



**2024**

**INTEGRATED  
ANNUAL REPORT**



# IMPRESSUM

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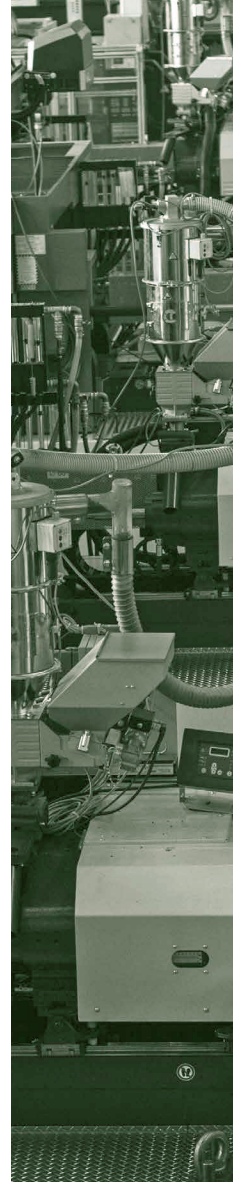
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A

# A BRIEF OVERVIEW

OPERATING REVENUE (EUR million)

152.44



EBITDA (EUR million)

13.41



EBITDA MARGIN

8.80%

NET PROFIT (EUR million)

2.13

NEW DEALS (EUR million)

54.8

EMPLOYEES AS OF DECEMBER 31, 2024

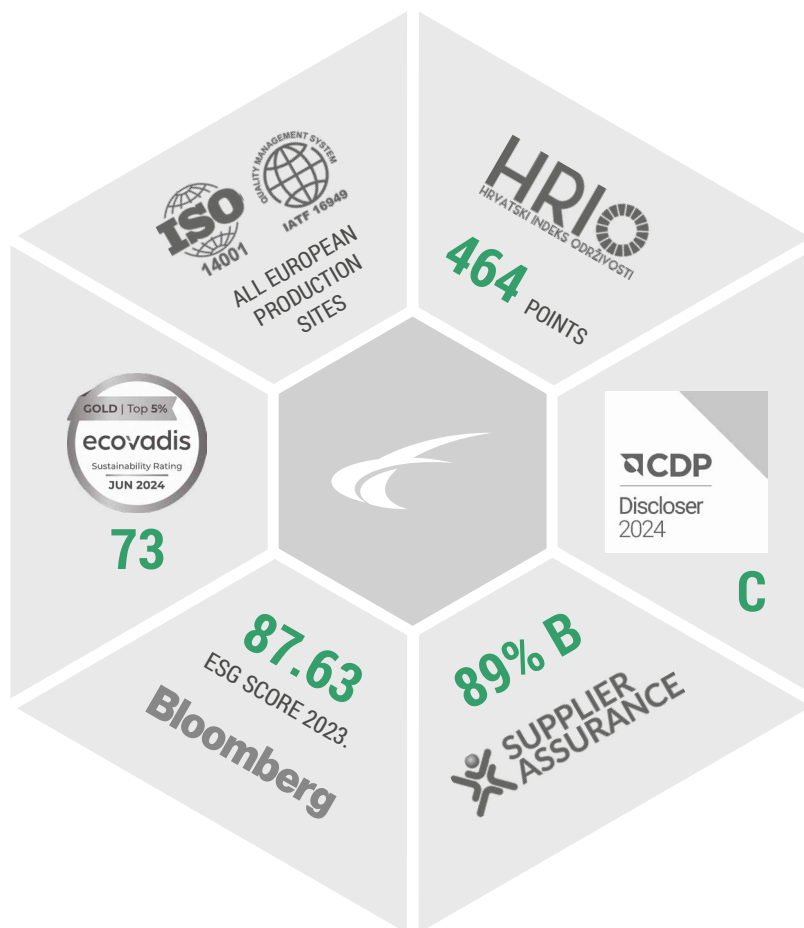
1,802

PRODUCTION SITES

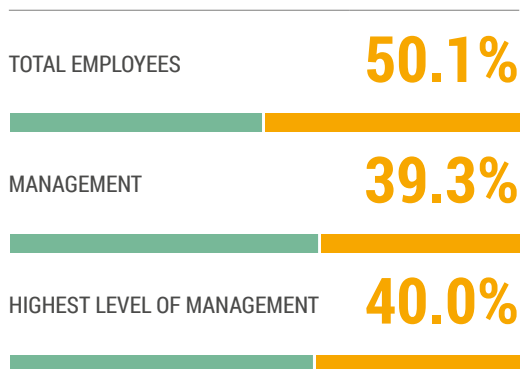
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COUNTRIES

5



## SHARE OF WOMEN



## 2024 vs 2023

	<b>Δ</b>
ELECTRICITY	<b>-2.1%</b>
WATER CONSUMPTION	<b>-7.3%</b>
WATER DISCHARGE	<b>-7.4%</b>
RECYCLED MATERIAL SHARE	<b>+46.0%</b>
WASTE RECYCLING	<b>+101.5%</b>
INJURY RATE	<b>-22.3%</b>



# LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD

We have had a year of steady growth, strategic breakthroughs and clear evidence of resilience in a challenging business environment. We have successfully consolidated our position as a reliable and responsible partner in the global automotive supply chain and achieved strong operational and financial progress.

It was a year of serial activation of a large number of projects and a milestone in terms of financial stabilization and market positioning. The Group's operating revenue increased by 17.9 percent and amounted to EUR 152.44 million. EBITDA more than doubled and reached EUR 13.41 million, while we ended the year with a net profit of EUR 2.13 million. All key financial indicators recorded growth, and more importantly – confirmed the correctness of strategic decisions and operational discipline.

During the reporting period, new deals worth EUR 54.8 million were sealed, and the beginning of 2025 was marked by the conclusion of a significant contract worth EUR 126.8 million with a new customer in the European market. In addition, the total

value of newly contracted projects in the last two years exceeds EUR 370 million, which confirms the continuity of growth and the long-term sustainability of our business model.

In the world of the automotive industry, where change is the only constant, technological developments, regulatory frameworks and changes in market preferences are redefining mobility. Our timely recognition of trends and investments in value-added projects ensure our competitive advantage. Our teams successfully responded to complex customer demands in the reporting year, while developing products that combine functionality, aesthetics and sustainability.

Expectations about the rapid growth of electric vehicle sales have proven to be overoptimistic, and the pronounced decline in demand in key European markets is a clear indicator of changing purchasing habits. One thing is certain - the automotive industry in Europe is facing a period of adjustment, in which innovations, market demands and new business models will shape its future. This dynamic ►





- brings challenges, but also opportunities that AD Plastik Group recognizes in a timely manner.

We are ready for further growth, strengthening our competitive position and creating sustainable value for all stakeholders. We are focused on strengthening operational efficiency, optimizing costs, more efficient capacity utilization and reducing debt, which will allow us to have even greater flexibility in future operations.

Sustainability is an integral part of our strategy, and the ESG result of the AD Plastik Group confirms our commitment to integrating environmental, social and governance principles into all aspects of our business. We are continuously reducing our impact on the environment – water and electricity consumption has been reduced, waste recycling has doubled, and the share of recycled materials has increased significantly. At the same time, the reduction in injuries at work testifies to our commitment to health, safety and responsibility.

