

REPORT

regarding the activity carried out in 2024 according to the balance sheet concluded on 31.12.2024 in keeping with Order no. 2844/2016 with subsequent amendments and completions - for the approval of the compliant accounting regulations

with International Financial Reporting Standards

SC ARTEGO SA Tg. Jiu, was established according to law no. 31/1990, based on the Government Decision no. 1224/1990 and was registered at the Trade Register under number J18 / 1120/1991, having the fiscal code RO2157428.

Shareholding structure as of December 31st,2024

Shareholder name	Number of shares	Value (RON)	Total share of social capital (%)
PAS ARTEGO Employees Association	6.968.820	17.422.050,00	85,8785
Legal Entities	35.714	89.285,00	0,4401
Individuals	1.110.210	2.775.525,00	13,6814
The Romanian State through the Authority for the administration of state assets	2	5,00	0,0000
TOTAL	8.114.746	20.286.865,00	100.00

In 2024, the production activity and the economic-financial activity carried out by the company and reflected in the balance sheet concluded on 31.12.2024, are as follows:

CHAPTER I. PRODUCTION ACTIVITY

In 2024, the production of technical articles was of 9.300 tone .

In 2024, the production for export was of 5.631 tons of conveyor belts and of 1.044 tons of technical sheets. Table 1 shows some comparative data for the years 2020, 2021, 2022,2023 si 2024.

Table 1

2020	2021	2022	2023	2024
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Commodity production, RON	133.069.906	166.390.564	200.934.353	155.964.970	141.314.746
Conveyor belts, MT, of which:	8.345	9.855	9.097	7.744	7.089
- export	4.625	6.598	6.277	5.565	5.631
RON, of which	106.471.797	130.819.654	165.911.879	121.508.941	109.268.828
- export	61.611.034	87.027.887	103.168.014	87.459.935	88.618.853
Technical sheets, MT, of which:	1.766	2.771	1.980	1.645	1.741
- export	1.001	1.890	1.338	874	1.044
RON, of which	14.266.865	21.567.887	19.920.421	17.967.753	16.406.419
- export	8.536.477	15.480.578	12.797.003	9.307.304	9.444.819
Pressed gaskets, MT	502	539	489	591	470
RON	7.862.762	7.407.575	7.702.883	8.098.059	6.031.688
Total Export RON	73.566.105	105.305.989	114.115.626	103.823.057	101.217.678
Total EURO	15.200.491,44	21.406.669,23	23.130.441,72	20.997.363,58	20.346.914,56

During 2024, the export value reached 20.346.915,56 EURO, the export representing 71,63% of the production of technical rubber articles. The most stable markets where the goods were exported are Germany, England, Spain, the Netherlands. It has also been exported to Poland, Sweden, Italy, France, Finland, Slovakia, Serbia, Austria. ARTEGO is currently the largest producer of technical rubber articles in Romania (95% of the country's need for conveyor belts) and one of the largest producers in Europe.

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

The country	2020	2021	2022	2023	2024
Italy	274.257,47	640.898,00	761.516,02	894.151,79	291.357,88
England	3.378.633,14	4.924.681,66	3.245.759,62	2.267.899,53	2.469.368,23
Austria	169.262,38	229.836,04	287.188,26	413.451,19	558.248,29
Finland	492.021,60	595.590,48	724.904,20	754.954,84	370.606,23
Spain	2.911.316,56	3.501.717,70	5.038.474,32	5.135.939,52	4.750.093,44
Netherlands	1.480.772,69	1.752.367,69	3.226.146,65	1.635.612,73	1.425.064,83
France	1.419.709,52	2.180.879,07	792.786,73	722.887,03	42.314,85
Germany	4.151.773,06	6.165.628,98	7.643.714,52	5.358.096,09	5.916.642,65
Poland	61.680,17	63.905,99	112.478,98	1.153.513,24	874.001,35
Bulgaria	100.350,17	200.843,84	110.652,80	13.703,35	7.930,80
Bosnia & Herzegovina	44.180,02	5.585,51	83.231,60	16.350,46	21.556,08
Turkey	9.542,80	-	6.800,00	-	-
Estonia	2.531,62	2.274,84	14.580,00	-	5.720,37
Russia	18.268,87	770,00	-	-	-
Serbia	255.499,64	206.023,84	416.074,03	564.998,01	829.069,22

Belgium	91.424,65	164.657,40	83.099,94	91.092,88	160.761,89
Hungary	88.074,42	186.411,22	211.894,37	124.496,67	87.262,60
Czech Republic	4.741,76	8.821,12	16.688,64	6.208,00	2.652,00
Ireland	-	-	-	-	21.776,00
Ukraine	9.962,29	83.606,03	70.560,11	201.731,74	141.249,47
Greece	156.532,60	45.278,27	2.116,00	2.270,40	-
Egypt	33.565,39	114.380,77	25.145,94	-	12.900,00
Lithuania	2.674,19	1.769,20	4.020,61	-	-
Slovakia	30.770,15	302.112,09	78.516,31	55.653,20	77.849,20
Slovenia	-	2.671,19	-	-	-
Macedonia	2.792,40	-	-	3.079,80	-
Norway	5.375,00	-	-	-	-
Belarus	3.883,88	-	-	-	-
Latvia	895,00	-	-	-	4.878,18
Azerbaijan	-	25.958,30	-	-	-
Switzerland	-	-	15.383,26	-	-
Sweden	-	-	158.708,71	1.581.263,11	2.264.111,00
Tunisia	-	-	-	-	11.500,00
TOTAL	19.967.318,52	15.200.491,44	21.406.669,23	23.130.441,72	20.997.363,58

An essential aspect to the achievements of our company is brought by the good professional training of the specialists and the management team who have always sought and found solutions not only for maintaining on the market the technical rubber articles, but also for its expansion. Solutions were found for the production of new parts that, until recently, were only in the portfolio of renowned companies, such as DUNLOP, CONTINENTAL, METSO MINERALS, etc.

The training of the technical staff and its involvement in finding solutions regarding the improvement of technologies, modern equipment and the reduction of production costs was materialized by obtaining over 67 patents in the period 1985-2024. Other technical solutions are under examination at OSIM for patent, and others are in the industrial testing phase. The patented technical solutions are very diverse, some of them being made in cooperation with companies from outside Romania.

CHAPTER II. FINANCIAL STATEMENT - EQUITY

The financial statement is based on the internal correlations existing between the elements of the patrimony from the balance sheet assets in the form of assets (economic means) available to ARTEGO SA for its production activity and in the liabilities of the balance sheet as financial sources for the formation of fixed or current assets. and the financial result of the company.

A. 1. Economic means

Economic means or direct patrimonial elements consist of fixed assets and current assets.

The assets are organized in the balance sheet, in assets with acyclic use (allocation) which includes the group of "Fixed assets" and assets with cyclical use (allocation) which includes the group of "Current assets".

INDICATOR		Beginning of 2024 (RON)	End of 2024 (RON)
Fixed assets - total		34.566.695	35.621.382
a) Intangible assets		6.206.136	5.225.122
b) Tangible fixed assets of which:		28.360.559	30.396.260
-	land	11.857.343	11.824.402
-	Fixed assets at inventory value	98.130.557	101.900.460
-	Fixed assets at the remaining value	16.070.656	18.244.059
-	Corporal immobilizations in progress	565.981	461.220
c)	Financial fixed assets	-	-

A. 2. CURRENT ASSETS

In order to achieve its goal SC ARTEGO SA TG. JIU, must have cars, buildings and other tools. In order to make this production device work, the company had to:

- buy raw materials;
- to ensure stocks at different stages of the production process;
- to sell in order to recover the resources spent.

Current assets consist of inventories, short-term realizable values and available values.

The value of current assets at 31.12.2024 according to the balance sheet is of 78.345.694 RON structured as follows:

Indicator		Total (RON)	%
1. STOCKS of which:		51.902.595	66.25
-	raw materials, materials	29.616.696	
-	finished product	22.057.442	
-	products in progress	-	
-	Assets held for sale	50.289	
-	overtures	178.168	
2. MONEY AVAILABILITY		7.309.228	9.33
3. RECEIVABLES		19.119.474	24.40
-	Trade receivables	17.595.884	
-	other receivables	1.523.590	
4. SHORT-TERM FINANCIAL INVESTMENTS		14.397	0,02

B. PATRIMONY SITUATION

During 2024, an inventory program and fund management control was carried out.

Net Assets = Fixed Assets + Current Assets - Liabilities

The net asset reflects the company's ability to meet its financial obligations.

INDICATOR	M/U	2020	2021	2022	2023	2024
Fixed assets	RON	41.680.492	38.666.360	38.205.805	34.566.695	35.621.382
Current assets	RON	83.037.086	98.332.713	98.381.653	96.956.009	78.345.694
Total Assets	RON	124.717.578	136.999.073	136.587.458	131.522.704	113.967.076
Total Debts	RON	38.819.721	49.745.718	43.363.720	30.574.332	19.580.270
Own capital	RON	86.199.939	87.536.120	93.530.664	99.008.253	92.396.743

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ANCIAL RESULTS

In the period 2020-2024, the economic-financial indicators were achieved as follows:

	2020	2021	2022	2023	2024 (RON)
I Operating income	157.159.639	191.637.944	226.489.237	186.142.044	157.762.684
a) Turnover	131.914.607	172.531.341	199.727.280	162.994.877	144.842.306
b) Variation of stocks	16.299.252	15.424.470	20.473.730	12.530.099	10.982.605
c) Income from fixed assets production	386.966	570.395	1.419.048	334.336	424.279
d) Other income	8.558.814	3.111.738	4.869.179	10.282.732	1.513.494
II Operating expenses	143.911.413	177.107.829	210.717.065	175.624.369	155.812.383
- operating profit / loss (+/-)	13.248.226	14.530.115	15.772.172	10.517.675	1.950.301
III Financial income	320.615	374.197	1.038.733	893.728	96.754
IV Financial expenses	1.544.812	985.376	2.697.199	1.735.859	567.764
- loss	1.224.197	611.179	1.658.466	842.131	471.010
VII Total income	157.480.254	192.012.141	227.527.970	187.035.772	157.859.438
VIII Total expenses	145.456.225	178.093.205	213.414.264	177.360.228	156.380.147
- the gross result of the exercise	12.024.029	13.918.936	14.113.706	9.675.544	1.479.291
- tax	1.548.082	1.924.253	1.848.098	994.872	187.436
NET INCOME	10.531.639	12.050.173	12.315.948	8.746.511	1.332.223

In the period 01.01.-31.12.2024, SC ARTEGO SA TG. JIU, delivered to the majority state-owned companies products worth 20.459.056 RON ,as follows:

C.E.OLTENIA	18.518.976 RON
CNCFR SA BUCURESTI	1.372.101 RON
SOCIETATEA NATIONALA A SARI	567.979 RON

The balance of uncollected invoices at 31.12.2023 was of 7.377.126 RON from majority state-owned companies, as follows:

C.E.OLTENIA	6.677.944 RON
SOCIETATEA NATIOANLA A SARI	679.077 RON

At 31.12.2024 the amounts receivable from majority state-owned companies were of 2.719.719 RON , as follows:

C.E.OLTENIA	2.689.507 RON
S. NAT. A SARI	3.508 RON
ELECTROCENTRALE CRAIOVA	26.704 RON

From the total amount of 175.854.829 RON owed by the majority state-owned companies and other clients, (the balance on 31.12.2023 plus the deliveries between 01.01.-31.12.2024) the following amounts were collected:

- a) through liquidity: 175.761.237 RON, meaning 99,95 %
 b) by compensations: 93.592 RON, meaning 0,15 %

thus:

BENEFICIARY	M.U.	COMPENSATIONS	%	LIQUIDITY	%	TOTAL
CE OLTENIA	RON	78.290	0,35	22.507.413	99,65	22.585.703
Others	RON	15.302	0,03	49.404.800	99,97	49.420.102
Export	RON	-	-	103.849.024	100	103.849.024
T O T A L	RON	93.592	0,05	175.761.237	99,95	175.854.829

HUMAN POTENTIAL

The average number of employees in 2024 was 523 compared to 626 in 2023 having a decrease of 16,45%, and the actual number at the end of 2024 was 505 employees, compared to 572 at the end of 2023.

The total salary fund achieved in 2024 was of 41.334.235 RON.

The expenses regarding the insurance and social protection were of 1.548.909 RON, meal vouchers were granted in the total amount of 4.265.330 RON.

DEPRECIATION OF FIXED ASSETS

SC ARTEGO SA used as depreciation regime - linear depreciation.

Depreciation of fixed assets was calculated in accordance with Law no. 15/1994 republished and GD no. 2139/2004 for the approval of the classification and the normal operation durations of the fixed assets.

The depreciation included in the operating expenses was in the amount of 3.553.929 RON.

The balance sheet was prepared on the basis of the balance of verification of the synthetic accounts correlated with the balances of the analytical accounts, respecting the Methodological Norms

PROFIT

As at 31.12.2024, the gross profit was of 1.479.291 RON, respectively the net profit was of 1.332.223 RON.

When determining the taxable profit, the provisions of Law no. 227/2015 on the Fiscal Code with subsequent amendments were followed.

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

- surcharges for late payment of debts;
- expenses for the protocol, which exceed the limits provided by the Fiscal Code law.

SC ARTEGO SA Tg-Jiu had total debts at 31.12. 2024 in the amount of 19.580.270 RON of which:
RON

1. The state budget	609.151
- tax	102.958
- income tax from salaries	325.600
-dividend tax	77.848
- VAT payable	-
2.25% CASM	102.745
2. Special funds budgets	25.900
-solidarity fund for people with disabilities	19.777
- environment fund	6.123
3. Social security budgets	1.636.592
CAS	1.148.878
-CASS	487.714
Credits	-
Suppliers	9.433.146
Customer creditors	342.711

SUSTAINABILITY REPORT OF ARTEGO S.A.

FINANCIAL YEAR 2024

- 31/12/2024-

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MANAGEMENT STATEMENT

MANAGEMENT MESSAGE FROM ARTEGO S.A.,

We present to you the Sustainability Report of ARTEGO S.A. regarding the progress made in sustainability management and the implementation of the European Sustainability Reporting Standards (ESRS). Through our actions, we show that we assume our responsibility regarding the impact on the population and the environment, as well as internal risks and opportunities, in the short, medium and long term.

Our objectives related to sustainability aspects are evaluated on an annual basis. In accordance with our vision regarding information transparency, we present to you the stage at which we have achieved our objectives represented in the Sustainability Report for the financial year 2024.

For the future, we want to develop our sustainability strategy by including the realisation of our value chain as our resilience objectives, both upstream and downstream.

In our effort to ensure the most meaningful data base possible, we carry out assessments of the impact on the environment, society and the governance of the entity. In the following reports, we want to enrich our sustainability objectives in the short, medium and long term as well as the actions or measures necessary to achieve the objectives and targets.

We encourage our business partners and collaborators, in short, all stakeholders, to participate in reducing the negative impact of sustainability aspects on the environment and the population, as it is our common responsibility to build a sustainable economy in a healthy and prosperous environment for the future

With special consideration,





INFORMATION ON SUSTAINABILITY REPORTING BP-1

In accordance with the provisions of O.M.F.P. no. 2844/2016 For the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, art. 39, entities that at the balance sheet date exceed the criterion of having an average number of 500 employees during the financial year must prepare a financial statement containing, to the extent necessary for understanding the development, performance and position of the entity and the impact of its activity, information regarding at least environmental, social and personnel aspects, namely human rights, combating corruption and bribery. The company ARTEGO S.A. (“the Company”) published the non-financial report in the previous year as a result of fulfilling the reporting conditions set out in OMFP no. 2844/2016.

In accordance with the provisions of Order No. 85 of January 12, 2024 regulating aspects related to sustainability reporting, issued by the Ministry of Finance and published in the Official Gazette no. 75/26.01.2024, the so-called CSRD – the set of European corporate sustainability reporting directives – was introduced into Romanian legislation with the aim of measuring and improving the impact of economic agents on the environment and the community in which they operate (Directive 2022/2.464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU on sustainability reporting by undertakings, published in the Official Journal of the European Union, series L, no. 322 of 16 December 2022). The European Sustainability Reporting Standards (ESRS) that the Company intends to apply are as follows:
Cross-cutting standards

ESRS 1 General requirements
ESRS 2 General disclosures
Thematic standards
ESRS E1 Climate change
ESRS E2 Pollution
ESRS E3 Water and marine resources
ESRS E4 Biodiversity and ecosystems
ESRS E5 Resource use and circular economy
ESRS S1 Own workforce
ESRS S2 Workers in the value chain
ESRS S3 Affected communities
ESRS S4 Consumers and end users
ESRS G1 Business conduct

The dual materiality analysis was carried out in accordance with the ESRS standards, in order to comply with the provisions of the Corporate Sustainability Reporting Directive (CSRD). The significant aspects reported in the financial year 2024 according to the ESRS standards were taken into account.

The Order of the Ministry of Finance No. 85/2024 includes the following aspects that the CSRD assumes:

- The information that the report must include and the manner of presenting it;
- Exceptions to the reporting of sustainability information, as well as the conditions under which these exceptions may be applied;
- The obligation to use the single electronic reporting format (ESEF);
- Clarifications on reporting on third-country entities;
- Responsibility for preparing the report;
- Publication of the sustainability report;
- Sustainability Reporting Standards (ESRS).

Economic agents must report and assess the impact of their own operations and production processes, taking into account the impact of the activities of the suppliers they work with. The Company must also set objectives towards improving sustainability and report on progress towards achieving them.

The Company meets the reporting requirements in accordance with the provisions of OMFP no. 85/2024 being obliged to report as a public entity, which exceeds the threshold of 500 employees, on sustainability issues, starting with January 1, 2024, and the reports submitted in 2025.

This sustainability statement was prepared on an individual basis, at the Company level.

The Company's Sustainability Report reflects its commitment to sustainable development and to the achievement of the assumed objectives. The Company aims to support environmental conservation, improve the quality of life in the local community, provide high-quality services and develop sustainable partnerships with customers, authorities and the local community, while managing operational resources efficiently and sustainably.

GENERAL INFORMATION ABOUT THE COMPANY

ESRS 2

ARTEGO S.A. Company ("Company") from Tg. Jiu, is established in accordance with Law no. 31/1990 on companies, based on Government Decision no. 1224/1990.

GENERAL IDENTIFICATION DATA

Company Name: ARTEGO S.A.

Registered office: Mun. Tg. Jiu, str. Ciocarlau, no. 38, jud. Gorj

Tax code: RO2157428

Trade Register No.: J18/1120/1991

Telephone/Fax: 0253/226444

Main activity: 2219 - Manufacture of other rubber products

COMPANY HISTORY

-1973-The "Târgu Jiu Technical Rubber and Reclaimed Rubber Products Enterprise " was established, subordinated to the Bucharest Rubber and Plastics Processing Industrial Plant, which was in turn under the guidance and control of the former Ministry of Chemical and Petrochemical Industry. The main activity of the newly established entity was the manufacture of technical rubber articles and metal accessories.

-1975-1976-The Metal Molds and Accessories Section came into operation, which manufactured SDVs for processing rubber and plastics, reinforcements for various rubber products and various other metal parts. In 1975, the K 015-URSS type technical oxygen plant began to produce. Also in this year, the Regenerated Rubber Factory was put into operation, the activity of which would be gradually expanded until 1979. Production was increased from 1,750 tons of regenerated rubber per year to 10,000 tons/year. Due to manufacturing deficiencies in some installations, the production level could not be maintained at this level and was reset to 1,750 tons/year in 1999.

-1978-1987- The company switched to the production of pressed rubber gaskets at a capacity of 2,500 tons/year, gradually putting into operation capacities for the production of the following types of gaskets: gaskets resistant to petroleum products, normal gaskets, antistatic and flame-resistant gaskets, gaskets with metal reinforcement and cloth gaskets. In 1980, the production of rubber elbows and sleeves used for automobiles was introduced. Also during this period, production capacities for the production of technical plates and rubber mats were put into operation, in stages. Starting with 1980 and until 1987, conveyor belts were introduced into production, the company's main product at this time in terms of contribution to the total sales structure. The assortment range and production capacity gradually increased, reaching 10,500 tons/year in 1997 with a decrease to 7,200 tons/year two years later.

-1989- The Reconditioning Section for Conveyor Belts is put into operation.

-1990- The company changes its legal form, becoming a joint-stock company with majority state capital. The new company called Artego is established by Government Decision no. 1224 of 23.11.1990.

-1992- The company begins producing and selling oxygen, rubber mixtures and other derived products. Also starting with this year, the company consistently diversifies its scope of activity by carrying out wholesale and retail trade activities, import - export, brokerage, commission, warehousing, service provision, freight and passenger transport, service for delivered products and car service as well as tourism activities.

-1995 - 1999- The privatization process of the Company was initiated and completed, which is carried out in several stages: public offering, mass privatization program and negotiations with FPS. In 1995, the public offering takes place with the object of privatizing a package of 250,500 registered shares representing 10% of the company's share capital. The shares that were the subject of this offer did not constitute a new issue but were already in circulation, being owned by Private Property Fund V Oltenia.

Based on Law No. 55 of 1995, the mass privatization process was launched, as a result of which 4,000 commercial companies were privatized, including Artego for a percentage of 15% of the share capital. At the end of the privatization process, 17.55% of the company's shares were distributed through coupons and certificates.

In 1998, the Company was included in the list of companies offered for privatization within the World Bank program. In the absence of interest from a strategic investor, the PAS Artego employees' association submitted an offer to the FPS. Following negotiations, the PAS offer was accepted and thus, from January 1999, the majority stake of 51% of the company's shares was acquired by PAS Artego, which thus became the majority shareholder of the company.

Based on Laws 15 and 31 of 1990 and by Government Decision No. 1224 of 23.10.1990, the Artego Commercial Company was established, following the reorganization and full takeover of the assets of the former Târgu-Jiu Technical Rubber and Reclaimed Rubber Products Enterprise. All technical articles manufactured by the former Târgu-Jiu Technical Rubber and Reclaimed Rubber Products Enterprise received the ARTEGO brand from that moment on.

GOVERNANCE

GOV-1

The company is managed by the General Meeting of Shareholders and administered by a Board of Directors consisting of 3 members:

- 1 executive member: David Viorel, graduate of the Polytechnic Institute of Iași, Faculty of Chemistry and Chemical Engineering, specializing in polymer physics and chemistry.
- 2 non-executive members: Anglițoiu Florian, graduate of the Polytechnic Institute of Bucharest, Faculty of Chemical Engineering, specializing in the technology of macromolecular compounds and Bușe Diana Loredana, graduate of the Academy of Economic Studies of Bucharest, Faculty of Management.

LOCATION OF THE COMPANY

SBM 1

The company is located on the northern industrial platform of Târgu-Jiu municipality, Ciocârlău street, no. 38, Gorj county (Figure no. 1 Location of the Artego S.A. Company).

The area of the premises is approximately 20,000 m², with the following surroundings:

- To the north: CRILELMAR S.R.L. Company; Overpass over the Târgu-Jiu – Petroșani railway; Cereal base (currently being developed as a car fair); COMBGORJ S.A. Company; Housing blocks.
- To the east: The city's ring road – Narciselor street; Privately owned land.
- To the west: C.F.R. Station Ecaterina Teodoroiu and the C.F. unloading ramp; Current railway Tg. Jiu – Petroșani and marshalling yards; Southwest of the C.F.R. station is the ROSTRAMO S.A. Company
- South: Uncultivated private property.

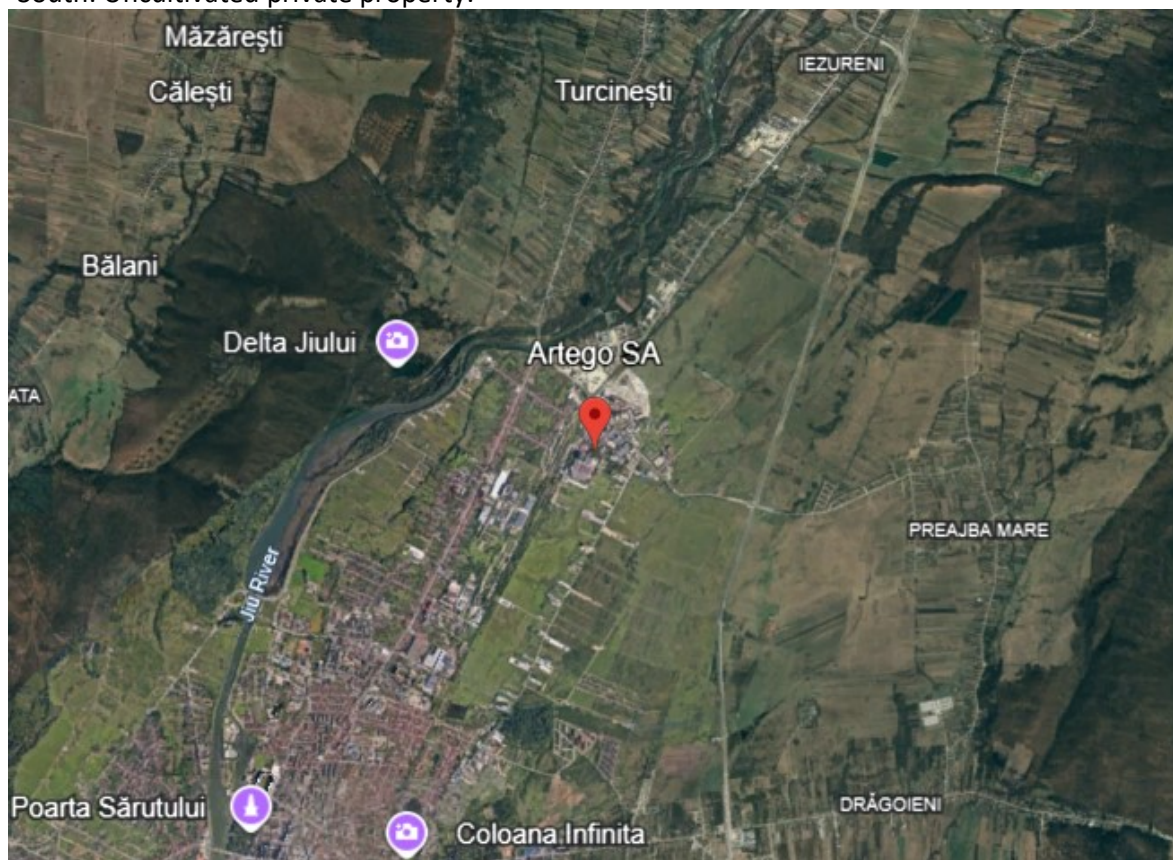


Figure no. 1 Location of the Artego S.A. Company

DESCRIPTION OF THE COMPANY'S ACTIVITY

SBM 1

In Romania, the Company is the leader in the conveyor belt market. The Company is also an important manufacturer of technical rubber articles globally. In Gorj County, Artego SA maintains collaboration - cooperation relations with most enterprises, among the beneficiaries of its products are productive units from the most varied economic fields. From this point of view, at the county level, the Company can be considered one of the most important companies.

The Company's activities are the following:

- Production of conveyor belts in the following manufacturing range: conveyor belts with textile insert for general use, all sizes; conveyor belts with textile insert for underground, in explosive environments; conveyor belts with textile insert for underground, fire-resistant; conveyor belts with textile insert resistant to

temperature, used in the cement and steel industries; conveyor belts with textile insert for the food industry; conveyor belts with textile insert resistant to mineral oils; conveyor belts with textile inserts for agriculture; conveyor belts with textile inserts in aramid (honeycomb) pattern; conveyor belts with metal inserts for general use, all sizes; conveyor belts with fire-resistant metal inserts, used in the coal, ferrous and non-ferrous mining industries.

-Production of technical plates, carpets, pressed rubber and plastic gaskets for belt joints, with a diverse assortment: general purpose items (used for floor coverings, paving in livestock farms and for animal transport); abrasion resistant; resistant to petroleum products and mineral oils; antistatic and flame-resistant items; electrical insulating and sealing items; plastics and solutions for joining conveyor belts of all types.



-Rubber gaskets with applications in the automotive industry, industrial and agricultural machinery manufacturing industry, naval and military industries.



- Traffic safety elements used in road markings, bridge and highway construction, playground and recreation area development.

- Assembly and assembly services for conveyor belts on installations and machines.

- Maintenance services for delivered products.
- Consulting for the design of equipment for the transport and extraction of raw materials and materials.
- Starting with 2003, the Company has diversified its scope of activity by producing and marketing dairy products, producing and marketing protective equipment through the textile section and by producing and marketing bakery and pastry products.



All these products and services are offered for the domestic market in Romania but also for the foreign market (Europe, Asia, Africa, South and North America).



Sales of the listed products can be made through the following marketing channels:

- directly from the company's warehouses, based on a written order;
- through our sales agents who travel throughout the country;
- through the online store of ARTEGO S.A.;
- through our distributors, both in the country and abroad.



The company has vehicles and technical personnel available that travel on request to any location in the country to ensure product assembly and maintenance.

In relation to large customers, in Romania, the company ensures the return and ecological recycling of used delivered products, this being an important environmental aspect reserved for product users.

DESCRIPTION OF TECHNOLOGICAL PROCESSES

SBM 1

The following technical activities are carried out within the Company:

- manufacturing and marketing of technical rubber items;
- collection and recovery of used oils;
- collection and recovery of waste (textile belts, steel cord belts, used tires, other waste).



