Registre de Commerce et des Sociétés

Numéro RCS : B154428
Référence de dépôt : L260246759
Déposé et enregistré le 11/08/2026

BGERGUP20260807T14374301_002

RCSL Nr. : B154428	Matricule : 2010 2423 993
	eCDF entry date : 10/08/2026

BALANCE SHEET

Financial year from 01 01/01/2025 **to** 02 31/12/2025 *(in* 03 EUR)

ARTEC EUROPE S.à r.l.

11, Breedewues
L-1259 Senningerberg

ASSETS

		Reference(s)		Current year		Previous year
A. Subscribed capital unpaid	1101		101		102	
I. Subscribed capital not called	1103		103		104	
II. Subscribed capital called but unpaid	1105		105		106	
B. Formation expenses	1107		107		108	
C. Fixed assets	1109		109	18.983.454,98	110	14.781.179,52
I. Intangible assets	1111	4	111	13.947.693,89	112	13.237.910,18
1. Costs of development	1113		113	8.379.381,74	114	11.273.983,00
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115		115	237.954,20	116	59.313,31
a) acquired for valuable consideration and need not be shown under C.I.3	1117		117	237.954,20	118	59.313,31
b) created by the undertaking itself	1119		119		120	
3. Goodwill, to the extent that it was acquired for valuable consideration	1121		121		122	
4. Payments on account and intangible assets under development	1123		123	5.330.357,95	124	1.904.613,87
II. Tangible assets	1125	5	125	747.878,63	126	939.640,10
1. Land and buildings	1127		127	333.872,87	128	393.620,34
2. Plant and machinery	1129		129	334.182,36	130	341.409,66

		Reference(s)		Current year		Previous year
3. Other fixtures and fittings, tools and equipment	1131		131	75.754,49	132	99.124,90
4. Payments on account and tangible assets in the course of construction	1133		133	4.068,91	134	105.485,20
III. Financial assets	1135	6	135	4.287.882,46	136	603.629,24
1. Shares in affiliated undertakings	1137		137	4.287.882,46	138	40.257,46
2. Loans to affiliated undertakings	1139		139		140	
3. Participating interests	1141		141		142	
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		143		144	
5. Investments held as fixed assets	1145		145		146	
6. Other loans	1147		147		148	563.371,78
D. Current assets	1151		151	8.886.157,96	152	11.966.297,45
I. Stocks	1153	7	153	6.321.103,79	154	7.727.086,95
1. Raw materials and consumables	1155		155	5.388.170,61	156	5.932.441,22
2. Work in progress	1157		157		158	
3. Finished goods and goods for resale	1159		159	875.853,49	160	1.534.861,51
4. Payments on account	1161		161	57.079,69	162	259.784,22
II. Debtors	1163	8	163	2.087.631,91	164	4.155.591,47
1. Trade debtors	1165		165	122.152,07	166	110.322,49
a) becoming due and payable within one year	1167		167	122.152,07	168	110.322,49
b) becoming due and payable after more than one year	1169		169		170	
2. Amounts owed by affiliated undertakings	1171	16	171	922.488,60	172	2.367.919,15
a) becoming due and payable within one year	1173		173	919.239,04	174	2.367.919,15
b) becoming due and payable after more than one year	1175		175	3.249,56	176	
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		177	0,00	178	468.562,01
a) becoming due and payable within one year	1179		179	0,00	180	468.562,01
b) becoming due and payable after more than one year	1181		181		182	
4. Other debtors	1183	8	183	1.042.991,24	184	1.208.787,82
a) becoming due and payable within one year	1185		185	108.701,59	186	280.904,62
b) becoming due and payable after more than one year	1187		187	934.289,65	188	927.883,20

		Reference(s)		Current year		Previous year
III. Investments	1189		189		190	
1. Shares in affiliated undertakings	1191		191		192	
2. Own shares	1209		209		210	
3. Other investments	1195		195		196	
IV. Cash at bank and in hand	1197	9	197	477.422,26	198	83.619,03
E. Prepayments	1199	10	199	337.223,84	200	511.755,21
TOTAL (ASSETS)			201	28.206.836,78	202	27.259.232,18

CAPITAL, RESERVES AND LIABILITIES

		Reference(s)		Current year		Previous year
A. Capital and reserves	1301	11	301	7.295.713,72	302	7.395.785,58
I. Subscribed capital	1303		303	1.752.542,00	304	1.717.292,00
II. Share premium account	1305		305	4.174.112,00	306	982.708,00
III. Revaluation reserve	1307		307		308	
IV. Reserves	1309		309	133.608,71	310	133.608,71
1. Legal reserve	1311		311	133.608,71	312	133.608,71
2. Reserve for own shares	1313		313		314	
3. Reserves provided for by the articles of association	1315		315		316	
4. Other reserves, including the fair value reserve	1429		429		430	
a) other available reserves	1431		431		432	
b) other non available reserves	1433		433		434	
V. Profit or loss brought forward	1319		319	4.562.176,87	320	5.391.656,37
VI. Profit or loss for the financial year	1321		321	-3.326.725,86	322	-829.479,50
VII. Interim dividends	1323		323		324	
VIII. Capital investment subsidies	1325		325		326	
B. Provisions	1331	12	331		332	667.322,32
1. Provisions for pensions and similar obligations	1333		333		334	
2. Provisions for taxation	1335		335		336	667.322,32
3. Other provisions	1337		337		338	
C. Creditors	1435	13	435	20.911.123,06	436	19.196.124,28
1. Debenture loans	1437		437		438	
a) Convertible loans	1439		439		440	
i) becoming due and payable within one year	1441		441		442	
ii) becoming due and payable after more than one year	1443		443		444	
b) Non convertible loans	1445		445		446	
i) becoming due and payable within one year	1447		447		448	
ii) becoming due and payable after more than one year	1449		449		450	
2. Amounts owed to credit institutions	1355	13	355	8.850.879,80	356	6.189.110,16
a) becoming due and payable within one year	1357		357	2.568.573,19	358	4.089.110,16
b) becoming due and payable after more than one year	1359		359	6.282.306,61	360	2.100.000,00

