

**UNAUDITED
ANNUAL REPORT
OF CINKARNA CELJE
FOR 2025**

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SELECTION OF THE MOST IMPORTANT DATA

OPERATIONS in € 000	2025	2024	2023	2022
Turnover	198,801,28	200,285,41	176,464,29	227,153,12
Operating profit (EBIT) ¹	22,226,71	26,664,24	12,722,75	53,175,64
Operating profit plus depreciation and amortisation (EBITDA) ²	36,097,93	39,565,05	25,078,12	65,326,33
Net profit	19,469,55	23,087,25	12,653,41	43,396,47
Non-current assets (end of period)	121,392,52	116,963,68	114,522,70	108,559,53
Current assets (end of period)	139,844,09	154,390,04	145,392,97	142,388,47
Equity (end of period)	216,755,09	211,036,48	221,230,46	209,010,15
Non-current liabilities (end of period)	17,427,34	18,924,57	18,844,14	18,831,72
Current liabilities (end of period)	27,054,18	41,392,67	19,841,07	23,106,14
Investments	19,525,40	14,302,00	19,825,30	10,546,50
INDICATORS				
EBIT as a percentage of turnover	11.18	13.31	7.21	23.41
EBITDA as a percentage of turnover	18.16	19.75	14.21	28.76
Net profit as a percentage of turnover (ROS)	9.79	11.53	7.17	19.10
Return on equity (ROE) ³ in %	9.10	10.68	5.88	21.74
Return on assets (ROA) ⁴ in %	7.31	8.69	4.95	17.61
Value added per employee ⁵	106,613	107,471	80,305	131,431
NUMBER OF EMPLOYEES				
End of year/period	726	718	742	775
Average at end of year/period	724	725	754	776
SHARE INFORMATION *				
Total number of shares	8,079,770	8,079,770	8,079,770	8,079,770
Number of own shares	299,874	298,384	264,650	264,650
Number of shareholders	3,199	2,871	2,651	2,321
Earnings per share in € ⁶	2.41	2.86	1.57	5.37
Dividend yield ⁷ in %	5%	17%	n/a	10%
Gross dividend per share in €	1.80	4.10	n/a**	3.19
Share price at end of period in €	31.50	27.70	20.50	23.00
Book value per share in € ⁸	26.83	26.12	27.38	25.87
Market capitalisation (end of period)	254,513	223,810	165,635	185,835

* Share split recalculated for previous periods. The gross dividend for 2024 is the sum of two dividends paid in the relevant year, namely EUR 0.9 gross per share (28th General Meeting) and EUR 3.2 gross per share (Extraordinary General Meeting).

** In 2023 no dividends were distributed due to ZPGOPEK.

¹ The difference between operating income and operating expenses.

² The difference between operating income and operating expenses, plus depreciation and amortisation. Reflects operating performance.

³ Net profit/average equity for the year. The indicator reflects the efficiency of the company in generating net profit in relation to capital. Return on equity is also an indicator of management's performance in maximising the value of the company for its owners.

⁴ Net profit/average balance for the year. The indicator reflects the efficiency of the company in generating net profit in relation to assets. Return on assets is also an indicator of management's performance in using assets efficiently to generate profits.

⁵ Operating profit plus depreciation, amortisation and labour costs divided by the average number of employees after accrued hours. A productivity indicator reflecting the average new value created per employee at Cinkarna.

⁶ Net profit/total number of shares issued.

⁷ Amount of dividend/share value (at the date of the resolution).

⁸ Capital at end of period/total number of shares issued.

BUSINESS REPORT

With more than 150 years of continuous operation, Cinkarna Celje d.d., a modern and future-oriented chemical company, is in excellent condition and has ambitious goals for sustainable operations. As part of the chemical industry, which is a vital component of the European and Slovenian economies, we are aware of our opportunities, responsibilities, and challenges in the context of the green, low-carbon, and circular transformation of European industry and the dynamic nature of the pigment industry.

During the period under review, we generated sales revenue of EUR 198.8 million. The total value of exports reached EUR 185.0 million in the period under review, which is on par with 2024. In 2025, market conditions were challenging and quite unpredictable, mainly due to weaker competitiveness in markets outside the EU, which was reflected in lower sales volumes and, consequently, slightly lower sales, despite higher sales prices. Pressure on EU markets intensified as some of our Western competitors (which are globally dispersed) focused more on the European market, as they were less competitive than us in unprotected markets. Anti-dumping measures on Chinese TiO₂ imports were in place throughout the year, but they have not yet provided the expected protection against price pressure. Chinese producers have absorbed most of the tariffs and adjusted their output prices, while continuing to actively seek ways into the European market. With persistent overcapacity in the industry (mainly of Chinese origin) and more subdued demand, this continued to put pressure on sales prices and margins, and the situation was further exacerbated towards the end of the year by an increase in sulphur costs, which had a negative impact on the cost structure of producers using the sulphate process.

Net profit amounted to EUR 19.5 million, representing 84.3% of the net profit achieved in 2024, when it amounted to EUR 23.1 million. Operating profit before depreciation and amortisation, or EBITDA, amounted to EUR 36.1 million, representing 18.2% of sales. Compared to the previous year, EBITDA was down 8.8%.

The core of Cinkarna's business remains titanium dioxide pigment, with a focus on continuously improving its quality and developing sustainable applications. Despite our role as a smaller manufacturer that follows market trends, we exceeded expectations by effectively exploiting opportunities. Our strategy is guided by a focus on profitable markets, high-quality customers, and long-term partnerships.

Economic sentiment indicators in the euro area in the last quarter point to a gradual continuation of growth in activity, with both the composite PMI and the economic climate indicator reaching their highest levels since mid-2023, with confidence improving across all activities and among consumers. Nevertheless, the ECB expects euro area GDP growth to be slightly lower this year, at around 1.2%, after growth was temporarily supported last year by stronger exports ahead of the introduction of higher tariffs. The main driver of growth remains private consumption, supported by higher real wages and high employment, backed by investment and higher infrastructure and defence spending, particularly in Germany. In Slovenia, economic activity last year was driven mainly by construction and household consumption, with weak industry and exports, while manufacturing output remained lower year-on-year and exports lost market share in the EU market, indicating persistent pressures on competitiveness. These pressures intensified in 2025 due to rising labour costs, particularly in construction and manufacturing, although the deterioration in price competitiveness indicators moderated at the end of the year. Overall, this means that the recovery remains fragile and uneven, with high risks related to trade tensions, geopolitics, and financial markets, while positive surprises could come mainly from larger public investment cycles and reforms to boost productivity.

In this macroeconomic environment, the TiO₂ industry ended the fourth quarter of 2025 in a subdued mood. In Europe, Q4 contracts declined for the second consecutive quarter, despite the insolvency of a competitor and capacity outages, as weak demand from the construction and coatings sectors and year-end destocking by customers prevented the market from reaching equilibrium. Supply remained more than adequate, partly due to the redirection of volumes from less profitable, non-tariff markets

to protected EU markets, which further intensified price pressure. Similar dynamics were also present in the US, where Q4 contracts declined for the fifth consecutive time. In Asia, the market was marked by highly competitive Chinese supply, low spot prices, and excess capacity, with attempts to raise prices at the end of the year mainly cost-driven due to rising acid prices, but without clear support from end markets, especially with the continued contraction of real estate investment in China.

Western manufacturers faced further margin compression in these circumstances, so in Q4 and at the transition to 2026, they focused primarily on maintaining positive cash flow, high-capacity utilisation, and cost discipline. Additional pressure comes from hybrid blends with reduced TiO₂ content, which remain below the thresholds for tariff restrictions, calling into question the long-term effectiveness of protective measures and increasing competitive pressure on the European market. The first quarter of 2026 is thus marked by cautious stabilisation at low levels, with individual forecasts of moderate price adjustments, the implementation of which is heavily dependent on an actual improvement in demand. In the short term, seasonal restocking is expected, while any recovery in the TiO₂ market will be slow, uneven, and closely linked to developments in the construction, coatings, and the broader industrial cycle, which requires careful management of working capital and capacity in the coming quarters.

In the area of employee relations and HR management, we continued to optimise our organisational structure in 2025 with the aim of ensuring the smooth operation of the company and creating conditions for safe, healthy and efficient work for our employees. We follow the principles of a balanced and motivating remuneration policy and ensure an appropriate level of employee satisfaction and commitment, while at the same time controlling labour costs. We are introducing IT support for the systematic development of competencies and improvement of the organisational climate, and together with our social partners, we prepared a draft renovation of the competency and remuneration model, which will enable greater transparency and long-term sustainability of the remuneration system.

In 2025, we allocated EUR 19.5 million for investments, the purchase of fixed assets, and replacement equipment, making investment decisions selectively and prudently. We invested primarily in programmes and projects with clear growth potential and in production investments that contribute to reducing operating costs, ensuring profitable production volumes, improving product quality, compliance with legislation and greater energy efficiency. Despite challenging market conditions, our investment activity was focused on long-term competitiveness and business stability.

Development activities mostly followed the five-year strategy, while adapting to new market conditions. We carried out development activities in a targeted manner, based on identified opportunities, our own expertise, and taking into account trends and customer expectations, with an emphasis on areas where we can create higher added value.

In the area of spatial and environmental risks, we implemented several interrelated projects to comprehensively manage long-term risks and ensure a stable business environment. Among the more important ones are the alternative water supply project, the harmonisation of spatial acts on the facilities for filling the Za Travnikom and Bukovžlak red gypsum pits, and projects to ensure the stability of barrier structures.

We consistently adhere to the principles of sustainable development and circular economy in the planning and implementation of all activities. As part of ensuring the sustainability of titanium dioxide production, we continued with projects for comprehensive water management and waste acid processing, and devoted additional attention to the evaluation of red gypsum. At the same time, we launched and implemented new activities in the areas of carbon footprint reduction, renewable energy use, and material reuse, with a clear goal of long-term cost and environmental sustainability.

The following chapters of the report present the results by individual business areas in more detail and provide a comprehensive overview of the company's financial position and operations.

Management Board

STATEMENT OF MANAGEMENT RESPONSIBILITY

The Management Board of Cinkarna Celje d.d. is responsible for preparing the financial statements for each period in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act (ZGD) in such a way that they give a true and fair view of the business activities of Cinkarna Celje d.d.

The management expects that the Company will have sufficient resources to continue operations in the future, and therefore the financial statements have been prepared on a going concern basis.

The Management Board's responsibility in preparing the financial statements includes the following:

- accounting policies are appropriately selected and consistently applied,
- judgements and estimates are reasonable and prudent,
- the financial statements are prepared in accordance with IFRS as adopted by the European Union, and any deviations are disclosed and explained in the report.

To the best of its knowledge, the Management Board declares:

- that the business report of Cinkarna Celje d.d. for 2025 includes a fair presentation of the development and results of its operations and of its financial position, including a description of all material risks to which the Company is exposed;
- that the financial statements of Cinkarna Celje d.d. for 2025 are prepared in accordance with International Financial Reporting Standards as adopted by the EU and give a true and fair view of the assets and liabilities, financial position, profit or loss and comprehensive income of the Company.

The Management Board adopted the financial statements with the accompanying notes and explanations at its meeting on 23 February 2026.

Management Board

**President of the
Management Board**

Aleš SKOK,
BSc (Chem. Eng., MBA – USA)

**Member of the Management
Board – Deputy President
of the Management Board –
Technical Director**

Nikolaja PODGORŠEK SELIČ
BSc (Chem. Eng., Specialist)

**Member of the
Management Board –
Works Director**

Dr. Nika VERONOVSKI

1 SALES

Total sales in the period under review amounted to EUR 198.8 million, which is 1% lower than sales achieved in the comparable period of 2024.

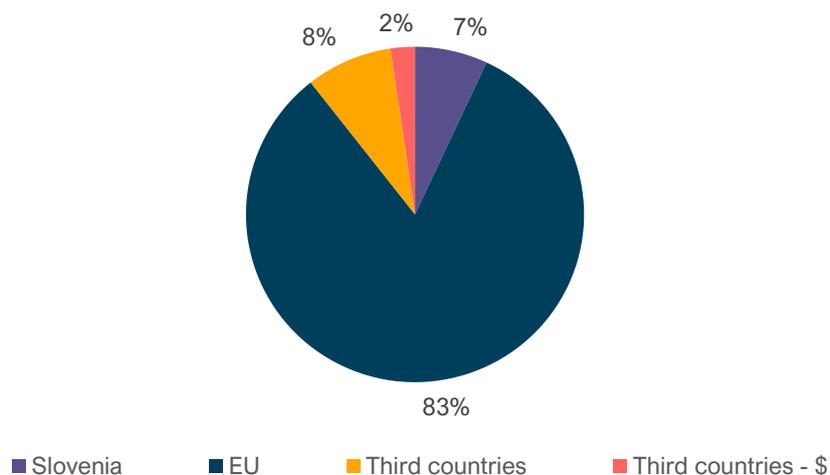
1.1 Sales by regional section

Total sales to foreign markets decreased by 1% compared to the previous year. The decline in sales to foreign markets is undoubtedly a result of weaker pigment sales to markets outside the EU.

