

## REPORT

regarding the activity carried out in 2025 according to the balance sheet closed on 31.12.2025 based on Order no. 2844/2016 with subsequent amendments and completions - for the approval of the compliant Accounting Regulations with International Financial Reporting Standards

SC ARTEGO SA Tg. Jiu, was established according to law no. 31/1990, based on Government Decision no. 1224/1990 and is registered with the Trade Register under number J1991001120187, with fiscal code RO2157428.

## Shareholder structure as of December 31, 2025

Shareholder name	No. of shares	Value (lei)	Total share capital share (%)
PAS ARTEGO Employees Association	6,968,820	17,422,050.00	85.8784
Legal Entities	35,619	89,047.50	0.4389
Individuals	1,110,305	2,775,762.50	13.6827
The Romanian State through the Authority for the Administration of State Assets	2	5.00	0.0000
TOTAL	8,114,746	20,286,865.00	100.00

In 2025, the production activity and the economic and financial activity carried out by the company and reflected in the balance sheet closed on 31.12.2025, are presented as follows:

## CHAPTER I. PRODUCTION ACTIVITY

In 2025, the production of technical items was 8,001 tons.

In 2025, the production destined for export was 4,787 tons of strip for export and 965 tons of plate for export. Table 1 presents some comparative data for the years 2021, 2022, 2023, 2024 and 2025.

Table 1

	2021	2022	2023	2024	2025
Goods production, lei	166,390,564	200,934,353	155,964,970	141,314,746	125,158,945
Conveyor belts, to, of which:	9,855	9,097	7,744	7,089	6,069
- export	6,598	6,277	5,565	5,631	4,787
lei, of which	130,819,654	165,911,879	121,508,941	109,268,828	96,706,536
- export	87,027,887	103,168,014	87,459,935	88,618,853	75,156,764
Technical data plate, to, of which:	2,771	1,980	1,645	1,741	1,439
- export	1,890	1,338	874	1,044	965
lei, of which	21,567,887	19,920,421	17,967,753	16,406,419	15,333,283
- export	15,480,578	12,797,003	9,307,304	9,444,819	10,374,073
Pressed gaskets, to lions,	539	489	591	470	493
	7,407,575	7,702,883	8,098,059	6,031,688	6,698,315
Total Export lei	105,305,989	114,115,626	103,823,057	101,217,678	92,439,192
Total EURO	21,406,669.23	23,130,441.72	20,997,363.58	20,346,914.56	18,365,410.79

In 2025, the export value was 18,365,410.79 EURO, representing 73.86% of the production of technical rubber items. The most stable markets to which it was exported are Germany, Spain, England, the Netherlands, Sweden. It was also exported to Poland, Italy, France, Finland, Slovakia, Serbia, Austria, Belgium. Currently, ARTEGO is the largest producer of technical rubber items in Romania (95% of the country's conveyor belt needs) and one of the largest producers in Europe.

The value of export deliveries expressed in EURO is presented as follows:

Country	2021	2022	2023	2024	2025
Italy	640,898.00	761,516.02	894,151.79	291,357.88	309,062.87
England	4,924,681.66	3,245,759.62	2,267,899.53	2,469,368.23	2,354,242.15
Austria	229,836.04	287,188.26	413,451.19	558,248.29	26,427.50
Finland	595,590.48	724,904.20	754,954.84	370,606.23	315,407.45
Spain	3,501,717.70	5,038,474.32	5,135,939.52	4,750,093.44	4,660,622.09

Netherlands	1,752,367.69	3,226,146.65	1,635,612.73	1,425,064.83	1,492,666.90
France	2,180,879.07	792,786.73	722,887.03	42,314.85	138,321.92
Germany	6,165,628.98	7,643,714.52	5,358,096.09	5,916,642.65	6,199,073.89
Poland	63,905.99	112,478.98	1,153,513.24	874,001.35	528,719.24
Bulgaria	200,843.84	110,652.80	13,703.35	7,930.80	37,903.85
Bosnia & Herzegovina	5,585.51	83,231.60	16,350.46	21,556.08	20,521.48
Turkey	-	6,800.00	-	-	-
Estonia	2,274.84	14,580.00	-	5,720.37	3,780.00
Russia	770.00	-	-	-	-
Serbia	206,023.84	416,074.03	564,998.01	829,069.22	429,447.15
Belgium	164,657.40	83,099.94	91,092.88	160,761.89	215,890.10
Hungary	186,411.22	211,894.37	124,496.67	87,262.60	93,010.44
Czech Republic	8,821.12	16,688.64	6,208.00	2,652.00	9,024.00
Ireland	-	-	-	21,776.00	-
Ukraine	83,606.03	70,560.11	201,731.74	141,249.47	77,126.33
Greece	45,278.27	2,116.00	2,270.40	-	6,700.00
Egypt	114,380.77	25,145.94	-	12,900.00	35,501.40
Lithuania	1,769.20	4,020.61	-	-	-
Slovakia	302,112.09	78,516.31	55,653.20	77,849.20	111,839.80
Slovenia	2,671.19				
Macedonia	-	-	3,079.80	-	1,337.04
Latvia	-	-	-	4,878.18	-
Azerbaijan	25,958.30	-	-	-	-
Switzerland	-	15,383.26	-	-	-
Sweden	-	158,708.71	1,581,263.11	2,264,111.00	1,298,785.19
Tunisia	-	-	-	11,500.00	-
TOTAL	21,406,669.23	23,130,441.72	20,997,363.58	20,346,914.56	18,365,410.79