Our focus on decarbonization, circular economy and responsible human resource management reflects our commitment to sustainability, making us a leader in positive changes in the automotive industry. Through our business, we prove that responsible business and business success go hand in hand because the future belongs to those who build it with vision and integrity.

The AD Plastik Group is not just a business system – it is a network of people, ideas and knowledge that together create the company's recognition and success. Although people are an important part of the sustainability strategy, their role goes far beyond reporting frameworks. They are the basis of development and the key to every decision - from product design to the implementation of the most advanced technologies. Through their expertise, experience and ability to adapt to dynamic market changes, our employees shape the future of the company. This is precisely why investing in employees is not just an obligation, but a strategic decision that brings long-term

value. By strengthening the culture of inclusiveness, diversity and professional development, we are building an organization ready for the challenges of tomorrow.

Looking ahead, we are focused on the commercialization of existing projects and a stronger positioning in the segment of innovative, high-quality components for electric and hybrid vehicles. We are convinced that this dynamic will have a positive effect on our financial results and enable further strengthening of our position on the market.

**I thank you for your trust, support and contribution to our success. We continue to build the future together - responsibly, courageously and with a clear vision.**

**Marinko Došen**  
President of the Management Board

# ABOUT AD PLASTIK GROUP

**For more than 35 years, it has been shaping the future of mobility, holding a leading position in the development and production of interior and exterior automotive components in Croatia and ranking among the most prominent in Eastern Europe.**

Its strong commitment to technological innovation and uncompromising quality standards makes it a reliable partner to the world's leading automobile manufacturers—from the vision of the first sketches to top-quality products on the roads.

Every year, more than ten million precisely manufactured parts leave AD Plastik Group's production facilities, making their way into vehicles in over twenty countries across five continents. Business operations are focused on developing solutions that support safer and more adaptable mobility while also setting standards for a sustainable future. By applying innovative materials, the latest technologies, digitalization, and robotics, challenges and demands of the increasingly dynamic automotive industry are successfully met.

The greatest strength of the company lies in the people—their knowledge, experience, and passion are embedded in every product, making them a symbol of excellence and dedication. Quality, reliability, and competitiveness are not just the values, they are the foundation of success in the demanding automotive market.

Dedicated to creating innovative solutions of the highest standards of quality and safety, with a vision for sustainable and secure mobility, AD Plastik Group continues to lead the transformation of the automotive industry, laying the foundation for a better and safer world.



5

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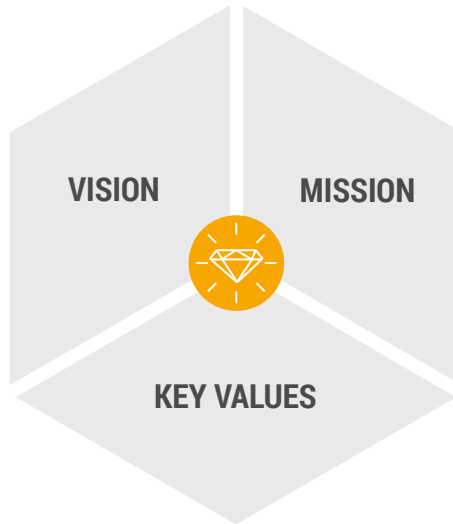
COUNTRIES

10

MILLION PARTS

# VISION, MISSION, KEY VALUES

Recognisability for excellence in the development and production of automotive components and business relationships based on trust and partnership. Creating added value in the automotive market, taking care of safe and sustainable mobility, the satisfaction of all stakeholders and the preservation of the planet.



Dedication to the development and delivery of the highest quality automotive components, thereby contributing to the positive changes in safe, customized and sustainable mobility. Creating innovative solutions by understanding the needs of its customers and end users and operating in harmony with its environment.

Taking care about the sustainable future of the company, employees, community and the planet.

## EXCELLENCE

The highest standards of quality, safety and sustainability are the premise for the vision realization. Through constant training and the possibility of personal and business development as well as growth of each individual, the aim is to strive for the best way of working. Constant exploring of areas of growth and innovation is the best response to challenges, and the passion invested in products makes them better and better.

## INTEGRITY

To be an example that others will gladly follow, doing what is being promoted and informing about what is being done. Relationship with all stakeholders is based on trust, open and honest communication.

## RESPECT

Long-term business and partnership relations with all stakeholders are based on fairness and respect.

## TOGETHERNESS

Close cooperation and support at all levels are based on trust and taking responsibility. By sharing ideas and knowledge, respecting multiculturalism, diversity and equality a better environment is created every day.

## RESPONSIBILITY

Responsibility for the quality and safety of our products, for which dedication and thoroughness are basic standards. Showing our dedication by committing to the successful realization of results and creation of the added value, through a positive impact on society.

# PRODUCTION SITES

## AD PLASTIK GROUP (1,802)

### PRODUCTION

#### HEADQUARTERS

**AD Plastik d.d.**  
Matoševa 8, Solin, Croatia (505)

AD Plastik, Zagreb I, Croatia (514)  
AD Plastik, Zagreb II, Croatia (104)