The main phases of the technological process of manufacturing rubber items are carried out within the following sections:

- Pressed Gaskets Section;
- Conveyor Belts Section: belts with textile inserts, belts with metal cord, obtaining rubber solutions;
- Reclaimed Rubber and Rubber Powder Workshop - processing rubber powder, rubber waste recovery

- Dosing Mixing Section - obtaining rubber mixtures.



Product design is carried out within the Company, for the smooth development of the design activity of new products or the improvement of existing products, in accordance with the market analysis, the design process is controlled from the initial order/market analysis, to the final verification and validation. The final tests are carried out within the Company's Central Laboratory, RENAR accredited, which records the results and issues test reports, as appropriate. Based on the records, analysis reports and final inspection tracking sheets, the Quality Certificate/Declaration of Conformity is drawn up, according to the client's requirements. The Declaration of Conformity also contains the product's validity period, and for some products, their life cycle. Waste collection and recovery consists of purchasing waste, sorting, temporary storage, cutting, dismantling, metal insert recovery, grinding, wire baling, and finally their marketing.

Waste resulting from the production process, as well as that purchased for recovery, is sorted. Rubber waste is transported to the regenerated rubber and rubber powder section for recycling, while metal waste is recovered through authorized companies.

The treatment of used oil consists of oil decantation, centrifugation, filtration, and removal of emulsified water. Finally, the recovered oil is used as a plasticizer for rubber.

BUSINESS MODEL

SBM 1

The Company's main suppliers are: Nova Power Gas SRL Cluj Napoca - electricity and natural gas; Gotera 2012 SA Tg. Jiu - natural rubber, zinc oxide, sulfur; Cerulex SRL Craiova - fabric; SynthosDwory Poland - synthetic rubber; Pluxee Romania SRL - meal vouchers; Sunchemy International China - antioxidant, accelerators.; Ravago Distribution Center NV Belgium - natural rubber

Plow GMBH Austria - synthetic rubber; Carbon Black KFT Hungary - carbon black; Indorama Ventures Mobility Moravia - fabric.

The main clients of the Company are: Complexul Energetic Oltenia, Masanes Servindustria SA Spain FMD Germany, Primogum Aktiebolag Sweden, Steadfast Resource Development Ltd England, Muller Beltex BV Netherlands, Metroseal Rochford England, Siban Peosa SA Spain, Ites Gummi-und Dichtubgstechnik Germany, Lutze International Europe Germany.

The turnover of the year 2024 amounts to a total of 144,842,306 lei, of which the sale of dairy products 3,640,908 lei (2.51%), bakery 54,831 lei (0.04%) and tailoring 2,475,647 lei (1.71%). Within the framework of the Sustainability Report, we will mainly analyze the production and marketing of rubber products, and the other activities with a reduced degree of significance in the turnover structure (dairy products, bakery and tailoring), will not be analyzed from the point of view of sustainability aspects.

STRATEGY

SBM-1

A significant contribution to the Company's achievements is made by the good professional training of specialists and the Management Team, which are looking for solutions to maintain the market for technical rubber products, but also to expand its market share. Solutions were sought for the production of new products that until recently were only in the portfolio of a few renowned companies, such as Dunlop, Continental, MetsoMinerals, etc.

The marketing strategy is based on the diversification of sales by developing sales directly from the company's warehouses, based on written orders; through its own sales agents who travel throughout the country; through the Company's online store; or through distributors, both in the country and abroad. The Company's strategy was developed through an approach based on the analysis of risks, both operational and financial, but also on the consideration of specific environmental, social or governance risks.

The training of technical personnel and their involvement in finding solutions regarding the improvement of technologies, modernization of equipment and reduction of production costs is also materialized by obtaining over 67 patents for invention in the period 1985-2024. Other technical solutions are under examination at OSIM for patenting, and others are in the industrial testing phase. The patented technical solutions are very diverse, some of them have been carried out in collaboration with companies outside Romania.

Actions regarding the implementation of policies and the results of these policies regarding sustainability In defining and establishing sustainability expectations, the Company has defined management policies to ensure that:

- it has implemented and developed a partnership system for the consistent orientation of the Company towards satisfying the needs of relevant stakeholders;
- ensures the necessary resources for the continuous improvement of the performance of the Integrated Management System regarding the quality of products and services, environment, safety and health at work;
- activities are carried out in compliance with the legal regulatory requirements and with the requirements applicable to the activities carried out within the Company;
- there are effective measures implemented to prevent pollution and incidents at work.

As mentioned above, the Company's Strategy aims to strengthen the control environment, as an action to respond to current or potential risks.

The strategic requirements regarding safety and continuity of operations have determined the Company to approach risk management by identifying and treating potential losses before the generating events occur, with the advance preparation of specific technical, operational and financial solutions to counteract these possible losses.

The following types of risks have been identified in the course of the activity:

- Operational risks

The Company's results and activity may be influenced by specific operational risks, including the following: degradation of materials/goods as a result of inadequate storage spaces; theft of valuable materials/goods. The level of operational risk of degradation of goods is a risk with low tolerability, which required measures to rehabilitate the storage spaces.

In order to avoid the theft of materials, an adequate surveillance and security system has been introduced.

- Personnel risk and the payroll system

The personnel risk is represented by the situation that in the future, the Company faces a lack of qualified personnel due to the departure of employees due to natural causes.

In 2024, considering the economic context, labor migration, and the lack of qualified labor, the Company focused its attention on the retention of qualified personnel, but also on the training of newly hired personnel. Also, in order to maintain within the Company the qualifications necessary for the execution of the works in the company's portfolio, personnel recruitment activities were carried out for the purpose of professional training in professions in short supply on the labor market.

- Credit risk

Credit risk is the risk that the company will incur a financial loss as a result of a customer or counterparty to a financial instrument failing to meet its contractual obligations, and this risk arises primarily from the company's trade receivables, cash and cash equivalents and short-term investments. The company conducts business only with known third parties, which justifies credit financing.

The financial assets that may subject the company to collection risk are primarily trade receivables, cash and cash equivalents and short-term investments. The net value of receivables (without impairment adjustments) represents the maximum amount exposed to collection risk.

Given the general economic context, the level of this channeled risk was an average, for which the Company applied special measures in order to keep it under control (monitoring the collection of trade receivables, notifying outstanding customers, calculating penalties according to contractual clauses, taking legal action against bad-paying customers).

- Interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to variations in market interest rates. Financial instruments bear interest at the market rate, therefore it is considered that their fair values do not differ significantly from their accounting values.

- Risk determined by the correlation with the evolution of the global market

Events on the global financial market have a direct, but also indirect, impact on the evolution of the national economy, which is reflected in the evolution of the Romanian capital market in recent years. By Therefore, developments at the global level affect both the Company's activity and its evolution on the capital market.

- Liquidity risk

Liquidity risk is managed by the Company's management by applying a policy of permanent liquidity assurance to meet its financial obligations as they fall due. This is a risk with high tolerability for which the measures taken to keep it under control are limited to closely monitoring exposure to liquidity risk, maintaining sufficient cash and available credit lines. The Company aims to maintain flexibility in its financing possibilities with the support of its majority shareholder.

- Foreign exchange risk

The Company may be exposed to foreign exchange rate fluctuations through cash and cash equivalents, receivables in foreign currency, long-term loans or trade payables denominated in foreign currency. The Company's functional currency is the Romanian leu. Currently, the company is exposed to foreign exchange risk through cash and cash equivalents, as well as through purchases made in a currency other than the functional currency. The currencies that expose the Company to this risk are mainly EUR, USD and GBP. Foreign currency liabilities are subsequently expressed in lei, at the exchange rate at the balance sheet date, communicated by the National Bank of Romania. The resulting differences are included in the profit and loss account, but do not affect the cash flow until the debt is settled.

The company's exposure to foreign exchange risk was insignificant, the risk being considered tolerable. Due to the associated costs, the Company's policy is not to use derivative financial instruments to mitigate this risk.

- Share risk

In terms of the value of transactions or market capitalization, the Bucharest Stock Exchange can be considered a small stock exchange compared to other stock exchanges in the world, thus there are risks related to the low liquidity of the market, as well as the high volatility of the price of traded shares. The low liquidity of the market may make it impossible to buy or sell shares of the Company without having a significant impact on the price of the shares, thus generating high volatility of the price of the shares.

- Legislative risks

The results of the company's initiatives are difficult to anticipate due to the legislative instability in Romania. The frequent modification of normative acts, including those that have a direct impact on the Company's activity, can generate risks. The level of this legislative risk analyzed was medium, it is a risk with low tolerability for which measures have been established to keep it under control by concluding a tax consultancy contract with a specialized firm.

- Risk related to the regulatory framework and authorizations

The Company's main activity involves obtaining and renewing authorizations that regulate the Company's activity, obtaining authorizations, approvals and certificates necessary for the activity carried out. Urgent measures have been established to keep the risk regarding the degree of regulation and authorization under control by monitoring the expiration dates of the respective authorizations/approvals/certifications and taking steps to renew them.

- Risks related to litigation

The company is subject to a number of legal actions arising in the normal course of business (commercial and tax litigation). The risk level is low, with low tolerability, the Company's management believes that these actions will not have a significant adverse effect on the Company's economic results and financial position.

Non-financial performance indicators

As part of the dual materiality analysis process, the Company uses performance indicators to measure performance, or determine how well the Company uses its resources, mainly for:

- streamlining internal activities;
- providing external services to customers;
- meeting legal requirements.

Also, non-financial performance indicators are usually derived from the Company's policy, determining the level of customer satisfaction, or the Company's market share.

Risk management and internal controls related to sustainability reporting

IRO 1

A risk register according to ESRS standards has not yet been developed at the Company level, the main risk categories are presented within the Sustainability Report in order to minimize the impact of high-severity risks for the year 2024, relating to risks of compliance with legal provisions and operational risks regarding operational activity. The Company also annually monitors the stage of achievement of environmental objectives. An ESG risk register will be developed as the basis of the Company's strategy in 2025. The Company will establish a fundamental purpose for its strategy, defined by contributing to human progress and sustainable development, with a clear alignment with the UN Sustainable Development Goals (SDGs).

DUE DILIGENCE PROCESS STATEMENT

GOV-4

The Company has implemented an Integrated Management System that addresses the issues of Quality, Environment and Health and Safety, which is applied throughout the company.

In order to ensure the proper functioning of the Integrated Management System, the management process is continuously monitored through internal and external audits, as well as ensuring the achievement of environmental objectives and targets. The Company's management allocates the necessary resources to maintain the performance of the Integrated Management System that addresses the components related to environmental protection, quality, safety and health of workers in a coherent, coordinated and unified manner.

The main elements of the due diligence process:

- Inclusion of the due diligence process in governance, strategy and business model;
- Collaboration with affected stakeholders in all main stages of the due diligence process;

- Identifying and assessing negative impacts;
- Taking action to address these negative impacts;
- Tracking the effectiveness of these efforts and communicating.

SIGNIFICANT SUSTAINABILITY ASPECTS

DUAL MEANING – THE BASIS FOR REPORTING INFORMATION

IRO-1

The enterprise reports on sustainability aspects based on the principle of dual meaning, as defined and explained in the ESRS 1 standard.

Dual meaning has two dimensions, namely: impact significance and financial significance.

A sustainability aspect is significant from an impact perspective when it relates to significant actual or potential, positive or negative impacts of the enterprise on people or the environment in the short, medium and long term. Impacts include those related to the enterprise's own operations and its value chain, including through its products and services, as well as its business relationships. Business relationships include relationships in the upstream and downstream value chain of the enterprise and are not limited to direct contractual relationships. A sustainability aspect is financially significant if it triggers or can reasonably be expected to trigger significant financial effects on the enterprise. This is true when a sustainability aspect generates or may generate risks or opportunities that have a significant influence or can reasonably be expected to have a significant influence on the enterprise's development, its financial position, its financial performance, its cash flows, its access to finance or its cost of capital in the short, medium or long term. Risks and opportunities can arise from past or future events. The financial significance of a sustainability aspect is not limited to aspects that are under the control of the company, but includes information on significant risks and opportunities that can be attributed to business relationships outside the scope of consolidation used in the preparation of the financial statements.

ENVIRONMENTAL INFORMATION

Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

Location in the environment

On the industrial platform where the Company is located or in its vicinity there is no vegetation and fauna with rare or endangered species, protected by national legislation and no cultural objects, historical monuments, architectural or areas of traditional interest.

The main activities in the field of environmental protection in 2024 were carried out in a planned and organized manner, aiming at preventing pollution, reducing the risks of environmental incidents on the Company's sites, as well as complying with the legislative provisions in the field.

The main directions pursued are:

1. Monitoring regulatory acts. The Company holds the following authorizations:

- Environmental authorization
- Water management authorization
- Connection - discharge agreement to the urban sewage network.

2. Assessment of compliance with the legislation in the field is carried out through:

A. Internal assessment - this activity is carried out in a planned manner and according to the procedures in force. Following these inspections to assess compliance with the legislation and in order to improve the activity, environmental protection measures were established:

- a) in the field of hazardous substances management - displaying warning from Safety Data Sheets where these substances are used;
- b) in the field of pollution prevention - training personnel with the Intervention Plans in case of accidental pollution;
- c) in the field of waste management - appropriate labeling of containers, preparation of documents related to the legislation, appropriate storage of all waste

B. External assessment: In 2024, the Company was the subject of external inspections, carried out by the control structures within the National Environmental Guard, Jiu Water Administration, Rina Simtex Bucharest, A.P.M., I.S.U.

C. Following the controls and inspections, no sanctions were applied, only improvement measures were established, as evidenced by the inspection reports of the control authorities.

D. Specialized reports to the authorities in the field.

Monthly/quarterly/annual reports were prepared for the authorities in the field, according to the obligations in the regulatory acts held by the company. According to the provisions of GEO no. 196/2005 regarding the Environmental Fund, the company pays the obligations to the Environmental Fund Administration, these representing the monthly fees for emissions of pollutants into the atmosphere, hazardous substances and oil introduced on the domestic market; in order to pay these financial obligations, the service monitors the consumption of specific resources, quantifies and prepares the declaration for the Environmental Fund, and for the packaging placed on the domestic market, the Company has a contract to assume responsibilities according to the legislation in force. According to the provisions of GEO no. 92/2021 regarding the waste regime, these are tracked and centralized at the company level with annual transmission to the Gorj Environmental Protection Agency. Monitoring of waste management at the company level was carried out and reports were made to the authorities, according to the obligations of the environmental authorization. In order to reduce pollution, part of the waste resulting from the technological process is recovered within the company through recycling (rubber waste and used oil) and for the remaining part we have concluded contracts with authorized economic agents.

In accordance with the requirements of the Environmental Authorizations, issued by the Gorj Environmental Protection Agency, measurements are carried out on the company's site on environmental factors as follows:

- determination of emissions of atmospheric pollutants nitrogen oxides from medium combustion installations (thermal power plant), and the limit values are in accordance with the legislation on limiting emissions into the air;
- determination of dust emissions at the raw materials mixing dosing section;
- physical and chemical determinations of technological water.

E. Environmental protection expenses

In order to properly carry out the environmental protection activity, various types of environmental services were purchased: physico-chemical analysis services for technological waters; services for domestic water treatment; dust analysis services, as well as services regarding waste recovery.

F. The company holds a certificate for the Environmental Management System and maintains its certification according to the ISO 14001:2015 standard.

ESRS E1Climate change

ESRS E1



Fuel Economy and Emissions in Use

Many of the industry's processes are fueled by fossil fuels and release greenhouse gases (GHG) and other air emissions during use. Customer preferences for improved fuel economy, combined with regulations restricting emissions, are increasing the demand for energy-efficient and lower-emission products in industry. As such, entities that develop products with these characteristics can capture growing market share, reduce regulatory risk, and enhance brand value.

Strategy

Climate change is a pressing global issue, and its consequences are becoming increasingly evident. A number of climate-related trends are observed that have a direct impact on raw material resources, especially fossil fuels. For 2024, the Company does not have a strategy adapted to the ESRS requirements, as well as a business model that addresses climate change. A new strategy will be prepared in the coming period and will be aligned with the new requirements of the ESRS standards.

Significant impacts, risks and opportunities and their interaction with the strategy and business model

SBM-3, IRO-1

No specific policies have been formulated for the field of Climate Change, these are to be formulated within the framework of the development of the climate strategy and the transition/emission reduction plan of the Company in 2025. In carrying out the activity, the Company adheres to the "Do No Significantly Harm" (DNSH) principle and environmental objectives are established.

Climate change mitigation actions include greenhouse gas (GHG) emission reductions achieved in 2024. GHG emissions can be reduced as a result of the use of photovoltaic panels.

Our Company does not fall within the requirements of Directive 2009/29/EC because the combustion plant has a nominal installed thermal power below 20MW.

- Scope 1, which includes direct emissions from sources under the Company's control.
- Scope 2, which includes indirect emissions from sources under the Company's control, most often associated with the production of electricity. Electricity falls into this category because consuming electricity does not produce emissions (vs. consuming fuel), but producing electricity does generate GHG emissions.
- Scope 3, which includes emissions from processes and activities throughout the value chain, from water consumption or the amount of waste generated, to the level of inventories held.

The activities carried out within the Company do not lead to significant greenhouse gas (GHG) emissions, because the Company has the potential to reduce energy consumption and increase energy efficiency.

The activity carried out within the Company does not lead to an increase in the negative effect of the current and future climate on the environment, people or buildings. The interventions and modernizations carried out demonstrate that there are no major negative influences regarding this environmental objective on the company's activity or on people, nature or assets.

Energy management - Energy is a critical input in the industrial field of goods production. Purchased electricity represents the largest part of energy expenditure in industry, followed by purchased fuels. The type of energy used, the quantity consumed and the energy management strategies depend on the type of products manufactured. Including the use of on-site generated electricity, grid-sourced electricity, and alternative energy, an entity's energy mix can influence the cost and reliability of its energy supply and, ultimately, affect the entity's cost structure and regulatory risk.



The Company's climate strategy will include policies, objectives/targets and a transition/emission reduction plan, including adaptation, and their adoption is planned for 2025. For 2024, the Company has not set GHG emission reduction targets, which will be set in accordance with the ESRS standards.

Management of impacts, risks and opportunities, reporting requirements on indicators and targets in the standard.

As part of the dual materiality analysis process, impacts, risks and opportunities related to climate change were identified. These were subsequently assessed as part of the dual materiality analysis process within an internal workshop and by consulting other relevant sources, such as environmental authorization.

Depending on the probability of occurrence and the potential magnitude of the financial effects generated in the short, medium and long term, the Company establishes the significant aspects in relation to its activity.

The table below presents the impacts, risks and opportunities within the framework of the dual materiality analysis process, with regard to Climate Change (Figure no. 2 Table of impacts, risks and opportunities).

Subtopic	Impact	Risk/Opportunity
Climate change mitigation	Potential negative impact on the Company's activity.	That's not the case.
Adaptation to climate change	Potential negative impact on the Company's activity as a result of climate change. The degree of adaptation to extreme conditions may generate a negative impact, but it is not major.	Physical risk: Climate change can have a potential negative impact on water supply and sanitation infrastructure (severe weather conditions, reduced water quality, flooding, increased costs for ensuring the quality of water needed)
Energy	Negative impact on the Company's activity. A significant amount of energy is used. Energy prices and, implicitly, maintenance costs may increase.	Transition risk: Increase in energy purchase tariffs if no investment is made in green technologies

Figure no. 2 Impacts, risks and opportunities table

The short, medium and long-term financial effects on the Company of significant risks and opportunities arising from the impacts associated with climate change were assessed within the framework of the dual materiality process and were assessed as having negative financial effects (physical/transition risks), as follows:

- Transition risks, with low negative effects (below 0.5% of turnover) for the Climate Change Mitigation aspect;
- Physical risks, with moderate negative effects (above 0.5%, but below 1% of turnover) for the Climate Change Adaptation aspect;
- Transition risks, with moderate negative effects (above 2%, but below 1.5% of turnover) for the Energy aspect.

Physical risks related to climate change adaptation are part of the DNSH (“do not significant harm”) analysis carried out at Company level.

Climate Change Mitigation Transition Plan

ESRS E1-1

As of the reporting year 2024, there was no transition/emission reduction plan within the Company, in accordance with the requirements of the ESRS standard. The Company's climate strategy is under preparation and will include policies, targets and a transition/emission reduction plan, the adoption of which is planned for 2025.

A transition plan refers to the company's efforts to mitigate climate change. When presenting its transition plan, the company is expected to provide a high-level explanation of how it will adjust its strategy and business model to ensure compatibility with the transition to a sustainable economy and with limiting global warming to 1.5 °C in line with the Paris Agreement (or an updated international agreement on climate change) and the objective of achieving climate neutrality by 2050, with no or limited overshoot, as set out in Regulation (EU) 2021/1119 (the European Climate Law) and, where applicable, how it will adjust its exposure to coal and oil and gas activities.

Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities

ESRS E1-4

Key Indicator	Definition	2023	2024
Total consumed energy	The total amount of energy it consumed as an aggregate figure, in gigajoules (GJ)	131.308,38	104.252,35
Percentage of electricity from the grid	Purchased grid electricity consumption divided by total energy Consumption (MWh)	10.031,227	8.664,725
Percentage of renewable energy	Renewable energy is defined as energy from sources that are replenished at a rate greater than or equal to their net depletion, such as geothermal, wind, solar, hydro, and biomass. The percentage is calculated as renewable energy consumption divided by total energy consumption (MWh).	Solar electricity consumption 303,166, so the percentage is 3.02%	Solar electricity consumption 773,109, so the percentage is 8.92%
Carbon neutrality – reduction of GHG emissions values are expressed in CO2e	Reduction of CO2 emissions through the use of renewable energies and new		

	technologies. Reduction of CO2 emissions compared to the 2022 value expressed in %		
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In 2023, a 399.15 KWh photovoltaic park was put into operation on 28.02.2023, and in 2024, a 0.9999 MWh photovoltaic park was put into operation on 19.08.2024.

The following requirements regarding targets are presented within the ESRS E1:

- Information presentation requirement E1-4 – Climate change mitigation and adaptation targets;
- Information presentation requirement E1-5 – Energy consumption and energy mix;
- Disclosure Requirement E1-6 – Gross Scope 1, 2, 3 GHG Emissions and Total GHG Emissions (Companies or groups with an average number of employees not exceeding 750 during the financial year (on a consolidated basis, if applicable) at the balance sheet date may omit data points for Scope 3 GHG emissions and total GHG emissions in the first year of the sustainability statement);
- Disclosure Requirement E1-7 – GHG Removals and Mitigation Projects Financed by Carbon Credits;
- Disclosure Requirement E1-8 – Internal Pricing of Carbon;
- Disclosure Requirement E1-9 – Expected Financial Effects of Significant Physical and Transitional Climate-Related Risks and Potential Opportunities.

There are no targets set according to the ESRS for the next period. An Environmental Management Program has been implemented at the Company level, which defines a series of objectives, with targets, measurable indicators and persons responsible for implementing the measures, applicable to the different environmental aspects on which the company has an impact, the stage of achievement being monitored periodically.

Electricity consumption in 2023 and 2024 is presented in the following table:

ESRS E1-5

Year 2023 /Month	Electrical energy		Year 2024 /Month	Electrical energy	
	Kwh	RON (excluding VAT)		Kwh	RON (excluding VAT)
January	717.928	797.680,67	January	630.304	481.886,82
February	1.106.470	1.213.027,84	February	934.503	737.699,31
March	1.092.974	1.199.041,85	March	992.294	782.648,95
April	664.697	785.442,13	April	789.829	628.879,46
May	1.067.380	1.025.831,54	May	587.265	437.856,42
June	669.304	548.347,22	June	799.722	520.913,68
July	926.808	702.205,88	July	686.359	468.529,61
August	543.012	487.816,78	August	475.736	323.652,70
September	840.359	641.393,25	September	565.498	404.342,72
October	582.693	493.892,82	October	763.487	606.846,24
November	1.017.770	778.002,44	November	807.545	628.064,02
December	801.832	604.565,78	December	632.183	488.553,64
Total	10.031.227	9.277.248,20	Total	8.664.725	6.509.873,57

Policies related to climate change mitigation and adaptation

The Environmental Policy that was established at the Company level represents its commitment to minimize the impact on the environment through measures such as: establishing environmental objectives and targets, supervising compliance with sanitary protection zones, conserving natural resources, reducing the risks of degradation for the Artego S.A. site and neighboring ones, reducing the risks of pollution of environmental

factors, and ensuring that contractors comply with legal environmental requirements.

No specific policies have been formulated for the field of Climate Change, these are to be formulated within the framework of the development of the Company's climate strategy and transition/emission reduction plan in 2025. In 2024, a responsible person responsible for the implementation of a climate change policy was not designated. A decision in this regard will be issued in 2025. The Company reports based on the requirements of the new ESRS standards for the first time in 2024.

Actions and resources related to climate change policies

As a result of the activities carried out, a significant amount of electrical energy is used. In 2024, the aim was to raise awareness among the personnel carrying out their activities within the framework of the Company's objectives regarding the importance of reducing energy consumption through the responsible use of electrical energy.

Recently, electricity prices have increased significantly, which is accelerating the Company's efforts to ensure energy independence, with an increasing emphasis on the production of green energy from renewable sources.

ESRS E2 Pollution



General information presentations

ESRS 2

Efforts are made to ensure that the activity carried out within the Company leads to a significant decrease in pollutant emissions into the air, water or soil.

The level of increase in energy performance imposed by the Company's projects will lead to significant reductions in air emissions and an improvement in public health. The environmental legislation specific to the activity carried out by the Company is complied with.

Major accident prevention policy

The major accident prevention policy within the Company aims to prevent major impact accidents caused by hazardous substances, as well as to limit their consequences on the health of the population and the environment.

These commitments are achieved by maintaining and improving the Integrated Quality - Environment - Occupational Health and Safety Management System, as a component part of the company's general management, in accordance with the requirements of the reference standards SR EN ISO 9001:2015, SR EN ISO 14001:2015, SR ISO 45001:2018.

The Company's general objectives in the field of major accident hazard management are:

- Ensuring the safety of installations by carrying out timely and prompt inspection and repair operations, the proper exploitation of installations, making the necessary investments to reduce the impact on the population and the environment, by modernizing and re-engineering existing installations to reduce the risk of major accidents.
- Ensuring environmental protection by optimal management starting with the supply, storage, handling and use of hazardous substances and materials.
- Compliance with legal provisions regarding the control of major accident hazards involving hazardous substances.
- For the collection, storage and recovery of hazardous and non-hazardous waste generated in the production process, the Company has concluded contracts with specialized companies in the field and/or for rubber and used oil waste, the recovery is carried out within the Company.
- Continuous improvement of employee professional training to eliminate improper operation of installations and improve employees' skills in the field of installation safety.

Description of the processes for identifying and assessing significant IROs related to pollution

ESRS 2 IRO-1

Risks are identified and assessed within the internal management process, and then control measures and actions are established to reduce their impact. Internal control and monitoring tools are assigned to each identified risk, which are recorded within a Register of the Company's environmental aspects (Figure no. 3 Table of impacts, risks and opportunities).

The activities within the Company are assessed at the time of identifying environmental aspects, taking into account the following relevant environmental factors:

- emissions of pollutants into the air;
- discharges of pollutants into water;
- pollution of soil and subsoil, discharges onto soil/subsoil;
- use of chemical products;
- consumption of resources (water, fuel);
- generation of waste (hazardous or non-hazardous);
- noise and vibration;
- impact on biodiversity (fauna, flora);
- technological leaks from equipment/systems (oils, cleaning solutions);
- legal requirements/authorized limits;
- energy consumption.

Environmental pollution can only occur under accidental conditions, and in such conditions it is of a local nature. Through the measures it implements, the Company aims to carry out its activity in such a way that the impact on the environment and resources is minimal.

Subtopic	Impact	Risk/Opportunity
Air pollution	Potential negative impact in the event of a major event	High financial risk: in the case of air pollution due to increased emissions from thermal power plants or in cases of accidental pollution, gas leaks (chlorine). Increased emissions of pollutants can present a potential risk for the regulatory side, including the emergence of costs for pollutant emissions discharged, more restrictive conditions for the discharge of pollutants. If the air is polluted there is a risk that the water will also be polluted. Olfactory discomfort can generate reputational risk. There may be significant litigation and/or

		remediation costs.
Water pollution	<p>Potentially negative impact, only in situations of failure of the purification systems, accidental pollution of the wastewater can result, of short duration</p> <p>Potentially negative impact on the groundwater in situations of improper handling of waste</p> <p>Potentially negative impact on the groundwater in situations of cracking of the pipes through which chemical substances are transported</p> <p>Potentially negative impact on the improper evacuation of the waters resulting from the purification systems.</p>	<p>High financial risk in the event of deterioration of the water supply and sewage system.</p> <p>In the event of increased precipitation, it may result in the discharge of effluents in a larger quantity than designed, and of inadequately treated water flows</p> <p>There may be significant litigation and/or remediation costs.</p> <p>Opportunity: Discharge of wastewater at a good quality.</p>
Soil pollution	<p>Potentially negative impacts as a result of infiltration of pollutants into the soil in case of accidental pollution with various chemical products or substances.</p> <p>Potentially negative impacts in case of failure to cover waste collection containers.</p> <p>Potentially negative impacts in case of improper management of used oils</p>	<p>Reputational and financial risk - fines imposed as a result of soil pollution in situations of damage, accidental pollution and/or improper management of hazardous and non-hazardous waste.</p> <p>Risk of improper handling of waste collection containers and direct spreading of various hazardous products, substances and waste on the ground.</p> <p>There may be significant litigation and/or remediation costs.</p>
Pollution of living organisms and food resources		
Substances of concern	<p>Potential negative impact as a result of contamination of floors or various surfaces with chemical substances and mixtures, including waste of chemical substances and mixtures. Potential negative impact in the event that hazardous substances are not properly managed or stored.</p>	<p>Risk of local contamination of various surfaces in the event of improper handling of hazardous substances. Employees can be injured if they do not handle hazardous substances properly, and the environment can be affected</p> <p>Risks related to improper storage and disposal of chemicals that were used in the production process.</p> <p>Risk: significant remediation costs.</p>
Substances of very high concern		
Microplastics		

Figure 3 Impacts, risks and opportunities table

The financial effects on the Company in the short, medium and long term of the significant risks and opportunities arising from the impacts associated with pollution have been assessed within the framework of the dual materiality process as material.