An essential aspect of our company's achievements is the good professional training of the specialists and the management team who have constantly sought and found solutions not only to maintain the technical rubber products market, but also to expand it. Solutions have been found for the production of new products that, until recently, were only in the portfolio of renowned companies, such as DUNLOP, CONTINENTAL, METSO MINERALS, etc.

The training of technical personnel and their involvement in finding solutions regarding the improvement of technologies, modernization of equipment and reduction of production costs has also resulted in the obtaining of over 67 patents in the period 1985-2025. Other technical solutions are under examination at OSIM for

patenting, and others are in the industrial testing phase. The patented technical solutions are very diverse, some of them being developed in collaboration with companies outside Romania.

## **CHAPTER I I. FINANCIAL - EQUITY SITUATION**

The financial situation is based on the internal correlations between the assets of the balance sheet in the form of assets (economic resources) available to the ARTEGO SA trading company to carry out its production activity and respectively in the liabilities of the balance sheet in the form of financial sources for the formation of fixed or current assets and the financial result of the company.

### **A. 1. Economic means**

Economic resources or direct assets are made up of fixed assets and current assets.

Asset elements are organized from the balance sheet into asset elements with acyclical use (allocation) which includes the group of "Fixed assets" and asset elements with cyclical use (allocation) which includes the group of "Current assets".

INDICATOR		Beginning of 2025(lei)	End of 2025 (lei)
Fixed assets – total		35,621,382	32,863,930
a) Intangible assets		5,225,122	4,222,579
b) Tangible assets of which:		30,396,260	28,641,351
-	Lands	11,824,402	11,799,108
-	Fixed assets at inventory value	101,900,460	102,437,554
-	Fixed assets at residual value	18,244,059	16,975,664
-	Tangible assets in progress	461,220	-
c)	Financial assets	-	-

## A. 2. CURRENT ASSETS

To achieve its objective, SC ARTEGO SA TG. JIU must have machines, buildings and other tools. To make this production apparatus work, the company had to: - buy raw materials;

- to ensure stocks at different stages of the production process;
- to sell to recover the resources spent.

Current assets are made up of inventories, short-term realizable values, and available values.

The value of current assets as of 31.12. 2025 according to the balance sheet is 69,547,925 lei structured as follows:

Indicator		Total (lei)	%
1. STOCKS of which:		<b>43,009,811</b>	61.84
-	raw materials, materials	22,785,992	
-	finished products	20,155,198	
-	products in progress	-	
-	Assets held for sale	50,289	
-	overtures	18,332	
2. MONEY AVAILABILITY		<b>7,459,755</b>	10.73
3. RECEIVABLES		<b>19,063,962</b>	27.41
-	Trade receivables	17,312,370	
-	other receivables	1,751,592	
4. SHORT-TERM FINANCIAL INVESTMENTS		<b>14,397</b>	0.02

## B. ASSETS SITUATION

During 2025, the management inventory and fund management control program was carried out.

Net assets = Fixed assets + Current assets - Liabilities

Net assets reflect the company's ability to meet its financial obligations.

INDICATOR	U/M	2021	2022	2023	2024	2025
Fixed assets	lion	38,666,360	38,205,805	34,566,695	35,621,382	32,863,930
Current assets	lion	98,332,713	98,381,653	96,956,009	78,345,694	69,547,925
Total Assets	lion	136,999,073	136,587,458	131,522,704	113,967,076	102,411,855
Total Debts	lion	49,745,718	43,363,720	30,574,332	19,580,270	14,025,185
Equity	lion	87,536,120	93,530,664	99,008,253	92,396,743	86,569,203

## ECONOMIC-FINANCIAL RESULTS

During the period 2021-2025, the economic and financial indicators were achieved as follows:

	2021	2022	2023	2024	2025 (LEI)
I Operating income	191,637,944	226,489,237	186,142,044	157,762,684	142,352,850
a) Turnover	172,531,341	199,727,280	162,994,877	144,842,306	131,357,355
b) Inventory variation	15,424,470	20,473,730	12,530,099	10,982,605	4,885,398
c) Real estate product produced by the entity	570,395	1,419,048	334,336	424,279	544,403
d) Other income	3,111,738	4,869,179	10,282,732	1,513,494	5,565,694
II Operating expenses	177,107,829	210,717,065	175,624,369	155,812,383	142,669,272
- operating profit/loss (+/-)	14,530,115	15,772,172	10,517,675	1,950,301	-316,422
III Financial income	374,197	1,038,733	893,728	96,754	892,681
IV Financial expenses	985,376	2,697,199	1,735,859	567,764	441,188
- loss	611,179	1,658,466	842,131	471,010	-
-advantage	-	-	-	-	451,493
VII Total income	192,012,141	227,527,970	187,035,772	157,859,438	143,245,531
VIII Total expenses	178,093,205	213,414,264	177,360,228	156,380,147	143,110,460
- the gross result of the exercise	13,918,936	14,113,706	9,675,544	1,479,291	135,071
- profit tax	1,924,253	1,848,098	994,872	187,436	101,960
NET PROFIT	12,050,173	12,315,948	8,746,511	1,332,223	76,306

During the period 01.01.-31.12. 2025, SC ARTEGO SA TG. JIU, delivered to the Companies with majority state capital products worth 23,499,796 lei, as follows:

CEO 17,993,283lei  
CET GOVORA 2,281,016 lei

CNCFR SA BUCHAREST	1,319,448 lei
COPPER MIN	762,829 lei
S.E. CRAIOVA	743,702 lei
SOC.C.E. VALEA JIULUI	290,826 lei
NATIONAL SALT SOCIETY	108,692 lei

The balance of uncollected invoices as of 31.12.2024 was 2,719,719 lei at Companies with majority state capital, as follows:

CEO	2,689,507 lei
CRAIOVA ELECTRIC POWER PLANT COMPANY	26,704 lei
NATIONAL SALT SOCIETY	3,508 lei

On 31.12.2025, the amounts to be collected from Companies with majority state capital were 3,668,809 lei, as follows:

CEO	3,636,328 lei
CET GOVORA	18,193 lei
SOC. C.E. VALEA JIULUI	14,288 lei

From the total amount of 155,377,528 lei owed by Companies with majority state capital and other clients, (balance as of 31.12.2024 plus deliveries during the period 01.01.-31.12.2025), the following amounts were collected:

- a) through liquidity: 137,794,819 lei, i.e. 99.88%
- b) through compensations: 170,162 lei, i.e. 0.12%

like this:

BENEFICIARY	MU	compensations	%	liquidity	%	TOTAL
C.E. OLTENIA	lion	170,162	1	16,913,927	99	17,084,089
Others	lion	-	-	26,371,015	100	26,371,015
Export	lion	-	-	94,509,877	100	94,509,877
TOTAL	lion	170,162	0.12	137,794,819	99.88	137,964,981

## HUMAN POTENTIAL

The average number of employees in 2025 was 473 compared to 523 in 2024, registering a decrease of 9.56%, and the actual number at the end of 2025 was 450 employees, compared to 505 at the end of 2024.

The total salary fund achieved in 2025 was 37,474,955 lei.

Expenses regarding insurance and social protection were 1,347,201 lei, meal vouchers were granted in the total amount of 3,821,360 lei.

## DEPRECIATION OF FIXED ASSETS

SC ARTEGO SA used straight-line depreciation as the depreciation regime.

The depreciation of fixed assets was calculated in accordance with Law no. 15/1994 republished and Government Decision no. 2139/2004 for the approval of the classification and normal operating durations of fixed assets.

The depreciation included in operating expenses was in the amount of 3,621,689 lei.

The balance sheet was prepared based on the trial balance of the synthetic accounts correlated with the balances of the analytical accounts, respecting the Methodological Norms.

## ADVANTAGE

On 31.12.2025, the gross profit was 135,071 lei, respectively net profit of 76,306 lei.

, the provisions of Law No. 227/2015 on the Fiscal Code, as amended, were taken into account.

To determine the taxable profit, all expenses for which deduction is not allowed were taken into account:

- late payment charges due for failure to pay debts on time;
- expenses for the protocol, which exceed the limits provided by the Fiscal Code.

SC ARTEGO SA Tg-Jiu had total debts on 31.12. 2025 in the amount of 14,025,185 lei of which:

	LEI
<b>1. State budget</b>	<b>910,764</b>
- profit tax	96,337

- tax on income from salaries	237,659
-dividend tax	276,715
- VAT payment	224,072
-2.25% CASM	75,981
<b>2. Special Fund Budgets</b>	<b>21,993</b>
- solidarity fund for people with disabilities	7,190
- medium background	14,803
<b>3. Social security budgets</b>	<b>1,217,897</b>
house	853,739
-CASS	364,158
<b>Credits</b>	-
<b>providers</b>	6,353,281
<b>Creditor customers</b>	26,669

Chairman of the Board of Directors,  
Eng. David Viorel