	Code	Reference(s)	Code	Current year	Code	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	13	361	1.226.461,46	362	926.984,64
a) becoming due and payable within one year	1363		363	1.226.461,46	364	926.984,64
b) becoming due and payable after more than one year	1365		365		366	
4. Trade creditors	1367	13	367	5.606.617,79	368	5.440.721,51
a) becoming due and payable within one year	1369		369	5.606.617,79	370	5.440.721,51
b) becoming due and payable after more than one year	1371		371		372	
5. Bills of exchange payable	1373		373		374	
a) becoming due and payable within one year	1375		375		376	
b) becoming due and payable after more than one year	1377		377		378	
6. Amounts owed to affiliated undertakings	1379	16	379	1.083.416,35	380	3.156.129,49
a) becoming due and payable within one year	1381		381	1.080.357,95	382	3.153.071,09
b) becoming due and payable after more than one year	1383		383	3.058,40	384	3.058,40
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385		385		386	
a) becoming due and payable within one year	1387		387		388	
b) becoming due and payable after more than one year	1389		389		390	
8. Other creditors	1451	13	451	4.143.747,66	452	3.483.178,48
a) Tax authorities	1393		393	494.686,81	394	774.837,81
b) Social security authorities	1395		395	1.385.664,05	396	698.634,55
c) Other creditors	1397		397	2.263.396,80	398	2.009.706,12
i) becoming due and payable within one year	1399		399	813.396,80	400	982.177,73
ii) becoming due and payable after more than one year	1401	16	401	1.450.000,00	402	1.027.528,39
D. Deferred income	1403		403		404	
TOTAL (CAPITAL, RESERVES AND LIABILITIES)			405	28.206.836,78	406	27.259.232,18

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BGERGUP20260807T14374301_003

RCSL Nr. : B154428	Matricule : 2010 2423 993
	eCDF entry date : 10/08/2026

PROFIT AND LOSS ACCOUNT

Financial year from 01 01/01/2025 **to** 02 31/12/2025 *(in* 03 EUR *)*

ARTEC EUROPE S.à r.l.

11, Breedewues
L-1259 Senningerberg

		Reference(s)		Current year		Previous year
1. Net turnover	1701	14	701	25.407.943,26	702	25.934.348,83
2. Variation in stocks of finished goods and in work in progress	1703	15	703	-494.857,57	704	55.882,15
3. Work performed by the undertaking for its own purposes and capitalised	1705		705		706	
4. Other operating income	1713	17	713	2.811.108,87	714	2.307.707,47
5. Raw materials and consumables and other external expenses	1671	18	671	-17.662.080,39	672	-16.077.621,15
a) Raw materials and consumables	1601		601	-7.461.694,54	602	-6.916.356,17
b) Other external expenses	1603		603	-10.200.385,85	604	-9.161.264,98
6. Staff costs	1605	19	605	-8.355.887,44	606	-7.030.277,14
a) Wages and salaries	1607		607	-7.601.692,86	608	-6.407.675,63
b) Social security costs	1609		609	-754.194,58	610	-622.601,51
i) relating to pensions	1653		653	-390.073,67	654	-243.697,13
ii) other social security costs	1655		655	-364.120,91	656	-378.904,38
c) Other staff costs	1613		613		614	
7. Value adjustments	1657	20	657	-5.097.844,20	658	-4.707.234,60
a) in respect of formation expenses and of tangible and intangible fixed assets	1659		659	-5.115.252,72	660	-4.645.050,57
b) in respect of current assets	1661		661	17.408,52	662	-62.184,03
8. Other operating expenses	1621	21	621	-471.867,81	622	-453.886,04

The notes in the annex form an integral part of the annual accounts

	Reference(s)		Current year		Previous year
9. Income from participating interests	1715	715		716	
a) derived from affiliated undertakings	1717	717		718	
b) other income from participating interests	1719	719		720	
10. Income from other investments and loans forming part of the fixed assets	1721	721		722	
a) derived from affiliated undertakings	1723	723		724	
b) other income not included under a)	1725	725		726	
11. Other interest receivable and similar income	1727 22	727	818.990,06	728	177.995,96
a) derived from affiliated undertakings	1729	729	285.430,72	730	14.484,57
b) other interest and similar income	1731	731	533.559,34	732	163.511,39
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663		664	
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	665		666	-69.870,23
14. Interest payable and similar expenses	1627 23	627	-912.574,03	628	-930.398,42
a) concerning affiliated undertakings	1629	629	-134.432,62	630	-81.112,95
b) other interest and similar expenses	1631	631	-778.141,41	632	-849.285,47
15. Tax on profit or loss	1635 12	635	643.481,93	636	
16. Profit or loss after taxation	1667	667	-3.313.587,32	668	-793.353,17
17. Other taxes not shown under items 1 to 16	1637 24	637	-13.138,54	638	-36.126,33
18. Profit or loss for the financial year	1669	669	-3.326.725,86	670	-829.479,50

Registre de Commerce et des Sociétés
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Déposé le 11/08/2026

Artec Europe S.à r.l.

Société à responsabilité limitée

Audited annual accounts

for the financial year ended 31 December 2025
(with the report of the Réviseur d'Entreprises Agréé thereon)

Registered office:	11 Breedewues	
	L-1259 Senningerberg	
R.C.S. Luxembourg:	B 154.428	Capital social de EUR 1,752,542.00

Artec Europe S.à r.l.

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Shape the future
with confidence

Ernst & Young
Société anonyme

35E, Avenue John F. Kennedy
L-1855 Luxembourg
Tél : +352 42 124 1
www.ey.com/en_lu

B.P. 780
L-2017 Luxembourg
R.C.S. Luxembourg B47771
TVA LU 16063074

Autorisations d'établissement :
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Independent auditor's report

To the Shareholders of
Artec Europe S.à r.l.
11, Breedewues
L-1259 Senningerberg

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Artec Europe S.à r.l. (the "Company") which comprise the balance sheet as at 31 December 2025, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information included in the Management report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers and those charged with governance for the financial statements

The Board of Managers is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Managers determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Managers is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.

- Conclude on the appropriateness of Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The Management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Petar Dionissiev

Luxembourg, 28 July 2026

MANAGEMENT REPORT

I. Statement

The board of managers (the **Board of Managers**) of Artec Europe S.à r.l., hereinafter also referred to as "**Artec Europe**" or the "**Company**", hereby presents the annual accounts of the Company (composed of the balance sheet, the profit and loss account, and the notes to the annual accounts) (the **Accounts**) for the financial year which began on 1 January 2025 and ended on 31 December 2025 (the **FY 2025**).

The Board of Managers states that the Accounts have been prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the Accounts give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and that the Management Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the main risks and uncertainties that it faces.

II. General

Artec Europe is a global leader in handheld 3D scanners that has been at the forefront of innovative 3D technology for years.

The Company prides itself on developing and manufacturing the high quality, yet easy to use portable 3D scanners, smart, user-friendly 3D software and a software development kit (SDK) that provides the best integration possibilities, whatever the application. With a worldwide presence and a large number of global clients, it supplies state of the art 3D technology to these respective areas. Company's focus is to generate offerings for Digital Twins creation from small to large scale objects. In 2025 the Company's focus was on nine strategic domains where the Company established client network, and has access to high-growth markets with accelerating demand for digital transformation and Digital Twins:

- Cultural Heritage
- Heavy Industry & Manufacturing
- Energy and Oil & Gas
- Civil & Critical Infrastructure
- Forensics, Defence & Emergency Response
- Science and Education
- Architecture, Engineering and Construction
- CGI and VR
- Mining

Most of Company's products are manufactured and assembled in Luxembourg under the "Made in Luxembourg" label. The Company also have contractual manufacturing of the products in other countries like Switzerland, Austria and PRC.

