



CONTEDED

FASHION MANUFACTURING SINCE 1967

The Board of Directors' report for the financial year 2025

Report date: 12.03.2026

Name of the trading company: S.C. CONTEDED S.A.

Headquarters: Dorohoi, 1st December Street No. 8, Botoșani County

Phone number: 0231610067

VAT code: RO 622445

Trade registry number: J1991000107079

Regulated market of the securities: B.V.B. - Standard Category

Market symbol: CNTE

Number of shares: 239.702

Nominal value: 9.53 lei

Subscribed and paid registered capital: 2,284,360.06 lei

Securities: nominative

General presentation of the company

S.C. Conted S.A. is a joint stock company, a Romanian legal entity with unlimited life that is organized and operated according to its statute and under the Companies Law no. 31/1990 of the Law regarding the capital market no. 297/2004 and of Law no. 24/2017 on issuers of financial instruments and market operations. The company is headquartered in Dorohoi, 1st December Street No. 8, Botosani county, Romania, zip code 715200, phone 0231610067, www.conted.ro, Tax Identification Number RO 622445, Trade Register Office number: J1991000107079.

S.C. CONTEDED S.A. Dorohoi is a high quality garment manufacturer, with an experience of over 60 years in the field of garment manufacturing as well as in the field of export production. The company recorded an ascending evolution, expanding its retail market through contracts with foreign companies.

The company CONTEDED S.A. Dorohoi is specialized in producing garments for men, women and children: suits, jackets, trousers, coats, skirts, jackets, military uniforms, jackets, vests. We mainly produce garments in lohn system (CM –cut and make), but we also can produce garments with our own fabrics (imported from France, Italy, Spain, Turkey etc.) and trims, as the customer wants (CMT – cut-make-trim). We have possibilities to develop the styles.

The company mainly works in lohn system, having clients that sell their goods in the European community. At the same time, the Company does not neglect new collaboration offers, for which samples or prototypes are made, accepting orders with smaller quantities for prospecting the market.

The registered capital of the company is of 2,284,360.06 lei, fully subscribed and paid, divided in 239,702 nominative shares to the amount of 9.53 lei/share. The company's shares are ordinary, nominative, dematerialized, and registered into account, their records being kept under the law by the Central Depository S.A. from Bucharest. The shares are of equal value and provide equal rights to the shareholders for each share. The company's securities (shares) are registered and traded at the standard category of Bucharest Stock Exchange.



S.C. CONTEDED S.A. : Str. 1 Decembrie 1918, N°8 – jud. BOTOSANI- 715200 – DOROHOI ROMANIA

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1. The analysis of the company's activity

1.1. a) The main activity developed by S.C. CONTEd S.A., according to the article of incorporation, is other garments manufacturing, NACE code 1421.

b) The trading company transformed itself through reorganization, on the ground of Law 15/1990 from a republican industrial enterprise.

c) During the analyses period, there were no mergers or reorganizations of the company.

d) There were no acquisitions or disposals of assets.

e) The company features the main indicators achieved in 2025 according to the International Financial Reporting Standards compared to previous periods:

1.1.1. General evaluation elements

- lei -

No	SPECIFICATION	2022	2023	2024	2025	2025/ 2024 %
1	Total income from which:	31,049,520	43,519,339	32,126,247	27,666,616	-13.88
1.1.	Sales income - Turnover	31,032,941	40,955,019	32,515,092	26,966,957	-17.06
2	Total expenses	29,912,771	41,618,739	31,974,916	27,619,198	-13.62
3	Gross profit/loss	1,136,749	1,900,600	151,331	47,418	-68.67
4	Exploitation income	30,897,331	43,221,352	32,090,669	27,477,803	-14.37
5	Exploitation expenses	29,672,959	40,977,533	31,485,566	27,135,015	-13.82
6	Exploitation profit	1,224,372	2,243,819	605,103	342,788	-43.35
7	Financial income	152,189	297,987	35,578	188,813	430.70
8	Financial expenses	239,812	641,206	489,350	484,183	-1.06
9	Financial profit (loss)	(87,623)	(343,219)	(453,772)	(295,370)	-34.91
10	Expense with the income tax	-	291,533	23,009	14,875	-35.35
11	Net profit/loss	1,136,749	1,609,067	128,322	32,543	-74.64
12	Goods production volume	29,900,183	40,859,956	31,439,982	26,259,540	-16.48
13	Labor productivity/employee	89,522	121,395	92,743	76,336	-17.69
14	Profit rate to the total income	3.66%	3.70%	0.40%	0.12%	-



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15	Liquidity (available into the account)	816,523	1,570,808	961,128	417,998	-56.51
16	Average number of the registered staff	334	337	339	344	1.47

The analysis of the presented elements, compared to the same period of the previous year 2024, shows the following:

The company's **turnover** afferent to 2025 is of 26,966,957 lei from which 26,254,999 lei export and 711,958 lei internal, compared to 2024 when we recorded 32,515,092 lei, from which 31,532,461 lei export and 982,631 lei internal.

In its structure, the turnover was achieved mainly by the sale of own production in a proportion of 97%. The value of the export sales in 2025 represents 97.36%, and the value of the internal sales represent 2.64% from the turnover.

The recorded turnover of 2025 to the amount of 26,966,957 lei has decreased by a 17.06%, as against 2024.

