospace Engineering and Materials Engineering within the National University of Science and Technology Politehnica in Bucharest, also having a collaboration protocol in progress in this regard.

In 2025, as well, the financial aid distributed to the community followed the main objectives: Education & Social, Environment and Medical. Among the largest projects continue to be the contribution to the renovation of schools in rural areas to support education, the fight against school dropout followed by the afforestation project, where even if we did not contribute volunteers for planting activities, we managed to ensure the planting of 100 seedlings.

RISK AND OPPORTUNITY MANAGEMENT

The risk management implemented in TBM takes into account the relevant context for the Company's activity both in terms of internal and external aspects, stakeholders and their requirements, in accordance with the provisions of the **Quality Manual.**

In this organizational planning process, the risks and opportunities that can affect the following are determined:

- The ability **of the quality and environmental management system to** guarantee the achievement of the intended results;
- Amplification of the expected effects;
- Prevention or reduction of undesirable effects;
- Making improvements;

In this context, the Company plans the actions related to the monitoring of these risks and opportunities and monitors both the implementation of these actions in its processes/sub-processes/activities, as well as the effectiveness of the established actions. The actions established are, as a rule, proportional to the impact on the compliance and safety of the products/services delivered by the Company.
The planning of how to deal with risks and opportunities is carried out based on the Business Continuity Plan. This Plan creates a complete picture of the estimated manifestation of the identified risk factors and establishes the actions necessary for their mitigation/use and the responsible functions.
The Business Continuity Plan identifies, analyzes, evaluates and establishes/updates annually, actions/intervention plans to reduce the effects of risk factors that act on TBM, such as:

⇒ risk factors associated with customers/suppliers;
⇒ environmental risk factors;
⇒ social risk factors;
⇒ the risk factors associated with the human resource;
⇒ disaster/calamity risk factors that may affect business continuity in terms of:
⇒ stocks;
⇒ the information system;
⇒ the Company's assets (production capacities, buildings, know-how, water, gas, electricity, heat supply systems, etc.);
⇒ communication systems (telephone, e-mail, fax, etc.).

The Board of Directors analyzes and establishes through the Decision, **the Key Processes** of the **quality and environmental management system** that are of great importance in creating added value and in achieving strategic objectives regarding quality and environment, with an impact on customer satisfaction and implicitly on the financial situation of TBM.

The strategic objectives regarding quality and environment derive from the TBM strategy in the short and medium term, which aims to maintain or develop the business and increase the turnover.

For these processes, strategic indicators are established whose variation from the target is identified, monitored and, if necessary, corrected/reduced.

The certification of the Integrated Quality and Environmental Management System in accordance with the latest editions of the SR EN ISO 9001, AS 9100, AQAP 2110, SR EN ISO 14001 standards provides assurance to stakeholders on the involvement of TBM management in risk analysis, implementation and monitoring.

The latest edition of the Business Continuity Plan analyzes the risks related to the following 9 activities: Human Resource, Procurement, Production, Compliance Control, Special Process Control, Sales, Information System/Data Control and last but not least, Emergency Situations, Environment.

Management of the risk identified in environmental management

The risk analysis related to environmental management is regulated by the specific internal procedures "Environmental Management" and "Waste Management" and is monitored monthly based on the key process indicators established according to these internal procedures and in accordance with the applicable legislation.

The results of the effectiveness of the actions established by the TBM Management in order to reduce the risk related to the environmental management activity were presented in the Chapter: ***"Climate change mitigation by improving environmental performance and pollution prevention".***

TBM also demonstrates in the period 2024-2025 the compliance of the activity with the legal requirements by extending the Integrated Environmental Permit No. 05/2016", through the annual visa no. 16/10.01.2025 for the period 11.02.2025 – 11.02.2026.

The Integrated Environmental Permit and the Water Management Permit allow the operation in full legal conditions of the installations, equipment and processes existing in TURBOMECANICA SA.

However, TBM management is constantly concerned with improving measured indicators and increasing hazardous waste collection.

The main risks identified in the Business Continuity Plan and their management

EXTERNAL RISKS

These risks are related to external factors and affect TURBOMECANICA by modifying the demand for services offered by it, the competitive environment or the cost of some products, which cannot be controlled by the Company, such as, for example, the prices of raw materials (steel, nickel, magnesium, aluminum, etc.)

Global macroeconomic issues (persistence of the energy crisis, volatility in commodity prices and disruptions in supply chains), along with European ones (falling GDP in the European Union, especially in major economies such as Germany, high levels of public debt in Member States such as France, high inflation in the Eurozone and challenges regarding the energy transition), as well as geopolitical tensions (continuation of the conflict Ukraine, the intensification of debates on migration and protectionism in the EU, as well as the escalation of situations in the Middle East), continue to generate additional pressures on the aviation industry and the related sectors.

According to the International Air Transport Association (IATA)'s forecasts for 2026, the global aviation industry is expected to reach the following milestones:

- Total revenue: Industry revenue is estimated to have exceeded $1 trillion in 2025, reaching $1.053 trillion, representing a 4.5% increase from 2025 (2024: 4.4% increase).
- Net profit: A net profit of $41 billion is projected (2025: $39.9 billion), with a net profit margin of 3.9% (2025: 3.6%).
- Number of passengers: Passenger traffic is expected to be similar to last year at 5.2 billion, representing a year-over-year increase of 5.3%.
- Net profit per passenger: Net profit is estimated at $7.9 per passenger, the same level as in 2023.
- Fuel costs: The average price of jet fuel is expected to be $88 (2025: $87) per barrel, continuing the decline from $99 per barrel in 2024, further contributing to lower operating costs.

In conclusion, although forecasts for 2026 indicate an increase in profitability and passenger numbers, the airline industry must effectively address challenges related to supply chains and sustainability to ensure sustainable development.

Risk related to the economic environment

Earlier this year, the International Monetary Fund updated its "World Economic Outlook" report, maintaining its global economic growth forecast at 3.2%—a figure comparable to that of 2024—with the economic environment continuing to be marked by political uncertainty, trade fragmentation, and pronounced regional disparities. The Fund's estimates for global economic growth in 2026 were left unchanged at 3.3%, below the historical average of 3.8% for the 2000–2019 period. The IMF report emphasizes that, in the medium term, the global outlook is for the pace of global economic growth to slow to 3.1%, below pre-pandemic levels. At the same time, the IMF warned that most countries must adopt stricter fiscal policies and implement reforms to stimulate sustainable economic growth.

Risks persist, particularly regarding political instability in key economies. The U.S. is seeing the most significant upward revision, with projected growth of 2.4%, marking a wider gap compared to European economies. In the eurozone, economic growth is modest, with Germany and France having revised growth forecasts of 1%.
China's economy is gradually slowing, although growth for 2026 is estimated at 4.5%. Other emerging economies, such as India and Brazil, could benefit from a regional rebalancing, while uncertainties related to energy prices and trade are affecting the global economy.

Regarding Romania, in the autumn forecast published in December 2025, the National Commission for Strategy and Forecasting estimates economic growth of 1%, similar to the European Commission's projection, given the intensifying adverse effects of the current economic and geopolitical context. It is estimated that the gross added value of industry will grow by 0.5% in 2026, as well; preliminary 2025 data for this figure show a 0.5% decline compared to the same period in 2024.

Risks associated with current economic forecasts remain high in the ongoing geopolitical context, particularly in the wake of the war in Ukraine and other current conflicts. Trade tensions (particularly between the U.S. and China) and the introduction of new tariff barriers remain major threats to the stability of global trade.
The escalation of current conflicts could generate new shocks to supply chains and keep energy and food prices at high levels. Large fiscal deficits and high public debt in advanced economies could put pressure on long-term interest rates, making borrowing more expensive.

Risks specific to Romania (National Commission for Strategy and Prognosis, IMF & EC) include warnings regarding a potential significant deviation from the fiscal consolidation path agreed with the EU, which could erode investor confidence and macroeconomic stability.

Similarly, maintaining high inflation alongside austerity measures (such as raising the VAT or eliminating tax breaks) risks contracting private consumption more than anticipated. Last, but not least, the high current account deficit (projected at 6–8% of GDP) makes Romania vulnerable to shifts in sentiment in international financial markets.

In the medium term, Romania's annual economic growth rate is estimated at 2.7%, with a gradual recovery following severe fiscal adjustments starting in 2025, provided that the absorption of European funds continues, as consumption and investment remain robust, including through the continued implementation of the National Recovery and Resilience Plan (NRRP). Furthermore, economic growth is projected to exceed expectations due to strong investment in the industrial sector, which will support sustainable expansion.

Risk related to market development

In 2025, the global civil aviation industry continued its recovery, with IATA projections indicating a 4.9% increase in passenger numbers for 2026. Europe performed better than IATA had initially anticipated, despite multiple capacity issues and market constraints. Given that demand for air travel will continue in 2026, net profit is also expected to rise. Key risks to the industry's performance in Europe are linked to the labor market and the wars in Ukraine and the Middle East, as well as the European Union's structural economic issues and oil price volatility.