III. Development and Strategy

The Company is a leading supplier of professional handheld 3D scanners and 3D face recognition solutions. The Company's strategic aim is to further extend its leadership positions in the industry. The key focus areas of strategy are to: (i) simplify user experience, (ii) increase precision of scanning results and (iii) improve integration with third party professional software.

The Company aims to continue to increase revenue, profits and cash flow across all business segments by further focusing on regions and sectors where the Company has room to grow, by entering into new markets and by releasing new products and solutions.

The Company has a balanced market share in United States of America, Europe and Asia where the Company has a strong commercial presence. The Company believes that independent resellers are the most effective sales channel, and it will focus on improving and support existing resellers as well as moderately expanding distribution network.

Also, the Company collaborates with different 3D software to improve the user experience, for example, Geomagic Software.

The Company plans to continue its business activities as explained here before.

The result for the financial year 2025 is a loss of EUR 3,326,725.86 compared to a loss of EUR 829,479.50 for the financial year 2024. The Company's financial situation is stable and the Company's net equity position amounts to EUR 7,295,713.72 as of 31 December 2025 (2024: EUR 7,395,785.58).

The Company does not own its own shares.

IV. Risks

The Company considers Risk Management to be a key part of effective management and control. The goal of Risk Management is to help the Company to operate more effectively by providing a framework for a systematic approach to Risk Management and exploring opportunities with an acceptable level of risk. The Board of Managers discusses on a regular basis the operational and financial results as well as the related risks.

<u>Financial Risks</u>

In the course of its business the Company is exposed to a number of financial risks: credit risk, liquidity risk, market risk (mainly including foreign currency risk and exchange rate risk) and interest rate risk. Financial risk management is an integral part of the way the Company is managed. The Board of Managers establishes the Company's financial policies, and the CEO establishes objectives in line of these policies.

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Operational Risks

Operational or business risk can be defined as the risk of losses or damage resulting from inadequacies or shortcomings in in-house processes, staff or systems, or stemming from external events. Operational risk also covers legal and compliance risks.

For customers, one of the determining factors in purchasing the Company's components and systems is the high quality of the Company's products and manufacturing processes.

Management teams for each business line are responsible for identifying, assessing, managing, monitoring and controlling those operational risks specific to their area of business.

A process of identifying and assessing operational risks throughout the Company is performed on a regular basis. If deemed necessary, action plans are instigated to lessen risks that are assessed to exceed limits set according to the appetite for risk.

Credit Risk

The Company mostly works on a prepayment basis, which reduces credit risk.

The company tries to purchase capital goods in large batches, which enables to fix the better prices in a long-term perspective.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company's exposure and the credit ratings of its counterparties are monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Liquidity Risks

The Company has established an appropriate liquidity risk management framework including the short/medium/long-term funding and liquidity requirements. Management of the Company regularly reviews the cash position as well as open credit lines. In order to mitigate the liquidity, risk the Company mostly works on prepayment basis.

Exchange rate and currency risk

The Company operates worldwide and, therefore, is exposed to financial risks arising from exchange rates fluctuations. However, those risks are monitored and controlled by the Company's management during the weekly top-management meetings, which cover various questions including the fluctuation of currencies.

The Company has transactional currency exposures, which arise from sales, or purchases in currencies other than the functional currency. Mostly USD and JPY. In order to mitigate the impact of currency exchange rate fluctuations for the operating business, the Company continually assesses its exposure and attempts to balance its receivables and payables currency positions to thus reduce the currency risk.

Interest rate risk

The Company is exposed to variable interest rate risks, which mainly relate to debt obligations, as the Company financing is based on Euribor-related credit agreements.

The interest rate risk is monitored by using the cash flow sensitivity of the Company's cash flows due to floating interest loans.

V. Research and Development

The Company considers R&D activities as its competitive advantage. The Company employs and retains engineers with related experience in the field.

The Company's key areas of the R&D are:
(i) Optoelectronics.
(ii) Mathematic algorithms (computer vision);
(iii) Artificial intelligence.

The Company plans to continue and expand its R&D activities.

VI. Corporate Governance

The Company is being managed by the Board of Managers and the Shareholders.

The Board of Managers (and in particular Executive Manager) is vested with the broadest powers to perform or cause to be performed any actions necessary or useful in connection with the purpose of the Company. All powers not expressly reserved by the Luxembourg Companies Law or by the Articles of Association to the General meeting of Shareholders fall within the authority of the Board of Managers.

VII. EIB Financing

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The Company has signed a finance contract with European Investment Bank (“EIB”) for the aggregate amount of 15 mln EUR, out of which 4 mln EUR has been withdrawn by the Company in September 2025. In connection with this tranche of loan facility the Company issued to the EIB, free of charge, 80,801 warrants to subscribe for ordinary shares at EUR 0.50 per share, under a Warrant Agreement dated 8 July 2025.
The warrants are not recognized as a liability, as the Company does not apply the fair value option under Article 64bis of that law.
The Warrant Agreement grants the EIB a put option to require the Company to repurchase the warrants for cash on or after the maturity of Tranche A or the occurrence of certain events (including a change of control, a listing, a sale of the Company or an event of default), at a price based on the fair market value of the Company’s shares less the exercise price. 80,801 warrants have been vested in favor of EIB in relation to Tranche A.

VIII. Branches & Subsidiaries

The Company does not have any branches.

At 31 December 2025 the Company has wholly owned subsidiaries which are listed as follows:

- Artec Global Sarl incorporated on 26 September 2014 and located in Luxembourg.
- Artec (Shanghai) Trading Co. Ltd incorporated on 20 February 2021 and located in Shanghai, the People's Republic of China.
- Artec 3D Adriatica Doo incorporated on 8 March 2022 and located in Maršala Tita 10, Bar, the People's Republic of Montenegro.
- Artec 3D Japan G.K. on 13 March 2023 and located in Gran Biz Shibadaimon 1F, 1-2-4 Shibadaimon, Minato-ku, Tokyo 105-0012, Japan
- Alternativangle – Unipessoal LDA on 16 December 2023 and located in Avenida da Liberdade N 204 3 DTO,1250-147 Lisboa, Portugal
- Artec Group Inc. incorporated on November 3, 2006 and located at 2880 Lakeside Drive, Suite 135, Santa Clara CA95054, USA

In 2026 the Company has incorporated new subsidiary in Hong Kong:

- Artec 3D Hong Kong Limited incorporated on 26 January 2026 and located at 911 Tai Yau Building, 181 Johnston Road, Man Chai Hong Kong.