The volume of total income achieved was to the amount of 27,666,616 lei, representing a decrease by 13.88% as against the total income obtained in 2024 to the amount of 32,126,247 lei. **The volume of total expenses** to the amount of 27,619,198 lei has decreased by 13.62%, compared to 2024 when we recorded the amount of 31,974,916 lei. In the volume of total expenses, the staff expenses have the highest percentage of 58.40%.

The staff expenses to the amount of 16,130,408 lei, have decreased by 0.38%, compared to 2024 when they recorded the amount of 16,192,623 lei.

The exploitation income to the amount of 27,477,803 lei has decreased in 2025 by 14.37% compared to 2024 when they recorded the amount of 32,090,669 lei, as well as the **exploitation expenses**, to the amount of 27.135.015 lei have decreased by 13.82% compared to 2024 when they recorded the amount of 31,485,566 lei. In the total of the exploitation income, the sold production has the highest percentage, and from the exploitation expenses, the staff expenses has the highest percentage to the amount of 16,130,408 lei, representing 59.45% from the total of the exploitation expenses. The exploitation activity was concluded with profit to the amount of 342,788 lei, as against 2024 when we have recorded a profit to the amount of 605,103 lei.

The financial income to the amount of 188,813 lei comes from exchange differences.

The financial expenses to the amount of 484,183 lei and come from interest expenses and other financial expenses (unfavorable exchange rate differences).

The financial result is loss to the amount of (295.370) lei as against the same period of 2024 when we recorded loss to the amount of (453,772) lei.

In the financial year 2025, the company records a **profit net** of 32,543 lei compared to the previous year when we recorded a **profit net** to the amount of 128,322 lei.

At the end of 2025, the cash flow was a decrease of net cash amount of 543,130 lei, reflected in the balance of accounts at banks and house.

On 31.12.2025, a increase of the average number of employees was registered, compared to the same period of 2024 year, from 339 to 344 employees.



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1.1.2. Evaluation of the company's technical level

a) The main activity was the production of garments, profiled on the following types: men and women outer garments such as coats, suits, jackets, blazers, trousers, skirts, vests. The company income was obtained by the trading of the garments produces on the European and internal market.

b) In the production structure, a percentage of about 64% represent the jackets, 21% pants and 15% coats, jackets, vests and other products. In total income, (turnover) the jackets represent about 55%, the trousers represent about 23%, the coats 10%, costumes 3%, jackets 2%, nouvelles 4% and various services 3%.

The products manufactured by S.C. CONTEDED S.A. are intended for both internal market and foreign market.

In 2025 the production manufactured for export represents 97%, from the total production.

c) As for the next period, the company shall focus on the varied range of products.

1.1.3. Evaluation of material and technical supply.

The company uses raw materials brought by the customer as well as raw materials supplied by the company.

1.1.4. Sales evaluation

a) The internal market sales of 2025 were of 711,958 lei, in the European community were of 26,254,999 lei.

On a medium and long term, we believe it is mandatory for us to focus on the following issues:

- Analysis of the international fashion trends;
- Analysis of the fabrics and combinations of fabrics, matching;
- Analysis of internal and international market for fabrics and trims providers;
- Identifying the market niches;
- Distribution of products through our own shop and collaborators.

b) Due to the lack of statistical data, we cannot comment on the weight of our products on the market, or on the main competitors, but we know that is an area with a special competition.

c) The company, no matter the circumstances, does not collaborate with only one customer, but with several customers, in order to avoid stagnation due to unfavorable conditions. However, we recognize that we depend on each customer, because they can always turn to geographic areas where the workforce is cheaper.

1.1.5. Evaluation of the issues related to the company's employees

a) On 31.12.2025, the staff average number was of 344 persons. From the total of the company's employees, 10 of them have higher education, the rest of the employees having secondary education, vocational schools, lower secondary schools and training courses or without training courses, the number of unqualified employees being of 131 persons.

In 2025 we have recorded a number of 8 individual work contracts legally suspended.

Regarding the qualification level, we notice the fact that the lab our market has less and less offers of qualified staff, starting with engineers from the textiles area and up to the garment workers or the mechanics from our profile industry area. From this reason, we increasingly rely on unskilled or aged staff, coming from dissolved units or units in which layoffs were made.



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We have to train all this staff at least at a minimum level, training that may last for 2-3 months, period of time in which, irrespective of the result and quality of their work, the company provides them, according to the law, the payment of the minimum gross salary guaranteed.

In 2025 the staff turnover was as follows: 49 persons left the company and another 41 were employed.

Within the company, at the end of 2025, no union organizations are active.

b) There are no disputes between management and employees that might affect the company's activity.

1.1.6. Evaluation of the issues regarding the impact of the company's main activity on the environment.

We don't cause any negative impact on the environment deriving from our company's activity profile, whereas we have organized an environment monitoring activity and a collection, delivery and storage system of waste.

The company operates under the Environmental Permit no. 117 of 26.11.2019 targeted annually, according to Decision no. 307 of 24.10.2024 for the period 26.11.2024 - 26.11.2025, after this date Conted requested the revision of Environmental Authorization No. 117 of 26.11.2019.

The main waste derived from the company's activity is:

- textile waste, paper and cardboard waste, plastic waste, domestic waste, medical waste, fluorescent tube waste and other mercury-containing waste, synthetic hydraulic oil waste, contaminated packaging waste.