**AD Plastik Tisza Kft.**  
Tiszaújváros, Hungary (278)

**ADP d.o.o.**  
Mladenovac, Republic of Serbia (172)

**AO AD Plastik Togliatti**  
Vintai, Samara, Russian Federation (210)

**ZAO AD Plastik Kaluga \***  
Kaluga, Russian Federation (17)

**AD Plastik d.o.o.**  
Novo Mesto, Slovenia (2)

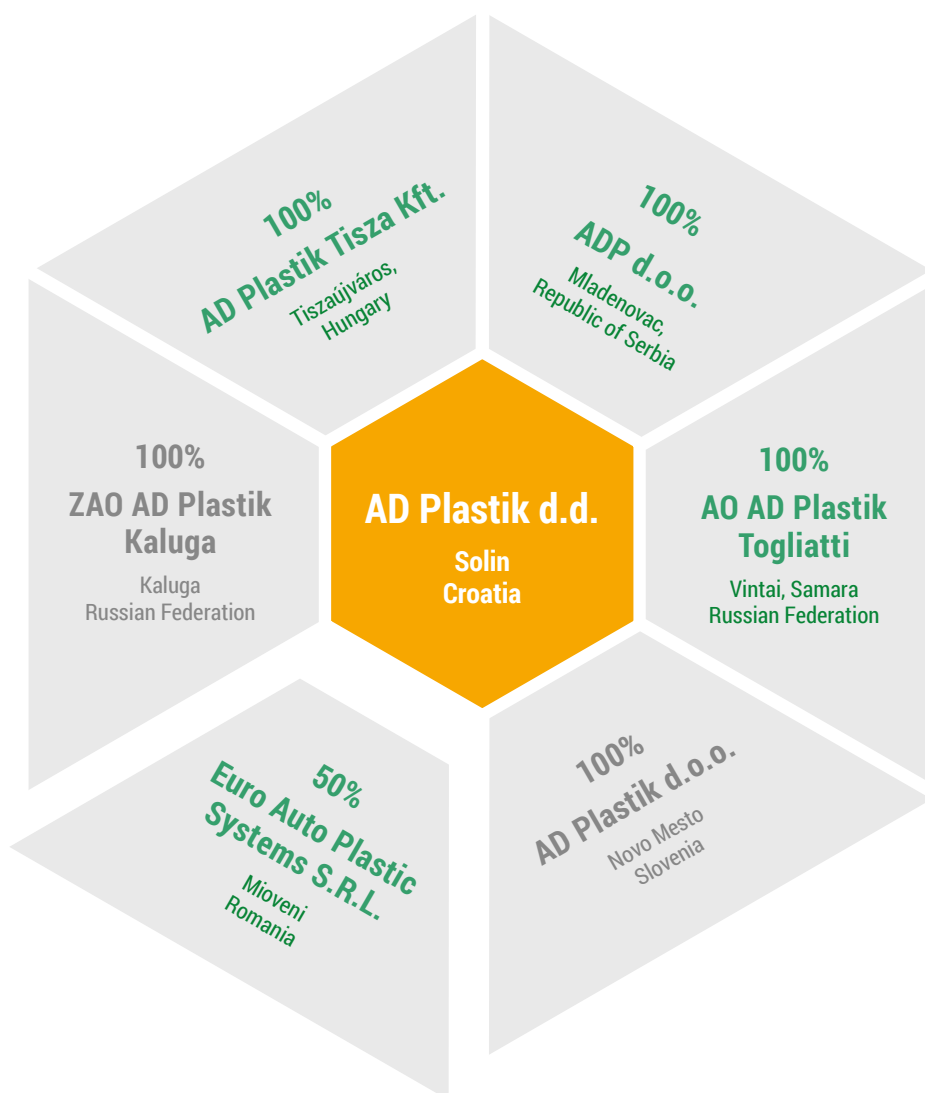
#### AFFILIATED COMPANY

**Euro Auto Plastic Systems S.R.L.**  
Mioveni, Romania

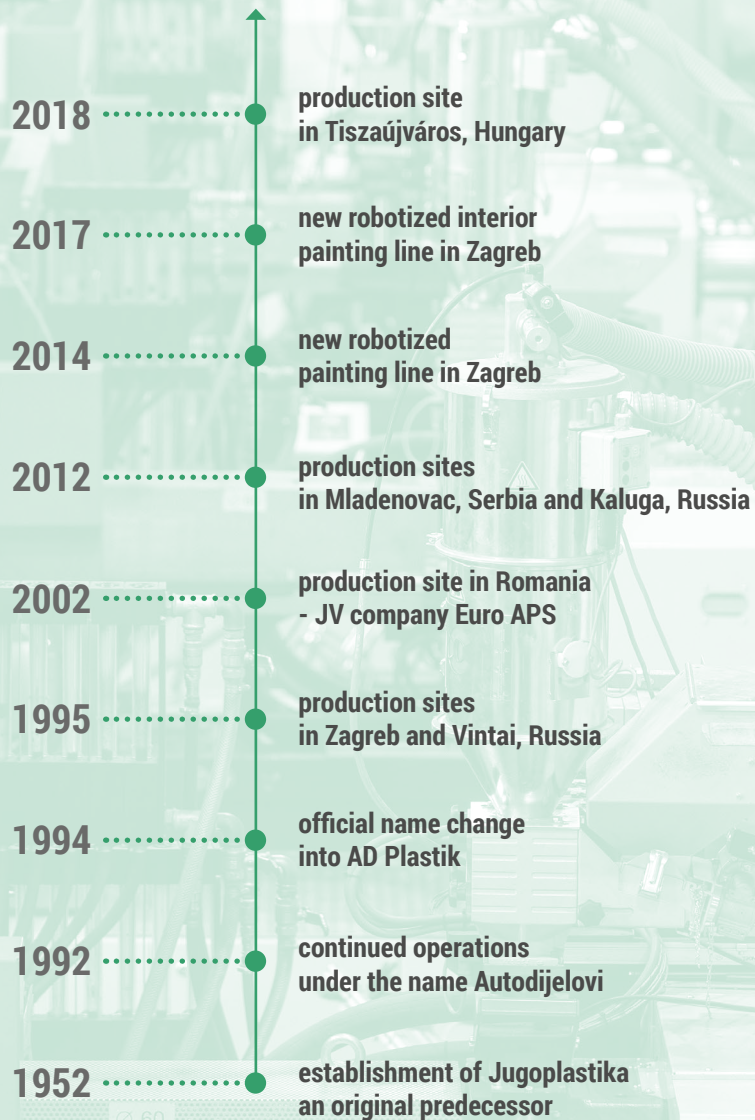
\* AD Plastik Kaluga has stopped production operations

- Figures in parentheses beside each site represent the number of employees at that specific site.
- In accordance with ESRS, the company does not provide data related to ZAO AD Plastik Kaluga and AD Plastik d.o.o. in the [Sustainability Report](#).

# CORPORATE MATRIX



# COMPANY HISTORY



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**B**

# ABOUT THE INTEGRATED REPORT

**This is the eighth Integrated Annual Report of AD Plastik Group, which contains all important information about the business operations for the period from January 1 to December 31, 2024, or as of December 31, 2024.**

**All financial and non-financial indicators are presented, with the business and calendar years aligned.**

The Integrated Report includes **reports on business operations, a sustainability report, and annual financial report**, providing a detailed insight into all aspects of sustainability, business operations, and management. Sustainable business practices have been systematically monitored and reported since 2012, and this is the first **sustainability report aligned with ESRS**, including the principle of double materiality, partial coverage of the **value chain**, and compliance with the regulatory requirements of EU Directive 2013/34/EU and Delegated Regulation 2023/2772.

The Integrated Annual Report is published on the company's website, the Zagreb Stock Exchange, and the UN Global Compact, and is also available upon request in electronic or printed form. It is reported on an annual cycle, and the Group's Integrated Annual Report for 2023 was published on April 24, 2024, while the publication of this report is planned for April 24, 2025, as announced in the [Events Calendar](#) published at the end of 2024 on the company's website and the Zagreb Stock Exchange. ►



## ► Sustainability report and Scope of Consolidation

The Sustainability Report is prepared on a **consolidated basis** and follows the scope of consolidation of the financial statements, with the exception of two plants. The plant in Kaluga is not included as it ceased production operations in 2022 and currently employs 17 people in maintenance roles, with no material impact on operations or sustainability. The company in Slovenia only includes an administrative office with two employees, without production activities or material impact on sustainability factors. The financial indicators of these plants are included in the Group's financial statements but are excluded from the sustainability report.

EURO Auto Plastic Systems s.r.l. is considered an affiliated company, as managerial control is held by the partner Faurecia Automotive Holdings s.a.s., and is therefore not included in the Sustainability Report.

The Sustainability Report includes the Group's own operations and part of the key segments of the value chain. The report is prepared in accordance with the ESRS and is based on the principle of double materiality, covering material impacts, risks, and opportunities identified in the assessment process.

Information about the value chain is **partially available** due to limited access to data and the complexity of their collection. Therefore, the company therefore makes use of **the option for exemption** during the first three years of reporting, in accordance with the transitional provisions of the ESRS.

Nevertheless, the possibility of improving data collection, particularly from lower levels of the value chain, has been explored, and it has been noted that some suppliers are already being assessed for sustainable practices through specialized agencies. Sustainability has undoubtedly been of significant importance within the automotive industry for a long time, and all participants in the value chain are subject to regular checks and B2B reporting, which will contribute to data availability and increased transparency in the future.