Pollution-related policies

ESRS E2-1

The Company has implemented an Integrated Management System, unitary from a technical, organizational and functional point of view, within its departments. The Company is committed to planning and implementing the processes of a proactive Integrated Management System based on risk management, in accordance with the requirements of the reference standards: SR EN ISO 9001:2015, SR EN ISO 14001:2015 and SR EN ISO 45001:2018, with the applicable legal regulations in force, taking into account, at the same time, the requirements of interested parties.

The company has a policy for identifying and controlling risks and for sustainable development aimed at protecting the environment.

The Environmental Policy represents the company's commitment to minimizing the company's impact on the environment through measures such as reducing the risks of pollution of environmental factors.

The company has not yet developed a Policy in accordance with the provisions of the ESRS standards, but it has an Environmental Management Program in which a series of objectives are defined, with targets, measurable indicators and persons responsible for implementing the measures.

The year 2024 is the first year of reporting in accordance with the requirements of the ESRS standards. In 2025, the SMI policy will be updated in accordance with the requirements of the standard regarding pollution of environmental factors.

Pollution Actions and Resources

ESRS E2-2

The Company has developed an environmental management system that is applied to ensure environmental protection and control during the performance of activities with potential direct or indirect impact on the environment. For each identified environmental aspect, the Company has established clear measures and established responsible persons so that environmental risks are eliminated.

Thus, all requirements imposed by the authorities through regulatory acts or results of controls are 100% monitored through the Environmental Management Program. The Company has documents and reports that demonstrate compliance with legal provisions.

Pollution-related targets

ESRS E2-3

The Company carries out its activity based on the regulatory acts issued by the environmental and water management authorities, integrating all the requirements of the applicable laws and standards. For the specific activity of the Company, the targets are represented by the limits imposed by the Environmental Authorizations issued according to the legislation in force. No other targets have been established in relation to the regulated limits, as regards the subject of Pollution. The values obtained after carrying out specific analyses for water, air and soil are permanently monitored according to the frequencies imposed by the regulatory acts issued for each main activity carried out by the Company. The analyses are carried out both by its own laboratories that are accredited by RENAR, and by other specialized laboratories accredited by RENAR.

The targets set for the emissions generated are as follows (2024 values):

1. Water discharges: The quality indicators analyzed are in accordance with the Water Management Authorization (test reports attached).
2. Air discharges

2.1 EMISSIONS

Pollutant	M.U.	Limit value, according to Law no. 188/2018	Monitoring frequency / Measured value
			Once every 3 years
			Thermal power plant
Nitrogen oxides (NOx)	mg/Nmc	200	104

Pollutant	M.U.	Limit value	Monitoring frequency / Measured value
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			Annual
			Dosage
Nitrogen oxides (NOx)	mg/Nmc	50	21

2.1. EMISSIONS – SEDIMENTABLE POWDERS

Pollutant	M.U./DATE	Limit value	Measured value		
			Sampling point no.1	Sampling point no.2	Sampling point no.3
Sedimentable powders	g/m ² /month/ 15.01.2024	17	3,38	3,49	2,30
Sedimentable powders	g/m ² /month/ 14.02.2024	17	1,2	2,5	2,33
Sedimentable powders	g/m ² /month/ 15.03.2024	17	3,3	2,6	1,9
Sedimentable powders	g/m ² /month/ 16.04.2024	17	3,6	3,2	1,0
Sedimentable powders	g/m ² /month/ 17.05.2024	17	3,35	2,27	2,77
Sedimentable powders	g/m ² /month/ 18.06.2024	17	6,62	2,81	3,03
Sedimentable powders	g/m ² /month/ 19.07.2024	17	4,03	3,06	3,54
Sedimentable powders	g/m ² /month/ 20.08.2024	17	4,12	3,31	3
Sedimentable powders	g/m ² /month/ 21.09.2024	17	3,69	2,51	2,16
Sedimentable powders	g/m ² /month/ 22.10.2024	17	4,38	3,42	2,96
Sedimentable powders	g/m ² /month/ 23.11.2024	17	3,89	3,42	2,96
Sedimentable powders	g/m ² /month/ 24.12.2024	17	4,16	3,03	1,95

3. HOW TO MANAGE DANGEROUS SUBSTANCES AND PREPARATIONS

NO.	Name of chemical substances and preparations	Quantity of substance used / 2024 [kg]
1	Hydrochloric acid	5511
2	Accelerator C.B.S.	29220
3	Renogran (CTP, PVI)	1104
4	Antioxidant I.P.P.D	16419
5	Resorcin 80 SBR	70
6	Accelerator DM (MBTS)	2000
7	Accelelator M (MBT)	227
8	Accelerator ZDEC	158
9	Accelerator TMTD	510
10	Accelerator DPG	4465
11	Chloroparaffin K52	155
12	Chloroparaffin K70	97625

13	Cobalt octoate	7215
14	Chemosil 211	73
15	Chemosil 225	54
16	Cohedur A250/Melabond/Melamine	123
17	DOTP	31514
18	Oil for the rubber industry	174170
19	Antimony trioxide	10818
20	Zinc oxide	136663
21	Oils	111960
22	Toluene (Solvent TBA)	23711
23	Ethyl acetate	4054
24	DIESEL	23829
25	Ammonia water	215
26	Hydrazine	0
27	Oxygen	1644 m ³
28	Argon	0 m ³
29	Corgon (Stargon)	318,6 m ³
30	Acetylene	484
31	CO2	30

4. HOW TO MANAGE WASTE IN 2024

Waste name	Stock [t] 31.12.2023	Amount of waste generated [t]	Amount of waste recovered [t]	Stock [t] 31.12.2024
Waste sawdust, shavings, chips 03 01 05	0,7	12,480	13,02	0,16
Processed textile waste 04 02 22	0	0	0	0
Rubber waste (technical rubber articles) 07 02 13	7,8	611,4	617	2,2
Waste from sawdust 12 01 01	0	4,5	4,5	0
Non-ferrous waste 12 01 03	0	0	0	0
Paper and cardboard 15 01 01	1,18	32,160	33,340	0
Plastic waste 15 01 02	0,16	57,465	57,305	0,32
Waste wood 15 01 03	2	35,571	36,571	1
Iron packaging waste 15 01 04	0	0	0	0
Waste rubber-tires 16 01 03	0	0	0	0
Copper, Bronze, Brass Waste 17 04 01	0	1,96	1,87	0,09
Waste Aluminum 17 04 02	0	5,08	5,07	0,01
Ferrous waste 17 04 05	0,4	835	834,8	0,6
Siliconized paper 20 01 01	0	32,06	32,06	0
Textile waste - canvas ends 20 01 11	0	38,958	38,958	0
Non-chlorinated hydraulic oil H46 13 02 10*	0	0	0	0
Batteries and accumulators 16 06 01	0	0,954	0,954	0

Targets set for wastewater: The indicators analyzed for wastewater are in accordance with the Water Management Authorization, authorization obtained annually.

Targets set for the environmental factor-soil: Not applicable.

The following target requirements are presented in ESRS E2:

- Disclosure Requirement E2-3 – Pollution Targets;
- Disclosure Requirement E2-4 – Air, Water and Soil Pollution;
- Disclosure Requirement E2-5 – Substances of Concern and Substances of Very High Concern;
- Disclosure Requirement E2-6 – Anticipated Financial Effects of Pollution-Related Impacts, Risks and Opportunities.

Enterprises or groups that do not exceed an average of 750 employees during the financial year (on a consolidated basis, if applicable) at the balance sheet date may omit the information specified in the disclosure requirements in ESRS E4 for the first two years of preparing the sustainability statement.

Anticipated financial effects of impacts, risks and opportunities related to pollution
ESRS E2-6

The anticipated financial effects of significant physical and transition risks and potential opportunities related to soil, water and air pollution are not assessed or quantified in detail. Their relevance and significance have been noted in the dual materiality analysis.

The Company's environmental register includes a number of risks that will be re-analyzed and aligned with ESRS reporting requirements in the next period, with 2024 being the first year of reporting under the new ESRS standards.

ESRS E3 Water and Marine Resources



General information presentations

ESRS 3

The provision of adequate and quality drinking water is one of the essential and vital conditions for the geographical area of Târgu Jiu. The company, through its operational activity, must not endanger domestic, public, industrial and fire-fighting needs.

The specific requirements established by the Integrated Management System as well as the requirements established by the competent authorities aim to minimize or even eliminate any potential negative impact on the environment caused by the Company's activities.

Drinking water supply

Water source

Drinking water supply from the municipal network according to the contract for the supply/performance of the water supply and sewage service concluded for an indefinite period with the company Aparegio Gorj SA.

Technological water supply

Groundwater source

It is obtained through a number of three water wells, using tartarization, conveyance and storage facilities.

Surface water source

It is obtained from the Jiu River, with water capture, treatment, conveyance and storage facilities, followed by introduction into the technological network.

Water for firefighting is provided through:

Intangible volume provided from tanks with V=1,500 cubic meters from which 58 external hydrants are supplied.

Internal recirculation rate of technological water: 58% (for the regenerated rubber, dosing-mixing, pressed gaskets, oxygen departments and workshops).

Wastewater disposal

Wastewater is collected in a separate system as follows:

- Disposal of domestic wastewater and technological wastewater from the dairy products and car wash departments, into the sewerage system of the municipality of Targu Jiu;
- Disposal of industrial wastewater that requires treatment into the Jiu River through the Hodinau stream;

Pre-treatment plants

The company also uses pre-treatment stations in special cases that require these treatments.

Description of the processes for identifying and assessing significant impacts, risks and opportunities related to water and marine resources

ESRS 2 IRO-1

As part of the dual materiality analysis process, the impacts, potential risks and opportunities associated with groundwater and surface water resources are identified and assessed. The company does not carry out its activity in relation to marine resources, therefore this aspect is not reported. The dual materiality analysis process was carried out through an internal analysis process organized together with management employees, as well as by consulting other sources of literature, operating authorizations and the internal risk register. The results are presented in a table and detailed later (Figure no. 5 Table of impacts, risks and opportunities).

Subtopic	Sub-Subtopic	Impact	Risk/Opportunity
Water resources	Water consumption	Potentially negative impacts due to excessive consumption of raw water from surface and/or groundwater sources, part of the consumption may also be represented by water losses in the network.	Risk: For groundwater sources, the decrease in the water table, and for surface waters, the reduction in servitude flows downstream of the Jiu River.
	Water sampling		
	Water discharge	Only in cases of failure can a negative impact on the quality of the effluent be generated. A larger quantity of water than normal is discharged.	Risk: In the event of improper operation of the wastewater treatment plant, there is a risk of polluting the Jiu River and may lead to contravention sanctions and reputational risks.
	Extraction and use of water resources.	Potentially negative impact that can generate potential damage to water systems involved in internal processes in the situation where the quality of raw water is negatively affected by upstream pollution.	Increased risk of increased cost of purchasing raw materials used in the raw water treatment process. Poor water quality can lead to high operating costs of treatment facilities
Marine resources	Water consumption	This is not the case, water from marine resources is not used.	-

	Water sampling	This is not the case, water is not discharged into the oceans.	
	Water discharge		
	Discharge of water into the oceans		
	Extraction and use of marine resources.		

Figure no. 5 Impacts, risks and opportunities table

The financial effects on the Company in the short, medium and long term of the risks arising from the impacts on water resources are assessed as being of moderate level (above 0.4%, but below 1% of turnover), for the risks identified for the sub-themes of Water Extraction, Water Consumption and Discharges into Surface Waters, aspects that were analyzed internally within the framework of the double materiality analysis process. The Company's activity does not involve the use of waters from the seas and oceans and does not discharge wastewater into the seas and oceans, the Company having no impact on marine resources.

Policies related to water and marine resources

The company has implemented an Integrated Management System in accordance with the requirements of the reference standards: SR EN ISO 9001:2015, SR EN ISO 14001:2015 and SR EN ISO 45001:2018, with applicable legal regulations in force, taking into account the requirements of customers and stakeholders. The company's policy addresses the following water-related topics:

- Monitoring compliance with sanitary protection zones;
- Reducing the risk of pollution;
- Achieving the conditions for the organization's compliance with legal environmental requirements and those of stakeholders;
- Continuous identification of environmental aspects generated by the organization's activities and initiating actions to reduce their impact on the environment.

Through integrated management systems and environmental and water management authorizations, the Company assumes the responsibility to manage water resources in a sustainable manner, with a view to respecting water quality indicators and protecting ecosystems and human health.

Actions and resources related to water and marine resources

The actions related to water resources that the Company intends to take are correlated with the measures provided for in the existing Company Policy. Thus, with regard to sanitary protection zones, the Company is obliged by law and regulatory acts to establish the respective zones for all its objectives that are directly related to water. Through the actions it takes permanently, the Company ensures that the risk of water pollution is reduced to a minimum. The Company carries out monitoring of the waters managed.

All environmental aspects identified within the Company are periodically evaluated in order to reduce their impact on the environment.

Accidental pollution is any alteration of the physical, chemical, biological, bacteriological and radioactive characteristics of water, produced by accident, damage or other similar causes, as a result of an error, omission, negligence or natural calamity and as a result of which the water becomes unsuitable for the possible uses before the pollution. Accidental pollution is, most often, of high intensity and short duration. In general, the frequency of accidental pollution is low, but their effect can be disastrous.

Targets related to the management of significant negative impacts, the promotion of positive impacts and the management of significant risks and opportunities

ESRS E-3, ESRS MDR-T

No targets have been set for water resources, in accordance with the provisions of the ESRS E3 standard – Water and marine resources. For the specific activity of the Company, the targets represented by the maximum permitted values that must be met according to the environmental and water authorizations held.

The Company has established for the year 2024 a series of targets and measures regarding water management, as well as the implementation of an Integrated Management System, among which we mention:

Key indicator	Definition	2023	2024
Degree of proactive monitoring of requirements imposed	Proactive monitoring	-	-

by authorities.(periodic %).			

The following requirements regarding targets are presented in ESRS E3:

- Disclosure Requirement E3-3 – Water and Marine Resources Targets;
- Disclosure Requirement E3-4 – Water Consumption;
- Disclosure Requirement E3-5 – Anticipated Financial Effects of Water and Marine Resources Impacts, Risks and Opportunities.

Anticipated Financial Effects of Water and Marine Resources Risks and Opportunities

ESRS E3-5

The anticipated financial effects of water-related risks and opportunities have not been assessed or quantified in detail, as 2024 is the first reporting year under the new ESRS standards. Their relevance and significance have been noted in the dual materiality analysis. The Company’s environmental register includes a number of risks that will be reviewed and aligned with ESRS reporting requirements in the coming period.

ESRS E4 Biodiversity and ecosystems



General information presentations

ESRS 2

The Company's location does not overlap with natural areas protected by community interest. Under normal operating conditions, the Company's activity has no impact on the characteristics of species on the land and the capacity to expand ecosystems, respectively the impact and dependence on ecosystem services. Also, the Company's activity does not involve the direct exploitation of fauna and flora, nor does it lead to the emergence of exotic species. At the same time, the Company's activity does not lead to changes in land use, groundwater levels, salinization or habitat destruction.

The Company's activity is carried out in the Municipality of Târgu Jiu, an anthropized area. The closest protected areas to the Company's main objectives are the following: Izbuca Jaleşului Nature Reserve, Izvoarele Izvernei, Defileul Jiului or forested areas that are located in the vicinity of the locality.

Description of the processes for identifying and assessing significant impacts, risks and opportunities related to pollution

ESRS 2 IRO-1

Impacts, risks and opportunities associated with biodiversity are identified and assessed as part of the dual materiality analysis process, within the framework of an internal assessment, as well as by consulting other sources of literature, including consulting operating permits, environmental permits, and the internal risk register.

These are summarized in the table below and addressed in the following sections (Figure no. 6 Impacts, risks and opportunities table).

Subtopic	Sub-Subtopic	Impact	Risk/Opportunity
The determinants of the direct impact on biodiversity decline	Climate change	A negative impact was estimated.	Low probability.
	Land use changes, water use changes, and sea use changes	That's not the case.	
	Direct exploitation	That's not the case.	
	Allogeneic invasive species	That's not the case.	
	Pollution	A negative impact was estimated.	Low probability.
	Others	-	-
Impacts on species status	Examples Species population size	A negative impact was estimated.	Low probability.
	The risk of global species extinction	That's not the case.	
Impacts on the extent and condition of ecosystems	Examples Soil degradation	A negative impact was estimated.	Low probability.
	Desertification		
	Soil waterproofing		
Impacts and dependencies on ecosystem services	-	A negative impact was estimated.	Low probability.

Figure no. 6 Table of impacts, risks and opportunities

The financial effects on the Company in the short, medium and long term of the significant risks and opportunities arising from the impacts associated with biodiversity were assessed within the framework of the dual materiality process and were assessed as having negative financial effects (risks) as follows:

- Financial risk, with low negative effects (below 0.1% of turnover) for the aspect of Indirect factors leading to biodiversity loss;
- Financial risk, with low negative effects (below 0.1% of turnover) for the aspect of Impact on species characteristics;
- Financial risk, with low negative effects (below 0.1% of turnover) for the aspect of Impact and dependence on ecosystem services.

Transition plan and taking biodiversity and ecosystems into account within the strategy and business model
ESRS E4-1

In accordance with the environmental legislation in force, namely:

- OM no. 1964/2007 on the establishment of the protected natural area regime for sites of community importance, as an integral part of the European ecological network Natura 2000 in Romania - amended and supplemented by OM no. 2387/2011;
- GEO no. 57/2007 on protected natural areas, conservation of natural habitats, wild flora and fauna approved by Law no. 49/2011 - with subsequent amendments and supplements.

The Company's objectives are not located in protected areas, sites or areas.

Targets related to the management of significant negative impacts, the promotion of positive impacts and the management of significant risks and opportunities

ESRS E4-4

The company did not set targets related to impact management during 2024 because it was not necessary.

Key indicator	Definition	2023	2024
		-	-

The following requirements regarding targets are presented within ESRS E4:

- Disclosure Requirement E4-4 – Biodiversity and ecosystem targets;
- Disclosure Requirement E4-5 – Biodiversity and ecosystem change impact indicators;
- Disclosure Requirement E4-6 – Anticipated financial effects of risks and opportunities related to biodiversity and ecosystems.

Biodiversity and ecosystem policies

ESRS E4-2

Specific policies for biodiversity and ecosystems have not been formulated in accordance with the ESRS requirements, elements regarding these being included within the framework of integrated management systems or in specific work processes.

The company is committed to taking the necessary measures to monitor, evaluate and continuously improve environmental performance, prevent pollution, sustainably use resources and conserve biodiversity in its area of operation.

Biodiversity and ecosystem targets

ESRS E4-4

No biodiversity and ecosystem targets have been set.

Impact indicators related to biodiversity and ecosystem change

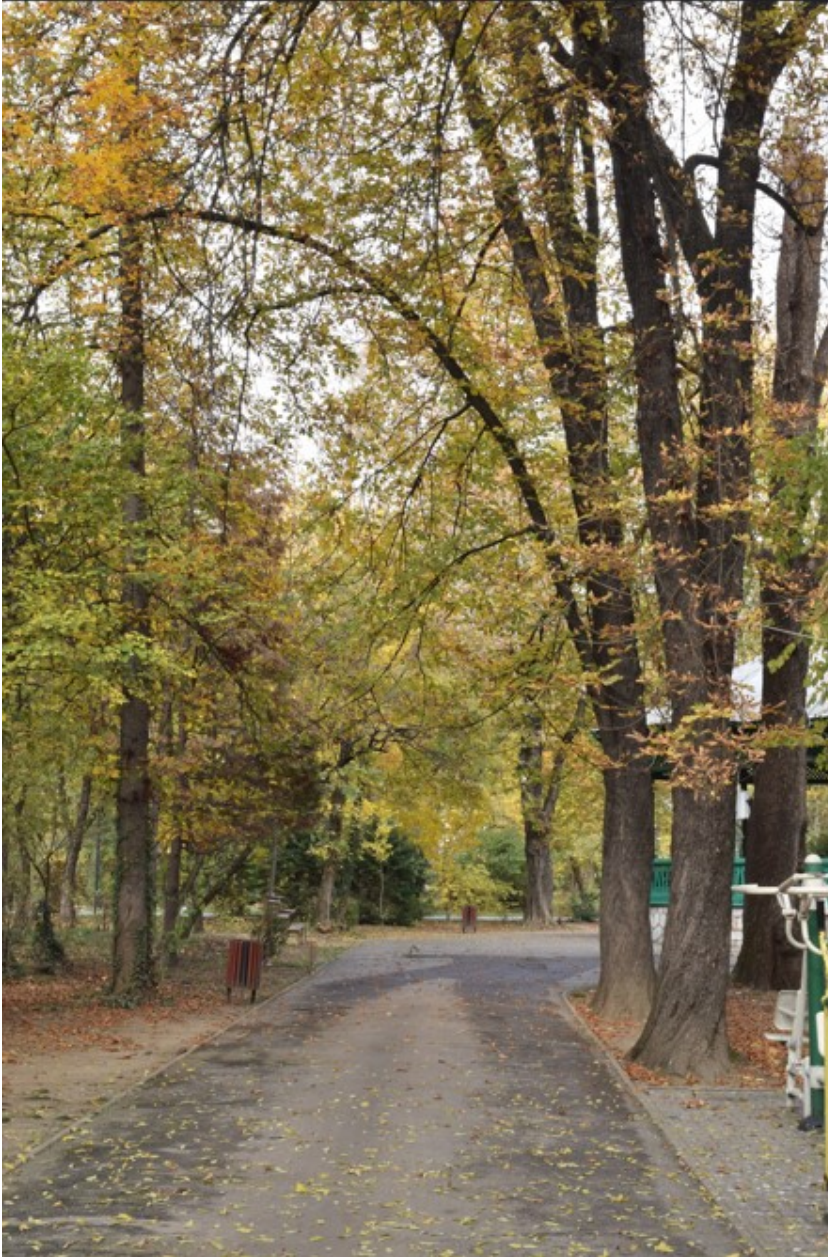
ESRS E4-5

Not applicable, as no significant impacts have been identified that would require the establishment of impact indicators related to biodiversity and ecosystems.

Anticipated financial effects of risks and opportunities related to biodiversity and ecosystems

ESRS E4-6

The anticipated financial effects of risks and opportunities related to biodiversity and ecosystems have not been assessed or quantified in detail, with 2024 being the first reporting year under the new ESRS standards. Their relevance and significance have been noted in the dual materiality analysis.



General disclosures

ESRS 2

The Company's activities do not cause significant long-term environmental harm in terms of the circular economy.

In general, it is ensured that at least 90% (by weight) of non-hazardous waste from the Company's activities and generated by the supply of raw materials and materials will be prepared for reuse, recycling and other material recovery operations, in accordance with the waste hierarchy and the waste management legislation in force. The Company aims to continuously reduce the exploitation and use of exhaustible natural resources, which is reflected in the investment program, as well as in their ever-decreasing consumption.

Policies related to the use of resources and the circular economy

ESRS E5-1

Efficient waste management is an important aspect of the Company's activity, and its approach is based on a hierarchy of waste management options, the first option being the reduction of waste generation, by choosing, from the design phase, the best technologies. When avoiding waste production is not possible, the aim is to minimize the amount generated, by identifying options for its reuse, recycling and energy recovery, without affecting operational processes.

The company does not have a waste management policy in accordance with the provisions of the ESRS, but it proposes to plan and implement the processes of the Integrated Environmental Management System, based on Risk Management, in accordance with the requirements of the reference standards: ISO 9001:2015, ISO14001:2015 and SR ISO 45001:2018, as well as with applicable legal regulations in force.

The company maintains records of the waste management generated, classifies each type of waste generated from its own activity in accordance with the provisions of GD no. 856/2002 and in accordance with the provisions of EU Decision no. 955/2014.

Actions and resources related to resource use and circular economy
ESRS E5-2

The Company aims to respect the waste hierarchy, which aims to manage waste efficiently, as follows: the first option is to prevent waste generation, by selecting the best technologies from the design phase. When avoiding waste generation is not possible, the aim is to minimize the amount generated, by identifying options for reuse, recycling and energy recovery, without affecting operational processes. The waste disposal option is applied only as a last option, after the previously mentioned options have been used, so that the impact on the environment is as low as possible.

All waste quantities resulting from the processes carried out are identified, monitored and weighed periodically, on an annual basis.

Regarding waste recovery or disposal, the Company has concluded contracts with authorized economic operators, and recovery or disposal solutions have been identified depending on the type of waste (non-hazardous or hazardous).

The initiatives implemented at the Company level regarding the separate collection of generated waste are the following:

- Implementation of measures for the efficient management of paper and cardboard;
- Measures regarding the efficient management of packaging made of plastic / metal / wood materials;
- Measures regarding the reduction of quantities of contaminated packaging;
- Efficient management of waste electrical and electronic equipment (WEEE), fluorescent tubes, batteries and accumulators.

Training of the Company's employees regarding the prevention of waste generation, the obligation to reuse certain products/materials, where possible, as well as selective waste collection is carried out periodically.

Description of processes for identifying and assessing significant pollution-related impacts, risks and opportunities

ESRS 2 IRO-1

Subtopic	Impact	Risk/Opportunity
Resource inputs, including resource use	Negative impact – in the situation where these resources have a negative impact in terms of sustainability.	Opportunity – use of renewable resources (e.g. natural rubber)
Resource outputs related to products and services	Negative impact if the outputs are uncontrolled.	Opportunity – using competitive operators.
Waste	Negative impact - in the event of improper management of the hazardous and non-hazardous waste generated.	Risk: Improper management of the quantities of waste generated, financial risk (fines, reputational risk).

Figure no. 7 Impacts, risks and opportunities table

The short, medium and long-term financial effects on the Company of significant risks and opportunities arising from waste-related impacts have been assessed within the framework of the dual materiality process and have been assessed as having financial effects of more than 2% but less than 3% of turnover.

Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities

ESRS E5-3, ESRS 2 MDR-T

Key indicator	Definition	2023	2024
No. of requirements	Monitoring the	-	100%

resolved	requirements imposed by the authorities		
No. of operational equipment inventoried whose lifespan has been extended.	Reducing waste generation		8
Savings achieved by optimizing waste collection	Optimization of waste collection		50%
Waste recovery rate (tons)	Reducing the impact on environmental factors		1675
No. of meetings held regarding employee training (%)	Semi-annual training according to the Annual Training Plan		100%

The training of employees in various fields of activity was done through participation in courses organized by competent organizations in this regard (quality, ISO audit, ISCIR, etc.).

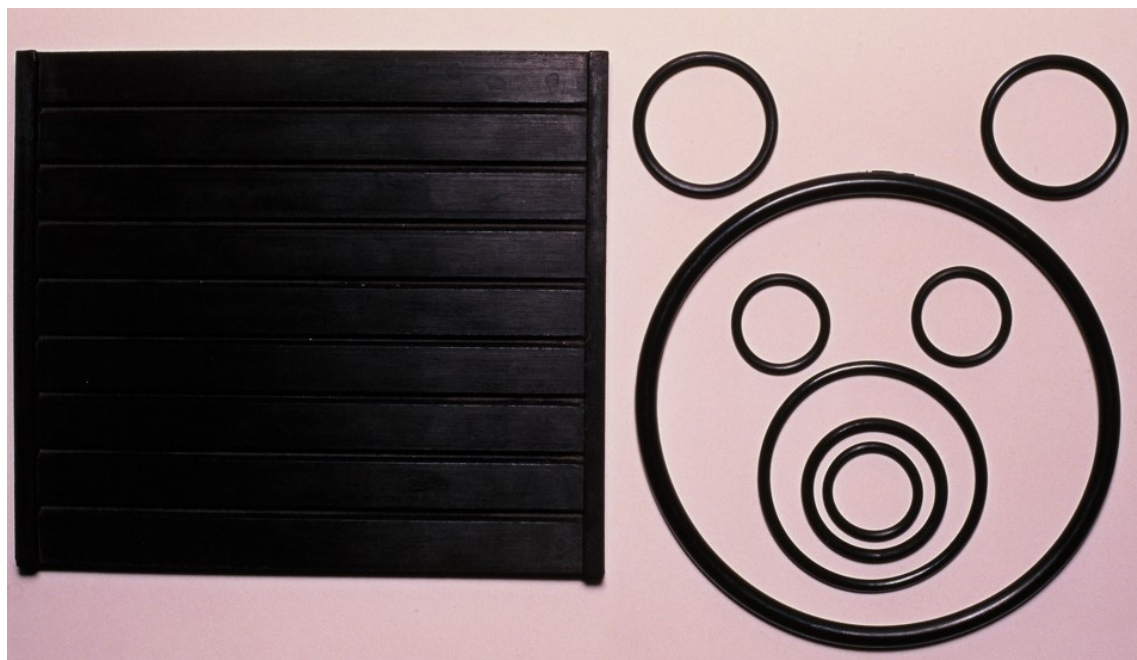
The following target requirements are presented in ESRS E5:

- Disclosure Requirement E5-3 – Resource Use and Circular Economy Targets;
- Disclosure Requirement E5-4 – Resource Inputs;
- Disclosure Requirement E5-5 – Resource Outputs;
- Disclosure Requirement E5-6 – Expected Financial Effects of Impacts, Risks and Opportunities Related to Resource Use and Circular Economy.