These ones are collected on categories and stored in the indoor waste repository, being then verified by authorized agents. We have contracts for collection with the following specialized agents: S.C. Sterileco S.R.L. București, S.C. Copacart Edil S.R.L. Jariștea, County Vrancea, S.C. Foliplast S.R.L. Botosani, S.C. Danimet Exim S.R.L. Botoșani, for textiles, paper and cardboard, plastics and the others mentioned above and with S.C. Fritehnic S.R.L. Suceava for domestic waste.

In order to monitor the impact on the environment of the two boilers used for the production of technological steam, on a yearly basis, with the help of authorized companies, flue gas measurements are performed, concerning the emission of pollutants into the atmosphere, test reports being issued. Up to now, according to the issued test reports, our test results were within the permissible limits.

Also, at the level of environmental impact, noise measurements are periodic performed at the property boundary, by Public Health Directorate Botoșani, the measured values being within the permissible limits. According to the law in force, trimestral, biannual and yearly basis, reports are submitted to the Environment Agency, concerning the compliance with environmental quality, and every month it is drafted the Statement regarding the liabilities towards the environment fund, for: emissions of pollutants into the atmosphere from stationary sources (steam boilers) and waste from packaging placed on the market (plastic, paper and cardboard).

1.1.7. Evaluation of research and development activity

The company did not estimate and did not incur research and development expenses in 2025.



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1.1.8. Evaluation of the company's activity regarding the risks management

The company is exposed to the following risks:

- Risk related to capital
- Exchange risk
- Liquidity and cash flow risk
- Risk of price reduction
- Risk of lohn system
- Political and legislative risk
- Risk of losing some markets
- Operational risks

Legal frame regarding risks management

The company's Board of Directors has the general responsibility to establish and monitor the risk management system at the company level.

The activity is governed by the following principles:

- a) The principle of delegation of professional skills;
- b) The principle of decision-making autonomy;
- c) The principle of objectivity;
- d) The principle of investors' protection;
- e) The principle of promoting the development of the stock market;
- f) The principle of the active role.

The Board of Directors is also responsible for the examination and approval of the strategic, operational and financial plan of the company, as well as of the corporate structure of the company. The company's policies of risk management are defined so as to ensure the identification and analysis of the risks which the company incur, the setting of the appropriate limits and controls, as well as the monitoring of the risks and of the compliance with the set limits.

The risk management policies and systems are regularly reviewed in order to reflect the changes in the market conditions and the company's activities.

The company, by its training and management standards and procedures, aims to develop an orderly and constructive control environment in which all employees understand their roles and obligations.

The main purpose of risk management is to help understand and identify risks to which the Company is exposed so that they can be anticipated and managed so as not to affect the efficient fulfillment of the company's objectives.

Since the elements of trade receivables and payables are part of the financial instruments, the Company's management reveals that understand and know the information requirements of IFRS 7 regarding the nature and extent of risks arising from financial instruments and their importance.

The Company's strategy regarding significant risk management provides a framework for identifying, evaluation, monitoring and control of these risks, in order to keep them at acceptable levels according to the company's risk appetite and its ability to cover (absorb) these risks.



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The objectives of the strategy regarding the significant risk management are:

- determination of significant risks that may arise in the normal course of the company's activity and formalization of a robust framework for their management and control, according to the objectives of the general strategy of SC CONTEDED S.A. This is achieved by adopting best practices, adapted to the size, profile and risk strategy of the company;
- development of risk maps to facilitate their identification, structuring and ranking according to the possible impact on the current activity;
- promoting a culture of risk awareness and management in all company structures;

Within SC CONTEDED S.A., the risk management activity aims to fulfill these objectives.

In the process of risk management, the company aims to develop policies, standards and procedures by means of which the significant risks may be identified, assessed, monitored and controlled or mitigated. This framework will be reviewed periodically, according to the risk profile and risk tolerance, due to the changes in legislation, the internal or external changes.

To this end, the identification and assessment of risks that may arise within the significant activities, is a permanent activity. The entire staff must understand the risks that may arise within the developed activity, and the responsibilities incumbent concerning the management of these risks. Thus, the company must provide, maintain and continually develop a robust and consistent risk culture, in all structures.

Risk regarding the capital

Capital risk management aims to ensure the ability to work in good conditions by optimizing the capital structure (equity and debt). The analysis of capital structure deals with the capital cost and the risk associated with each class.

To maintain an optimal capital structure and an appropriate level of debt, the company proposes to the shareholders an appropriate dividend policy. The Company's objectives in managing capital are to ensure the protection and the ability to reward shareholders, to maintain an optimal capital structure to reduce capital costs. The Company monitors the volume of capital raised on indebtedness.

Currency risk

Within the company business, one of the risks with a high frequency is the currency risk, which consists in the possibility of financial loss arising from the changes in exchange rates and/or correlations between them.

On the other hand, currency depreciation as against the major currencies is caused by the internal political intensity which has negatively affected financial markets, exchange rate and stock exchange.

The company's receivables and liabilities are recorded in the accounting system at their nominal value. The receivables and liabilities in foreign currencies are accounted in lei, at the exchange rate in effect at the time of operation.

Exchange differences between the date of registration of foreign currency receivables and liabilities and the date of receipt or payment thereof shall be recorded as financial income or expenses, as appropriate. The receivables, liabilities and cash in foreign currency were revalued at the end of each month.