Sales by regional section

	2025	2024	ΔPY%
Slovenia	13,822,459	13,684,845	+1
EU	163,927,291	162,234,825	+1
Third countries	16,427,125	19,080,093	-14
Third countries – dollar markets	4,624,406	5,285,650	-13
TOTAL	198,801,281	200,285,413	-1

Share of each market in the Company's total sales

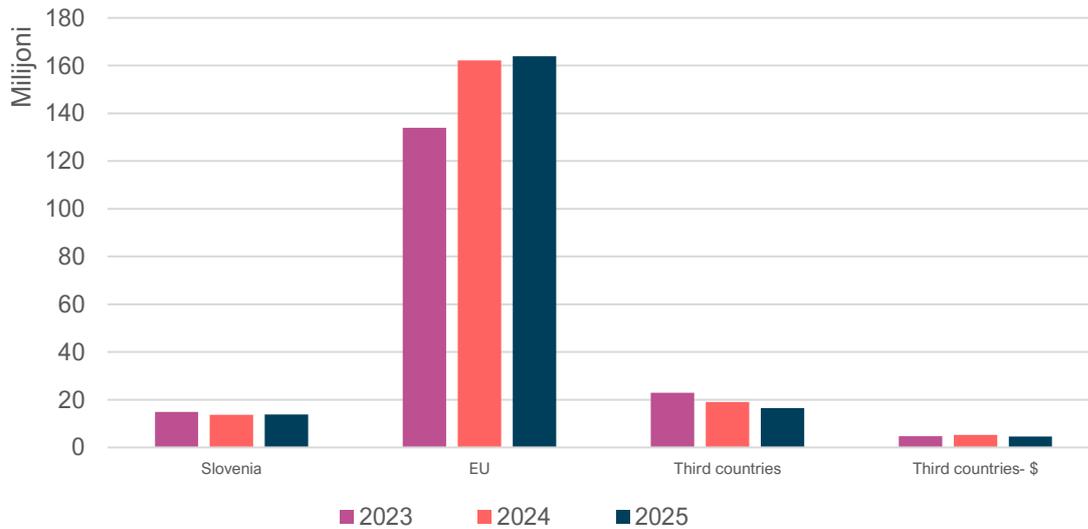


Sales to the **EU market** in 2025 were 1% higher than in the previous year, with both higher pigment sales volumes and slightly more favourable sales prices contributing to this growth.

Sales in the **domestic market** were also up 1% compared to 2024, mainly due to significantly better sales of BU Polimeri linked to larger projects in the regional pharmaceutical industry.

Total sales to **third-country markets** were down 14%, but we successfully redirected some of our volumes to the North American market, particularly the US, due to price uncompetitiveness in certain Middle Eastern regions. In the medium term, we plan to strengthen our marketing activities in these markets, which represent an opportunity for greater geographical diversification and revenue stabilisation. The scope and sustainability of this approach will largely depend on the further development of global trade relations and protectionist measures.

Sales by geographical segment



During the period under review, exports accounted for 93.0% of total sales, which is 0.1 percentage points less than in the same period last year.

The key product, titanium dioxide pigment, remains the driving force behind exports and the foundation for further expansion in foreign markets, where we strive to consolidate our presence primarily in stable, regulatory-protected, and long-term promising markets.

The sales structure by individual markets is adjusted on a quarterly basis to operational and macroeconomic conditions, while in the long term it is guided by risk diversification, profitability criteria, compliance with the marketing strategy, and assessments of political and economic stability. The strengthening of anti-dumping protection in the EU further reinforces the strategic focus on safer and more sustainable markets with higher added value, where the Company sees the greatest potential for stable operations. At the same time, marketing activities are also directed at countries that are introducing or announcing the introduction of protective measures against the dumping practices of price-aggressive competitors, as such markets may represent an opportunity to increase the competitiveness of European manufacturers in the future.

1.2 Sales by business segment

Sales by business segment

	2025	2024	ΔPY%
Titanium dioxide	168,872,162	168,728,022	+0,1
- of which TiO ₂ pigment	165,284,697	165,044,453	+0,1
Varnishes, masters, and printing inks	14,663,429	16,140,315	-9
Agro programme	10,117,320	11,150,638	-9
Polymers	4,590,585	3,379,268	+36
Other	557,786	887,171	-37
TOTAL	198,801,281	200,285,413	-1

In the period under review, sales of the core **titanium dioxide pigment** programme reached EUR 168.9 million, representing a 0.1% increase compared to the same period last year. The more favourable price environment on European markets contributed significantly to this result in the first half of the year, as demand in Q1 strengthened faster than seasonal expectations. The first signs of a

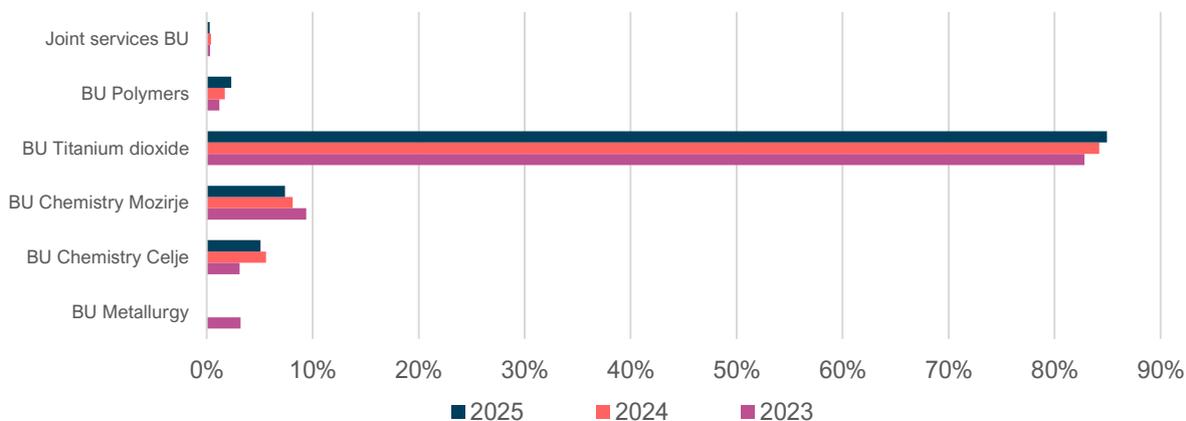
slowdown in market activity began to appear in Q2, while the cooling of demand was more pronounced in Q3, which affected sales dynamics and confirms a gradual deterioration in conditions for the rest of the year. In such circumstances, we adapted our sales activities to the conditions in individual markets and partially replaced lost market share in the Middle East with a greater focus on the North American market and markets where protectionist trends and additional control measures against Chinese imports are creating more favourable conditions for Western manufacturers.

Within the TiO₂ segment programmes, **CEGIPS** deserves special mention, with 153.8 thousand tonnes sold. This result is particularly important as it directly contributes to extending the life of the Za Travnikom landfill.

During the period under review, we recorded a 9% decline in sales in the **varnishes and masters** programme, mainly due to the challenging market situation in this segment. Demand in this part of the chain remains under pressure due to weak industrial activity and customer reluctance to build up inventories.

Sales of the **agro programme**, which includes copper fungicides, Pepelin, copperas and Humovit, fell by 9% in the period under review compared to the same period in 2024. The result was influenced by lower sales volumes, but it is important to note that the transactions concluded were of higher added value. We are managing to maintain Humovit sales at the level of previous years, but they remain tied primarily to domestic and nearby markets. Due to additional transport costs, the product finds it more difficult to penetrate more distant markets, which limits its geographical reach and highlights the importance of optimising distribution at the local level.

Share of each business unit in the Company's total sales



During the period under review, the relative ratios between business units were adjusted again. With the exception of BU Titanium Dioxide and BU Polimeri, the share of the remaining units decreased. BU Polimeri remains closely linked to the investment dynamics of the pharmaceutical and petrochemical sectors in the region, confirming its strategic focus on contract manufacturing with a high degree of technical flexibility and orientation towards specific customer needs. This model enables differentiation and the strengthening of long-term partnerships, but at the same time it is sensitive to fluctuations in the industry's investment cycles.

Adjustments to business models are leading to a restructuring of the scope and focus of individual business units, which has already resulted in a reduction in their number. In this context, we expect further growth in the relative importance of our core titanium dioxide production programme, which will be further strengthened in the structure of our operations in the coming periods as a key source of value creation.

2 PERFORMANCE ANALYSIS

2.1 Operating result

	2025	2024	ΔPY%
Operating income	210,021,191	204,135,737	+3
Operating expenses	187,794,486	177,471,493	+6
OPERATING RESULT	22,226,705	26,664,244	-17
Financial income	1,355,916	1,986,327	-32
Financial expenses	266,140	123,439	+116
OPERATING RESULT before tax	23,316,482	28,527,133	-18
Income tax	3,846,936	5,439,882	-29
NET OPERATING RESULT	19,469,546	23,087,250	-16

In 2025, the **operating result** amounted to EUR 22.2 million. This result represents 83% of the operating result for the same period in 2024, when it amounted to EUR 26.7 million. Although the Company's performance was worse than last year, it exceeded the results of the business plan. The value of sales of the main product contributed to this exceeding of the planned result. The operating profit before depreciation and amortisation (EBITDA) amounted to EUR 36.1 million, which represents 18.2% of sales. Compared to the previous year, EBITDA is lower by 8.8%.

After accounting for the impact of financial income and expenses, the **operating result before taxes** in 2025 is EUR 23.3 million, compared to EUR 28.5 million in the same period last year. The result before taxes is 82% of last year's result.

In 2025, similar to 2024, a positive balance from financing was achieved, amounting to EUR 1.1 million (in 2024, the positive balance from financing amounted to EUR 1.9 million). The resulting financing balance stems from a positive balance of income and expenses from investments and interest in the amount of EUR 1.4 million and a negative balance of exchange rate differences and interest in the amount of EUR 0.3 million, using hedging instruments to manage the volatile movement of the USD/EUR currency pair in the purchase of titanium-bearing ores. The positive balance from investments represents the effective use and placement of surplus cash in profitable investments.

The **net operating result for the accounting period** amounts to EUR 19.5 million, which is 16% lower than in the same period of 2024, when it amounted to EUR 23.1 million. Taking into account the developments in the international economy, the titanium dioxide pigment market, and, above all, the results of competitors in the titanium dioxide industry, we conclude that the result is good and above expectations. The net operating result includes the operating result before taxes, with calculated income tax in the amount of EUR 3.9 million (the effective tax rate is 16.5%).

2.2 Expenditure and costs

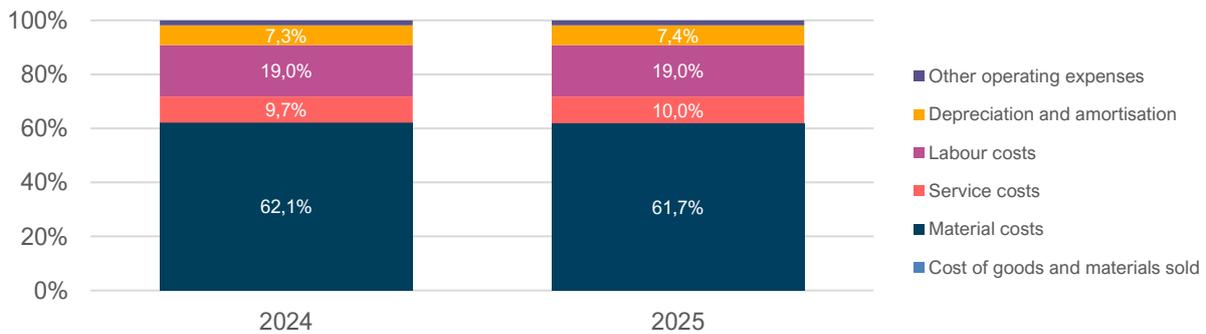
Material costs account for the largest share of total costs, namely 61.7%. In the structure of consumption of raw materials, packaging, and energy, there are certain deviations compared to the comparable period of 2024, with the most significant increase in relative terms being the increase in energy costs. This must also be interpreted in the context of lower production.

Purchase prices for titanium-bearing raw materials remained roughly at the same level as in the previous year during the period under review, and were even slightly lower in some cases, while prices for sulphur, a key input material for acid production, increased. Although production volumes were

slightly lower than in 2024, the total cost of raw materials nevertheless increased by 3%, mainly due to higher prices of certain supporting chemicals and other purchased inputs.

Raw materials and supplies continue to dominate the structure of material production costs, accounting for 82.8%, followed by energy at 15.7% and packaging at 1.6%. The structure of all other costs incurred by the company is shown in the chart below.

Cost structure (in %)



The structure of labour costs is disclosed in the section Notes to the Financial Statements 5 Labour Costs. Gross salaries were determined in accordance with the provisions of the collective agreement, taking into account the agreements between the trade unions and the Management Board. Transportation to work and meals during work are in line with applicable regulations. Labour costs include supplementary pension insurance, performance-related payments, severance pay, other employee benefits, solidarity assistance costs, jubilee awards, and other items.