Expected Financial Effects of Impacts, Risks and Opportunities Related to Resource Use and Circular Economy ESRS E5-6

The expected financial effects of risks and opportunities related to resource use and circular economy have not been assessed or quantified in detail, with 2024 being the first reporting year under the new ESRS standards. Their relevance and significance was noted within the framework of the dual materiality analysis. The Company's environmental aspects register includes a series of risks that will be reanalyzed and aligned with the ESRS reporting requirements in the next period.

SOCIAL INFORMATION ESRS S1 Own workforce



General Information Presentations ESRS 2

Human capital is an essential component for the success of companies, having a crucial impact on innovation, productivity and business growth. In order to achieve the organization's objectives and to offer products and services of the highest quality, it is necessary to attract, retain, motivate and continuously develop human resources. Competent and responsible employees can contribute to the implementation of ideas for improving processes, thus generating efficiency and productivity. Investing in the personal and professional development of employees can stimulate motivation, performance and safety in the workplace.

The objectives of the human resources strategy emphasize the promotion of talents, the recruitment and integration of personnel for vacant positions, the training and continuous development of employees, the objective evaluation and reward of their performance, the encouragement of internal mobility, the review of compensation and benefits policies to ensure internal equity and external competitiveness, the advancement of the automation and digitalization of human resources activities, the assurance of succession for key roles, the elaboration and implementation of personalized development programs for potential successors. There is also active and continuous involvement in the implementation of educational projects, such as: partnerships with high schools, visits organized by students.

Within the Company, the rights and responsibilities of employees, as established in the Collective Labor Agreement and the Internal Regulations, are formulated in accordance with the respect for human rights and the right to work, in accordance with the principles contained in the International Charter of Human Rights and the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work. These are transposed into the legislation on labor relations and are governed by the principles of consensuality and good faith, which underlie interactions within labor relations.

The Company adopts a zero tolerance policy regarding the undermining or violation of human rights, regardless of the manner in which they are violated.

The assessment of the risks of occupational accidents and diseases is the basis for establishing the management strategy in the field of occupational health and safety and is followed by risk control by establishing norms or prevention measures, which are included in the annual prevention and protection plan that is developed in accordance with the provisions of the Methodological Norms for the application of Law no. 319/2006 on occupational health and safety, approved by Government Decision no. 1425/2006 with subsequent amendments and supplements. The measures contained therein are analyzed within the framework of the Meetings of the Occupational Health and Safety Committee organized at the Company level in accordance with the applicable legal provisions in the matter. The measures contained in the prevention and protection plan have annually allocated resources for their implementation in the approved Revenue and Expenditure Budget of the Company.

By implementing the professional training strategy, the Company ensures that its employees, the majority of whom are part of the operational personnel category (engineers, specialists, workers and technicians), continuously develop their personal and professional skills and competencies.

Number of employees

As of 31.12.2024, the Company has a number of 505 employees, of whom:

- 245 women;
- 260 men.

Age structure of the staff:

- 20 - 30 years old, 9 people;
- 31 - 40 years old, 54 people;
- 41 - 50 years old, 199 people;
- 51 - 60 years old, 229 people;
- over 60 years old, 14 people.

Staff structure in terms of education:

- 104 people with higher education;
- 401 people with secondary education.

The company has constantly reconsidered its human resources policy, trying to adapt to its needs. The evolution of the number of staff in the period 2020-2024 is presented as follows:

Specification	2020	2021	2022	2023	2024
Number of employees at the beginning of the perio	877	809	748	671	572
Number of newly hired people	81	32	15	9	8
Number of people who have terminated employment with the company	149	93	92	108	75
Number of employees at the end of the period	809	748	671	572	505

The evolution of the number of personnel in 2024 is as follows:

Specification	01	02	03	04	05	06	07	08	09	10	11	12
Number of employees at the beginning of the period	572	564	549	544	538	532	530	526	522	515	512	510
Number of newly hired people	-	1-	1	-	-	1	2	-	1	-	2	-
Number of people who have terminated employment with the company	8	16	6	6	6	3	6	4	8	3	4	5
Number of employees at the end of the period	564	549	544	538	532	530	526	522	515	512	510	505

The Company's management develops and implements a system of internal regulations through which it organizes the activities within the company so that they are executed efficiently, by allocating the necessary resources.

The most important resource necessary to achieve the objectives are well-trained employees. From a social point of view, we aim to maintain a constructive collaborative relationship with employee organizations and other interested parties by:

- concluding a Collective Labor Agreement specific to the Company's employees;
- permanent communication on all major aspects of the Company's evolution with employees;
- establishing and implementing ways to help people with special family problems;
- establishing and implementing various facilities for all employees depending on the Company's potential;
- monitoring the health of employees by periodically performing specialized checks;
- supporting employees and their families when they have difficult health problems;
- providing meal vouchers;
- supporting disadvantaged individuals and/or communities through sponsorships.

In all activities carried out by the Company, equal opportunities are ensured for employees by:

- promoting personnel in a transparent manner, taking into account the necessary professional competence and experience;
- ensuring conditions for continuous training and improvement in the field in which they operate;
- creating optimal working conditions for stabilizing personnel.

To control risks in this area, measures were taken to motivate personnel through financial incentives and the creation of a pleasant working environment, involving employees in the board of directors, maintaining the budget for resolving special social situations, and developing an integration plan for new employees.

Occupational Health and Safety

Employees in the industry face health and safety risks from exposure to heavy machinery, moving equipment and electrical hazards, among others. Creating an effective safety culture is essential to proactively mitigate safety incidents, which can lead to reduced medical costs, litigation and work interruption. By implementing strong safety protocols, including incident reporting and investigation, and promoting a safety culture, entities can minimize safety-related costs and improve long-term productivity.

The Collective Labor Agreement provides that in order to improve working conditions, a Safety and Health Committee shall be established, consisting of: the company manager, the head of the labor protection department, a medical service representative and employee representatives. It fulfills the duties established by its Regulations, approved by order of the Ministry of Labor, Social Solidarity and Family.

The specific conditions of all jobs within the Company, except for employees in the Administrative field, require the granting of additional rights to all employees, namely: reduced working hours at the Dosage Section, free food to strengthen the body's resistance, free protective equipment and free sanitary materials. Employees are also subject to a medical examination performed by the occupational medicine doctor once every 12 months.

The cost of protective and work equipment is fully borne by the employer.

In order to maintain and improve the conditions for carrying out the activity at the workplace, the Company is concerned with the following measures: ergonomic arrangement of workplaces; ensuring environmental conditions (lighting, noise, vibrations, temperature, ventilation, humidity); arrangement of social annexes of workplaces (bathrooms, changing rooms, sanitary groups, canteen); reduction, until gradual elimination, of polluting emissions.

Also, the Collective Labor Agreement includes special provisions regarding: Social protection measures and facilities granted to employees, or Vocational Training.

The provisions regarding the Rules regarding protection, hygiene and safety at work within the unit are included and detailed within the Company's Internal Regulations.

The Internal Regulations provide for the Rules on compliance with the principle of non-discrimination and the elimination of any form of violation of dignity by applying the principle of equal treatment to all employees of the Company. The Company ensures equal opportunities and treatment between employees, women and men, within employment relations, applies the Rules on maternity protection at work, the Anti-harassment Policy within the Company. Also through the Internal Regulations there is a Procedure for complaining/notifying and resolving issues related to sexual harassment, informally and formally through the Commission for receiving and resolving harassment cases at the Company level.

The issue of the rights and obligations of the employer and employees complies with the provisions of Law 53/2003 - Labor Code and the Collective Labor Agreement and is presented within the Internal Regulations.

Description of processes for identifying and assessing significant impacts, risks and opportunities related to pollution

SBM 3

Subtopic	Sub-subtopic	Impact	Risk/Opportunity
Working conditions	Safe workplaces	Positive impact - as a result of respecting the rights of its own employees and as a result of ensuring appropriate working conditions. Negative impact - if employee rights are not respected, key employees may resign.	Opportunity: The company ensures appropriate working conditions, equipment, protective clothing, specific machinery, etc. Adequate management of employee rights is ensured through specific internal procedures that are applied accordingly. Working conditions are continuously improving. Higher costs with payroll as a result of indirect pressure to increase the minimum wage in the economy.
	Working time		
	Adequate salaries		
	Social dialogue		
	Freedom of association, the existence of works councils and workers' rights to information, consultation and participation		
	Collective bargaining, including the proportion of workers covered by collective bargaining agreements		
	Work-life balance		
Health and safety			
Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Positive impact - there are internal policies that ensure development opportunities and equal treatment for all employees.	Opportunity: Diversity and inclusion within the teams, including people with disabilities, is ensured. The company offers equal opportunities to all employees, there is a policy of
	Training and skills development		
	Employment and inclusion		

	of people with disabilities		non-discrimination and equal treatment, remuneration is similar for both women and men, as well as periodic training courses for employees.
	Measures against violence and harassment in the workplace		
	Diversity		
Other work-related rights	Child labor	Not the case	
	Forced labor	Not the case	
	Adequate housing	Not the case	
	Confidentiality		

Figure no. 8 Impacts, risks and opportunities table

The short, medium and long-term financial effects on the Company of the opportunities arising from the impacts on its own workforce were assessed as low (below 0.1% of turnover) within the framework of the double materiality analysis process.

The adoption of specific targets related to its own employees has not yet been carried out within an internal process, based on materiality. The Company has started a process of analysis and implementation of such targets.

Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities

ESRS S1-5

Key indicator	Defining	2023	2024
Total Recorded Incident Rate (TRIR)	Total Recordable Incident Rate (TRIR) for occupational injuries and illnesses. An injury or illness is considered a recordable incident if it results in death, days off work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness.	-	0.20

The following target requirements are presented in ESRS S1:

- Disclosure requirement S1-5 – Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities;
- Disclosure requirement S1-6 – Characteristics of the enterprise’s employees;
- Disclosure requirement S1-7 – Characteristics of the enterprise’s own workforce;
- Disclosure requirement S1-8 – Coverage of collective bargaining and social dialogue;
- Disclosure requirement S1-9 – Diversity indicators;
- Disclosure requirement S1-10 – Adequate wages;
- Disclosure requirement S1-11 – Social protection;
- Disclosure requirement S1-12 – People with disabilities;
- Disclosure requirement S1-13 – Training and skills development indicators;
- Disclosure requirement S1-14 – Health and safety indicators;
- Disclosure requirement S1-15 – Work-life balance indicators;
- Disclosure requirement S1-16 – Remuneration indicators (pay gap and total remuneration);
- Disclosure requirement S1-17 – Incidents, complaints and serious human rights issues and incidents.

The short, medium and long-term financial effects on the Company of the opportunities arising from the impacts on its own workforce were assessed as low (below 0.5% of turnover) within the framework of the double materiality analysis process.

During the period 01.01.2024 - 31.12.2024, an occupational accident was recorded within the Company.

In 2024, several actions were taken to ensure occupational health and safety, as follows:

- workplace inspections were carried out according to the annual OHS inspection program; when deficiencies were found, remedial measures were taken. During the inspections, the existence and functioning of protective devices and guards, the cleanliness of workplaces, the maintenance of social groups, the wearing of PPE, the

use of collective protective equipment and the training of personnel were monitored. Weekly activity reports were drawn up in which shortcomings were reported.

- personnel were equipped with PPE and hygienic and sanitary materials, according to the approved internal lists.
- training and authorization of the professions provided by law (electricians, abrasive stone fitters, internal transport) was carried out
- workers were provided with protective food, according to the collective labor agreement.

Processes for collaborating with own workers and with workers' representatives regarding impacts

The Company strictly complies with the laws and international treaties that regulate human rights, both within this framework and in relations with its partners and collaborators. The general rights and obligations of the Company's employees are stipulated in the Collective Labor Agreement (CCM), this document being the result of social dialogue and collective bargaining between Management and employees.

Also, at the company level, there is an Internal Regulation, applicable to all employees, through which the rules regarding the organization and discipline of work are established, as well as the rights and obligations of the Employer and the Employees. Each employee has access to the content of the Collective Labor Agreement, through the representatives with responsibilities in the field of human resources within the organizational structures in which they carry out their activity.

Processes for remediation of negative impacts and channels through which employees can express their concerns

The Internal Regulation presents the procedure for resolving individual requests and/or complaints of employees. It also includes the rights and responsibilities of both employees and the employer, including rules regarding non-discrimination and respect for human dignity, rules regarding conflicts of interest, disciplinary procedures and methods for resolving employee requests or complaints. The internal regulations are communicated and signed by the employees at the time of employment.

The Collective Labor Agreement provides for the Company's obligation to take all necessary measures to protect the life and health of employees, and if the expected measures, which aim to improve working conditions and provide appropriate protection according to the legal provisions in force, are not possible, monetary or other compensation is provided, under the conditions of the law. Thus, the Company ensures, without implying any cost for employees, for those workplaces where working conditions require it: individual protective equipment, medical services for the recovery of work capacity, private insurance for work accidents and occupational diseases, etc.

Policies related to its own workforce

The Company has implemented an Integrated Management System (Quality, Environment and Occupational Health and Safety). The Occupational Health and Safety Management System ISO 45001:2018 has the objectives of protecting the health and safety of employees, preventing occupational accidents and diseases, complying with applicable regulations and legal norms, improving productivity and quality of work, as well as reducing the costs associated with occupational accidents and diseases. The operation of the Integrated Management System is carried out in accordance with the reference standards in force. Internal and external (surveillance) audits of this system are carried out annually in order to evaluate its performance and identify opportunities for improvement.



Stakeholder interests and views

SBM 2

The Company's activities do not affect employees in the value chain. The Company collaborates with local and international suppliers for the purchase of raw materials and equipment. As a result of signing the contract with the Company, each supplier undertakes to respect human rights, as well as other obligations established at national and international level (the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child, as well as the International Labor Organization Conventions). These are communicated and found within the contractual conditions.

Significant impacts, risks and opportunities and their interaction with the strategy and business model

SBM 3

The Company has an approach focused on meeting the expectations of the community, being aware of the important role it plays, and values safety and health. The impacts, risks and opportunities associated with employees in the value chain were identified and assessed as part of the dual materiality analysis process, within the framework of an internal analysis, as well as by consulting other sources of literature (Figure no. 9 Impacts, risks and opportunities table).

Subtopic	Sub-subtopic	Impact	Risk/Opportunity
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Working conditions	Jobs	Positive impact - as the rights of suppliers' employees are respected - this being a firm condition when signing the contract with the Company.	Opportunity: All suppliers must comply with the “Fundamental Principles of Supplier Relations” and are selected after rigorous verification. Suppliers adopt the required principles of behavior.
	Working time		
	Adequate salaries		
	Social dialogue		
	Freedom of association, including the existence of works councils		
	Collective bargaining		
	Work-life balance		
Health and safety			
Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Positive impact - as in all contracts with suppliers they commit to respecting the Company's human rights conditions, as well as other rights of suppliers' employees. The civil and political rights of workers in the value chain are respected, such as gender equality and equal pay for work of equal value, training and skills development, as well as employment and inclusion of people with disabilities, measures against violence and harassment in the workplace and diversity.	Opportunity: Respect for the civil and political rights of workers in the value chain are assessed as part of the contracting process. All of the Company's suppliers must respect human rights in relation to their employees, and suppliers are audited. They adopt the principles of behavior required by the Company, contributing to the well-being of their employees, the Company's reputation and compliance with legal requirements.
	Training and skills development		
	Employment and inclusion of people with disabilities		
	Measures against violence and harassment in the workplace		
	Diversity		
Other work-related rights	Child labor	Positive impact - since in all contracts with suppliers they undertake to respect the Company's conditions of respect for human rights, as well as other rights of the suppliers' employees.	Opportunity: By collaborating with the Company, the supplier commits to respecting the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child, as well as the Conventions of the International Labor Organization.
	Forced labor		
	Adequate housing		
	Water and sanitation		
Confidentiality			

Figure no. 9 Impacts, risks and opportunities table

The short, medium and long-term financial effects on the Company of significant risks and opportunities arising from the impacts associated with employees in the value chain have been assessed as part of the dual materiality process and have been assessed as having positive effects, without financial risks for the Company. However, the anticipated financial effects of the risks and opportunities related to the value chain have not been assessed or quantified in detail, with 2024 being the first reporting year under the new ESRS standards.

Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities
ESRS S2-5

No specific targets related to employees in the value chain have been adopted under the ESRS standards. The adoption of specific targets related to workers in the value chain has not yet been carried out within an internal process, based on materiality.

The company did not set targets related to impact management during 2024 because it was not necessary.

Key indicator	Definition	2023	2024
		-	-

The following target requirements are presented in ESRS S2:

- Disclosure requirement S2-5 – Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities.

Employee policies in the value chain

ESRS S2-1

There have been no reported cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work within the Company’s operations or in its upstream and downstream value chain.

The Company has specific policies in place to eliminate discrimination, including harassment, to promote equal opportunities and other ways to promote diversity.

Value Chain Employee Engagement Processes on Impacts

ESRS S2-2

The Company conducts a materiality analysis process that assesses both the risks and opportunities associated with its value chain suppliers and their employees. The grievance policy and appropriate channels are applicable and available to value chain workers, as outlined in ESRS G-1. Through these channels, the Company will engage directly with value chain workers on any issues that arise. All grievances will be considered for resolution, and the perspectives of value chain workers will inform decisions on how to manage actual and potential impacts.

The Company has not adopted a general value chain employee engagement process as required by the new ESRS standards.

Processes for remediation of negative impacts and channels through which employees in the value chain can express their concerns

ESRS S2-3

In compliance with applicable regulations, the Company establishes objective criteria for selecting its suppliers and service providers. These criteria are based on the performance of the suppliers and their compliance with the values and rules of ethics and sustainable development. Among the fundamental values, mentioned in the Supplier Relations Charter, which occupy the first place in their selection, are mainly the prohibition of forced or child labor. The Company prioritizes, in its relations with its suppliers, service providers and customers, the fight against corruption of public or private agents. Special importance is attached to the fact that none of its employees may offer or receive, except in exceptional circumstances and on their behalf, invitations or gifts that can only be symbolic, not in the form of money and of little value. In case of doubt, they should consult their superiors. All business partners are informed of the anti-corruption policies through an anti-corruption clause package and the GDPR annex to all concluded contracts.

ESRS S3 Affected Communities



Stakeholder interests and views

SBM2, SBM 3, IRO2

The Company respects the views of the communities that could be affected by its activities, as these are essential for taking their interests into account. The communities that could be affected by the Company's activities are individuals, legal entities, industry, public institutions and public authorities. The Company's strategy and business model are built around respecting these views and interests.

Significant impacts, risks and opportunities and their interaction with the strategy and business model

SBM 3

The community in the relevant areas where the Company operates was not considered to have a significant negative impact from the Company's operations. The indigenous population is not found on the territory of Romania.

The analysis of the interests and views of the affected communities takes place as part of the materiality analysis process. The impacts, risks and opportunities associated with the potentially affected communities are identified and assessed as part of the double materiality analysis process, as part of an internal analysis, as well as by consulting other sources of literature (Figure 10 Impacts, risks and opportunities table).

Subtopic	Sub-subtopic	Impact	Risk/Opportunity
Economic, social and cultural rights of communities	Adequate housing	Positive impact as a result of the Company's significant economic contribution.	Opportunity: The rights of communities are respected. The company contributes to the social (health), economic and cultural development of the communities in the area.
	Adequate food		
	Water and sanitation		
	Soil-related impacts		
Civil and political rights of communities	Security-related impacts	Positive impact: communities in the area are consulted in the process of obtaining authorizations.	Opportunity: The civil and political rights of communities are respected.
	Freedom of expression		
	Freedom of assembly		
Rights of indigenous peoples	Impact on human rights defenders	That's not the case.	
	Free, prior and informed consent		
	Empowerment		
	Cultural rights		

Figure 10 Impacts, risks and opportunities table

No financial risks were identified within the framework of the dual materiality analysis. In the authorization process in the field of environmental protection, for the implementation of projects with environmental impact, public consultation is a mandatory requirement, taking into account the provisions of:

- GEO no. 195/2005 on environmental protection, with subsequent additions and amendments;
- Law no. 292/2018 on the assessment of the impact of certain public and private projects on the environment, with subsequent additions and amendments;
- Order no. 1798/2007 for the approval of the procedure for issuing environmental authorization, with subsequent additions and amendments.

Policies related to affected communities

ESRS S3-1

There were no reported cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work in the Company's operations.

Processes for collaborating with affected communities on impacts

ESRS S3-2

The Company has demonstrated that it is a trusted partner for the community, granting, also in 2024, a series of sponsorships to associations, foundations, institutions and other non-profit organizations, with a view to supporting their mission and activity.

Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities

ESRS S3-5

The company did not set targets related to impact management during 2024 because it was not necessary.

Key indicator	Definirition	2023	2024
		-	-

The following target requirements are presented in ESRS S3:

- Disclosure requirement S3-5 – Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities.

No specific targets have been adopted in accordance with the requirements of the ESRS standard for the communities in which the Company operates.

ESRS S4 Consumers and end users



Stakeholder Interests and Views

SBM 2

Consumers and/or end-users are a key stakeholder group for the Company and are represented by individuals, legal entities, authorities and public institutions located in the Municipality of Tg. Jiusi and the surrounding areas. The Company's main purpose is to provide quality products and services, all of which are for the benefit of consumers and end-users. The interests, views and rights of consumers and/or end-users, including respect for human rights, are integrated into the Company's business model, but no specific strategy has been established, as required by the ESRS standards.

Quality aspects

In 2024, in order to achieve the policies undertaken in the field of quality, the Company planned the efficient implementation of processes in order to increase the satisfaction of interested parties: shareholders, customers, employees, suppliers, society. The Company's quality objectives refer to the competitive context in which the Company operates, the expectations of the relevant interested parties.

The Company specializes in design, manufacturing and marketing of conveyor belts, pressed/injected gaskets, technical rubber plates and mats, sleeves, hoses, other rubber items, molds and associated tools, production of regenerated rubber from rubber waste, rubber drums; plastics and adhesive solutions; manufacturing and marketing of textile garments; manufacturing and marketing of oxygen; manufacturing of bread, fresh pastry products; manufacturing of dairy products and cheeses; rubber conveyor belt vulcanization joining services aims to implement and recertify an integrated management system (quality, environment, OHS) adequate to the new requirements, as a confidence to understand and satisfy the requirements of customers and stakeholders, proposing the following general objectives:

- Achieving a turnover that covers operating costs and allows for future developments in the field of production infrastructure and the service sector;
- Constantly adapting to the conditions in which it operates to reduce risks and establish opportunities for its development;
- Communicating to its own personnel or those working on behalf of the organization, the policy in the field of quality, environment, occupational health and safety (OHS) for awareness of obligations and fulfillment of compliance obligations;

- Compliance with legal requirements or other requirements to which the company adheres regarding quality, environment and OHS to avoid penalties;
- Reducing occupational health and safety risks for all current and special activities by using appropriate techniques and practices;
- The activity is carried out in safe conditions in terms of occupational health and safety for both employees and collaborators: appropriate working conditions are ensured so as to reduce the number of occupational accidents and/or occupational diseases (by assessing and controlling the risks of occupational accidents and diseases, training personnel, performing periodic medical check-ups and providing them with personal protective equipment).

Significant impacts, risks and opportunities and their interaction with the strategy and business model
SBM 3

The company has a strategy and a business model that will be updated with the new requirements of the ESRS standards in 2025, including the inclusion of the conclusions resulting from the consultation process.

The impacts, risks and opportunities associated with consumers and end-users are identified and assessed as part of the dual materiality analysis process, within an internal workshop, as well as by consulting other literature sources. These are summarized in the table below and addressed in the following sections (Figure 11 Impacts, risks and opportunities table).

Subtopic	Sub-subtopic	Impact	Risk/Opportunity
Impacts related to information for consumers and/or end-users	Confidentiality	Positive impact – consumers and beneficiaries/users of the Company's services are regularly informed about the quality of products and services.	Opportunity: Consumers and end-users of goods and services are informed.
	Freedom of expression		
	Access to (quality) information		
Personal safety of consumers and/or end-users	Health and safety	Positive impact – Society ensures quality of products and services in accordance with legal requirements for safe consumption.	Opportunity: Adequate quality of products and affordable price of services are ensured
	Security of a person		
	Child protection		
Social inclusion of consumers and/or end-users	Non-discrimination	Positive impact – The company provides products and services to all users who request these services	Opportunity: All consumers have equal rights regarding access to the Company's products and services.
	Access to products and services		
	Responsible marketing practices		

Figure 11 Impacts, risks and opportunities table

The Company operates under the conditions specified in the applicable national legislation and on the basis of regulatory acts issued by public authorities.

Consumer and end-user policies

ESRS S4-1

For 2024, no policies have been formulated in accordance with the new ESRS requirements, these will also be aligned with the Company's policies in the following period. However, the Company complies with the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

Also, according to the Management Policy and Commitment established within the Company through the Integrated Management System, the following objectives are established in relation to consumers and customers of the Company:

- maintaining clear, direct and effective communication both within the organization and outside it, with stakeholders and in particular with customers;
- Continuously improving the quality of the product and services offered to customers, 24 hours a day, by promptly resolving problems;

- Constantly measuring customer satisfaction.

Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities

ESRS S4-5

The company did not set targets related to impact management during 2024 because it was not necessary.

Key indicator	Definition	2023	2024
		-	-

The following target requirements are presented in ESRS S4:

- Disclosure requirement S4-5 – Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities.

No targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities have been adopted under the new ESRS requirements. These are to be established for 2025.

GOVERNANCE INFORMATION

ESRS G1 Professional Conduct



The role of the administrative, management and supervisory bodies

ESRS 2 GOV-A

The Board of Directors of the Company has the role of management and supervision, being permanently trained in matters related to professional conduct.

Ethics and Compliance are fundamental values and, at the same time, subjects of strategic importance. The commitment of the management is decisive, in the sense of respecting the principles of ethics and compliance, and of unconditional support for the anti-bribery management system and all corruption prevention mechanisms.

The joint stock company is managed by the General Meeting of Shareholders and administered by a Board of Directors consisting of 3 members:

- 1 executive member: David Viorel, graduate of the Polytechnic Institute of Iași, Faculty of Chemistry and Chemical Engineering, specializing in polymer physics and chemistry.
- 2 non-executive members: Angheloiu Florian, graduate of the Polytechnic Institute of Bucharest, Faculty of Chemical Engineering, specializing in the technology of macromolecular compounds and Bușe Diana Loredana, graduate of the ASE, Faculty of Management.

Aspects regarding respect for human rights

The company guarantees respect for human rights, in accordance with legal provisions, for its employees and collaborators, but also for interested parties by:

- providing working conditions that respect the dignity of the individual and appropriate workplaces in terms of occupational safety and health;
- prohibiting any form of intimidation through language, attitude, gestures, any other form of attack on the person;
- eliminating any form of discrimination based on sex/age/race/religion/political beliefs;
- rejecting collaboration with organizations that do not respect human rights.

Violating human rights may have the impact of falling under the incidence of the law, protests from employees or the public, and a decrease in prestige in society.

Aspects regarding ethics and integrity in business

The company is concerned with understanding, satisfying and exceeding the requirements, needs and expectations of interested parties.

In carrying out our activity, the criteria that define us are:

- Adaptability and Creativity: we constantly adapt to market requirements, being interested in applying the latest technologies and the most appropriate solutions to satisfy the needs and expectations of our customers;
- Responsibility: we act responsibly for the activities undertaken;
- Business ethics: our commercial relationships are characterized by honesty, integrity, communication and mutual trust;
- Collaboration: we use all resources to achieve a quality standard of products with a proactive attitude towards customer requirements;
- Tradition: we have over 45 years of experience because we believe in the continuity of our values;
- Confidentiality: we protect information that would harm free competition.

The company supports fairness in business, compliance with applicable legislation and taking a stand against acts of corruption, business intimidation, monopolization or evasion through:

- establishing mechanisms for declaring conflicts of interest and reporting unethical or illegal behavior or violations of employee integrity;
- prohibiting any form of bribery or corruption in business or work relationships;
- respecting all forms of legally established embargoes;
- prohibiting any form of evasion and avoiding any form of collaboration with companies or individuals proven to practice evasion.