To ensure gradual improvement in data quality, additional development of the information collection system is planned for the upcoming reporting periods. The first steps have already been taken through the update of the annual supplier questionnaire, which is aligned with the new sustainability requirements. It is expected that over time, the scope and accuracy of the collected data will increase, making the reporting even more detailed and reliable.

No indicators with a very high level of measurement uncertainty were identified in this reporting period. Estimates and assumptions were used, for example, in calculating greenhouse gas emissions (based on energy consumption and emission factors), in assessing energy savings (based on technical data of equipment), and in determining the share of recycled materials, but their level of uncertainty does not significantly affect the reliability of the information presented.

### Disclosure exemptions due to business confidentiality and contractual obligations

The possibility of exemption of certain information considered to be business secrets and intellectual property has been utilized. This applies to specific products and business relationships with customers, where information about the components we produce for certain car manufacturers has not been disclosed due to confidentiality agreements and protection of market competitiveness. Additionally, information regarding upcoming events and negotiations with customers has not been disclosed due to contractual obligations to protect strategic business interests.

### Standards for the period of impact, risk, and opportunity assessments

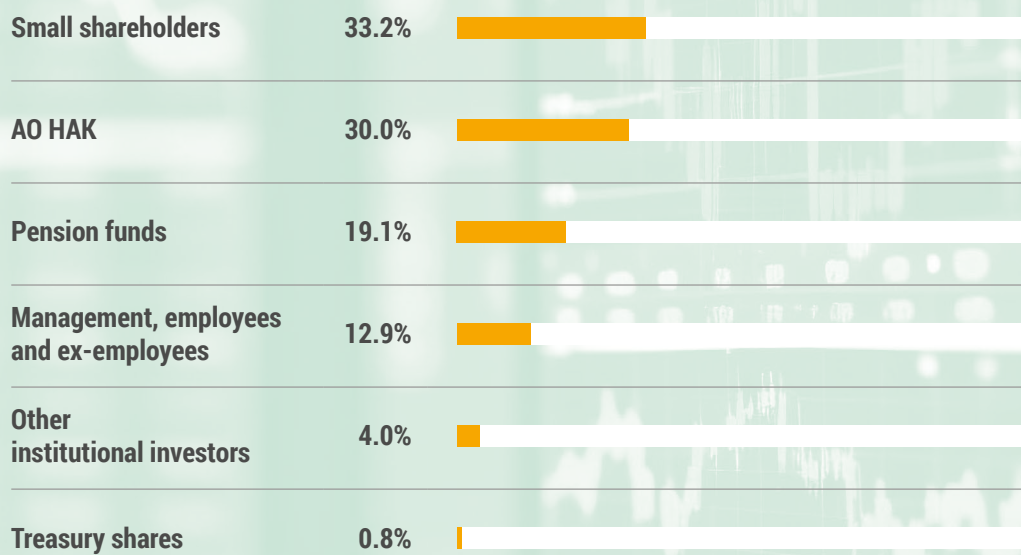
The definition of time periods according to the ESRS has been applied, where the short-term period is defined as one year (reporting period), the medium-term as up to five years, and the long-term as more than five years. However, within strategic financial planning, the medium-term is currently considered to be three years, while anything beyond that is regarded as long-term. In the future, gradual alignment with ESRS is planned to ensure greater comparability and consistency of data in sustainability report.

The option to refer to other information sources has been used to avoid data repetition and ensure clarity in reporting. References within the report are used for specific indicators to ensure consistency, while external sources are applied for policies, codes, and strategic documents that are regularly updated. All data available through references are clearly marked, along with the location of the document or link.

### Independent Audit of the Sustainability Report

The Sustainability Report is subject to an independent audit in accordance with the Directive on Corporate Sustainability Reporting and the Delegated Regulation setting out European sustainability reporting standards. The audit is conducted by the independent professional body KPMG, and their opinion can be found on [page 185](#) of this report.











# OWNERSHIP STRUCTURE



As of December 31, 2024  
the company owned 35,008 shares,  
i.e. 0.8 percent of the share capital.



# 10 LARGEST SHAREHOLDERS

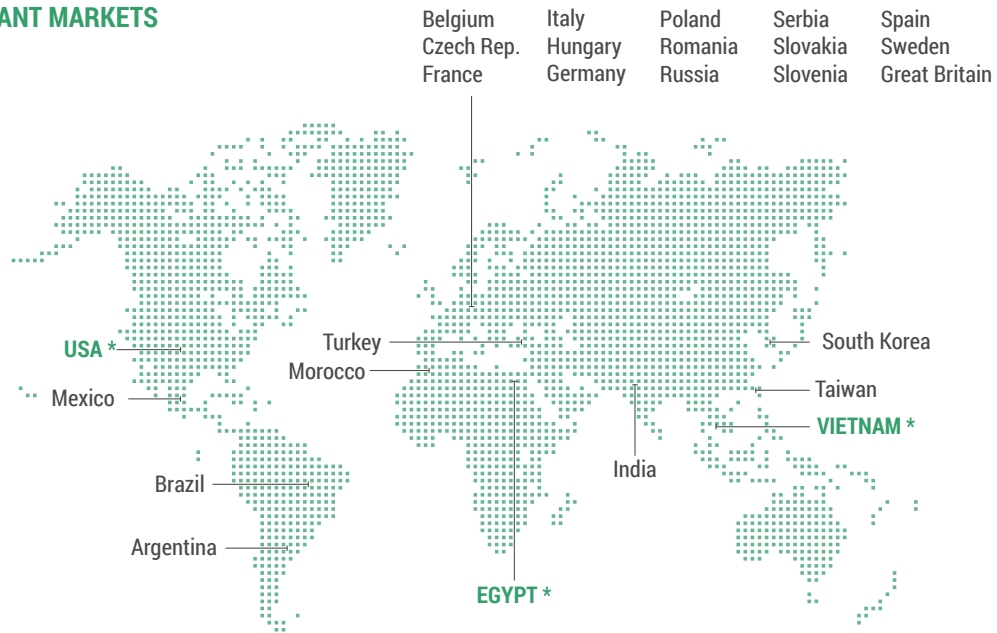
Shareholder	Number of shares	Share	
1. AO Holding Avtokomponenty	1,259,875	30.0%	
2. Privredna banka Zagreb d.d. / Raiffeisen MPF category B	454,939	10.8%	
3. Raiffeisenbank Austria d.d. / Raiffeisen voluntary pension fund	205,458	4.9%	
4. Erste & Steiermarkische bank d.d. / PBZ CO MPF - category B	77,441	1.8%	
5. Katija Klepo	67,633	1.6%	
6. OTP banka d.d. / OTP Index fund - OIF with a public offering	63,508	1.5%	
7. Privredna banka Zagreb d.d. / Raiffeisen OMF category A	43,538	1.0%	
8. Ivica Tolić	40,881	1.0%	
9. Josip Boban	40,000	1.0%	
10. AD Plastik d.d.	35,008	0.8%	
	<b>2,288,281</b>	<b>54.5%</b>	

The ten largest shareholders hold 54.5 percent of the company's shares, and compared to the previous year, the composition was maintained identically, with minor changes in the ranking. PBZ CO MPF category

B reduced the number of its shares by 37,758, while OTP index fund - OIF with a public offering increased its position by 12,252 shares. AD Plastik d.d. released 3,420 shares as employee excellence awards.