The global civil engine MRO market is projected to reach $47 billion by 2026 and exceed $70–75 billion by 2032–2034, resulting in a CAGR increase between 4.7% and8% during the 2026–2034 forecast period.

Key drivers of the global civil engine MRO market:
Reliability issues with new-generation engines: Technical failures in state-of-the-art engines, such as the **CFM LEAP** and **Pratt & Whitney GTF** families, are generating a massive volume of unplanned shop visits. These two engine families alone will generate approximately **$5.1 billion** in business over the coming period.
Utilization of the older fleet: Delays in the delivery of new aircrafts are forcing airlines to keep older planes in service, which increases demand for major repairs on previous-generation engines, such as the **CFM56**, which will generate approximately 2,300 shop visits in 2025.
The challenges this sector is facing stem from limited workshop capacity, with maintenance slots booked 18–24 months in advance, creating a "seller's market" where service providers can dictate terms, but also the supply chain and the workforce, namely that the lack of critical spare parts and the shortage of qualified technicians remain the main obstacles that could slow the pace of expansion.

At the same time, civil MRO operations have been launched, targeting both the domestic and international markets, initially through the repair of components for civil aircraft engines. As the portfolio expands, the groundwork is being laid to capture market share, thanks to five decades of experience in the military segment.

Regarding the market for the manufacture of components for civil and military aviation, competition is fierce, influenced by the diversity of market players. TURBOMECANICA performs successfully in this market, having established itself for decades as a supplier to major manufacturers of engines and mechanical assemblies.

The behavior of the domestic market impacts going concern and is determined exclusively by the approval of the state budget and the allocation of funds for contracts with defense entities in the military aviation sector. This is a risk that the Company is attempting to mitigate by developing new programs independent of the core business for which Turbomecanica was established.

The contracting and negotiation methods used by the Government through its Ministries for the procurement of new helicopters do NOT at all take into account technology transfer to the country in order to continue benefiting from the maintenance of the new fleet by Romanian companies. Here we must explain that helicopter maintenance generally requires two (2) capabilities: one for the helicopter's structure—in layman's terms, the part where you climb in and sit—and a specialized one for the engines.

In Romania's case, IAR Brașov handles the airframe and mission-specific equipment, while Turbomecanica handles the engines and mechanical assemblies (gearbox, etc.).

Even though press articles are steering public and decision-maker opinion toward the idea that the new helicopters purchased through the SAFE program will undergo maintenance at IAR Brașov, it must be clearly understood that this refers only to structural maintenance. Without negotiations and without political interest, there is a real possibility that the engines of the new helicopters will be sent for maintenance to SAFRAN Helicopter Engines in France, and the mechanical assemblies will also go to France, to AIRBUS Helicopters.

The risk related to going concern has led to efforts to diversify the Company's operations and enter the civil and military engine maintenance market, initially in Europe through EASA and EMAR certifications, with plans to add FAA certification for civil engine maintenance in the U.S. by 2026.
Efforts to diversify the portfolio continue in order to reduce dependence on defense contracts, which do not provide for planning of maintenance needs and, consequently, sales. The completion of commercial contracts with IAR Brașov for the modernization of the existing fleet will put pressure on monthly cash flow starting in 2027.
To manage this risk, the Company developed a plan of measures in 2026 to reduce operating expenses without impacting the structure of capabilities, with the impact being addressed through improvements in their quality.

The outlook as of the reporting date includes the following:

- The launch of series production for the civil component repair program carried out with the client AEROPLEX, Hungary. The program generates revenues of between EUR 3,000,000 and EUR 5,800,000 per year;
- The launch of series production of helicopter components for the client Turkish Aerospace Industries; the program is expected to generate revenues starting 2027 of approximately 1,000,000 EUR per year
- The continuation of activities to develop maintenance capabilities for CFM-56 7B civil engines.
- Continuation of the contract with Leonardo Helicopters;

Direct contracting with the Ministry of National Defense (MApN) for maintenance services for IAR PUMA 330 helicopters aimed at maintaining the fleet's operational readiness—without an annual plan available for internal capability planning and a documented financial forecast.The replacement of the IAR PUMA 330 fleet with H 225s begins with an initial contract for only 12 helicopters to be delivered by the end of 2030. We can assume that the supplier can deliver 12 helicopters in 5 years, and that is after the contract is finalized. Assuming that the government will allocate at least another 3.4 billion euros without issue (since a price increase should also be factored in for economic reasons), we should plan for a period of approximately 15 years for an additional 36 H225 helicopters, so that the fleet of new helicopters reaches 48, not 60, and certainly not 90.
We believe the existing fleet must be maintained for at least another 10 years;

- Continuing the collaboration with Avioane Craiova to modernize the IAR 99 fleet and ensure the availability of training capabilities, given that Avioane Craiova's management has expressed the Ministry of National Defense's interest in developing a new, phased, and potentially multi-year program to convert 633-47 afterburner engines to 632-41M, for a maximum of 26 engines;
- Continuing the relationship with IAR for both external and internal programs, specifically periodic helicopter maintenance activities;

As of the reporting date, the Company considers the risk to short-term business continuity to be low. A change in this situation is estimated to have a moderate impact over at least 1.5 years. The main impact will affect monthly cash flow. Therefore, the Company's efforts are focused on diversifying the portfolio of services offered starting in 2025, with the aim of mitigating this impact.

Legislative risk – refers to potential changes in legislation, which could have a negative impact on the Company. This risk is currently under control due to the effectiveness of the actions set and the current analysis through the systems for monitoring legislative changes.

IT risk/data control is managed through continuous analysis of the performance of data processing and storage systems. In this regard, according to the Investment Plan approved for 2025, the SOC (Security Operations Center) of STI-CERT (Special Telecommunications Service - CERT) and the Company's IT infrastructure were upgraded. In 2025, the Pilot program for digital signatures was introduced.
Updates to major software versions continue, with the system being configured to check for and install critical updates every 6 hours.

From a financial point of view, the following risks are identified and monitored:

The credit risk related to the significant exposure of the Company to the main collaborators who account for a significant proportion of the turnover. The Company's policy is to periodically monitor receivables balances, resulting in an insignificant exposure of the Company to the risk of bad debts.

In order to minimize this risk, the Company permanently analyzes and monitors customers through specific means of competitive intelligence and has in place a strict policy regarding the delivery of goods and services to customers and the commercial credit granted to them.

When assessing credit risk, TBM considers both quantitative and qualitative information that is reasonable and acceptable, including historical experience and forward-looking information, available without undue cost or effort.

Price risk

During its current activity, TURBOMECANICA is exposed to a high risk related to the market price of raw materials. Significant fluctuations may have an impact on the Company's results in terms of the products manufactured by the Company, but less on the products related to the main activity of maintenance and repair .

The price of raw materials is the most difficult item to forecast among all the Company's costs. TURBOMECANICA has not been involved in hedging operations on the price of raw materials, the manufacture being based on customer orders, which can be for components produced from different raw materials (nickel, steel, aluminum, etc.), but the possibility of using this type of financial instrument in the future is being analyzed, if this option becomes viable.

Until now, in TURBOMECANICA, the method by which the effect of the increase in the price of raw materials has been mitigated was through the continuous analysis of the customer's requirements in order to quantify the price changes for the materials supplied and the improvements brought to the technological process, in order to revise the agreed prices.

The currency risk analyzed as the share of the foreign currency in the turnover is not significant, approximately 90% of the turnover being reported in the national currency, and with the credit lines related to the working capital being also committed in RON.

The risk of exchange rate fluctuations did not have a significant impact in 2025, despite a deterioration in the RON/EUR exchange rate, as a result of an active financial management and monitoring of the situation. In relation to the US dollar, the RON currency appreciated significantly in Q4 2025, as a result of the dynamics on the international markets, where the Dollar lost ground including against the euro, giving the leu the opportunity to strengthen. The Company did not use derivative financial instruments to hedge against exchange rate fluctuations.

Inflation Risk

In 2024, the NBR estimated a decrease in inflation to 3.5% for the end of 2025, compared to 5.1% for 2024. However, the average inflation rate for 2025 rose to 9.7%. According to data available at the beginning of 2026, the inflation outlook in Romania for this year indicates a gradual decrease towards the end of the year, but with persistent pressures in the first half, with the National Bank of Romania (NBR) revising its previous forecasts upwards. In terms of risks, the NBR again insists on those arising from the "future conduct of the fiscal and revenue policy", given the fiscal changes enacted in 2025, aimed at reducing the deficit. The NBR monetary policy envisages maintaining high interest rates to fight inflation and bring it back within the target range. In its meeting on February 17, 2026, the NBR decided to maintain the monetary policy interest rate at 6.5% per annum. The NBR warned of a worsening inflation outlook on the medium term (2026), with the forecasted inflation rate increasing to 9.8% in June, and with a subsequent cool down to 3.9% in December 2026.