2.3 Assets

	31 December 2025	31 December 2024
ASSETS		
Intangible assets	2,142,639	2,408,779
Tangible fixed assets	116,232,009	111,699,615
Financial assets at fair value through other comprehensive income	1,709,631	1,287,325
Other non-current assets	115,376	105,470
Deferred tax assets	1,192,860	1,462,488
Total non-current (long-term) assets	121,392,516	116,963,678
Current assets		
Inventories	54,460,671	58,969,428
Financial receivables	38,456,959	47,214,859
Trade receivables	26,096,057	30,243,586
Income tax receivables	1,283,140	0
Cash and cash equivalents	19,122,785	17,731,407
Other current assets	424,474	230,760
Total current assets	139,844,086	154,390,040
Total assets	261,236,601	271,353,718

The share of **non-current (long-term) assets** in the structure of total assets increased by 3.4 percentage points compared to the end of 2024 and amounted to 46.5%. Tangible fixed assets remain the largest category of long-term assets (96%). Their value increased by 4% compared to the end of

2024, due to the difference between the amount invested in tangible fixed assets and the actual depreciation calculated in 2025. Non-current financial investments in electricity companies were revalued at fair value at the end of 2025 and were reported 33% higher than at the end of the previous year. Deferred tax assets decreased by 18% in 2025 due to a reduction in a certain portion of long-term environmental provisions arising from remediation procedures. Other non-current assets represent emission allowances obtained free of charge from the state. Their balance as at 31 December 2025 is EUR 9.9 thousand higher than on 31 December 2024 as a result of the balance between the acquisition of allowances for 2025 and the transfer to ARSO for CO₂ emissions for 2024 and the expected transfer for CO₂ emissions for 2025.

The share of **current assets** in the structure of total assets decreased by 3.4 percentage points compared to the end of the previous year and amounted to 53.5%. In the structure of current assets, the most significant categories in terms of value are inventories (39%), financial receivables (27%), trade receivables together with other current assets and income tax receivables (20%), and cash and cash equivalents (14%).

Inventories decreased by 8% compared to the end of 2024, with the value of material inventories (including advances) decreasing by 24% and the value of work-in-progress inventories decreasing by 4%. The total value of the Company's finished products and merchandise inventories increased by 33% (all compared to the end of 2024). The most important reason for the increase in inventories of finished products is the lower sales volume of pigment compared to its production in 2025 or the last quarter of 2025.

Current financial receivables as at 31 December 2025 mainly comprise investments in short-term treasury bills for the purpose of efficient use of cash and have decreased by 19% compared to the end of 2024.

Current trade receivables comprise current trade receivables from customers and current trade receivables from others (primarily from the state for input VAT) and income tax receivables. Compared to the end of 2024, trade receivables decreased by 24%. Receivables from customers decreased by 25%, while other current receivables remained at the same level as at the end of 2024. Income tax receivables in the amount of EUR 1.3 million relate to the difference between overpaid income tax prepayments for 2025 and the actual income tax calculated for 2025. An overview of receivables from customers by maturity shows that the age structure of receivables remains sound and secured by an external institution or other form of collateral.

Cash (and cash equivalents) represents 14% of the total value of current assets, with cash increasing by 8% compared to the last day of the previous year. Part of the cash, amounting to EUR 7 million, consists of short-term bank deposits.

Other current assets are prepaid expenses and supplies of goods to which the Company will acquire ownership rights in 2026. The value increased by 84%.

2.4 Liabilities to sources of funds

	31 December 2025	31 December 2024
CAPITAL AND LIABILITIES		
Called-up capital	20,229,770	20,229,770
Capital reserves	44,284,976	44,284,976
Profit reserves	125,036,192	125,078,814
Fair value reserve	-1,354,842	-1,650,342
Retained earnings	28,558,990	23,093,258
Total capital	216,755,086	211,036,476
Provisions for employee benefits	3,819,086	3,748,722
Other provisions	12,746,394	14,302,270
Non-current deferred income	861,858	873,579
Total non-current liabilities	17,427,338	18,924,572
Financial liabilities	60,832	29,915
Trade payables	24,885,606	36,124,537
Income tax payable	0	4,019,469
Liabilities under contracts with customers	0	0
Other current liabilities	2,107,739	1,218,750
Total current liabilities	27,054,177	41,392,670
Total capital and liabilities	261,236,601	271,353,718

The **value of capital** in the structure of liabilities to sources of funds as at 31 December 2025 represents 83%, which is 5.2 percentage points more than at the end of 2024. The amount of capital increased by 3% compared to the end of 2024. The increase (EUR 5.7 million) relates to the balance between the net profit for 2025 in the amount of EUR 19.5 million, expenditure on the purchase of own shares in the amount of EUR 42,622, and the payment of dividends based on the resolution of the 29th regular General Meeting of Shareholders of Cinkarna Celje d.d. dated 21 May 2025 in the amount of EUR 14 million. As at 31 December 2025, the Company holds 299,874 treasury shares (3.7% of all shares). In accordance with the resolution of the 28th regular General Meeting of Shareholders of Cinkarna Celje d.d. dated 19 June 2024, the Company acquired 1,490 treasury shares in the amount of EUR 42,622 in 2025. There were no other significant changes in capital except for changes in fair value reserves due to the revaluation of investments and actuarial gains in the amount of EUR 0.3 million.

The total share capital amounts to EUR 20,229,770, consisting of 8,079,770 ordinary freely transferable shares, following a 1:10 split on 15 August 2022 (of which 299,874 are treasury shares registered in the treasury share account). The book value of the share as at 31 December 2025 is EUR 26.8 (up 2.7% from EUR 26.1 at the beginning of the year).

Provisions and deferred income account for 6.7% of liabilities to sources of funds. Provisions for pensions and similar obligations were established on 1 January 2006 (severance pay and jubilee awards) and are adjusted annually on the basis of actuarial calculations. Other provisions were established during the privatisation process from environmental provisions, and additional provisions were established for the purpose of rehabilitating the Bukovžlak solid waste landfill and the Za Travnikom landfill. At the end of 2025, as at the end of 2024, we re-examined the scope of provisions and adjusted/reversed them accordingly, taking into account actual market conditions and the reasons for their existence. The scope of environmental provisions decreased by 11% at the end of 2025 due to the coverage of remediation project costs. Non-current deferred income decreased by 1% due to the depreciation of acquired assets for co-financing electric vehicles and solar power plants purchased in 2024 and 2025.

Financial liabilities and trade payables decreased by 35% compared to the end of the previous year due to a decrease in trade payables from the settlement of liabilities to suppliers, employees, and liabilities to the state for the payment of income tax. Liabilities to suppliers decreased by 32% for the above reason. Other current trade liabilities decreased by 28% due to lower liabilities to employees and state institutions. There are no income tax liabilities for the 2025 financial year, as the advance payments made during 2025 fully cover and exceed the calculated tax liabilities for 2025 (the surplus is shown under income tax receivables in the amount of EUR 1.3 million). All financial and trade liabilities are current. The Company's gross gearing ratio is 10.4%, down 4.9% compared to 31 December 2024.

Current financial liabilities as of 31 December 2025 amount to EUR 61 thousand, compared to EUR 30 thousand at the end of 2024. The Company's financial gearing ratio is therefore 0.2‰ (compared to 0.1‰ at the end of 2024).

Current trade payables decreased by 31% in the period under review. Current trade payables to suppliers amounted to EUR 21.2 million as at 31 December 2025, down 32% compared to the end of 2024 due to the settlement of liabilities to suppliers of strategic raw materials. Other trade liabilities decreased by 28% (or EUR 1.5 million), and mainly comprise EUR 1.6 million in liabilities for the payment of net salaries to employees and other net payments arising from employment relationships, EUR 2.1 million in liabilities arising from contributions and taxes on personal income, and liabilities for VAT and to other institutions.

Other current liabilities increased by 73% in the period under review. They mainly include calculated liabilities for annual leave and other labour costs, pre-calculated environmental contributions and taxes, and VAT on advances paid.

3 STAFF

Human resources activities focused on acquiring professionally qualified staff, seeking innovative HR solutions, and strengthening social cohesion in conditions marked by tensions in the labour market and cost pressures. We continued with a rational approach to employment, addressing the need for highly educated professional staff primarily through external recruitment and the rest through internal redeployment. We placed particular emphasis on rejuvenating the workforce, seeking natural science profiles, and gradually agreeing on retirements in critical positions.

On 31 December 2025, Cinkarna employed 726 people, which is 8 or 1.1% more than at the end of 2024. The changes are minor across business units.

When communicating with employees, we encourage open and comprehensive communication between the Company's Management Board, employees, the Works Council, and two representative trade unions. In addition to informing employees about the current overall situation, it is also very important to obtain feedback and suggestions from employees, which has a positive effect on the working atmosphere in the Company, promotes a good organisational culture, increases loyalty to the Company, and strengthens employee trust in the Company's management.

During this period, the Company's Management Board, business unit directors, and the Works Council devoted considerable attention to communication through a wide range of communication channels. To convey information to our employees, we used print and electronic media such as: Company Management messages via e-mail with Current News for Employees and electronic messaging dialogue with our company mascots (Cinko and Cinka), Informator – printed version, Cinkarnar company magazine – twice a year, active social networks Facebook and LinkedIn Cinkarne Celje, we also publish a union newsletter, we have established our own Sharepoint (intranet and extranet), and always interesting and active bulletin boards for posting news. There are more than 70 notice boards installed throughout the Company as a means of communication.

In addition, we are improving and upgrading the Moja Cinkarna employee app, which serves as an additional communication channel with our employees. The app is becoming increasingly popular among employees and will be enhanced with new features. For those who do not use the Moja Cinkarna app, we have set up an INFO point through which all employees can access work domains, reports, and content.

In the field of social work, activities were also carried out during the period in question in relation to the individual resolution of workers' problems, the management and deployment of disabled workers, ergonomics, employee prevention, and the retirement of those employees who meet the conditions for retirement.

In the future, we plan to continue optimising our staffing structure through redeployment, optimisation of business processes and the recruitment of new young and technically skilled staff. Investments in development, training, and further improvement of the working environment for employees will also continue, with special attention being paid to the renovation and development of HR systems.

3.1 Added value at Company level

The added value per employee is 1% lower than in 2024, which is a result of a 6% increase in the cost of goods, materials, and services. The number of employees is slightly lower than in the previous year.

	2025	2024	ΔPY%
Revenue from sales	198,801,281	200,285,413	-1
Increase or decrease in inventory value	5,012,815	-2,142,794	-
Capitalised own products and services	4,167,299	3,372,409	+24
Other operating income	2,039,797	2,620,709	-22
Cost of goods, materials, and services	134,904,509	127,545,069	+6
Other operating expenses	2,086,574	2,543,440	-18
Added value	73,030,109	74,047,227	-1
Average no. of employees by hours worked	685	689	-1
AV (in €) / employee	106,613	107,471	-1

4 MOST IMPORTANT RISKS OF THE COMPANY

The risk management process is a key process and the foundation of the Integrated Management System (IMS). We manage risks in accordance with the Rules on the Management of Impacts, Risks, and Opportunities at Cinkarna Celje d.d. The Rules precisely define the organisation, responsibilities, and methodology used.

The risk management system includes risk identification, risk assessment and classification, implementation of measures, monitoring and reporting. Based on monitoring and analysis of the external and internal environment, we obtain input data for identifying key risks and opportunities, which is crucial for our operational, tactical, and strategic planning in line with sustainable development goals.

In light of reporting in accordance with the CSRD, we have added an assessment of sustainable impacts and the risks and opportunities arising from them to our existing risk management approach. We have identified the method for assessing sustainable impacts and risks through a double materiality assessment (DMA) process.

At the end of 2024, following the example of European reporting standards, where the identification of impacts is focused on predefined sustainability topics, subtopics, and sub-subtopics, we also implemented this approach in the area of risk assessment.

The Impact, Risk, and Opportunity Management Committee has identified important areas of financial impact on the Company, which are clearly described by topics, subtopics, and sub-subtopics. Alongside these changes, we have made a major change to risk assessment in the area of work items, where we evaluate a group of key raw materials and energy sources as part of the risk assessment.

The levels of management of individual risks and opportunities remain the same and depend on the degree of financial impact on the Company.

We manage impacts, risks, and opportunities through implementation targets or tasks, the execution of which we monitor through reports and/or protocols. We monitor impacts, risks, and opportunities on an ongoing basis, with a thorough review conducted by the Committee once a quarter. This is followed by reporting to the Management Board's Extended Professional Council. We inform the Management Board and the Supervisory Board on a quarterly basis about key impacts, risks, and opportunities.

We also communicate with the external public about the risks to the Company's operations and how we manage them in interim and annual reports, i.e. every three months. The reports are published on the SEO-net portal and on the Company's website www.cinkarna.si.

Overview of key risks – residual risk is updated and defined below based on the status and expectations as at the reporting date.

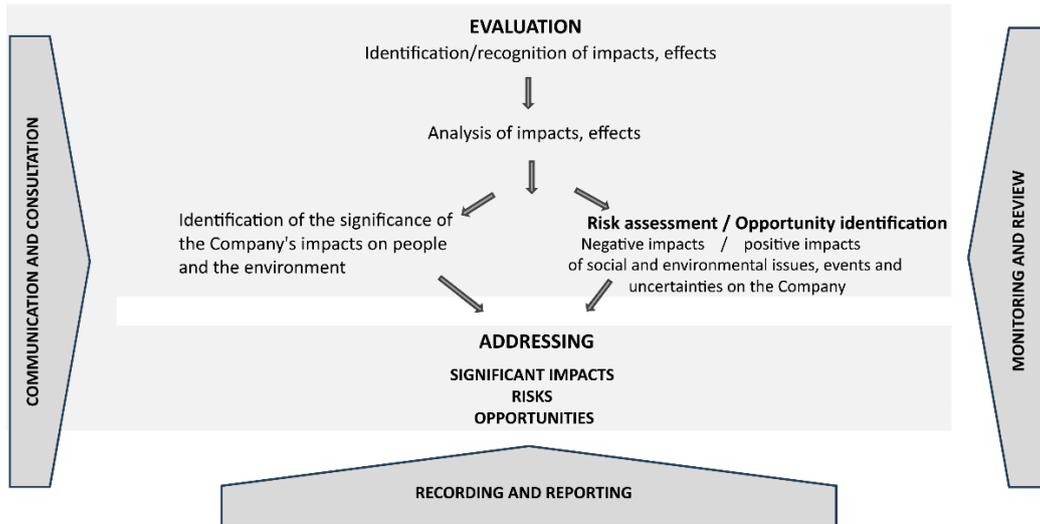


Figure 1: Impact, Risk and Opportunity (IRO) management process

We identified the following key residual risks:

1	Work items
2	Digital transformation
3	Human resources
4	Overall equipment effectiveness (OEE)
5	Products
6	Water resources
7	Safety
8	Legislative compliance
9	Financial risks

1	Work items
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In the area of raw material procurement, we encounter three types of risks. A loss of production and, consequently, planned revenues can be caused by a loss of supply of work items from monopoly suppliers, as well as by unforeseen delays in delivery times throughout the entire supply chain. Price increases also pose a risk in cases where demand exceeds supply.