# OVERVIEW OF MARKETS AND CUSTOMERS

## SIGNIFICANT MARKETS



\* new markets compared to the previous report

## SIGNIFICANT CUSTOMERS

STELLANTIS			VOLKSWAGEN GROUP			RENAULT GROUP	
<b>SUZUKI</b>	<b>FORD</b>	<b>HELLA</b>	<b>TOGG</b>	<b>AVTOVAZ</b>			

# TECHNOLOGIES

Technological advancement, digitalization, robotization, as well as research into new materials and processes, are key factors that ensure product safety and quality in the automotive industry, as well as within the AD Plastik Group. Continuous improvement of production processes, their monitoring, and optimization are an integral part of daily operations. The presence of certain technologies is adapted to the demands of the market and customers, as well as to broader technological trends in the industry.

The most important technologies in the Group's portfolio are **injection moulding**, present at all production sites, and **painting**, which is carried out in Zagreb. The Zagreb factory is equipped with two modernized and robotized painting lines, ensuring high quality, repeatability, and process efficiency.

In the production facilities in Solin and Vintai, **extrusion** is also used, while **blow moulding technology** is used in Mladenovac and Tiszaújváros, with **thermoforming** present only in Vintai. During the reporting period, thermoforming technology in Mladenovac was discontinued due to a strategic focus on technologies with greater market potential and customer interest. The primary focus is now on injection molding as the key technology that enables greater design flexibility, production efficiency, and better adaptation to the demands of the modern automotive industry.

Although the primary activity of AD Plastik Group is the production of automotive components, it also offers additional services to its customers that enhance the value of the final product. Among these is the **assembly of automotive parts**, which allows the delivery of fully assembled components ready for integration into vehicles. This involves complex processes that require a high level of expertise, and often automation. Therefore, further optimization, improvements in delivery, and collaboration with logistics partners for remote destinations are among the priorities for future development.

Advanced processing techniques, such as **ultrasonic and vibration welding**, **hot stamping**, **automated gluing**, **final laser processing**, and **automated product quality control**, also add value to the manufacturing processes.

## SIGNIFICANT TECHNOLOGIES

### INJECTION MOULDING

All sites



### PAINTING

Zagreb



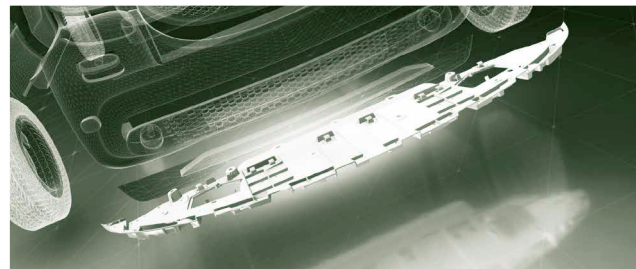
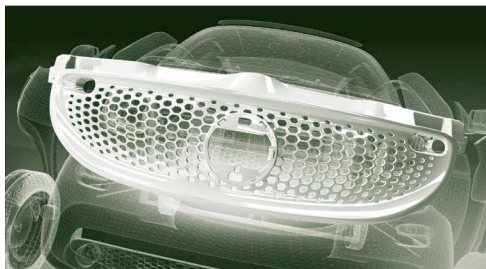
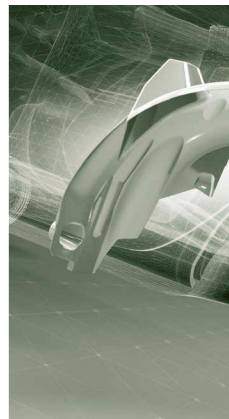
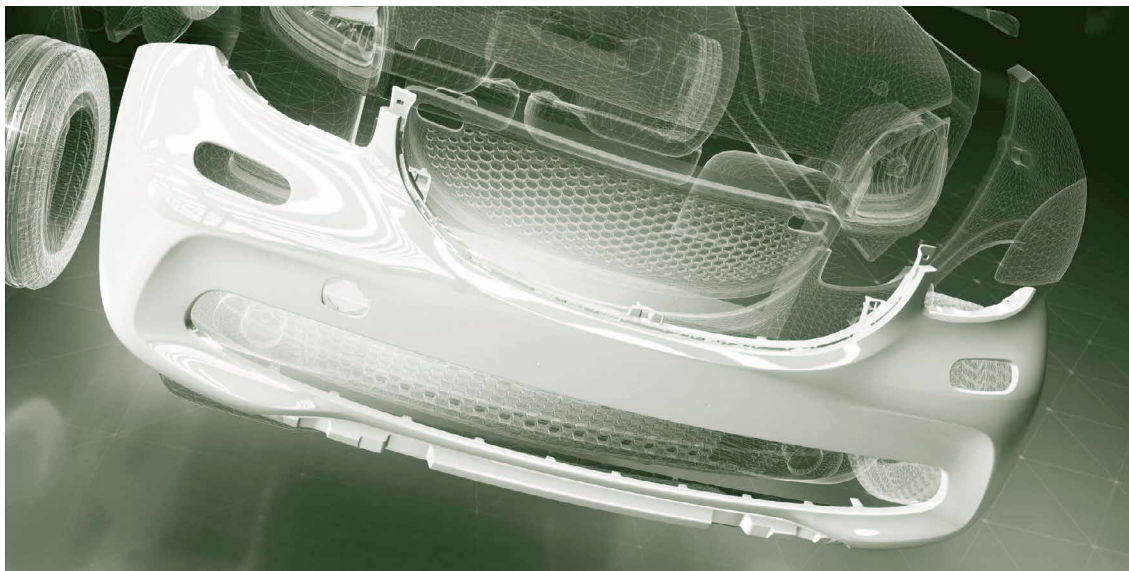
# KEY PRODUCTS