IX. The financial statements have been prepared using the going concern basis of accounting. In making their assessment on the appropriateness of using the going concern basis, the Managers have considered the following events and circumstances:

- While the Company incurred a net loss of EUR 3,326,725.86 for the year ended 31 December 2025 and had a negative current assets position of EUR 4,889,915.46 as at that date, the actual unaudited results for 2026 are materially positive both from net result and working capital standpoint.
- The business plan approved by management confirms strong growth in the key products, the net margins per product and positive cash flow in the foreseeable future.
- As of mid-2026, the Company’s financial and operational performance is in line with management’s business plan. Revenue growth, gross margins, and cash flow metrics to date are tracking as projected, supporting management’s confidence in the achievability of the full-year targets.
- New subsidies for EUR 7,299,947.55 have been granted by the Government for the period of three years (FY24 - FY27).
- The Company is actively engaging with lenders and investors to renew the existing funding and secure additional funding and has implemented strategic initiatives to improve its overall cash flow and financial position.

Having analyzed Company’s risks and obligations, the Managers believe that the Company will be able to meet its obligations as they fall due and, accordingly, the financial statements have been prepared on a going concern basis.

______________________________/A. Yukhin/

Executive Manager

NOTE 1 - GENERAL INFORMATION

The Company was incorporated on 14 July 2010 and is organised under the laws of Luxembourg as a "société à responsabilité limitée" for an unlimited period and is registered with the Luxembourg Register of Commerce and Companies under n° B 154.428.

The registered office of the Company is located in Luxembourg.

The financial year of the Company starts on 1 January and ends on 31 December of each year.

The main activity of the Company is :

- carry out in the Grand Duchy of Luxembourg or abroad, all transactions pertaining directly or indirectly to the production of 3D scanners and their parts, biometry security and 3D human recognition technology products and their parts as well as any IT products.

- carry out in the Grand Duchy of Luxembourg or abroad, all transactions pertaining directly or indirectly to the acquiring, marketing and selling of 3D scanners and their parts, biometry security and 3D human recognition technology products and their parts as well as any IT products,

- carry out in the Grand Duchy of Luxembourg or abroad, all transactions pertaining directly or indirectly to the after-sale servicing of 3D scanners, biometry security and 3D human recognition technology products as well as any IT products,

- carry out all transactions pertaining directly or indirectly to the acquiring of participating interests in any enterprises in whatever form and the administration, management, control and development of those participating interests,

- in particular, may use its funds for the establishment, management, development and disposal of a portfolio consisting of any securities and patents of whatever origin, and participate in the creation, development and control of any enterprise, the acquisition by way of investment, subscription, underwriting or option, of securities or patents, to realise them by way of sale, transfer, exchange or otherwise develop such securities and patents, grant to other companies or enterprises in which the company has a participating interest or which form a part of the group of companies to which the company belongs any assistance, such as loans, advances and guarantees,

- carry out any commercial, industrial or financial operations, any transactions in respect of real estate or moveable property, which the corporation may deem useful to the accomplishment of its purposes.

NOTE 2 - CONSOLIDATED ACCOUNTS

Based on the criteria defined by Luxembourg law of the commercial law of 10 August 1915, as subsequently amended and by the way of application of Article 1711-4, the Company is exempted from the obligation to draw up consolidated accounts and a consolidated management report for the year ended 31 December 2024 and 31 December 2025. Therefore, in accordance with the legal provisions, these annual accounts are presented on a non-consolidated basis to be approved by the shareholders during the annual general meeting.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND VALUATION METHODS

Basis of preparation

These annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. The accounting policy and valuation rules are determined by the amended Law of December 19, 2002.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers to exercise their judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and result fairly.

The company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Foreign exchange

The Company maintains its accounting records in euro (EUR) and the balance sheet and the profit and loss accounts are expressed in this currency.

At the balance sheet date:

- The acquisition price of participations shown under Financial fixed assets as well as loans granted to them, expressed in a currency other than EUR remain converted at the rate of exchange applicable as at the date of the transaction.

- All liabilities which are not economically related to the financial fixed assets, expressed in a currency other than EUR, are valued individually at the higher of the historical value or the value determined on the basis of the exchange rate applicable.

- All liabilities which are economically related to the financial fixed assets, expressed in a currency other than EUR remain converted at the rate of exchange applicable as at the date of the transaction.

- Income and expenses expressed in currencies other than EUR are converted at the exchange rate applicable at the date of the transactions.

Consequently,realised gain and losses are recorded in the profit and loss account together with unrealised losses. Unrealised gains are recorded to Deferred revenue account and will be regulated.

Intangible assets

Intangible asset are composed of development costs eligible for capitalisation (Calibrator, Artec Software), software(s), patent(s) and are valued at purchase price including the expenses incidental thereto or at production cost, less accumulated amortization amounts written off and value adjustments. These value adjustments are not continued if the reasons for which the value adjustment were made have ceased to apply.

The amortization rate and methods applied as follows:

	Rate of amortization (years)	Amortization method
Patents	5	straight line
Software	3	straight line
Calibrator	10	straight line
Cloud software	5	straight line
Internally developed technology	5	straight line
Internally developed Software	3	straight line

Payment on account and intangible assets under development:

Amounts related to the development of software and technology and other related expenses are included in the balance sheet when incurred. Development expenditure is capitalised when its future recoverability can be regarded as assured. The expenditure is transferred to assets in use, and depreciation commences when the resulting asset is put into service.

Tangible assets

Tangible assets are composed of plant and machinery valued at purchase price including the expenses incidental thereto or at production cost.

Tangible assets are depreciated over their estimated useful economic lives.

Where the Company considers that a tangible asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

The depreciation rate and methods applied as follows:

	Rate of depreciation (years)	Depreciation method
Buildings	9	straight line
Plant and Machinery	5	straight line
Computer equipment	3	straight line
Other fixtures and fittings	3	straight line

Financial assets

Shares in affiliated undertakings or participating interests are valued respectively at purchase price and nominal value (loans and claims) including the expenses incidental thereto.

In the case of durable depreciation in value according to the opinion of the Board of Managers, value adjustments are made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Acquisition costs include the purchase price and ancillary expenses.

An interest-bearing loan is granted to a shareholder and is stated at their nominal values. This is disclosed as other loans.

Inventories of raw materials and consumables

Inventories of raw materials and consumables are valued at the lower of purchase price calculated on the basis of weighted average prices method or market value. A value adjustment is recorded where the market value is lower than the purchase price. These value adjustments are not continued if the reasons for which the value adjustment were made have ceased to apply.

