

REPORT

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

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

Shareholder structure as of December 31, 2025

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

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

CHAPTER I. PRODUCTION ACTIVITY

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

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

Table 1

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

Total EURO	21,406,669.23	23,130,441.72	20,997,363.58	20,346,914.56	18,365,410.79
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In 2025, the export value was 18,365,410.79 EURO, representing 73.86% of the production of technical rubber items. The most stable markets to which it was exported are Germany, Spain, England, the Netherlands, Sweden. It was also exported to Poland, Italy, France, Finland, Slovakia, Serbia, Austria, Belgium. Currently, ARTEGO is the largest producer of technical rubber items in Romania (95% of the country's conveyor belt needs) and one of the largest producers in Europe.

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

Country	2021	2022	2023	2024	2025
Italy	640,898.00	761,516.02	894,151.79	291,357.88	309,062.87
England	4,924,681.66	3,245,759.62	2,267,899.53	2,469,368.23	2,354,242.15
Austria	229,836.04	287,188.26	413,451.19	558,248.29	26,427.50
Finland	595,590.48	724,904.20	754,954.84	370,606.23	315,407.45
Spain	3,501,717.70	5,038,474.32	5,135,939.52	4,750,093.44	4,660,622.09
Netherlands	1,752,367.69	3,226,146.65	1,635,612.73	1,425,064.83	1,492,666.90
France	2,180,879.07	792,786.73	722,887.03	42,314.85	138,321.92
Germany	6,165,628.98	7,643,714.52	5,358,096.09	5,916,642.65	6,199,073.89
Poland	63,905.99	112,478.98	1,153,513.24	874,001.35	528,719.24
Bulgaria	200,843.84	110,652.80	13,703.35	7,930.80	37,903.85
Bosnia & Herzegovina	5,585.51	83,231.60	16,350.46	21,556.08	20,521.48
Turkey	-	6,800.00	-	-	-
Estonia	2,274.84	14,580.00	-	5,720.37	3,780.00
Russia	770.00	-	-	-	-
Serbia	206,023.84	416,074.03	564,998.01	829,069.22	429,447.15
Belgium	164,657.40	83,099.94	91,092.88	160,761.89	215,890.10
Hungary	186,411.22	211,894.37	124,496.67	87,262.60	93,010.44
Czech	8,821.12	16,688.64	6,208.00	2,652.00	9,024.00

Republic					
Ireland	-	-		21,776.00	-
Ukraine	83,606.03	70,560.11	201,731.74	141,249.47	77,126.33
Greece	45,278.27	2,116.00	2,270.40	-	6,700.00
Egypt	114,380.77	25,145.94		12,900.00	35,501.40
Lithuania	1,769.20	4,020.61		-	-
Slovakia	302,112.09	78,516.31	55,653.20	77,849.20	111,839.80
Slovenia	2,671.19				
Macedonia	-	-	3,079.80	-	1,337.04
Latvia	-	-	-	4,878.18	-
Azerbaijan	25,958.30	-	-	-	-
Switzerland	-	15,383.26		-	-
Sweden	-	158,708.71	1,581,263.11	2,264,111.00	1,298,785.19
Tunisia				11,500.00	-
TOTAL	21,406,669.23	23,130,441.72	20,997,363.58	20,346,914.56	18,365,410.79

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

The training of technical personnel and their involvement in finding solutions regarding the improvement of technologies, modernization of equipment and reduction of production costs has also resulted in the obtaining of over 67 patents in the period 1985-2025. Other technical solutions are under examination at OSIM for patenting, and others are in the industrial testing phase. The patented technical solutions are very diverse, some of them being developed in collaboration with companies outside Romania.

CHAPTER I I. FINANCIAL - EQUITY SITUATION

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

A. 1. Economic means

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

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

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

A. 2. CURRENT ASSETS

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

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

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

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

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

d) Other income	3,111,738	4,869,179	10,282,732	1,513,494	5,565,694
II Operating expenses	177,107,829	210,717,065	175,624,369	155,812,383	142,669,272
- operating profit/loss (+/-)	14,530,115	15,772,172	10,517,675	1,950,301	-316,422
III Financial income	374,197	1,038,733	893,728	96,754	892,681
IV Financial expenses	985,376	2,697,199	1,735,859	567,764	441,188
- loss	611,179	1,658,466	842,131	471,010	-
-advantage	-	-	-	-	451,493
VII Total income	192,012,141	227,527,970	187,035,772	157,859,438	143,245,531
VIII Total expenses	178,093,205	213,414,264	177,360,228	156,380,147	143,110,460
- the gross result of the exercise	13,918,936	14,113,706	9,675,544	1,479,291	135,071
- profit tax	1,924,253	1,848,098	994,872	187,436	101,960
NET PROFIT	12,050,173	12,315,948	8,746,511	1,332,223	76,306

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

CEO 17,993,283lei

CET GOVORA 2,281,016 lei

CNCFR SA BUCHAREST 1,319,448 lei

COPPER MIN 762,829 lei

S.E. CRAIOVA 743,702 lei

SOC.C.E. VALEA JIULUI 290,826 lei

NATIONAL SALT SOCIETY 108,692 lei

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

CEO 2,689,507 lei

CRAIOVA ELECTRIC POWER PLANT COMPANY 26,704 lei

NATIONAL SALT SOCIETY 3,508 lei

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

CEO 3,636,328 lei
 CET GOVORA 18,193 lei

SOC. C.E. VALEA JIULUI 14,288 lei

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

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

like this:

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

HUMAN POTENTIAL

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

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

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

DEPRECIATION OF FIXED ASSETS

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

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

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

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

ADVANTAGE

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

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

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

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

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

LEI

1. State budget	910,764
- profit tax	96,337
- tax on income from salaries	237,659
-dividend tax	276,715
- VAT payment	224,072
-2.25% CASM	75,981
2. Special Fund Budgets	21,993
- solidarity fund for people with disabilities	7,190

- medium background	14,803
3. Social security budgets	1,217,897
house	853,739
-CASS	364,158
Credits	-
providers	6,353,281
Creditor customers	26,669



**SUSTAINABILITY REPORT
OF THE COMPANY ARTEGO SA**

FINANCIAL YEAR 2025

- 31.12.2025 -

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MANAGEMENT STATEMENT

MESSAGE FROM THE MANAGEMENT OF ARTEGO SA,

We present the Sustainability Report of ARTEGO SA regarding the progress made in sustainability management and the implementation of the European Sustainability Reporting Standards (ESRS). By our actions we show that we take our responsibility not only in terms of the impact on the population and the environment, but also the internal risks and opportunities, term short , medium and long.

This sustainability statement has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the Standards European Sustainability Reporting Standards (ESRS). The report covers the Company 's own operations and its upstream and downstream value chain, where appropriate .

Our objectives related to sustainability aspects are evaluated on an annual basis . In line with our vision for information transparency , we present to you the status of our achievement of our objectives as represented in the Sustainability Report for the financial year 2025.

In our effort ensuring the most meaningful database , we carry out environmental impact assessments , social aspects and governance of the entity . In the following reports , we aim to enrich our sustainability objectives,on 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 issues on the environment and the population , because it is our common responsibility to build a sustainable economy in a healthy and prosper environment for the future .

With special consideration ,

General Manager



INFORMATION ABOUT SUSTAINABILITY REPORTING

BP-1

In compliance with the provisions of the OMFP . 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 met the criterion of having an average number of more than 500 employees during the financial year were required to prepare a non- financial statement containing the extent to which they are 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 .

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).

European Sustainability Reporting Standards (ESRS) that the Company applies are the following :

Cross-cutting standards

ESRS 1	General requirements
ESRS 2	General information presentations

Thematical standards

ESRS E1	Climate change
ESRS E2	Pollution
ESRS E3	Marine water resources
ESRS E4	Biodiversity and ecosystems
ESRS E5	Resource use and the 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	Professional conduct

Dual Materiality Analysis was performed according to ESRS standards , in order to comply with the provisions of the Corporate Sustainability Reporting Directive (CSRD). The significant aspects reported in the financial year 2025 according to ESRS standards were taken into account .

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

- information which the report must include and the manner of presenting them ;
- Exceptions to reporting sustainability information , such as and 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 identities ;
- Responsibility for preparing the report ;
- Publication of the sustainability report ;
- Sustainability Reporting Standards (ESRS).

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

The company fulfilled the reporting conditions for 2024 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 , the issue of sustainability , starting January 1, 2024.

Mandatory or voluntary reporting is regulated by the CSRD Directive (2022/2464), with a phased implementation, transposed at national level by OMF 85/12.01.2024. As of August 25, 2025, the implementation calendar was postponed by 2 years by OMF 1421/18.08.2025.

Given that the Company is listed on the secondary capital market in Romania, the obligation to report on sustainability issues has been maintained.

This sustainability statement was prepared on an individual basis , at the level of the Society

The Company 's Sustainability Report reflects its commitment to sustainable development and to achieving its stated 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

The company ARTEGO SA (" **the Company** ") from Tg . Jiu , is established in conformity with Law no. 31/1990 on companies , in base the Decision Government No. 1224/1990.

GENERAL IDENTIFICATION DATA

Company Name:	ARTEGO S.A.
Registered office:	Tg Jiu, Ciocarlau Street, No. 38, Gorj County
Tax code:	RO2157428
Trade Register No.:	J1991001120187
Phone/Fax:	0253.226.444
Main activity:	2212- Manufacture of other rubber products

COMPANY HISTORY

- **1973** - The "Târgu Jiu Rubber and Regenerated Rubber Technical 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 object of activity of the newly established entity was the manufacture of technical rubber products and metal accessories.
- **1975-1976** – The Metal Molds and Accessories Department 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 be produced. 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 manufacture 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 main product of the company 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 Conveyor Belt Drum Reconditioning Department was 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 was carried out in several stages: public offering, mass privatization program and negotiations with FPS. In 1995, the public offering took place, the object of which was the privatization of a package of 250,500 registered shares representing 10% of the company's share capital. The shares that were the object of this offering did not constitute a new issue but were already in circulation, being owned by the 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 under 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 Regenerated Rubber Enterprise. All technical articles manufactured by the former Târgu-Jiu Technical Rubber and Regenerated Rubber Enterprise received the ARTEGO brand from that moment on.

GOVERNANCE

GOV-1

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

- **1 executive member** : David Viorel, graduate of the Iași Polytechnic Institute, Faculty of Chemistry and Chemical Engineering, specialization in physical chemistry of polymers.

- **2 non-executive members** : Anghitoiu Florian, graduate of the Bucharest Polytechnic Institute, Faculty of Chemical Engineering, specializing in the technology of macromolecular compounds, and Bușe Diana Loredana, graduate of the Bucharest Academy of Economic Studies, Faculty of Management.

COMPANY LOCATION

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 SA Company).

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

- **To the north** : CRILELMAR SRL Company; The overpass over the railway Târgu-Jiu – Petroșani; Cereal base (currently being developed as a car fair); COMBGORJ SA Company; Housing blocks.
- **To the east** : The city's ring road – Narciselor Street; Privately owned land.
- **To the west** : CFR Ecaterina Teodoroiu Railway Station and the railway unloading ramp; Current railway Tg. Jiu – Petroșani and marshalling lines; To the southwest of the CFR station is the ROSTRAMO SA Company
- **To the south** : Uncultivated private property.

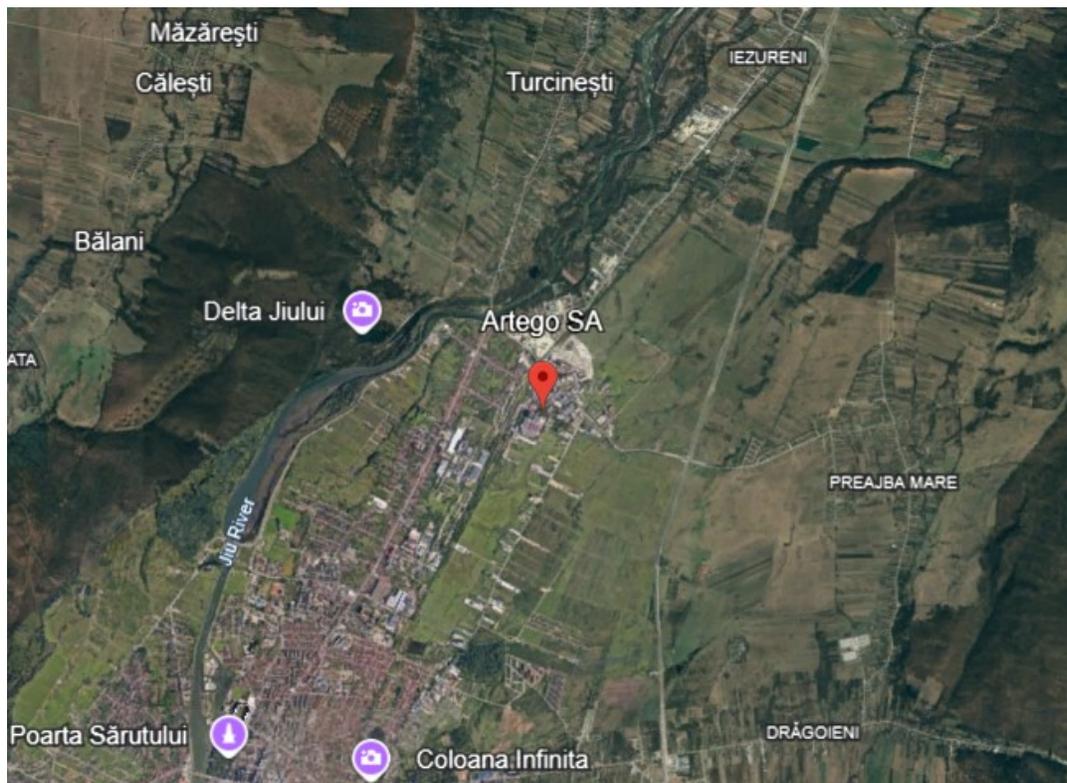


Figure no. 1 Location of the company Artego SA

DESCRIPTION OF THE COMPANY'S ACTIVITY

SBM 1

In Romania , the Society is the leader on conveyor belt market . The Company is also important manufacturer of technical rubber products globally . In Gorj County, Artego SA maintains collaborative relations - cooperation 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 activities of the Society are as follows:

- 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 temperature-resistant textile insert, 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 insert for agriculture; conveyor belts with textile insert in aramid (honeycomb) model; conveyor belts with metal insert for general use, all sizes; conveyor belts with fire-resistant metal insert, used in the coal, ferrous and non-ferrous ore extraction industries.
- Production of technical plates, carpets, pressed rubber and plastic gaskets for joining belts, with a diversified assortment: general purpose items (used for floor coverings, paving in livestock farms and for transporting animals); 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 design.
- Assembly and connection services of 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 diversified its activity through the production and marketing of dairy products, the production and marketing of protective equipment through the textile manufacturing section and through the production and marketing of 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 achieved 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 SA;
- through our distributors, both in the country and abroad .





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

In its relationship with 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;
- waste collection and recovery (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;
- Transport Belts Section: belts with textile inserts, belts with metal cord, obtaining rubber solutions;
- Regenerated Rubber Powder Workshop - rubber powder processing, 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 flow and final tests are carried out within the Company's Central Laboratory, accredited by RENAR, 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 customer'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 its marketing.

The waste resulting from the production process, as well as that purchased for recycling, is sorted. Rubber waste is transported to the powdered regenerated rubber section for recycling, while metal waste is recycled through authorized companies.

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

BUSINESS MODEL

SBM 1

The main suppliers of the Company are : Gotera 2012 SA Tg. Jiu - natural rubber, zinc oxide, sulfur; Premier Energy Furnizare SA - natural gas; Nova Power GAS SRL - electric energy; Sunchemy International China - antioxidants, accelerators; EP Belt Doo Serbia - fabrics;

Pluxee Romania SRL - meal vouchers; Premier Energy SA - natural gas; LG Chem Europe Poland - nitrile rubber; Caucho LTD Bulgaria - carbon black; Stera Chemicals SRL - SBR rubber.

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

The turnover for 2025 amounts to a total of 131,357,355 lei, of which the sale of dairy products 3,208,791 lei (2.44%), bakery 104,255 lei (0.08%) and tailoring 1,143,245 lei (0.87%). Within the framework of the Sustainability Report, we will mainly analyze the production and sale 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

An essential contribution to the Company's achievements is made by the good professional training of the specialists and the management team that seeks 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, Metso Minerals, etc.

The marketing strategy is based on the diversification of sales and the development of 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 1985-2025** . Other technical solutions are under examination at OSIM for patenting, and others are in the industrial testing phase. The patented technical solutions are very diverse, some of them have been realized 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:

- implemented and developed a partnership system to consistently guide the Company towards satisfying the needs of relevant stakeholders;

- ensure 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;
- the activities are carried out in compliance with the legal regulatory requirements and the requirements applicable to the activities carried out within the Company;
- There are effective measures implemented to prevent pollution and accidents at work.

As mentioned above, the Company's Strategy aims to strengthen the control environment, as a response 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 counter these potential losses.

The following types of risks were identified during 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 goods degradation is a risk with low tolerability, which requires rehabilitation measures for storage spaces.

an adequate surveillance and security system was introduced .

- **Personnel risk and the payroll system**

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

In 2025, considering the economic context, labor migration, and 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 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 justify credit financing.

The financial assets that may subject the Company to collection risk are 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 medium, for which the Company applied 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. The financial instruments bear interest at the market rate, therefore it is considered that their fair values do not differ significantly from their carrying amounts.

- **Risk determined by correlation with global market developments**

Events on the global financial market have a direct and indirect impact on the evolution of the national economy, which is reflected in the evolution of the Romanian capital market in recent years. Consequently, 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 permanent liquidity policy to ensure that the company can meet its financial obligations as they fall due. This is a risk with a 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 financing possibilities with the support of the majority shareholder.

- **Currency risk**

The Company may be exposed to foreign exchange rate fluctuations through cash and cash equivalents, foreign currency receivables, long-term loans or trade payables denominated in foreign currency. The functional currency of the Society is the Romanian stele. 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 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 cash flow until the debt is settled.

The company's exposure to currency 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 the shares traded.

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 disputes). The level of risk is low, with low tolerability, as the Company's management believes that these actions will not have a significant adverse effect on the Company's economic results and financial position.

The operational/commercial risks for a rubber goods manufacturer in Romania in 2025 were the following:

- 1. Supply chain and raw material cost volatility**

Global rubber supply constraints: Global natural rubber production is expected to be below demand in 2025, keeping prices high and unpredictable. Volatility in raw material prices for rubber and polymers (both natural and synthetic) can reduce profit margins. Impact: Pressure on procurement costs; reduced predictability of production budgets.

- 2. Economic/industrial slowdown**

Romania's overall industrial production faced a contraction in early 2025, with weak signs of growth. Impact: Strong local demand for industrial components and technical rubber parts if downstream industries (e.g. automotive, machinery) underperformed.