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Currency risk control measures

As a measure to reduce this risk, the company aims to continuously synchronize the import activity with the export one, by correlating the payment and cashing, as well as correlating the currencies weight, so that the moments in which payments are to be made to be as close or even simultaneously with those of export receipts. Another measure is to anticipate or to delay the payment or cashing by appropriate setting of the maturity and the introduction of precautionary margins in the price, correlated with the prognosis for the evolution of the currency in which payment is made.

Liquidity and cash-flow risk

This risk comes from the inability of the company to meet its short-term payment obligations at any time. On the other hand, the liquidity risk is caused by the increasing taxation. When we talk about taxation, we refer in the first instance to predictability and the business environment is exposed to day-to-day changes in terms of taxation (modification, creation of new taxes, contributions).

Control measures of the liquidity risk

In order to mitigate the uncollectibility risk on the internal market, the following measures were taken:

- assessing the creditworthiness of the trading partners by verification, in various ways, before the conclusion of the contract;
- monitoring of receivables by permanent control and assessment of the risks;
- developing loyalty relationships concerning the customers through regular meetings in order to know them and to approach a constructive attitude;
- setting up expenses provisions to cover the risk of nonpayment.

The risk of prices mitigation

S.C. CONTEDED S.A. is exposed to a risk of reducing the prices due to cheaper labor in other countries, changes in the economic, social and political.

Control measures against the price mitigation risk

In order to mitigate these risks, the company develops a policy to promote the products by emphasizing the advantages related to high quality and alignment with international regulations. On the other hand, the company aims to develop its position on the regulated markets, which have a more restrictive market access and relatively higher price levels.

The risk of lohn system

S.C. CONTEDED S.A. mainly produces garments in lohn system (CM –cut and make), but they can also produce garments with their own fabrics (imported from France, Italy, Spain, Turkey etc.) and trims, as the customer wants (CMT – cut-make-trim).

Over time, SC CONTEDED S.A. may be affected more or less by the changes in what we call environment, certain factors of this environment may adversely affect the activity of this company.

These politico-legal, economic, socio-cultural factors can have a negative impact, thus creating a high failure transposed in the market response and delays in delivery.

Politico-legal factors can influence the company's business which is operated by lohn system, by imposing some regulations that may be related to the import-export of goods, the economic factors influencing the economy of a country that can influence the purchasing power, also.



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Political and legal risk

Legislative changes aiming the textiles market lead to a legal risk that must be managed continuously. The company's effort to adapt constantly to the changing legislative requirements can generate significant additional costs and the potential future amendments to the legislative framework could have negative effects on the activity and profitability of the company.

Control measures of the legal risk

The company's strategy in managing these risks requires:

- Permanent concern to obtain the international certifications concerning manufacturing flows;
- Updating the licensing documentation for the portfolio products;
- Permanent monitoring of legislative changes at an international level.

The risk of losing some markets (contracts)

The decline in the market price of the competing products lead to a non-competitive position, the loss of the partner's interest for the Conted products, as a result of the introduction of new products on the market, lead to the loss of some markets (contracts).

Control measures for the risk of losing some markets (contracts)

To manage this risk, it is taken into account:

- continuous monitoring of the international trade policy trends and adopting a diversified export strategy, structurally and geographically speaking, through a differential approach of the developed and developing markets;
- strategic partnerships conclusion with companies holding important positions in international markets, which are able to pursue judiciously such risks;
- anticipate legislative requirements, in order to adapt products documentation to certain requirements or to compensate in other markets;
- customer loyalty;
- identifying new business partners and other cooperative arrangements (compensation)

Operational risks

One of the serious problems that the company SC CONTEDED S.A. is currently experiencing is related to the recruitment and employment of staff specialized in textiles. The failure to attract a sufficient number of suitably qualified personnel, migration, unadjusted labor market, and increased personnel costs are risks that could affect the activity developed by the issuer.

Among the uncertainty factors that could affect the Company's business, we mention:

- production of garments that stagnate on the circuit and in stock for more than one month, due to the delay of raw materials and trims supply from the customers;
- temporary suspension of activity because of unforeseen situations;
- the increase of the minimum gross basic salary guaranteed, which will decrease the attractiveness of light industry;

The increase of the minimum gross basic salary guaranteed for payment to the textile workers, may lead to the loss of contracts by the clothing manufactures from Romania and their gaining by the countries with cheaper labor. The profile industry is losing competitiveness year after year, and the Lohn "migrates" in cheaper countries, with much lower wage levels. S.C. CONTEDED S.A. performs constant supervision of operational risks in order to take measures to keep them at an acceptable level, which does not threaten its financial stability, creditors, shareholders, employees, partners' interests.



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1.1.9. Perspective elements concerning the trading company's activity

a) Key indicators reflecting liquidity increased in 2025 reaching positive levels as against the optimum parameters ensuring normal development of financial activity.

INDICATOR	2025	2024
Current liquidity Current assets/current liabilities 16,628,435/9,608,580	1.73	1.98
Immediate liquidity Current assets – Stocks/current liabilities 16,628,435 – 8,760,095/9,608,580	0.82	1.06
Indebtedness Borrowed capital/Equity capital 1,707,343/11,056,130	15.44	0

b) In the year 2025 S.C. CONTEDED S.A. made investments in the amount of 71,395 lei, mainly for the needs required for carrying out the production activity in optimal conditions.

The financing of the investments is made from own sources.

c) In 2025 there were no significant events likely to significantly affect the company's income.