Inventories of finished goods

Inventories of finished goods are valued at the lower of production cost including the purchase price of the raw materials and consumables, the costs directly attributable to the product/contract in question and in a proportion of the costs indirectly attributable to the product/contract in question, and market value. A value adjustment is recorded where the market value is below the production cost. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Stocks - Payments on account

Payments on account for stocks represent advance payments on stock and are recorded at their normal value. They are subject to value adjustments when their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Debtors

Receivables are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Prepayments

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year. (i.e. advances given to suppliers).

(expressed in EUR)

Investments

Investments held as current assets are valued at the lower of acquisition cost or the market value at the end of the accounting year. The valuation is done individually without net off between valuation gains and losses.

A value adjustment is made when the market value or net realisable value is estimated to be lower than the acquisition cost.

Acquisition costs include the purchase price and ancillary expenses.

Provision for liabilities and charges

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions may also be created to cover charges that have originated in the financial year under review or in a previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provision for taxation

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has been filed or not are recorded under the caption "Other creditors: tax authorities". The advance payments are shown in the assets of the balance sheet under the caption "Other debtors", if applicable.

Creditors

Creditors are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt.

Advances received

Advances received from customers for outstanding deliveries at valued at their reimbursement value.

Net turnover

The net turnover comprises amounts derived from the sale of products and the provision of services falling within the Company's ordinary activities, after deductions of sales rebates and of value added tax and other taxes directly linked to the turnover.

Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of business.
In assessing the appropriateness of the going concern basis of accounting, management has considered the Company's current financial position, expected future cash flows, available financing arrangements and other relevant factors. Based on this assessment, management has concluded that the Company has adequate resources to continue its operations for at least twelve months from the date of approval of these financial statements.
Accordingly, the financial statements have been prepared on the going concern basis.

NOTE 4 - INTANGIBLE ASSETS

The movements of the year are as follows:

	Cost of development		**Intangible assets under development**		**Concessions, patents, licences and trademarks**	
	2025 EUR	**2024 EUR**	**2025 EUR**	**2024 EUR**	**2025 EUR**	**2024 EUR**
Gross book value - opening balance	**27,255,464.13**	**19,737,412.32**	**1,904,613.87**	**3,777,802.69**	**385,114.88**	**385,114.88**
Increases - additions for the year	112,430.92	-	5,156,947.92	5,644,862.99	237,104.19	-
Transfers during the year	1,731,203.84	7,518,051.81	(1,731,203.84)	(7,518,051.81)	-	-
(Decreases - disposals for the year)	(7,775,390.50)	-	-	-	(11,861.37)	-
Gross book value - closing balance	21,323,708.39	27,255,464.13	5,330,357.95	1,904,613.87	610,357.70	385,114.88
Value adjustment - opening balance	(15,981,481.13)	(11,814,124.61)	-	-	(325,801.57)	(251,169.50)
Value adjustment during the year	(4,738,236.02)	(4,167,356.52)	-	-	(58,463.30)	(74,632.07)
Transfers during the year	-	-	-	-	-	-
(Decreases - disposals for the year)	7,775,390.50		-	-	**11,861.37**	-
Value adjustment - closing balance	(12,944,326.65)	(15,981,481.13)	-	-	(372,403.50)	(325,801.57)
Net book value at the end of the year	**8,379,381.74**	**11,273,983.00**	**5,330,357.95**	**1,904,613.87**	**237,954.20**	**59,313.31**

Costs of development include internally developed technologies and internally developed software. Intangible assets under development include internally developed technologies and internally developed software.

(expressed in EUR)

NOTE 5 - TANGIBLE ASSETS

The movements of the year are as follows:	2025 EUR	2024 EUR
Gross book value - opening balance	2,840,613.88	2,653,577.18
Increases - additions for the year	108,346.87	172,111.12
Transfers during the year	141,687.04	14,925.58
(Decreases - disposals for the year)	(333,847.98)	
Gross book value - closing balance	2,756,799.81	2,840,613.88
Value adjustment - opening balance	(2,006,458.98)	(1,603,397.00)
Value adjustment during the year	(318,553.40)	(403,061.98)
(Decreases - disposals for the year)	312,022.29	
Value adjustment - closing balance	(2,012,990.09)	(2,006,458.98)
Payments on account and tangible fixed assets under development - opening balance	105,485.20	111,518.37
Increases - additions for the year	40,270.75	18,209.67
Transfers during the year	(141,687.04)	(14,925.58)
(Decreases - disposals for the year)		(9,317.26)
Payments on account and tangible fixed assets under development - closing balance	4,068.91	105,485.20
Net book value at end of the year	**747,878.63**	**939,640.10**

The Company also has equipment under the leasing agreements in total amount of EUR 824,214.66 (2024: EUR 1.120.439,18)

(expressed in EUR)

NOTE 6 - FINANCIAL ASSETS

6.1. Shares in affiliated undertakings

	2025 EUR	2024 EUR
Acquisition cost - opening balance	182,018.31	182,018.31
Increases - additions for the year	4,247,625.00	-
(Decreases - disposals for the year)	-	-
Acquisition cost - closing balance	4,429,643.31	182,018.31
Value adjustment - opening balance	(141,760.85)	(71,890.62)
Value adjustment during the year		(69,870.23)
Reversals of the year	-	-
Value adjustment - closing balance	(141,760.85)	(141,760.85)
Net book value at the end of the year	**4,287,882.46**	**40,257.46**

During the financial year, the Company's shareholders (except one) contributed, by way of a contribution in kind, 100% of the shares held Artec Group Inc. to the Company.

The contribution was effected as part of a capital increase resolved by the shareholders. The total value attributed to the contribution amounted to EUR 4,247,625, of which EUR 35,250 was allocated to share capital and EUR 4,212,375 was allocated to share premium, please refer to Note 11.

Following the transaction, the Company became the sole shareholder of Artec Group Inc, holding 100% of its issued share capital.

In 2024 Company recognized value adjustment in amount of EUR 69,870.23 for subsidiary Artec 3D Trading (Shanghai) due to decrease in it's Net Assets.