- 3. Increased regulatory and compliance requirements**

EU environmental and waste management regulations affect production processes and waste handling. Increased focus on sustainable manufacturing practices may require investment in cleaner technologies and reporting. Impact: Compliance costs and operational changes; need for environmental permitting and monitoring.

4. Environmental and waste management pressures

Transportation of rubber and related materials faces strict environmental controls, including restrictions on waste import/export and disposal regulations. Impact: Higher logistics and compliance costs, potential liabilities for waste handling and recycling.

5. Competition and market saturation

Indigenous companies face competition from global manufacturers. Impact: Competitive pressures on prices, quality standards and technological innovation.

6. Challenges related to workforce and technical expertise

Manufacturing competitiveness relies on skilled personnel and technical expertise; shortages can hinder growth and quality. Impact: Hiring/training costs and potential bottlenecks in production. Growth opportunities and benefits in 2025:

1. Market growth in the rubber and plastics industry

The Romanian rubber and plastics sector is expected to add significant value (approximately USD 2.22 billion in 2025). Opportunity: Expand production and diversify product lines to capture growing market share.

2. Diversification into specialized and higher value-added products

Technical rubber products (e.g., specialty seals, hoses, industrial components) can generate higher margins if they are tailored to niches such as automotive parts, hydraulic systems, and industrial machinery. Opportunity: Advance the value chain with customized, high-performance rubber solutions.

3. Export and regional integration

Romania's strategic location in the EU and its integration into EU value chains (especially the automotive and machinery industries) offer export potential. Opportunity: Expanding exports to EU partners; capitalizing on trade agreements.

4. Innovation and sustainability initiatives

Investments in sustainable processes (energy efficiency, recycling, low-impact materials) can unlock EU funding and create differentiation. Opportunity: Accessing grants or incentives linked to environmental performance and sustainability objectives.

5. Technological modernization and automation

Adopting advanced manufacturing technologies (e.g., automation) can increase productivity and reduce operational risk. Opportunity: Increasing competitiveness by improving efficiency and quality.

The map/register of IROs (Impact-Risk-Opportunity) specific to the Company's activity sector, aligned with the ESRS, for a manufacturer of technical rubber goods in Romania in 2025, suitable for a double assessment of materiality, is presented below:

ESRS E1 – Climate Change

Impacts: Greenhouse gas emissions (Scope 1 and 2) from: Rubber-specific technological processes, Energy-intensive machinery (presses, extruders, autoclaves); Indirect emissions from Scope 3: Procurement of natural rubber, synthetic polymers, carbon black, Transport of raw materials and finished products. **Risks :** Exposure to carbon costs from: Rising energy prices; Future carbon taxation or ETS extension. Physical climate risks: Disruptions in natural rubber supply due to climate-related events and supplier intensification. Transition risk: Pressure from customers (especially OEMs) for low-carbon components. **Opportunities:** Investments in: Energy efficiency (heat recovery, efficient presses); Renewable electricity (PPAs, rooftop photovoltaic panels); Development of rubber compounds with reduced carbon emissions; Competitive advantage over customers subject to Scope 3 reduction targets.

ESRS E2 – Pollution

Impacts : Air emissions : VOCs (volatile organic compounds) from rubber processing, Dust from filler materials (carbon black, silica). Water **pollution risks :** Discharge of process water containing chemicals or residues. **Risk of** soil contamination from chemical storage or waste handling. **Compliance risks :** Non-compliance with : Industrial Emissions Directive (IED); Local environmental permits. Reputational risk due to pollution incidents: Potential fines, production shutdowns or permit restrictions. **Opportunities :** Cleaner production technologies; Closed-loop water systems; Improved environmental monitoring and control systems that increase uptime.

ESRS E3 – Water and marine resources

Impacts : Water consumption for : Cooling systems ; Cleaning of dies and equipment; Localized pressure on water resources, depending on the location of the site. **Risks :** Increasing water costs; Restrictions during drought periods; Tightening of permits in water-stressed regions. **Opportunities :** Water efficiency measures ; Recycling and reuse systems that reduce operational costs; Improved resilience to water scarcity.

ESRS E4 – Biodiversity and ecosystems

Impacts : Indirect impacts on biodiversity through: Supply of natural rubber (risk of deforestation in the supplying regions); Production of chemicals upstream. Land use and disturbance of the local ecosystem due to production units (limited but relevant). **Risks :** Increased control of supply chains for deforestation-free materials; Loss of customers who require traceable and sustainable raw materials. **Opportunities :** Sustainable sourcing policies; Supplier engagement and certification (e.g. responsible rubber initiatives); Differentiation as a responsible supplier.

ESRS E5 – Resource use and circular economy

Impacts : High material intensity: Rubber compounds; Fillers and additives; Waste generation: Rubber waste; Defective products; Packaging waste. **Risks :** Rising raw material and waste disposal costs;

Regulatory pressure on waste reduction and recycling; Dependence on virgin raw materials. **Opportunities** : Recycling and utilization of rubber scrap; Design for durability and recyclability; Cost savings through material efficiency; Participation in circular supply chains (especially in the automotive industry).

SOCIAL IROs :

ESRS S1 – Own workforce

Impacts : Exposure of workers to : Heat ; Noise; Chemicals and dust Occupational health and safety risks in production. **Risks** : Work-related accidents and occupational diseases; Shortage of skilled labor; Increased absenteeism or staff turnover. **Opportunities** : Improved health and safety management systems; Professional development and training programs; Increased employee productivity and retention.

ESRS S2 – Value Chain Workers

Impacts : Potential labor rights risks in: Natural rubber plants; Chemical supplier operations. **Risks** : Non-compliance with human rights standards in the supply chain; Reputational and contractual risks with EU customers. **Opportunities** : Supplier audits and codes of conduct; Strengthening customer trust and access to EU value chains.

ESRS S3 – Affected Communities

Impacts : Local impacts from : Noise ; Odors; Traffic from logistics; Potential environmental incidents affecting nearby communities. **Risks** : Community complaints; Legal actions or challenges to permits. **Opportunities** : Community engagement programs.

ESRS S4 – Consumers and end users

Impacts : Safety and reliability of technical rubber products; Chemical content compliance. **Risks** : Product recalls; Contractual liability claims; Loss of customer trust. **Opportunities** : High-quality, compliant products; Long-term partnerships.

IROs on governance

ESRS G1 – Business Conduct

Impacts : Ethical conduct in : Procurement; Contracting; Compliance with EU regulations. **Risks** : Non-compliance with : Environmental and labor legislation ; Weak internal controls or ESG governance. **Opportunities**: Robust compliance systems; Improved access to financing; Better positioning among ESG-focused clients.

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 resources, mainly for:

- streamlining internal activities;
- providing external services to clients;

- 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

At the Company level, a risk register has not yet been developed according to ESRS standards, the main risk categories are presented within the Sustainability Report in order to minimize the impact of high-severity risks for the year 2025, relating to risks of compliance with legal provisions and operational risks in terms of operational activity. The Company also monitors the stage of achieving environmental objectives each year. An ESG risk register will be developed as the basis of the Company's strategy in 2026. The Company has begun this process of developing a risk register, which was presented in a narrative form above. The Company aims to 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 Operational Health and Safety, which applies throughout the company.

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, which addresses in a coherent, coordinated and unified manner the components related to environmental protection, quality, safety and health of workers.

The main elements of the due diligence process:

- Incorporating the due diligence process into governance, strategy and business model;
- Collaborate with affected stakeholders at all key stages of the due diligence process;
- Identification and assessment of negative impacts;
- Taking steps to address these negative impacts;
- Tracking the effectiveness of these efforts and communicating.

SIGNIFICANT SUSTAINABILITY ASPECTS

DOUBLE MEANING – BASIS FOR REPORTING INFORMATION

IRO-1

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

The double meaning has two dimensions, namely: **the significance of the impact** and **the financial significance** .

A sustainability aspect is significant from an **impact perspective** when it refers 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 has or can reasonably be expected to have a significant financial **impact** on the enterprise. This is the case when a sustainability aspect gives rise to or can reasonably be expected to give rise to **risks or opportunities** that have or can reasonably be expected to have a significant impact on the enterprise's development, financial position, financial performance, cash flows, access to finance or cost of capital in the short, medium or long term. Risks and opportunities may arise from past or future events. **The financial significance** of a sustainability aspect is not limited to aspects that are within the control of the enterprise, but includes information on significant **risks and opportunities that can be attributed to business relationships** outside the scope of consolidation used in preparing the financial statements.

Double materiality assessment (DMA); Directive 2013/34/EU) Art. 19a(1)

Impact Materiality Scale (ESRS) (“from inside to outside”)

Severity = Scale × Scope × Irremediability (rated on a scale of 1–5)

Probability = Likelihood of occurrence (rated on a scale of 1 – 5)

Where: Scale: How severe or serious the impact is (e.g., extent of environmental damage, degree of human rights impairment); Scope: How widespread the impact is (e.g., number of people affected, geographical spread, area of ecosystem affected); Irreversibility: How difficult it is to reverse or remedy the damage (e.g., permanent loss of biodiversity) vs. temporary pollution).

Financial materiality scale ("from outside to inside")

Magnitude = EBITDA / cash flow impact (rated on a scale of 1 – 5)

Probability = Likelihood (rated on a scale of 1 – 5)

Environmental DMA – Summary table:

ESRS Standard	ESRS key topic	Impact	Risk	Financial magnitude	Financial probability	Material?
E1 Climate change	Greenhouse gas emissions from production and energy consumption	4	4	4	4	YES
E2 Pollution	VOCs, dust, wastewater, chemical handling	4	3	3	3	YES
E3 Water	Water consumption and discharge	2	3	2	2	Probably NOT
E4 Biodiversity	Indirect risk of deforestation (rubber supply)	4	4	4	4	YES
E5 Circular economy	Rubber waste, material intensity	4	4	4	4	YES

DMA social and governance – Summary table:

ESRS Standard	Key topic ESRS	Impact	Risk	Financial magnitude	Financial probability	Material?
S1 Own workforce	OHS risks, chemical exposure, skills	5	4	4	4	YES
S2 Value chain workers	Occupational hazards in the rubber supply chain	3	3	3	3	On the edge
S3 Communities	Noise, smell, traffic	2	2	2	2	NOT
S4 End users	Product safety and compliance	4	3	4	3	YES
G1 Business Conduct	Compliance, ethics	4	3	4	3	YES

Following internal analyses, the Company considers that the most relevant ESRS data/information points to be presented are the following:

E1 – Climate change

- IRO ESRS presentation
- GHG emissions from production E1-6 (Gross GHG emissions)
- Energy-intensive processes E1-5 (Energy consumption mix)
- Transition risks (energy prices, carbon costs) E1-9 (Transition plan)
- Opportunities in efficiency and renewable sources E1-1 (Transition plan), E1-3 (Policies)

E2 – Pollution

- IRO ESRS presentation
- VOC and dust emissions E2-4 (Air pollution)
- Wastewater discharges E2-5 (Water pollution)
- Chemical Handling and Storage E2-1 (Policies), E2-6 (Substances of Concern)

E5 – Circular economy

- IRO ESRS presentation
- Rubber waste and defective products E5-5 (Waste generation)
- Material Efficiency E5-4 (Resource Input)
- Recycling and reuse E5-6 (Waste diverted from disposal)
- Circular Product Design E5-1 (Policies and Actions)

S1 – Own workforce

- PresentationIRO ESRS
- SSM Risks S1-14 (Health and Safety)
- Exposure to chemicals S1-13 (Working conditions)
- Skills and training S1-13, S1-15 (Training)
- Absenteeism/staff turnover S1-9 (Characteristics)

S4 – Consumers / End Users

- PresentationIRO ESRS
- Product Safety S4-1 (Policies), S4-4 (Incidents)
- Compliance with chemical regulations S4-4 (Safety Incidents)

G1 – Business Conduct

- PresentationIRO ESRS
- Compliance Risks G1-1 (Policies)
- Ethical sourcing G1-2 (Supplier relations)
- Internal controls G1-3 (Prevention and detection)

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 or architectural monuments or areas of traditional interest.

The main activities in the field of environmental protection in 2025 were carried out in a planned and organized manner, aiming at preventing pollution, reducing the risks of environmental incidents at the Company's sites, as well as complying with the legislative provisions in the field.

The main directions pursued are:

1. Monitoring of regulatory acts. The company holds the following authorizations:
 - Environmental permit;
 - Water management authorization;
 - Connection agreement - discharge to the city sewerage network.
2. The 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 the hazards mentioned in the Safety Data Sheets where these substances are used;
 - b) in the field of pollution prevention - training of personnel with the 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 evaluation** : In 2025, 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, APM, ISU
 - 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, in accordance with 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 tracks 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 take over 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. The management of waste produced at the Company level was monitored 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 Permits, issued by the Gorj Environmental Protection Agency, measurements of environmental factors are carried out on the Company's site as follows:

- determining 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 dosing - mixing raw materials section;
- physical and chemical determinations of technological water.

E. Environmental protection expenses

In order to properly carry out environmental protection activities, 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 E1 Climate Change

ESRS E1



Fuel economy and emissions in use

Many of the industry's processes are powered by fossil fuels and release greenhouse gases (GHGs) and other atmospheric 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 the 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 an urgent global issue, and its consequences are becoming increasingly evident. A number of climate-related trends are being observed that have a direct impact on raw material resources, especially fossil fuels. For 2025, 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

Impacts: Greenhouse gas emissions (Scope 1 and 2) from: Rubber-specific technological processes, Large energy-consuming machinery (presses, extruders, autoclaves); Indirect emissions from Scope 3: Procurement of natural rubber, synthetic polymers, carbon black, Transport of raw materials and finished products.

Risks:

Exposure to carbon costs from: Rising energy prices; Future carbon taxation or ETS expansion.

Physical climate risks: Disruptions in natural rubber supplies due to climate-related events and supplier shortages.

Transition risk: Customer pressure (especially automotive OEMs) for low-carbon components.

Opportunities

Investments in: Energy efficiency (heat recovery, efficient presses); Renewable electricity (PPAs, rooftop photovoltaic panels); Development of low-carbon rubber compounds; Competitive advantage over customers subject to Scope 3 reduction targets.

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 its activity, the Company adheres to the principle of "Do No Significantly Harm" (DNSH) and environmental objectives are established.

The Company's rubber processing activities are energy intensive and result in direct and indirect greenhouse gas emissions. Climate change has been identified as a significant issue both due to the environmental impact of operations and the financing risks associated with rising energy prices and regulatory developments.

The company has initiated actions to improve energy efficiency and evaluate renewable energy supply to reduce emissions and mitigate transition risks.

Climate change mitigation actions include greenhouse gas (GHG) emission reductions achieved in 2025. GHG emissions can be reduced as a result of the use of photovoltaic panels.

Our company does not meet 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 across the entire value chain, from water consumption or the amount of waste generated, to the level of stocks held.

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.

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 share of industry energy expenditure, followed by purchased fuels. The type of energy used, the amount consumed, and 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 2025 , the Company has not set GHG emission reduction targets, these will be set according to the ESRS standards.

Managing impacts, risks and opportunities, reporting requirements regarding 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 in 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 determines the significant aspects in relation to its activity.

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

Subtopic	Impact	Risk/Opportunity
Climate change mitigation	<p>Potentially negative impact on the Company's activity.</p> <p>Impacts: Greenhouse gas emissions (Scope 1 and 2) from: Rubber-specific technological processes, Large energy-consuming machinery (presses, extruders, autoclaves); Indirect emissions from Scope 3: Procurement of natural rubber, synthetic polymers, carbon black, Transport of raw materials and finished products.</p>	<p>Risks:</p> <p>Exposure to carbon costs from: Rising energy prices; Future carbon taxation or ETS expansion.</p> <p>Physical climate risks: Disruptions in natural rubber supplies due to climate-related events and supplier shortages.</p> <p>Transition risk: Customer pressure (especially automotive OEMs) for low-carbon components.</p> <p>timely</p> <p>Investments in: Energy efficiency (heat recovery, efficient presses); Renewable electricity (PPAs, rooftop photovoltaic panels); Development of low-carbon rubber compounds; Competitive advantage over customers subject to Scope 3 reduction targets.</p>
Adaptation to climate change	<p>Potential negative impact on the Company's activity as a result of climate change.</p> <p>The degree of adaptation to extreme conditions may generate a negative impact, but it is not major.</p>	<p>Physical risk : Climate change may have a potential negative impact on water supply and sanitation infrastructure (severe weather conditions, reduced water quality, flooding, increased costs to ensure the required water quality)</p>
Power	<p>Negative impact on the Company's activity. A significant amount of energy is used. Energy prices and, implicitly, maintenance costs may increase.</p>	<p>Transition risk : Increase in energy purchase tariffs if no investment is made in green technologies</p>

Figure no. 2 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 climate change have been assessed within the framework of the dual materiality process and have been assessed as having medium to large negative financial effects.

Transition plan for climate change mitigation

ESRS E1-1

As of the 2025 reporting year, there was no transition/emissions 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/emissions reduction plan, and their adoption is planned for 2026.

A **The transition plan** refers to the company's efforts to **mitigate climate change** . When submitting 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 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 exceedance, 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	Defining	2024	2025
Total energy consumed	The total amount of energy it consumed as an aggregate figure, in gigajoules (GJ)	104,252.35	71,840.20
Percentage of electricity from the grid	Purchased grid electricity consumption divided by total energy Consumption (MWh)	8,664,725	7,319,794
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 773,109, so the percentage is 8.92%	1,334,887
Carbon neutrality – reduction of GHG emissions, values are expressed in CO _{2e}	Emission reduction of CO ₂ through energy use renewable and new technologies Reducing emissions CO ₂ vs. value from 2022 expressed in %	-	-

In 2023, a photovoltaic park of 399.15 KWh was put into operation on 28.02.2023, and in 2024, a photovoltaic park of 0.9999 MWh was put into operation on 19.08.2024. In 2025, no investments were made in this direction.

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

- Disclosure requirement E1-4 – Climate change mitigation and adaptation targets;
- Disclosure 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 that do not exceed the average number of employees 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 preparing the sustainability statement);
- Disclosure Requirement E1-7 – GHG Removals and GHG Emission Mitigation Projects Financed by Carbon Credits;
- Disclosure Requirement E1-8 – Domestic Carbon Pricing;
- Disclosure Requirement E1-9 – Anticipated Financial Effects of Significant Physical and Transitional Risks and Potential Climate-Related Opportunities.