## SIGNIFICANT PRODUCTS

*(no changes compared to previous periods)*

## EXTERIOR COMPONENTS

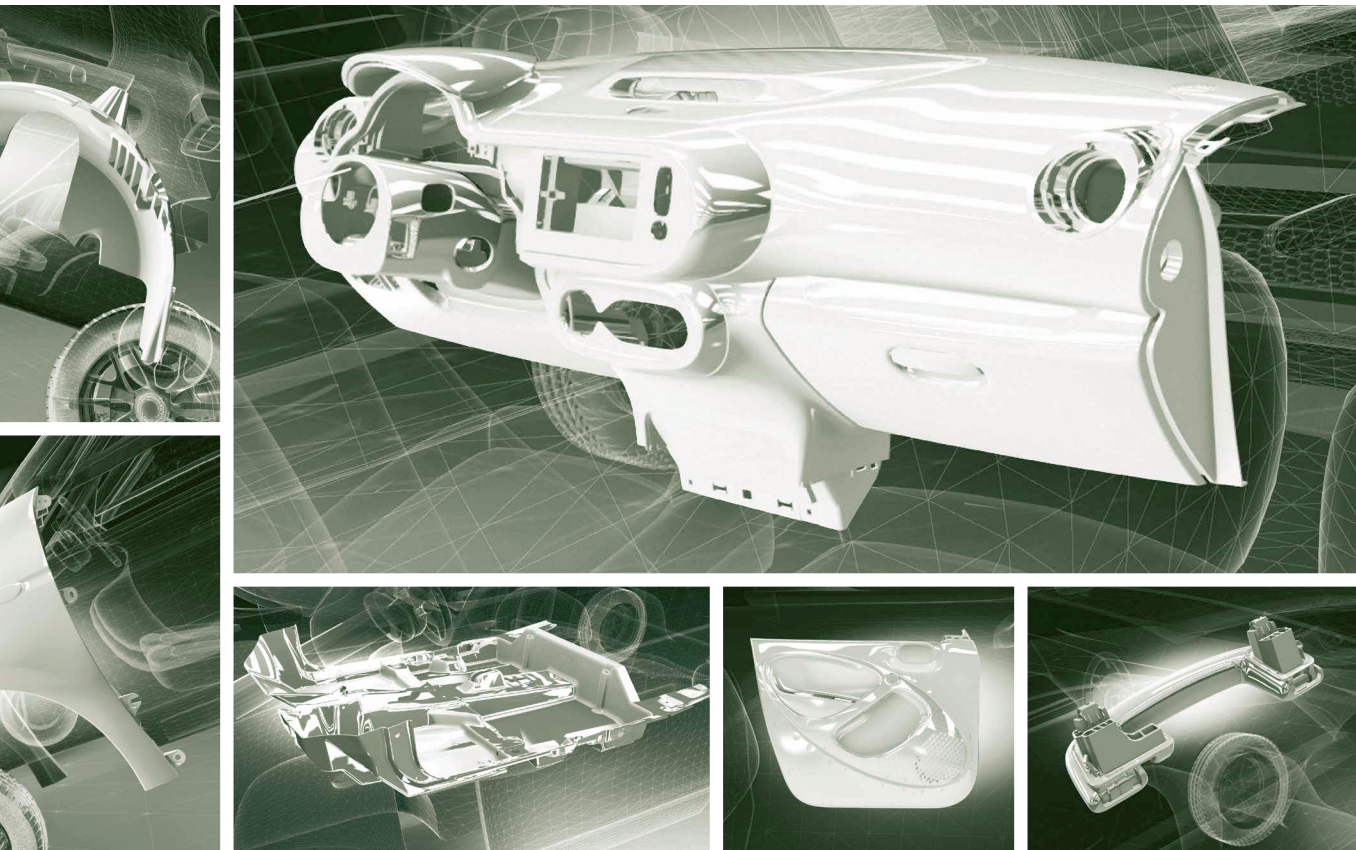
- Front and Rear Bumpers
- Front Grille and Air Ducts
- Fender Protectors and Rocker Claddings
- Spoilers
- Rear Door Trim (tailgate)
- License Plate Light Holders
- Underbody Covers and Battery Covers
- Deflectors, Cooling Fan Motor Brackets
- Air Distribution Ducts



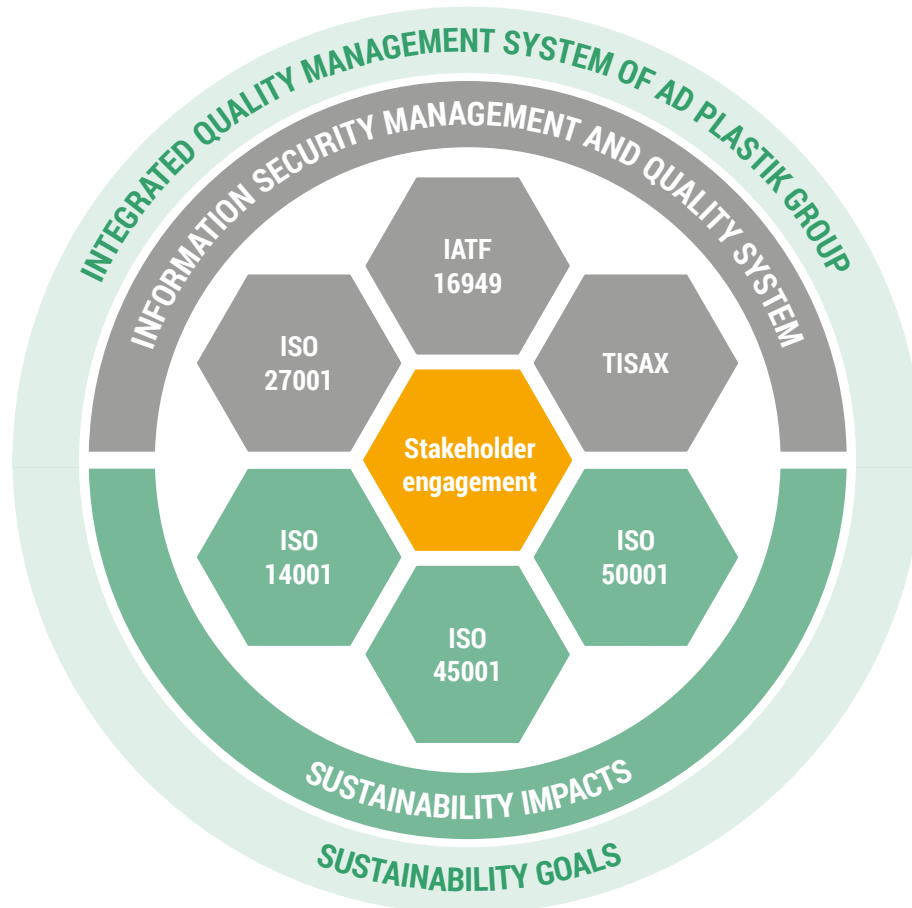
# KEY PRODUCTS

## INTERIOR COMPONENTS

- Door Panels
- Central Console
- Instrument Panel and related parts
- Grab Handles
- Glass Run Channels
- Small injection-moulded components



# QUALITY MANAGEMENT



Product and process quality is the fundamental premise of competitiveness in the automotive industry. The quality management system is aligned with internationally recognized standards, is subject to regular audits and involves continuous improvements to ensure customer

satisfaction, full compliance with regulatory requirements and excellence in all aspects of business.

**The quality management policy** clearly defines the principles, responsibilities and objectives of the organization in terms of an integrated approach to quality improvement.



## AUDITS AND RECERTIFICATION

During the reporting period, all necessary **recertification and surveillance audits** were conducted at the Group level, with independent certification bodies confirming the high effectiveness of the quality management system.

At the plant AD Plastik Togliatti, recertification was successfully carried out again by the certification body DQS after a pause, renewing the certificates for environmental management and quality management.

## CUSTOMER SUPERVISION

In addition to external certification audits, **customers conduct regular evaluations and supervision** of production processes to ensure consistency in quality and compliance with their requirements. During the reporting period, **16 customer audits were conducted in Solin and Zagreb, along with one in Hungary**, all of which were rated satisfactory with no critical non-conformities.

These results and positive customer feedback further confirm the high level of **product and production process quality** within AD Plastik Group. Through a systematic approach and continuous improvements, the company ensures long-term business sustainability and excellence in all aspects of quality.