Name	Registered office	%	Total equity including result as at 31 December 2025(unaudited) EUR	Net result for the year 2025(unaudited) EUR	Carrying value as at 31 December 2025 EUR
ARTEC GROUP, INC	2880 Lakeside Drive, Suite 135, Santa Clara CA95054, USA	100	1,794,661.780	(427,451.79)	4,247,625
Artec Global S.à r.l.	4 rue Lou Hemmer, L-1748 Senningerberg	100	(1,139,693.13)	(3,752.90)	-
ARTEC 3D TRADING (SCHANGHAI)	Room 1410, 14/F, South Building of Merchants Plaza 333, Chengdu North Road 200041, Jingan District, Shanghai, PEOPLE'S REPUBLIC OF CHINA	100	(36,226.26)	(13,200.76)	-
ARTEC 3D ADRIATICA D.o.o.	Maršala Tita 10, Bar, the People's Republic of Montenegro	100	(62,472.00)	16,635.00	1
ARTEC 3D JAPAN G.K.	Gran Biz Shibadaimon 1F, 1-2-4 Shibadaimon, Minato-ku, Tokyo 105-0012, Japan	100	50,171.80	12,894.24	35,256
ALTERNATIVANGLE - UNIPESSOAL LDA	Avenida da Liberdade N 204 3 DTO,1250-147 Lisboa, Portugal	100	(216,996.49)	(6,003.16)	5,000
			389,445.70	**(420,879.37)**	**4,287,882.46**

6.2. Other Loans

Name	Total amount at 31.12.2025 (for loans including interests), EUR	Total amount at 31.12.2024 (for loans including interests), EUR	The interest rate
Shareholders loans	-	563,371.78	3%
Total:	-	**563,371.78**	

The Shareholders loan and accrured intersts in total amount of EUR 570,971,00 in July 2025 was offset with share premium contribution, please refer to Note 11.

(expressed in EUR)

NOTE 7 - STOCKS

	2025 EUR	2024 EUR
Raw materials	5,388,170.61	5,932,441.22
Finished goods and goods for resale	875,853.49	1,534,861.51
Payments on account	57,079.69	259,784.22
Total:	6,321,103.79	7,727,086.95

NOTE 8 - DEBTORS

	2025 EUR	2024 EUR
Trade debtors	122,152.07	110,322.49
Customers	122,152.07	105,680.52
Suppliers with a debit balance	-	4,641.97
Amount owed by affiliated undertakings	453,926.59	2,367,919.15
Becoming due and payable within one year	453,926.59	2,367,919.15
Becoming due and payable after more than one year	-	-

The balances with affiliated undertakings for FY 2025 and FY 2024 are further disclosed in Note 16.

	2025 EUR	2024 EUR
Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	468,562.01	468,562.01

The balances with affiliated undertakings for FY 2025 and FY 2024 are further disclosed in Note 16.

	2025 EUR	2024 EUR
Other debtors		
Staff - Advances and down payments	5,678.61	5,776.61
Direct Tax Authority	341.90	100,301.90
VAT receivables	80,181.08	152,326.11
Property guarantee	934,289.65	927,883.20
Other miscellaneous receivables	22,500.00	22,500.00
	1,042,991.24	1,208,787.82
Total DEBTORS	2,087,631.91	4,155,591.47

The decrease in receivables was mainly attributable to the settlement of balances with an affiliated company, the receipt of VAT refunds, and the offset of advance tax payments against tax liabilities.

NOTE 9 - CASH AT BANK AND IN HAND

	2025 EUR	2024 EUR
Bank accounts	477 422.26	83 619.03
Total:	477,422.26	83,619.03

NOTE 10 - PREPAYMENTS

	2025 EUR	2024 EUR
Other prepayments	337,223.84	511,755.21
Total:	337,223.84	511,755.21

The decrease in the Prepayment is associated with increase in the Deferred charges related to licensing fees, office rent and prepayment to service provider, EUR: 261,926.70 (2024: EUR 366,721.40)

(expressed in EUR)

NOTE 11 - CAPITAL AND RESERVES

	2025 EUR	2024 EUR
Subscribed share capital:	1,752,542.00	1,717,292.00
Share premium account:	4,174,112.00	982,708.00

On 9 July 2025, the shareholders of the Company (except one) contributed 100% of the shares in Artec Group Inc. to the Company as a contribution in-kind in exchange for newly issued shares of the Company. As a result, the Company's share capital has been increased by an amount of EUR 35,250. The share capital increase was made through the issue of and subscription by the shareholders (except one) of 70,500 ordinary new shares, with a nominal value of EUR 0,50 each, together with the payment of a share premium amounting to EUR 4,212,375, for a total amount of EUR 4,247,625. This transaction was carried out between entities under common control and did not result in a change of control. An amount of EUR 1,020,971 of share premium was offset with loans received from shareholders.

As at the 31.12.2025 the Company's share capital is set at EUR 1,752,542.00 divided into 3,505,084.00 shares with a nominal value of EUR 0.50 each fully paid up and share premium of EUR 4,174,112.00

	2025 EUR	2024 EUR
Legal reserve:	133,608.71	133,608.71

Under Luxembourg law, a company is required to transfer to a legal reserve a minimum of 5% of its net profit each year until this reserve amounts to 10% of the issued share capital.

Movements for the year on the reserves and profit/loss items:

	Capital	Share premium account	Legal reserve	Profit or loss brought forward	Result for the year	Total
	EUR	EUR	EUR	EUR	EUR	EUR
As at the beginning of the year	**1,717,292.00**	982,708.00	**133,608.71**	**5,391,656.37**	**(829,479.50)**	**7,395,785.58**
Allocation of the prior year's result:	-	-	-	(829,479.50)	829,479.50	**-**
Other movements: capital decrease	-	-	-	-	-	**-**
Other movements: capital increase	35,250.00	-	-	-	-	**35,250.00**
Other movements: Share premium account increase	-	4,212,375.00	-	-	-	**4,212,375.00**
Other movements: Share premium account decrease	-	**(1,020,971.00)**	-	-	-	**(1,020,971.00)**
Other movements: reserve increase	-	-	-	-	-	**-**
Result for the year	-	-	-	-	(3,326,725.86)	**(3,326,725.86)**
As at the end of the year	**1,752,542.00**	**4,174,112.00**	**133,608.71**	**4,562,176.87**	**(3,326,725.86)**	**7,295,713.72**

NOTE 12 - PROVISIONS

	2025 EUR	2024 EUR
Provision for taxation:		
Provisions for corporate income tax	-	466,219.95
Provisions for municipal tax	-	177,261.98
Provisions for net wealth tax	-	23,840.39
Total:	**-**	**667,322.32**

During the year, the Company released historical tax provisions that had been maintained for more than ten years. Following a reassessment of the underlying tax risks and applicable limitation periods, management concluded that these provisions were no longer required. The reversal of the provisions has been recognized in the current year's profit or loss.