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

Electricity consumption in 2024 and 2025 is presented in the following table:

ESRS E1-5

Year 2024 /Month	Electricity		Year 2025 /Month	Electricity	
	Kwh	LEI (excluding VAT)		Kwh	LEI (excluding VAT)
January	630,304	481,886.82	January	657,551	618,724.31
February	934,503	737,699.31	February	776,795	719,997.80
March	992,294	782,648.95	March	799,840	748,158.92
April	789,829	628,879.46	April	370,362	323,497.11
May	587,265	437,856.42	May	596,296	498,597.85
June	799,722	520,913.68	June	573,953	493,319.70
July	686,359	468,529.61	July	601,920	617,501.81
August	475,736	323,652.70	August	505,659	502,211.02
September	565,498	404,342.72	September	529,902	499,647.88
October	763,487	606,846.24	October	682,376	608,560.41
November	807,545	628.064.02	November	673,717	603,911.82
December	632,183	488,553.64	December	551,423	493,349.46

Total	8,664,725	6,509,873.57	Total	7,319,794	6,727,478.09
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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 SA 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 Climate Change area, these will be formulated as part of the development of the Company's climate strategy and transition/emission reduction plan in 2026. In 2025, a responsible person was not designated to be responsible for the implementation of a climate change policy. The Company reported 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 2025, the aim was to raise the awareness of the personnel who carry 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 Society's efforts to ensure energy independence, with an increasing emphasis on the production of green energy from renewable sources.

ESRS E2Pollution



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 energy performance improvement 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 activities carried out by the Company is respected.

Major accident prevention policy

The Company's major accident prevention policy 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 EN ISO 45001:2023.

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

- Ensuring the safety of installations by carrying out verification and repair operations on time and promptly, by operating installations properly, by making the necessary investments to reduce the

impact on the population and the environment, by modernizing and re-equipping existing installations to reduce the risk of major accidents.

- Ensuring environmental protection through 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 companies specialized in the field and/or for rubber and used oil waste, the recovery is done within the Company.
- 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 pollution-related IROs

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 evaluated 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;
- soil and subsoil pollution, discharges to the soil/subsoil;
- the use of chemical products;
- resource consumption (water, fuel);
- waste generation (hazardous or hazardous);
- noise and vibration production;
- affecting 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 was 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 situations of air pollution due to increased emissions from thermal power plants or in situations of accidental pollution , gas leaks (chlorine). Increased emissions of pollutants

		<p>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 air is also polluted. Odorous discomfort can generate reputational risk. There may be significant litigation and/or remediation costs.</p>
Water pollution	<p>Potentially negative impact , only in situations of failure of the treatment systems can result in accidental pollution of wastewater, of short duration</p> <p>Potential negative impact on groundwater in situations of improper waste handling</p> <p>Potential negative impact on the groundwater table in the event of a rupture in the pipelines through which chemical substances are transported</p> <p>Potential negative impact of improper evacuation of water resulting from Purification systems.</p>	<p>High financial risk in situations of damage to the water supply and sewage system.</p> <p>In situations of increased precipitation, the discharge of effluents in a larger quantity than designed, and inadequate clean water flows, may occur.</p> <p>There may be significant litigation and/or remediation costs.</p> <p>Opportunity : Discharging wastewater to a good quality.</p>
Soil pollution	<p>Potential negative impact due to infiltration of pollutants into the soil in case of accidental pollution with various chemical products or substances.</p> <p>Potentially negative impact in situations where waste collection containers are not covered.</p> <p>Potential negative impact in the situation 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>Potentially negative impact due to contamination of floors or various surfaces with chemical substances and mixtures , including waste of chemical substances and mixtures.</p>	<p>Risk of local contamination of various surfaces in the event of improper handling of hazardous substances.</p> <p>Employees can be injured if they do not handle hazardous</p>

	Potentially negative impact in the situation where hazardous substances are not managed or stored properly.	substances properly, and the environment can also be affected. Risks related to the improper storage and disposal of chemical substances used in the production process. Risk : significant remediation costs.
Substances of very high concern		
Microplastics		

Figure no. 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 as material within the dual materiality process.

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 45001:2023, with applicable legal regulations in force, taking into account, at the same time, the requirements of interested parties.

The company has a policy of risk identification and control and 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 was the first reporting year in accordance with the requirements of the ESRS standards. In 2025, the SMI policy is updated according to the requirements of the standard regarding environmental pollution factors.

Pollution-related actions and resources

ESRS E2-2

The Company has developed an environmental management system that is applied to ensure the protection and control of the environment 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 authorities and water management integrates 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 performing 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 the following (2025 values):

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

2. Air leaks

2.1 EMISSIONS

Pollutant	MU	Limit value, according to Law no. 188/2018	Monitoring frequency / Measured value
			Once every 3 years
			Thermal power plant
Nitrogen oxides (NO _x)	mg/Ncm	200	178

	MU	Limit value	Monitoring frequency/measured value
			Dosage

Pollutant			Annual
Powders	mg/Ncm	50	1.1

2.1. EMISSIONS – SEDIMENTABLE DUSTS

Pollutant	UM/DATE	Limit value	Measured value		
			Sampling point no.1	Sampling point no.2	Sampling point no.3
Sedimentable powders	g/ m ² /month/ 15.01.2025	17	1.40	1.0	1.74
Sedimentable powders	g/ m ² /month/ 16.02./2025	17	2.5	1.2	2.33
Sedimentable powders	g/ m ² /month/ 14.03.2025	17	2.88	2.47	1.98
Sedimentable powders	g/ m ² /month/ 11.04.2025	17	4.10	3.62	1.12
Sedimentable powders	g/ m ² /month/ 09.05.2025	17	3.35	3.08	1.72
Sedimentable powders	g/ m ² /month/ 09.06.2025	17	3.37	3.93	3.42
Sedimentable powders	g/ m ² /month/ 08.07.2025	17	3.36	3.51	3.49
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/ 06.08.2025	17	3.20	4.53	4.06

Sedimentable powders	g/ m ² /month/ 05.09.2025	17	6.69	2.51	2.16
Sedimentable powders	g/ m ² /month/ 08.10.2025	17	4.38	3.42	2.96
Sedimentable powders	g/ m ² /month/ 08.11.2025	17	3.99	2.92	2.48
Sedimentable powders	g/ m ² /month/ 07.12.2025	17	3.95	3.61	2.10

3. MANAGEMENT METHOD FOR DANGEROUS SUBSTANCES AND PREPARATIONS

No. of documents.	Naming of chemical substances and preparations	Quantity of substance used/ 2025 [kg]
1	Hydrochloric acid	2410
2	CBS Accelerator	25495
3	Renogran (CTP, PVI)	1360
4	Antioxidant IPPD	19098
5	Resorcinol 80 SBR	0
6	DM Accelerator (MBTS)	5473
7	M-Accelerator (MBT)	0
8	ZDEC Accelerator	399
9	TMTD Accelerator	292
10	DPG Accelerator	4497
11	Chloroparaffin K52	0
12	Chloroparaffin K70	99230
13	Cobalt octoate	5959
14	Chemosil 211	69

15	Chemosil 225	100
16	Chemosil 411	100
17	Oil for the rubber industry (base oil)	221240
	Used Oil	307333
	Tar	0
	Antimony trioxide	10862
	Zinc oxide	82248
	Toluene (TBA Solvent)	18251
	Ethyl acetate	5007
	DIESEL	42955
	Ammonia water	2400
	Hydrazine	0
	Oxygen	1518 m ³
	Corgon (Stargon)	283.2 m ³
	Acetylene	320

4. HOW TO MANAGE WASTE IN 2025

Waste names	Stock [t] 31.12.2024	Amount of waste generated [t]	Amount of waste recovered [t]	Stock [t] 31.12.2025
Wood chips, sawdust, shavings 03 01 05	0.16	2.35	2.51	0
Processed textile waste 04 02 22	0	0	0	0
Waste rubber (technical rubber articles) 07 02 13	2.2	578,218	580,446	0
Scrap metal 12 01 01	0	7,058	7,058	0
Non-Ferrous waste 12 01 03	0	0	0	0

Paper and cardboard 15 01 01	0	27.57	26.8	0.77
Plastic waste 15 01 02	0.32	43.34	43.66	0
Wood waste 15 01 03	1	39.1	39.6	0.5
Iron waste 15 01 04	0	1,368	1,266	0.108
Tire waste 16 01 03	0	0	0	0
Copper, Bronze, Brass waste 17 04 01	0.09	1.04	1.05	0.08
Aluminium Waste 17 04 02	0.01	3,971	3,981	0
Ferrous Waste 17 04 05	0.6	383,224	383,824	0
Silicone paper 20 01 01	0	35.6	35.6	
Textile waste-canvas ends 20 01 11	0	33.37	33.37	0
Non-chlorinated hydraulic oil H46 13 02 10*	0	0	0	0
Batteries and accumulators 16 06 01	0	0	0	0

Targets established for waste water: *The indicators analyzed for waste water are in accordance with the Water Management Authorization, authorization obtained annually.*

Targets set for the environmental factor soil: Not applicable.

The following requirements regarding targets are presented within the ESRS E2 framework:

- Disclosure Requirement E2-3 – Pollution Targets;
- Information requirement E2-4 – Air, water and soil pollution;
- Information 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.

Anticipated financial effects of pollution-related impacts, risks and opportunities

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 aspects register includes a series of risks that will be re-analyzed and aligned with the ESRS reporting requirements in the next period, with 2024 being the first year of reporting based on the new ESRS standards.

ESRS E3 Marine water resources



General information presentations

ESRS 2

Ensuring adequate and quality drinking water is one of the essential and vital conditions for the Târgu Jiu geographical area. 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/provision of water supply and sewage services concluded for an indefinite period with the company Aparegio Gorj SA.

Process water supply

Groundwater source

It is carried out through a number of three water wells, using tartarization, supply and storage facilities.

Surface water source

It is made 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:

The tangible volume is provided by the 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 sections and workshops, dosing-mixing, pressed gaskets, oxygen).

Wastewater disposal

Wastewater is collected in a separate system as follows:

- the discharge of domestic wastewater and technological wastewater from the dairy products department and car wash into the sewerage system of the municipality of Targu Jiu;
- the discharge of industrial wastewater requiring 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 marine and aquatic resources

ESRS 2 IRO-1

The dual materiality analysis process identifies and assesses the impacts, potential risks and opportunities associated with groundwater and surface water resources. The company does not operate 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 water table will drop, and for surface waters, the easement flows will decrease. downstream of the Jiu River.
	Water sampling		
	Water discharge	Only in case of failure can it generate a negative impact on the quality of the effluent. 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 Jiusi River, which may lead to criminal 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.	risk of increased cost of purchasing raw materials used in the raw water treatment process. Reduced water quality can lead to higher treatment plant operating costs.
Marine resources	Water consumption	This is not the case, water from marine resources is not used . This is not the case, no water is discharged into the oceans.	-
	Water sampling		
	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 impacts on water resources are assessed as low, 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.

Marine resources policies

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 45001:2023, 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:

- supervision of 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 interested parties;
- Continuous identification of environmental aspects generated by the organization's activities and initiation of actions with a view to reducing their impact on the environment.

Through integrated management systems and environmental and water management authorizations, the Company assumes responsibility for managing 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, regarding sanitary protection zones, the Company is obliged by the legislation and regulatory acts held to establish the respective zones for all its objectives that are directly related to water. Through the actions it permanently takes, the Company ensures that the risk of water pollution is reduced to a minimum. The Company carries out monitoring of the managed waters.

All environmental aspects identified within the Company are periodically evaluated with a view to reducing 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 disasters 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 its effects can be disastrous.

Targets related to managing significant negative impacts, promoting positive impacts and managing 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 – Water and Marine Resources standard. For the specific activity of the Company, the targets are represented by the maximum permitted values that must be met according to the environmental and water authorizations held.

The company has established a series of targets and measures for water management for 2025, to strengthen the implementation of an Integrated Management System, including:

Key indicator	Defining	2024	2025
Degree of proactive monitoring of requirements imposed by authorities. (periodically %).	Proactive monitoring	100%	100%

The following requirements regarding targets are presented within the ESRS E3 framework:

- Reporting requirement E3-3 – Marine water resources targets;
- Disclosure requirement E3-4 – Water consumption;
- Disclosure Requirement E3-5 – Anticipated financial effects of impacts, risks and opportunities related to water and marine resources.

Anticipated financial effects of risks and opportunities related to water and marine resources

ESRS E3-5

The anticipated financial effects of the risks and opportunities related to water resources 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 however noted in the dual materiality analysis as being at a low materiality level. The Company's environmental register includes a number of risks that will be re-analysed and aligned with the ESRS reporting requirements.

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 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: the Izbucu Jaleşului Nature Reserve, the Izvernei Springs, the Jiu Gorge or the forested areas located near the locality.

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

ESRS 2 IRO-1

Biodiversity-related impacts, risks and opportunities 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 6 Impacts, risks and opportunities table) .

Subtopic	Sub-Sub-Theme	Impact	Risk/Opportunity
Determinants of direct impact on biodiversity decline	Climate change	negative impact was estimated .	Low probability.
	Land use changes, water use changes, and sea use changes	That is not the case.	
	Direct exploitation	That is not the case.	
	Invasive alien species	That is not the case.	
	Pollution	negative impact was estimated .	Low probability.
	Other	-	-
The impacts of species extinction	Examples Species population size	negative impact was estimated .	Low probability.
	The risk of global species extinction	That is not the case.	
Impacts on the extent and condition of ecosystems	Examples Soil degradation	negative impact was estimated .	Low probability.
	Desertification		
	Soil waterproofing		
Impacts and dependencies on ecosystem services	-	negative impact was estimated .	Low probability.

Figure no. 6 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 biodiversity were assessed within the framework of the dual materiality process and were assessed as having negative financial effects (risks) at a medium level.

Transition plan and consideration of biodiversity and ecosystems within the strategy and business model

ESRS E4-1

In compliance 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 regarding 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 facilities are not located in protected areas, sites or zones.

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

ESRS E4-4

The company did not set targets related to impact management during 2024 and 2025 because it was not necessary.

Key indicator	Defining	2024	2025
		-	-

The following requirements regarding targets are presented within the ESRS E4 framework:

- Disclosure requirement E4-4 – Biodiversity and ecosystem targets;
- Disclosure requirement E4-5 – Impact indicators related to biodiversity and ecosystem changes;
- 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 location.

Biodiversity and ecosystem targets

ESRS E4-4

No targets related to biodiversity and ecosystems have been set.

Impact indicators related to biodiversity and ecosystem changes

ESRS E4-5

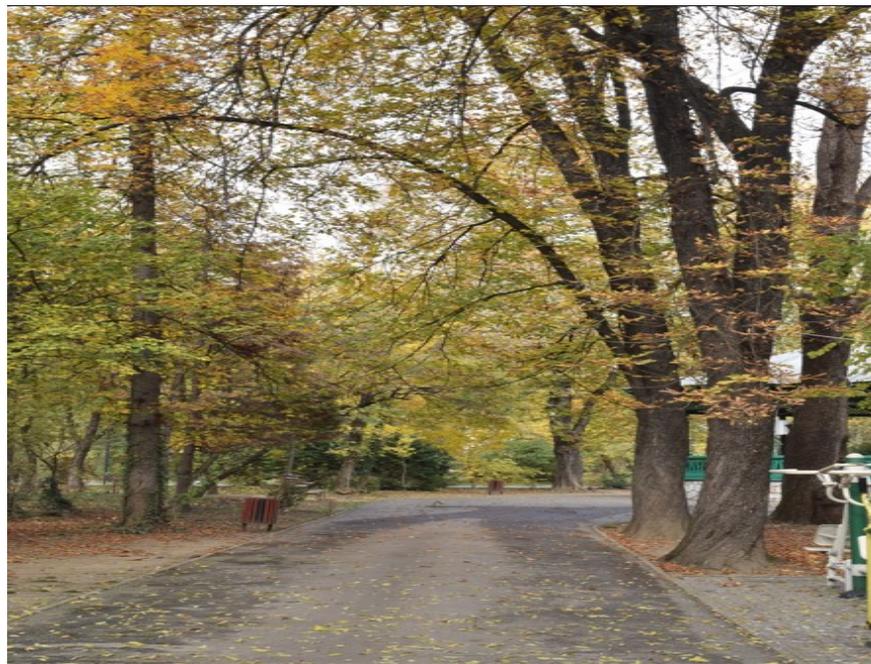
This is not the case, as no significant impacts have been identified that would require the establishment of impact indicators related to biodiversity and ecosystems.

Anticipated financial impacts 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, and 2024 was the first reporting year under the new ESRS standards. Their relevance and significance was noted in the dual materiality analysis.

ESRS E5 Circular Economy



General information presentations

ESRS 2

The activity carried out within the Company does not cause significant harm to the environment in the long term with regard to 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 decreasing consumption .

Policies related to resource use 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 reuse, recycling and energy recovery of these, without affecting operational processes.

The company does not have a policy on waste management 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 SREN ISO 45001:2023, as well as with applicable legal regulations in force.

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

Actions and resources related to resource use and the 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 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 waste disposal option is applied only as a last resort, 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 the recovery or disposal of waste, 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:

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

Training of the Company's employees on waste prevention, mandatory use of certain products/materials, where possible, and selective waste collection are carried out periodically.

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

ESRS 2 IRO-1

Subtopic	Impact	Risk/Opportunity
Resource inputs, including resource usage	Negative impact – where these resources have a negative impact on 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 case of improper management of the hazardous and non-hazardous waste generated.	Risk : Inadequate management of the quantities of waste generated, financial risk (fines, reputational risk).

Figure no. 7 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 waste were assessed within the framework of the dual materiality process and were assessed as having medium-level financial effects.

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	Defining	2024	2025
No. of requests resolved	Monitoring requirements imposed by authorities	100%	100%
No. of operational equipment inventory whose life span has been extended.	Reducing waste generation	8	6

Savings achieved by optimizing waste collection	Optimizing the collection of generated waste	50%	70%
Waste recovery rate (tons)	Reducing the impact on environmental factors	1675	953
No. of meetings held regarding employee training (%)	Semester training according to the Annual Training Plan	100%	100%

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

The following requirements regarding targets are presented within the ESRS E5 framework:

- Disclosure requirement E5-3 – Targets related to resource use and circular economy;
- Disclosure Requirement E5-4 – Resource Inputs;
- Disclosure Requirement E5-5 – Resource Outputs;
- Disclosure Requirement E5-6 – Anticipated financial effects of impacts, risks and opportunities related to resource use and the circular economy.