Interest rate risk
The risk generated by the interest rate is the risk of variation of interest costs over time. This risk corresponds to an increase in the Company's financing costs through the credit lines, being determined by the evolution of ROBOR on the market.
ROBOR represents the average interest rate at which Romanian banks borrow each other, in RON. The evolution of ROBOR is influenced by several factors, the most important of which refer to the NBR monetary policy, market liquidity, inflation and fiscal policy.
The 3M ROBOR index has recorded a contrasting evolution in the last two years, going from a constant decrease in 2024 to a sudden increase and volatility in 2025. The 6M ROBOR in 2025 remained high, being influenced by the post-election economic context, remaining overall above the average recorded in mid-2024.

The estimates for the 3M and 6M ROBOR index in 2026 indicate a general downward trend, influenced by the forecasted slowdown in inflation, after a start of the year marked by values above the 6% threshold.

INTERNAL RISKS

The contractual risk related to the Company's engagement in contractual obligations is monitored by applying the internal procedure for analyzing the contractual clauses.

The risk related to human resources is related to the turnover of the workforce, which the management has decided to monitor through a key process indicator. The evolution of the indicator is positive, but it is not within the target.
The aviation industry involves the management of a highly qualified human resource, and the seniority plays an important role in maintenance and repair activities. With the dissolution after 1990 of several institutions that trained qualified personnel in the aviation field, as well as the exodus of qualified workforce, it is difficult to identify qualified personnel on the labor market. Hiring people with lower salaries, but who are not qualified, brings either higher costs for low quality or additional training costs. The measures taken by the Company are aimed at refining the recruitment process, securing the position by investing in education, developing future specialists through the care and education of young people enrolled in the dual-system education program, collaborating with recruitment companies for key positions. Management takes into consideration the individual professional development plan and supports personal initiatives.

To the same extent, social risks regarding accidents at work or violence, non-ethical behavior, physical or moral harassment are also monitored. All these aspects are defined in the Internal Regulations and monitored through the integrated Quality, Environmental and Occupational Safety Management System. The monitoring is carried out by the designated representatives within each operative structure who report to the Occupational Health and Safety Department.

The operational risk is the risk of loss or non-realization of sales and profits as a result of risks from a wide range of causes associated with the Company's processes, personnel, technology and infrastructure, as well as external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements, as well as from generally accepted standards on organizational behavior.

The primary responsibility for the development of controls related to operational risk lies with the Company's management. The responsibility is supported by the development of the Company's general operational risk management standards, taking into account the following:
- segregation of responsibilities requirements
- transaction reconciliation and monitoring requirements
- alignment with regulatory and legal requirements
- documenting controls and procedures
- requirements for periodic analysis of the operational risk to which the Company is exposed and the appropriateness of controls and procedures to prevent the identified risks
- requirements for reporting operational losses and proposals to remedy the causes that generated them

- developing operational continuity plans
- professional development and training
- setting ethical standards
- prevention of the risk of litigation, including insurance, where applicable
- mitigating risks, including the efficient use of insurance, where appropriate.

FINANCIAL SITUATION FOR 2025

	2025	***2024***
Paid-up subscribed capital	36,944,248	36,944,248
Turnover	133,019,734	139,985,852
Export sales	21,545,925	24,228,752
% export sales in turnover	16.2%	17.31%
Average number of staff	445	475
Gross profit	4,155,726	20,784,916
NET PROFIT	2,899,421	16,158,631
Cash and financial assets	9,469,144	25,451,958
General liquidity	1.65	1.55

DESCRIPTION OF THE FINANCIAL PROCESS

Internal accounting policies, standards and procedures are part of the Quality and Environmental Management System and comply with specific national and international regulations.

The entire financial and accounting activity is permanently aimed at **observing the following principles**:
- the conservatism principle;
- the consistency principle;
- the going concern principle;
- the matching principle;
- the opening balance principle;
- the offsetting principle;
- the substance over form principle.

The Company's accounting is the main tool for knowing, managing and controlling the assets, ensuring the chronological and systematic recording of information, its processing and storage, reflecting the real situation of the assets and the results obtained.

TBM conducts double-entry accounting, prepares monthly and quarterly reports, at the end of the year presenting a balance sheet.
The accounting records are made chronologically and systematically according to the Chart of Accounts and the rules in force, any asset operation being recorded in a supporting document.
In addition, the Financial and Accounting Service is organized in such a way as to allow a high-quality financial reporting process. Roles and responsibilities are specifically defined, and a control process is applied to ensure the fairness and accuracy of the financial reporting process.

The management of material values is organized according to their nature, by categories and places of storage or use, as follows:

- fixed assets are organized quantitatively – value-wise;
- raw materials, inventory items, and consumables are organized per warehouses,, at the Company level, through the quantitative value method.

The accounting of material values is kept by using the permanent inventory, and the control is exercised in accordance with M.P.FO. no. 2861/2009.

STATEMENT OF TANGIBLE ASSETS

Turbomecanica's production facilities and capacities are registered at the headquarters in Bucharest, where the company's registered office is located, at the address Bd. Iuliu Maniu nr. 244, Sector 6, 061126, Romania.
The Company does not have secondary offices or other work points.

Turbomecanica has built all types of spaces necessary for the proper conduct of production activity, the provision of maintenance services and the execution of chemical and thermal processes, according to the main activity.
The production facilities include industrial halls, test benches, chemical and heat treatment halls, areas for warehouses depending on the specifics of the activity and areas for administrative and social activities. All the Company's facilities are kept in good condition. The built-up area of the buildings is approximately 14,068 sqm.
The Company's production facilities and capacities comply with the provisions set in the Health, Safety and Environmental Management system, complying with the applicable legislation and regulations on occupational safety, as well as property protection and safety rules.

As of December 31, 2025, Turbomecanica owns tangible assets with a gross value of RON 105,917,478, which includes: land, buildings, special constructions, installations, technological equipment, means of transport:

TANGIBLE ASSETS	Gross value (RON)	Wear and tear (%)	Estimated useful life (years)
Land	27,130,722	0%	
Constructions	13,873,229	9.11%	3 - 50 years
Technical installations, of which:	64,030,035	30.73%	1 –15 years
- Technological equipment	53,329,066	-	1 - 15 years
- Measuring and control equipment	7,803,370	-	1 - 8 years
- Means of transport	2,897,599	-	1 –10 years
Other tangible assets	883,492	29.50%	1 - 8 years
TOTAL	**105,917,478**		

ANNUAL INVENTORY COUNT OF THE PATRIMONY

Taking into account the provisions of the Accounting Law, the International Financial Reporting Standards, the Norms on the organization and conduct of the inventory count of assets, liabilities and equity, the inventory count was carried out in 2025 based on Decision no. 316/20.10.2025 on the annual inventory count of fixed assets and inventory items, raw materials, materials, unfinished production, finished products, scraps, packaging, goods and Decision no. 315/20.10.2025 on the annual inventory of assets, suppliers and creditors.

The results of the annual inventory count were recorded in the Annual Inventory Count Minutes of TURBOMECANICA SA, registered under no. 650/30.01.2026.

The availabilities on bank accounts as of 31.12.2025 were reconciled with the accounting documents, and the availabilities in foreign currencies were valued at the NBR exchange rate as of that date.

SUMMARY OF FINANCIAL POSITION

SUMMARY OF FINANCIAL POSITION	***2025***	***2024***
Tangible assets	90,811,616	94,111,833
Current Assets	141,236,580	164,179,298
TOTAL ASSETS	**232,048,196**	**258,291,131**
Equity	146,331,576	152,477,453
Liabilities	85,716,620	105,813,878
TOTAL EQUITY & LIABILITIES	**232,048,196**	**258,291,131**

SUMMARY OF COMPREHENSIVE INCOME

SUMMARY OF COMPREHENSIVE INCOME	2025	2024
Revenue from customer contracts	133,019,734	139,985,852
Change in inventories of finished products and production in progress	5,975,697	21,936,210
Raw materials, materials and utilities	(40,423,006)	(48,692,210)
Employee benefits and salaries	(66,047,749)	(62,905,472)
Asset depreciation and amortization expenses	(13,127,448)	(11,719,922)
Other operating expenses	(11,453,957)	(11,619,499)
Other operating income	1,501,103	1,101,953
Financial expenses	(3,964,721)	(3,521,397)
Financial income	1,112,674	1,085,865
Other gains and losses, net	(2,436,601)	(4,865,980)
Profit before tax	**4,155,726**	**20,784,916**
Corporate income tax	(1,256,305)	(4,626,285)
Net profit	**2,899,421**	**16,158,631**

The results for 2025 are presented in detail in the audited financial statements for the year, prepared in accordance with the Minister of Public Finance Order no. 2844/2016, on the approval of accounting regulations compliant with the international financial reporting standards IFRS, with subsequent amendments and clarifications.

SEPARATE FINANCIAL STATEMENTS FOR 2025

Separate statement of financial position

The value of Tangible Assets decreased with the monthly depreciation of the equipment owned, compared to 2024.