2. Corporate assets of the company

2.1. All assets are stated at the headquarters of the company. The functional structure features a production section which is organized in a cutting room, 1 hall for trousers manufacturing, 2 halls for jackets, coats, etc. and 1 for finishing.

2.2. Fixed assets categories, amortization and amortization degree are present in the following table:

- lei -

Current no.	Fixed assets categories	Inventory value 31.12.2025	Depreciated value 31.12.2025	Value remaining 31.12.2025	Amortization degree %
1	Land	842,140	-	842,140	-
2	Landscaping	400,731	82,618	318,113	20.62
3	Constructions	4,037,900	1,669,737	2,368,163	41.35
4	Technological equipment and vehicles	9,407,386	7,849,161	1,558,225	83.44
5	Other fixed assets	258,148	217,421	40,727	84.22
	TOTAL	14,946,305	9,818,937	5,127,368	65.69

2.3. There are no problems related to the ownership of the company's tangible assets.



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3. The market for the securities issued by the company

3.1. S.C. CONTEDED S.A. is listed in the standard category s of B.S.E., where it is trading with the following characteristics:

Market symbol: CNTE

Ordinary, nominative, dematerialized shares

Number of issued shares: 239,702

Nominal value: 9.53 lei

Registered capital value: 2,284,360.06 lei

ISIN Code: ROCNTEACNOR9

3.2. The company policy is to continue the activity in terms of economic efficiency with profitable. The company recorded a profit on 31.12.2025, which will cover the loss from previous years.

In the last 3 years (2023, 2024, 2025) the company did not distribute dividends.

3.3. - 3.5. The Company has not issued any shares during the financial year 2025 and any bonds or other debt securities

4. Company's management

4.1. Board of Directors

a) Board of Directors presentation

SC CONTEDED S.A. is administered by a Board of Directors composed of 3 members, elected and appointed by the General Meeting of Shareholders from 28.11.2022, for a term of 4 years from 28.11.2022 to 28.11.2026.

The composition of the Board of Directors is:

- **The LaGarde company**, based in Paris, France, which fulfills the function of administrator - president of the Board of Directors, through the legal representative Hamidi Haissam, born on 24.09.1962 in El Koubbe, Lebanon, mechanical engineer by profession.
- **El Turk Ezzedine**, 62 years old, born on 22.01.1963 in Lebanon, Tripoli, dental technician by profession, who holds the position of administrator - member of the Board of Directors.
- **El Turk Ana Maria**, 43 years old, born on 01.03.1982 in the town of Saveni, Botoșani county, by profession a medical assistant, who performs the function of administrator - member of the Board of Directors.

At the level of the Board of Directors a president was elected. The Chairman of the Board of Directors is neither the General Manager nor the other members of the Board of Directors have executive positions in the company. The elected administrators are non-executive.

b) There is no agreement, convention or family relationship between the administrators and other persons due to whom the latter might be nominated administrators.

c) To the company's capital, the president of the Board of Directors, **LaGarde company**, participates with a percentage of 81.1186 %, according to the Consolidated Synthetic Structure of the holders of financial instruments on 31.12.2025, from Depozitarul Central S.A. Bucharest.

d) Affiliated persons – Not applicable.



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4.2. Presentation of the executive management members of the company

General Manager

a) The Board of Directors, in accordance with Law 31/1990 art.143, has delegated the executive management of the company to a general manager, who is not an administrator.

Taking note of the resignation no. 5979 dated 21.11.2024 of Ms. Popovici Adriana from the position of General Manager starting with 20.12.2024, the members of the Board of Directors met in the meeting of the Board of Directors on 17.12.2024 and unanimously decided to appoint Ms. Mihai Elena as General Manager, for a period of 3 months, from 20.12.2024 to 20.03.2025.

Ms. Mihai Elena is 59 years old, was born on 25.07.1966 in Broscăuți, Botoșani County, is an economist by profession, with 39 years of experience.

The members of the Board of Directors met in the meetings of the Board of Directors and unanimously decided to extend the mandate contract of Mrs. General Manager, Mihai Elena as follows:

- In the meeting of 12.03.2025, they approved the extension of the mandate for a period of 3 months, starting with 21.03.2025 until 21.06.2025
- In the meeting of 18.06.2025, they approved the extension of the mandate for a period of 3 months, starting with 21.06.2025 until 21.09.2025
- In the meeting of 17.09.2025, they approved the extension of the mandate for a period of 3 months, starting with 21.09.2025 until 20.12.2025

Following the expiration of the term for which the mandate contract of Mrs. Mihai Elena was extended, in the meeting of the Board of Directors on 11.12.2025, the members of the Board of Directors decide and approve the revocation of Mrs. Mihai Elena from the position of General Manager, starting with 20.12.2025, and the election and appointment of a new General Manager, Mrs. Munteanu Mioara - Laura for a 1-year mandate, from 20.12.2025 to 20.12.2026.

The General Manager is mandated with decision-making powers for the organization and management of the company's business, to use and manage the company's funds, to represent the company towards third parties.