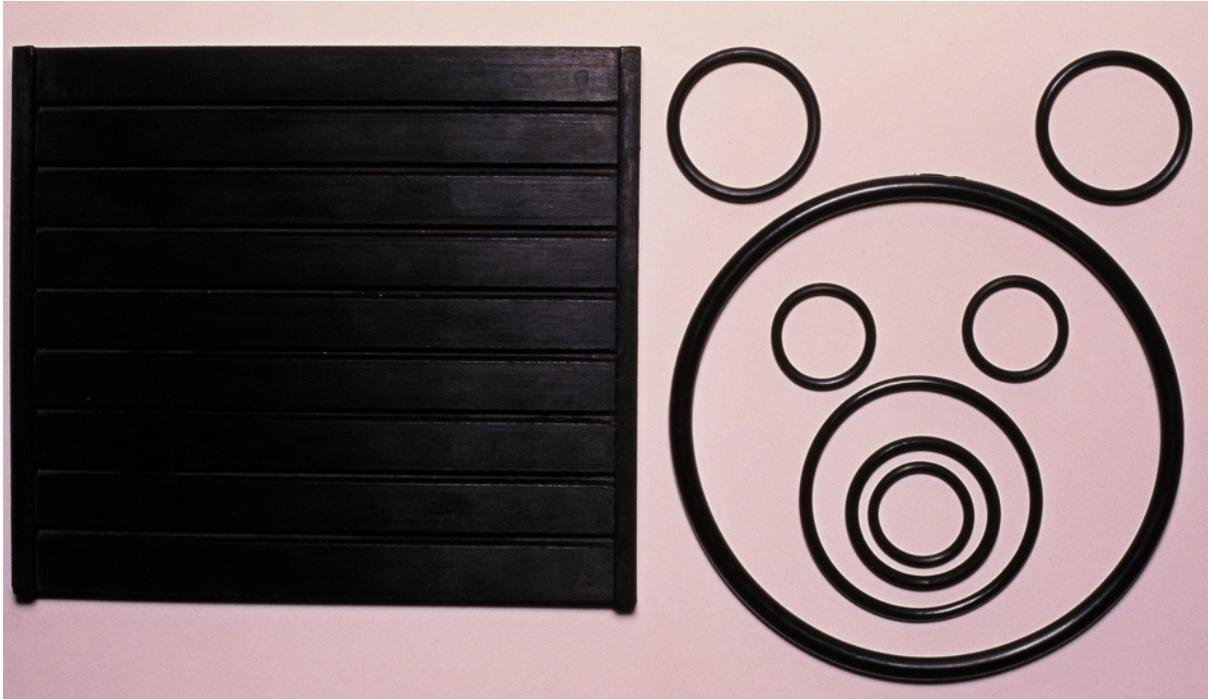
Anticipated financial effects of impacts, risks and opportunities related to resource use and the circular economy

ESRS E5-6

The anticipated financial effects of risks and opportunities related to resource use and the circular economy have not been assessed or quantified in detail, as 2025 is the second 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 re-analysed and aligned with the ESRS reporting requirements in the coming period.

SOCIAL INFORMATION

ESRS S1Own 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 process 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 International Labor Organization Declaration 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 occupational accident and disease risks is the basis for establishing the management strategy in the field of occupational health and safety and is followed by risk control through the establishment of prevention measures, which are included in the annual prevention and protection plan, which is developed in accordance with the provisions of the Methodological Rules 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 Occupational Health and Safety Committee Meetings 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 annual resources allocated 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, most 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 31.12.2025, the Company has a number of 450 employees, of which:

- 213 women;
- 237 men.

Age structure of staff :

- 20 - 30 years old, 11 people;
- 31 - 40 years old, 39 people;
- 41 - 50 years old, 156 people;
- 51 - 60 years old, 234 people;
- over 60 years old, 10 people.

Staff structure in terms of studies :

- 105 people with higher education;
- 345 people studied media.

The company has constantly reconsidered its human resources policy, trying to adapt to its needs.

The evolution of the number of personnel during the period 2020-2025 is presented as follows:

Specification	2020	2021	2022	2023	2024	2025
Number of employees at the beginning of the period	877	809	748	671	572	505
Number of newly hired people	81	32	15	9	8	8
Number of people who have terminated employment with the company	149	93	92	108	75	63
Number of employees at the end of the period	809	748	671	572	505	450

The evolution of the number of personnel in 2025 is as follows:

Specification	01	02	03	04	05	06	07	08	09	10	11	12
Number of people at the beginning of the period	505	503	495	488	484	478	471	472	467	466	460	454
Number of newly hired people	-	1	1	-	1	1	1	-	2	1	-	-
Number of people who have terminated employment relationships	2	9	8	4	7	8	-	5	3	7	6	4
Number of employees at the end of the period	503	495	488	484	478	471	472	467	466	460	454	450

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 needed 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 through:

- conclusion of 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 status of employees by periodically performing specialized checks;
- supporting employees and their families when they have difficult health problems;
- granting meal vouchers;
- supporting disadvantaged individuals and/or communities through sponsorships.

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

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

To control risks in this area, measures were taken to motivate staff 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.

Health and safety of the workforce

Industrial workers 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 interruptions. 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.

Within the framework of the Collective Labor Contract, there are provisions regarding the fact that in order to improve working conditions, a Health and Safety at Work Committee is established, consisting of: the head of the company, the head of the labor protection department, a representative of the medical service and representatives of the employees. It fulfills the duties established by its Regulations, approved by order of the Ministry of Labor, Social Solidarity and Family.

The specific conditions at all workplaces within the Company, with the exception of 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 carried out 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 activities at workplaces, the Company is concerned with the following measures: ergonomic design of workplaces; ensuring environmental conditions (lighting, noise, vibrations, temperature, ventilation, humidity); design of social annexes of workplaces (bathrooms, changing rooms, sanitary groups, canteen); reduction, up to gradual elimination, of polluting emissions.

The Collective Labor Agreement also includes special provisions regarding: Social protection measures and facilities granted to employees, or Professional Training.

The provisions regarding the Rules regarding protection, hygiene and occupational safety within the unit are included and detailed in 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 workplaces, 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 the processes for identifying and assessing significant pollution-related impacts, risks and opportunities

SBM 3

Subtopic	Sub-subtopic	Impact	Risk/Opportunity
Working conditions	Safe jobs	Positive impact - as a result of respecting the rights of its own employees and 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 tools, etc. Adequate management of employee rights is ensured through specific internal procedures that are applied appropriately. Working conditions are continuously improving. Higher costs with payroll as a result of indirect pressure for salary increases. minimum in the economy.
	Working time		
	Adequate wages		
	Social dialogue		
	Freedom of association, the existence of works councils and the rights of workers to information, consultation and participation		
	Collective bargaining, including the proportion of workers covered by collective labor 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 teams, including people with disabilities, is ensured. The company offers equality to all employees, there is a policy of non-discrimination and equal treatment, remuneration is similar for both women and men, as well as periodic training courses for
	Training and skills development		
	Employment and inclusion of people with disabilities		
	Measures against violence and harassment in the workplace		
	dIVERSITY		

			employees.
Other work-related rights	Child labor	This is not the case.	
	Forced labor	This is not the case.	
	Adequate housing	This is not the case.	
	Confidentiality	This is not the case.	

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 medium within 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	2024	2025
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	0.44

The following requirements regarding targets are presented within the ESRS S1 framework:

- 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 of unpaid workers;
- Disclosure requirement S1-8 – Coverage of collective bargaining and social dialogue;
- Disclosure requirement S1-9 – Diversity indicators;
- Disclosure requirement S1-10 – Adequate wages;

- Information disclosure requirement S1-11 – Social protection;
- Disclosure Requirement S1-12 – Persons 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 (remuneration gap and total remuneration);
- Reporting 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 medium within the double materiality analysis process.

During the period 01.01.2025 - 31.12.2025, two work accidents were recorded within the Company.

In 2025, several actions were taken to ensure occupational health and safety, as follows:

- Workplace inspections were carried out according to the annual OHS control 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.
- the staff was 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 installers, internal transport) was carried out
- Workers were provided with protective food, according to the collective labor agreement.

Processes for engaging with own workers and worker representatives on impacts

The Company strictly complies with the laws and international treaties that regulate human rights, both within this framework and in its 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 norms 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 remediating negative impacts and channels through which employees can express their concerns

The Internal Regulations set out the procedure for resolving individual employee requests and/or complaints. They also cover the rights and responsibilities of both employees and the employer, including rules on non-discrimination and respect for human dignity, rules on conflicts of interest, disciplinary procedures and methods for resolving employee requests or complaints. The Internal Regulations are communicated and signed by 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.

Own workforce policies

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.

ESRS S2 Value Chain Workers



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 community expectations, 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 specialized literature (Figure no. 9 Table of impacts, risks and opportunities) .

Subtopic	Sub-subtopic	Impact	Risk/Opportunity
Working conditions	Jobs	Positive impact - as the rights of suppliers' employees are respected - this being a firm condition upon signing the contract with the Company.	Opportunity: All suppliers must respect the “Fundamental Principles of Supplier Relations” and are selected after rigorous verification. Suppliers adopt the principles of required behavior.
	Working time		
	Adequate wages		
	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	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		

		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.	
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 financial effects on the Company in the short, medium and long term of the significant risks and opportunities arising from the impacts associated with employees in the value chain were assessed within the framework of the dual materiality process and were assessed as low, with no financial risks for the company.

However, the anticipated financial effects of risks and opportunities related to the value chain have not been assessed or quantified in detail, with 2025 being the second 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

Specific targets related to employees in the value chain have not been adopted according to 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 for impact management during 2025 because this was not the case.

Key indicator	Defining	2024	2025
		-	-

The following requirements regarding targets are presented within the ESRS S2 framework:

- 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.

At the Company level, there are specific policies designed to eliminate discrimination, including harassment, to promote equal opportunities and other ways of promoting diversity.

Collaborative processes with employees in the value chain regarding impacts

ESRS S2-2

The Company conducts a materiality analysis process, which assesses both the risks and opportunities associated with suppliers in the value chain and their employees. The grievance policy and appropriate channels are applicable and available to workers in the value chain, and are presented as part of the ESRS G-1. Through these channels, the Company will initiate consultations that will take place directly with workers in the value chain. All complaints will be taken into account for resolution, and the perspectives of workers in the value chain will influence decisions on managing the actual and potential impact.

The company has not adopted a general process for collaboration with employees in the value chain, in accordance with the requirements of the new ESRS standards.

Processes for remediating 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 suppliers and their compliance with ethical and sustainable development values and rules. Among the fundamental values mentioned in the Supplier Relations Charter, which occupy the first place in their selection, is 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 may only be symbolic, not in the form of money and of a

small value. In case of doubt, they should consult their superiors. All business partners are informed of the anti-corruption policy through a package of anti-corruption and GDPR clauses attached 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

It was considered that the Company's operations do not have a significant negative impact on the Communities in the relevant areas where the Company operates. 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. Society contributes to social (health), economic and cultural development. of the communities in the area
	Adequate food		
	Water and sanitation		
	Soil-related impacts		
	Security-related impacts		
rights of communities	Freedom of expression	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 assembly		
	The impact on human rights defenders		
The rights of indigenous peoples	Free, prior and informed consent	That is not the case.	
	empowerment		
	Cultural rights		

Figure no. 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:

- 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 amendments and supplements;
- Order No. 1798/2007 for the approval of the procedure for issuing environmental authorization, with subsequent additions and modifications.

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 or the ILO Declaration on Fundamental Principles and Rights at Work in the Company's operations.

Collaborative processes with affected communities regarding impacts

ESRS S3-2

The company has demonstrated that it is a trusted partner for the community, granting, even in 2025, 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 for impact management during 2025 because this was not the case.

Key indicator	Defining	2024	2025
		-	-

The following requirements regarding targets are presented within the ESRS S3 framework:

- 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 main group of stakeholders 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 main purpose of the Company 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 a specific strategy has not been established, according to the requirements of the ESRS standards.

Quality aspects

In 2025, 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 stakeholders: shareholders, customers, employees, suppliers, society. The Company's quality objectives also refer to the competitive context in which the Company operates, and the expectations of relevant stakeholders.

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 of bread, fresh pastry products; manufacturing of dairy products and cheeses; services for joining rubber conveyor belts by vulcanization. It aims to implement and recertify an integrated management system (quality, environment, SSM) appropriate to the new requirements, as a trust for understanding and satisfying 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 the activity is carried out 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 through the use of 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 work accidents and/or occupational diseases (by assessing and controlling the risks of occupational accidents and diseases, training personnel, performing periodic medical checks 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 have been 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 periodically 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 - The company ensures quality of products and services in accordance with legal requirements for safe consumption.	Opportunity: Ensures appropriate product quality and price accessible services
	Personal security		
	Child protection		
Social inclusion of consumers and/or end-users	Non-discrimination	Positive impact - The company provides products and services for all users who request these services	Opportunity: All consumers have rights equal access to the Company's products and services.
	Access to products and services		
	Responsible marketing practices		

Figure no. 11 Impacts, risks and opportunities table

The company carries out its activity 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

However, at the Company level, the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work are respected.

Also, according to the Policy and management commitment established within the Company through the Integrated Management System, the following objectives are established in the relationship with the Company's consumers and clients:

- maintaining clear, direct and effective communication both within the organization and outside it, with stakeholders and in particular with customers;
- continuous improvement of the quality of the product and services offered to customers, 24 hours a day, by promptly resolving problems;
- constant measurement of 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 and 2025 because this was not the case.

Key indicator	Defining	2024	2025
		-	-

The following requirements regarding targets are presented within the ESRS S4 framework:

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

Targets related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities have not been adopted in accordance with the new ESRS requirements. These are to be set for 2026.

GOVERNANCE INFORMATION

ESRS G1 Professional Conduct



The role of administrative, management and supervisory bodies

ESRS 2 GOV-A

The Company's Board of Directors has a management and supervisory role, 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 management is decisive, in terms 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 Iași Polytechnic Institute, Faculty of Chemistry and Chemical Engineering, specialization in physical chemistry of polymers.
- 2 non-executive members : Angheloiu Florian, graduate of the Bucharest Polytechnic Institute, Faculty of Chemical Engineering, specializing in the technology of macromolecular compounds, and Bușe Diana Loredana, graduate of 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 through:

- providing working conditions that respect the dignity of the individual and appropriate workplaces from the point of view of occupational safety and health;
- prohibiting any form of intimidation through language, attitude, gestures, or any other form of personal attack;
- eliminating 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 from employees or the public, and decreased prestige in society.

Aspects of ethics and integrity in business

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

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 suitable solutions to meet 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 product quality standard with a proactive attitude towards customer requirements;
- **We are committed to:** 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, intimidation in business, monopolization or evasion through:

- establishing mechanisms for declaring conflicts of interest and reporting unethical or illegal behavior or breaches of employee integrity;
- prohibiting any form of bribery or corruption in business or work relationships;
- compliance with 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-sub-topic	Impact	Risk/Opportunity
Corporate culture	-	Potentially 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.
Alarm protection	-	Potentially negative impact - if internal codes and procedures are not followed.	Opportunity: Through an Intranet-type Ethics Platform, people who make reports are protected and are not discriminated against in any way.
Animal welfare	-	That is not the case.	
Political engagement and lobbying activities	-	That is not the case.	
Managing supplier relationships, including payment practices	-	Potentially negative impact - if internal procedures are not followed in relation to suppliers, including if payments are not made in a timely manner. Financial risk thresholds are assigned to each decision factor to mitigate the risk.	Risk: Potential reputational risks can lead to loss of relationships with suppliers.

Prevention and detection of corruption and bribery	Incidents of corruption or bribery	Potentially 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 IT data protection		Potentially negative impact - in case of security-related incidents or accidents.	Risk: Risk of loss of all customer data due to increasing 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) for the aspect of Supplier Relationship Management, including payment practices, as well as for the aspect of Corruption and Bribery.

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

The company did not set targets related to impact management during 2025 because this was not the case.

Key indicator	Defining	2024	2025
		-	

The following requirements regarding targets are presented within the ESRS G1 framework:

- ESRS 2 Disclosure Requirement IRO-1 – Description of processes for identifying and assessing significant impacts, risks and opportunities;
- Disclosure requirement G1-1 – Policies on professional conduct and corporate culture;
- Disclosure requirement G1-2 – Supplier relationship management;
- Disclosure requirement G1-3 – Prevention and detection of corruption and bribery.

No targets were adopted related to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities according to the new requirements in the ESRS.

Policies on professional conduct and corporate culture

ESRS G1-1

Both within the organization and in interaction with stakeholders, the Company rigorously complies with applicable legislation and international conventions, including the UN Global Compact, the human rights legislative framework and the OECD Guidelines for Multinational Enterprises.

Thus, the Company aims to fully comply with:

- Anti-corruption Code of Conduct (“Code”) - annex to the Internal Regulations;
- Anti-corruption and anti-fraud policy;
- The provisions and legislation in force on the prevention of corruption;
- Fundamental principles in the relationship with suppliers.

For the year 2025, 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 to providing the necessary assistance depending on the situation.

Supplier relationship management

ESRS G1-2

Supplier selection

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

The company evaluates and audits suppliers regularly.

The company's suppliers and subcontractors undertake to respect:

- The Company's Ethical Guide and Anti-Corruption Code of Conduct;
- Procurement processes and procedures;
- Principles of clear and consistent communication with the contact persons designated by the supplier;
- Confidentiality of information exchanged with the Company through the establishment of 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;
- The Company's data and IT systems security clause, where applicable;
- Negotiate honestly and fairly and adopt the required principles of behavior.

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 its restriction.

The Company also avoids abusive behavior in a given market. In 2025, 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 undertakes to comply with **the Anti-Corruption Code of Conduct**, which describes the principles and acts aimed at respecting its commitment to prohibit, without any reservation, any form of corruption and similar or equivalent behavior and to comply with the 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 respected.

Communication channels

The company has established various 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, Ciocarlau Street, No. 38

DIGITAL SECURITY



Disclosures related to specific circumstances

ESRS 2 BP-2

Society continues to make efforts to strengthen the security of digital information held because 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, from the point of view of the impact but also of the financial significance of risks and opportunities.

The risks associated with digital security are identified internally and will determine appropriate actions to minimize inherent risks in 2025. 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 review. The identified ESG risks will be integrated into the Company's business strategy.

The risks identified within the Society specific to digital security are:

- Penetration of physical and cyber protection system;
- The tendency to replace the thorough acquisition of knowledge with the easy acquisition of certificates without coverage in the acquisition of 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 were assessed within the framework of the dual materiality process and were assessed as being of high negative (risk) level for the aspect Digital Security – Protection of IT data.

Policies related to climate change mitigation and adaptation

ESRS E1-2

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

Action plans and resources for managing significant impacts, risks and opportunities for Society related to digital security

The company emphasizes IT security and the importance of security in all IT projects. Security risks are managed through a future-oriented approach, and to ensure adequate security, all processes must be integrated into each stage of the projects.

Incidents/accidents related to digital security in the reporting year

There were no incidents or accidents related to digital security during the reporting year.

TAXONOMY



Report pursuant to Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council ('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 aim of the EU Taxonomy is to redirect capital flows towards sustainable investments, create transparency in markets and encourage companies, investors and policymakers to invest in areas essential for sustainable development.