(expressed in EUR)

NOTE 13 - CREDITORS

	2025 EUR	2024 EUR
Amounts owed to credit institutions		
Becoming due and payable within one year	2,568,573.19	4,089,110.16
Becoming due and payable after more than one year	6,282,306.61	2,100,000.00
Total:	8,850,879.80	6,189,110.16

Loans principal balance

Name of bank	Redemption date	Credit amount	Currency	Interest rate	Loan balance	EUR 2025	EUR 2024
BGL BNP Paribas	20.01.2025	2,000,000.00	EUR	EURIBOR 3month+1.5%	loan principal	-	60,036.78
Banque Internationale a Luxembourg (BIL)	20.04.2027	3,000,000.00	USD	Overnight SOFR month + 2,30%	overdraft	2,321,653.48	2,943,268.96
Banque Internationale a Luxembourg (BIL)	15.01.2029	3,000,000.00	EUR	4,5 -5,5 %	Guaranteed Investment Loan	1,950,000.00	2,550,000.00
					accrued interest at 31.12		36,960.98
Banque Raiffeisen	29.09.2026	300,000.00	EUR	EURIBOR 3month+2%	loan principal	223,490.85	594,490.47
					accrued interest at 31.12	2,722.11	
Banque Raiffeisen	30.06.2026	299,340.33	EUR	EURIBOR 3month+2%	overdraft	255,252.45	
European Investment Bank	04.09.2031	4,000,000.00	EUR	7%	loan principal	4,000,000.00	
					accrued interest at 31.12	89,753.42	
ING VISA cards credit balance						8,007.49	4,352.97
					Total:	**8,850,879.80**	**6,189,110.16**

In 2025 the European Investment Bank (EIB) and the Comany has entered into a Finance contract (bullet loan) for a total amount of up to EUR 15 million to support the Company's planned expenditures in research and development (R&D), capital investments, and market access costs (the "Financing"). The loan will be disbursed in three tranches. Each tranche is repayable over a period of six years from the date of disbursement. The loan bears an annual interest rate ranging from 5% to 7%. In September 2025 the Company received first tranch according to agreement.

	2025 EUR	2024 EUR
Payments received in advance	**1,226,461.46**	**926,984.64**
becoming due and payable within one year	1,226,461.46	926,984.64

The increase in the Payments received in advance is associated with advances received from customers for outstanding deliveries

	2025 EUR	2024 EUR
Trade creditors	**5,606,617.79**	**5,440,721.51**

	2025 EUR	2024 EUR
Amounts owed to affiliated undertakings	**1,083,416.35**	**3,156,129.49**

The balances with affiliated undertakings for FY 2025 and FY 2024 are further disclosed in Note 16.

Other creditors

	2025	2024
Tax authorities	**494,686.81**	**774,837.81**
Social Security office (CCSS)	***1,385,664.05***	**698,634.55**
Other debts	**2,263,396.80**	**2,009,706.12**
Total:	**4,143,747.66**	**3,483,178.48**

(expressed in EUR)

The increase in the Social Security is associated with the payments plan accepted by Social Security office with Company in 2025.

The Other debts are related to a EUR 27,528.30 loan received from Ministere de l'Economie during the COVID-19 pandemic period with simple interest rate 0,5% and maturity date 30.04.2026 (2024: EUR 262,567.97), accrual related to unused vacation days in amount EUR 522,902.79 (2024 :EUR 562,626.89) and loan of shareholder with accrued interest in total amount EUR 1,468,949.32 (2024: EUR 1,024,794.52).

As part of the restructuring, EUR 450,000.00 of share premium was reclassified as a shareholder loan.

Total CREDITORS	**20,911,123.06**	**19,196,124.28**

NOTE 14 - NET TURNOVER

Sales and services	**2025 EUR**	**2024 EUR**
Europe	11,092,209.47	10,221,046.59
Americas	8,256,165.26	9,353,817.04
Asia and Oceania	5,413,584.72	5,639,929.20
Middle East and Africa	645,983.81	719,555.99
Total:	**25,407,943.26**	**25,934,348.83**

NOTE 15 - VARIATION IN STOCK ON FINISHED GOODS AND WORK IN PROGRESS

	2025 EUR	**2024 EUR**
Variation in stock of Finished goods (Scanners)	**(494,857.57)**	**55,882.15**

NOTE 16 - RELATED PARTIES TRANSACTIONS

2025 related parties are Artec Group Inc. ("Artec Group"), Artec 3D Trading (Shanghai), Artec 3D Adriatica (Montenegro), ARTEC 3D JAPAN G.K., ALTERNATIVANGLE - UNIPESSOAL LDA (ALTERNATIVANGLE)

All related parties disclosed in these financial statements are wholly-owned subsidiaries of Artec Europe

Artec Group Inc. acts as the distributor for the entire American market.

Artec 3D Trading provides marketing services and support to clients in China.

Artec 3D Adriatica is a partner in development technology, marketing and support.

Artec 3D Japan provides marketing services and support to clients in Japan

ALTERNATIVANGLE - is a partner in development technology, marketing and support.

Transactions with the affiliated undertakings during 2025:

	2025		**2024**	
	Sales/services provided, EUR	**Goods, Services received, EUR**	**Sales/services provided, EUR**	**Services received, EUR**
Artec Group	7,965,807.26	317,701.59	9,352,456.11	33,381.96
Artec 3D Trading	7,609.42	291,588.18	57,452.17	210,921.86
Artec 3D Adriatica	-	222,392.00	-	1,547,100.00
Artec 3D Japan	24,166.75	297,624.34	29,655.00	213,632.01
ALTERNATIVANGLE	276,142.52	1,548,221.00	10,681.09	484,200.00
Total:	**8,273,725.95**	**2,677,527.11**	**9,450,244.37**	**2,489,235.83**

The amount of development expenses received from Artec Adriatica capitalised during FY 2025 is EUR 98,600.00 (2024 : EUR 671,200.00), received from ALTERNATIVANGLE capitalised during FY 2025 is EUR 611,519.51 (2024: EUR 141,800.00)

(expressed in EUR)

Receivable and payables amounts at the 31.12.2025 and 31.12.2024:

Amounts owed by/to affiliated undertakings	31.12.2025					31.12.2024				
	Artec 3D Japan., EUR	Artec Group, EUR	Artec 3D Trading, EUR	Artec 3D Adriatica, EUR	ALTERNATIVANGLE, EUR	Artec 3D Japan., EUR	Artec Group, EUR	Artec 3D Trading, EUR	Artec 3D Adriatica, EUR	ALTERNATIVANGLE, EUR
- loans and advances	-	-	-	-	330,708.01	-	-	-	-	515,257.62
- receivable within one year	53,821.75	-	78,675.98	455,373.00	3,909.89	29,655.00	1,754,447.90	71,066.56	455,373.00	10,681.09
- payable within one year	(40,373.51)	(535,225.12)	-	(199,567.90)	(277,831.50)	(5,394.13)	(2,403,126.96)	-	(260,350.00)	(484,200.00)

In July 2025, the shareholder loan and related accrued interest of EUR 570,971.00 were settled through share premium.

The Company received a shareholder loan of EUR 1,000,000 on 3 July 2024, bearing interest at a rate of 5% per annum and maturing on 28 June 2029.

Pursuant to the Amended and Restated Loan Agreement, on 25 July 2025 an amount of EUR 450,000 of share premium was reclassified as a shareholder loan, increasing the total shareholder loan balance to EUR 1,450,000.