The General Manager has the following attributions and prerogatives:

- ✓ fulfil its obligations with the diligence of a good owner;
- ✓ implement strategies to ensure and maintain economic and development efficiency of the company;
- ✓ selection, hiring and firing of the employed personnel;
- ✓ collective work contract negotiations;
- ✓ individual work contract negotiations;
- ✓ signing legal documents in the name and on behalf of the company; legal acts for which, according to Law no. 31/1990 or the articles of incorporation, it is necessary the approval of General Assembly of Shareholders or Board of Directors at their conclusion;
- ✓ participate to the Board of Directors meetings, where he will present quarterly reports containing relevant information;
- ✓ participate to the general assemblies of the shareholders;
- ✓ declare his quality as representative of the company in all legal acts to be concluded on behalf of the company;
- ✓ observe the provisions of Law no. 31/1990 regarding the duties and responsibilities of a manager;



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- ✓ approve Rules of procedure and functioning, Internal Rules and other regulations in areas such as: emergency internal service; security, under the Act. no. 319/2006 on safety and health at work

The General Manager informs the Board of Directors about the irregularities found and the measures taken or the measures that might be within the competence of the board of directors.

The General Manager or the other appointed executives may be revoked at any time by Board of Directors under the law and the mandate contract. If the revocation occurs without a due cause, the person concerned can claim damages. The Board of Directors retains the duty of representing the company in relations with the general manager or other directors appointed by the president.

The act of representing the company in dealings with third parties and the justice belongs under delegated powers, based on the mandate contract, to the General Manager.

The managers delegated by the Board of Directors will need to be authorized by the Board of Directors, the managers/ administrators or internal auditors of other competing companies or with the same activity object cannot exercise the same trade or other competing trade on their account or somebody else's account under penalty of revocation and liability for damages.

b) There is no agreement, understanding or family link between the director and other persons by whom the director is to be named.

c) Participation of the respective person to the registered capital - Not applicable.

4.3. All the persons provided at art. **4.1.** - **4.2.** are not undergoing litigations or administrative procedures related to their activity within the issuer and are capable to fulfil their attributions within the company.

4.4. Corporate governance

S.C. CONTEDED S.A. is administered under a unitary system in accordance with the provisions of the articles of incorporation and of Law no. 31/1990 republished, with all subsequent amendments, Subsection I - The unitary system art. 137, pt. 1 and 2, able to ensure the smooth functioning of the company. The corporate governance structures of S.C. CONTEDED S.A. are represented by the Board of Directors and the executive management.

S.C. CONTEDED S.A. is managed by a Board of Directors composed of 3 members, non-executive directors, temporary and revocable, appointed by the General Assembly of Shareholders for a period of 4 years. In its activity, the Board of Directors makes decisions.

The legally adopted decisions are binding for both the executive management of the company and for the administrators who voted against and are enforceable since their written communication, or from the moment of general notification through the Secretariat of the Board of Directors, if their content does not provide another term, subsequent to the notification date, starting with which, they will come into force. The revocation of the Board of Directors members can be made at any time by the Resolution of the General Assembly of Shareholders.

The main objective of the Board of Directors, defined and determined by the peculiarities of S.C. CONTEDED S.A. and by the macroeconomic context in which it operates, is the establishment of a balance between the optimum business continuity and the shareholder expectations satisfaction.



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The obligations and responsibilities of the directors are regulated by the provisions regarding the mandate and those specifically provided for in the Companies Law no. 31/1990, of Law no. 297/2004 regarding the capital market, of the Law no. 24/2017 regarding the issuers of financial instruments and market operations, the regulations A.S.F. also applicable by the statutory provisions.

The Board of Directors may create advisory committees made up of members of the Board, responsible for conducting investigations and making recommendations to the Board, in areas such as audit, remuneration of directors, managers, staff, the nomination of candidates for various management positions. The Board of Directors establishes the internal rules of the committees established. The Board of Directors approves the delegation of powers and sets limits for the general manager and the other directors.

The transactions made under the powers delegated to the executive management are reported to the Board by written reports, usually quarterly.

The Board of Directors approves the delegation of powers and / or the right of representation for other managers or employees of the company, setting also their limitations. Quarterly, the Board of Directors analyzes under the report presented by the General Manager:

- In the field of production and services activity: completing the production program afferent to the trimester and preliminaries for the next trimester; equipment maintenance and repair program in the previous quarter and the measures that are envisaged for implementation of the programs planned for the next quarter;
- In the field of commercial activity: the performance of the sales program for the quarter and preliminary results for the next quarter; the situation of the receivables recorded within the commercial relationships; Ensuring the equipment needed for the production program, structure analysis of the finished products stocks and of the stock necessary level, according to the season.
- In financial and economic activity field: the achievement of the indicators from the budget of revenues and expenditures; trimestral reports afferent to trimesters I and III; the biannual report; the annual report; the production cost structure and the profitability of the sold products in the previous quarter; statement of costs incurred and the amount of production delivered on the orders closed in the previous quarter; the result of the patrimony inventory and other.

There were provided the conditions necessary to the shareholders information on financial results and on all relevant aspects of the business, by both the website and through the General Secretariat of the Board of Directors.

Both in 2025 and in the previous years, it was provided an equitable treatment to all the shareholders by promoting an effective and active communication with them.

Information related to the internal control

Within the company CONTEDED SA, the internal control provision mainly aims at the internal, accounting and financial control activities and the internal audit.

In the field of internal control, the following basic principles are taken into consideration:

- Compliance with regulations specific to the company's business;
- Compliance with internal working procedures and decisions of the management bodies of the company's business.



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The internal, accounting and financial control of the company had in view the provision of an accounting management and of a financial follow-up of the activities to meet the defined objectives.