We ensure timely planning of needs and ordering of raw materials, take into account empirical time reserves, and increase minimum stocks as necessary. For all strategic raw materials, we continuously update the business case and checklist in line with market changes, raw material prices, business needs, and other external factors.

We search for, test, and introduce new sources of raw materials into production. We also evaluate alternative sources of raw materials in terms of creating catalogues of verified alternative raw materials and suppliers. We build long-term and stable partnerships in a targeted manner. We also maintain regular contact with suppliers with whom we do not do business, but who represent a high-quality potential alternative.

We manage risks by using appropriate contractual protection.

Recently, with the reduction in the quantity of liquid sulphur on the market, the prices of both liquid and solid sulphur have risen significantly. We manage price and quantity risks within the scope of our possibilities by expanding our circle of suppliers.

2	Digital transformation
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Digitisation allows us to reduce the risks of loss of production volume, excessive maintenance costs, errors in manual data entry, reduce administrative costs, and better manage security risks.

We reduce this risk in the Company by implementing several operational objectives that increase the level of digitisation and computerise and simplify business processes (upgrade of modules in Power BI business analytics and in Moja Cinkarna, document system, migration of Oracle Forms applications, introduction of the mSign system, AI agent for knowledge transfer, upgrade of the maintenance information system and the Spekter production information system).

We also address automation and cyber security as sub-topics within this risk. We reduce risk with a virtual backup environment, the introduction of security tools, and regular updates of critical hardware and software.

3	Human resources
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On the one hand, the Company is facing a wave of retirements and, on the other, a shortage of quality staff in the labour market. An additional risk is represented by the percentage of sick leave.

With a large number of retirements, there is a risk of ensuring adequate succession and inadequate competence of new employees, as it takes a long time to acquire these.

We established a staffing system in which a training programme and mentor are prescribed for each job.

We are cataloguing all specific and general knowledge in the company, redesigning the system for integrating new employees and testing the existing knowledge of employees.

We developed and approved a new competency model. It provides a detailed description of the required competencies for all job positions. Based on this, we are implementing systematic training through the Leadership Academy for the B-1 level and, for all employees, through the Smart Arena learning platform.

We are implementing a broad project called Knowledge Transfer in the key titanium dioxide production.

We identified key positions in the Company, identified potential successors, and defined the time needed for the necessary replacement and additional competencies required.

For the most promising candidates, we are implementing the Leadership Academy development programme and individual coaching.

When searching for new employees, in addition to traditional methods of recruitment, we use social media recruitment solutions. We increased our cooperation with employment agencies and, in individual cases, concluded contracts with external service providers.

We offer staff scholarships. We actively participate in career fairs. We deepened our cooperation with secondary schools. We enable high school and university students to complete their mandatory

internships and student work. We enable students to complete their bachelor's, master's, and doctoral theses at the Company.

We continuously implement organisational changes and adapt agilely to new circumstances.

By introducing team-based problem solving and communicating with employees, we strive to increase employee engagement. We systematically address safety issues at daily meetings and eliminate the causes of injuries. Within the scope of our capabilities, we ensure the versatility of our employees.

4	Overall equipment effectiveness (OEE)
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At the Company, we prepare annual and strategic plans based on achieving maximum utilisation of equipment. Breakdowns, unplanned maintenance, and limited storage capacity pose a risk of not achieving the desired objective.

We significantly reduced the risk in titanium dioxide production in the flue gas cleaning process with the successful launch of the fourth electrostatic precipitator. This was followed by the renovation of one old electrostatic precipitator at the end of the year, and the replacement of another will be carried out at the beginning of next year. During the year, we faced reduced overall equipment efficiency in the areas of vacuum cooling, calcination, and gel washing. We managed the risk by analysing the causes, adopting a systematic approach to solving the problem and introducing preventive maintenance and systematic monitoring of critical points.

At BU Kemija Celje, the risk is represented by the possibility of failure when the production line is operating at high capacity. We managed the risk by performing operations that place less strain on the line, by packaging in larger containers, and by outsourcing packaging to subcontractors.

At BU Polimeri, the risk to availability was posed by a sandblasting machine, which we successfully replaced in 2025.

At BU Kemija Mozirje, we successfully managed the risk of production downtime due to equipment failure by expanding preventive maintenance and ensuring a stock of important spare parts.

5	Products
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Due to the deteriorating economic situation in Europe and the influx of cheap Chinese pigments, as well as the introduction of customs duties on masterbatches, there has been a noticeable change in sales volumes in our traditional markets, both in the titanium dioxide and masterbatch segments. As a countermeasure, we are increasing pigment sales to Scandinavian markets, expanding our sales network in the US, and exploring opportunities for expansion into the Indian and Brazilian markets. In the field of masterbatches, we are increasing sales in the segment of more demanding applications.

We are also implementing cost optimisation measures.

6	Water resources
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This is a risk associated with climate change, which can have a negative impact on the Company's operations due to water supply restrictions during periods of drought.

The Company recognises the potential shortage of water for titanium dioxide production as a significant risk due to drought and, at the same time, an opportunity to follow sustainable business principles.

The most suitable and, above all, sustainable solution has proven to be the use of wastewater from the Celje Municipal Wastewater Treatment Plant (KČN). This source is quantitatively sustainable, but requires additional treatment. Its use will improve both the biological and hydromorphological status of the watercourse.

Pilot tests with one type of technology at the KČN site have been completed and form the basis for equipment planning. In 2026, we will pilot test an alternative technology. In cooperation with the Municipality of Celje, the process of preparing the OPPN documentation for the installation of the pipeline is underway. At the same time, we are also preparing project documentation for the construction of the pipeline.

Through various measures, we have already partially increased the use of internal water recycling and ensured the possibility of short-term emergency supply, which prevents the need to stop production.

7	Safety
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Heavy rainfall (floods, landslides) or earthquakes pose a risk of negative impact on the Company's operations due to damage to barrier structures, which could result in partial collapse and subsequent flooding.

Regular technical observation and monitoring are carried out in the area of high embankments (Bukovžlak and Za Travnikom).

Based on the results of our observations, we carry out systematic and long-term maintenance measures to ensure the stability of the barrier structures and, if necessary, we take measures to remedy the consequences of adverse weather conditions. One such example is the landslide that occurred after heavy rainfall in August 2023 on the lower western part of the high embankment barrier at Za Travnikom. We monitor the landslide with measurements. We carried out urgent remediation work, which will be followed by comprehensive remediation, for which an environmental provision has been made. A prerequisite for the remediation was the relocation of the cable duct, which we successfully completed in 2025.

An industrial accident represents a potential risk of a negative impact on the Company's operations. At the end of the year, a railway accident occurred in our area during ore unloading, but thanks to proper work organisation, it did not cause any production downtime or negative environmental impacts.

We manage risk through systematic assessment of the impact on the environment and employees, periodic fire risk assessments, and systematisation of workplaces based on risk assessment.

In the area of limiting environmental impacts, we have systematically introduced European environmental standards by implementing the principles of the Responsible Care Programme and harmonised our operations with the requirements of the IED and SEVESO Directives.

We carry out internal assessments of the adequacy of the implementation of the measures required by the SEVESO permit and remedy any identified shortcomings.

In the field of fire safety, we have our own fire brigade, and the Company is also adequately insured against fire.

In the field of occupational accidents, we have a professional service that monitors compliance with occupational health and safety rules and measures. We conduct regular training and education of employees. The Company is insured for liability.

We conclude written agreements with external contractors and provide them with training. We employ a permanent coordinator for safe and healthy work. We have introduced work instructions for the implementation of maintenance measures in terms of fire prevention, accident prevention, and improving cleanliness in the working environment.

8

Legislative compliance

The Company fills waste red gypsum from titanium dioxide production into the Za Travnikom waste disposal facility. The existing zoning plan (ZN) and building permit allow filling up to an elevation of 300 m above sea level, which will be reached in 5-6 years according to the latest projections.

Due to new circumstances and findings during filling, the implementation as envisaged in the project is not possible in certain parts or could lead to the destruction of the planned structures. Another negative aspect is the planned inadequate drainage, which would lead to the site being partially flooded with rainwater again.

In response to the new circumstances and findings described above, the designer, with the expert support of the UL FGG Department of Geotechnics, has prepared a revision of the Za Travnikom project. This revision provides for increased quantities of red gypsum and a different form of filling. The planned volumes have already been entered in the environmental permit, and the Ministry of Natural Resources and Spatial Planning has issued a decision that the planned change does not require a new environmental impact assessment. However, a change to the zoning plan and building permit is required.

We have submitted the initiative for a change to the zoning plan to all three municipalities concerned. A decision on the start of the change to the zoning plan must be adopted by all three municipalities. For the time being, one of the municipalities is not in favour of this.

According to the decree of the Municipality of Šentjur, Cinkarna should have stopped filling on 27 October 2023. Due to the separation of white gypsum and large subsidence, which the filling project did not anticipate, this deadline is not achievable in practice. We have been informing representatives of the Municipality of Šentjur and the Blagovna Community about this since 2017, but they have insisted on the need to respect the specified date. We obtained a legal opinion on the validity of such a decree. It found that the decree is inconsistent with the applicable legislation, so we sent an initiative to the Ministry of Natural Resources and Spatial Planning (MNVP) to review the legality of the Decree on Amendments and Supplements to the ZN Za Travnikom. The Ministry of Natural Resources and Spatial Planning partially referred the report to the Ministry of the Environment, Climate and Energy (MOPE), which agreed with the legal opinion and called on the Municipality of Šentjur to bring the decree into line with the applicable legislation within 90 days. As this was not done, the Government initiated a constitutional review procedure at the proposal of MOPE.

With the aim of sustainable development and a circular economy, as well as extending the available time for disposal, the Company is also developing procedures to reduce the quantities of red gypsum. We are continuing to take steps towards the adoption of a new appropriate spatial act for gypsum filling at another location.

In the distant past, waste was also deposited at the Bukovžlak non-hazardous waste landfill site (ONOB), from which rainwater and groundwater leach heavy metals. We are partially successful in collecting this leachate and sending it to the Company for treatment, but some of it escapes into the environment. In order to minimise this impact, the Company is carrying out extensive remediation of this area, for which it has also set up an environmental provision. The remediation includes the reinforcement of the barrier body, the renovation of the drainage system and the deep pipeline (all three already completed), the construction of a channel for the drainage of backwater, the renovation

of the C1 drainage system under the Bukovžlak high embankment, the installation of a sealing curtain and a minimally permeable cover, and a diversion embankment. Work on the renovation of the C1 drainage system began in 2025, and in 2026 we will begin construction of the sealing curtain.

In the field of chemicals, a series of requirements for compliance with various legislations in countries around the world (REACH, registration of Cu preparations) has been established. Potential harmfulness is being assessed and products are being withdrawn from the market (TMP, PFAS). Requirements are becoming stricter in the field of plastic use, both for food contact and microplastics.

The aforementioned legislation also affects our products. We manage risk through various approaches. We carry out the necessary registration procedures and look for replacements for products whose use may be restricted or even banned.

9	Financial risks
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Credit risk: The potential risk represents the possibility of increased expenses due to non-payment by customers for whom we do not have secured receivables, which represents approximately 5% of receivables. As protection, we perform internal credit checks on individual customers for whom we have set individual credit limits based on their solvency.

Liquidity risk: Failure to make payments within the agreed deadlines due to the insolvency or indiscipline of customers may cause liquidity problems. We manage this risk by ensuring a stable cash flow. The Company's operations are traditionally conservative with a high level of cash and cash equivalents. Liquidity management includes, among other things, planning expected cash obligations and covering them on a daily, weekly, monthly, and annual basis, continuously monitoring the solvency of customers, and regularly collecting overdue receivables. We regularly obtain up-to-date information for more accurate cash flow planning. Cash flow is prepared in detail, carefully and accurately on a daily, monthly and annual basis.

Currency risk: Loss of revenue and higher costs due to the euro/dollar exchange rate when purchasing materials and raw materials in US dollars (titanium-containing raw materials, partly copper compounds) is the third possible financial risk. To avoid this risk, we continuously monitor movements and forecasts regarding the dynamics of the EUR/USD currency pair. We basically limit the short-term risk of unfavourable changes in the dollar exchange rate through the standardised and consistent use of financial instruments (dollar forward contracts). We also regularly obtain more accurate data for advance purchases of foreign currencies.