General Principles of 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) Adaptation to climate change
- 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 some good 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:
 - ✓ Meets the relevant criteria imposed by the Taxonomy (i.e. 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 guarantees.

Identification and evaluation of activities according to the EU Taxonomy within the Society

The company has taken measures to be able to provide reliable information from a Taxonomy point of view.

For 2025, only the eligibility of the main business lines' activities 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 financial department and the technical department, to analyze the applicability of the Regulation in the context of the Company's operational activities.

Key performance indicators from the Taxonomy point of view

Eligible and aligned turnover

The Taxonomy Regulation eligible turnover reflects the proportion of a company's total turnover that comes from economic activities eligible for the Taxonomy, whether or not they meet the alignment

criteria . This KPI is calculated as the proportion of the taxonomically eligible turnover (numerator) in relation to the company's total turnover (denominator), in accordance with the EU Taxonomy Regulation. Based on the estimates made , the % proportion of turnover is presented in Annex 1.

Cap (capital) Exeligible and aligned

The EU Taxonomy Regulation defines capital expenditure eligible for the 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 (TaxoEligibleCapEx) indicator reflects the proportion of a company 's total capital expenditure dedicated to economic activities eligible for the taxonomy , regardless of whether they meet all the taxonomy alignment criteria.

This KPI is calculated as the ratio between the taxonomically eligible capital expenditure (numerator) and the total capital expenditure of the enterprise (denominator), according to the EU Taxonomy Regulation. Based on the estimates made, the % proportion relating to CaP is presented in Annex 2.

Op (operational) Eligible and aligned

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

Taxonomy alignment process

Starting the first step towards aligning the activity with 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 2025 report, there was no total alignment with the objectives due to the lack of specific documentation to demonstrate that the proposed alignment activity does not cause relevant harm to the other objectives of the Taxonomy. The Society believes 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 meets the requirements laid down in Article 10(2) of Regulation (EU) 2020/852;
- ‘facilitating economic activity’ means an economic activity that meets the requirements laid down 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 above definitions:

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 the economic activity concerned: (a) does not lead to a lock-in of assets that undermines the long-term environmental objectives, taking into account the economic life of those assets; and (b) has a substantial

positive effect on the environment, based on life-cycle considerations. Official Journal of the European Union L 198/34 22.6.2020

Defining key performance indicators from the point of view of Taxonomy

The values used for the calculation of the key performance indicators (KPIs) from the Taxonomy point of view 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 supplements, of the Company, and are presented in RON using the formula corresponding 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 ('Does Not Significantly Harm')						Minimum Safeguards (17)	Taxonomy aligned proportion of total turnover, 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		RON	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			97%																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	CCM 3.6	126.901.064,00	97%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	97%	E	
			0%	0%	0%	0%	0%	0%	0%								0%		

			0%	0%	0%	0%	0%	0%									0%			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	126.90 1.064, 00	97%	97%	0%	97%	97%	0%													
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
			0%																	
			0%																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0,00	0%																		
Total (A.1+A.2)	126.90 1.064, 00	97%																		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities	4.456. 291,00	3%																		

Total (A+B)

131.35
7.355,
00

100
%

Total (A.1+A.2)	1.965. 898,00	10 0 %					
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B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Capex of Taxonomy-non-eligible activities	0,00	0 %
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Total (A+B)	1.965. 898,00	10 0 %
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Total (A.1+A.2)	137.170 .912,00	10 0 %	
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B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

OpEx of Taxonomy-non-eligible activities	0,00	0 %
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Total (A+B)	137.170 .912,00	10 0 %
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PROVISIONS OF THE CORPORATE GOVERNANCE CODE	RESPECT	DO NOT COMPLY OR PARTIALLY COMPLY	REASON FOR NON-CONFORMITY
<p>A.1. All companies must have internal Board regulations that include the terms of reference/responsibilities of the Board and the key management functions of the company, and that apply, among other things, the General Principles in Section A.</p>		PARTIALLY COMPLY	<p>The terms of reference/responsibilities of the Board and the key management functions of the company are found in the Articles of Association.</p> <p>This requirement is to be analyzed within the Board of Directors.</p>
<p>A.2. Provisions for the management of conflicts of interest should be included in the Board's rules of procedure. In any case, Board members must notify the Board of any conflicts of interest that have arisen or may arise and refrain from participating in the discussions (including by non-attendance, unless non-attendance would prevent a quorum) and from voting on a decision on the matter giving rise to the conflict of interest..</p>		PARTIALLY COMPLY	<p>There are no provisions in the Articles of Association regarding the management of conflicts of interest.</p> <p>However, the recommendation of the Corporate Governance Code is respected.</p>
<p>A.3. The Board of Directors or Supervisory Board must consist of at least five members.</p>		No	
<p>A.4. The majority of the members of the Board of Directors must not hold an executive position. At least one member of the Board of Directors must be independent in the case of companies in the Standard Category. In the case of companies in the Premium Category, no less than two non-executive members of the Board of Directors must be independent. Each independent member of the Board of Directors or the Supervisory Board, as the case may be, must submit a declaration at the time of his nomination for election or re-election, as well as when any change in his status occurs, indicating the elements on the basis of which he is considered independent in terms of his character and judgment.</p>		PARTIALLY COMPLY	<p>The majority of the members of the Board of Directors are non-executive directors.</p> <p>There are currently no independent directors.</p> <p>The directors were appointed to office by the General Meeting of Shareholders.</p>
<p>A.5. Other relatively permanent professional commitments and obligations of a Board member, including executive and non-executive positions on the Board of non-profit companies and</p>		No	

institutions, must be disclosed to shareholders and potential investors before nomination and during his term.			
A.6. Any member of the Board must disclose to the Board any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This obligation refers to any relationship that may affect the member's position on matters decided by the Board..		No	That's not the case.
A.7. The company must appoint a Board Secretary responsible for supporting the work of the Board.	yes		
A.8. The corporate governance statement will state whether a Board review has taken place under the chairmanship or the nomination committee and, if so, will summarise the key actions and changes resulting from it. The company should have a Board review policy/guideline outlining the purpose, criteria and frequency of the review process..		No	The company will develop a policy/guideline regarding 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 Board and committee meetings during the last year, the participation of directors (in person and in absentia) and a report of the Board and committees on their activities..		No	The requirement is to be respected.
A.10. The corporate governance statement must include information regarding the exact number of independent members of the Board of Directors or the Supervisory Board.		No	This is not the case. The company's Board of Directors is composed of 3 members, the majority of whom are non-executive directors..
A.11. The Board of Premium Category companies must establish a nomination committee consisting of non-executive members, which will lead the nomination process for new members to the Board and make recommendations to the Board. The majority of the members of the nomination committee must be independent.		No	The company is not included in the Premium Category.
B.1 The board must establish an audit committee of which at least one member must be an independent non-executive director. The majority of the members, including the chairman, must have demonstrated that they have appropriate	yes		

<p>qualifications relevant to the functions and responsibilities of the committee. At least one member of the audit committee must have proven and appropriate audit or accounting experience. In the case of companies in the Premium Category, the audit committee must consist of at least three members and the majority of the members of the audit committee must be independent.</p>			
<p>B.2. The chairman of the audit committee must be an independent non-executive member.</p>	yes		
<p>B.3. As part of its responsibilities, the audit committee must conduct an annual assessment of the internal control system.</p>	yes		
<p>B.4. The assessment should consider the effectiveness and coverage of the internal audit function, the adequacy of the risk management and internal control reports presented to the Board's audit committee, the promptness and effectiveness with which executive management addresses deficiencies or weaknesses identified as a result of internal control, and the presentation of relevant reports to the Board.</p>	yes		
<p>B.5. The audit committee must assess conflicts of interest in connection with the transactions of the company and its subsidiaries with related parties..</p>	yes		
<p>B.6. The audit committee must assess the effectiveness of the internal control system and the risk management system.</p>	yes		
<p>B.7. The audit committee should monitor the application of legal standards and generally accepted internal audit standards. The audit committee should receive and evaluate the reports of the internal audit team.</p>	yes		
<p>B.8. Whenever the Code mentions reports or analyses initiated by the Audit Committee, these must be followed by periodic (at least annually) or ad-hoc reports that must be subsequently submitted to the Board.</p>	yes		
<p>B.9. No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements concluded by the company with shareholders and their</p>	yes		

affiliates.			
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 close relationships 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 Board following a binding opinion of the Board's audit committee and properly disclosed to shareholders and potential investors, to the extent that these transactions fall within the category of events subject to reporting requirements.	yes		
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 entity.	yes		
B.12. . In order to ensure the performance of the main functions of the internal audit department, it should report functionally to the Board through the audit committee. For administrative purposes and within the framework of management's obligations to monitor and mitigate risks, it should report directly to the CEO..	yes		
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		
D.1. The company must organize an Investor Relations service – indicating to the general public the responsible person(s) or organizational unit. In addition to the information required by legal provisions, 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. Main corporate regulations: articles of association, procedures regarding general meetings of shareholders;	yes		
D.1.2. Professional CVs of the members of the company's management bodies, other professional commitments of the Board members, including executive and non-executive positions		PARTIALLY COMPLY	The Recommendation is not implemented with regard to other professional commitments

on boards of directors in companies or non-profit institutions;			of Council 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 reports and periodic reports (quarterly, semi-annual and annual) – at least those provided for in point D.8 – including current reports with detailed information regarding non-compliance with this Code;	yes		
D.1.4. Information regarding general meetings of shareholders: agenda and information materials; procedure for electing members of the Board; arguments supporting the proposals of candidates for election to the Board, together with their professional CVs; shareholders' questions regarding the items on the agenda and the company's responses, including the decisions adopted;	yes		
D.1.5. Information on corporate events, such as the payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of a shareholder's rights, including the deadlines and principles applied to such operations. Such information shall be published in a time frame that allows investors to make investment decisions;	yes		
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, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), audit reports, and annual reports.		PARTIALLY COMPLY	
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 regarding the distribution of net profit. The principles of the annual distribution policy to shareholders will be		No	To be implemented

published on the company's website.			
D.3. The company will adopt a policy regarding forecasts, whether they are made public or not. Forecasts refer to quantified conclusions of studies aimed at establishing the overall impact of a number of factors regarding a future period (the so-called assumptions): by its nature, this projection has a high level of uncertainty, the actual results may differ significantly from the forecasts initially presented. The policy on forecasts will establish the frequency, the period considered and the content of the forecasts. If published, forecasts may only be included in annual, half-yearly or quarterly reports. The policy on forecasts will be published on the company's website.		No	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. Amendments to the rules shall enter into force, at the earliest, starting with the next general 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.		No	
D.6. The Board will present to the annual general meeting of shareholders a brief assessment of the internal control and management systems of significant risks, as well as opinions on issues subject to the decision of the general meeting.		PARTIALLY COMPLY	
D.7. Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting upon prior invitation from the Board. Accredited journalists may also attend the general shareholders' meeting, unless the Chairman of the Board decides otherwise.		No	
D.8. Quarterly and semi-annual financial reports will include information in both Romanian and English regarding the key factors influencing changes in sales levels, operating profit, net profit and other relevant financial indicators, both from one quarter to another and from one year to another.	yes		

<p>D.9. A company shall hold at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions shall be published in the investor relations section of the company's website on the date of the meetings/conference calls.</p>		No	The possibility of organizing such events will be evaluated in relation to requests from investors.
<p>D.10. If a company supports various forms of artistic and cultural expression, sporting activities, educational or scientific activities and considers that their impact on the innovative character and competitiveness of the company is part of its mission and development strategy, it will publish the policy regarding its activity in this field.</p>		No	<p>Such a policy is not required at this time.</p> <p>To the extent that these activities are considered to have an impact on the innovative character and competitiveness of the company and are part of its mission and development strategy, the policy will be developed.</p>

OVERALL RESULT SITUATION

on December 31, 2025

- LEI-

No. Crt.	INDICATORS NAME	12/31/2024	12/31/2025
1.	Net turnover of which	144,842,306	131,357,355
	Revenue from sold production	142,941,901	130,350,253
	Revenue from the sale of goods	2,445,657	1,548,178
	Trade discounts granted	545,252	541,076
2.	Revenue from stored production	10,982,605	4,885,398
3.	Revenue from fixed asset production	424,279	544,403
4.	Income from fixed assets held for sale	-	-
5.	Revenue from operating subsidies	-	-
6.	Other operating income	1,513,494	5,565,694
1.	OPERATING INCOME	157,762,684	142,352,850

7.	Expenses related to goods	2,130,738	1,333,999
8.	Material expenses	93,886,363	87,581,345
9.	Expenses for works and services performed by third parties	6,821,338	5,714,386
10.	Tax and duty expenses	1,468,965	1,346,618
11.	Personnel expenses	47,148,474	42,643,516
12.	Other operating expenses	802,576	427,719
13.	Depreciation and amortization expenses	3,553,929	3,621,689
II.	OPERATING EXPENSES	155,812,383	142,669,272
A.	OPERATING RESULT		
	- PROFIT	1,950,301	
	- LOSS		316,422
III.	FINANCIAL INCOME	96,754	892,681
IV.	FINANCIAL EXPENSES	567,764	441,188
B.	FINANCIAL RESULT	-471,010	451,493
V.	EXCEPTIONAL INCOME		
VI.	EXCEPTIONAL EXPENSES		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL REVENUES	157,859,438	143,245,531
quic k	TOTAL EXPENSES	156,380,147	143,110,460
D.	GROSS RESULT		
	- PROFIT	1,479,291	135,071
	- LOSS		
	PROFIT TAX	187,436	101,960
It is	DEFERRED INCOME TAX INCOME	40,368	43,195
F.	NET RESULT		
	- PROFIT	1,332,223	76,306
	- LOSS		

G.	Number of shares	8,114,746	8,114,746
H.	Earnings per share	0.16	0.0094

Individual Financial Statements

STATEMENT OF FINANCIAL POSITION AS OF 31.12.2025

(Amounts are expressed in RON, unless otherwise specified)

Name of indicators	<u>31/12/2024</u>	<u>31/12/2025</u>
ActiveE		
Fixed Assets	35,621,382	32,863,930
<i>Tangible Assets</i>	30,396,260	28,641,351
<i>Intangible Assets</i>	5,225,122	4,222,579
<i>Financial Assets</i>		
Current Assets	78,547,610	69,782,533
<i>Stocks</i>	51,902,595	43,009,811
<i>Trade Receivables</i>	19,119,474	19,063,962
<i>Financial Assets of which</i>	14,397	14,397
<i>available for sale</i>	14,397	14,397
<i>Cash and cash equivalents</i>	7,309,228	7,459,755
<i>Advance expenses</i>	201,916	234,608
TOTAL ASSETS	114,168,992	102,646,463
EQUITY AND LIABILITIES		

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>Revaluation reserves</i>	26,898,248	26,836,923
<i>Other equity items</i>	555,214	512,019
<i>Legal reserves</i>	4,057,373	4,057,373
<i>Other reservations</i>	35,620,669	31,187,122
<i>Own actions</i>		
<i>Retained earnings (without IAS 29)</i>	4,793,307	3,612,595
<i>Retained earnings (with IAS 29)</i>	-89,052,449	-89,052,449
<i>Current year profit</i>	1,332,223	76,306
<i>Profit Sharing</i>	-1,147,156	
Total equity	92,396,743	86,569,203
Long-term debts		
<i>Investment subsidies</i>	2,052,075	1,912,171
<i>Other long-term liabilities</i>	8,465	8,834
<i>Long-term provisions</i>		
Total long-term debt	2,060,540	1,921,005
Current liabilities		
<i>Investment subsidies</i>	139,904	139,904
<i>Commercial and other debts</i>	9,775,857	6,379,950
<i>Short-term loans</i>		
<i>Current tax and fee debts</i>	9,795,948	7,636,401
<i>Short-term provisions</i>		
Total current liabilities	19,711,709	14,156,255
Total debts	21,772,249	16,077,260
TOTAL EQUITY AND LIABILITIES	114,168,992	102,646,463

CASH FLOW STATEMENT AS OF 31.12.2025

(Amounts are expressed in RON, unless otherwise specified)

Indicator LEI (RON)	COMPLETED IN 2024	ACHIEVED IN 2025
A. LIQUIDITIES AT THE BEGINNING OF THE PERIOD	779,573	7,309,228
In accounts	719,803	7,244,640
House	28,457	6,317
Other values	10,211	6,135
Treasury advances	-	-
Values to be collected	21,102	52,136
REVENUE FROM OPERATING ACTIVITIES	189,128,013	186,655,682
Customer collections	157,452,550	137,964,981
Other receipts	31,675,463	48,690,701
PAYMENTS FOR EXPLOITATION ACTIVITY	178,309,443	186,660,135

Supplier payments	97,611,933	96,510,811
Payments for staff salaries	41,323,370	37,473,324
Payments regarding taxes and fees	22,391,517	18,596,485
Tax/profit	548,562	102,958
Interest payments	253,767	60,544
Other payments	16,180,294	33,916,013
CASH FLOW FROM OPERATING ACTIVITIES	10,818,570	-4,453
INCOME FROM INVESTMENT ACTIVITY	951,405	367,989
Proceeds from the sale of land, fixed assets and intangible assets	951,405	357,989
Proceeds from the sale of equity instruments and receivables of other enterprises	-	-
Receipts from repayment of advances and loans to other parties	-	-
PAYMENTS FROM INVESTMENT ACTIVITY	5,240,320	213,009
Payments for the acquisition of land, fixed assets and intangible assets	5,240,320	213,009
Proceeds for the acquisition of equity instruments and receivables of other enterprises	-	-
Advances and loans made to other parties	-	-
CASH FLOW FROM INVESTING ACTIVITIES	-4,288,915	154,980
COLLECTIONS FROM FINANCING ACTIVITIES	-	-
PAYMENTS FOR FINANCING ACTIVITY	-	-
CASH FLOW FROM FINANCING ACTIVITIES	-	-
CASH FLOW – TOTAL	6,529,655	150,527
B. LIQUIDITIES AT THE END OF THE PERIOD	7,309,228	7,459,755
In accounts	7,244,640	7,253,786
House	6,317	26,300
Other values	6,135	112,164
Treasury advances	-	-
Values to be collected	52,136	67,505