In terms of accounting rules, the company has elaborated:

- the accounting policies manual;
- procedures for the implementation of this manual;
- knowledge of the accounting and tax legislation development;
- carrying out specific controls on sensitive points;
- identification and appropriate treatment of anomalies;
- adapting the software to the needs of the entity;
- compliance with accounting rules;
- ensuring accuracy and completeness of accounting records;
- compliance with the qualitative characteristics of information from the financial statements so as to meet the needs of the users.

Internal audit

The internal audit is provided through a services contract by a company independent of the S.C. CONTEDED S.A. management, subordinated to the Board of Directors.

The internal audit is carried out based on an audit plan established in accordance with company objectives. The internal audit activity plan was approved by the Board of Directors.

The internal auditor should have an experience appropriate to its duties. The Internal Auditor shall have competence in accounting and/or auditing.

The Internal Auditor has the following attributions:

- ✓ supervision of the company's management;
- ✓ checking whether the financial statements are legally prepared and in accordance with the records, if the latter are held regularly and if the property valuation was done according to the rules for the preparation and presentation of financial statements;
- ✓ examining the claimed situations, in accordance with the law, by shareholders and depending on the findings, legal action shall be taken;
- ✓ maintenance of professional secrecy during the mandate and for at least three years after its expiry.

To this end, the Internal Auditor will present detailed reports, and the reporting manner and procedure are those provided by the rules drawn up by the Chamber of Financial Auditors of Romania.

The internal auditor shall inform the Board of Directors members the irregularities related to the administration. The internal auditor shall present at least quarterly and whenever it is necessary to analyze the audit report and/or external auditor's opinion on key issues arising from the audit of the annual financial statements/biannual reports and on the process of financial reporting and shall recommend the appropriate measures to be taken.

The Internal Auditor deliberations are recorded in a register and are presented to the Board of Directors. Quarterly, the internal auditor shall submit to the Board of Directors a report containing a summary of the work done and recommendations on matters falling within its remit, ie the financial reporting area, of the internal control and of the risk management.



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Statutory audit

The statutory auditor shall audit the financial statements and the annual audit report results are presented for the information of General Assembly of Shareholders, which decide the discharge of the Board of Directors only after submission of the audit report of the financial statements of the company. The statutory auditor of the company is PFA NANEA M. MARIEANA with its registered office in Botoșani, legally represented by the financial auditor Marieana Nanea.

In the Ordinary General Meeting of Shareholders on 24.04.2025, the appointment of the statutory auditor was approved S.C. MCO CONTAB CONSULT SRL, based in Botoșani, Aleea Curcubeului no. 11, sc. B, ap. 11, CUI 18997162, registered at the Trade Registry Office under no. J07/488/2006, represented by financial auditor Merghidan C-tin Ovidiu and the extension of the audit contract for a period of one year (end of financial year 2025).

In the Ordinary General Meeting of Shareholders dated 30.07.2025, the revocation of the statutory auditor S.C. MCO CONTAB CONSULT S.R.L., with headquarters in Botoșani, str. Aleea Curcubeului no. 11, sc. B, ap. 11, CUI 18997162, registered with the Trade Register Office under no. J07/488/2006, represented by financial auditor Merghidan C-tin Ovidiu, was approved the statutory auditor PFA Nanea M. Marieana, with headquarters in Botoșani, str. Victoriei, no. 7, sc. B, et.1, ap.3, Fiscal Code 29817216, financial auditor, member of the Chamber of Financial Auditors of Romania (CAFR), legally represented by Ms. Marieana Nanea, as statutory financial auditor, for a period of one year (end of the financial year 2025).

5. Individual financial-accounting statement

5. a) Financial position

The economic and financial situation compared to the last two years is shown in the table below:

-lei -

	2022	2023	2024	2025	% Elements in total assets / total liabilities 2025	% Elements in total assets / total liabilities 2024	% 2025/ 2024
I. Total as-sets (TA) from which:	16,652,309	22,257,283	21,048,624	21,833,856	100.00	100.00	3.73
1. Fixed as-sets from which:	5,063,224	5,830,817	5,740,076	5,162,275	23.64	27.27	-10.07
1.1. land and land-scaping	865,153	1,189,072	1,174,663	1,160,253	5.31	5.58	-1.23
1.2. con-structions	3,145,880	2,877,870	2,609,860	2,368,164	10.85	12.40	-9.26



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1.3. other fixed assets	1,037,951	1,628,354	1,941,313	1,619,618	7.42	9.22	-16.57
1.4. tangible fixed assets in progress	14,240	14,240	14,240	14,240	0.06	0.07	-
2. Current assets from which:	11,581,844	16,395,759	15,264,983	16,628,435	76.16	72.52	8,93
2.1. stocks	5,905,130	8,181,204	7,054,722	8,760,095	40.12	33.52	24,17
2.2. liabilities	4,860,191	6,643,747	7,249,133	7,450,342	34.12	34.44	2.78
2.3. cash register and bank accounts	816,523	1,570,808	961,128	417,998	1.92	4.57	-56.51
3. Other assets	7,241	30,707	43,565	43,146	0.20	0.21	-0.96
II. Total liabilities (TP) from which:	16,652,309	22,257,283	21,048,624	21,833,856	100.00	100.00	3.73
1. Total debts from which:	6,899,279	10,817,041	9,644,085	10,534,511	48.25	45.82	9.23
1.1. with payment under one year	4,648,969	8,146,857	7,726,640	9,608,580	44.01	36.71	24.36
1.2. with payment longer than one year	2,250,310	2,670,184	1,917,445	925,931	4.24	9.11	-51.71
2. Provisions for employee benefits - holidays rest	534,068	589,814	403,360	243,215	1.11	1.92	-39.70
3. Equity	9,218,962	10,850,428	11,001,179	11,056,130	50.64	52.26	0.50