5 DATA ON SHAREHOLDERS AND OWNERSHIP STRUCTURE

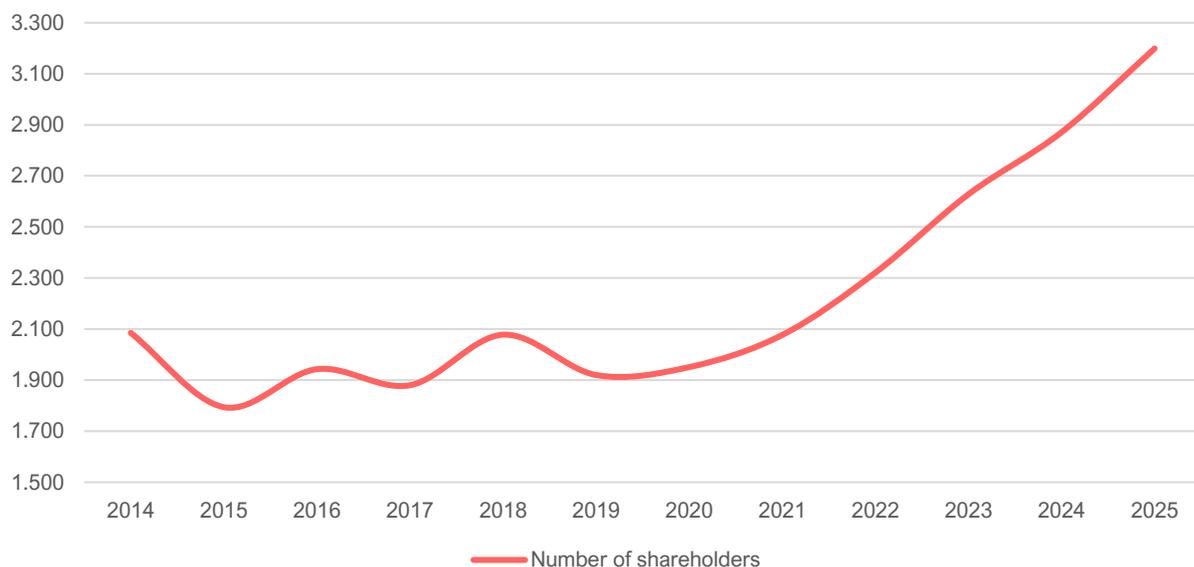
5.1 Ownership structure

The share capital of Cinkarna Celje d.d., amounting to EUR 20,229,769.66, is divided into 8,079,770 ordinary freely transferable bulk shares. At the end of the period, the Company had a treasury stock portfolio comprising 299,874 shares (or 3.7% of the total issue). The number of shareholders at the end of the period was 3,146. The ownership structure at the end of the period is shown in the table below.

Share ownership structure of Cinkarna Celje d.d.

	No. of shares	%
SDH, d.d.	1,974,540	24.44
Modra zavarovalnica, d.d.	1,629,630	20.17
OTP BANKA D.D. - fid.	424,458	5.25
TR5 d.o.o	364,943	4.52
Treasury shares	299,874	3.71
KRITNI SKLAD PRVEGA POKOJNINSKEGA SKLADA	167,050	2.07
RAIFFEISEN BANK AUSTRIA D.D. - FID	157,340	1.95
NLB Skladi - Slovenija mešani	107,972	1.34
Intercapital securites Ltd - fid.	83,151	1.03
Zagrebačka banka d.d. - fid.	69,380	0.86
Privredna banka Zagreb d.d. - fid.	65,985	0.82
Generali Jugovzhodna Evropa	56,000	0.69
Internal shareholders – FO	52,849	0.65
External shareholders – FO	1,992,379	24.66
Other	634,219	7.84

Movement in the number of shareholders at the end of the year/period



5.2 Trading in shares

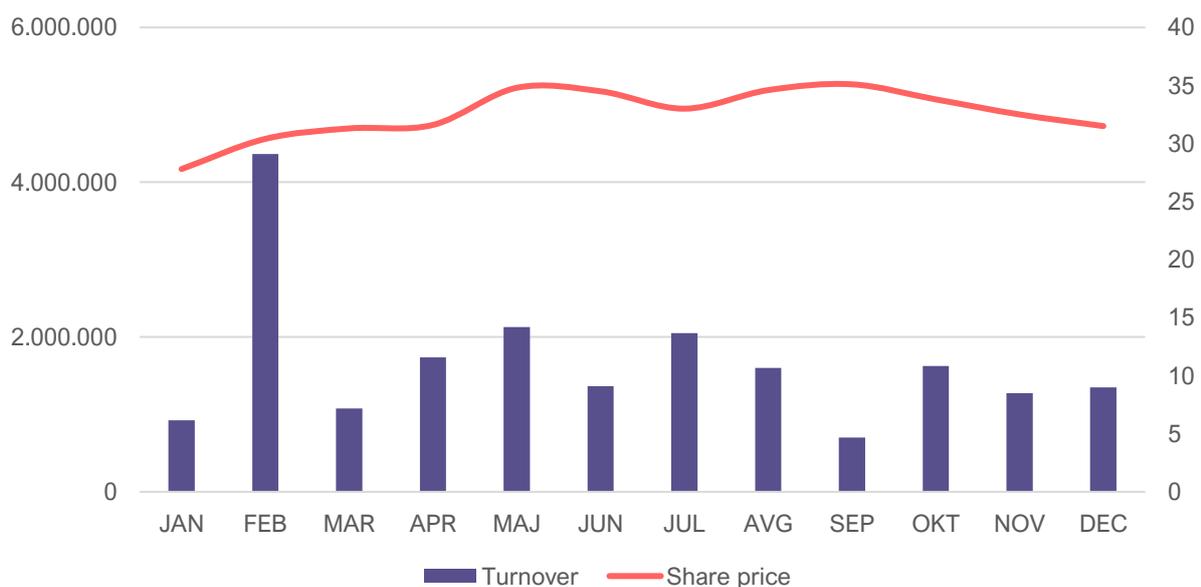
Cinkarna shares, with the ticker symbol CICG, are traded on the open securities market. The first day of trading was 6 March 1998. The single share price on that day was EUR 33.71. In August 2022, a 1:10 share split was carried out.

Movement in market value of shares (single price on the last day of the month) and turnover:

	Single price		Turnover
	Year 2024	Year 2025	Year 2025
JAN	23.6	27.8	924,972
FEB	20.9	30.4	4,362,905
MAR	21.5	31.3	1,077,570
APR	21.8	31.6	1,737,393
MAY	21.6	34.8	2,128,891
JUN	22.3	34.5	1,366,093
JUL	23.8	33.0	2,049,975
AUG	24.5	34.6	1,602,298
SEP	28.5	35.1	703,312
OCT	28.7	33.8	1,626,639
NOV	27.0	32.5	1,275,315
DEC	27.7	31.5	1,350,897

The value of Cinkarna Celje d.d. shares, listed on the first tier of the Ljubljana Stock Exchange (under the symbol CIGG), fluctuated between EUR 27.5 per share and EUR 36.0 per share during the period under review. From the last trading day in 2024 to the last trading day of the period under review, the share price rose by 14%.

Share price (right axis) and stock turnover (left axis) by month



6 FOUNDATIONS OF DEVELOPMENT

6.1 Investments

In 2025, we spent EUR 19.5 million on investments, the purchase of fixed assets, and replacement equipment, thereby achieving 98.4% of the plan.

Table of investments by individual areas

	Realised in 2025 (in €)
Investments	10,794,636
Fixed assets	1,594,352
Replacement equipment	7,136,410
Total	19,525,398

We established a 5G network at our Celje location. We implemented the Kadris 4 Cloud system.

In accordance with the requirements of the baseline report, in 2025 we began the gradual renovation of surfaces and sewers where hazardous substances are transported/transferred.

In the area of environmental provisions, we carried out work on the C1 drainage system, and at the end of the year, preparatory work on the construction of the sealing curtain also began, after a delay due to the busy schedule of the foreign contractor. We used 61.8% of the planned funds.

Overview of investments by strategic pillar

Pillar	Realised in 2025 (in €)
Sustainability and energy transformation	6,715,328
Quality and expansion of production	5,265,076
Digitisation	595,862
Other	6,949,132
Total	19,525,398

6.2 Development activities

Hydrophilic & hydrophobic organic treatment of titanium dioxide

Due to the classification of TMP as reprotoxic, we had to find a suitable substitute raw material for hydrophilic products that does not have a hazard label and allows for the same pigment dispersibility. We achieved the expected result with a suitable substitute raw material.

In the field of hydrophobic treatment, we found and implemented an additive that, in addition to ensuring adequate hydrophobic treatment, also reduces the total carbon content in wastewater by 50%, which is important in terms of its impact on emissions into water.

Development and improvement of pigment quality

Our goals are focused on improving certain parameters (opacity, gloss, dispersibility, viscosity) that represent a higher quality class of pigment when used. The measures taken have already brought about improvements in individual products, and further optimisations are underway with the aim of systematically achieving all target values.

Waste acid processing

In accordance with our plans, we are implementing activities that will enable us to reduce the amount of waste gypsum produced.

Evaluation of red gypsum

We are developing possibilities for using red gypsum in the production of building materials. Based on preliminary laboratory results, we have signed a contract with external contractors for more detailed research in four areas of application, which will form the basis for defining the technical and economic possibilities for implementation.

Treatment of wastewater from the KČN Tremerje plant

We have ordered the construction of a pilot plant for testing ultrafiltration with a different type of membrane. On-site testing will begin in spring 2026.

Development of a process for obtaining copper sulphate solution from ash

As part of our search for opportunities to incorporate cheaper and secondary raw material sources, we have investigated the use of waste copper from ash. Currently, its use is limited to the production of a single product, which generates sodium chloride as a difficult-to-manage by-product. By developing a dissolution process in another solvent, we want to enable wider use of this resource and improve the environmental efficiency of the process. Laboratory tests to date have not yet achieved the target yield, so further optimisation will be the subject of future activities.

6.3 Quality assurance

We manage various aspects of our business (quality, environment, occupational health and safety) with an integrated management system (IMS). The structure of the IMS is based on the ISO 9001 standard, which has been upgraded and expanded with ISO 14001, ISO 45001, and ISO 50001.

In 2025, we completed internal audits and further strengthened our systematic process management. To ensure the credibility of ISV and strengthen the trust of our partners, we also had the system certified in 2025 by an independent external institution, the Slovenian Institute of Quality and Metrology (SIQ). The assessment according to all four standards, carried out in June, did not reveal any non-conformities.

Our laboratories are additionally accredited according to the SIST EN ISO 17025 standard for wastewater monitoring, which is an important support for ensuring quality and compliance with legislative requirements.

We manage risks in the Risk Register, where they are classified according to financially defined categories. During the year, we supplemented the risk management system with aspects of impact and opportunity and updated the methodology and associated regulations.

In the Titanium Dioxide and Maintenance business units, we are continuing to implement a business excellence system, thereby strengthening a culture of continuous improvement and long-term competitiveness.

An important element of our approach to improvement is the active involvement of employees. We have established a system for rewarding improvement suggestions, which we also monitor as a key performance indicator. In 2025, we recorded 0.22 suggestions per employee.

We regularly monitor production processes using quality and stability indicators and by analysing deviations, which enables us to take timely action and prevent non-compliance.

In terms of complaints, we recorded further improvement in 2025, as the number of complaints was low (4), representing a decrease compared to the previous year (12). The costs of complaints remain negligible in relation to sales volume, but we nevertheless monitor and analyse them carefully in order to prevent recurrence and ensure a high level of customer satisfaction.

We also regularly monitor customer satisfaction through an annual survey. In December 2025, an online survey was conducted, to which 130 customers responded (response rate 58.6%). The results show a high level of loyalty, which is also confirmed by the NPS (Net Promoter Score) index of 59. NPS is an internationally recognised indicator of customer loyalty and satisfaction that measures how likely customers are to recommend a company to others. The NPS result of 59 is a very good indicator of customer satisfaction and confirms a stable base of loyal partners.

We understand quality as the responsibility of all employees and the foundation of the Company's long-term competitiveness, which is why we will continue to improve processes and strengthen the trust of customers and other stakeholders in the future.

6.4 Environmental management

Our environmental impact management in 2025 is based on the requirements of the ESRS standard. We focused on the important topics we identified in the context of implementing the ESRS standards and linked them to the key guidelines of the Company's sustainability strategy. On this basis, we established implementation targets in the areas of climate, pollution, water resource management, resource use, and the circular economy, which together support comprehensive and responsible environmental impact management.

In 2025, we had four environmental inspections. The inspections focused on verifying compliance with the requirements of the environmental permit for facilities that may cause large-scale pollution, namely in the areas of wastewater discharge, air emissions, and the environmental permit for the Bukovžlak non-hazardous waste landfill. No irregularities were found in the three inspections. During an inspection due to a complaint about odours in Bukovžlak, we received a decision to remedy the deficiencies. We implemented the required measures within the prescribed time limit.

A decision to remedy the deficiencies was also issued by the inspector for the SEVESO Directive. The measures are being implemented.

We recorded twenty-four complaints from the public. Most of them were about odours. We dealt with the complaints as they came in and took steps to fix the causes.

In 2025, we did all the required monitoring. Based on ongoing reviews of the monitoring results, which do not include final load assessments, we estimate that they are in line with the requirements of the legislation. There were no exceedances of limit values.