Description of the processes for identifying and assessing significant impacts, risks and opportunities
ESRS 2 IRO 1

Subtopic	Sub-subtopic	Impact	Risk/Opportunity
Corporate culture	-	Potential negative impact - if internal codes and procedures are not followed.	Opportunity: Effective management of internal issues and ensuring a fair remuneration system, along with adequate working conditions, contribute to avoiding problems in the Company's operations.
Whistleblower protection	-	Potential negative impact - if internal codes and procedures	Opportunity: Through an Intranet-type Ethics Platform, people who make reports are protected

		are not followed.	and are not discriminated against in any way.
Animal welfare	-	That's not the case.	
Political engagement and lobbying activities	-	That's not the case.	
Supplier relationship management, including payment practices	-	Potential negative impact - if internal procedures are not followed in the relationship with suppliers, including if payments are not made in a timely manner. Financial risk thresholds are allocated for each decision factor to mitigate the risk.	Risk: Potential reputational risks can lead to the loss of supplier relationships.
Preventing and detecting corruption and bribery	Incidents of corruption or bribery	Potential negative impact - if internal codes and procedures regarding corruption and bribery are not followed.	Risk: Potential reputational risks can lead to loss of supplier relationships, damage to the Company's reputation and violation of legal requirements.
	Payment practices		
Digital security – additional material aspect Computer data protection		Potential negative impact - in case of security-related incidents or accidents.	Risk: Risk of loss of all customer data due to increased cyber attacks.

Figure no. 12 Impacts, risks and opportunities table

The financial effects on the Company in the short, medium and long term of the significant risks and opportunities arising from the impacts of the professional conduct association were assessed within the framework of the dual materiality process and were assessed as having moderate negative financial effects (risks) (above 0.5% but below 2% of turnover) for the aspect of Supplier Relationship Management, including payment practices, as well as for the aspect of Corruption and Bribery.

Targets related to the management of significant negative impacts, the promotion of positive impacts and the management of significant risks and opportunities

The company did not set targets related to impact management during 2024 because it was not necessary.

Key indicator	Definition	2023	2024
		-	

The following target requirements are presented in ESRS G1:

- ESRS 2 IRO-1 Disclosure Requirement – Description of processes for identifying and assessing significant impacts, risks and opportunities;
- G1-1 Disclosure Requirement – Policies on professional conduct and corporate culture;
- G1-2 Disclosure Requirement – Supplier Relationship Management;
- G1-3 Disclosure Requirement – Preventing and detecting corruption and bribery.

No targets have been adopted for managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities under the new ESRS requirements. These are to be established for 2025.

Policies on professional conduct and corporate culture

ESRS G1-1

Both within the organization and in interaction with stakeholders, the Company rigorously complies with the legislation in force and international conventions, including the UN Global Compact, the legislative framework of human rights and the guiding principles issued by the OECD regarding multinational companies.

Thus, the Company aims to fully comply with:

- The Anti-Corruption Code of Conduct ("the Code") - annex to the Internal Regulations;
- The Anti-Corruption and Anti-Fraud Policy;
- The clauses and legislation in force on the prevention of corruption;
- Fundamental principles in relations with suppliers.

For 2024, the Company does not have a Policy drawn up in accordance with the provisions of the new ESRS standards. The existing Policy will be updated in accordance with the new requirements.

How the Company Protects Whistleblowers

Regarding whistleblowers, the Company is committed to maintaining the confidentiality of all requests and providing the necessary assistance as appropriate.

Supplier Relationship Management

ESRS G1-2

Selection of Suppliers

Suppliers and subcontractors play an important role in ensuring the continuity of services, contributing to the efficiency and quality of the services provided by the Company.

The Company evaluates and audits suppliers on a regular basis.

The Company's suppliers and subcontractors undertake to comply with:

- The Company's Ethical Guide and Anti-Corruption Code of Conduct;
- Procurement processes and procedures;
- Clear and consistent communication principles with the contact persons designated by the supplier;
- Confidentiality of information exchanged with the Company by establishing confidentiality agreements;
- Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation);
- Sustainable development clause;
- Security clause for the Company's data and IT systems, where applicable;
- Honest and fair negotiation and to adopt the required principles of conduct.

The Company prohibits suppliers from proposing and offering any form of request for gifts or invitations, secretly or through an unknown or identified person, receiving undue benefits, violating applicable local regulations and behaving in a manner inconsistent with good manners.

Regarding fair behavior towards suppliers, the Company respects the right to competition and undertakes not to take actions that could affect competition, such as agreements or practices between enterprises that could lead to the restriction of competition.

The Company also avoids abusive behavior on a given market. In 2024, there were no legal actions regarding anti-competitive behavior or violations of antitrust and monopoly legislation.

Prevention and detection of corruption and bribery

ESRS G1-3

The Company is committed to complying with the Anti-Corruption Code of Conduct, which describes the principles and acts aimed at complying with its commitment to prohibit, without any reservation, any form of corruption and similar or equivalent conduct and to comply with regulations and best practices in this field. This Code is an integral part of the Company's existing internal policies and procedures, which must also be complied with.

Communication channels

The company has established different communication channels that can be used by employees and third parties to express their complaints in accordance with the adopted Anti-Corruption Policy, as follows:

- Email address: artedir@artego.ro

- Postal address: Tg Jiu, str. Ciocarlau, no. 38

DIGITAL SECURITY



Disclosures in relation to specific circumstances

ESRS 2 BP-2

The Company continues to make efforts to strengthen the security of its digital information as security threats and the illegal taking of computer data are common throughout contemporary society.

By adopting digital technologies, the Company can simplify workflows and automate operational flows, thus allowing employees to focus on strategic initiatives.

Risk management and internal controls related to sustainability reporting

GOV-5

The Company aims to improve the analysis of IT risks by assessing risks in the context of an analysis of the external and internal environment, in terms of impact but also of the financial significance related to risks and opportunities.

Risks associated with digital security are identified internally and will determine appropriate actions to minimize inherent risks in 2024. These actions are implemented at the level of departments, responsible persons and implementation deadlines.

Significant impacts, risks and opportunities regarding digital security

SBM-3

Impacts, risks and opportunities related to digital security issues are identified and assessed as part of the double materiality analysis process within an internal analysis. The identified ESG risks will be integrated into the Company's business strategy.

The risks identified within the Company specific to digital security are

- Penetration of the physical and cyber protection system;
- The tendency to replace thorough knowledge acquisition with easy acquisition of certificates/attestations without coverage in acquiring skills;

- Unauthorized access to confidential data, etc.

Subtopic	Impact	Risk/Opportunity
Digital Security – Computer Data Protection	Potential negative impact – in case of security-related incidents or accidents.	Risk: Risk of loss of operational data due to cyber attacks.

Figure no. 13 Impacts, risks and opportunities table

The short, medium and long-term financial effects on the Company of the significant risks arising from the impacts associated with digital security have been assessed within the framework of the dual materiality process and have been assessed as being of a very high negative (risk) level (over 2% of turnover) for the aspect Digital Security – IT data protection.

Policies related to climate change mitigation and adaptation
ESRS E1-2

The Company wishes to implement information security solutions to protect systems, applications, data and people and to meet regulatory obligations.

Action plans and resources for managing the Company's significant impacts, risks and opportunities related to digital security

The Company emphasizes IT security and the importance of security in all IT projects. Security risks are managed through a forward-looking approach, and to ensure adequate security, all processes must be integrated into every stage of projects.

Digital security incidents/accidents in the reporting year

There were no digital security incidents or accidents in the reporting year.

TAXONOMY



Report pursuant to Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council (the “Taxonomy Regulation”)

The EU Taxonomy, established by Regulation (EU) 2020/852, is a classification system for economic activities that significantly contribute to environmental objectives and support the implementation of the European Green Deal. The main purpose of the EU Taxonomy is to redirect capital flows towards sustainable investments,

thereby creating transparency in the market and encouraging companies, investors and policymakers to invest in areas essential for sustainable development.

General principles of the Taxonomy

The European Taxonomy Regulation (EU) 2020/852 establishes an EU classification system for environmentally sustainable economic activities. The Regulation creates the framework for sustainable investments, through more detailed publications by financial market participants.

The six relevant environmental objectives of the Taxonomy Regulation are:

- 1) Climate change mitigation
- 2) Climate change adaptation
- 3) Sustainable use and protection of water and marine resources
- 4) Transition to a circular economy
- 5) Pollution prevention and control
- 6) Protection and restoration of biodiversity and ecosystems

For each of these objectives, the taxonomy establishes the notion of sustainability, based on best practices in the field of ecological transformation. To be defined as sustainable, an activity must be eligible and aligned.

Specifically:

- An activity that is likely to contribute substantially to the achievement of at least one of the six environmental objectives is classified as eligible
- An activity is aligned if:
 - ☑ It meets the relevant criteria imposed by the Taxonomy (i.e. it contributes substantially to the achievement of at least one of the six environmental objectives and does not significantly harm - DNSH - the other environmental objectives)
 - ☑ It meets the minimum social safeguards.

Identification and assessment of activities according to the EU Taxonomy within the Company

The Company has taken measures to be able to provide reliable information from the Taxonomy point of view. For 2024, only the eligibility of the activity of the main business lines and the quantification of the impact using the relevant key performance indicators (KPIs) were analyzed: turnover (%), CapEx (%) and OpEx (%). We propose to extend the analysis to eligible activities that also meet the criteria for a substantial contribution to climate change mitigation, the criteria for not significantly harming (“DNSH”) other environmental objectives and the criteria for meeting minimum social guarantees by the end of the year.

This involved an analysis by both the finance and technical departments to analyse the applicability of the Regulation in the context of the Company’s operational activities.

Key Performance Indicators from a Taxonomy perspective

Eligible and aligned turnover

The turnover eligible under the Taxonomy Regulation reflects the proportion of a company’s total turnover that comes from economic activities eligible under the Taxonomy, whether or not they meet the alignment criteria. This KPI is calculated as the proportion of the taxonomically eligible turnover (numerator) to the company’s total turnover (denominator), in accordance with the EU Taxonomy Regulation. Based on the estimates made, the % proportion relating to turnover is presented in Annex 1.

CaExeligible and aligned

The EU Taxonomy Regulation defines capital expenditure eligible for taxonomy as investments made for the acquisition, construction or renovation of assets considered eligible under the taxonomy.

This measure indicates the extent to which a company invests in activities that contribute to environmental sustainability. The Taxonomy Eligible Capital Expenditure (CapExeligible) indicator reflects the proportion of a company's total capital expenditure dedicated to economic activities eligible for the taxonomy, regardless of whether it meets all the taxonomy alignment criteria.

This KPI is calculated as the ratio of taxonomically eligible capital expenditure (numerator) to the company's total capital expenditure (denominator), in accordance with the EU Taxonomy Regulation. Based on the estimates made, the % proportion related to CaPex is presented in Annex 2.

OpEx eligible and aligned

The EU Taxonomy Regulation also defines operational expenditure eligible for taxonomy (OpEx eligible) as the operational costs incurred for services or products that meet the criteria of the taxonomy. This parameter reflects the current costs of the company to support environmentally sustainable activities. Based on the estimates made, the % proportion related to OpEx is presented in Annex 3.

Taxonomy alignment process

Regarding the first step towards aligning the activity to the Taxonomy, regarding the Turnover, CapEx and OpEx indicators, the Company carried out an analysis of the contribution of its operations to the taxonomy objectives.

In this 2024 report, a full alignment with the objectives was not found due to the lack of specific documentation to demonstrate that the activity proposed for alignment does not cause any relevant harm to the other objectives of the Taxonomy. The company considers that this aspect should be taken up as an objective to be achieved in the next reports.

For the purposes of Delegated Regulation (EU) 2021/2178, the following definitions apply:

- “taxonomy-aligned economic activity” means an economic activity that complies with the requirements set out in Article 3 of Regulation (EU) 2020/852;
- “transitional economic activity” means an economic activity that complies with the requirements set out in Article 10(2) of Regulation (EU) 2020/852;
- “facilitating economic activity” means an economic activity that complies with the requirements set out in Article 16 of Regulation (EU) 2020/852;
- ‘taxonomy-eligible economic activity’ means an economic activity described in the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852, whether or not that economic activity meets all the technical screening criteria set out in those delegated acts;
- “taxonomically ineligible economic activity” means an economic activity that is not described in the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852;

In the sense of the definitions above:

Article 3 Criteria for environmentally sustainable economic activities For the purpose of determining the degree of environmental sustainability of an investment, an economic activity shall qualify as environmentally sustainable if the economic activity concerned: (a) contributes substantially to one or more of the environmental objectives set out in Article 9, in accordance with Articles 10 to 16; (b) does not significantly harm any of the environmental objectives set out in Article 9, in accordance with Article 17; (c) is carried out in accordance with the minimum safeguards set out in Article 18; and (d) complies with the technical examination criteria that have been established by the Commission in accordance with Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) or Article 15(2).

Article 10 (2) For the purposes of paragraph (1), an economic activity for which there is no technologically and economically viable low-carbon alternative shall be considered to qualify as an activity that contributes substantially to climate change mitigation where it supports the transition to a climate-neutral economy, based on a trajectory to limit the temperature increase to 1.5 °C above pre-industrial levels, including by phasing out greenhouse gas emissions, in particular emissions from solid fossil fuels, and where the activity concerned: (a) has greenhouse gas emissions levels that are in line with the best performance in the sector or industry; (b) does not hinder the development and deployment of low-carbon alternatives; and (c) does not lead to a lock-in of carbon-intensive assets, taking into account the economic lifetime of those assets. For the purposes of this paragraph and for the establishment of the technical screening criteria under Article 19, the Commission shall assess the potential contribution and feasibility of all relevant existing technologies.

Article 16 Facilitating activities An economic activity shall qualify as an activity that contributes substantially to one or more of the environmental objectives set out in Article 9 where it directly facilitates a substantial contribution of other activities to one or more of those objectives, provided that that economic activity: (a)

does not lead to a lock-in of assets that undermines the long-term environmental objectives, taking into account the economic lifetime of those assets; and (b) have a substantial positive effect on the environment, based on life cycle considerations. OJ Official Journal of the European Union L 198/34 22.6.2020

Definition of key performance indicators from the Taxonomy point of view

The values used for the calculation of key performance indicators from the Taxonomy point of view (KPIs) are taken from the financial statements prepared and published in accordance with the Accounting Law no. 82/1991, republished, with subsequent amendments and OMFP 2844/2016 with subsequent amendments and completions, of the Company, and are presented in RON using the formulas related to each recommended category.

Numerator: Turnover/OpEx/CapEx /

Denominator: Total Turnover/OpEx/CapEx

Anexa 1 - Proportion of Turnover generated from products or services associated with economic activities aligned with the EU Taxonomy

Economic Activities (1)	Code (2)	Absolute turnover (3)	Proportion of Turnover (4)	Substantial Contribution Criteria						DNSH criteria (14) Significantly			
				Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	(14)
<i>Text</i>		<i>RON</i>	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N
A. TAXONOMY-ELIGIBLE ACTIVITIES			96%										
A.1. Environmentally sustainable activities (Taxonomy-aligned)													
Manufacture of other low carbon technologies	CCM 3.6	131.737.374,00	91%	95%	0%	0%	0%	0%	0%		Y	Y	Y
			0%	0%	0%	0%	0%	0%	0%				
			0%	0%	0%	0%	0%	0%	0%				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		131.737.374,00	91%	91%	0%	0%	0%	0%	0%	Y	Y	Y	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)													
Manufacture of other low carbon technologies	CCM 3,6	6.933.546,00	5%										
			0%										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		6.933.546,00	5%										

Total (A.1+A.2)	138.670.920,00	96%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
Turnover of Taxonomy-non-eligible activities	6.171.386,00	4%
Total (A+B)	144.842.306,00	100%

Anexa 2 - Proportion of CaPex generated from products or services associated with economic activities aligned with the EU Taxonomy

Economic Activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')							Minimum Safeguards (17)	Taxonomy aligned proportion of total CapEx, year N (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)					
<i>Text</i>		<i>RON</i>	%	%	%	%	%	%	%	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	%	<i>E</i>	<i>T</i>	
A. TAXONOMY-ELIGIBLE ACTIVITIES			10																	
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)			0%																	
Manufacture of other low carbon technologies (CapEx A)	CCM	9.193.809,	99,	10	0	0	0	0	0		Y	Y	Y	Y	Y	Y	100	E		

	3.6	00	99 %	0 %	%	%	%	%	%	%							%			
			0%	0 %	0 %	0 %	0 %	0 %	0 %	0 %							0%			
			0%	0 %	0 %	0 %	0 %	0 %	0 %	0 %							0%			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		9.193.809,00	99,99%	100%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	100%	100%	0%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																				
			0%																	
			0%																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0,00	0%																	
Total (A.1+A.2)		9.184.788,00	99,99%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Capex of Taxonomy-non-eligible activities		9.021,00	0,01%																	
Total (A+B)		9.193.809,00	100%																	

Anexa 3 - Proportion of OpEx generated from products or services associated with economic activities aligned with the EU Taxonomy

Economic Activities (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards (17)	Taxonomy aligned proportion of total OpEx, year N (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
Text		Millions, local CCY	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES			100%																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies (OpEx A)	CCM 3.6	133.692.546,60	90%	90%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	90%	E		
			0%	0%	0%	0%	0%	0%	0%							0%			
			0%	0%	0%	0%	0%	0%	0%							0%			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		133.692.546,60	90%	90%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	90%	90%	0%	

PROVISIONS OF THE CORPORATE GOVERNANCE CODE	RESPECT	DOES NOT RESPECT OR PARTIALLY RESPECT	REASON FOR NON-CONFORMITY
<p>A.1. All companies must have internal rules of the Board which include the terms of reference / responsibilities of the Board and the key management functions of the company , and which apply ,among others, the General Principles of the A Section.</p>		PARTIAL RESPECT	<p>The terms of reference / responsibilities of the Board and the key management positions of the company are found in the Constitutive Document. This requirement will be analyzed within the Board of Directors.</p>
<p>A.2. Provisions for the management of conflicts of interest should be included in the Council Regulation. In any case,the members of the Council shall notify the Council of any conflicts of interest which have arisen or are likely to arise and shall refrain from participating in discussions (including by non- attendance , unless it would prevent the formation of a quorum) and from the vote on the adoption of a decision on the matter giving rise to the conflict of interests in question.</p>		PARTIAL RESPECT	<p>There are no provisions in the Constitutive Document regarding the management of conflicts of interest. However,the recommendation of the Corporate Governance Code is respected.</p>
<p>A.3. The Management Board or the Supervisory Board shall be composed of at least five members.</p>		NOT	
<p>A.4. The majority of the members of the Management Board shall not hold executive position. At least one member of the Board of Directors must be independent in the case of companies in Standard Category. In the case of companies in the Premium Category, not less than two non-executive members of the Management Board shall be independent.Each independent member of Administration Board or the Supervisory Board, as the case may be, must submit a statement at the time of his nomination for election or re-election, as well and when any change in its status occurs, indicating the items in on the basis of which it is considered to be independent in terms of its character and judgment .</p>		PARTIAL RESPECT	<p>The majority of the members of the Board of Directors consists of non-executive administrators. There are currently no independent administrators. The administrators have been appointed by the General Meeting of Shareholders.</p>
<p>A.5. Other relatively permanent professional commitments and obligations of a member of the Board, including executive and non- executive positions on the Board of non- profit corporations and institutions , should be disclosed to potential shareholders and investors,before his nomination and during his mandate.</p>		NOT	

A.6. Any member of the Board shall submit to the Board information on any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This obligation refers to any report that may affect the member's position on matters decided by the Board.		NOT	It's not necessary.
A.7. The company must appoint a secretary of the Board to support the work of the Board .	YES		
A.8. The corporate governance statement will state whether an evaluation of the Board has been carried out under the chairmanship of the Chairman or the nomination committee and , if so, will summarize the key measures and changes resulting from it. The company should have a policy / guidance on the evaluation of the Board including the purpose, criteria and frequency of the evaluation process.		NOT	The company is to develop a policy / guidance on the evaluation of the Board including the purpose, criteria and frequency of the evaluation process.
A.9. The corporate governance statement must contain information on the number of meetings of the Board and the committees during the last year, the participation of the administrators (in person and in absentia) and a report of the Board and committees on their activities .		NOT	The requirement will be met
A.10. The corporate governance statement should include information on the exact number of independent members of the Board of Directors or the Supervisory Board.		NOT	It's not necessary. The Board of Directors of the company consists of 3 members, the majority of them being non-executive administrators.
A.11. The Board of Premium Companies must set up a nomination committee of non-executive members, which will lead the procedure for nominating new members to the Board and make recommendations to the Board. The majority of the members of nomination committee must be independent.		NOT	The company is not included in the Premium Category.
B.1 The Board shall set up an audit committee in which at least one member shall be an independent non-executive administrator.A majority of the members, including the chairman, must have demonstrated that they have the appropriate qualifications relevant to the functions and responsibilities of the committee . At least one member of the audit committee must have proven and appropriate auditing or accounting experience . In the case of companies in the Category Premium, the audit committee must consist of at least three members and the majority of the members of the audit committee must be independent .		NOT	There is currently no Audit Committee. To the extent that the conditions are met and the need arises, it will be established.
B.2. The Chairman of the audit committee must be an independent non-executive member.		NOT	It's not necessary. See explanation in B.1

B.3. Within its responsibilities, the audit committee must carry out an annual evaluation of the internal control system.		NOT	It's not necessary. See explanation in B.1
B.4. The evaluation should consider the effectiveness and comprehensiveness of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Board's audit committee, the promptness and effectiveness with which the management addresses the deficiencies or weaknesses identified as a result of the internal audit and the submission of relevant reports to the Council.		NOT	It's not necessary. See explanation in B.1
B.5. The audit committee must assess conflicts of interest in relation to the transactions of the company and its subsidiaries with related parties .		NOT	It's not necessary. See explanation in B.1
B.6. The audit committee must evaluate the effectiveness of the internal control system and the risk management system.		NOT	It's not necessary. See explanation in B.1
B.7. The Audit Committee should monitor the application of legal standards and generally accepted internal auditing standards. The audit committee must receive and evaluate internal audit team reports .		NOT	It's not necessary. See explanation in B.1
B.8. Whenever the Code mentions reports or analyzes initiated by the Audit Committee, they must be followed by periodic (at least annually) or ad-hoc reports to be subsequently submitted to the Board.		NOT	It's not necessary. See explanation in B.1
B.9. No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements entered into by the company with shareholders and their affiliates .	YES		
B.10. The Board must adopt a policy to ensure that any transaction of the company with any of the companies with which it has a close relationship, whose value is equal to or greater than 5% of the company's net assets (according to the latest financial report) is approved by the Council following a mandatory opinion of the Board's audit committee and correctly disclosed to shareholders and potential investors , to the extent that these transactions fall within the scope of the category events that are subject to reporting requirements .		NOT	This requirement is to be analyzed at the level of the Board of Directors.
B.11. Internal audits must be performed by a structurally separate division (internal audit department) within the company or by hiring an independent third party .	YES		
B.12. In order to ensure that the internal audit department performs its core functions , it shall report functionally to the Board through the audit committee. For administrative purposes and as part		PARTIAL RESPECT	The internal auditor reports directly to the Board of Directors and the General Manager, as no audit

of the management's obligations to monitor and reduce risks, he must report directly to the General Manager.			committee is set up.
C.1. The company must publish the remuneration policy on its website and include in the annual report a statement on the implementation of the remuneration policy during the annual period under review.	YES		The remuneration policy is published on the company website
D.1. The company must organize an Investor Relations service - indicating to the general public the person (s) responsible or the organizational unit. In addition to the information required by law, the company must include on its website a section dedicated to Investor Relations , in Romanian and English, with all relevant information of interest to investors, including :	YES		
D.1.1. The main corporate regulations: the constitutive act, the procedures regarding the general meetings of shareholders ;	YES		
D.1.2. Professional CVs of the members of the management of the company , other professional commitments of the members of the Board, including executive and non - executive positions on boards of directors of companies or non - profit institutions;		PARTIAL RESPECT	The recommendation is not implemented with regard to other professional commitments of Board members, including executive and non - executive positions on boards of directors of companies or non - profit institutions. This is to be implemented.
D.1.3. Current and periodic reports (quarterly, half-yearly and annual) - at least those provided for in point D.8 - including current reports with detailed information on non-compliance with this Code;	YES		
D.1.4. Information on general meetings of shareholders : agenda and information materials; the procedure for electing the members of the Board; the arguments in support of the nomination of candidates for election to the Council, together with their professional CVs; questions from shareholders on the company's agenda items and answers , including decisions taken;	YES		
D.1.5. Information about corporate events, such as the payment of dividends and other distributions to shareholders , or other events that lead to the acquisition or limitation of a shareholder's rights , including deadlines and principles applied to such transactions . That information will be published in a timeframe that will allow investors to make	YES		

investment decisions ;			
D.1.6. The name and contact details of a person who will be able to provide, upon request, relevant information ;	YES		
D.1.7. Company presentations (e.g. , investor presentations,presentations on quarterly results, etc.), financial statements (quarterly, half-yearly, annual), audit reports and annual reports.		PARTIAL RESPECT	
D.2. The company will have a policy on the annual distribution of dividends or other benefits to shareholders , proposed by the General Manager or the Board of Directors and adopted by the Board, in the form of a set of guidelines that the company intends to follow on the distribution of net profit. The principles of the annual distribution policy to shareholders will be published on the company's website .		NOT	It is to be implemented
D.3. The company will adopt a policy on forecasts, whether they are made public or not. The forecasts refer to quantified conclusions of studies aimed at establishing the global impact of a number of factors for a future period (so - called assumptions): by its nature, this projection has a high level of uncertainty, the actual results may differ significantly from the forecasts originally presented .The forecast policy will set the frequency , the period considered and the content of the forecast . If published, forecasts can only be included in annual, half-yearly or quarterly reports. The forecast policy will be published on the company's website .		NOT	It is to be implemented
D.4. The rules of general meetings of shareholders must not limit the participation of shareholders in general meetings and the exercise of their rights. The changes to the rules will take effect as soon as possible, starting with the next meeting of shareholders . _	YES		
D.5. The external auditors will be present at the general meeting of shareholders when their reports are presented at these meetings.		NOT	
D.6. The Board will present to the annual general meeting of shareholders a brief assessment of the significant internal control and risk management systems, as well as opinions on issues subject to the decision of the general meeting.		PARTIAL RESPECT	
D.7. Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting at the prior invitation of the Board. Accredited journalists may also attend the general meeting of shareholders,unless the Chairman of the Board		NOT	

decides otherwise .			
D.8. The quarterly and half-yearly financial reports will include information in both Romanian and English on key factors influencing changes in sales, operating profit , net profit and other relevant financial indicators,both from one quarter to another, and from one year to another.	YES		
D.9. A company will hold at least two meetings / teleconferences with analysts and investors each year. The information presented on these occasions will be published in the investor relations section of the company's website at the date of the meetings / teleconferences .		NOT	The possibility of organizing such events will be evaluated in relation to the requests from investors.
D.10. If a company supports various forms of artistic and cultural expression , sports, educational or scientific activities and considers that their impact on the innovative nature and competitiveness of society makes as part of its development mission and strategy, it will publish the policy on its work in this area.		NOT	Such a policy is not required at this time. To the extent that these activities are considered to have an impact on the innovative nature and competitiveness of the company and are part of its development mission and strategy, the policy will be developed.