REVENUE
AND
EXPENDITUR
E BUDGET
**General
Activity**

RON

SPECIFICATION	N O. D R.	Predicted 2025	Accomplish ed 2025	FORECAST 2026				
				TOTAL	QUARTER I	QUARTER II	QUARTER III	QUARTER IV
I. TOTAL REVENUE	01	126,000,000	143,245,531	127,000,000	31,750,000	31,750,000	31,750,000	31,750,000
1. Operating income	02	125,840,000	142,352,850	126,500,000	31,625,000	31,625,000	31,625,000	31,625,000
2. Financial income	03	160,000	892,681	500,000	125,000	125,000	125,000	125,000
3. Exceptional income	04	-	-	-	-	-	-	-
II. TOTAL EXPENSES	05	125,000,000	143,110,460	126,200,000	31,550,000	31,550,000	31,550,000	31,550,000
of which:								
1. operating expenses of which:	06	124,200,000	142,669,272	125,800,000	31,450,000	31,450,000	31,450,000	31,450,000
a) material expenses	07	57,720,000	75,535,257	66,000,000	16,500,000	16,500,000	16,500,000	16,500,000
b) personnel	08	39,420,000	38,822,156	36,200,000	9,050,000	9,050,000	9,050,000	9,050,000

expenses, of which								
- gross salaries	09	38,000,000	37,474,955	35,000,000	8,750,000	8,750,000	8,750,000	8,750,000
- Social insurance and social protection.	10	1,420,000	1,347,201	1,200,000	300,000	300,000	300,000	300,000
c) expenses for private expenses, depreciation, provisions	11	3,600,000	3,621,689	3,600,000	900,000	900,000	900,000	900,000
d) protocol, advertising, public, other	12	300,000	254,984	200,000	50,000	50,000	50,000	50,000
e) expenses with meal and gift vouchers	13	4,000,000	3,821,360	4,000,000	1,000,000	1,000,000	1,000,000	1,000,000
f) expense with sponsorship	14	160,000	130,998	100,000	25,000	25,000	25,000	25,000
g) other expenses of exp.	12	19,000,000	20,482,828	15,700,000	3,925,000	3,925,000	3,925,000	3,925,000
2. Financial expenses	13	800,000	441,188	400,000	100,000	100,000	100,000	100,000
3. Exceptional expenses	14	-	-	-	-	-	-	-
4. Covering losses from the previous year	15	-	-	-	-	-	-	-
III. GROSS RESULT OF THE YEAR	16	1,000,000	135,071	800,000	200,000	200,000	200,000	200,000
IV. Income tax	17	160,000	101,960	128,000	32,000	32,000	32,000	32,000
V. NET RESULT OF THE YEAR	18	840,000	76,306	672,000	168,000	168,000	168,000	168,000
VI. Legal reserves	19		-	-	-	-	-	-

Individual Financial Statements

Statement of changes in equity for the year ended DECEMBER 31, 2024 and DECEMBER 31, 2025

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

	Share capital	Share capital adjustments	Profit or Loss	Legal reserve	Revaluation Reserve	Other reservations	Retained earnings	IAS29 result	Losses related to equity instruments	Other elements of equity	Own actions	Profit sharing	TOTAL
Balance as of January 1, 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 for the year			1,332,223										1,332,223
Other elements of the overall result of which:													
Surplus from the revaluation of tangible assets													
Decrease in the reserve from revaluation-recording of deferred tax					-86,087					-40,368			-126,455
Total other comprehensive income					-86,087					-40,368			-126,455
Total comprehensive income for the period			1,332,223		-86,087					-40,368			1,205,768
Other elements													
Reversal of the revaluation reserve to retained earnings							86,087						86,087
Increase in legal reserve													
Other elements			-8,746,511			2,641,679	2,681,087					812,606	2,611,139
Total other items			-8,746,511			2,641,679	2,767,174					812,606	2,525,052
Transactions with shareholders recognized directly in equity											0		0
Dividend distribution							-5,292,226						5,292,226
Total transactions with owners							-5,292,226				0		5,292,226
Balance as of DECEMBER 31, 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

Balance 01.01.2025	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
Overall result for the period													
Profit for the year			76,306										76,306
Other elements of the overall result of which:													
Surplus from the revaluation of tangible assets													
Decrease in the reserve from revaluation-recording of deferred tax					-61,325					-43,195			-104,520
Total other comprehensive income					-61,325					-43,195			-104,520
Total comprehensive income for the period			76,306		-61,325					-43,195			-28,214
Other elements													
Reversal of the revaluation reserve to retained earnings							61,325						61,325
Increase in legal reserve													
Other elements			-1,332,223			-4,433,547	4,618,614					1,147,156	0
Total other items			-1,332,223			-4,433,547	4,679,939					1,147,156	61,325
Transactions with shareholders recognized directly in equity													
Dividend distribution							-5,860,651						5,860,651
Total transactions with owners							-5,860,651						5,860,651
Balance as of DECEMBER 31, 2025	20,286,865	89,052,449	76,306	4,057,373	26,836,923	31,187,122	3,612,595	-89,052,449	0	512,019	0		86,569,203

NON-FINANCIAL STATEMENT

In accordance with the provisions of OMFP no. 2844/2016, 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 non-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, respectively human rights, combating 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 communication with stakeholders.

Brief description of the entity's business model

Company name: SC ARTEGO SA TG JIU

Registered office: Tg Jiu, Ciocarlau Street, no. 38, Gorj County

Tax code: RO2157428

Register No.: J1991001120187

Phone/Fax: 0253/226444

Main activity : 2212 - Manufacture of other rubber products

At present, The company ARTEGO SA is a local leader in the conveyor belt market and one of the largest manufacturers of technical rubber products in the world. Locally, Artego SA maintains collaborative-cooperative relations with almost all enterprises 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 the production of conveyor belts in the following manufacturing range: conveyor belts with textile inserts for general use, all sizes; conveyor belts with textile inserts for underground, explosive environments; conveyor belts with textile inserts for underground, fire-resistant; conveyor belts with temperature-resistant textile inserts, used in the cement and steel industries; conveyor belts with textile inserts for the food industry; conveyor belts with textile inserts resistant to mineral oils; conveyor belts with textile inserts for agriculture; conveyor belts with textile inserts in aramid (honeycomb) model; 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 ore extraction industries.

The production of plates, carpets, pressed rubber and plastic gaskets for joining belts is another core activity of our company, with a diversified assortment: general purpose items (used for covering floors, paving stables and transporting animals); 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.

Starting with 2003, ARTEGO Company has diversified its activity through the production and marketing of dairy products, the production and marketing of protective equipment through the textile clothing section and through the production and marketing of bakery and pastry products.

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

In defining and establishing non-financial expectations, SC Artego SA has defined management policies to ensure that:

- has implemented and developed a partnership system for the consistent orientation of the company towards satisfying the requirements of relevant stakeholders;
- ensure the necessary resources for the continuous improvement of the performance of the Integrated Management System for quality, environment, occupational health and safety;
- the activities are carried out in compliance with the legal regulatory requirements and with requirements applicable to the activities carried out at SC Artego SA;
- effective measures are implemented to prevent pollution and work incidents.

Environmental aspects

SC ARTEGO SA is located on the northern industrial platform of Târgu-Jiu municipality, Ciocârlău Street, no. 38, Gorj County.

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

- North:
- SC CRILELMAR SRL (formerly STARGLASS SA) Târgu-Jiu
 - The overpass over the Târgu-Jiu – Petroșani railway
 - Cereal base (currently being developed as a car fair)
 - SC COMBGORJ SA
 - Apartment blocks

- To the east:
- The city ring road – Narciselor Street
 - Privately owned land

- To the west
- Ecaterina Teodoroiu Railway Station and the railway unloading ramp
 - Current railway Tg. Jiu – Petroșani and marshalling lines
 - To the southwest of the CFR station is SC ROSTRAMO SA

- To the south - Uncultivated private property 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, nor any cultural objects, historical or architectural monuments or areas of traditional interest.

The main activities in the field of environmental protection in 2025 were carried out in a planned and organized manner, aiming to prevent pollution, reduce the risks of environmental incidents at the company's sites, as well as comply with the legislative provisions in the field.

As such, the main directions pursued were:

3. Monitoring of regulatory acts. Artego holds the following authorizations:

- Environmental permit
- Water management authorization
- 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 assessment - this activity is carried out 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 were established:

a) in the field of hazardous substances management – displaying Safety Data Sheets where these substances are used;

b) in the field of pollution prevention – training of personnel with the 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 evaluation - In 2025, Artego was subjected to external inspections, carried out by the control structures within the National Environmental Guard.

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 documents 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, Artego has a contract to take over responsibilities according to the legislation in force. According to the provisions of OUG 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 the management of waste produced at the company level was carried out and reports were made to the authorities, according to the obligations of the environmental permit. 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 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 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;
- 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. Climate change mitigation

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.

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 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.

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

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

In general, it is ensured that at least 90% (by weight) of the non-hazardous waste originating 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.

Environmental objective 4. Pollution prevention and control

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

The level of energy performance increase 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 expenses

In order to properly carry out environmental protection activities, 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. Artego has an Environmental Management System certificate and maintains certification according to the ISO 14001:2015 standard.

Quality aspects

In 2025, in order to achieve the assumed policies in the field of quality, SC Artego SA planned the efficient implementation of processes in order to increase the satisfaction of stakeholders: shareholders, customers, employees, suppliers, society. ARTEGO's quality objectives take into account the competitive context in which the company operates, the expectations of relevant stakeholders.

ARTEGO SA, specialized 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 of bread, fresh pastry products; manufacturing of dairy products and cheeses; services for joining rubber conveyor belts by vulcanization, aims to implement and recertify an integrated management system (quality, environment, HSE) adequate to the new requirements, as a trust for understanding and satisfying 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 will be carried out in safe conditions in terms of occupational health and safety for both employees and collaborators: we will ensure appropriate working conditions so as to reduce the number of work 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).

Aspects of social and personnel policy

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

The evolution of the number of personnel during the period 2021-2025 is presented as follows:

Specification	2021	2022	2023	2024	2025
Number of employees at the beginning of the period	809	748	671	572	505
Number of newly hired people	32	15	9	8	8
Number of people who have terminated employment with the company	93	92	108	75	63
Number of employees at the end of the period	748	671	572	505	450

The evolution of the number of personnel in 2025 is as follows:

Specification	January	February	March	April	May	June	July	August	September	October	November	December
Number of people at the beginning of the period	505	503	495	488	484	478	471	472	467	466	460	454
Number of newly hired people	-	1	1	-	1	1	1	-	2	1	-	-
Number of people who have terminated employment relationships	2	9	8	4	7	8	-	5	3	7	6	4
Number of employees at the end of the period	503	495	488	484	478	471	472	467	466	460	454	450

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 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 stakeholders through:

- conclusion of a Collective Labor Agreement specific to SC Artego SA 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;
- granting meal vouchers;

-supporting disadvantaged individuals and/or communities through sponsorships.

In all activities carried out by SCArtego SA, equal opportunities are ensured for employees through:

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

To control the risks in this area, measures were taken to motivate staff 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.

Aspects regarding respect for human rights

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

- providing working conditions that respect the dignity of the individual and appropriate workplaces from the point of view of occupational health and safety;
- prohibiting 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;
- rejecting collaboration with organizations that do not respect human rights.

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

Aspects of ethics and integrity in business

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

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

- **Adaptability and Creativity:** we constantly adapt to market demands, being interested in applying the latest technologies and the most suitable solutions to meet customer needs and expectations.

- **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 product quality standard with a proactive attitude towards customer requirements;

- **We are committed** : 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.

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

- establishing mechanisms for declaring conflicts of interest and reporting unethical or illegal behavior or breaches of employee integrity;

- prohibition of any form of bribery or corruption in business or work relationships;

- compliance with 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.

The main risks related to 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.

Strategic requirements regarding safety and continuity of operations determine the company to approach risk management by identifying and treating potential losses before the generating events take place, with the advance preparation of specific technical, operational and financial solutions to counter these potential losses.

The following types of risks were identified during 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 goods degradation is a risk with low tolerability, which required measures to rehabilitate the storage spaces.

To avoid the theft of materials, an adequate surveillance and security system was introduced.

Personnel risk and the payroll system

The personnel risk is that in the future, the company will face a lack of qualified personnel due to employee departures due to natural causes.

In 2025, given the economic context, labor migration, and lack of qualified labor, the company focused all its attention on retaining qualified personnel, but also on training newly hired personnel.

Thus, in order to maintain within the company the qualifications necessary to perform the works in the company's portfolio, personnel recruitment activities were carried out for professional training in professions in short supply on the labor market.

Credit risk

Credit risk is the risk that the company will suffer a financial loss as a result of the failure of a customer or a counterparty to a financial instrument to fulfill its contractual obligations, and this risk arises mainly from the company's trade receivables, cash and cash equivalents and short-term investments.

The company conducts commercial relations only with recognized third parties, which justify credit financing.

The financial assets that may subject the Company to collection risk are mainly 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.

Considering the general economic context, the level of this risk analyzed was medium, for which the company applies special measures to bring 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 because of changes in market interest rates. The financial instruments bear interest at market rates, therefore their fair values are considered not to differ significantly from their carrying amounts.

Risk determined by correlation with global market evolution

Events on the global financial market have a direct and 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 liquidity assurance aimed at honoring the financial obligations due. This is a risk with high tolerability for which the measures aimed at keeping it under control are reduced to closely monitoring the exposure to liquidity risk, maintaining sufficient cash and available credit lines. The company aims to maintain flexibility in financing possibilities through the support of the majority shareholder.

Currency risk

The Company may be exposed to currency exchange rate fluctuations through cash and cash equivalents, foreign currency receivables, 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 currency 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

From the point of view of the value of transactions carried out 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.

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

Legislative risks

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

The level of this legislative risk analyzed was medium, it is a risk with low tolerability for which measures were 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 main activity of the company 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, as 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

These indicators are performance measurement tools that determine how well the company uses resources, mainly for:

- streamlining internal activities;
- providing external services for clients;
- fulfillment of legal requirements.

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

Notes to the financial statements

For the financial year ended December 31, 2025

1. Reporting entity

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

The company is headquartered at 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 2212 "Manufacture of other rubber products".

The records of shares and shareholders are kept in accordance with the law by the Central Depository.

2. Basics of preparation

(a) Declaration of conformity

The separate financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") adopted by the European Union and in accordance with the provisions of OMFP 2844/2016 with subsequent amendments and supplements.

The Company applies the International Financial Reporting Standards as approved by the European Union in preparing the separate financial statements ended on 31 December 2025, 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 commercial companies whose securities are admitted to trading on a regulated market.

The Company's accounting records are maintained in lei, in accordance with the Romanian Accounting Regulations ("RCR"). These accounts have been restated to reflect the differences between the accounts under RCR and those under IFRS. Accordingly, the accounts under RCR have been adjusted, where necessary, to bring these separate financial statements into line, in all material respects, with IFRS.

(b) Presentation of financial statements

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

(c) Basis of assessment

The separate financial statements are prepared at historical cost, except for certain classes of tangible assets which are revalued.

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

The management believes that the Company will continue in business for the foreseeable future and, consequently, the application of the going concern basis of accounting in the preparation of the financial statements is considered appropriate. The separate financial statements are presented in accordance with the requirements of IAS 1 “Presentation of Financial Statements”. The Company has adopted a cash-based presentation in the balance sheet and a presentation of income and expenses by nature in the profit and loss account, considering that these presentation methods provide information that is credible and more relevant than those that would otherwise be presented.

(d) Functional and presentation currency

The Company's management considers that the functional currency, as defined by IAS 21 “The Effects of Changes in Foreign Exchange Rates”, is LEI or RON. The separate financial statements are presented in RON, rounded to the nearest RON, the currency that the Company's management has chosen as the presentation currency.

(e) Use of estimates and judgments

The preparation of financial statements in accordance with IFRS as adopted by the European Union requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and assumptions associated with these estimates are based on historical experience and other factors considered reasonable in the context of these estimates. The results of these estimates form the basis for 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 values of the estimates.

underlying assumptions 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.

Judgments made by management in applying IFRS have a significant effect on the financial statements, as well as estimates that involve significant risk.

3. Significant accounting policies

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

(a) Subsidiaries and associated entities

Subsidiaries are entities under the control of the Company. Control exists when the Company has the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. Associates are those entities in which the Company can exercise significant influence, but not control, over the financial and operating policies.

The company does not own any associated companies.

(b) Foreign currency transactions

Transactions expressed in foreign currency are recorded in lei at the official exchange rate on the date of settlement of the transactions. Monetary assets and liabilities recorded in foreign currencies on the balance sheet date are converted into the functional currency at the exchange rate on that day. Gains or losses from their settlement and from the 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	31.12. 2021	31.12.2022	31.12.2023	31.12.2024	31.12.2025
Euro (EUR)	4.9481	4.9474	4.9746	4.9741	5.0985
US Dollar(USD)	4.3707	4.6346	4.4958	4.9951	4.3417
Pound Sterling (GBP)	5.8994	5.5878	5.7225	4.7768	5.8335

c) Financial Instruments

Financial risk management

The Company is exposed to the following risks arising from financial instruments: market risk (interest rate risk and currency 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 on the Company's financial performance. Market risk is the risk that changes in market prices, as well as currency exchange and interest rates, will affect the Company's income.

The Company has no formal commitments to combat financial risks. Despite the absence 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 operational cash flows are affected by interest rate variations, mainly due to foreign currency loans obtained from financing banks.

Cash risk determined by the interest rate is the risk that interest, and therefore the expense related to it, will fluctuate.

Currency risk

The Company may be exposed to currency exchange rate fluctuations through 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 on cash and cash equivalents, on purchases and loans made in a currency other than the one 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 lei, at the exchange rate of 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 as a result of a customer or counterparty to a financial instrument failing to meet its contractual obligations, and this risk arises mainly from trade receivables and cash and cash equivalents.

As of December 31, 2025, the company holds cash and cash equivalents in the amount of 7,459,755 lei. Cash and cash equivalents are held with the following banks: Unicredit Tiriac, BRD, ING Bank.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its obligations associated with financial liabilities 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 financing through adequate credit facilities. The Company's liquidity policy is to maintain sufficient liquid resources to be able to honor obligations as they fall due.

Fair value of financial instruments

Fair value is the amount at which a financial instrument can be exchanged in an orderly transaction, other than in a liquidation or forced sale. Fair values are obtained from quoted market prices or cash flow models, as appropriate. As of December 31, 2025, cash and cash equivalents, trade payables and other payables approximate their fair value due to their short maturity. Management believes that the estimated value of these instruments approximates their carrying value.

Capital risk management

The Company's objectives when managing capital are to preserve the Company's ability to continue as a going concern in order to obtain benefits for shareholders and other stakeholders 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 measuring unit current at the balance sheet date (non-monetary items are restated using a general price index from the date of acquisition or contribution).

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

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

Thus, the values expressed in the current measuring unit at December 31, 2003 are treated as the basis for the accounting values reported in these separate financial statements and do not represent assessed values, replacement cost, or any other measure of the current value of the assets or the prices at which transactions would take place at this time.

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

Tangible fixed assets

Tangible fixed assets represent assets that: are held by an entity for use in the production of goods or the provision of services, for rental to third parties or for administrative purposes, and are used over a period of more than one year.