The MOPE is currently reviewing applications for changes to the sulphuric acid production plant (increase in acid production capacity, increase in waste cake processing volume, installation of a steam turbine) and the necessary changes due to the installation of a turbine in the water treatment plant at Energetika. In December, we received a decision on changes to the OVD in the area of groundwater and soil monitoring programmes and on the implementation of measures to prevent pollution with the relevant hazardous substances.

We regularly monitor all changes in environmental legislation, implement them in the Company's operations, and participate in the preparation of new regulations. We cooperate with the GZS and the ZKI in the preparation of new regulations and the harmonisation of requirements in the field of the

environment and energy (changes in the field of packaging and waste packaging management, the Energy Act, Environmental Protection Act, preparation of BREF-BAT conclusions, amendments to the Industrial Pollution Directive, sustainability standards, and other measures in the field of adopting requirements - Omnibus).

A Sustainability Team has been set up to meet the requirements in the field of sustainable business management and to prepare a sustainability report in accordance with ESRS standards.

We have fulfilled all obligations for the re-certification of the POR certificate, which was awarded in January 2026.

6.5 Safety and health

In 2025, our target was zero accidents at work, which we tried to achieve through the following activities:

- We provided, raised awareness of, and monitored the correct use of PPE by employees.
- We provided regular and timely theoretical and practical training for all employees.
- We updated risk assessments.
- We carried out inspections of work areas and monitored compliance with safety regulations by both our employees and external contractors through safety rounds.
- We regularly inspected work and height safety equipment.
- We began introducing the LOTO (LockOut / TagOut) system for maintenance work.
- We introduced the 5S system in TiO₂ production. We carried out checks on the mental and physical condition of employees at their workplaces.

Despite numerous preventive measures, we did not achieve our target. Although we did not record any serious accidents at work during the period under review, we did deal with 16 minor accidents, one fewer than last year.

7 FINANCIAL STATEMENTS

7.1 Income statement

Income statement for the period from January 1 to December 31.

	YEAR	YEAR
	2025	2024
Revenue from contracts with buyers	198,801,281	200,285,413
- Revenue from contracts with domestic customers	13,822,459	13,684,845
- Revenue from contracts with foreign customers	184,978,822	186,600,568
Changes in the value of stocks of goods and work in progress	5,012,815	-2,142,794
Capitalised own products and services	4,167,299	3,372,409
Cost of goods and materials sold	225,635	100,483
Cost of materials	115,913,675	110,211,321
Cost of services	18,765,200	17,233,265
Labour costs	35,623,561	33,774,717
a) Wages and salaries	25,413,363	24,918,269
b) Social security costs	2,069,596	1,953,520
c) Pension insurance costs	2,779,116	2,718,674
č) Other labour costs	5,361,487	4,184,254
Amortisation	13,871,225	12,900,809
Other operating income	2,039,797	2,620,709
Other operating expenses	3,327,431	3,250,896
Impairment and write-offs of trade receivables	67,759	0
Operating result	22,226,705	26,664,244
Financial income	1,355,916	1,986,327
Financial expenses	266,140	123,439
Financial result	1,089,776	1,862,888
Operating result before tax	23,316,482	28,527,133
Accrued tax	3,670,216	5,403,661
Deferred tax	-176,720	-36,222
Income tax	3,846,936	5,439,882
Net operating result for the period	19,469,546	23,087,250
Basic and diluted earnings per share	2.41	2.86

7.2 Statement of financial position of the Company

Statement of financial position of the Company

	31 December 2025	31 December 2024
ASSETS		
Non-current (long-term) assets		
Intangible assets	2,142,639	2,408,779
Tangible fixed assets	116,232,009	111,699,615
Land	9,479,292	9,551,633
Buildings	38,469,429	38,846,617
Manufacturing plants and machinery	56,578,505	52,831,132
Other machinery and equipment	40,769	41,538
Tangible fixed assets in construction and elaboration	10,378,714	8,731,586
Advances for the acquisition of tangible fixed assets	1,285,300	1,697,110
Financial assets at fair value through other comprehensive income	1,709,631	1,287,325
Financial receivables	0	0
Trade receivables	0	0
Other non-current assets	115,376	105,470
Deferred tax assets	1,192,860	1,462,488
Total non-current (long-term assets)	121,392,516	116,963,678
Current assets		
Assets held for sale	0	0
Inventories	54,460,671	58,969,428
Material	30,520,042	40,009,286
Work in progress	3,273,409	3,407,765
Products and merchandise	20,540,256	15,421,020
Advances for inventories	126,963	131,357
Assets under contracts with customers	0	0
Financial receivables	38,456,959	47,214,859
Trade receivables	26,096,057	30,243,586
Receivables from customers	22,966,858	27,100,674
Other receivables	3,129,199	3,142,911
Income tax receivable	1,283,140	0
Cash and cash equivalents	19,122,785	17,731,407
Other current assets	424,474	230,760
Total current assets	139,844,086	154,390,040
Total assets	261,236,601	271,353,718

Statement of financial position of the Company (cont.)

	31 December 2025	31 December 2024
CAPITAL AND LIABILITIES		
Owners' capital		
Called-up capital	20,229,770	20,229,770
Capital reserves	44,284,976	44,284,976
Profit reserves	125,036,192	125,078,814
Statutory reserves	16,931,435	16,931,435
Reserves for own shares	5,688,771	5,646,149
Own shares	-5,688,771	-5,646,149
Other profit reserves	108,104,757	108,147,379
Fair value reserve	-1,354,842	-1,650,342
Retained earnings	28,558,990	23,093,258
Total capital	216,755,086	211,036,476
Non-current liabilities		
Provisions for employee benefits	3,819,086	3,748,722
Other provisions	12,746,394	14,302,270
Non-current deferred income	861,858	873,579
Financial payables	0	0
Trade payables	0	0
Obligations under contracts with customers	0	0
Deferred tax liabilities	0	0
Total non-current liabilities	17,427,338	18,924,572
Current liabilities		
Liabilities included in disposal groups	0	0
Financial payables	60,832	29,915
Trade payables	24,885,606	36,124,537
Payables to suppliers	21,206,587	30,982,718
Other liabilities	3,679,019	5,141,818
Income tax liabilities	0	4,019,469
Liabilities under contracts with customers	0	0
Other current liabilities	2,107,739	1,218,750
Total current liabilities	27,054,177	41,392,670
Total liabilities	44,481,515	60,317,242
Total capital and liabilities	261,236,601	271,353,718

7.3 Statement of changes in equity

Statement of changes in equity in 2025

CINKARNA Kemična industrija Celje d.d.	Called-up capital	Capital reserve	Profit reserves				Fair value reserve	Retained earnings		Total capital
			Statutory reserve	Reserves for own shares	Own shares	Other profit reserve		Profit or loss carried forward	Net profit for the period	
Opening balance of the period	20,229,770	44,284,976	16,931,435	5,646,149	-5,646,149	108,147,379	-1,650,342	6,007	23,087,251	211,036,476
Changes in equity – transactions with Owners				42,622	-42,622			14,003,813		14,003,813
Purchase of own shares				42,622	-42,622					
Withdrawal of own shares								14,003,813		
Payment of dividends										
Total comprehensive income for the Period							295,499	0	19,469,546	19,765,045
Entry of net profit or loss for the Period									19,469,546	19,469,546
Entry of net profit or loss for the Period							295,499	0		295,499
B3. Changes in equity	0					-42,622		23,087,251	-23,087,251	-42,622
Allocation of the residual part of net profit of reporting period to other components of equity						0		0		0
Allocation of part of reported net income to other components of capital as decided by management and supervisory bodies								23,087,251	-23,087,251	
Creation of reserves for own shares	0					-42,622				-42,622
Closing balance of the period	20,229,770	44,284,976	16,931,435	5,688,771	-5,688,771	108,104,757	-1,354,843	9,089,445	19,469,546	216,755,086
DISTRIBUTABLE PROFIT								9,089,445	19,469,546	28,558,990

Statement of changes in equity in 2024

CINKARNA Kemična industrija Celje d.d.	Called-up capital	Capital reserve	Profit reserves				Fair value reserve	Retained earnings		Total capital
			Statutory reserve	Reserves for own shares	Own shares	Other profit reserve		Profit or loss carried forward	Net profit for the period	
Opening balance of the period	20,229,770	44,284,976	16,931,435	4,814,764	-4,814,764	102,652,061	-1,242,486	32,047,999	6,326,704	221,230,458
Changes in equity – transactions with Owners				831,386	-831,386			32,041,992		32,041,992
Purchase of own shares				831,386	-831,386					
Withdrawal of own shares								32,041,992		
Payment of dividends										
Total comprehensive income for the Period							-407,856	0	23,087,250	22,679,395
Entry of net profit or loss for the Period									23,087,250	23,087,250
Entry of net profit or loss for the Period							-407,856	0		-407,856
B3. Changes in equity	0					5,495,319		0	-6,326,704	-831,385
Allocation of the residual part of net profit of reporting period to other components of equity						0		0		0
Allocation of part of reported net income to other components of capital as decided by management and supervisory bodies							6,326,704	0	-6,326,704	
Creation of reserves for own shares	0					-831,386				-831,386
Closing balance of the period	20,229,770	44,284,976	16,931,435	5,646,149	-5,646,149	108,147,379	-1,650,342	6,007	23,087,251	211,036,476
DISTRIBUTABLE PROFIT								6,007	23,087,251	23,093,258

7.4 Cash flow statement for the period

Cash flow statement for the period from 1 January to 31 December

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net operating result before tax	23,316,482	28,527,133
Adjustments for:	16,549,362	15,479,885
Depreciation +	13,871,225	12,900,809
Profit/loss on sale of fixed assets	15,876	15,038
Impairment/write-down (reversal of impairment) of assets	1,240,858	701,149
Net increase/decrease in the valuation allowance for receivables	67,759	0
Net financial income/expenses	1,089,776	1,862,888
Formation of long-term provisions	263,868	0
Reversal of long-term provisions	-15,058,590	12,741,944
Cash flow from operating activities before change in net current assets (working capital)	4,147,529	1,301,422
Change in trade receivables	-193,714	-21,732
Change in other non-current and current assets	4,508,758	-5,127,948
Change in stocks	-17,695,693	17,382,706
Change in trade payables	-1,749,382	-25,729
Change in provisions	-11,721	106,165
Change in deferred income	888,990	23,076
Change in other current liabilities	0	-11,351
Change in liabilities under contracts with buyers	-4,953,356	-1,484,665
Income tax paid	24,807,254	56,148,961
Net cash flow from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES	1,371,792	1,746,816
Investment income	1,311,450	1,725,767
Income from interest earned	44,466	6,011
Income from dividends received	15,876	15,038
Income from disposal of tangible fixed assets	-19,525,398	-23,500,906
Expenditure on investments	-251,914	-1,772,185
Expenditure on the acquisition of intangible assets	-19,273,483	-12,529,978
Expenditure on the acquisition of tangible fixed assets	0	-8,598,742
Expenditure on the acquisition of financial investments	-18,153,605	-21,754,090
Net cash flow from investing		
Cash flows from financing activities	8,788,817	0
Income from financing activities	8,757,900	0
Proceeds from increases in financial liabilities	30,917	0
Financing expenses	-14,051,088	-32,951,269
Expenditure on repayment of financial liabilities	0	-73,777
Expenditure on interest paid	-4,653	-4,114
Expenditure on the purchase of own shares	-42,622	-831,386
Expenditure on dividends and other profit-sharing	-14,003,813	-32,041,992
Net cash flow from financing activities	-5,262,271	-32,951,269
Closing balance of cash and cash equivalents	19,122,785	17,731,407
Net increase/decrease in cash and cash equivalents	1,391,378	2,043,602
Opening balance of cash and cash equivalents (01/01)	17,731,407	15,687,805

7.5 Statement of other comprehensive income

Statement of other comprehensive income for the period from 1 January to 31 December

	2025	2024
Net profit	19,469,546	23,087,250
Other comprehensive income for the year	0	0
Other comprehensive income for the year that will not be recognised in the income statement in the future	0	0
Other comprehensive income for the year that will be recognised in the income statement in the future	0	0
Change in fair value through other comprehensive income	422,306	-271,207
Remeasurement of post-employment benefits	-33,899	-196,314
Effect of deferred taxes	-92,908	59,665
Net other comprehensive income for the year that will not be recognised in the income statement in the future	295,499	-407,856
Total other comprehensive income for the year (after tax)	295,499	-407,856
Total comprehensive income for the year (after tax)	19,765,045	22,679,395

8 NOTES TO FINANCIAL STATEMENTS

1 Reporting by segment

Sales by business segment

	In €	
	2025	2024
Titanium dioxide	168,872,162	168,728,022
- of which TiO ₂ pigment	165,284,697	165,044,453
Varnishes, masters	14,663,429	16,140,315
Agro programme	10,117,320	11,150,638
Polymers	4,590,585	3,379,268
Other	557,786	887,171
TOTAL	198,801,281	200,285,413

Sales by regional segment

	In €	
	2025	2024
Slovenia	13,822,459	13,684,845
European Union	163,927,291	162,234,825
Third countries	16,427,125	19,080,092
Third countries – dollar market	4,624,406	5,285,650
TOTAL	198,801,281	200,285,413

Operating result by business segment

	In €											
	Titanium dioxide		Varnishes, masters		Agro programme		Polymers		Other		Total	
	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025
Rev. from contr. with customers	168,728,022	168,872,161	16,140,315	14,663,429	11,150,638	10,117,320	3,379,268	4,590,585	887,170	557,786	200,285,413	198,801,281
Other operating income	1,100,495	1,108,053	794,331	86,102	55,775	40,450	325,978	423,983	3,716,539	4,548,508	5,993,118	6,207,096
Change in value of inventories	-1,800,756	4,360,961	-482,832	330,516	522,144	321,338			-381,350	0	-2,142,794	5,012,815
Operating costs	-143,635,715	-154,273,458	-15,050,725	-14,312,196	-11,525,534	-10,105,349	-2,768,843	-3,766,137	-4,490,676	-5,337,348	-177,471,493	-187,794,487
-of which depreciation	-9,243,069	-10,004,289	-416,190	-376,900	-266,481	-283,711	-192,803	-223,856	-2,782,266	-2,982,469	-12,900,809	-13,871,225
Operating result	24,392,046	20,067,717	1,401,089	767,851	203,023	373,759	936,403	1,248,431	-268,317	-231,054	26,664,244	22,226,705
Interest income											1,726,438	1,311,450
Other financial income											140,564	0
Interest expense											4,114	4,653
Other financial expenses											0	217,020
Financial result	0	0	0	0	0	0	0	0	0	0	1,862,888	1,089,776
Deferred taxes											-36,221	-176,720
Income tax											5,403,661	3,670,216
Net profit	0	0	0	0	0	0	0	0	0	0	23,087,250	19,469,546

2 Revenue from contracts with customers

Revenue from contracts with customers comprises the sales value of products sold, merchandise, materials, and services rendered during the accounting period. A breakdown of net sales revenue by business segment and region is presented below.