## CERTIFICATES

AD Plastik Group has established a robust integrated quality management system that encompasses internationally recognized standards.

Specific area of continuous improvement	Applied standards
Quality management in the automotive industry	IATF 16949 (all production sites)
Environmental management	ISO 14001 (all production sites)
Occupational health and safety management	ISO 45001 (Croatia and Serbia)
Energy management	ISO 50001 (Croatia and Serbia)
Information security management	ISO 27001 (Croatia and Serbia)
Information security in the automotive sector	TISAX® (Croatia and Hungary)

AD Plastik Tisza in Hungary implemented the **TISAX** standard for the first time in 2024, further enhancing the information security management framework in line with industry requirements.



# BUSINESS ACTIVITIES

# ENGINEERING EXCELLENCE IN THE SERVICE OF PROGRESS

## RESEARCH AND DEVELOPMENT

The observed year brought significant progress in research and development activities, further strengthening AD Plastik Group's position as a reliable partner in the automotive industry.



All key projects for global automobile manufacturers were successfully completed, either as a **development and production partner** (Full Service Supplier - FSS) or as a **supplier according to customer specifications** (Build to Print - BTP).

In the electric vehicle segment, development activities on key exterior components were completed, optimizing vehicle weight and energy efficiency. In the SUV and crossover segments, complex engineering and production adaptations were made on exterior and interior parts, in line with the strictest safety and design standards.

**Spoilers** for multiple vehicle models and aesthetically **designed roof rails** for a vehicle from the Stellantis group were successfully developed. A significant breakthrough was achieved through the use of PMMA material in the production of the roof rail, an environmentally friendly visible

component that ensures **durability, UV resistance, and recyclability**. This innovation further enhances durability, aesthetic and perceived quality, while reducing vehicle weight and energy consumption. This technological advancement was officially presented to the public by Stellantis, confirming the quality, innovation, and sustainability of AD Plastik Group's solutions.

As part of one of the major projects, special emphasis was placed on the application of **pad printing** in two-tone printing with a protective lacquer layer, achieving **durability, wear resistance, and a reduction in the need for additional manufacturing processes**. This technology allows for **precise application on complex surfaces**, high quality, flexibility, and resistance to external conditions and intensive use. Additionally, the assembly of clips was carried out using **automated robotic stations**, ensuring a **high level of repeatability and energy-efficient** production.

The company's projects have also encompassed the *premium* vehicle segment, with a focus on developing sophisticated interior components that combine aesthetics and functionality. Sealing new deals on the development of key exterior components further confirms the company's position as one of the leading suppliers in the industry in this part of Europe.

Looking ahead, the commitment remains focused on **innovation, the application of sustainable materials and reducing the carbon footprint**. The development of advanced polymers and the integration of **smart polymers with electronic components** will contribute to the evolution of connected and autonomous vehicles. Talent development and process optimization remain key to long-term success and adapting to industry changes.



# THE PATH TO NEW MARKETS AND BUSINESS OPPORTUNITIES

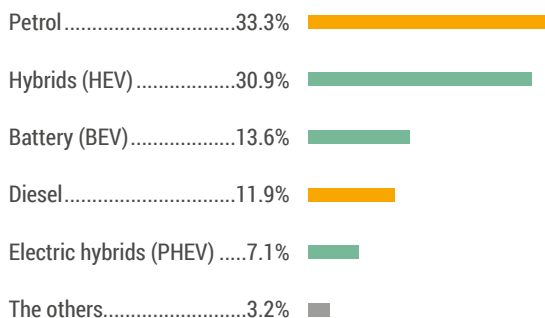
## SALES AND MARKET

**The automotive industry remains one of the most important economic sectors of the European Union, generating more than 7.5 percent of GDP and providing 13.2 million jobs.**

The automotive industry employs 10.3 percent of all workers in manufacturing, and with EUR 72.8 billion invested in research and development, it accounts for 33 percent of total European investment in innovation. Despite macroeconomic challenges and regulatory changes, the industry continues to adapt to market demands.

In 2024, the European automotive market saw modest growth of 0.8 percent, with a total of 10.6 million new vehicle registrations. Spain experienced a growth of 7.1 percent, while France (-3.2 percent), Germany (-1 percent), and Italy (-0.5 percent) recorded a sales decline, reflecting economic uncertainties and shifts in customer preferences.

Demand is shifting – hybrid vehicles are experiencing strong growth, while sales of battery electric vehicles (BEVs) are slowing down. BEVs now account for 13.6 percent of the market, representing a decline of 5.9 percent compared to the previous year, while hybrid sales increased by 20.9 percent, accounting for 30.9 percent of the European market share. Thus the hybrids have strongly approached gasoline vehicles, which still hold the largest share at 33.3 percent, with significant potential to truly take the lead. The share of diesel vehicles has decreased to 11.9 percent, and plug-in hybrid electric vehicles (PHEV) account for 7.1 percent.



Regulatory pressures, including the implementation of Euro 7 standards, are further shaping the market by increasing production costs and requiring adjustments to vehicle models. In addition, the volatility of energy and raw material prices, as well as challenges in supply chains, complicate planning and production optimization.

The industry continues to search for the optimal direction in the development of powertrains. Rather than full electrification, manufacturers are increasingly investing in hybrid variants in response to customer preferences and regulatory requirements.

### Market Leaders

The Volkswagen Group maintained its leading position in the European market with a 26.7 percent market share, representing a 3.2 percent increase compared to the previous year. Škoda, Cupra, and Porsche recorded sales growth, while Audi experienced a decline. Stellantis remains the second-largest manufacturer in Europe, but its market share dropped from 17.8 percent to 16.4 percent, due to the total sales decline of 7.2 percent. The Renault Group slightly increased its market share from 10.9 percent to 11.0 percent, with a sales growth of 1.3 percent.

### Business Results And Strategic Development

In 2024, AD Plastik Group sealed EUR 54.8 million worth of new deals with customers Stellantis, Ford, and SMP Automotive. These projects have a planned duration of four to twelve years, ensuring the stability of the portfolio. In addition to expanding operations in the European market, product deliveries to new markets in Egypt and Vietnam, have begun, while spare parts are being shipped to Texas, USA.

Key customers remain Stellantis, the Renault Group, Ford, Suzuki, and the VW Group, including Audi, Bentley, and Hella. The start of serial production for new models of Alfa Romeo, Citroën, Dacia, and Suzuki marked the previous year, while delays in the production of several Stellantis models until the first quarter of 2025 impacted production capacity planning.

### Adaptation and Optimization

AD Plastik Group continues to optimize production capacities in Solin, ensuring long-term operational efficiency and adaptability to the needs of key customers. In addition to expanding the portfolio of contracted projects, active efforts are being made to explore cooperation with new customers in the European market, while adapting to industry trends and regulatory requirements.

The automotive industry in 2024 remained dynamic and challenging, but through strategic adaptation, investments in innovation, and resource optimization, AD Plastik Group continued to lay the foundation for long-term sustainability and competitiveness.