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

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

The amortization periods are as follows:

Buildings and constructions	40-60 years old
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 without a physical support and held for use in the production or supply of goods or services, for rental to third parties or for administrative purposes.

An intangible asset meets the criterion of being identifiable when:

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

Intangible assets acquired by the Company are presented at cost less accumulated amortization and the provision for impairment of intangible assets. Amortization is recognized in the profit and loss account based on the straight-line method over the estimated life of the intangible assets.

Receivables

Trade 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. A depreciation provision is established when there is clear evidence that the receivables will not be collected on the established deadline.

Stocks

The stocks are made up of:

- raw materials, materials, spare parts and other consumables to be used in the Company's core business.

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

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

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 carried at a revalued amount, which is its fair value at the date of the revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations must be made with sufficient regularity to ensure that the carrying amount does not differ materially from what would have been determined 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 should be recorded directly in equity under the item "Revaluation reserves". However, the increase is recognized in profit or loss to the extent that it offsets a decrease from the revaluation of the same asset previously recognized in profit or loss.

If the carrying amount of an asset is reduced as a result of a revaluation, this reduction is recognised in profit or loss. However, the reduction must be debited directly from equity in the item "Revaluation reserves" 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 tangible assets is transferred directly to retained earnings as the revalued tangible asset is depreciated and when the asset is recognized.

Starting with May 1, 2009, statutory reserves from the revaluation of fixed assets, including land, made after January 1, 2004, which are deducted when calculating taxable profit through fiscal depreciation or expenses regarding assets sold and/or scrapped, are taxed simultaneously with the deduction of fiscal depreciation, respectively at the time of the withdrawal from management of these fixed assets.

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

The reserves made are taxed in the future, in the event of a change in the destination of the reserves in any form, in the event of liquidation, merger, including its use to cover accounting losses, with the exception of the transfer after May 1, 2009, of reserves related to evaluations made after January 1, 2004, which are taxed simultaneously with the deduction of fiscal depreciation.

Share capital

The Company recognizes changes to 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 with the Trade Register Office.

Dividends

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

Suppliers and similar accounts

Trade and other payables include the value of invoices issued by suppliers for finished products manufactured, works performed and services provided.

Loans

Borrowings are initially recognized at fair value, net of transaction costs. Subsequent to initial recognition, loans are recorded at amortized cost, with any difference between cost and redemption value being recognized in the profit and loss account over the period of the loan.

Income tax

Income tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognized in the income statement except when they are recognized directly in equity or other comprehensive income.

Current tax

Current tax represents the tax expected to be paid or received on taxable income or deductible loss realized in previous years, using tax rates enacted or substantially enacted at the reporting date, as well as any adjustment regarding income tax obligations relating to previous years.

Deferred tax

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

The valuation of deferred tax reflects the tax consequence 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 realize the related tax benefit.

Employee Benefits

Short-term employee benefits

Short-term benefit obligations are measured without discounting and are recognized as expenses as the services are rendered. A provision is recognized at the estimated amount to be paid for short-term benefits in the form of bonuses or employee profit sharing, only if the Company has a present, legal or constructive obligation to pay this amount in return for past service rendered by employees, and this obligation can be estimated at fair value. Short-term employee benefits 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 Romanian State pension plan.

Financing costs

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

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

Grants

Grants are initially recognized as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grants, and are then recognized in the income statement as other income over the life of the asset to which they relate. Grants are related to assets. Non-reimbursable funds are recognized as assets when there is 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 present obligation (legal and constructive) as a result of a past event; it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Earnings per share

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

The weighted average of shares outstanding during the period 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 period.

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

Quotas

Contingent liabilities are not recognized in the accompanying financial statements. They are disclosed when the outflow of resources embodying 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 (activity segment) or provides products or services in a certain geographical environment (geographical segment) and that is subject to risks and benefits that are different from those of other segments. The Company operates in a single location in Romania. The Company's management considers the operations in their entirety as a "single segment". Operating segments are reviewed consistently by the entity's chief operating decision maker in making decisions about allocating resources to segments and evaluating their performance, and for which separate financial information is available.

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

Deliveries made by the Company during 2025 domestically amount to 44,911,099 lei, of which the main customers are:

Oltenia Energy Complex	17,993,283 lei
Holcim Romania Bucharest	2,794,944 lei
CET Govora	2,281,016 lei

Apennin Tg Jiu	1,779,832 lei
CNCFR Bucharest	1,154,514 lei
Cupru Min	762,829 lei
SE Craiova	743,702 lei
Dedeman	542,512 lei
Cerulex Craiova	468,227 lei
Profi Rom	459,684 lei
Kaufland	433,357 lei

During the period January 1, 2025-December 31, 2025, the Company recorded exports as follows:

Total Export Deliveries 18,365,411 **EUR** (92,439,192 RON) of which:

Outside the European Union 2,918,176 EUR

Within the European Union 15,447,235 EUR

The main products manufactured by the Company are: /

General Purpose Textile Insert Conveyor Belts;

Conveyor Belts with Antistatic and Flame Resistant Textile Insert;

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 Plates and Carpets;

Car Accessories;

Profiled Gaskets;

Canvas Gaskets;

Elastic Couplings;

O-rings, etc.

The implications of the new International Financial Reporting Standards (IFRS EU)

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 are expected to have a significant effect on the Company's financial statements.

New standards not yet applicable as of December 31, 2025

International Accounting Standard (SIC) 19 (2011) Employee Benefits (effective for periods beginning on or after January 1, 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 Joint Arrangements, nor IFRS 12 Disclosure of Interests in Other Entities.

Fixed assets 2025

NOTE 1

- LEI -

Name of the immobilization element	Gross value				Value adjustments (amortization and adjustments for depreciation or loss of value)			
	Balance at January 1 2025	GROWTH	Assignments, transfers and other reductions	Balance at Dec. 31 2025	Balance at January 1 2025	Adjustments recorded during the year	Discounts or reruns	Balance at Dec. 31 2024
0	1	2	3	4 =1+2-3	5	6	7	8=5+6-7
A. FIXED ASSETS								
I. INTANGIBLE ASSETS	-	-	-	-	-	-	-	-
1. Establishment expenses								
2. Development expenses	4,112,519		-	4,112,519	4,112,519	-	-	4,112,519
3. Concessions, patents, licenses and other fixed assets	29,095,168	200,897	-	29,296,065	23,870,046	1,203,440	-	25,073,486
4. Goodwill								
5. Advances and intangible assets in progress								
TOTAL:	33,207,687	200,897	-	33,408,584	27,982,565	1,203,440	-	29,186,005
II. TANGIBLE ASSETS								
1. Lands	11,824,402	-	25,294	11,799,108	133,421	-	-	133,421
2. Construction	42,427,938	237,009	74,217	42,590,730	33,981,192	934,485	73,471	34,842,206
3. Technological equipment	49,602,490	736,574	417,159	49,921,905	41,196,195	1,001,839	351,453	41,846,581
4. Measuring, control and regulation devices and installations	2,216,574	88,620	53,274	2,251,920	2,017,054	85,264	53,274	2,049,044
5. Means of transport	6,954,706	119,731	109,730	6,964,707	5,973,813	340,523	109,731	6,204,605

6. Furniture, equipment, office equipment and other assets	698,752	34,370	24,830	708,292	488,147	56,137	24,830	519,454
PLANT								
7. Advances and tangible assets in progress	461,220	548,697	1,009,917	-	-	-	-	-
TOTAL:	114,186,082	1,765,001	1,714,421	114,236,662	83,789,822	2,418,248	612,759	85,595,311
III. FINANCIAL ASSETS								
1. Shares held in companies within the group	-	-	-	-	-	-	-	-
2. Receivables from companies within the group	-	-	-	-	-	-	-	-
3. Securities in the form of participating interests	-	-	-	-	-	-	-	-
4. Receivables from participation interests	-	-	-	-	-	-	-	-
5. Securities held as fixed assets	-	-	-	-	-	-	-	-
6. Other receivables	-	-	-	-	-	-	-	-
7. Own actions	-	-	-	-	-	-	-	-
TOTAL:	-	-	-	-	-	-	-	-
FIXED ASSETS – TOTAL	147,393,769	1,965,898	1,714,421	147,645,246	111,772,387	3,621,688	612,759	114,781,316

The fixed assets in the company's assets are depreciated using the straight-line method. The last revaluation was carried out at the end of 2012 by the authorized appraiser ANEVAR, which modified the gross book value of the asset, after revaluation, using the proportional treatment of accumulated depreciation. On December 31, 2023, the buildings were evaluated to determine the taxable value.

Provisions for risks and expenses

NOTE 2

- lions -

Name provision	Balance at January 1, 2025	Transfers		Balance at December 31, 2025
		in account	from the account	
0	1	2	3	4=1+2-3
Provisions for impairment of receivables – customers	3,908,775	-	-	3,908,775
Provisions for impairment of receivables – sundry debtors	-	-	-	-

NOTE 3

Profit sharing
on 31.12.2025
- LEI -

Destination of profit	Amount
Net profit to be distributed:	76,306
-reinvested profit	
- covering the accounting loss resulting from corrections	
- legal reserve	
- dividends	
- other reserves	
- RETAINED PROFIT	-

OTE 4

Analysis of operating profit

Indicator	Previous year – 2024	Current year – 2025
0	1	2
1. Net turnover	144,842,306	131,357,355
2. Cost of goods sold and services rendered (3+4+5+6), of which:	138,408,968	132,245,408
3. Core business expenses	80,174,161	81,160,712
4. Ancillary activities expenses	22,882,072	19,022,670
5. Indirect production costs	32,622,990	30,286,036
6. Expenses related to goods and packaging sold	2,729,745	1,775,990
7. Gross profit related to turnover (1-2)	6,433,338	-888,053
8. Selling expenses	3,639,745	3,612,877
9. General administrative expenses	2,525,543	1,712,358
10. Other operating income	12,920,378	10,995,495
11. Expenses related to other operating income	11,238,127	5,098,629
12. Total operating income (1+10)	157,762,684	142,352,850
13. Total operating expenses (2+8+9+11)	155,812,383	142,669,272
14. Operating result (12-13)	1,950,301	-316,422

NOTE 5

Receivables and payables situation

- LEI -

RECEIVABLES	Balance at December 31, 2025 (col. 2+3)	Liquidity term	
		under 1 year	over 1 year
0	1	2	3
Total	19,063,962	19,063,962	-
of which:			
Suppliers – debtors	1,703	1,703	-
Customers	17,312,370	17,312,370	-
Other receivables	1,749,889	1,749,889	-

- lions -

LIABILITIES	Balance as of December 31, 2025 (col. 2+3+4)	Due date		
		under 1 year	1-5 years	over 5 years
0	1	2	3	4
Total	14,025,185	14,016,351	8,834	
of which:				
1. State budget	910,764	910,764	-	-
- profit tax	96,337	96,337	-	-
- dividend tax	276,715	276,715	-	-
- tax on income from salaries	237,659	237,659	-	-
- VAT payable	224,072	224,072	-	-

- 2.25% insurance contribution for work	75,981	75,981		
2. Special Fund Budgets	21,993	21,993	-	--
- medium background	7,190	7,190	-	-
- solidarity fund for people with disabilities	14,803	14,803	-	-
3. Social security budgets	1,217,897	1,217,897	-	-
- CAS	853,739	853,739	-	-
- CASS	364,158	364,158	--	-
4. Other taxes, fees, payments	-	-	-	-
5. Other loans and similar debts – leasing	-	-	-	-
6. Interest on other loans and similar debts – leasing	-	-	-	-
7. Personnel – salaries due	927,225	927,225	-	-
8. Personnel – sick leave	-	-	-	-
9. Unclaimed personnel rights	-	-	-	-
10. Withholdings from salaries due to third parties	52,677	52,677	-	-
11. Management guarantees	8,834		8,834	
12. Unclaimed VAT	13,800	13,800		
13. Sundry creditors	269,058	269,058	-	-

14. Dividends	4,222,987	4,222,987	-	-
15. Credits	-	-	-	-
16 Suppliers	6,353,281	6,353,281	-	-
17. Creditor customers	26,669	26,669	-	-
18. Interest payable	-	-	-	-
19. Long-term loans	-	-	-	-

Stocks

On December 31, 2025, compared to December 31, 2024, the inventories are as follows:

Elements	Dec 31, 2024	Dec 31, 2025
1. Raw materials and consumables	29,616,696	22,785,992
2. Fixed assets held for sale	50,289	50,289
3. Production in progress	-	-
4. Finished products and goods	22,057,442	20,155,198
5. Advances	178,168	18,332
TOTAL	51,902,595	43,009,811

The method of evaluating outputs used by the Company is the FIFO method.

The company has inventories pledged as accounts payable. Inventories are reflected in the company's records at their acquisition cost, which includes the purchase price, import customs duties and other non-recoverable taxes, transportation, handling costs and other directly attributable costs.

Customers and similar accounts

As of December 31, 2025, compared to December 31, 2024, customers and similar accounts are presented as follows:

elements	Dec 31, 2024	Dec 31, 2025
1.Trade receivables	17,578,910	17,312,370
2. Advances paid	16,974	1,703
3. Other receivables	1,523,590	1,749,889
TOTAL	19,119,474	19,063,962

Deliveries made by the Company during 2025 domestically amount to 44,911,099 lei, of which the main customers are:

Oltenia Energy Complex	17,993,283 lei
Holcim Romania Bucharest	2,794,944 lei
CET Govora	2,281,016 lei
Apennin Tg Jiu	1,779,832 lei
CNCFR Bucharest	1,154,514 lei
CUPRU Min	762,829 lei
SE Craiova	743,702 lei
Dedeman	542,512 lei
Cerulex Craiova	468,227 lei
Profi Rom	459,684 lei
Kaufland	433,357 lei

During the period January 1, 2025 - December 31, 2025, the Company recorded exports as follows:

Total Export Deliveries 18,365,411 EUR (92,439,192 RON) of which:

Outside the European Union up to 2,918,176 euros

Within the European Union 15,447,235 euros

EURO

ENGLAND	2,354,242.15
AUSTRIA	26,427.50
BELGIUM	215,890.10
BOSNIA & HERZEGOVINA	20,521.48
BULGARIA	37,903.85
CZECH REPUBLIC	9,024.00
EGYPT	35,501.40
ESTONIA	3,780.00
FINLAND	315,407.45
FRANCE	138,321.92
GERMANY	6,199,073.89
GREECE	6,700.00
ITALY	309,062.87
MACEDONIA	1,337.04

NETHERLANDS	1,492,666.90
POLAND	528,719.24
SERBIA	429,447.15
SLOVAKIA	111,839.80
SPAIN	4,660,622.09
SWEDEN	1,298,785.19
UKRAINE	77,126.33
HUNGARY	93,010.44
TOTAL	18,365,410.79

Financial assets of which available for sale

On December 31, 2025, compared to December 31, 2024, short-term investments are presented as follows:

Elements	Dec 31, 2024	Dec 31, 2025
Short-term investments	14,397	14,397
TOTAL	14,397	14,397

The balance as of December 31, 2025 in the amount of 14,397 lei is represented by the equivalent value of shares purchased in previous years from IFB Invest Tg-Jiu.

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

The Company does not hold interests in other companies. In this regard, the Company has not received dividends from other companies.

Advance expenses

As of December 31, 2025, compared to December 31, 2024, the expenses incurred in advance are presented as follows:

Elements	Dec 31, 2024	Dec 31, 2025
Advance expenses	201,916	234,608
TOTAL	201,916	234,608

The balance as of December 31, 2025, in the amount of 234,608 lei, represents expenses made in advance for: insurance in favor of banks for loans granted, car vignettes, professional training courses, rent paid in advance for the rental of various equipment.

Cash and cash equivalents

As of December 31, 2025, compared to December 31, 2024, cash and cash equivalents are presented as follows:

Elements	Dec 31, 2024	Dec 31, 2025
Current bank accounts and deposits	7,244,640	7,253,786
LEI CASH	6,317	26,300
CASH foreign currency		
Other cash equivalents	58,271	179,669
TOTAL	7,309,228	7,459,755

Social Capital

As of December 31, 2025 and December 31, 2024, the share capital includes the effects of restatements recorded in previous years 140in accordance with the application of "SIC" 29 "Financial Reporting in Hyperinflationary Economies". The reconciliation of the share capital is presented as follows:

Share capital (nominal value)	20,286,865
Differences related to restatement according to SIC 29	89,052,449
Balance of share capital (restated)	<u>109,339,314</u>

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

The shareholding structure as of December 31, 2025 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	85.8784%
<i>Individuals</i>	2.50	1,110,305	2,775,762.50	13.6827%
<i>Legal entities</i>	2.50	35,619	89.047.50	0.4389%
<i>THE 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 amount to 4,057,373 lei as of December 31, 2025. The company transferred 5% of the annual accounting profit (Law 227/2015) to the legal reserve, the cumulative balance reaching 20% of the paid-up share capital.

Revaluation reserves

The revaluation reserve amounts to 26,836,923 lei as of December 31, 2025.

Other reservations

As of December 31, 2025, compared to December 31, 2024, other reserves record the following levels:

Elements	Dec 31, 2024	Dec 31, 2025
Other Reserves	35,620,669	31,187,122
Total	35,620,669	31,187,122

Other equity items

As of December 31, 2025, the amount of 512,019 lei represents the deferred tax related to the balance revaluations made after January 1, 2004, reduced by the deferred tax related to the amortization of the revaluation recorded on costs in the 12 months of 2025.

Investment subsidies

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	Dec 31, 2024	Dec 31, 2025
1. Investment subsidies	2,191,979	2,052,075
Total	2,191,979	2,052,075

Short-term loans

The company has credit lines in lei and EUR at ING BANK as follows:

	31.12.2024			31.12.2025	
Bank	Approved	Used	Bank	Approved	Used
ING BANK(SGB) lei	5,000,000	1,059,404	ING BANK(SGB) lei	5,000,000	1,379,900
INTESA EUR	500,000		INTESA EUR	-	-
ING BANK EUR	4,250,000		ING BANK EUR	2,000,000	-

Long-term loans

The company has no long-term loans contracted with banks or other financial institutions.

Earnings per share

On December 31, 2025 compared to December 31, 2024, the earnings per share are:

	_____	_____
	Dec. 31, 2024	Dec. 31, 2025
	_____	_____
Profit for the period	1,332,223	76,306
The number of ordinary shares at beginning and end of the period	8,114,746	8,114,746

Basic and diluted earnings per share**(lei/share)****0.16****0.0094****Dividends**

According to the AGM Decision no. 1 of 27.03.2025, the amount of 3,155,735 lei was distributed as dividends to shareholders, resulting in a net dividend of 0.35 lei per share. According to the AGM Decision no. 4/22.12.2025, the amount of 2,704,915.80 lei was distributed as dividends to shareholders, resulting in a net dividend of 0.3 lei per share.