	In €	
	2025	2024
Net revenues from contracts with customers of products and services	198,285,086	199,950,152
Net revenues from contracts with customers of merchandise and materials	516,195	335,261
TOTAL	198,801,281	200,285,413

3 Other operating income

	In €	
Income	2025	2024
Revenue from depreciation of assets acquired free of charge	461,349	512,229
Profit on sales and write-offs of assets	15,876	15,038
Revenue from refund claims	1,047,617	817,575
Recovered written-off receivables	1,982	1,983
Compensation received	28,039	764,430
Compensation for indirect costs due to greenhouse gas emission costs for the previous year	305,462	297,966
Revenue from European funds	77,981	0
Revenue from previous years	70,965	174,611
Other income	30,526	36,877
TOTAL	2,039,797	2,620,709

4 Costs by natural type

	In €	
	2025	2024
Purchase value of materials and goods sold	225,635	100,483
Cost of materials	115,913,675	110,211,321
Cost of services	18,765,200	17,233,265
Labour costs	35,623,561	33,774,717
Depreciation	13,871,225	12,900,809
Other operating costs	3,327,431	3,250,896
Impairment and write-offs of trade receivables	67,759	0
TOTAL	187,794,486	177,471,492

5 Labour costs

	In €	
Labour costs	2025	2024
Salaries and allowances	25,413,363	24,918,269
Social security contributions	4,361,957	4,222,816
Expenses reimbursements and other staff compensation	5,361,487	4,184,254
Supplementary pension insurance	486,754	449,378
TOTAL	35,623,561	33,774,717

On 31 December 2025, the Company employed 726 people. The average number of employees was 724.

6 Depreciation and amortisation

The Company depreciates fixed assets on a straight-line basis over the expected useful life of each fixed asset. Depreciation is charged to the carrying amount of each fixed asset.

	In €	
Description	2025	2024
Depreciation and amortisation		
- intangible assets	518,054	348,512
- easements	72,342	72,342
- buildings	3,228,927	3,197,997
- production equipment	10,050,444	9,280,386
- other equipment	1,458	1,572
TOTAL	13,871,225	12,900,809

7 Operating expenses

Operating expenses

Expenses	In €	
	2025	2024
Cost of materials	115,913,675	110,211,321
Cost of services	18,765,200	17,233,265
Purchase value of materials and goods sold	225,635	100,483
Other operating expenses	3,327,431	3,250,896
TOTAL	138,231,941	130,795,966

Other operating expenses

Other operating expenses	In €	
	2025	2024
Creation of environmental provisions	259,169	575,387
Environmental fees and refunds	320,405	316,868
Awards to students and trainees	224,319	268,918
Building land use allowance	904,091	1,001,551
Revaluation of stocks of materials and goods	264,747	14,771
Loss on sale (disposal) of fixed assets	976,110	692,685
Other costs and expenses	378,590	380,716
TOTAL	3,327,431	3,250,896

8 Financial income and expenses

Income	In €	
	2025	2024
Net exchange differences	0	253,877
Interest income	1,311,450	1,726,439
Dividend income	44,466	6,011
Total financial income	1,355,916	1,986,327
Net exchange differences	-139,667	0
Interest expense	-4,653	-4,114
Interest on provisions for severance pay and jubilee awards	-121,820	-119,324
Total financial expenses	-266,140	-123,439
Net financial result	1,089,776	1,862,888

9 Income tax

The calculated income tax at an effective tax rate of 16.5% amounts to EUR 3.9 million.

10 Intangible assets

Intangible asset group for 2025	In €					
	Acquisition value		Value adjustment		Undepreciated value	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Property rights	6,385,442	5,690,758	5,096,410	4,630,391	1,289,032	1,060,367
Assets under acquisition	853,607	1,348,412	0	0	853,607	1,348,412
TOTAL	7,239,049	7,039,170	5,096,410	4,630,391	2,142,639	2,408,779

The useful lives of intangible assets are finite. The Company reviewed their values and determined that their current values do not exceed their recoverable amounts.

11 Tangible fixed assets

In €

Tangible fixed assets group for 2025	Acquisition value		Value adjustment		Undepreciated value	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Land	10,895,071	10,895,071	1,415,779	1,343,438	9,479,292	9,551,633
Buildings	134,404,145	131,641,160	95,934,717	92,794,543	38,469,429	38,846,617
Equipment	257,738,049	245,772,392	201,118,775	192,899,722	56,619,274	52,872,669
Assets under acquisition	10,378,714	8,731,586	0	0	10,378,714	8,731,586
Advances	1,285,300	1,697,110	0	0	1,285,300	1,697,110
TOTAL	414,701,280	398,737,319	298,469,271	287,037,703	116,232,009	111,699,615

The Company reviewed their values and determined that their current value does not exceed their recoverable amount. The Company has no assets under finance leases, nor does it have any assets pledged as collateral as at 31 December 2025.

12 Financial assets

In €

Non-current financial investments group for 2025	Acquisition value		Value adjustment		Fair value	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Other investments	2,077,692	2,077,692	368,061	790,367	1,709,631	1,287,325
TOTAL	2,077,692	2,077,692	368,061	790,367	1,709,631	1,287,325

Investments in Elektro Celje and Elektro Maribor shares are valued using the fair value model, and their share in all shares of the aforementioned companies represents less than 1%. As at 31 December 2025, the Company revalued its investments and reported an increase by reversing the impairment loss in the amount of EUR 0.4 million.

Members of the Management Board and Supervisory Board did not receive any long-term loans. Cinkarna Celje d.d. has no other subsidiaries or associates and does not conduct business with other related parties.

13 Other non-current assets

In €

Other non-current assets group for 2025	Acquisition value		Value adjustment		Undepreciated value	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Emission allowances	115,376	105,470	0	0	115,376	105,470
TOTAL	115,376	105,470	0	0	115,376	105,470

In 2025, the Company submitted 23,273 emission allowances to ARSO for CO2 emissions for the 2024 financial year and returned 3,609 allowances based on its decision. The Company also received 36,788 allowances for the 2025 financial year.

14 Deferred tax assets and liabilities

In €

Description	31/12/2025	31/12/2024	Liabilities 2025	Liabilities 2024
Opening balance	1,536,620	1,572,841	74,132	133,797
Increase during the year	29,025	68,796	92,908	0
Decrease during the year	205,745	105,017	0	59,665
Closing balance	1,359,900	1,536,620	167,040	74,132
Offsetting	-167,040	-74,132	-167,040	-74,132
Closing balance	1,192,860	1,462,488	0	0

15 Current financial receivables

In €

Current financial receivables group for 2025	Value of investments		Adjustment of investments		Net investments	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Current financial receivables – treasury bills	38,444,342	47,150,115	0	0	38,444,342	47,150,115
Fair value of derivative financial instruments	12,617	64,744	0	0	12,617	64,744
TOTAL	38,456,959	47,214,859	0	0	38,456,959	47,214,859

16 Inventories

In €

Inventories group	31/12/2025	31/12/2024	Recoverable amount
Material	30,520,042	40,009,286	30,520,042
Work in progress	3,273,409	3,407,765	3,273,409
Products	20,501,406	15,354,235	31,258,491
Merchandise	38,850	66,785	38,850
Advances made	126,963	131,357	126,963
TOTAL	54,460,671	58,969,428	65,217,755

Inventories are not pledged as collateral. Advances made represent funds provided for the purchase of raw materials and supplies. The net recoverable amount of inventories as at 31 December 2025 exceeds their carrying amount.

17 Trade receivablesCurrent trade receivables

In €

Receivables group for 2025	Value of receivables		Value adjustment		Net receivables	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Buyers in the country	2,265,057	2,157,838	273,321	273,233	1,991,737	1,884,604
Buyers abroad	21,350,041	25,408,800	429,247	363,719	20,920,794	25,045,081
Indirect exporters	54,327	170,989	0	0	54,327	170,989
TOTAL	23,669,425	27,737,626	702,568	636,952	22,966,858	27,100,674

As of 1 June 2021, trade receivables are insured with an external institution.

Movement in valuation allowances on current trade receivables

In €

2025	As at 31/12/2025	Adjustment 2025	Value adjustment formed 2025	Write-downs of valuation allowances of prior years	Paid written-off receivables	As at 31/12/2025
Buyers in the country	273,233	0	88	0	0	273,320
Buyers abroad	363,720	0	67,510	0	1,982	429,247
TOTAL	636,952	0	67,597	0	1,982	702,568

Trade receivables by maturity

In €

Trade receivables by maturity	Gross value 31/12/2025	Adjustment 31/12/2025	Gross value 31/12/2024	Adjustment 31/12/2024
Not past due	19,027,876	1,900	21,758,815	4,298
Past due up to 15 days	3,232,088	323	4,776,348	919
Past due from 16 to 60 days	250,805	5,077	402,918	440
Past due from 61 to 180 days	391,608	96,071	30,602	30,202
Past due more than 180 days	767,049	599,199	768,943	601,093
TOTAL	23,669,426	702,568	27,737,626	636,952

Other current receivables

In €

Other receivables group	31/12/2025	31/12/2024
Receivables for VAT	2,750,530	2,697,649
Receivables from government institutions	113,280	2,990
Receivables from employees	5,215	6,297
Other receivables	260,174	435,975
TOTAL	3,129,199	3,142,911

The Company has no receivables from members of the Management Board or the Supervisory Board.

18 Cash and cash equivalents

	In €	
Assets group	31/12/2025	31/12/2024
Cash in hand	30	30
Cash in accounts	11,785,855	9,218,478
Short-term deposits at call	7,000,000	8,040,374
Foreign currency balances on accounts	336,900	472,524
TOTAL	19,122,785	17,731,407

Cash is invested with domestic banks and bears interest at a fixed annual rate.

19 Other current assets

Under other current liabilities, the Company reports current prepaid expenses and VAT on advances received.

	In €	
Description	31/12/2025	31/12/2024
Prepaid expenses	220,527	179,975
VAT on advances received	2,200	2,100
Other	201,747	48,686
TOTAL	424,474	230,760

20 Owners' capital

	In €	
Capital items	31/12/2025	31/12/2024
Called-up capital	20,229,770	20,229,770
Capital reserves	44,284,976	44,284,976
Statutory reserves	16,931,435	16,931,435
Reserves for own shares	5,688,771	5,646,149
Own shares	-5,688,771	-5,646,149
Other profit reserves	108,104,757	108,147,379
Fair value reserve	-1,354,842	-1,650,342
Retained earnings	28,558,990	23,093,258
TOTAL CAPITAL	216,755,086	211,036,476

The Company's share capital consists of 8,079,770 freely transferable shares of the same class. All shares have the same nominal value and are fully paid up. As at the balance sheet date of 31 December 2025, the share capital amounts to EUR 20,229,770.

Based on the resolution of the 29th regular General Meeting of Shareholders of Cinkarna Celje d.d. held on 21 May 2025, the Company paid dividends in the amount of EUR 14 million at the end of June 2025.

As at 31 December 2025, the Company holds 299,874 treasury shares (3.7% of all shares). In accordance with the decision of the 28th regular General Meeting of Shareholders of Cinkarna Celje d.d. on 19 June 2024, the Company acquired 1,490 treasury shares worth EUR 42,622 in 2025.