The loan is subject to a Security Interest Fee at a rate of 3% per annum. The Security Interest Fee is payable annually, with the first payment due on 24 July 2026, being the first anniversary of the Agreement.

Accued security interest at 31.12.2025 is EUR 18,949.32 (2024: EUR 0.00) and accrued interest is EUR 0.00 (2024: EUR 24,794.52)

NOTE 17 - OTHER OPERATING INCOME

	2025 EUR	2024 EUR
Other operating income	127,642.95	106,986.77
Government subsidies	*2,683,465.92*	*2,200,720.70*
Total:	**2,811,108.87**	**2,307,707.47**

The increase in income from government subsidies is due to the completion of certain projects funded by innovation grants awarded in 2024 for a period of three years.

NOTE 18 - RAW MATERIALS AND CONSUMABLES AND OTHER EXTERNAL EXPENSES

	2025 EUR	2024 EUR
Consumption of merchandise and raw material:	*(7,461,694.54)*	*(6,916,356.17)*
Other external expenses :		
Marketing and communication costs	(3,119,547.17)	(2,931,097.04)
Subcontracting	(872,664.97)	(886,614.49)
Consulting, legal and professional fees	(4,101,251.39)	(3,013,111.37)
Rents and rental expenses	*(1,859,434.05)*	(2,108,613.36)
Other external charges	(192,467.34)	(169,025.14)
Insurance premiums	(55,020.93)	(52,803.58)
Total:	**(10,200,385.85)**	**(9,161,264.98)**

Subcontracting includes research and development expenses in the amount of EUR 575,098.66 (2024: EUR 643,058.57).

TOTAL - RAW MATERIALS AND CONSUMABLES AND OTHER EXTERNAL EXPENSES	**(17,662,080.39)**	**(16,077,621.15)**

(expressed in EUR)

NOTE 19 - STAFF COSTS

As of 31 December 2025 , the Company has a total of 117 full time employees (2024: 114 full time employees).

	2025 EUR	2024 EUR
Wages and salaries	(7,601,692.86)	(6,407,675.63)
Social security costs	(754,194.58)	(622,601.51)
Total:	**(8,355,887.44)**	**(7,030,277.14)**

	2025 EUR	2024 EUR
Wages, fees and salaries granted to the members of the management	**1,293,238.32**	**1,297,855.08**

The Company does not have commitments in respect of retirement pensions for former members of the management.

NOTE 20 - VALUE ADJUSTMENT

	2025 EUR	2024 EUR
a) in respect of tangible and intangible fixed assets		
Value adjustment on intangible fixed assets	(4,796,699.32)	(4,241,988.59)
Value adjustment on tangible fixed assets	(318,553.40)	*(403,061.98)*
b) in respect of current assets		
Value adjustment on stocks	13,074.95	*(47,966.72)*
Value adjustment on debts receivable of current assets	4,333.57	*(14,217.31)*
TOTAL - VALUE ADJUSTMENTS	**(5,097,844.20)**	**(4,707,234.60)**

NOTE 21 - OTHER OPERATING EXPENSES

	2025 EUR	2024 EUR
Royalties for concessions, patents, licences, trademarks and similar rights and assets	(376,133.58)	(326,925.35)
Trade and other receivables write-off	(13,005.23)	-
Fines and similar expenses	(82,562.16)	(125,706.57)
Other extraordinary charges	(166.84)	(1,254.12)
Total:	**(471,867.81)**	**(453,886.04)**

NOTE 22 -FINANCIAL INCOME

	2025	2024
Interest income	-	14,588.38
Foreign exchange gains	811,371.82	163,407.58
	811,371.82	**177,995.96**

The significant increase in foreign exchange gain in 2025 was primarily attributable to the settlement of USD-denominated receivables and payables with a related party. The Company recognized a foreign exchange gain of USD 811,371.82, mainly resulting from fluctuations in the USD exchange rate between the initial recognition of the intercompany balances and their settlement.

NOTE 23 -FINANCIAL CHARGES

	2025 EUR	2024 EUR
Value adjustments in respect of financial assets	-	*(69,870.23)*
Bank interest and similar interest	(542,208.25)	(513,691.67)
Foreign exchange losses	(370,365.78)	*(416,706.75)*
Total:	**(912,574.03)**	**(930,398.42)**

(expressed in EUR)

NOTE 24 - OTHER TAXES

		2025 EUR	2024 EUR
Net wealth tax			
	Current financial year	*(13,138.54)*	*(36,126.33)*
	Total:	**(13,138.54)**	**(36,126.33)**
	Other Taxes total	**(13,138.54)**	**(36,126.33)**

NOTE 25 - OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

1. Commitments regarding the rents not yet paid correspond to future periods amount to EUR 224,419.00 at the end of the financial year (2024: EUR 506,194.18).

They are related to leasing contracts of production equipment. The Company does not have any other off balance sheet commitments or contingencies at the end of the financial year. During the year, the Company signed a put and call option agreement with one of the shareholders for an amount of EUR 1 million exercisable from 2 September 2027 and for an unlimited period of time. According to the agreement, under certain conditions, the Company may buy back, and the said shareholder may sell back his shares respectively. The option agreement was subsequently amended in the course of 2025 and the amount reduced to EUR 550 thousand.

2. In connection with the EUR 4,000,000 loan drawn on 5 September 2025 under the finance contract dated 22 May 2025 with the European Investment Bank (“EIB”), the Company issued to the EIB, free of charge, warrants to subscribe for ordinary shares at EUR 0.50 per share, under a Warrant Agreement dated 8 July 2025.
The warrants are not recognised as a liability, as the Company does not apply the fair value option under Article 64bis of that law.
The Warrant Agreement grants the EIB a put option to require the Company to repurchase the warrants for cash on or after the maturity of Tranche A or the occurrence of certain events (including a change of control, a listing, a sale of the Company or an event of default), at a price based on the fair market value of the Company’s shares less the exercise price. No such event had occurred to date and hence no option became exercisable.

NOTE 26 SUBSEQUENT EVENTS

1. On 26.01.2026 Artec Europe established a new subsidiary in Hong Kong under the name Artec 3D Hong Kong Limited

2. On 23.02.2026 Artec Europe prolonged USD 2.450.000,00 overdraft contract with BIL SA for partial financing of the working capital until 20.04.2027

3. In May 2026, the Company changed the address of its registered office to 11 Breedewues, L-1259 Senningerberg. In connection with this relocation, the existing lease agreement was terminated and replaced by a new lease agreement for the new premises.

4. On 22.05.2026 the State of the Grand Duchy of Luxembourg and Artec Europe, in partnership with the University of Luxembourg, have agreed for public co-financing valued at EUR 1,505,782.72 for the period from 01.05.2026 to 01.05.2028. The total expenditure of the cooperation project is estimated at EUR 2,172,060.22