**OVERALL RESULT SITUATION
on December 31, 2024**

RON

Crt. No.	NAME OF THE INDICATORS	31.12.2023	31.12.2024
1.	Net turnover of which	162.994.877	144.842.306
	Income from sold production	160.875.965	142.941.901
	Income from sale of goods	2.814.174	2.445.657
	Commercial discounts granted	695.262	545.252
2.	Income from stored production	12.530.099	10.982.605
3.	Income from the production of fixed assets	334.336	424.279
4.	Income from fixed assets for sale	-	-
5.	Income from operating grants	49.932	-
6.	Other operating revenues	10.232.800	1.513.494
I.	OPERATING INCOME	186.142.044	157.762.684
7.	Expenditure on goods	2.426.142	2.130.738
8.	Material expenses	108.406.438	93.886.363
9.	Expenses with works and services performed by third parties	6.749.337	6.821.338
10.	Expenses with taxes and fees	1.325.170	1.468.965
11.	Staff costs	50.446.924	47.148.474
12.	Other operating expenses	2.550.322	802.576
13.	Provision and amortization expenses	3.720.036	3.553.929
II.	OPERATING EXPENSES	175.624.369	155.812.383
A.	OPERATING RESULT		
	- PROFIT	10.517.675	1.950.301
	- LOSS		
III.	FINANCIAL INCOME	893.728	96.754

IV.	FINANCIAL EXPENSES	1.735.859	567.764
B.	FINANCIAL RESULT	-842.131	-471.010
V.	EXCEPTIONAL INCOME		
VI.	EXCEPTIONAL EXPENDITURE		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL INCOME	187.035.772	157.859.438
VIII	TOTAL EXPENSES	177.360.228	156.380.147
D.	GROSS RESULT		
	- PROFIT	9.675.544	1.479.291
	- LOSS		
	TAX	994.872	187.436
E	DELAYED PROFIT TAX REVENUE	65.839	40.368
F.	NET RESULT		
	- PROFIT	8.746.511	1.332.223
	- LOSS		
G.	Number of shares	8.114.746	8.114.746
H.	The result per action	1,08	0,16

Individual Financial Statements

STATEMENT OF FINANCIAL POSITION AT 31.12.2024

(The amounts are expressed in RON, unless otherwise specified)

Name of indicators	<u>31/12/2023</u>	<u>31/12/2024</u>
ASSETS		
Fixed assets	34,566,695	35,621,382
<i>Tangible fixed assets</i>	28,360,559	30,396,260
<i>Intangible assets</i>	6,206,136	5,225,122
<i>Financial assets</i>		
Current assets	97,257,465	78,547,610
<i>Stock</i>	56,340,312	51,902,595
<i>Trade receivables</i>	39,821,727	19,119,474
<i>Financial assets from which:</i>	14,397	14,397
<i>Available for sale</i>	14,397	14,397
<i>Cash and cash equivalent</i>	779,573	7,309,228
<i>Upfront expenditure</i>	301,456	201,916
TOTAL ASSETS	131,824,160	114,168,992
EQUITY AND DEBT		
Equity		
<i>Subscribed and paid-up share capital</i>	20,286,865	20,286,865
<i>Share capital adjustment</i>	89,052,449	89,052,449
<i>Reappraisal reserves</i>	26,984,335	26,898,248
<i>Other equity items</i>	595,582	555,214
<i>Legal reserve</i>	4,057,373	4,057,373
<i>Other reserve</i>	32,978,990	35,620,669
<i>Owned shares</i>		

<i>Retained earnings (excluding IAS 29)</i>	7,318,359	4,793,307
<i>Retained earnings (with IAS 29)</i>	-89,052,449	-89,052,449
<i>Current year profit</i>	8,746,511	1,332,223
<i>Profit allocation</i>	-1,959,762	-1,147,156
Total equity	99,008,253	92,396,743
Long- term debts		
<i>Investment grants</i>	2,171,186	2,052,075
<i>Other long- term debts</i>	8,063	8,465
<i>Long-term provisions</i>		
Totsl long-term debts	2,179,249	2,060,540
Current debts		
<i>Investment grants</i>	70,389	139,904
<i>Commercial and other debts</i>	8,397,677	9,775,857
<i>Short-term loans</i>	11,185,713	
<i>Current taxes and fees debts</i>	10,982,879	9,795,948
<i>Short-term provisions</i>		
Total current debts	30,636,658	19,711,709
Total debts	32,815,907	21,772,249
TOTAL EQUITY AND DEBTS	131,824,160	114,168,992

STATEMENT OF TREASURY FLOWS AT 31.12.2024

(Amounts are expressed in RON, unless otherwise specified)

INDICATORS (RON)	ACHIEVED IN 2023	ACHIEVED IN 2024
LIQUIDITIES AT THE BEGINNING OF THE PERIOD	820.842	779.573
In the accounts	796.516	719.803
House	8.899	28.457
Other values	10.224	10.211
Cash advances	-	-
Values receivable	5.203	21.102
REVENUE FROM OPERATING ACTIVITY	230.549.876	189.128.013
Customer receipts	180.461.771	157.452.550
Other receipts	50.088.105	31.675.463
PAYMENTS FOR OPERATING ACTIVITY	239.329.988	178.309.443
Paying suppliers	122.045.093	97.611.933
Payments for staff	44.781.332	41.323.370
Payments regarding taxes and fees	23.023.395	22.391.517
Tax /profit	1.807.437	548.562
Interest payments	888.600	253.767
Other payments	46.784.131	16.180.294
CASH FLOW FROM OPERATING ACTIVITY	-8.780.112	10.818.570
INCOME FROM THE INVESTMENT ACTIVITY	10.045.398	951.405
Proceeds from the sale of land, fixed assets and intangible assets	10.045.398	951.405
Proceeds from the sale of equity instruments and receivables of other enterprises	-	-
Receipts from the repayment of advances and loans to other parties	-	-
PAYMENTS FROM THE INVESTMENT ACTIVITY	1.306.555	5.240.320
Payments for the acquisition of land, fixed assets and intangible assets	1.306.555	5.240.320
Receipts for the acquisition of equity instruments and receivables of other enterprises	-	-
Advances and loans made to other parties	-	-
CASH FLOW FROM INVESTMENT ACTIVITY	8.738.843	-4.288.915
RECEIPTS FROM THE FINANCING ACTIVITY	-	-
PAYMENTS FOR FINANCING ACTIVITY	-	-
CASH FLOW FROM FINANCING ACTIVITY	-	-
CASH FLOW - TOTAL	-41.269	6.529.655
B. LIQUIDITIES AT THE END OF THE PERIOD	779.573	7.309.228
In the accounts	719.803	7.244.640
House	28.457	6.317
Other values	10.211	6.135
Cash advances	-	-
Values receivable	21.102	52.136

REVENUE AND EXPENDITURE BUDGET General Activity RON

SPECIFICATION	N O.	Forecast 2024	Completed 2024	FORECAST 2025				
				TOTAL	QUARTER I	QUARTER II	QUARTER III	QUARTER IV
I. TOTAL REVENUE	01	140.000.000	157.859.438	126.000.000	31.500.000	31.500.000	31.500.000	31.500.000
1. Operating income	02	139.200.000	157.762.684	125.840.000	31.460.000	31.460.000	31.460.000	31.460.000
2. Financial income	03	800.000	96.754	160.000	40.000	40.000	40.000	40.000
3. Exceptional income	04	-	-	-	-	-	-	-
II. TOTAL EXPENSES of which:	05	139.000.000	156.380.147	125.000.000	31.250.000	31.250.000	31.250.000	31.250.000
1. operating expenses of which:	06	138.000.000	155.812.383	124.200.000	31.050.000	31.050.000	31.050.000	31.050.000
a) material expenses	07	68.000.000	80.702.627	57.720.000	14.430.000	14.430.000	14.430.000	14.430.000
b) personnel expenses, of which	08	42.000.000	42.883.144	39.420.000	9.855.000	9.855.000	9.855.000	9.855.000
- gross salaries	09	40.300.000	41.334.235	38.000.000	9.500.000	9.500.000	9.500.000	9.500.000
- Social insurance and social protection.	10	1.700.000	1.548.909	1.420.000	355.000	355.000	355.000	355.000
c) operating expenses, depreciation, provisions	11	3.200.000	3.553.929	3.600.000	900.000	900.000	900.000	900.000
d) protocol, advertising, public, other	12	350.000	285.413	300.000	75.000	75.000	75.000	75.000
e) spending with meal and gift vouchers	13	5.280.000	4.265.330	4.000.000	1.000.000	1.000.000	1.000.000	1.000.000
f) sponsorship expenses	14	350.000	125.510	160.000	40.000	40.000	40.000	40.000
g) other operating expenses	12	18.820.000	23.996.430	19.000.000	4.750.000	4.750.000	4.750.000	4.750.000
2. Financial expenses	13	1.000.000	567.764	800.000	200.000	200.000	200.000	200.000
3. Exceptional expenses	14	-	-	-	-	-	-	-
4. Covering losses from the previous year	15	-	-	-	-	-	-	-
III. GROSS RESULT OF THE YEAR	16	1.000.000	1.479.291	1.000.000	250.000	250.000	250.000	250.000
IV. Income tax	17	160.000	187.436.	160.000	40.000	40.000	40.000	40.000
V. NET RESULT OF THE YEAR	18	840.000	1.332.223	840.000	210.000	210.000	210.000	210.000
VI. Legal reserves	19	-	-	-	-	-	-	-

Individual Financial Statements

Statement of changes in equity for the year ended December 31st, 2023 and December 31st, 2024

(All amounts are expressed in RON, unless otherwise specified)

	Social capital	Social capital adjustments	Profit or loss	Legal reserve	Reappraisal reserve	Other reserves	Reported result	Result IAS29	Losses related to equity instruments	Other elements of equity	Own shares	Profit allocation	TOTAL
Balance on January 1st, 2023	20,286,865	89,052,449	12,315,948	4,057,373	27,950,424	26,893,424	2,207,048	89,052,449	0	661,421	0	-842,092	93,530,664
Overall result for the period													
Profit for the year			8,746,511										8,746,511
Other elements of the overall result of which:													
Surplus from reappraisal of tangible assets													
Decrease of the reserve from reappraisal-registration of deferred tax					-966,342					-65,839			-1,032,181
Total other elements of the overall result					-966,342					-65,839			1,032,181
Total overall result for the period			8,746,511		-966,342					-65,839			7,714,330
Other elements													
Resumption of the reserve from the reappraisal of the reported result							966,342						966,342
Increasing of the legal reserve													
Other elements			12,315,948			6,085,566	11,201,228					-1,117,670	3,853,176
Total other elements			12,315,948			6,085,566	12,167,570					-1,117,670	4,819,518
Transactions with shareholders recognized directly in equity											0		0
Distribution of dividends							-7,056,259						-7,056,259
Total transactions with owners							-7,056,259				0		7,056,259
Balance on DECEMBER 31st, 2023	20,286,865	89,052,449	8,746,511	4,057,373	26,984,335	32,978,990	7,318,359	89,052,449	0	595,582	0	-1,959,762	99,008,253

Balance 01.01.2024	20,286,865	89,052,449	8,746,511	4,057,373	26,984,335	32,978,990	7,318,359	89,052,449	-	0	595,582	0	-1,959,762	99,008,253
Overall result for the period														
Profit of the exercise			1,332,223											1,332,223
Other elements of the overall result of which:														
Surplus from reappraisal of tangible assets														
Decrease of the reserve from reappraisal- registration of deferred tax						-86,087					-40,368			-126,455
Total other elements of the overall result						-86,087					-40,368			-126,455
Total overall result for the period			1,332,223			-86,087					-40,368			1,205,768
Other elements														
Resumption of the reserve from the reappraisal of the reported result								86,087						86,087
Increasing of the legal reserve														
Other elements			-8,746,511			2,641,679	2,681,087						812,606	2,611,139
Total other elements			-8,746,511			2,641,679	2,767,174						812,606	2,525,052
Transactions with shareholders recognized directly in equity														0
Distribution of dividends								-5,292,226						5,292,226
Total transactions with owners								-5,292,226						5,292,226
Balance on DECEMBER 31st, 2024	20,286,865	89,052,449	1,332,223	4,057,373	26,898,248	35,620,669	4,793,307	89,052,449	-	0	555,214	0	-1,147,156	92,396,743

NON-FINANCIAL STATEMENT

In accordance with the provisions of OMFP no. 2844/2016 art.39, the entities that, at the balance sheet date, exceed the criterion of having an average number of 500 employees during the financial year must draw up a non-financial statement containing to the extent that they are necessary for understanding the development, performance and position of the entity and the impact of its activity, information on at least environmental, social and personnel issues, respectively human rights, the fight against corruption and bribery.

This statement expresses the desire of the company's management to communicate the status and progress made by the company in these areas as well as to establish a transparent way of communicating with stakeholders.

Brief description of the entity's business model

Company : S.C. ARTEGO S.A. TG-JIU

Headquarters:Tg-Jiu, 38 Ciocarlau str.,Gorj county

Fiscal code :RO2157428

Trade Register no.: J18/1120/1991

Phone /Fax:0253/226444

Main activity :2219-Manufacture of other rubber products

Currently, ARTEGO S.A. Company is the local leader on the conveyor belts market and one of the largest producers of technical rubber articles in the world. At the local level, Artego SA maintains collaboration-cooperation relations with almost all the companies in Targu Jiu and with most of those in Gorj county, among the beneficiaries of its products are productive units from the most varied economic fields. At the same time, at the level of Gorj county, ARTEGO can be considered one of the most important companies.

The field of activity is represented by the production of conveyor belts in the following manufacturing range: conveyor belts with textile insert for general use, all sizes; conveyor belts with textile insert for underground, explosive environment; conveyor belts with textile insert for underground, fire resistant; conveyor belts with temperature-resistant textile inserts, used in the cement and steel industry; conveyor belts with textile insert for the food industry; transport belts with textile insert resistant to mineral oils; conveyor belts with textile insert for agriculture; conveyor belts with aramid model textile insert (honeycomb); conveyor belts with metal insert for general use, all sizes; conveyor belts with fire-resistant metal inserts, used in coal, ferrous and non-ferrous ore extraction industries.

The production of boards, carpets, pressed rubber and plastic gaskets for joining strips is another basic activity of our company, having a diversified assortment: articles of general use (used to cover floors, pave stables and transport animals); resistant to abrasion; resistant to petroleum products and mineral oils; antistatic

and flame resistant articles; electrical insulating and sealing articles; plastics and solutions for joining all types of conveyor belts.

Starting with the year 2003, the ARTEGO Company diversified its activity by producing and selling dairy products, producing and selling protective equipment through the textile section and by producing and selling bakery and pastry products.

Actions regarding the implementation of policies and the results of these policies

In defining and setting non-financial expectations, S.C. Artego S.A. has defined policies in the field of management to ensure that:

- has implemented and developed a partnership system for the consistent orientation of the company towards satisfying the requirements of the relevant interested in parts;
- ensures the necessary resources for the continuous improvement of the performances of the Integrated Management System quality, environment, safety and health at work;
- the activities are carried out in compliance with the legal regulatory requirements and with requirements applicable to the activities carried out at S.C. Artego S.A.;
- there are effective measures in place to prevent pollution and incidents at work.

Environmental aspects

S.C. ARTEGO S.A. is located on the northern industrial platform of Târgu-Jiu municipality, 38 Ciocârlău street, Gorj county.

The surface of the enclosure is approx. 20,000 sqm, having the following neighborhoods:

- NORTH:
 - S.C. CRILELMAR S.R.L. (ex STARGLOSS S.A.) Târgu-Jiu
 - The upper passage over the Târgu-Jiu - Petroșani railway
 - Grain base (currently also arranged as a Auto Market)
 - S.C. COMBGORJ S.A.
 - Blocks of flats
- EAST:
 - The city's ring road - Narciselor Street
 - Privately owned lands
- WEST:
 - Railway station Ecaterina Teodoroiu and railways unloading dock
 - Tg. Jiu – Petroșani railways and triage lines
 - At south-west of railway station is S.C. ROSTRAMO S.A.
- SOUTH:
 - Uncultivated private land.

- **Location in the environment**

On the industrial platform where the organization is located or in its vicinity there is no vegetation and fauna with rare or endangered species, protected by national legislation and no cultural objectives, historical monuments, architecture or areas of traditional interest.

The main activities in the field of environmental protection in 2024 were carried out planned and organized, aiming to prevent pollution, reduce the risks of environmental incidents on the company's premises, as well as comply with legal provisions in the field.

As such, the main directions pursued were:

1. Monitoring of regulatory acts. Artego has the following authorizations:

- Environment authorization
- Water management permit
- The connection-discharge agreement to the city sewerage network

2. The assessment of compliance with the legislation in the field is carried out through:

A. Internal evaluation - this activity is performed planned and according to the procedures in force. Following these inspections to assess compliance with the legislation and in order to improve the activity, environmental protection measures have been established:

A. Internal evaluation - this activity is performed planned and according to the procedures in force. Following these inspections to assess compliance with the legislation and in order to improve the activity, environmental protection measures have been established:

- a) in the field of hazardous substances management - display of Safety Data Sheets where these substances are used;
- b) in the field of pollution prevention - training of staff with Intervention Plans in case of accidental pollution;
- c) in the field of waste management - proper labeling of containers, preparation of documents related to legislation, proper storage of all waste.

B. External assessment - In 2024, Artego was subjected to external inspections, carried out by the control structures within the National Environmental Guard.

C. No sanctions were imposed following the controls and inspections, only improvement measures were established, as shown by the inspection reports of the control authorities.

D. Specialized reports to the relevant authorities.

The monthly / quarterly / annual reports were sent to the authorities in the field, according to the obligations in the regulatory acts held by the company. According to the provisions of GEO no. 196/2005 on the Environmental Fund, the company pays the obligations to the Administration of the Environmental Fund, these representing the monthly taxes for emissions of pollutants into the atmosphere, hazardous substances and oil introduced on the domestic market; In order to pay these financial obligations, the service monitors the consumption of specific resources, quantifies and prepares the declaration for the Environmental Fund, and for

the packaging placed on the domestic market, Artego has a contract to take over the responsibilities according to the legislation in force.

According to the provisions of GEO no. 92/2021 on the waste regime, they are monitored and centralized at the company level with the annual transmission to the Gorj Environmental Protection Agency. The management of waste produced at company level was monitored and reports were made to the authorities, in accordance with the obligations of the environmental permit. In order to reduce pollution, some of the waste resulting from the technological process is recovered in the company through recycling (rubber waste and used oil) and for the remaining part we have concluded contracts with authorized economic agents.

In accordance with the requirements of the Environmental Permits, issued by the Gorj Environmental Protection Agency, measurements of environmental factors are carried out on the company's site as follows:

- determination of emissions of atmospheric pollutants of nitrogen oxides from medium combustion plants (thermal power plant), and the limit values are in accordance with the legislation on limiting emissions to air;
- determination of dust emissions at the raw material mixing dosing section;
- physico-chemical determinations of technological water.

In carrying out its activities, Artego takes into account the "Do No Significant Harm" (DNSH) principle and environmental objectives are established:

Environmental objective 1 Mitigation of climate change:

The activities carried out within the company do not lead to significant emissions of greenhouse gases (GHG), because the company has the potential to reduce energy consumption and increase energy efficiency.

Environmental objective 2. Adaptation to climate change

The activity carried out within the company does not lead to an increase in the negative effect of the current and future climate on the measure itself, on people, on nature or on buildings

The interventions and modernizations carried out demonstrate that there are no major negative influences regarding this environmental objective on the activity itself or on people, nature or assets.

Environmental objective 3. Transition to a circular economy, including waste prevention and recycling

The activity carried out within the company will not cause significant damage to the environment in the long term in terms of the circular economy.

In general, it is ensured that at least 90% (by weight) of the non-hazardous waste from the company's activities and generated by the supply of raw materials and materials will be prepared for reuse, recycling and other material recovery operations, in accordance with the waste hierarchy and legislation in force for waste management.

Environmental objective 4. Prevention and control of pollution

The activity carried out within the company will not lead to a significant increase in pollutant emissions in the air, water or soil

The level of increased energy performance imposed by the company's projects will lead to significant reductions in air emissions and an improvement in public health. The environmental legislation specific to the activity carried out by our company is respected.

E. Environmental protection costs

In order to carry out the activity of environmental protection properly, different types of environmental services were purchased: physico-chemical analysis services for technological waters; domestic water treatment services; dust analysis services, as well as waste recovery services.

F. Artego is certified by the Environmental Management System and maintains the certification according to the ISO 14001: 2015 standard.

Quality aspects

In 2024, in order to achieve the assumed quality policies, SC Artego SA planned the efficient implementation of the processes in order to increase the satisfaction of the interested parties: shareholders, customers, employees, suppliers, company. ARTEGO's quality objectives take into account the competitive environment in which the company operates, the expectations of relevant stakeholders.

ARTEGO SA, specialized in the design, manufacture and sale of conveyor belts, pressed / injected gaskets, rubber plates and mats, sleeves, hoses, other rubber articles, molds and associated tools, production of reclaimed rubber from rubber waste , rubbered drums; plastics and adhesive solutions; manufacture and sale of textile garments; manufacture and sale of oxygen; manufacture of bread, fresh pastries; manufacture of dairy products and cheeses; vulcanization joining services of rubber conveyor belts, aims to implement and recertify an integrated management system (quality, environment, SHW) appropriate to the new requirements, as a confidence to understand and meet the requirements of customers and shareholders proposing the following general objectives :

- * Achieving a turnover that covers operating costs and allows future developments in the field of production infrastructure and services;
- * Permanent adaptation to the conditions in which it carries out its activity in order to reduce the risks and establish the opportunities for its development;
- * Communicating to its own staff or those working on behalf of the organization, the policy in the field of quality, environment, health and safety at work (SHW) to raise awareness about the obligations and fulfillment of compliance obligations;
- * Compliance with legal requirements or other requirements to which the company adheres regarding quality, environment and SHW to avoid penalties;
- * Reducing occupational safety and health risks for all current and special activities by using appropriate techniques and practices;
- * The activity will be carried out in safe conditions in terms of safety and health at work for both employees and collaborators: we will ensure appropriate working conditions so as to reduce the number of accidents at work and / or occupational diseases (by evaluating and control of the risks of occupational injury and illness, staff training, periodic medical check-ups and endowment with personal protective equipment).

Aspects of social and personnel policy

SC Artego SA has permanently reconsidered the human resources policy, trying to adapt to the needs of society.

The evolution of the number of staff in the period 2020-2024 is as follows:

Specification	2020	2021	2022	2023	2024
Employees no.at the beginning of the period	877	809	748	671	572
Number of new hires	81	32	15	9	8
Number of people who have stopped working with the company	149	93	92	108	75
Employees no.at the end of the period	809	748	671	572	505

The evolution of the staff in 2024 is as follows:

Specification	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Employees no.at the beginning of the period	572	564	549	544	538	532	530	526	522	515	512	510
Number of new hires	-	1	1	-	-	1	2	-	1	-	2	-
Number of people who have stopped working with the company	8	16	6	6	6	3	6	4	8	3	4	5
Employees no.at the end of the period	564	549	544	538	532	530	526	522	515	512	510	505

The management of SC Artego SA develops and implements a system of internal regulations through which it organizes the activities within the company so that they are executed efficiently, by allocating the necessary resources.

The most important resource needed to achieve our goals is well-trained employees. From a social point of view, we aim to maintain a constructive collaboration relationship with the employees' organizations and with the other interested parties through:

- concluding a Collective Labor Agreement specific to the employees of SC Artego SA;
- permanent communication on all major aspects of the company's evolution with employees;
- establishing and implementing ways to help people with special family problems;
- establishing and implementing different facilities for all employees depending on the potential of the company;
- monitoring the health status of the employees by periodically performing the specialized controls;

- supporting employees and their families when they have difficult health problems;
- granting meal vouchers;
- supporting disadvantaged people and / or communities through sponsorships.

In all the activities carried out by SCArtego SA, the granting of equal opportunities to the employees is ensured by:

- promoting the staff in a transparent way, taking into account the necessary competence and professional experience;
- ensuring the conditions for continuous training and improvement in the field in which it operates;
- creating optimal working conditions for staff stabilization.

In order to control the risks in this field, measures were taken to motivate the staff through financial incentives and create a pleasant working environment, involve employees in the board of directors, maintain the budget for solving special social situations, make a plan to integrate new employees.

Human rights aspects

SC Artego SA guarantees the respect of human rights, in accordance with the legal provisions, for its employees and collaborators, but also for the interested parties through:

- the provision of working conditions that respect the dignity of the individual and of appropriate jobs in terms of safety and health at work;
- Prohibition of any form of intimidation through language, attitude, gestures, any other form of attack on the person;
- elimination of any form of discrimination based on sex / age / race / religion / political beliefs;
- rejection of collaboration with organizations that do not respect human rights.

Violation of human rights can have the impact of falling under the law, protests by employees or the public, lowering the prestige in society.

Business ethics and integrity aspects

SC Artego SA is concerned with understanding, satisfying and exceeding the requirements, needs and expectations of stakeholders.

In carrying out the activity, the criteria that define us are:

- **Adaptability and Creativity:** we constantly adapt to market requirements being interested in applying the latest technologies and the most suitable solutions to meet the needs and expectations of customers;
- Responsibility:** we act responsibly for the activities undertaken;
- Business ethics:** our business relations are characterized by honesty, integrity, communication and mutual trust;
- Collaboration:** we use all resources to achieve a standard of product quality with a proactive attitude towards customer requirements;
- Tradition:** we have over 45 years of experience because we believe in the continuity of our values;
- Privacy:** we protect information that would harm free competition.

SC Artego SA supports fairness in business, compliance with applicable law and taking action against acts of corruption, intimidation in business, monopolization or evasion by:

- establishing mechanisms for declaring conflicts of interest and reporting unethical or illegal behavior or deviations from the integrity of employees;
- prohibition of any form of bribery or corruption in business or service relations;
- compliance with all forms of legally established embargoes;
- prohibiting any form of evasion and avoiding any form of collaboration with companies or persons proven to practice evasion.

The main risks related to the aspects arising from the company's operations

The notion of "risk" is closely linked to that of "control", initially implemented in private institutions, where it has fully demonstrated its effectiveness.

The strategic requirements, regarding safety and continuity in operation, determine the company to approach the risk management, by identifying and treating the potential losses before the generating events take place, with the preparation in advance of the specific technical, operational and financial solutions to counteract these possible losses.

In carrying out the activity, the following types of risks were identified:

Operational risks

The Company's results and operations may be affected by specific operational risks, including the following:

- degradation of materials / goods as a result of inadequate storage spaces;
- theft of materials / valuables.

The level of operational risk of goods degradation is a risk with low tolerability, which required measures to rehabilitate storage spaces.

In order to avoid the theft of materials, an adequate surveillance and security system has been introduced.

Personnel risk and payroll system

The risk related to the staff is that in the future, the company will face a lack of qualified staff due to the departure of employees due to natural causes.

In 2024, considering the economic context, labor migration, lack of skilled labor, the company focused all its attention on the retention of qualified staff, but also on the training of newly hired staff.

Thus, in order to maintain within the company the necessary qualifications for the execution of the works in the company's portfolio, personal recruitment activities were carried out in order to train professionals in deficient trades on the labor market.

Credit risk

Credit risk is the risk that the company will incur a financial loss due to the breach of contractual obligations by a client or a counterparty to a financial instrument, and this risk results mainly from trade receivables, cash and cash equivalents and short-term investments of the company.

The company carries out commercial relations only with recognized third parties, which justifies the financing on credit.

The financial assets that may put the Company at risk of collection are mainly trade receivables, cash and cash equivalents and short-term investments. The net amount of receivables (excluding depreciation adjustments) is the maximum amount exposed to collection risk.

Given the general economic context, the level of this risk analyzed was an average one, for which the company applies special measures to keep it under control (monitoring the collection of trade receivables, notifying outstanding customers, calculating penalties according to contractual clauses, taking legal action against bad-paying customers).

Interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Financial instruments bear interest at the market rate, so their fair values are not considered to differ materially from their carrying amounts.

The risk determined by the correlation with the evolution of the global market

The events on the world financial market have a direct, but also indirect impact on the evolution of the Romanian economy, a fact reflected in the evolution of the Romanian capital market in recent years. Therefore, global developments affect both the company's activity and its evolution on the capital market.

Liquidity risk

Liquidity risk is managed by the company's management by applying a policy of permanent insurance of liquidity due to cover due financial. This is a high tolerability risk for which measures to keep it under control are limited to closely monitoring liquidity risk exposure, maintaining sufficient cash and available credit lines. The company aims to maintain flexibility in financing possibilities with the support of the majority shareholders.

Currency risk

The company may be exposed to exchange rate fluctuations in cash and cash equivalents, foreign currency receivables, long-term loans or trade debts denominated in foreign currency.

The functional currency of the Society is the RON. Currently, the company is exposed to currency risk through cash and cash equivalents, as well as through purchases made in a currency other than the functional one. The currencies that expose the Company to this risk are mainly EUR, USD and GBP. Debts in foreign currency are subsequently expressed in RON, at the exchange rate from the balance sheet date, communicated by the National Bank of Romania. The resulting differences are included in the income statement, but do not affect the cash flow until the settlement of the debt.

The company's exposure to foreign exchange risk was insignificant, the risk considered tolerable. Due to the associated costs, the Company's policy is not to use derivative financial instruments to mitigate this risk.

Stock risk

From the point of view of the value of the transactions performed or of the market capitalization, the Bucharest Stock Exchange can be considered a small stock exchange, compared to other stock exchanges in the world, thus there are risks related to low market liquidity and high price volatility of traded shares.

The low liquidity of the market can make it impossible to buy or sell shares of the Company without having a significant impact on the share price, thus generating a high volatility of the share price.

Risks of a legislative nature

The results of the company's initiatives are difficult to anticipate and may suffer from legislative instability in Romania. Frequent modification of normative acts, including those that have a direct impact on the company's activity, can generate risks for the company.

The level of this risk of a legislative nature analyzed was medium, it is a risk with low tolerability for which measures have been established to keep it under control by concluding a tax consultancy contract with a specialized company.

Risk related to regulatory framework and authorizations

The main activity of the company involves obtaining and renewing the authorizations that regulate the activity of the Company, obtaining the authorizations, approvals and certificates necessary for the activity carried out.

Urgent measures have been established to control the risk of the degree of regulation and authorization by monitoring the expiry dates of the respective authorizations / approvals / certification and taking steps to renew them.

Risks related to litigation

The company is the subject of a number of lawsuits resulting in the normal course of business (commercial litigation and tax obligations). The level of risk is low, with low tolerability, the Company's management considering that these actions will not have a significant adverse effect on the economic results and financial position of the Company.

Non-financial performance indicators

These indicators are tools for measuring performance, which determine how well the company uses its resources, mainly for:

- streamlining the internal activity;
- providing external services to customers;
- compliance with legal requirements.

Non-financial performance indicators are usually derived from the Company's policy, customer satisfaction level, company market share.

Notes to the financial statements

For the financial year ended December 31st , 2024

1. The reporting entity

SC ARTEGO SA TG-JIU, (the Company) is established in 1991 which operates in Romania in accordance with the provisions of Law 31/1990 on companies and Law 297/2004 on the capital market.

The company is headquartered in Ciocarlau Street, no. 38, Tg-Jiu municipality, Gorj county.

According to the statute, the main field of activity of the Company has the CAEN code 2219 “Manufacture of other rubber products”.

Record of the shares and shareholders is kept in accordance with the law by the Central Depository.

2. Basics of drawing up

(a) Declaration of conformity

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) adopted by the European Union and in accordance with the provisions of OMFP 2844/2016 as subsequently amended and supplemented.

The company applies the International Financial Reporting Standards as approved by the European Union when preparing the separate financial statements concluded on December 31, 2024 in accordance with OMF no. 881/2012. This order specifies that starting with the financial year 2012, the annual financial statements will be prepared in accordance with IFRS, this order being applicable to companies whose securities are admitted to trading on a regulated market.