	Number of treasury shares	Average market price per share (in EUR)	Value of treasury shares (in EUR)
Balance as at 31 December 2024	298,384		5,646,149
Purchases in 2025	1,490	28,61	42,622
Balance as at 31 December 2025	299,874		5,688,771

21 Non-current liabilities

	In €	
Provisions and long-term accruals	31/12/2025	31/12/2024
Provisions for employee benefits	3,819,086	3,748,722
Provisions for the environment	12,746,394	14,302,270
Government grants received - emission allowances	91,066	78,675
Deferred income	770,791	794,904
TOTAL	17,427,338	18,924,572

Post-employment benefits of employees

	In €	
	31/12/2025	31/12/2024
Post-employment benefits of employees		
Provisions for severance payments	2,990,259	2,947,434
Provisions for jubilee awards	828,827	801,288
TOTAL	3,819,086	3,748,722

	In €			
Post-employment benefits of employees 2025	31/12/2024	Formation	Designated use	31/12/2025
Provisions for severance payments	2,947,434	258,690	215,865	2,990,259
Provisions for jubilee awards	801,288	154,400	126,861	828,827
TOTAL	3,748,722	413,090	342,727	3,819,086

Provisions

	In €				
Provisions for the environment 2025	As at 31/12/2024	Annual plan for designated use 2025	Formation 2025	Designated use 2025	As at 31/12/2025
Provisions for the Za Travnikom landfill site	1,937,448	922,000	13,227	75,759	1,874,917
Provisions for the Bukovžlak landfill site (ONOB)	8,586,266	1,410,000	250,641	1,433,893	7,403,014
Provisions for the Bukovžlak high embankment barrier	1,811,864	133,000	0	14,068	1,797,796
Environmental provisions - Environmental investment in TiO ₂ production	1,966,691	0	0	296,024	1,670,667
TOTAL	14,302,270	2,465,000	263,868	1,819,744	12,746,394

The use of environmental provisions in 2025 mainly represents the costs of contractors for work performed in the amount of EUR 1.5 million.

Deferred income

	In €	
	31/12/2025	31/12/2024
Deferred income		
Funds received from the EU Fund	7,505	35,341
Emission allowances	91,066	78,675
Photovoltaic subsidies	763,287	759,562
TOTAL	861,858	873,579

22 Current financial liabilities

	In €	
Liabilities group	31/12/2025	31/12/2024
Current financial liabilities – assignments, cessions	60,832	29,915
TOTAL	60,832	29,915

23 Current trade payables

	In €	
Liabilities group	31/12/2025	31/12/2024
Current payables to in-country suppliers	11,920,515	13,112,651
Current payables to suppliers abroad	9,284,127	17,830,038
Current payables for unbilled goods and services	1,945	40,029
Current payables against advances	769,091	749,351
Current payables to employees	1,601,972	2,508,986
Current payables for payer's contributions	915,457	1,288,315
Current payables to government and other institutions	354,684	559,614
Other current liabilities	37,816	35,554
TOTAL	24,885,606	36,124,537

24 Income tax liabilities

	In €	
Income tax	31/12/2025	31/12/2024
Current liabilities for income tax	0	4,019,469
TOTAL	0	4,019,469

25 Liabilities under contracts with customers

On the last day of the 2025 balance sheet, the Company has no liabilities under contracts with customers arising from contractual commitments to customers in respect of agreed compensation for larger placements.

26 Other current liabilities

Other current liabilities comprise accrued costs or expenses.

Description	In €	
	31/12/2025	31/12/2024
Calculated unused entitlement to annual leave	955,639	851,641
Accrued costs	1,137,842	277,173
VAT on advances made	2,200	2,100
European funds received	8,199	86,180
Other	3,859	1,656
TOTAL	2,107,739	1,218,750

27 Contingent assets and liabilities

Description	In €	
	31/12/2025	31/12/2024
Guarantees given	2,063,515	2,131,657
Futures	7,328,408	3,966,896
VISA and Mastercard payment cards	60,000	60,000
Material in finishing and processing	59,726	59,726
TOTAL	9,511,649	6,218,279

28 Fair value

	In €			
	31/12/2025		31/12/2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value through other comprehensive income	1,709,631	1,709,631	1,287,325	1,287,325
Current financial receivables	38,456,959	38,456,959	47,214,859	47,214,859
Trade receivables	22,966,858	22,966,858	27,100,674	27,100,674
Cash and cash equivalents	19,122,785	19,122,785	17,731,407	17,731,407
Financial liabilities	-60,832	-60,832	-29,915	-29,915
Payables to suppliers	-21,206,587	-21,206,587	-30,982,718	-30,982,718
TOTAL	60,988,814	60,988,814	62,321,632	62,321,632

Assets and liabilities are classified into three groups based on the fair value calculation:

- Group I - assets at market price;
- Group II - assets not classified in Group I, whose value is determined directly or on the basis of comparable market data;
- Group III - assets for which market data cannot be obtained.

Fair value of assets	In €							
	31/12/2025				31/12/2024			
	Group 1	Group 2	Group 3	Total	Group 1	Group 2	Group 3	Total
Financial assets at fair value through other comprehensive income	0	1,709,631	0	1,709,631	0	1,287,325	0	1,287,325
Total assets measured at fair value	0	1,709,631	0	1,709,631	0	1,287,325	0	1,287,325
Assets for which fair value is disclosed								
Current financial receivables	38,456,959	0	0	38,456,959	47,150,115	0	64,744	47,214,859
Trade receivables	0	0	22,966,858	22,966,858	0	0	27,100,674	27,100,674
Cash and cash equivalents	0	0	19,122,785	19,122,785	0	0	17,731,407	17,731,407
Total assets for which fair value is disclosed	38,456,959	0	42,089,643	80,546,602	47,150,115	0	44,896,825	92,046,940
Total	38,456,959	1,709,631	42,089,643	82,256,233	47,150,115	1,287,325	44,896,825	93,334,265

Fair value of liabilities	31/12/2025				31/12/2024			
	Group 1	Group 2	Group 3	Total	Group 1	Group 2	Group 3	Total
Financial liabilities	0	0	60,832	60,832	0	0	29,915	29,915
Payables to suppliers	0	0	21,206,587	21,206,587	0	0	30,982,718	30,982,718
Liabilities under contracts with customers	0	0	0	0	0	0	0	0
Total liabilities for which fair value is disclosed	0	0	21,267,419	21,267,419	0	0	31,012,633	31,012,633

III CASH FLOW STATEMENT

The cash flow statement shows changes in cash and cash equivalents for the financial year as the difference between the balance as at 31 December 2025 and 31 December 2024. It is prepared using the indirect method from the statement of financial position as at 31 December of the accounting year and the statement of financial position as at 31 December 2024, as well as from additional information necessary to adjust income and expenses and to appropriately break down significant items. Theoretically possible items are not shown, and values are shown for the current and previous periods.

IV STATEMENT OF CHANGES IN EQUITY

The statement of changes in equity is presented in the form of a composite table showing changes in all components of equity. Theoretically possible items are not shown. Changes in equity relate to the decision of the General Meeting on the distribution of the previous year's retained earnings for the payment of dividends to owners that have been or will be paid, and to the purchase of own shares. Pursuant to Article 64(14) of the Companies Act (ZGD-1), the statement of changes in equity includes the determination of retained earnings.

V FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

Financial risks (liquidity and interest rate)

Liquidity risk

Cinkarna Celje d.d. is a business partner known for its payment discipline both on the domestic and foreign markets, a company with no bank debts and stable cash flows. The Company's business is traditionally conservative with high cash flow. Liquidity management includes, inter alia, planning and covering expected cash commitments, ongoing monitoring of customer solvency and regular collection of overdue receivables. The credit rating is AAA, and the Company has been awarded a platinum credit rating (Dun & Bradstreet).

Interest rate risk

Interest rate risk is the potential for losses due to adverse movements in market interest rates. The Company does not have any long-term financial commitments and has no measures in place to address this. If this were to change, appropriate measures would be put in place to manage this type of risk.

Due to its favourable financial position, the Company enters into short-term deposit agreements with positive interest rates with banks in order to increase its financial income. As of the balance sheet date of 31 December 2025, deposits amount to EUR 7 million. In order to make effective use of surplus cash, the Company also invests it in short-term treasury bills, which amounted to EUR 38.4 million on 31 December 2025.

Credit risk

The key credit risk of Cinkarna Celje d.d. is the risk that customers will not settle their obligations when they fall due. The risk is limited as we operate mainly with long-standing partners, which are often well-known traditional European industrial companies with a high credit rating. In recent years, we have perceived that payment discipline in Slovenia, the Balkans and Eastern Europe has been relatively poor, but we do not expect any further problems in this geographic area in the coming period or a significant reduction in risk potential. With the realignment/reorganisation of the portfolio of the company's strategic business areas, specifically the discontinuation of the Graphic Repro Materials programme, the Rolled Titanium Sheet programme, the Anti-Corrosion Coatings programme and the Building Materials programme, the exposure to credit risk has been significantly reduced, as evidenced by the maturity of receivables and the fact that we have virtually no further allowance for doubtful or defaulted receivables from customers.

For many years, Cinkarna Celje has been carrying out internal credit control for individual customers, who have been assigned an individual credit limit based on their payment discipline, credit rating and good performance with the company. The credit risk monitoring and management process was further enhanced in mid-2021 with the introduction of receivables insurance with an external institution, where credit limits are set, monitored and changed on a daily basis.

Besides the regular monitoring of the credit limit for each customer, the payment discipline of the customer and the announcements of proceedings on AJPES under the Act on Financial Management, Insolvency and Compulsory Winding-up Proceedings (ZFPPIPP) are monitored on a daily basis. The customer is also reminded of the due date of a receivable by a reminder, first by telephone and then by letter, and interest is charged from the due date until the date of repayment. The process of regular monitoring and control of the portfolio of trade receivables is a permanent feature of the company, resulting in a small proportion of write-offs or impairments of receivables in relation to the proportion of sales.

The carrying amount of financial assets most exposed to credit risk at the reporting date was as follows:

	Notes	31/12/2025	31/12/2024
Financial assets at fair value through other comprehensive income	3	1,709,631	1,287,325
Financial receivables	7	38,456,959	47,214,859
Trade receivables	8	22,966,858	27,100,674
Cash and cash equivalents	9	19,122,785	17,731,407
TOTAL		82,256,233	93,334,265

In €

The Company has a healthy structure of trade receivables, as shown in Note 17 Trade receivables in the table of receivables by maturity and in the table of changes in the allowance for current trade receivables.

Currency risk

Cinkarna Celje d.d. purchases and sells on the world market and is therefore exposed to the risk of unfavourable cross-currency exchange rates. In particular, the €/ \$ exchange rate. As most sales are made in euro, the exposure is particularly acute for dollar purchases of titanium-bearing raw materials and, exceptionally, sulphur and copper compounds. The exposure is significantly lower in dollar-denominated sales.

We continuously monitor movements and forecasts regarding the dynamics of the €/ \$ currency pair. In essence, we limit the short-term risk of adverse changes in the \$ exchange rate through the standardised and consistent use of financial instruments (dollar futures). We achieve virtually complete coverage of relevant business events involving the €/ \$ currency pair.

Exposure to foreign exchange rate risk

	31/12/2025		31/12/2024	
	EUR*	USD	EUR*	USD
Financial assets at fair value through other comprehensive income	1,709,631	0	1,287,325	0
Current financial receivables	38,456,959	0	47,214,859	0
Trade receivables	22,627,209	399,087	26,086,389	1,059,110
Cash and cash equivalents	19,122,785	0	17,731,407	0
Current financial liabilities	-60,832	0	-29,915	0
Current trade payables	-25,226,849	-6,337,657	-17,429,009	-14,177,564
Exposure in the statement of financial position (net)	56,628,904	-5,938,571	74,861,056	-13,118,454

In €

*EUR is the functional currency and does not represent exposure to exchange rate risk. In addition to the functional currency EUR, the Company also uses USD (US dollar), which was used to translate balance sheet items as at 30 June and 31 December. The reference exchange rate of the European Central Bank is used, namely the number of one national currency for 1 EUR on 31 December 2025 is 1.175 and on 31 December 2024 is 1.0389.

Sensitivity analysis

A 1% change in the value of the USD against the EUR on 31 December 2025 or 31 December 2024 would change the profit before tax by the amounts shown in the table below. The analysis, which is performed in the same manner for both years, assumes that all variables, particularly interest rates, remain unchanged. The calculation of the impact of changes in the US dollar exchange rate takes into account the balance of receivables and liabilities denominated in dollars.

	31/12/2025		31/12/2024	
USD currency change	1%	-1%	1%	-1%
Impact on operating result before tax	-50,041	50,041	125,002	-125,002

In €

Any further change of 1% in the USD exchange rate against the EUR would result in a further change in the operating result before tax of the above amounts.

Capital management

The primary objective of Cinkarna Celje's capital management is to ensure a high credit rating and adequate funding ratios to ensure the proper development of its business and to maximise value for its shareholders.

Cinkarna Celje d.d. wishes to manage and adapt its capital structure in line with changes in the economic environment. Dividends are paid once a year in accordance with the adopted dividend policy and the resolutions of the General Meeting. Cinkarna Celje d.d. has no specific objectives regarding employee ownership and no share option programme. There were no changes in the method of capital management in 2025. Cinkarna Celje d.d. uses the financial leverage ratio to monitor its capital, which shows the ratio of net debt to capital and total net debt. Net debt includes financial and operating liabilities, less cash and cash equivalents and financial receivables (treasury bills).

	31/12/2025	31/12/2024
Financial liabilities	60,832	29,915
Trade and other current liabilities	26,993,345	37,343,286
Cash and cash equivalents	-57,579,744	-64,881,522
Net indebtedness	-30,525,567	-27,508,321
Capital	216,755,086	211,036,476
Financial leverage ratio	-16%	-15%

In €

9 SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

After the balance sheet date, no significant events were recorded that would have an impact on the financial statements presented as at 31 December 2025.