Other taxes and obligations for the state budget and social insurance

elements	Dec 31, 2024	Dec. 31, 2025
1. State budget	609,151	910,764
- profit tax	102,958	96,337
- tax on income from salaries	325,600	237,659
-dividend tax	77,848	276,715
- VAT payable	-	224,072
-2.25% CAM	102,745	75,981
2. Special Fund Budgets	25,900	21,993
- medium background	19,777	7,190
- solidarity fund 144for people with disabilities	6,123	14,803
3. Social security budgets	1,636,592	1,217,897

- CAS	1,148,878	853,739
- CASS	487,714	364,158
4. Other taxes, fees, payments	-	-

Income tax

The Company's current and deferred income tax for 2025 and 2024 is determined at a statutory rate of 16%, being in effect in the financial year 2025 and 2024, respectively.

The profit tax expense for 2025 and 2024 is presented as follows:

	2024	2025
Current income tax	187,436	101,960
Deferred income tax		
Total	187,436	101,960
<i>Reconciliation of the effective tax rate</i>	2024	2025
Profit before income tax	1,479,291	135,071
Corporate income tax at the statutory rate of 16%.	236,686	21,611
The effect of non-deductible expenses	193,485	109,339
The effect of non-taxable income		-899
Taxable revaluation reserve		

Legal reserve		
Deferred tax reversal		
Other effects	-242,735	-28,091
Total	187,436	101,960

Operating income

Elements	Dec 31, 2024	Dec 31, 2024
Production sold	142,941,901	130,350,253
Revenue from the sale of goods	2,445,657	1,548,178
Trade discounts granted	545,252	541,076
Revenue related to product inventory costs	10,982,605	4,885,398
Revenue from fixed asset production	424,279	544,403
Income from fixed assets held for sale	-	-
Revenue from operating subsidies	-	-
Other operating income	1,513,494	5,565,694
Total operating income	157,762,684	142,352,850

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

- measured at the fair value of the consideration given or receivable;
- take into account the value of any trade discounts and quantity rebates 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 ownership or the passing of possession of the goods to the buyer;
- if the entity retains the significant risks associated with the property, the transaction does not represent a sale and revenue is not recognized;
- if an entity retains only an insignificant risk arising from ownership, then the respective transaction represents a sale, and revenue is recognized;
- when an uncertainty arises related to the collection of an amount that cannot be collected, it will be recognized as an expense rather than as an adjustment to the value of the income initially recognized;
- income and expenses that refer to the same transaction or other event are recognized simultaneously, this process being commonly called matching income with expenses .

Operating expenses

Elements	Dec 31, 2024	Dec 31, 2025
Expenses on raw materials and consumables	79,855,429	74,991,658
Other material expenses	847,198	543,599
Other external expenses (energy, water, natural gas)	13,193,132	12,066,841
Expenses related to goods	2,130,738	1,333,999
Trade discounts received	9,818	20,975
Personnel expenses of which:	47,148,474	42,643,516

-Salaries and allowances	45,599,565	41,296,315
-Insurance and social protection	1,548,909	1,347,201
Tangible fixed asset adjustments of which:	3,553,929	3,621,689
-Expenses	3,553,929	3,621,689
-Income	-	-
Current asset adjustments of which:	-	-
-Expenses	-	-
-Income	-	-
Other operating expenses of which	9,093,301	7,488,945
Expenses related to external services	6,821,338	5,714,386
Expenses with other taxes and duties	1,468,965	1,346,618
Expenses related to assets fixed assets intended for sale	422	222
Other expenses	802,576	427,719
Total Operating Expenses	155,812,383	142,669,272

Operating profit/loss

Elements	Dec 31, 2024	Dec 31, 2025
Operating result (Profit)	1,950,301	-

Operating result (Loss)	-	316,222
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Net financial result

Elements	Dec 31, 2024	Dec 31, 2025
Income from exchange rate differences	96,066	722,093
Interest income	53	170,379
Other financial income	635	209
Total Financial Income	96,754	892,681
Interest expenses	253,767	60,544
Other financial expenses	313,997	380,644
Total Financial Expenses	567,764	441,188
Net financial result	-471,010	451,493

Provisions

In 2025, the Company did not establish provisions for doubtful customers. As of December 31, 2025, the balance of provisions is 3,908,775 lei.

Fiscal legislative framework

The Romanian tax and legislative framework and its implementation in practice are subject to frequent changes and are subject to different interpretations by various regulatory authorities. Income 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 believes that it has adequately recorded the tax obligations in the accompanying financial statements; however, there is a risk that the tax authorities may adopt different positions on the interpretation of these issues. The impact of these could not be determined at this date.

GUARANTEES

The Company, as of December 31, 2025, has the following assets mortgaged in favor of the financing banks to which it has committed credit lines as follows:

ING BANK

- MORTGAGED PROPERTY SITUATION -

CADASTRAL NUMBER	<i>MORTGAGED PROPERTY (LAND + BUILDINGS) - DESCRIPTION</i>
1315/2/1/1/2 CF 40066	-land area of 20,616 sq m + buildings: 1. conveyor belt hall (C56/1).

Affiliated Parties

The company has no affiliated parties .

Status of ongoing litigation

ARTEGO SA – plaintiff

No. of docu ment s.	File No.	Defendant company	Object	Request/ Amount requested	File status/ Observations
1	8207/62/2011	Brasov CHP	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 46,887.93 lei	- in progress; we were admitted to the bankruptcy estate with the amount of 46,887.93 lei; the bankruptcy procedure continues
2	60833/3/2011	Munplast Bucharest	Insolvency	- admission to the debtor's creditors'	- in progress;

			procedure	table with the amount of 19,457.81 lei	we were admitted to the bankruptcy estate with the amount of 19,457.81 lei, from which we recovered the amount of 5,000 lei; on 18.12.2025, the court ordered the closure of the bankruptcy procedure (the judgment is subject to appeal within 7 days of notification)
3	4163/95/2012	Gastrom Group Targu-Jiu	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 52,777.37 lion	- in progress; we were admitted to the bankruptcy estate with the amount of 52,777.37 lei; the bankruptcy procedure continues
4	887/90/2013	Oltchim Ramnicu-Valcea	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 19,946.68 lei	- in progress; we were admitted to the bankruptcy estate with the amount of 19,946.68 lei; the bankruptcy procedure continues
5	9089/101/2013	Severin Autonomous Administration for Nuclear Activities	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 1,439,815.78 lei	- in progress; we were admitted to the bankruptcy estate with the amount of 1,439,815.78 lei; the bankruptcy procedure continues
6	2570/63/2014	Oltenia Energy Services Craiova	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 3,188.77 lei	- in progress; we were admitted to the bankruptcy estate with the amount of 2,486.37 lei; the bankruptcy procedure continues
7	528/95/2015	Succes Nic Com Targu - Jiu	Insolvency procedure	- admission to the debtor's creditors' table with the	- in progress; we were admitted to the bankruptcy court with

				amount of 34,155.80 lei	the amount of 34,155.80 lei; the judicial reorganization procedure continues
8	2575/85/2015	Ambient Sibiu	Insolvency procedure	- admission to the debtor's creditors' meeting with the amount of 1,240.00 lei	- in progress; we were admitted to the bankruptcy estate with the amount of 1,240.00 lei; the bankruptcy procedure continues
9	3520/95/2015	Ignifug Prest Targu-Jiu	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 4,783.92 lei	- in progress; we were admitted to the bankruptcy estate with the amount of 4,783.92 lei; the bankruptcy procedure continues
10	1396/90/2016	CET Govora	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 1,665,256.19 lei	- in progress; we were admitted to the table of credit with the amount of 1,665,256.19 lei; the judicial reorganization procedure continues
11	5114/95/2016	Instalatii Revizii Utilitati Pentru Minerit Targu-Jiu	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 41,307.71 lei	- in progress; we were admitted to the table of credit with the amount of 41,307.71 lei; bankruptcy proceedings continue

12	1248/95/2018	Intreprinderea de Drumuri si Poduri Targu-Jiu	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 2,783.39 lei	- in progress; we were admitted to the table of credit with the amount of 2,783.39 lei of which we recovered the amount of 1,391.39 lei; bankruptcy proceedings continue
13	5075/97/2016	Societatea Complexul Energetic Hunedoara	Insolvency procedure	- admission to the debtor's creditors' meeting with the amount of 580,000.00 lei	- in progress; we were admitted to the credala table with the amount of 580,000.00 lei ; bankruptcy proceedings continue
14	10007/3/2024	New NCR Reciclare Bucharest	Insolvency procedure	- admission to the debtor's creditors' meeting with the amount of 3,716.00 lei	- in progress; the debtor entered general bankruptcy proceedings
15	8105/318/2022	Cornelie Trasca	Real estate claim	Obliging the defendant to leave us full ownership and quiet possession of a plot of land with an area of 250 square meters.	- in progress ; - trial date: - 09.04.2026
16	5807/318/2025	Wellhydromix Targu-Jiu	low value claim	Obliging the defendant to pay us the amount of	- in progress ; - trial date: - 03.02.2026

				666.40 lei	
17	8272/318/2025	Institutia Primarului Municipiului Targu-Jiu	Minor offence complaint	Cancellation of the violation report (fine – 5,000 lei)	- in progress ; - trial date: - 19.02.2026
18	21111/318/2025	Spitalul Judetean de Urgenta Targu-Jiu	Payment order	Issuance of an order for the amount of 139,089.61 lei	- in progress ; the debtor has paid part of the requested debt; trial deadline: - 25.03.2026

After the preparation of the reports concluded on December 31, 2025, no events occurred whose effects were significant and influenced the data contained in the current financial statements.

Information regarding employees and members of management, administration and supervisory bodies

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

Being a joint stock company, it is managed 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 2025, the supervision of the company's management was carried out by an audit firm.

The members of the Board of Directors were remunerated in 2025 as follows:

1. Executive member with a gross monthly compensation according to the Management Contract of 35,000 lei.
2. A non-executive member with a gross monthly compensation of 15,000 lei and a non-executive member with a gross monthly compensation according to the Management Contract of 13,000 lei.

SC ARTEGO SA Tg Jiu, at the end of 2025, had no contractual obligations regarding the payment of pensions to former directors and administrators.

During 2025, SC ARTEGO SA did not grant advances and loans to directors and administrators.

The average number of employees for 2025 was 473 employees.

During 2025, SC ARTEGO SA paid salaries in the amount of 37,474,955 lei, and insurance and social protection expenses amounted to 1,347,201 lei.

SC ARTEGO SA Tg Jiu granted meal vouchers for its employees during 2025 in the total amount of 3,821,360 lei.

ANALYSIS OF THE MAIN ECONOMIC-FINANCIAL INDICATORS IN 2025

Liquidity indicators

1. Current liquidity indicator

$$\frac{\text{Current assets}}{\text{current liabilities}} = \frac{69,547,925}{14,016,351} = 4.96$$

2. Immediate liquidity

$$\frac{\text{Current assets} - \text{Stocks}}{\text{current liabilities}} = \frac{69,547,925 - 43,009,811}{14,016,351} * 100 = \frac{26,538,114}{14,016,351} * 100 = 189.34\%$$

Activity indicators

1. Fixed asset turnover rate

$$\frac{\text{Turnover}}{\text{Fixed assets}} = \frac{131,357,355}{32,863,930} = 4.00$$

2. Total asset turnover rate

$$\frac{\text{Turnover}}{\text{Total assets}} = \frac{131,357,355}{102,646,463} = 1.28$$

Risk indicators

a) Interest coverage ratio

Profit before interest

payments and profit tax

238,810

$$\frac{\text{Profit before interest payments and profit tax}}{\text{interest expenses}} = \frac{238,810}{60,544} = 3.94$$

interest expenses

60,544

Profitability indicators

Return on capital employed

Profit before interest and

profit tax

238,810

=

= 0.003

Capital employed

86,569,203

Other information

SC ARTEGO SA was established according to Law 31/1990, based on Government Decision no. 1224/1990 and was registered at the Trade Register Office under no. J18/1120/1991, with fiscal code R O2157428.

SC ARTEGO SA is a joint-stock company with entirely private capital, the majority shareholder being the Employees' Association "PAS ARTEGO" which on 31.12.2025 holds 85.8784% of the share capital.

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

- late payment penalties due for failure to pay debts on time;
- 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 to establish reserves according to Law 31/1990 republished.

Statement

In accordance with the provisions of art.223, point B, paragraph (1), letter c) of Regulation no.5/2018 on issuers and transactions in securities, we declare that, to the best of our knowledge, the financial statements as of December 31, 2025 provide a true and fair view of the assets, liabilities, financial position and profit and loss account. Also, the Board of Directors' Report prepared in accordance with the provisions of annex no.14 presents the information about the company correctly and completely.

Independent auditor's report

To the Shareholders: ARTEGO SA TG-JIU

Report on the audit of the financial statements

Opinion

- a) 1. We audited the individual financial statements attached of the company ARTEGO SA ("the Company"), with registered office in Tg Jiu, Ciocarlau Street, no. 38, identified by the unique fiscal registration code RO2157428, which include the balance sheet as of December 31, 2025, 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.
- b) 2. The individual financial statements as of December 31, 2025 are identified as follows:
- **Total equity: 86,569,203 lei**
 - **Net profit for the financial year: 76,306 lei**
 - **Subscribed capital: 20,286,865 lei**
- c) 3. **In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as of December 31, 2025, and of its financial performance and cash flows for the year then ended, in accordance with the Order of the Minister of Public Finance no. 2844/2016 approving the Accounting Regulations in accordance with International Financial Reporting Standards ("OMFP no. 2844/2016").**

Basis for opinion

- d) 4. We conducted our audit in accordance with International Standards on Auditing ("ISA"), *EU Regulation no. 537 of the European Parliament and of the Council (hereinafter the "Regulation")* and Law no. 162/2017 ("Law"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities in an Audit of the Financial Statements" section of our report. We are independent of the Company, in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), in accordance with the ethical requirements that are relevant to the audit of financial statements in Romania, including the Regulation and the Law, and we have fulfilled our ethical responsibilities in accordance with these requirements and in accordance with 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. Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these key matters.

Key audit matters	The approach within the audit mission
Revenues mainly comprise sales of rubber products to a range of domestic and international customers. Revenue is recognized upon delivery of the goods sold, and sales are adjusted for trade	Our audit procedures for evaluating the recognition of sales revenue included the following: 1. testing the effectiveness of the Company's key controls to prevent and detect fraud and errors in revenue recognition. This procedure included testing the controls for revenue recognition based on

<p>discounts, in accordance with the contracts concluded with customers.</p> <p>We identified revenue recognition as a key audit matter because revenue represents one of the Company's key performance indicators and, therefore, there is an inherent risk related to its recognition by management for the achievement of specific objectives or expectations.</p>	<p>deliveries made, by reference to a sample of transactions;</p> <ol style="list-style-type: none"> 2. inspecting customer contracts, 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 accounting requirements and standards in force; 3. assessing, on a sample basis, the recognition in the corresponding financial period of revenues recorded near the end of the financial year, by comparing selected transactions with relevant documentation, including shipping advice; 4. obtaining confirmations of customer balances at the end of the year, on a sample basis; 5. 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 were accounted for in the corresponding financial period.
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Other information – Administrators' Report and Non-Financial Statement

- 6 The directors are responsible for the preparation and presentation of 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, unless explicitly stated in our report, we do not express any assurance conclusion thereon.

In connection with the audit of the financial statements for the financial year ended December 31, 2025, our responsibility is to read that other information and, in doing so, to assess whether that other information is materially inconsistent with the financial statements, or with the knowledge we obtained during the audit, or whether it appears to be materially misstated.

Regarding the Directors' Report and the Non-Financial Statement, we have read and report whether they have been prepared, in all material respects, 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, as amended.

Based solely on the activities that must be performed during the audit of the financial statements, in our opinion:

1. The information presented in the Directors' Report and the Non-Financial Statement for the financial year for which the financial statements were prepared is consistent, in all material respects, with the financial statements;
2. The Directors' Report and the Non-Financial Statement have been prepared, in all material respects, 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, as amended.

In addition, based on our knowledge and understanding of the Company and its environment, obtained during the audit of the financial statements for the financial year ended December 31, 2025, we are required to report whether we have identified material misstatements in the Directors' Report and the Non-Financial Statement. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

7. The Company's management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards ("OMFP no. 2844/2016") and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

9. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities in an audit of financial statements

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

11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, and the override of internal control.
- b) We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- c) We evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- d) We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) We evaluate the presentation, structure and content of the financial statements, including the disclosures, and the extent to which the financial statements reflect the underlying transactions and events in a manner that achieves fair presentation.

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

13. We also provide those charged with governance with a statement regarding our compliance with ethical requirements regarding independence and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

14. From the matters we have communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure of the matter or, in extreme circumstances, we determine that a matter should not be communicated in our report because the public interest benefits of such communication are reasonably expected to outweigh the adverse consequences of such communication.

Report on other legal and regulatory provisions

15. We were appointed by the General Meeting of Shareholders on 27.03.2025 to audit the financial statements of ARTEGO SA TG-JIU for the financial year ended 31 December 2025. The total uninterrupted duration of our engagement is 1 year, covering the financial year ended 31 December 2025.

We confirm that:

1. In conducting our audit, we maintained our independence from the audited entity.
2. We did not provide the Company with prohibited non-audit services, referred to in Article 5(1) of EU Regulation No. 537/2014.

INDEPENDENT PRACTITIONER'S REVIEW REPORT ON THE SUSTAINABILITY REPORT OF ARTEGO S.A. FOR THE YEAR 2025, PREPARED IN ACCORDANCE WITH ISAE 3000 (REVISED)

To: Board of Directors

of the Commercial Company ARTEGO SA

Report on the financial statements

We have reviewed the Sustainability Report of the Company Artego SA for the year 2025 regarding 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) 2022/2.464, 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 regarding 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 SA for the year 2025 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 pursuant to the respective sustainability reporting standards and compliance with the requirement to mark sustainability reporting in accordance with Article 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 and for the internal control that management considers necessary to enable the preparation of the Sustainability Report of the Company Artego SA for the year 2025 that is free from material misstatement, whether due to fraud or error.

Practitioner responsibility

Our responsibility is to express a conclusion on the attached Sustainability Report of Artego SA for the year 2025. 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 we have become aware of any matter that causes us to believe that the Sustainability Report of Artego SA for the year 2025 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 Article 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 Article 8 of Regulation (EU) 2020/852. This standard also requires us to comply with relevant ethical provisions.

A review of the Sustainability Report of Artego SA for the year 2025 in accordance with ISAE 3000 (revised) is a limited assurance engagement. The practitioner performs procedures, consisting primarily of interviews with 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, we have not become aware of any matter that causes us to believe that the Sustainability Report of Artego SA for the year 2025 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, 2025 is included in the Independent Auditor's Report dated February 26, 2026.