The Company's accounting records are kept in RON, in accordance with the Romanian Accounting Regulations (“RCR”). These accounts have been restated to reflect the differences between the RCR and IFRS accounts. Accordingly, the RCR accounts have been adjusted, if necessary, to harmonize these separate financial statements in all material respects. , with IFRS.

(b) Presentation of financial statements

Separate financial statements are presented in accordance with the requirements of IAS 1 “Presentation of Financial Statements”.

(c) Basis of evaluation

The separate financial statements are prepared at historical cost, except for certain classes of property, plant and equipment that are revalued.

The share capital is adjusted according to the International Accounting Standard (“SIC”) 29 (“Financial Reporting in Hyperinflationary Economies”) until December 31, 2003.

The management considers that the Company will carry out its activity in the foreseeable future and, consequently, the application of the principle of continuity of activity in the preparation of the financial statements is considered adequate. The separate financial statements are presented in accordance with the

requirements of IAS 1 “Presentation of Financial Statements”. The Company has adopted a presentation based on liquidity in the balance sheet and a presentation of income and expenses according to their nature in the income statement, considering that these methods of presentation provide information that is credible and more relevant than that which would have been presented.

(d) Functional and presentation currency

The Company's management considers that the functional currency, as defined by IAS 21 "Effects of exchange rate fluctuations", is RON or RON. The separate financial statements are presented in RON, rounded to the nearest leu, the currency that the Company's management has chosen as the presentation currency.

(e) Use of estimates and judgments

The preparation of the financial statements in accordance with IFRS adopted by the European Union involves the use by management of estimates, judgments and assumptions that affect the application of accounting policies and the reported value of assets, liabilities, income and expenses. The estimates and assumptions associated with these estimates are based on historical experience as well as other factors considered reasonable in the context of these estimates. The results of these estimates form the basis of judgments regarding the carrying amounts of assets and liabilities that cannot be obtained from other sources of information. The results obtained may differ from the estimated values.

The estimates and assumptions underlying them are reviewed periodically. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period or in the period in which the estimate is revised and future periods if the revision affects both the current period and future periods.

The judgments performed by the management from the application of IFRS, have a significant effect on the financial statements as well as the estimates that imply a significant risk.

3. Significant accounting policies

The accounting policies set out below have been consistently applied to all periods presented in these separate financial statements.

(a) Subsidiaries and associates

Subsidiaries are entities under the control of the Company. Control exists when the Company has the power to lead, directly or indirectly, the financial and operational policies of an entity in order to obtain benefits from its activity. Associated entities are those companies in which the Company can exercise significant influence , but not control over financial and operational policies.

The company does not own associates.

(b) Foreign currency transactions

Transactions denominated in foreign currency are recorded in RON at the official exchange rate from the settlement date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the exchange rate on that day. Gains or losses on their settlement and conversion using the exchange rate at the end of the month or at the end of the financial year of monetary assets and liabilities denominated in foreign currency are recognized in the profit and loss account.

The exchange rates of the main foreign currencies were:

Currency	31 dec.2020	31 dec.2021	31dec.2022	31.12.2023	31.12.2024
Euro (EUR)	4,8694	4,9481	4,9474	4,9746	4,9741
Dollar (USD)	3,9660	4,3707	4,6346	4,4958	4,9951
Pound sterling (GBP)	5,4201	5,8994	5,5878	5,7225	4,7768

c) Financial Instruments

Financial risk management

The Company is exposed to the following risks arising from financial instruments: market risk (interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Company's management focuses on the unpredictability of the financial market and seeks to minimize the potential adverse effects of the Company's financial performance. Market risk is the risk that causes changes in market prices, as well as the exchange rate and interest rate that will affect the Company's income.

The company has no formal commitments to combat financial risks . Despite the lack of formal commitments, financial risks are monitored by the Company's management, focusing on the Company's needs to effectively address opportunities and threats.

Interest rate risk

The Company's operating cash flows are affected by changes in interest rates, mainly due to foreign currency loans contracted at the financing banks.

The cash risk determined by the interest rate is the risk that the interest, and ,therefore the expense with it, will fluctuate.

Currency risk

The company may be exposed to exchange rate fluctuations in cash and cash equivalents , receivables or trade payables denominated in foreign currency.

The currency used on the domestic market is the Romanian leu. The company is exposed to currency risk in cash and cash equivalents, acquisitions and loans made in a currency other than that used on the domestic market. The currencies that expose the Company to this risk are mainly EUR , USD, and GBP. Foreign

currency loans are subsequently expressed in RON, at the exchange rate on the last banking day of each month, communicated by the National Bank of Romania. The resulting differences are included in the profit and loss account.

Credit risk

Credit risk is the risk that the Company will incur a financial loss due to the breach of contractual obligations by a client or a counterparty to a financial instrument, and this risk results mainly from trade receivables and cash and cash equivalents.

At December 31st, 2024, the company holds cash and cash equivalents in the amount of 7.309.228 RON. Cash and cash equivalents are held by the banks, from which we list: Unicredit Tiriac, BRD, Intesa, ING Bank, Credit Europe, Raiffeisen.

Liquidity risk

Liquidity risk is the risk according to which the Company will encounter difficulties in fulfilling the obligations associated with financial debts that are settled in cash or by transferring another financial asset.

A prudent liquidity risk management policy involves maintaining sufficient cash and cash equivalents, the availability of funding through appropriate credit facilities. The Company's liquidity policy is to maintain sufficient liquid resources to meet its obligations as they arrive at maturity.

Fair value of financial instruments

Fair value is the amount at which financial instruments can be exchanged in ordinary transactions, other than those determined by liquidation or forced sale. Fair values are derived from quoted market prices or cash flow patterns as appropriate. As at December 31st, 2024, cash and other cash, customers and similar accounts, trade payables and other payables are approaching their actual value due to their short maturity. Management considers that the estimated value of these instruments is close to their carrying amount.

Capital risk management

The Company's objectives when managing capital are to maintain the Company's ability to continue its operations in order to obtain benefits for shareholders and other interested parties and to maintain an optimal capital structure in order to reduce the cost of capital.

Accounting for the effect of hyperinflation

In accordance with IAS 29 and IAS 21, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy must be presented in the current unit of measurement at the balance sheet date (non-monetary items are restated using a general price index at the acquisition date or contributions).

According to IAS 29, an economy is considered to be hyperinflationary if, among other factors, the cumulative inflation rate over a three-year period exceeds 100%.

The continuous decrease of the inflation rate and other factors related to the characteristics of the Romanian economic environment indicate that the economy whose functional currency was adopted by the Company has ceased to be hyperinflationary, with effect on financial periods starting with January 1st, 2004. Therefore, the provisions of IAS 29, were adopted in the preparation of the separate financial statements until December 31st, 2003.

Thus, the values expressed in the current unit of measurement as of December 31st, 2003 are treated as the basis for the carrying amounts reported in these separate financial statements and do not represent measured values, replacement costs, or any other measurement of the current value of assets or prices. would take place at this time.

For the purpose of preparing the separate financial statements as of December 31st, 2012, the Company adjusted the share capital (non-monetary item) to be expressed in the current unit of measurement as of December 31st, 2003.

Tangible fixed assets

Property, plant and equipment are assets that: are held by an entity for use in the production of goods or services, leased to third parties or used for administrative purposes, and are used for a period of more than one year. .

The acquisition cost includes the purchase price, import duties and other taxes (except those that the legal entity may recover from the tax authorities), transportation, handling and other expenses that may be directly attributable to the purchase of the goods in question.

Valuation of fixed assets at the balance sheet date is made at cost, less accumulated depreciation and amortization, or at revalued amount, which is the fair value at the date of revaluation, less any subsequent accumulated depreciation and any subsequent accumulated impairment losses.

Amortization periods are as follows:

Buildings and constructions	40-60 years
Equipment	15-40 years
Means of transport	5-8 years
Office furniture and equipment	3-5 years

Intangible assets

An intangible asset is an identifiable , non-monetary asset with no material support and held for use in the production or supply of goods or services, for leasing to third parties or for administrative purposes.

An intangible asset meets the criteria to be identifiable when:

- it is separable, ie it can be separated or divided by the entity and sold, transferred, authorized, leased or exchanged, either individually or together with a corresponding contract, an identifiable asset or an identifiable liability; or arises from contractual or other legal rights, whether those rights are transferable or separable from the entity or other rights and obligations

Intangible assets acquired by the Company are presented at cost, less accumulated depreciation and provision for impairment of intangible assets. Depreciation is recognized in profit or loss account on a straight-line basis over the estimated useful lives of intangible assets.

Receivables

Receivables are initially recorded at the invoiced value and subsequently those in foreign currency are valued at the exchange rate communicated by the National Bank of Romania on the last banking day of the month. at the set deadline. A provision for impairment is established when there is clear evidence that the receivables will not be collected on time.

Inventories

Stocks consist of:

- raw materials, materials, spare parts and other consumables to be used in the basic activity of the Company.

These materials are recorded as inventories at the time of purchase and are expensed at the time of consumption.

Inventories are measured at the lower value of cost and net realizable value. The cost of stocks is determined based on the FIFO method and includes the expense incurred in purchasing stocks.

Cash availability

Cash and cash equivalents include cash, current accounts, bank deposits, meal vouchers, stamps as well as checks and promissory notes received by the Company.

Revaluation reserves

After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably is recognized at revalued value, which is its fair value at the date of revaluation less any subsequent amortization and any accumulated impairment losses. It is done with sufficient regularity to ensure that the carrying amount does not differ materially from that which would have been determined by using fair value at the balance sheet date.

If the carrying amount of an asset is increased as a result of a revaluation, this increase must be recorded directly in equity in the “Revaluation reserves” item. However, the increase is recognized in profit or loss to the extent that it offsets a decrease in the revaluation of the same asset previously recognized in profit or loss.

If the carrying amount of an asset is diminished as a result of a revaluation, that reduction is recognized in profit or loss. However, the decrease must be debited directly from equity in the “Revaluation reserves” item to the extent that there is a credit balance in the revaluation surplus for this asset.

The revaluation surplus included in equity related to an item of property, plant and equipment is transferred directly to retained earnings as the depreciation of the revalued property, plant and equipment and when the asset is recognizable.

As of May 1, 2009, statutory reserves from the revaluation of fixed assets, including land, made after January 1, 2004, which are deducted from the calculation of taxable profit through tax depreciation or expenses on assigned and / or discarded assets, are taxed at the same time as the deduction of the fiscal depreciation, respectively at the moment of the decrease from the inventory of these fixed assets.

The statutory reserves from the revaluation of fixed assets, including land, made until December 31, 2003 plus the portion of the revaluation made after January 1, 2004 for the period up to April 30, 2009, will not be taxed at the time of transfer to reserves representing the surplus from revaluation reserves.

The realized reserves are taxed in the future, in case of modification of the destination of the reserves in any form, in case of liquidation, merger, including its use to cover accounting losses, except for the transfer after May 1, 2009, of reserves related to valuations made after January 1, 2004 , which are taxed at the same time as the tax depreciation deduction.

Social capital

The company recognizes the changes in the share capital under the conditions provided by the legislation in force, only after their approval in the General Meeting of Shareholders and their registration at the Trade Register Office.

Dividends

Dividends are recognized as a liability in the period in which their distribution is approved.

Suppliers and similar accounts

Debts to suppliers and other debts include the value of invoices issued by suppliers of finished products manufactured, works performed and services provided.

Loans

Loans are initially recognized at fair value, excluding trading costs. After initial recognition, loans are recorded at amortized cost, any difference between cost and repayment amount being recognized in profit or loss account during the period of the loan.

Income tax

Income tax expense includes current tax and deferred tax. Current tax and deferred tax are recognized in the profit and loss account unless they are recognized directly in equity or in other elements of global result.

Current tax

Current tax is the tax that is expected to be paid or received for taxable income or deductible loss in previous years, using tax rates adopted or largely adopted at the reporting date, as well as any adjustment regarding the obligations to pay the profit tax related to the previous years.

Deferred tax

Deferred tax is recognized for temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the tax base used to calculate the tax.

The assessment of deferred tax reflects the tax consequences that would arise from the manner in which the Company expects, at the end of the reporting period, to recover or settle the value of its assets and liabilities. Deferred tax receivables are reviewed at each reporting date and are reduced to the extent that it is no longer possible to achieve the tax benefit.

Employee Benefits

Short-term employee benefits

Short-term benefit obligations are measured without being updated and are recognized as an expense as the services are provided. A provision is recognized at the estimated amount to be paid for short-term benefits in the form of bonuses or employee participation in profit, only if the Company has a present, legal or implied obligation to pay this amount for past services provided by employees, and this obligation can be estimated at fair value. The benefits of short-term employees are mainly represented by salaries.

In the normal course of business, the Company makes payments on behalf of its employees to the pension fund. All employees of the Company are members of the pension plan of the Romanian State.

Financing costs

The company does not capitalize on borrowing costs because it does not have long-term loans.

Interest income and interest expense are recognized in the profit and loss account at the time of payment.

Grants

Grants are initially recognized as income recorded in advance at fair value when there is reasonable assurance that they will be received and the Company will comply with the terms of the grants, and are then recognized in profit or loss account as other income over the life of the asset to which it relates. Grants are related to assets. Non-reimbursable funds are recognized as assets when there is a reasonable assurance that they will be received and that the related conditions will be met.

Provisions

A provision is recognized when, and only when, the following conditions are met: The Company has a current obligation (legal and implied) as a result of a past event, it is probable (i.e., more likely than not) that an outflow of resources economic benefits are necessary for the settlement of the obligation, when a correct estimate can be made regarding the amount of the obligation.

The result per share

In accordance with SIC33 “Earnings per share”, earnings per share are calculated by dividing the profit or loss attributed to the Company's shareholders by the weighted average of the ordinary shares outstanding of the period.

The weighted average number of shares outstanding during the year represents the number of shares at the beginning of the period, adjusted by the number of shares issued, multiplied by the number of months in which the shares were outstanding during the year.

Dilution is a reduction in earnings per share or an increase in loss per share resulting from the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued after certain specified conditions are met. The object of diluted earnings per share is consistent with that of the basic earnings per share, namely , to evaluate the interest of each ordinary share in the performance of an entity.

Quotas

Contingent liabilities are not recognized in the accompanying financial statements. These are presented if the outflow of resources incorporating economic benefits becomes possible and not probable.

A contingent asset is not recognized in the accompanying financial statements , but is presented when an inflow of economic benefits is probable.

Segment reporting

A segment is a distinct component of the Company that provides certain products or services (business segment) or provides products or services in a particular geographic environment (geographic segment) and that is subject to risks and benefits other than those of other segments.

The company carries out its operations in a single location in Romania. The Company's management considers the operations as a whole as "a single segment".

Operational segments are consistently examined by the entity's principal operational decision-maker in order to make decisions about the allocation of resources by segment and to evaluate its performance, and for which separate financial information is available.

An entity shall report revenue from external customers for each product or service or for similar products or services, unless the required information is not available and the cost of processing it would be excessive, in which case this should be disclosed. The reported financial information used to prepare the entity's financial statements must be taken into account.

The deliveries made by the Company during 2024, internally ,amounted to 49.665.335 RON, of which the main clients are:

Complexul Energetic Oltenia	18.518.976 lei
Apenin Tg Jiu	3.142.258 lei
CET Govora	3.119.327 lei
Holcim Romania Bucuresti	2.188.342 lei
CNCFR Bucuresti	1.372.101 lei
DVM Prest Craiova	1.082.555 lei
Elastimpex Tg Jiu	588.475 lei
Cerulex Craiova	572.071 lei

Arte Rubber Distribution Tg Jiu	507.549 lei
Comar Trust Albota	441.204 lei
Kaufland Bucuresti	429.212 lei
Romcim Bucuresti	400.203 lei

Between January 1st, 2024 and December 31st, 2024, the Company recorded exports as follows:

Total Livrari la Export	20.346.915 EURO (101.217.678 RON)	din care :
Outside the European Union	3.485.643 EURO	
Inside the European Union	16.861.272 EURO	

The main products manufactured by the Company are : /

- Conveyor Belts with Textile Insert for General Use;
- Antistatic and Flame Resistant Conveyor belts with Textile Inserts;
- Antistatic and Flame Resistant Textile Insert Conveyor Belts for Underground;
- General Purpose Metal Insert Conveyor Belts ;
- Antistatic and Flame Resistant Metal Insert Conveyor Belts ;
- Reconditioning Used Drums;
- Technical Sheets and Carpets;
- Car accesories;
- Profiled Gaskets;
- Lined linings;
- Elastic Couplings;
- O-rings, etc.

Implications of the new International Financial Reporting Standards (EU IFRS)

The new standards and interpretations as approved by the European Union

A number of new standards, amendments to standards and interpretations are applicable to annual periods beginning after January 1, 2012 and have not been applied in the preparation of these separate financial statements. None of the new standards is expected to have a material effect on the Company's financial statements.

New standards not yet applicable as of December 31, 2024

International Accounting Standard (IAS) 19 (2011) Employee benefits (in force for periods beginning on or after 1 January 2013).

This amendment is not relevant to the Company's financial statements, as the Company's current policy is to immediately recognize gains and losses in the profit and loss account.

The Company does not apply IFRS 10 Consolidated Financial Statements, IFRS 11 Common Liabilities or IFRS 12 Presentation of Interest in Other Entities.

Fixed assets 2024

- RON -

NOTE 1

Name of the asset	Gross Amount				Value adjustments (depreciation and amortization or impairment)			
	Balance at 1st January 2024	Increments	Assignment s, transfers and other reductions	Balance at 31st Dec. 2024	Balance at 1st January 2024	Adjustments recorded during the year	Discounts or resumes	Balance at 31st Dec. 2024
0	1	2	3	4=1+2-3	5	6	7	8=5+6-7
A. FIXED ASSETS								
I. INTANGIBLE ASSETS	-	-	-	-	-	-	-	-
1. Formation expenses								
2. Development costs	4.112.519	-	-	4.112.519	4.112.519	-	-	4.112.519
3. Concessions, patents, licenses and other fixed assets	28.839.094	267.674	11.600	29.095.168	22.632.958	1.248.688	11.600	23.870.046
4. Commercial fund	-	-	-	-	-	-	-	-
5. Advances and intangible assets in progress	-	-	-	-	-	-	-	-
TOTAL:	32.951.613	267.674	11.600	33.207.687	26.745.477	1.248.688	11.600	27.982.565
II. TANGIBLE FIXED ASSETS	11.857.343		32.941	11.824.402	133.421		-	133.421
1. Land								
2. Constructions	42.543.658	47.647	163.367	42.427.938	33.087.857	936.389	43.054	33.981.192
3. Technological equipment	45.420.171	4.350.715	168.396	49.602.490	40.542.623	821.968	168.396	41.196.195
4. Measuring, controlling and regulating apparatus and installations	2.274.603	85.849	143.878	2.216.574	2.070.530	90.402	143.878	2.017.054
5. Means of transport	7.197.880	50.962	294.136	6.954.706	5.864.111	403.838	294.136	5.973.813
6. Furniture, appliances, office supplies and other assets	694.245	67.019	62.512	698.752	494.780	52.643	59.276	488.147
7. Advances and tangible fixed assets in progress	565.981	4.323.943	4.429.704	461.220	-	-	-	-
TOTAL:	110.553.881	8.926.135	5.293.934	114.186.082	82.193.322	2.305.240	708.740	83.789.822
III. FINANCIAL ASSETS								
1. Equity securities held in group companies	-	-	-	-	-	-	-	-
2. Claims on group companies	-	-	-	-	-	-	-	-
3. Securities in the form of participation interests	-	-	-	-	-	-	-	-
4. Receivables from participation interests	-	-	-	-	-	-	-	-
5. Securities held as fixed assets	-	-	-	-	-	-	-	-
6. Other receivables	-	-	-	-	-	-	-	-
7. Owned actions	-	-	-	-	-	-	-	-
TOTAL:	-	-	-	-	-	-	-	-

FIXED ASSETS - TOTAL	143.505.494	9.193.809	5.305.534	147.393.769	108.938.799	3.553.928	720.340	111.772.387
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The fixed assets from the company's patrimony are depreciated using the straight-line method. The last revaluation was performed at the end of 2012 by the authorized valuator ANEVAR, which modified the gross book value of the asset, after revaluation, using the proportional treatment of the accumulated depreciation. On December 31, 2024, the buildings were evaluated to determine the taxable amount.

Provisions for risks and expenses

NOTE 2

-RON –

Provision name	Balance at January 1st,2024	Transfers		Balance at December 31,2024
		in the account	from the account	
0	1	2	3	4=1+2-3
Provisions for Depreciation of receivables - customers	1.811.458	2.097.317	-	3.908.775
Provisions for Depreciation of receivables - miscellaneous debtors		-	-	-

OTE 3

Distribution of profit on 31.12.2024

-

RON –

Profit destination	The amount
Net profit to be distributed:	1.332.223
-reinvested profit	1.147.156
- coverage of the accounting loss resulting from corrections	-
- legal reserve	-
- dividends	185.067
- other reserves	-
- NON-SHARED PROFIT	-

The amount of 2,970,668 lei is distributed as dividends as follows:

- 1,242,037 lei - profit from the retained earnings of previous years
- 1,728,631 lei - from other reserves distributed from the profit of previous years

Analysis of the operating result

NOTE NO. 4

RON

Indicator	Previous year – 2023	Current year – 2024
0	1	2
1. Net turnover	162.994.877	144.842.306
2. The cost of goods sold and services rendered (3 + 4 + 5 + 6), of which:	154.689.991	138.408.968
3. Expenses of the basic activity	87.495.270	80.174.161
4. Expenditure on auxiliary activities	27.827.561	22.882.072
5. Indirect production costs	36.374.017	32.622.990
6. Expenditure on sold goods and packaging	2.993.143	2.729.745
7. Gross turnover (1-2)	8.304.886	6.433.338
8. Sales expenses	3.515.131	3.639.745
9. General administrative expenses	2.781.021	2.525.543
10. Other operating income	23.147.167	12.920.378
11. Expenditure related to other operating income	14.638.226	11.238.127
12. Total operating income (1 + 10)	186.142.044	157.762.684
13. Total operating expenses (2 + 8 + 9 + 11)	175.624.369	155.812.383
14. Operating profit (12-13)	10.517.675	1.950.301

Statement of receivables and payables

NOTE 5

- RON -

Receivables	Balance at December 31, 2024 (col. 2 + 3)	Liquidity term	
		under 1 year	over 1 year
0	1	2	3
Total from which:	19.119.474	19.119.474	-
Suppliers - debtors	16.974	16.974	-
Customers	17.384.230	17.384.230	-
Other receivables	1.718.270	1.718.270	-

-RON -

Payables	Balance at December 31, 2024 (col. 2 + 3 + 4)	Due date		
		under 1 year	1-5 years	over 5 years
0	1	2	3	4
Total from which:	19.580.270	19.571.805	8.465	-
1 . The state budget	609.151	609.151	-	-
- tax	102.958	102.958	-	-
- tax on dividends	77.848	77.848	-	-
- income tax from salaries	325.600	325.600	-	-
- VAT payable	-	-	-	-
- 2.25% insurance contribution for The Work	102.745	102.745	-	-
2.Special funds budget	25.900	25.900	-	--
- environment fund	6.123	6.123	-	-
- solidarity fund for people with disabilities	19.777	19.777	-	-
3. Social security budgets	1.636.592	1.636.592	-	-
- CAS	1.148.878	1.148.878	-	-
- CASS	487.714	487.714	--	-
4. Other taxes, fees, payments	-	-	-	-
5. Other loans and similar liabilities - leasing	-	-	-	-
6. Interest on other loans and similar liabilities - leasing	-	-	-	-
7. Staff – due salaries	983.794	983.794	-	-
8. Staff - sick leave	-	-	-	-
9. Uncollected personnel rights	-	-	-	-
10. Deductions from salaries due to third parties	52.654	52.654	-	-
11. Referall handlers guarantees	8.465	-	8.465	-
12. VAT not required	28.912	28.912	-	-
13. Various creditors	253.473	253.473	-	-
14. Dividends	6.201.210	6.201.210	-	-
15. Credits	-	-	-	-
16 Suppliers	9.433.146	9.433.146	-	-
17. Creditor customers	342.711	342.711	-	-
18. Payable interest	4.262	4.262	-	-
19. Long-term loans	-	-	-	-

Inventories

At 31st December , 2024 , compared to December 31, 2023, the stocks are as follows:

Elements	31 dec 2023	31 dec 2024
1. Raw materials and consumables	35.711.144	29.616.696
2. Fixed assets held for sale	50.289	50.289
3. Production in progress	-	-
4. Finished products and goods	20.367.579	22.057.442
5. Advances	211.300	178.168
TOTAL	56.340.312	51.902.595

The output valuation method used by the Company is the FIFO method.

The company has stocks pledged on account of debts. Inventories are reflected in the company's records at their acquisition cost, which includes the purchase price, import duties and other irrecoverable taxes, transportation, handling and other costs that can be directly attributed.

Clients and similar accounts

At 31st December , 2024, compared to December 31, 2023, customers and similar accounts are as follows:

Elements	31 dec 2023	31 dec 2024
1. Trade receivables	26.856.924	17.578.910
2. Advances paid	8.975.105	16.974
3. Other receivables	3.989.698	1.523.590
TOTAL	39.821.727	19.119.474

The deliveries made by the Company during 2024, internally, amounted to 49.665.335 RON , of which the main clients are:

Complexul Energetic Oltenia	18.518.976 lei
Apenin Tg Jiu	3.142.258 lei
CET Govora	3.119.327 lei
Holcim Romania Bucuresti	2.188.342 lei
CNCFR Bucuresti	1.372.101 lei
DVM Prest Craiova	1.082.555 lei

Elastimpex Tg Jiu	588.475 lei
Cerulex Craiova	572.071 lei
Arte Rubber Distribution Tg Jiu	507.549 lei
Comar Trust Albota	441.204 lei
Kaufland Bucuresti	429.212 lei
Romcim Bucuresti	400.203 lei

Between January 1st, 2024 and December 31st, 2024 , the Company recorded exports as follows:

Total Export deliveries 20.346.915 **EURO** (101.217.678 RON) din care :

Outside the European Union 3.485.643 EURO

Inside the European Union 16.861.272 EURO

EURO

ANGLIA	2.469.368,23
AUSTRIA	558.248,29
BELGIA	160.761,89
BOSNIA &HERZEGOVINA	21.556,08
BULGARIA	7.930,8
CEHIA	2.652,00
EGIPT	12.900,00
ESTONIA	5.720,37
FINLANDA	370.606,23
FRANTA	42.314,85
GERMANIA	5.916.642,65
IRLANDA	21.776,00
ITALIA	291.357,88
LATVIA	4.878,18
OLANDA	1.425.064,83
POLONIA	874.001,35
SERBIA	829.069,22
SLOVACIA	77.849,20
SPANIA	4.750.093,44
SUEDIA	2.264.111,00
TUNISIA	11.500,00

UCRANIA	141.249,47
UNGARIA	87.262,60
TOTAL	20.346.914,56

Financial assets available for sale

At 31st December , 2024 , compared to December 31, 2023, short-term investments are as follows:

Elements	31 dec.2023	31 dec. 2024
Short-term investments	14.397	14.397
TOTAL	14.397	14.397

The balance on December 31, 2024 in the amount of 14,397 RON is represented by the equivalent value of the shares acquired in the previous years from IFB Invest Tg-Jiu.

The share of short-term investments in the company's capital is insignificant.

The company has no interests in other companies. In this sense, the Company did not receive dividends from other companies.

Prepayments

At 31st December , 2024 , compared to December 31, 2023, the expenses incurred in advance are as follows:

Elements	31 dec. 2023	31 dec. 2024
Prepayments	301.456	201.916
TOTAL	301.456	201.916

The balance on December 31, 2024 in the amount of 201.916 RON, represents expenses incurred in advance for: insurance in favor of banks for loans, car RoVignettes, professional training courses, rents paid in advance for renting various equipment.

Cash and cash equivalents

At 31st December, 2024, compared to December 31, 2023, cash and cash equivalents are as follows:

Elements	31 dec 2023	31 dec 2024
Current accounts with banks and deposits	719.803	7.244.640

Cash RON	28.457	6.317
Currency cash		
Other cash equivalents	31.313	58.271
TOTAL	779.573	7.309.228

Social capital

As of December 31, 2024 and December 31, 2023, the social capital includes the effects of restatements recorded in previous years according to the application of "SIC" 29 "Financial reporting in hyperinflationary economies. The reconciliation of the share capital is as follows:

Social capital (nominal value)	20.286.865
Differences related to restatement according to SIC 29	89.052.449
Balance of social capital (restated)	<u>109.339.314</u>

At the end of the reporting period, the fully subscribed and paid-in social capital of the Company in the amount of 20,286,865 is divided into 8,114,746 ordinary shares with a nominal value of 2.5 RON per share and corresponds to the one registered at the Trade Register Office.

The shareholding structure as of December 31, 2024 is as follows:

Shareholders	Nominal value per share	Number of shares held	Total amount	% of share capital
<i>PAS ARTEGO EMPLOYEES ASSOCIATION</i>	2,50	6.968.820	17.422.050,00	85,8785%
<i>Individuals _</i>	2,50	1.110.265	2.775.662.50	13,6821%
<i>Legal entities</i>	2,50	35.659	89.147.50	0,4394%
<i>ROMANIAN STATE THROUGH THE AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS</i>	2,50	2	5,00	0.0000%
TOTAL	2,50	8.114.746	20.286.865,00	100,000%

Legal reserves

The legal reserves are in amount of 4.057.373RON at December 31, 2024. The company transferred to the legal reserve 5% of the annual accounting profit (Law 571/2003) the cumulative balance reaching 20% of the paid-in share capital.