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Main assets elements that exceed 10% from the total assets	Amount - lei	In total as-sets in 2025 (%)
Lands and constructions	3,528,417	16.16
Liabilities	7,450,342	34.12
Stocks	8,760,095	40.12
Main liabilities elements that exceed 10% from the total lia-bilities	Amount - lei	In total lia-bilities in 2025 (%)
Paid subscribed capital	2,284,360	10.46
Reserves	4,537,609	20.78

From the comparative analysis of the balance sheet items, it was noticed a decrease by 10.07% of the **fixed assets** and an increase of the **current assets** by 8.93% compared to 2024. The weight of debt in total assets was only 49.36%, during which equity ranged between 52.26% and 50.64% of total assets.

5. b) The overall result is the following:

- lei -

Cur-rent no.	Overall result elements	2022	2023	2024	2025	2025/2024 (%)
1.	Total income	31,049,520	43,519,339	32,126,247	27,666,616	-13.88
1.1.	Exploitation income, from which	30,897,331	43,221,352	32,090,669	27,477,803	-14.37
1.1.1.	Sales income - turnover	31,032,941	40,955,019	32,515,092	26,966,957	-17.06
1.2.	Financial income	152,189	297,987	35,578	188,813	430.70
2.	Total expenses	29,912,771	41,618,739	31,974,916	27,619,198	-13.62
2.1.	Exploitation expenses, from which:	29,672,959	40,977,533	31,485,566	27,135,015	-13.82
2.1.1.	Expenses related to raw materials and materials	10,955,430	14,665,606	7,455,777	5,451,369	-26.88
2.1.2.	External expenses related to energy and water consumption	1,659,257	1,677,300	1,491,869	1,555,243	4.25
2.1.3.	Expenses related to staff	12,551,687	15,040,554	16,192,623	16,130,408	-0.38
2.1.4.	Expenses with amortiza-tion	464,363	504,868	632,879	623,426	-1.49
2.1.5.	Other exploitation ex-penses – expenses related to the external services	4,006,304	9,033,455	5,896,461	3,534,714	-40.05
2.1.6.	Adjustments current asset	-	4	2,411	-	-
	- Expenses	-	4	2,411	-	-
	- Incomes	-	-	-	-	-
2.1.7.	Adjustments for provi-sions	35,918	55,746	(186,454)	(160.145)	-14.11
	- Expenses	489980	543,054	357,996	211,460	-40.93
	- Incomes	454,062	487,308	544,450	371,605	-31.75



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2.2.	Financial expenses	239,812	641,206	489,350	484,183	-1.06
3.	Gross profit/loss (1-2) from which:	1,136,749	1,900,600	151,331	47,418	-68.67
3.1.	Exploitation profit/loss	1,224,372	2,243,819	605,103	342,788	-43.35
3.2.	Financial profit/loss	(87,623)	(343,219)	(453,772)	(295.370)	-34.91
4.	Income tax	-	291,533	23,009	14,875	-35.35
5.	Net profit/loss	1,136,749	1,609,067	128,322	32,543	-74.64

Indicators exceeding 20% from the total turnover	Amount - lei	In turnover in 2025 (%)
Sold production	26,908,111	99.78
Expenses related to staff	16,130,408	59.82
Expenditure on raw materials and materials	5,216,899	19.35

From the analysis of the above-mentioned information, we notice a decrease by 13.88% in the income and of total expenses by 13.62 compared to the year 2024.

5. c) Cash – Flow

At the end of 2025, cash flows were a net decrease of cash in the amount of (543.130) lei, reflected in the balance of the home and the bank accounts.

- lei -

	2022	2023	2024	2025
Net cash from the exploitation activities	1,086,761	2,008,569	(22,797)	(489,697)
Net cash from the investment activities	(439,033)	(1,254,284)	(586,883)	(53,433)
Net increase /decrease of cash and cash equivalent	647,758	754,285	(609,680)	(543,130)
Cash and cash equivalent at the beginning of the period January 1st	168,765	816,523	1,570,808	961,128
Cash and cash equivalent at the end of the period 31st of December	816,523	1,570,808	961,128	417,998

The financial statements have been prepared in accordance with:

- Order 881 of June 25. 2012 on the application by the companies whose securities are admitted for trading on a regulated market, of International Financial Reporting Standards;
- International Financial Reporting Standards (IFRS) as adopted by the European Union;
- Accounting Law 82 of December 24.1991;
- Order 2844 of December 12. 2016 for the approval of Accounting Regulations complying with International Financial Reporting Standards;



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The financial statements were approved by the Board of Directors in its meeting on March 12. 2026. The reporting currency of the financial statements is leu.

At the date of the report drafting, the company management has no knowledge of events, economic changes or other factors of uncertainty that could significantly affect the company's income or liquidities, other than those already specified.

**Representative of the President of the Board of Directors,
Eng. HAMIDI HAISSAM**



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