At the same time, new equipment necessary for the production process was put into operation:

- OKUMA MULTUS multifunctional machine
- Gleason P600G gear grinding equipment
- HRM hardening furnace
- GER GRINDER grinding equipment modernization
- Carburizing furnace modernization

The value of Inventories decreased compared to the previous period - a significant impact was determined by the decrease in turnover and measures were taken to optimize inventories existing from previous years. TBM continuously analyses slow-moving and non-moving inventories.

Loans and leasing liabilities reflect the leasing contracts that the Company concluded in order to ensure the Investment Plan and short-term loans include the amounts related to the working capital, as well as the part related to short-term leasing contracts.

Regarding Trade Receivables, these represent the advances invoiced to the IAR client, as well as invoices issued in December 2025 to customers and not yet collected.

Contract assets increased significantly compared to last year and represent the gross amounts owed by customers, related to contracts that are in progress, for which the costs were incurred, and the profits recognized (minus the losses recognized) exceed the total invoiced value under the respective contract.

Legal reserves are set in accordance with Law 31/1991 with subsequent amendments and completions and recorded in accounting in accordance with the G.O.no. 64/2001 with subsequent amendments and completions, and M.P.F.O. no. 128/2005. These reserves were not used.

The "Other reserves" item records the amounts distributed from the net profit as own sources of financing, as well as amounts related to reinvested profit. These reserves were not used.

On December 31, 2025, the legal reserve was in the amount of RON 7,388,850. The legal reserve is set according to Romanian legislation as a transfer from the net income. The transfer can be a maximum of 5% of the gross profit up to the threshold of 20% of the share capital. The reserve cannot be distributed to shareholders but can be used to cover the loss recorded.

The revaluation reserves decreased by RON 638,640, representing the values related to the disposal of fixed assets decommissioned in 2025.

The losses from the free disposal of equity instruments were covered, in accordance with HGOA no. 1/29.04.2025, in an amount RON 599,408.

Long-term loans reflect the leasing contracts that the Company has concluded in order to ensure the investment Plan and short-term loans include the amounts related to the working capital, as well as the part related to short-term leasing contracts.

Separate profit and loss statement

The turnover in 2025 was RON 133,019,734 (including IFRS 15 impact), 5% lower than last year and 1.9% lower than the budgeted value.

The non-achievement of the turnover for 2025 is largely due to the delay in invoicing and delivery to the IAR Brasov client of the products related to the ONU5 and L5 Helicopter programs: Mechanical Assemblies and Turmo engines.

The products related to the ONU5 program were already invoiced and delivered in January and February 2026.

The products related to the L5 Helicopter, Mechanical Assemblies will be invoiced and delivered in March 2026, and the TURMO engines will be invoiced and delivered in May 2026

In the aeronautical industry there is a volatility of production, especially regarding the delivery schedule related to the maintenance of engines and mechanical assemblies. Most of the time, these arise as a result of changes requested by customers due to operational emergencies, without changing the contracted values. Specifically, in 2025 there were fewer such requests from our partners, which generated changes in financial indicators, both in terms of income and expenses.

It is necessary to always take into account several company-specific influencing factors, which determine the evolution of income and expenses - engine and mechanical assembly maintenance are long-term production processes, the manufacturing of aviation products is a small-scale business, and also with a long manufacturing cycle, ad-hoc requests from customers, especially regarding the supplementation of orders or requests for advance delivery.

Revenues related to the cost of production in progress and inventory variation had a significant decrease compared to 2024; the decrease comes from variations in production in progress, release/launch of new orders (according to customer requirements). Also, the increase/decrease also comes from the production cost of semi-finished products, finished products and residual products obtained at the end of the period, as well as the differences between the preset price and the related production cost. The decrease in inventory variation in 2025 reflects the reduction in the turnover, with a direct impact on the decrease in inventories of finished and semi-finished products, to which the unfavorable influence of the price differences related to them was added.

The value of Other Gains and Losses decreased by 47.3% and represents in a very large proportion the variation from cancellations/reversals of provisions and provisions set on 31.12.2025. In 2025, through an improved supply policy, fewer provisions were made for slow-moving and non-moving inventories.

Financial income remained almost the same as last year because the interest that the Company received on the bank deposits made was similar to 2024.

Salary expenses increased by 4.62% compared to 2024, largely influenced by the evolution of the inflation and the labor market in Romania. The Internal Decision no. 376/01.09.2021 to limit the increase in personnel expenses by suspending hiring for vacant positions is still relevant.

Raw materials and supplies expenses decreased by 17.05%.

Asset depreciation expenses - increased as a result of the commissioning of equipment purchased in 2025, as well as the modernization of other equipment necessary in the production process.

Separate statement of changes in equity

Equity on 31.12.2025 decreased by 4% compared to the same period last year.

Separate cash flow statement

In 2025, the term deposits set in 2024 reached maturity and their extension was not continued.

The Company deposited with BRD – Groupe Societe Generale amounts worth RON 3,000,000. These amounts are likely to be used to secure own funds.

The economic environment and market information are continuously monitored and analyzed to document the Company's decisions regarding the determination of the most favorable use of the deposits, taking into account the evolution of reference interest rates, as well as inflation forecasts.

ANNEX - DECLARATION ON COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Section	Principle	Part No.	Principle (details)	Yes	Partial	No	Explanation
A. MANAGEMENT BODIES							
A: MANAGEMENT BODIES	**A.1. The Board must ensure the long-term success and sustainability of the Company, in the interests of the Company and of its shareholders and taking into account the interests of other stakeholders. The Board must clearly define and fully disclose its role and responsibilities.**	A.1., 1	The Board must have internal rules that formalize and clearly specify its role and responsibilities. The Articles of Incorporation, the Board's internal rules, and other internal regulations must clearly define the roles and authority of the Board, the General Meeting of Shareholders (GMS), and the executive management.	YES			
A: MANAGEMENT BODIES	**A.1. The Board must ensure the long-term success and sustainability of the Company, in the interests of the Company and of its shareholders and taking into account the interests of other stakeholders. The Board must clearly define and fully disclose its role and responsibilities.**	A.1., 2	The Board's internal regulations must include, among other things, the Board's duties, as well as the fiduciary responsibilities of Board members to take informed action, in good faith, with due diligence and care, and in the interest of the Company and its shareholders, while taking into account the interests of other stakeholders, in accordance with the legal requirements.	YES			
A: MANAGEMENT BODIES	**A.1. The Board must ensure the long-term success and sustainability of the Company, in the interests of the Company and of its shareholders and taking into account the interests of other stakeholders. The Board must clearly define and fully disclose its role and responsibilities.**	A.1., 3	To support the Company's long-term viability and success, the Board should: • Oversee the development and approve the Company's strategy and ensure that it integrates sustainability aspects, including environmental and social (E&S) considerations and climate-related risks and opportunities; • Appoint and remove the CEO and other members of the executive management to whom executive management responsibilities have been delegated (referred to as "executive management") and ensure succession planning for them; • Oversee the performance of executive management, the role of executive management in addressing material sustainability-related risks and opportunities, and align executive management compensation with the Company's long-term interests and sustainability goals, in accordance with the provisions of the Company's compensation policy; • Ensure that there is a robust framework for internal control and risk management; • Ensure that the Company has procedures in place to enable effective communication with shareholders and other stakeholders.	YES			

Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation
A: MANAGEMENT BODIES	**A.1. The Board must ensure the long-term success and sustainability of the Company, in the interests of the Company and of its shareholders and taking into account the interests of other stakeholders. The Board must clearly define and fully disclose its role and responsibilities.**	A.1., 4	The term of office for Board members and executive management must be clearly established and should, as far as possible, promote stability and predictability.	YES			
A: MANAGEMENT BODIES	**A.2. The Board must have an appropriate balance of skills, experience, gender diversity, knowledge, and independence to effectively fulfill its duties and responsibilities.**	A.2., 1	The Board must consist in at least five members.	YES			
A: MANAGEMENT BODIES	**A.2. The Board must have an appropriate balance of skills, experience, gender diversity, knowledge, and independence to effectively fulfill the duties and responsibilities.**	A.2., 2	The Board must have in place a policy regarding the diversity of the Board and of the executive management and ensure that diversity in terms of gender, age, experience, and skills is incorporated into the Appointrment Policy.			NO	The composition of the Company's Board of Directors is diverse and reflects the competencies and performance deemed necessary to ensure sound management of the Company. Board members represent different genders, age groups, and possess the specific competencies necessary to ensure sound management of the Company.
A: MANAGEMENT BODIES	**A.2. The Board must have an appropriate balance of skills, experience, gender diversity, knowledge, and independence to effectively fulfill the duties and responsibilities.**	A.2., 3	The Board must develop a Board profile that specifies the desired characteristics and qualities of its members, including factors such as independence, diversity, integrity, specific skills and experience, industry knowledge, and the ability and willingness to assign the time and effort appropriate to the Board's responsibilities, in the context of the needs of the Board and its committees and their exercise of the Board's strategic and oversight role. The Board profile may be part of the Nomination Policy.		PARTIALLY		As part of the nominations made for Board members, specific characteristics and traits are taken into account to ensure, as much as possible, the necessary qualities, including factors such as independence, industry knowledge, competence, and potential relevant experience. These principles have always been followed in Board appointments but they are not formally included in a specific profile.
A: MANAGEMENT BODIES	**A.2. The Board must have an appropriate balance of skills, experience, gender diversity, knowledge, and independence to effectively fulfill the duties and responsibilities.**	A.2., 4	The majority of Board members must be non-executive. At least one-third of Board members must be independent. Each independent member of the Board must submit a statement regarding their independence at the time of their nomination for election or re-election, as well as whenever there is any change in their status, in accordance with the independence criteria set forth in the legislation and in Annex A to the Code.	YES			

Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation
A: MANAGEMENT BODIES	**A.2. The Board must have an appropriate balance of skills, experience, gender diversity, knowledge, and independence to effectively fulfill the duties and responsibilities.**	A.2., 5	The Nomination and Compensation Committee (or the entire Board if there is no Nomination and Compensation Committee) shall assess whether Board members can be considered independent based on the factors taken into account, examining whether there are any business or other personal relationships that could significantly affect the independence and objectivity of the Board member and the ability thereof to act in the best interests of the Company, its shareholders, and stakeholders.	YES			
A: MANAGEMENT BODIES	**A.2. The Board must have an appropriate balance of skills, experience, gender diversity, knowledge, and independence to effectively fulfill the duties and responsibilities.**	A.2., 6	It is recommended that the roles of Board Chairman and Chief Executive Officer be held by different individuals.			NO	In the case of Turbomecanica, it was deemed necessary for the Chairman of the Board and the CEO to possess industry-specific expertise; unfortunately, Eng. Radu Viehmann's experience and vision are unique, which led to the need for him to hold both positions. However, the Articles of Incorporation, updated in 2024, specifically provide for the possibility that the two positions need to be held by different Individuals.
A: MANAGEMENT BODIES	**A.2. The Board must have an appropriate balance of expertise, experience, gender diversity, knowledge, and independence to effectively fulfill the duties and responsibilities.**	A.2., 7	If the positions of Chairman of the Board and Chief Executive Officer are held by the same person, it is recommended that the Company representatives appoint an independent Vice Chairman.		PARTIALLY		In the case of Turbomecanica, the Articles of Incorporation do not provide for Vice-Chairmen of the Board. Whenever the Board delegates the exercising of the Chairman's powers, it is to one of the independent members.
A: MANAGEMENT BODIES	**A.3. The Board must ensure that a formal, rigorous, and transparent procedure is established regarding the appointment of new members to the Board.**	A.3., 1	The Company shall develop and publish a Board Nomination Policy that defines the processes and procedures for the nomination, election, or replacement of a Board member. The Nomination Policy, approved by the competent governance body, shall describe how the Company receives and evaluates nominations from shareholders (including minority shareholders) or from Board members, including with respect to the Board's profile, independence, and diversity.		PARTIALLY		The Company has provided the principles regarding the nomination of Board members in the Board's regulations, but these have not been implemented as a separate policy.
A: MANAGEMENT BODIES	**A.3. The Board must ensure that a formal, rigorous, and transparent procedure is in place regarding the appointment of new members to the Board.**	A.3., 2	The Board, through the Nomination and Compensation Committee, if any, must oversee the process of nominating candidates for the position of Board member.	YES			

Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation
A: MANAGEMENT BODIES	**A.3. The Board must ensure that a formal, rigorous, and transparent procedure is in place regarding the appointment of new members to the Board.**	A.3., 3	The Company shall provide shareholders with information regarding the experience and résumés of candidates for Board membership, which they need to make an informed decision regarding the appointment or reappointment of Board members, including the following: • the candidates’ professional commitments and engagements, including executive and non-executive positions in companies, public authorities, non-profit organizations, and other organizations; • any existing or potential conflicts of interest, including whether they have business, family, or other type of relationships that could affect their performance as a Board member; • which shareholder or Board member nominated each candidate for the position of Board member.	YES			
A: MANAGEMENT BODIES	**A.4. The Board must establish committees to assist it in fulfilling its key responsibilities, addressing strategic challenges, and managing sensitive issues with a high potential for conflicts of interest.**	A.4., 1	The Board shall establish an Audit Committee to enhance its oversight of financial reporting, the internal control framework, internal and external audit processes, and compliance with applicable laws and regulations. Unless required by law or a dedicated risk management committee has already been established, the Audit Committee shall also include responsibilities for the monitoring of the effectiveness of the risk management framework.	YES			
A: MANAGEMENT BODIES	**A.4. The Board must establish committees to assist it in fulfilling its key responsibilities, addressing strategic challenges, and managing sensitive issues with a high potential for conflicts of interest.**	A.4., 2	It is recommended that the Audit Committee consist solely of non-executive members of the Board. It is also recommended that the majority of the Committee’s members be independent, including the Committee Chairman. The Audit Committee must, as a whole, possess relevant expertise in the field in which the Company operates. The Committee and its members must comply with the requirements of the applicable national and European legislation.	YES			

Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation
A: MANAGEMENT BODIES	**A.4. The Board must establish committees to assist it in fulfilling its key responsibilities, addressing strategic challenges, and managing sensitive issues with a high potential for conflicts of interest.**	A.4., 3	The Board of premium listed companies must establish a Nomination and Compensation Committee composed of non-executive members of the Board. It is recommended that the majority of the Committee's members be independent, including the Committee Chairman. The Board may also establish separate Nomination and Compensation Committees, respectively, if the composition of the Board permits this and if it is justified, given the size and complexity of the Company's business and governance structures.	YES			
A: MANAGEMENT BODIES	**A.4. The Board must establish committees to assist it in fulfilling its key responsibilities, addressing strategic challenges, and managing sensitive issues with a high potential for conflicts of interest.**	A.4., 4	In addition to their specific responsibilities as set forth in this Code, the Nomination and Compensation Committee members: i. Review and recommend to the Board the size and composition of the Board and lead the development and ongoing review of the Board's profile; ii. Identify qualified individuals who to become members of the Board and executive management, if requested; evaluate candidates for executive management positions; evaluate candidates proposed by shareholders or Board members for Board membership and informs the AGM accordingly; iii. Make recommendations to the Board regarding appointments to committees (other than the Nomination and Compensation Committee); iv. Coordinate an annual evaluation of the Board, Board members, and committees in accordance with the provisions of Principle A.5.; v. Assist the Board in fulfilling their responsibilities regarding the Company's compensation policy; vi. Assist the Board in developing succession plans for the executive leadership, as well as emergency succession plans and the recruitment process for the Chief Executive Officer, as appropriate; vii. Oversee the administration of the Company's compensation and benefits plans.	YES			

Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation
A: MANAGEMENT BODIES	**A.4. The Board must establish committees to assist it in fulfilling its key responsibilities, addressing strategic challenges, and managing sensitive issues with a high potential for conflicts of interest.**	A.4., 5	The roles and responsibilities of the Board committees must be defined within separate internal regulations (functioning regulations) and published on the Company's website. If the Company chooses not to establish any of the Board committees not required by law, the corresponding tasks and responsibilities shall be performed by the Board and must be appropriately noted in the Board's internal regulations.		PARTIALLY		Given the Company's structure, specific characteristics, and size, all committees operate in accordance with the Board's regulations, which also include provisions regarding the Board's operation.
A: MANAGEMENT BODIES	**A.4. The Board must establish committees to assist it in fulfilling its key responsibilities, addressing strategic challenges, and managing sensitive issues with a high potential for conflicts of interest.**	A.4., 6	The assessment of the independence of committee members, including committee members appointed by the General Meeting of Shareholders, is conducted according to the same procedure applicable to independent members of the Board.	YES			
A: MANAGEMENT BODIES	**A.4. The Board must establish committees to assist it in fulfilling its key responsibilities, addressing strategic challenges, and managing sensitive issues with a high potential for conflicts of interest.**	A.4., 7	The Chairmen of the Audit Committee and of the Nomination and Compensation Committee should not be the Chairman of the Board or of other committees, unless this is justified by the size of the Board.	YES			
A: MANAGEMENT BODIES	**A.5. The Board must establish robust procedures for the Board's operation, as well as mechanisms for the Board's ongoing evaluation and development to enhance the competencies of Board members and their ability to effectively fulfill their responsibilities.**	A.5., 1	The Chairman of the Board is primarily responsible for ensuring that the Board operates properly. The Board's internal regulation must set forth the role and responsibilities of the Chairman of the Board, and the Chairman of the Board must, at a minimum: • Set the agenda for Board meetings, preside over these meetings, and ensure that minutes of these meetings are taken; • Ensure that the Board receives accurate, timely, useful, and concise information to enable the Board to make appropriate decisions; • Ensure that the Board has sufficient time for consultation and decision-making; • To facilitate the proper operation of committees and ensure effective communication with Board committees, including timely and relevant reports from committees to the entire Board; • Ensure that the Board's performance is evaluated and discussed at least once a year; and publicly disclosed in accordance with provision D.1., 3;	YES			

Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation
			• Ensure that the Board has an appropriate working relationship with the executive management. The CEO and the Board Chairman (if these roles are held by different individuals) meet on a regular basis; • Address and manage internal disputes and conflicts of interest involving Board members.				
A: MANAGEMENT BODIES	**A.5. The Board must establish robust procedures for the Board's operation, as well as mechanisms for the Board's ongoing evaluation and development to enhance Board members' competencies and their ability to effectively fulfill their responsibilities.**	A.5., 2	The Board must meet as often as necessary, but no fewer than six (6) times a year.	YES			
A: MANAGEMENT BODIES	**A.5. The Board must establish robust procedures for the Board's operation, as well as mechanisms for the Board's ongoing evaluation and development to enhance the competencies of Board members and their ability to effectively fulfill their responsibilities.**	A.5., 3	The Board may request the appointment of a Secretary General to assist the Board in fulfilling its obligations under the law, the Board's internal regulations, and other policies. The Secretary General must be a senior expert within the Company, in charge with assisting the Board and its committees in organizing their activities, preparing meetings, conducting the annual performance evaluation of the Board and of the committees, as well as with Board member training programs, if necessary.	YES			
A: MANAGEMENT BODIES	**A.5. The Board must establish robust procedures for the Board's operation, as well as mechanisms for the Board's ongoing evaluation and development to enhance the competencies of Board members and their ability to effectively fulfill their responsibilities.**	A.5., 4	The Board must clearly define the rights and responsibilities, scope of authority, and other matters related to the Secretary General.	YES			
Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation

A: MANAGEMENT BODIES	**A.5. The Board must establish robust procedures for the Board's operation, as well as mechanisms for the Board's ongoing evaluation and development to improve the competencies of Board members and their ability to effectively fulfill their responsibilities.**	A.5., 5	The Board and its committees must develop and approve an annual internal work plan that identifies the issues to be addressed during the year before the end of the preceding year. The plan must take into account the decisions needing to be submitted with the GMS, the executive management and internal control functions reporting, the required frequency of Board and committee meetings, and must be reviewed by the Chair with the support of the Secretary General.	YES			
A: MANAGEMENT BODIES	**A.5. The Board must establish robust procedures for the Board's operation, as well as mechanisms for the Board's ongoing evaluation and development to enhance the competencies of Board members and their ability to effectively fulfill their responsibilities.**	A.5., 6	The Board must conduct an annual assessment of the composition, performance, and dynamics of the Board and of its committees, individually and as a whole, which must be coordinated by the Nomination and Compensation Committee.	YES			These evaluations take place every year, at the same time with the Annual Report approval by the Board and the discussion of the proposals for the discharge of the directors, which are subsequently subject to discussion and approval by the OGMS.
A: MANAGEMENT BODIES	**A.5. The Board must establish robust procedures for the Board's operation, as well as mechanisms for the Board's ongoing evaluation and development to enhance the competencies of Board members and their ability to effectively fulfill their responsibilities.**	A.5., 7	The Nomination and Compensation Committee must share the results of the Board evaluation with the entire Board and determine follow-up actions, if necessary, including professional development and training plans for the Board to address any gaps.	YES			
A: MANAGEMENT BODIES	**A.5. The Board must establish robust procedures for the Board's operation, as well as mechanisms for the Board's ongoing evaluation and development to enhance the competencies of Board members and their ability to effectively fulfill their responsibilities.**	A.5., 8	The Board's internal regulations must provide for induction programs for newly-appointed Board members, provided by the Company's internal staff. The Board's internal regulations may refer to continuing education programs for Board members, if necessary. The implementation of the induction and continuing education programs for Board members (as decided by the Board) is carried out under the supervision of the Nomination and Compensation Committee, with the support of the Secretary General. Based on the results of the annual Board evaluation, the Nomination and Remuneration Committee, together with the Board Chairman, shall develop professional development programs focused on areas where capacity should be built among Board members.		Partial		Given the Company's structure and specific nature, new Board members receive an introduction to the specifics of the business without a formal program for this purpose, considering that, as a rule, the nominees possess specific competencies in this regard.
Section	**Principle**	**Article No.**	**Principle (details)**	**Yes**	**Partially**	**No**	**Explanation**

A: MANAGEMENT BODIES	**A.6. The executive management is responsible for the day-to-day management of the Company. The Board must ensure that the executive management is capable of effectively leading the Company, and that the composition, competence, roles, and incentives of executive management support the successful implementation of the Company's strategy and plans.**	A.6., 1	The executive management must lead the Company and be accountable to the Board. The division of responsibilities between the Board and the executive management, and among the various members of the executive management, must be clearly detailed in the Company's Articles of Incorporation and internal rules.	YES			
A: MANAGEMENT BODIES	**A.6. The executive management is responsible for the day-to-day management of the Company. The Board must ensure that the executive management is capable of effectively leading the Company, and that the composition, competence, roles, and incentives of the executive management support the successful implementation of the Company's strategy and plans.**	A.6., 2	When the roles of Chairman of the Board and Chief Executive Officer are held by the same person, the distinct responsibilities of the Chairman of the Board and the Chief Executive Officer must be clearly defined and differentiated in the Company's Articles of Incorporation.	YES			
A: MANAGEMENT BODIES	**A.6. The executive management is responsible for the day-to-day management of the Company. The Board must ensure that the executive management is capable of effectively leading the Company, and that the composition, competence, roles, and incentives of the executive management support the successful implementation of the Company's strategy and plans.**	A.6., 3	The Board must ensure that the executive management consists of individuals with the knowledge, skills, diversity, and experience appropriate to support the Company's successful performance and that measures are in place to ensure the orderly succession of the executive management.	YES			
A: MANAGEMENT BODIES	**A.6. The executive management is responsible for the day-to-day management of the Company. The Board must ensure that the executive management is capable of effectively leading the Company, and that the composition, competence, roles, and incentives of the executive management support the successful implementation of the Company's strategy and plans.**	A.6., 4	The Board, with the support of the Nomination and Compensation Committee, must annually evaluate the performance of executive management and the effectiveness of its cooperation with the Board, including the information provided to the Board.	YES			

Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation
B. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK							

Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The Company must have in place an appropriate and effective internal control framework and risk management framework, taking into account its strategy, size, complexity of operations, and risk profile, including the potential environmental and social impact of its activities.**	B.1., 1	The Board determines the nature and extent of the risks the Company is willing to undertake as being necessary to achieve the Company's strategic objectives (i.e., the Company's risk appetite) and must ensure that there are clear structures, policies, and procedures in place to identify, assess, report, manage, and monitor significant and emerging risks, including risks related to sustainability, cybersecurity, and the use of digital technologies. The Board must explain in the Annual Report the mechanisms and processes established for identifying and managing risks.	YES			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The Company must have in place an appropriate and effective internal control framework and risk management framework, taking into account its strategy, size, complexity of operations, and risk profile, including the potential environmental and social impact of its activities.**	B.1., 2	The Board must adopt a formal risk management policy to ensure the accurate, complete, and timely identification, measurement, and reporting of risks, the existence of adequate and feasible risk control measures, and the integration of E&S risks into the risk management framework, with a view to implementing the Company's strategy.	YES			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The Company must have in place an appropriate and effective internal control framework and risk management framework, taking into account its strategy, size, complexity of operations, and risk profile, including the potential environmental and social impact of its activities.**	B.1., 3	The Board and the Audit Committee must understand emerging changes related to information technology and artificial intelligence in order to mitigate cybersecurity risks. The Board's agenda must allocate time for AI and cybersecurity risks and opportunities to ensure an understanding of cybersecurity.	YES			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The Company must have in place an appropriate and effective internal control framework and risk management framework, taking into account its strategy, size, complexity of operations, and risk profile, including the potential environmental and social impact of its activities.**	B.1., 4	It is recommended that the Company establish a risk management function responsible for ensuring the accurate, complete, and timely identification of risks, ensuring that appropriate and feasible risk control measures are in place and that risk management procedures are monitored. The risk management function, through the Chief Risk Officer (CRO), if any, must have direct communication and functional reporting to the Board and the Audit Committee (if there is no dedicated Risk Committee).	YES			The Company has prepared a BCP (Business Continuity Plan) - a document where risks are identified and measured. Contingent and responsible actions are also determined in this analysis. The BCP is presented to the Board and Audit Committee.

Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The Company must have in place an appropriate and effective internal control framework and risk management framework, taking into account its strategy, size, complexity of operations, and risk profile, including the potential environmental and social impact of its activities.**	B.1., 5	The Board, assisted by the Audit Committee, must assess at least annually the apprpriatenss and effectiveness of the Company's risk management and internal control framework (including operational and compliance controls) and make relevant recommendations. The assessment must consider the effectiveness and scope of the internal audit function, the adequacy of risk management and of compliance, the internal control reports, if required by the applicable law, submitted with the Audit Committee of the Board, the management's responsiveness and effectiveness in addressing identified internal control deficiencies or weaknesses, and the submission of relevant reports with the Board.	YES			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.1. The Company must have in place an appropriate and effective internal control framework and risk management framework, taking into account its strategy, size, complexity of operations, and risk profile, including the potential environmental and social impact of its activities.**	B.1., 6	The Board must develop and make available on the Company's website, free of charge, a whistleblowing mechanism that allows employees and other stakeholders to disclose alleged violations or irregularities in accordance with applicable laws in force.		PARTIALLY		The Company has implemented these policies and mechanisms, but they are not yet available on the Company's website.
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.2. The Audit Committee must assist the Board in ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework, and maintaining an appropriate relationship with the Company's external auditors.**	B.2., 1	In addition to the responsibilities set forth in the law and other sections of the Code, the Audit Committee must: • Review the Company's internal controls and risk management framework; • Monitor the development and implementation of the Company's policies regarding the conflicts of interest and transactions with related parties; • Ensure independence and review the effectiveness of the Company's internal audit function, and make recommendations to the Board; • Oversee the internal audit function; • Oversee the preparation of sustainability reports and the information contained therein, unless this task is assigned to another committee; • Oversee the framework for ensuring the Company's compliance with applicable legal and regulatory requirements, as well as with the Company's internal regulations (such as	YES			

Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation
		B.2., 1	procedures for reporting violations of the law or the Company's Code of Conduct), unless this task is assigned to another committee.				
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.2. The Audit Committee must assist the Board in ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework, and maintaining an appropriate relationship with the Company's external auditors.**	B.2., 2	Whenever the Code refers to reviews or analyses to be conducted by the Audit Committee, these must be followed by periodic (at least annual) or ad hoc reports submitted with the Board.	YES			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.2. The Audit Committee must assist the Board in ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework, and maintaining an appropriate relationship with the Company's external auditors.**	B.2., 3	The Audit Committee must monitor the independence and objectivity of the external auditor. The Committee should approve a policy regarding the provision of permitted non-audit services by the external auditor, in accordance with the legal requirements, and ensure the implementation of this policy. The Committee's findings regarding the independence of the external auditor must be disclosed in the Annual Report.		PARTIALLY		The Audit Committee monitors the independence of the external audit and reviews the provision of non-audit services by the external auditor; these principles have not yet been formalized in a policy which is currently being finalized. The monitoring determined that the Company has not benefitted nor does it benefit from non-audit services provided by the external auditor.
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.2. The Audit Committee must assist the Board in ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework, and maintaining an appropriate relationship with the Company's external auditors.**	B.2., 4	The Audit Committee must discuss the annual work plan with the external auditor, covering the scope and materiality of the activities to be audited. The Audit Committee must meet with the external auditor as often as necessary to discuss identified issues and to monitor the quality of the services provided.	YES			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.3. The Board must ensure the independence of the internal audit function. The Company's internal audit function must provide independent and objective assurance regarding the effectiveness of the risk management and internal control framework.**	B.3., 1	The Board must ensure that the internal audit has the appropriate authority, resources, and procedures in place to assist the Board in ensuring the effectiveness and efficiency of the Company's risk management and internal control framework.	YES			

B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.3. The Board must ensure the independence of the internal audit function. The Company's internal audit function must provide independent and objective assurance regarding the effectiveness of the risk management and internal control framework.**	B.3., 2	To ensure the fulfillment of the internal audit core functions, the head of this function must be appointed and report functionally directly to the Board, through the Audit Committee, which is responsible for approving the appointment and dismissal of the head of the Internal Audit. This does not affect the administrative reporting to the Chief Executive Officer and the exchange of information with the Company's executive management, in accordance with the legal requirements and professional standards.	YES				
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.3. The Board must ensure the independence of the internal audit function. The Company's internal audit function must provide independent and objective assurance regarding the effectiveness of the risk management and internal control framework.**	B.3., 3	The internal audit function must be set in accordance with the applicable legal requirements and industry standards (e.g., those of the Institute of Internal Auditors). The authority, composition, compensation, annual budget, working procedures, and other relevant aspects of the internal audit function will be governed by internal audit regulations approved by the Board of Directors, following a recommendation from the Audit Committee.	YES				
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	**B.3. The Board must ensure the independence of the internal audit function. The Company's internal audit function must provide independent and objective assurance regarding the effectiveness of the risk management and internal control framework.**	B.3., 4	The Audit Committee must agree on an annual work plan for internal audit together with the internal auditor, receive internal audit reports and updates on key audit matters, monitor the implementation of internal audit recommendations, and provide the necessary guidance.	YES				
C. PERFORMANCE, MOTIVATION & REWARD								
C: PERFORMANCE, MOTIVATION, AND REWARD	**C.1. Board members must receive compensation commensurate with the scope and importance of their duties and responsibilities, rather than with the performance of the management or of the Company. The structure and amount of compensation for Board members must enable the Company to attract, retain, and motivate competent and qualified Board members.**	C.1., 1	Board members must receive compensation in accordance with the Company's Compensation Policy. Members who also serve on Board committees must receive additional compensation for this work. However, under no circumstances shall compensation be tied to the number of Board or Committee meetings.	YES				

Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation
C: PERFORMANCE, MOTIVATION, AND REWARD	**C.2. The Board must ensure that there is a formal and transparent policy and procedure in place for determining the management's compensation, which to be aligned with the Company's long-term interests and strategy. This policy shall be submitted to the GMS for approval, in accordance with the legal requirements.**	C.2., 1	The Board must determine the annual compensation for the executive management based on the recommendations of the Nomination and Compensation Committee and in accordance with the Company's Compensation Policy. The Compensation Policy must be developed in accordance with relevant legal requirements.	YES			
C: PERFORMANCE, MOTIVATION, AND REWARD	**C.2. The Board must ensure that there is a formal and transparent policy and procedure in place for determining the management's compensation, which to be aligned with the Company's long-term interests and strategy. This policy shall be submitted to the GMS for approval, in accordance with the legal requirements.**	C.2., 2	Compensation levels for members of the executive management and the key performance indicators considered in determining the variable (performance-based) portion of the compensation must be established in advance and must be measurable and appropriate in relation to the agreed strategy and risk appetite, the economic environment in which the Company operates, as well as to the compensation and conditions applicable to the Company's employees. In particular, these should include indicators relating to the non-financial performance and appropriate sustainability objectives.	YES			
C: PERFORMANCE, MOTIVATION, AND REWARD	**C.2. The Board must ensure that there is a formal and transparent policy and procedure in place for determining the management's compensation, which to be aligned with the Company's long-term interests and strategy. This policy shall be submitted to the GMS for approval, in accordance with the legal requirements.**	C.2., 3	The Company's shares and/or stock options must represent a significant portion (e.g., no less than 10%) of the executive's total variable compensation.			NO	The remuneration of Board members is determined based on the compensation of the Board Chairman and has not included, nor does it include, options related to the purchase of Company shares.

D. PERFORMANCE, MOTIVATION, AND REWARD							
Section	**Principle**	**Item No.**	**Principle (details)**	**Yes**	**Partially**	**No**	**Explanation**
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulatory authorities, and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 1	The Company must ensure that accurate, complete, and timely financial and operational information, including quarterly, semi-annual, and annual reports, as well as current reports are provided. Companies must ensure that all relevant information is readily accessible to investors, including through the Company's website and other public information sources, as appropriate.	YES			
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulatory authorities, and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 2	It is recommended that the Company maintain an investor relations (IR) function and appoint a dedicated individual to serve as the IR officer. The contact information for the individual(s) responsible for the IR function shall be available on the Company's website. The IR function shall report directly to the CEO/CFO, highlighting its importance within the Company's hierarchy and emphasizing its central role in managing and communicating the Company's commitments and status in the capital market. The Company must organize induction training and periodic training, if necessary, for the role of IR, tailored to its specific needs and responsibilities.	DA			
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulatory authorities, and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 3	The Company must include a section dedicated to Investor Relations on its website, containing all relevant information of interest to investors, available both in Romanian and English.	YES			

Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulatory authorities, and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 3	The Company must include in the section dedicated to Investor Relations: • Key corporate governance documents: the updated Articles of Incorporation, GMS procedures, the Board's internal regulations, and the internal regulations of the Board's committees.	YES			
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulatory authorities, and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 3	The Company must include in the section dedicated to Investor Relations: • A list of current members of the Board, Board committees, and Executive Management, indicating their updated independence status, professional résumés (containing at least: first name, last name, gender, nationality, age; professional experience by year, position, and company; education, field of study, and the academic or professional institution awarding the degree), other professional engagements, including executive and non-executive positions on boards of directors in different companies, non-profit organizations, and State institutions; relationships with shareholders holding at least 5% of the voting rights/shares issued by the Company; the term of appointment of the members of the Board, committees, and executive management, specifying the date on which they were appointed;	YES			
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulatory authorities, and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 3	The Company must include in the section dedicated to Investor Relations: • Current and periodic reports (quarterly, semi-annual, and annual reports).	YES			

Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulatory authorities, and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 3	The Company must include in the section dedicated to Investor Relations: Information regarding the GMS: the agenda, supporting materials, and resolutions adopted; the procedure for conducting the GMS; the Nomination Policy, along with the professional résumés (containing at least: first name, last name, gender, nationality, age; professional experience by year, position, and company; education, field of study, and the academic or professional institution awarding the degree), as well as any other information mentioned in A.3., 3; the communication channels through which the shareholders can submit questions to the Company; answers to shareholders' questions regarding the agenda; statements of independence from Board candidates and evaluations of the candidates by the Nomination and Compensation Committee/Board, including regarding their compliance with independence criteria.	YES			
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulatory authorities, and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 3	The Company must include in the section dedicated to Investor Relations: Information regarding the Board's evaluation, performed in accordance with provision A.5., 7, including the evaluation criteria and process, as well as a summary of the evaluation results and the actions that have been or will be taken as a result of the evaluation;		Partial		The board's evaluation was conducted internally; the publication of these evaluations is currently being implemented
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulatory authorities, and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 3	The Company must include in the section dedicated to Investor Relations: Information on corporate events, such as the payment of dividends and other distributions to shareholders or other events that result in the acquirement or restriction of a shareholder's rights, including the timing and principles applied to such operations. This information must be published in a timely manner to allow investors to make investment decisions.	YES			

Section	Principle	Article No.	Principle (details)	Yes	Partially	No	Explanation
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulatory authorities, and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 3	The Company must include in the section dedicated to Investor Relations: • The corporate policies, including the Code of Conduct, Dividend Policy, Compensation Policy, Forecast Policy, Investor Communication Policy, Corporate Social Responsibility (CSR)/Sponsorship Policy, Policy on Transactions with Related Parties, Policy on Diversity, Equity, and Inclusion and Whistleblowing Policy (if not already part of the Code of Conduct).		PARTIALLY		The Company is in the process of publishing these policies, which are currently available only internally
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulatory authorities, and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 4	The Company must organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions must be published in the IR section of the Company's website at the time of the meetings/conference calls.	YES			
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulatory authorities, and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 5	The Company must disclose material and reportable non-financial and sustainability matters, with a focus on the environmental, social, and governance (ESG) issues of its business and operations, in accordance with a recognized sustainability reporting standard. The Company's sustainability statements will be published on its website.	YES			
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.1. The Company must ensure appropriate communication with shareholders, investors, regulatory authorities, and other stakeholders and establish appropriate systems for financial and sustainability reporting.**	D.1., 6	The Company should have a CSR/sponsorship policy in place to guide its activities in the area of CSR initiatives supporting and sponsorship.	Not Applicable			The Company has not implemented a CSR/sponsorship policy due to its specific nature, as it is interested in contributing to dual-system education programs.
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.2. The Company must ensure the fair and equitable treatment of all shareholders, as well as the availability of the necessary resources and information to enable shareholders to exercise their rights in relation to the Company.**	D.2., 1	The Company must have in place a dividend policy as a set of guidelines that the Company intends to follow regarding the distribution of net profit.	Not Applicable			The Company has not implemented a dividend distribution policy because, due to the volatility of the industry, there are no exact parameters that would allow for the exact quantification of such factors.

Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.2. The Company must ensure the fair and equitable treatment of all shareholders, as well as the availability of the necessary resources and information to enable shareholders to exercise their rights in relation to the Company.**	D.2., 2	The procedure for conducting the GMS must not restrict the shareholders' participation in the GMS or the exercising of their rights. Changes to the procedure for conducting the GMS must take effect, at the earliest, at the following GMS.	YES			
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.2. The Company must ensure the fair and equitable treatment of all shareholders, as well as the availability of the necessary resources and information to enable shareholders to exercise their rights with respect to the Company.**	D.2., 3	The external auditors must attend the GMS during which their reports are presented, to be able to answer shareholders' questions.	YES			
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.2. The Company must ensure the fair and equitable treatment of all shareholders, as well as the availability of the necessary resources and information to enable shareholders to exercise their rights in relation to the Company.**	D.2., 4	The Board must present in the Annual GMS a summary assessment of the adequacy and effectiveness of the risk management and internal control framework, in accordance with the relevant information included in the Annual Report.	YES			
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.2. The Company must ensure the fair and equitable treatment of all shareholders, as well as the availability of the necessary resources and information to enable shareholders to exercise their rights in relation to the Company.**	D.2., 5	The Company must drive engagement with shareholders and investors by: • Encouraging active shareholder participation in General Meetings of Shareholders , including ensuring conditions for online participation; • Organizing regular briefings and updates for investors, particularly during significant corporate events; • Establishing the channels through which shareholders can provide feedback and ask questions, ensuring that responses are timely and comprehensive.	YES			
D: PERFORMANCE, MOTIVATION, AND REWARD	**D.2. The Company must ensure the fair and equitable treatment of all shareholders, as well as the availability of the necessary resources and information to enable shareholders to exercise their rights in relation to the Company.**	D.2., 6	Any professional, consultant, expert, or financial analyst may attend the GMS upon prior invitation by the Chairman of the Board. Accredited journalists may also attend the GMS, unless the Chairman decides otherwise.	YES			

Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation
			E. SUSTAINABILITY AND STAKEHOLDERS				
E: SUSTAINABILITY AND STAKEHOLDERS	**E.1. The Company must integrate sustainability considerations into its strategy and mitigate any material negative social and environmental impacts of its operations, to the extent possible.**	E.1., 1	The Board must ensure that sustainability, environmental, and social considerations are integrated into the Company's strategy and operations, risk management, and compensation practices, and oversee this integration. A dedicated sustainability committee or one of the Board's standing committees assists the Board in fulfilling these tasks.	YES			
E: SUSTAINABILITY AND STAKEHOLDERS	**E.1. The Company must integrate sustainability considerations into its strategy and mitigate any material negative social and environmental impacts of its operations, to the extent possible.**	E.1., 2	The Board must ensure that the Company's operations are conducted in accordance with national and international E&S standards and that the Company's E&S policies are consistent with its long-term objectives. In particular, the Company must maintain internal documentation regarding its environmental and social responsibilities, as well as policies and procedures that enable it to identify significant factors and assess the impact on the Company's activities.	YES			
E: SUSTAINABILITY AND STAKEHOLDERS	**E.1. The Company must integrate sustainability considerations into its strategy and mitigate any material negative social and environmental impacts of its operations, to the extent possible.**	E.1., 3	Whenever a decision to be made by the Board has a potential significant and negative impact in the E&S field, the Board must receive from executive management (i) an analysis of how this decision aligns with the Company's sustainability objectives and E&S policies, or (ii) a proposal for measures to mitigate the negative E&S impact.	YES			
E: SUSTAINABILITY AND STAKEHOLDERS	**E.2. The Company must have a process in place for identifying the stakeholders affected by the Company's operations. The Board must take into account the interests of stakeholders and ensure that there is active communication between the Company and stakeholders.**	E.2., 1	The Board must ensure that there is a formal process for identifying the Company's stakeholders, including investors, creditors, customers, employees, and suppliers, as well as specific approaches for engaging priority stakeholders.	YES			
E: SUSTAINABILITY AND STAKEHOLDERS	**E.3. The Board must adopt a Code of Conduct (Code of Ethics) with an appropriate scope, including guiding principles that reflect the Company's commitment to ethics, integrity, and quality of performance.**	E.3., 1	The Board must draw-up a mission statement and a vision statement, as well as to articulate the Company's values, so that the entire organization understands the Company's strategic direction.	YES			

Section	Principle	Item No.	Principle (details)	Yes	Partially	No	Explanation
E: SUSTAINABILITY AND STAKEHOLDERS	**E.3. The Board must adopt a Code of Conduct (Code of Ethics) with an appropriate scope, including guiding principles that reflect the Company's commitment to ethics, integrity, and quality of performance.**	E.3., 2	The Board must adopt a Code of Conduct for Board members, executive management, and Company employees, with clear provisions designed to prevent and sanction fraud and bribery. The Board must not permit any exemption from ethical requirements for any Board member, executive, or employee.	YES			
E: SUSTAINABILITY AND STAKEHOLDERS	**E.3. The Board must adopt a Code of Conduct (Code of Ethics) with an appropriate scope, including guiding principles that reflect the Company's commitment to ethics, integrity, and quality of performance.**	E.3., 3	The Board must ensure that the policies in the Code of Conduct are integrated into the Company's practices and incorporated into the onboarding process for new employees. The Board must ensure the effective implementation and monitoring of the compliance with the Code of Conduct, and review it periodically.	YES			