Revaluation reserves

The revaluation reserve is in the amount of 26.898.248 RON on December 31,2024.

Other reserves

At 31st December , 2024 , compared to December 31, 2023, other reserves have the following levels:

Elements	31 dec.2023	31 dec.2024
Other Reserves	32.978.990	35.620.669
Total	32.978.990	35.620.669

Other equity items

As of December 31, 2024, the amount of 555.214 RON is represented by the deferred tax related to revaluations on balance made after January 1, 2004, diminished by deferred tax related to the amortization of the revaluation recorded on costs in the 12 months of 2024.

Subventii pentru investitii

The income recorded in advance is represented by the subsidies received for investments as non-refundable for a project carried out with the Ministry of Energy and records the following decreasing levels until the full depreciation of the objective put into operation, as follows:

Elements	31 dec. 2023	31 dec.2024
1. Investment grants	2.241.575	2.191.979
Total	2.241.575	2.191.979

Short-term loans

The Company has credit lines in RON at INTESA, ING BANK and CREDIT EUROPE as follows:

	31.12.2023			31.12.2024	
The bank	Approved	Used	The bank	Approved	Used
ING BANK(SGB)lei	5.000.000	1.421.041	ING BANK(SGB)RON	5.000.000	1.059.404

INTESA EUR	2.222.222	-	INTESA EUR	500.000	-
ING BANK EUR	4.250.000	1.889.009	ING BANK EUR	4.250.000	-
CREDIT EUROPE lei	13.900.000	1.788.651	CREDIT EUROPE RON	-	-

Long-term loans

The company does not have long-term loans with banking units or other financial institutions.

The result per share

At December 31, 2024 compared to December 31, 2023, the result per share is:

	31 dec. 2023	31 dec. 2024
Profit for the period	8.746.511	1.332.223
Number of ordinary shares at beginning and end of the period	8.114.746	8.114.746
Basic and diluted result per action (RON / share)	1,08	0,16

Dividends

According to the GMS Decision of 28.03.2024 the amount of 5.292.226 RON was distributed to dividends due to shareholders for 2022, returning a net dividend of 0.6 RON per share.

Other taxes and obligations for the state budget and social insurance

Elements	31 dec.2023	31 dec.2024
1. The state budget	2.420.680	609.151
- tax	464.084	102.958

- income tax from salaries	323.967	325.600
-dividend tax	56.857	77.848
- VAT payable	1.474.984	-
-2.25% CAM	100.788	102.745
2. Special funds budgets	31.948	25.900
- environment fund	24.767	19.777
- solidarity fund for disabled people	7.181	6.123
3. Social security budgets	1.578.339	1.636.592
- CAS	1.130.961	1.148.878
- CASS	447.378	487.714
4. Other taxes, fees, payments	-	-

Income tax

The current and deferred profit tax of the Company for the year 2024 and 2023 is determined at a statutory rate of 16%, being in force in the financial year 2024 and 2023 respectively.

Income tax expense for the year 2024 and 2023 is as follows:

	2023	2024
Current profit tax	994.872	187.436
Deferred income tax		
Total	994.872	187.436
<i>Reconciling the effective tax rate</i>	2023	2024
Profit before profit tax	9.675.544	1.479.291
Income tax at the statutory rate of 16%	1.548.087	236.686
The effect of non-deductible expenses	178.645	193.485
The effect of non-taxable income		
Taxable revaluation reserve		
Legal reserve		
Deferred tax reversal		

Other effects	-731.860	-242.735
Total	994.872	187.436

Operating income

Elements	31 dec. 2023	31 dec. 2024
Sold production	160.875.965	142.941.901
Income from sale of goods	2.814.174	2.445.657
Commercial discounts granted	695.262	545.252
Revenue from stock of products cost	12.530.099	10.982.605
Income from fixed assets production	334.336	424.279
Income from fixed assets for sale	-	-
Income from operating grants	49.932	-
Other operating revenues	10.232.800	1.513.494
Total operating income	186.142.044	157.762.684

In accordance with the provisions of IAS 18 Revenue, income must:

- be valued at the fair value of the consideration received or receivable;
- take into account the value of any commercial discounts and quantitative discounts allowed;
- the difference between the fair value and the nominal value of the consideration must be recognized as interest income;
- the exchange of goods and services, is not a transaction that generates income, and as such each transaction must be recognized separately;

- in most cases the transfer of risks and benefits coincides with the transfer of title or the transfer of assets to the buyer;
- if the entity retains significant risks related to the property, the transaction does not represent a sale and the income is not recognized;
- if an entity retains only an insignificant risk arising from the property right, then the respective transaction represents a sale, and the income is recognized;
- when there is an uncertainty related to the collection of an amount that cannot be collected, it will be recognized as an expense rather than as an adjustment of the value of the initially recognized income;
- income and expenses related to the same transaction or other event are recognized simultaneously, this process being commonly referred to as the correlation of income with expenses .

Operating expenses

Elements	31 dec. 2023	31 dec. 2024
----------	--------------	--------------

Expenditures on raw materials and consumables	88.518.242	79.855.429
Other material expenses	818.709	847.198
Other external expenses (energy, water, natural gas)	19.074.149	13.193.132
Expenditure on goods	2.426.142	2.130.738
Trade discounts received	4.933	9.818
Staff costs of which:	50.446.924	47.148.474
-Salaries and allowances	48.499.542	45.599.565
-Insurance and social protection	1.947.382	1.548.909
Tangible assests adjusting including:	3.720.036	3.553.929
- Expenses	3.720.036	3.553.929
-Income	-	-
Current asset adjustments of which:	-	-
- Expenses	-	-
-Income	-	-
Other operating expenses of which:	10.625.100	9.093.301
Expenditure on external services	6.749.337	6.821.338
Expenses with other taxes and fees	1.325.170	1.468.965
Expenses on fixed assets for sale	271	422
Other expenses	2.550.322	802.576
Total Operating Expenses	175.624.369	155.812.383

Operating result

Elements	31 dec. 2023	31 dec. 2024
Operating profit (Profit)	10.517.675	1.950.301
Total operating profit	10.517.675	1.950.301

Net financial result

Elements	31 dec. 2023	31 dec. 2024
Income from exchange rate differences	893.639	96.066

Interest income	89	53
Other financial incomes	-	635
Total Financial Income	893.728	96.754
Interest charges	888.600	253.767
Other financial expenses	847.259	313.997
Total Financial Expenses	1.735.859	567.764
Net financial result (Loss)	-842.131	-471.010

Provisions

During 2024, the Company had set up provisions for uncertain customers, having a balance in the amount of 3.908.775 RON, as of December 31, 2024.

Fiscal legislative framework

The legislative -fiscal framework in Romania and its implementation in practice changes frequently and is the subject of different interpretations by various control bodies. Profit tax returns are subject to review and correction by the tax authorities, generally for a period of five years from the date of their completion. Management considers that it has adequately recorded the tax liabilities in the accompanying financial statements, however, the risk persists that the tax authorities may take different positions on the interpretation of these issues. Their impact could not be determined at this time.

GUARANTEES

As of December 31, 2024, the company has mortgaged the following assets in favor of the financing banks to which it has committed credit lines as follows:

ING BANK

MORTGAGE REAL ESTATE SITUATION -

<i>NO. CADASTRAL</i>	<i>MORTGAGED PROPERTY (LAND + CONSTRUCTIONS) - DESCRIPTION</i>
1315/2/1/1/8 CF 39574	- urban land with an area of 531 sqm together with the built-up area with an area of 215.14 sqm (commercial space)
4327 CF 47079	- urban land with an area of 1000 sqm
4296 CF 47074	- urban land with an area of 4760 sqm together with the built-up area with an area of 12.42 sqm (deep well)

1315/2/1/1/2 CF 40066 RANG I	-land with an area of 20,616 sqm + constructions: 1.Conveyor belts hall (C56 / 1).
1315/2/1/1/5 CF 41270 1315/2/1/1/6 CF 41263	- land with an area of 996 sqm together with a bread workshop (C11 / 2) -land with an area of 1,063 sqm together with a diary workshop (C11 / 1), located in Tg Jiu, str. Ciocârlău, no. 38.

68884 CF 68884	-urban land with an area of 13,234 sq m + buildings: 1.warehouse - 81 sq m C1 3.industrial hall - 120 sq m (C2); 4.warehouse - 485 sq m (C3); 5.warehouse - 111 sq m (C4); 6.warehouse - 361 sq m (C5); 7-warehouse - 45 sq m (C6).
1315/2/1/1/1/6 CF 47076	- urban land with an area of 6,843 sqm + constructions: 1st workshop - 651.14 sqm (C18) 2nd workshop - 626.59 sqm (C19) 3. school laboratory -384.47 sqm (C20) 4. bathroom - 12.93 sqm (C21) 5.basin -88.76 mp (C22) 6.basin- 26.3 sqm (C23) 7. warehouse (C58) 8. car body workshop - 359,245 sqm (C73)
1315/2/1/1/9 CF39579	-urban land with an area of 5047 sqm together with the drum reconditioning section (C59), located in Tg Jiu, Ciocarlau Street, no. 38

Affiliated parties

The company has no affiliated parties .

The status of ongoing litigation

ARTEGO S.A. – plaintiff

Crt. No.	Folder No.	Defendand company	Object	Request/ The requested	File status / Remarks
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				amount	
1	8207/62/2011	CET Brasov	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 46,887.93 RON	- in progress; We were admitted to the credit table with the amount of 46,887.93 RON; continue bankruptcy proceedings
2	60833/3/2011	Munplast Bucuresti	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 19,457.81 RON	- in progress; We were admitted to the credit table with the amount of 19,457.81 RON, from which we recovered the amount of 5,000 RON; continue bankruptcy proceedings
3	4163/95/2012	Gastrom Group Targu -Jiu	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 52,777.37 she	- in progress; We were admitted to the credit table with the amount of 52,777.37 RON; continue bankruptcy proceedings
4	887/90/2013	Oltchim Ramnicu-Valcea	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 19,946.68 RON	- in progress; We were admitted to the credit table with the amount of 19,946.68 RON; continue bankruptcy proceedings
5	9089/101/2013	Regia Autonoma Pentru Activitati Nucleare Severin	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 1,439,815.78 RON	- in progress; We were admitted to the credit table with the amount of 1,439,815.78 RON; continue bankruptcy proceedings
6	2570/63/2014	Servicii Energetice Oltenia Craiova	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 3,188.77 RON	- in progress; We were admitted to the credit table with the amount of 2,486.37 RON; continue bankruptcy proceedings
7	528/95/2015	Succes Nic Com Targu - Jiu	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 34,155.80 RON	- in progress; we were admitted to the credit table with the amount of 34,155.80 RON; the procedure of judicial reorganization continues
8	2575/85/2015	Ambient Sibiu	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 1,240.00 RON	- in progress; We were admitted to the credit table with the amount of 1,240.00 RON; continue bankruptcy proceedings

9	3520/95/2015	Ignifug Prest Targu-Jiu	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 4,783.92 RON	- in progress; We were admitted to the credit table with the amount of 4,783.92 RON; continue bankruptcy proceedings
10	1396/90/2016	CET Govora	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 1,665,256.19 RON	- in progress; We were admitted to the table with the amount of 1,665,256.19 RON; the procedure of judicial reorganization continues
11	5114/95/2016	Instalatii Revizii Utilitati Pentru Minerit Targu-Jiu	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 41,307.71 RON	- in progress; We were admitted to the table with the amount of 41,307.71 RON; continue bankruptcy proceedings
12	1248/95/2018	Intreprinderea de Drumuri si Poduri Targu-Jiu	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 2,783.39 RON	- in progress; We were admitted to the table with the amount of 2,783.39 RON, of which I recovered the amount of 1,391.39 RON; continue bankruptcy proceedings
13	5075/97/2016	Societatea Complexul Energetic Hunedoara	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 580,000.00 RON	- in progress; We were admitted to the creditor's table with the amount of 580,000.00 RON ; continue the insolvency proceedings
14	10007/3/2024	New NCR Reciclare Bucuresti	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 3.716,00 RON	- in progress; - court term -- 24.03.2025
15	8105//318/2022	Trașcă Cornelia	Real estate claim	Obliging the defendant to leave us in full ownership and peaceful possession of a plot of land with an area of 250 square meters.	- in progress; - court term -- 14.03.2025
16	21586/318/2024	Wellhidromix Targu-Jiu	low value claim	Obliging the defendant to pay us the amount of 1000 RON	- in progress; a trial date will be set

ARTEGO S.A. – defendant

Crt. No.	File No.	Plaintiff	Object	Request/ The requested amount	File status / Observations
1	2341/95/2024	Cirstoiu Maria	The obligation to do	Obligation of the Company Artego S.A. to issue a certificate stating that during the period 01.04.2001 - 03.11.2005 it worked under special working conditions	- in progress ; Court term : 16.01.2025

Subsequent events

Following the reporting on December 31, 2024, there were no significant events that would have affected the data contained in the current financial statements

Information regarding the employees and members of the management, administration and supervision bodies

SC ARTEGO SA operates, is managed and organized according to the provisions of Law 31/1990 republished regarding the commercial companies.

Being a joint stock company, it is led by the General Meeting of Shareholders and administered by a Board of Directors consisting of 3 members, of which 1 executive member and 2 non-executive members.

In 2024, the supervision of the company's management was performed by an audit firm.

The members of the Board of Directors were remunerated in 2024 as follows:

1. Executive member with a gross monthly compensation according to the Management Contract of 30,000 lei until 23.10.2024, respectively 35,000 lei starting with 24.10.2024.

2. A non-executive member with a gross monthly compensation of 13,000 lei until 23.10.2024, respectively 15,000 lei from 24.10.2024 and a non-executive member with a gross monthly compensation according to the Management Contract of 11,000 lei until 23.10.2024, respectively 13,000 lei from 24.10.2024.

SC ARTEGO SA Tg Jiu, at the end of 2024, had no contractual obligations regarding the payment of pensions to former directors and administrators.

During 2024, SC ARTEGO SA did not grant advances and loans to directors and administrators.

The average number of employees for 2024 was of 523 employees.

During 2024, SC ARTEGO SA paid salaries in the amount of 41.334.235 RON, and the expenses with insurance and social protection were in the amount of 1.548.909 RON.

SC ARTEGO SA Tg Jiu granted for its staff during the year 2024 meal vouchers in the total amount of 4.265.330 RON.

ANALYSIS OF THE MAIN ECONOMIC-FINANCIAL INDICATORS IN 2024

Liquidity indicators

1. Current liquidity indicator

$$\frac{\text{Current assets}}{\text{current debts}} = \frac{78.345.694}{19.571.805} = 4,00$$

2. Immediate liquidity

$$\frac{\text{Current assets - Stocks}}{\text{current debts}} = \frac{78.345.694 - 51.902.595}{19.571.805} * 100 = \frac{26.443.099}{19.571.805} * 100 = 135.11\%$$

Activity indicators

1. Rotation speed of tangible assets

$$\frac{\text{Turnover}}{\text{Tangible assets}} = \frac{144.842.306}{35.621.382} = 4,07$$

2. Rotation speed of total assets

$$\frac{\text{Turnover}}{\text{Total assets}} = \frac{144.842.306}{114.168.992} = 1,27$$

Risk indicators

a) Interest coverage indicator

$$\frac{\text{Profit before interest and income tax}}{\text{interest expenses}} = \frac{1.773.426}{253.767} = 6,99$$

Profitability indicators

a) Return of employed capital

$$\frac{\text{Profit before interest and income tax}}{\text{Employed capital}} = \frac{1.773.426}{92.396.743} = 0,02$$

b) Gross sales margin

$$\frac{\text{Gross profit from sales}}{\text{Turnover}} \times 100 = \frac{1.950.301}{144.842.306} = 1,35\%$$

Other information

SC ARTEGO SA was established according to Law 31/1990, based on GD no. 1224/1990 and was registered at the Trade Register Office under no. J18 / 1120/1991, having the fiscal code RO2157428.

SC ARTEGO SA is a joint stock company with entirely private capital, the majority shareholder being the Employees Association "PAS ARTEGO" which on 31.12.2024 holds 85.8785% of the share capital.

When determining the profit tax , the provisions of Law 227/2015 with the subsequent amendments and GD 1/2016 for the approval of the Methodological Norms for the application of Law 227/2015 regarding the fiscal code are taken into account, of which:

- late charges due for non-timely payment of debts;
- the expenses for the protocol, which exceed the limits provided by the Fiscal Code;
- amounts that exceed the limits of expenses considered deductible;
- sponsorship expenses, according to Law 32/1994;
- amounts used for the establishment of reserves according to the republished Law 31/1990.

Statement

In accordance with the provisions of art.223, point B, paragraph (1), letter c) of Regulation no.5 / 2018 on issuers and securities operations, we declare that, to our knowledge, the financial statements as of December 31st, 2024 offer a correct and realistic picture of the assets, liabilities, financial position and profit and loss account. Also, the Report of the Board of Directors prepared in accordance with the provisions of Annex no. 14, presents correctly and completely the information about the company.

Signature,

Independent auditor's report

To the Shareholders of SC ARTEGO SA TG JIU

Report on the audit of the financial statements

Opinion

- 1 We have audited the attached individual financial statements of SC ARTEGO SA ("the Company"), with registered office in Tg Jiu, str. Ciocarlau, no. 38, identified by the unique tax registration code RO 2157428, which include the balance sheet as of 31st December ,2024, the profit and loss account, the statement of changes in equity and the statement of cash flows for the financial year ended on this date, as well as a summary of significant accounting policies and explanatory notes.
- 2 The individual financial statements on December 31st, 2024 are identified as follows:
 - Total equity: 92.396.743 RON
 - Net profit for the financial year: 1.332.223 RON
 - Subscribed capital: 20.286.865 RON
- 3 **In our opinion, the attached individual financial statements provide a true picture of the financial position of the Company on December 31st, 2024, as well as the financial performance and cash flows for the financial year ended on this date, in accordance with the Order of the Minister of Public Finance no. . 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards ("OMFP no. 2844/2016").**

Basis for opinion

- 4 We conducted our audit in accordance with International Auditing Standards ("ISA"), EU Regulation no. 537 of the Parliament and of the European Council (hereinafter the "Regulation") and Law no. 162/2017 ("the Law"). Our responsibilities based on these standards are described in detail in the "Auditor's Responsibilities in an Audit of Financial Statements" section of our report. We are independent from the Company, according to the Code of Ethics of Accounting Professionals issued by the Council for International Ethics Standards for Accountants (IESBA code), according to the ethical requirements that are relevant for the audit of financial statements in Romania, including the Regulation and the Law, and we have fulfilled ethical responsibilities according to these requirements and according to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

- 5 The key aspects of the audit are those aspects that, based on our professional judgment, had the greatest importance for the audit of the financial statements of the current period. These aspects were addressed in the context of the audit of the financial statements as a whole and in the formation of our opinion on them and we do not offer a separate opinion on these key aspects.

Key audit matters	Approach within the audit mission
<p>The revenues mainly include the revenues from sales related to the manufacture of rubber products to a range of both internal and external clients. The income is recognized upon the delivery of the sold goods, and the sales are adjusted with the commercial discounts, in accordance with the contracts concluded with the customers.</p> <p>We have identified revenue recognition as a key aspect of the audit, because revenue represents one of the Company's key performance indicators and, therefore, there is an inherent risk in relation to their recognition by management for the fulfillment of specific objectives or expectations</p>	<p>Our audit procedures for evaluating sales revenue recognition included the following:</p> <ul style="list-style-type: none"> • testing the effectiveness of the Company's main controls to prevent and detect fraud and errors in revenue recognition. This procedure included testing the controls for revenue recognition based on the deliveries made, by referring to a sample of transactions; • inspecting contracts of the customers, on a sample basis, to understand the terms of sales transactions, including the ways in which discounts are applied, to assess whether the Company's revenue recognition criteria were in accordance with the requirements and accounting standards in force; • evaluation, on a sample basis, of the recognition in the corresponding financial period of the revenues recorded near the end of the financial year, by comparing the selected transactions with the relevant documentation, including shipping notices; • obtaining confirmations of clients' balances at the end of the year, on a sample basis; • examining the sales register after the end of the financial year to identify significant credit notes issued and inspecting the relevant documentation to assess whether the related revenues have been accounted for in the corresponding financial period.

Other information – Directors' Report and Non-Financial Statement

6 Administrators are responsible for preparing and presenting other information. That other information includes the Directors' Report and the Non-Financial Statement, but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover this other information and, with the exception of the case where it is explicitly mentioned in our report, we do not express any kind of assurance conclusion regarding them.

In connection with the audit of the financial statements for the financial year ended on December 31st, 2024, our responsibility is to read that other information and, in doing so, to assess whether that other information is significantly inconsistent with the financial statements, or with the knowledge that we obtained during the audit, or if they appear to be significantly distorted.

Regarding the Administrators' Report and the Non-Financial Declaration, we have read and report whether they were drawn up, in all significant aspects, in accordance with the requirements of the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in

accordance with the International Financial Reporting Standards adopted by the European Union with subsequent amendments.

Based exclusively on the activities that must be carried out during the audit of the financial statements, in our opinion:

- a) The information presented in the Administrators' Report and the Non-Financial Declaration for the financial year for which the financial statements were drawn up are consistent, in all significant aspects, with the financial statements;
- b) The Administrators' Report and the Non-Financial Statement were drawn up, in all significant aspects, in accordance with the requirements of the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards adopted by the European Union with subsequent amendments.

In addition, based on our knowledge and understanding of the Company and its environment, acquired during the audit of the financial statements for the financial year ended on December 31st, 2024, we are required to report if we have identified significant distortions in the Directors' Report and the Non-Financial Statement. We have nothing to report on this matter.

Responsibilities of the management and the persons responsible for governance for the financial statements

- 7 The Company's management is responsible for preparing the financial statements that provide a faithful image in accordance with the Order of the Minister of Public Finance no.2844/2016 for the approval of the Accounting Regulations compliant with the Standards International Financial Reporting Standards ("OMFP no. 2844/2016") and for that internal control that the management considers necessary in order to allow the preparation of financial statements free of significant distortions, caused either by fraud or error.
- 8 In preparing the financial statements, the management is responsible for the evaluation of the Company's ability to continue its activity, for the presentation, if necessary, of aspects related to the continuity of the activity and for the use of accounting on the basis of the continuity of the activity, with the exception of the case where the management either intends to liquidate the Company or stop operations, or has no other realistically alternative outside of them.
- 9 The persons responsible for governance are responsible for supervision of the financial reporting process of the Company.

Auditor's responsibilities in an audit of financial statements

- 10 Our objectives consist in obtaining a reasonable assurance regarding the measure in that the financial statements, as a whole, are free of significant distortions, caused either by fraud or error, as well as in issuing an auditor's report which includes our opinion. Reasonable insurance means a high level of insurance, but it is not a guarantee that an audit conducted in accordance with ISA will always detect a significant distortion, if it exists. Distortions can be caused by either fraud or error and are considered significant if it can reasonably be expected that they, individually or cumulatively, will influence the economic decisions of the users, taken on the basis of these financial statements.
- 11 As part of an audit in accordance with ISAs, we exercise professional judgement and we maintain professional skepticism during the audit.
Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement caused by fraud is higher than that of not detecting a material misstatement caused by error, because fraud may involve collusion, forgery, intentional omissions, false statements and avoidance of internal control.
 - We understand the internal control relevant for the audit, in order to design audit procedures appropriate to the circumstances, but without having the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - We evaluate the degree of adequacy of the accounting policies used and the reasonableness of the accounting estimates and related presentations of information made by the management.
 - We formulate a conclusion regarding the degree of adequacy of management's use of accounting based on the continuity of the activity and determine, based on the audit evidence obtained, if there is a significant uncertainty regarding events or conditions that could generate significant doubts regarding the ability of The Company to continue its activity. If we conclude that there is a significant uncertainty, we must draw attention in the auditor's report to the related presentations from the financial statements or, if these presentations are inadequate, change our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to no longer carry out its activity based on the principle of continuity of activity.
 - We evaluate the presentation, structure and content of the financial statements, including the presentation of information, and the extent to which the financial statements reflect the transactions and events underlying them in a manner that results in a faithful presentation.
- 12 We communicate to the people responsible for governance, among other aspects, the area planned and timely scheduling of the audit, as well as the main findings of the audit, including any significant internal control deficiencies, which we identify during the audit.
- 13 We also provide the persons responsible for governance with a statement regarding our compliance with the ethical requirements regarding independence and we communicate all relationships and other aspects that can be considered, reasonably, that could affect our independence and, where appropriate, related security measures.
- 14 Among the aspects that we communicated to the people in charge of governance, we establish those aspects that were of greater importance in the audit on financial statements from the current period and, therefore, represent key aspects of audit. We describe these aspects in our audit report, with the exception of the case where legislation or regulations prevent the public presentation of the respective aspect or of the case in which, in extremely rare circumstances, we consider that an aspect would not should be communicated in our report because it is reasonably expected that the benefits of the public interest to be exceeded by the negative consequences thereof communications.

Report on other legal and regulatory provisions

- 15 We were appointed by the General Meeting of Shareholders on 13.04.2022

to audit the financial statements of SC ARTEGO SA TG-JIU for the exercise financial year ended on December 31st, 2024. Total uninterrupted duration of our commitment is for 3 years covering the financial years ended on December 31st, 2022 until December 31st, 2024.

We confirm that:

- *In carrying out our audit, we maintained our independence from the audited entity.*
- *We did not provide the prohibited non-audit services for the Company, mentioned in Article 5 paragraph (1) of EU Regulation no. 537/2014*

INDEPENDENT PRACTITIONER'S REVIEW REPORT ON THE SUSTAINABILITY REPORT OF ARTEGO S.A. FOR THE YEAR 2024, PREPARED IN ACCORDANCE WITH ISAE 3000 (REVISED)

*To: Board of Directors
of ARTEGO SA Company*

Report on the financial statements

We have reviewed the Sustainability Report of the Company Artego S.A. for the year 2024 in terms of the compliance of the sustainability reporting with the applicable requirements, including the compliance of the sustainability reporting with the sustainability reporting standards adopted by the European Commission pursuant to art. 29b or art. 29c of Directive 2013/34/EU, as supplemented by Directive (EU) 2022/2464, the process carried out by the entity to identify the information reported under those sustainability reporting standards and compliance with the requirement to mark the sustainability reporting in accordance with art. 29d of Directive 2013/34/EU, as supplemented by Directive (EU) 2022/2464, as well as in terms of compliance with the reporting requirements set out in art. 8 of Regulation (EU) 2020/852.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the Sustainability Report of Artego S.A. for the year 2024 in accordance with applicable requirements, including the compliance of the sustainability reporting with the sustainability reporting standards adopted by the European Commission pursuant to art. 29b or art. 29c of Directive 2013/34/EU, as supplemented by Directive (EU) 2022/2464, the process carried out by the entity to identify the information reported under those sustainability reporting standards and compliance with the requirement to mark the sustainability reporting in accordance with art. 29d of Directive 2013/34/EU, as supplemented by Directive (EU) 2022/2464, as well as in terms of compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852 and for the internal control that management considers necessary to enable the preparation of the Sustainability Report of the Company Artego S.A. for the year 2024 so as to be free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the attached Sustainability Report of Artego S.A. for the year 2024. We conducted our review in accordance with ISAE 3000 (revised) "International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information". ISAE 3000 (revised) requires us to conclude whether anything has come to our attention that causes us to believe that the Sustainability Report of Artego S.A. for the year 2024 is not prepared, in all material respects, in accordance with applicable requirements, including the compliance of the sustainability reporting with the sustainability reporting standards adopted by the European Commission pursuant to art. 29b or art. 29c of Directive 2013/34/EU, as supplemented by Directive (EU) 2022/2464, the process carried out by the entity to identify the information reported under those sustainability reporting standards and compliance with the requirement to mark sustainability reporting in accordance with art. 29d of Directive 2013/34/EU, as supplemented by Directive (EU) 2022/2464, as well as with respect to compliance with the reporting requirements set out in art. 8 of Regulation (EU) 2020/852. This standard also requires us to comply with relevant ethical requirements.

A review of the Sustainability Report of the Company Artego S.A. for the year 2024 in accordance with ISAE 3000 (revised) is a limited assurance engagement. The practitioner performs procedures, consisting primarily of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures performed in a review are substantially fewer than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Sustainability Report of Artego S.A. for the year 2024 does not present fairly, in all material respects, the sustainability situation of the Company, in accordance with applicable requirements, including the compliance of the sustainability reporting with the sustainability reporting standards adopted by the European Commission pursuant to art. 29b or art. 29c of Directive 2013/34/EU, as supplemented by Directive (EU) 2022/2464, the process carried out by the entity to identify the information reported under those sustainability reporting standards and compliance with the requirement to mark the sustainability reporting in accordance with art. 29d of Directive 2013/34/EU, as supplemented by Directive (EU) 2022/2.464, as well as with regard to compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852.

In this report we will not express an audit opinion, a review conclusion or any other assurance conclusion regarding the financial statements. Our audit opinion regarding the financial statements of the entity ARTEGO SA for the financial year ended December 31, 2024 is included in the Independent Auditor's Report dated February 21, 2025.