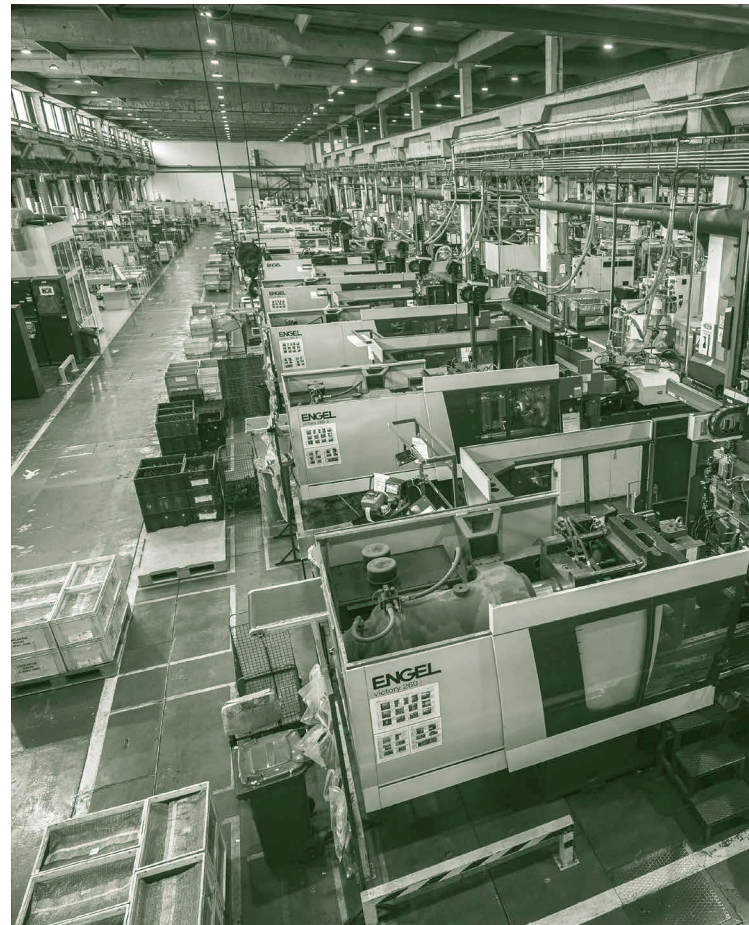
*AD Plastik Group does not offer products or services whose sale is prohibited in any market.*

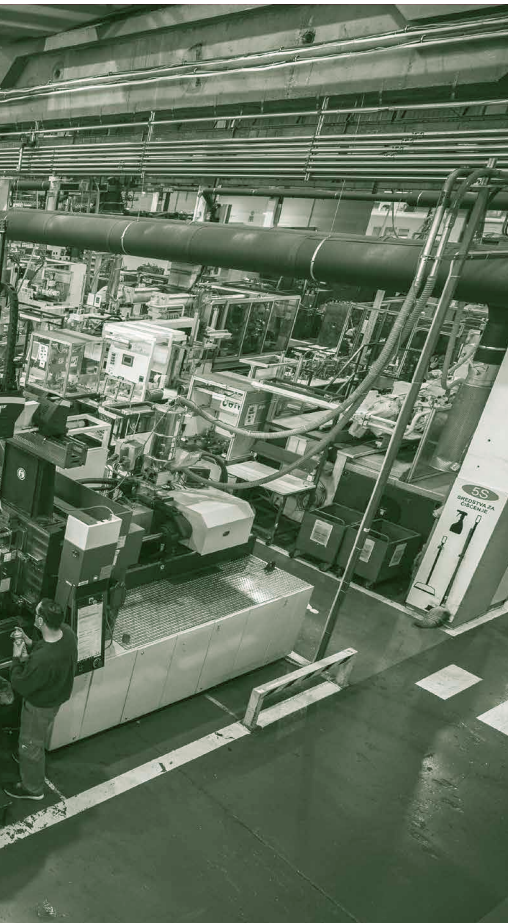
# PROCESS OPTIMIZATION AS THE KEY TO STABILITY



## PRODUCTION

The reporting period brought numerous challenges in production operations, with significant fluctuations in orders and market volatility. AD Plastik Group successfully managed complex production processes by combining the industrialization of new projects with the optimization of serial production.





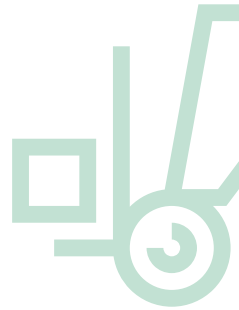
## KEY HIGHLIGHTS

- **Industrialization of nine new projects**, despite customer-driven shifts in planned deadlines, which greatly increases the complexity of production process management
- **Adaptation of serial production** in conditions of order volatility and extended purchasing deadlines, with ordering materials up to six months in advance
- **Completion of serial production** of several major projects, inventory planning and minimization of losses in conditions of market instability
- **Optimizing production and cost efficiency**, despite more complex processes and higher customer standards
- **Introducing automation and digitalization**, including robotic assembly lines that improve repeatability and manufacturing precision
- Managing complex projects, including **trial and validation work orders**, with increased demands on the painting process
- **Maintaining a high level of competitiveness**, despite global market challenges and workforce turnover
- Reducing environmental impact, through more **energy-efficient processes and material optimization**

Special emphasis has been placed on adapting flexible production to **changing market conditions**, ensuring high quality standards and competitiveness in the global supply chain. Sustainability remains a priority through **waste reduction, optimization of energy consumption, and material recycling**.

This approach enables **continuous growth, enhanced competitiveness, and long-term business stability** in line with AD Plastik Group's goals.

# SMART ROUTES AND OPTIMIZED RESOURCES FOR BETTER DELIVERY



## LOGISTICS

**Market volatility also had a significant impact on supply chains in the automotive industry, but effective management of complex logistical challenges ensured timely deliveries, inventory optimization, and minimization of losses during the observed period.**







## KEY HIGHLIGHTS

- **Industrialization of new projects** with management of logistics flows and optimization of distribution, with certain project timelines being re-scheduled shortly before the start of serial production
- **More complex logistics flows**, including cooperation with logistics partners and deliveries via customer collection points
- **Impact of natural disasters**, primarily floods in Spain, which briefly prevented the smooth continuation of production and delivery of goods
- **Maintaining a high logistics rating** according to customer ratings
- **Improvement of cooperation with logistics partners** and optimization of transport costs
- **Starting serial production of new projects** and support in cost and quality optimization
- **Reducing the ecological footprint** through the improvement of transport routes and more efficient use of resources

AD Plastik Group continues to strengthen logistics processes and the network of logistics partners, improve the supply chain and optimize costs, ensuring stability and competitiveness in the global environment.

# RISKS AND OPPORTUNITIES

The risks and opportunities that AD Plastik Group recognizes in its business are influenced by external and internal factors. Timely identification, monitoring and management of risks affects business results, but also the environment and climate change.

Continuous improvement in the field of risk management is the basis of successful management of the entire business. While the company's influence on external factors is limited, internal ones are influenced by the constant development of business policies and procedures.

## TYPES OF RISKS

<b>STRATEGIC RISKS</b>	<ul style="list-style-type: none"> <li>Market risk</li> <li>Business environment risk</li> <li>Competitive risk</li> <li>Risk of dependency on a single customer</li> <li>Technological risk</li> <li>Regulatory risk</li> </ul>
<b>OPERATIONAL RISKS</b>	<ul style="list-style-type: none"> <li>Risk of supply disruption</li> <li>Risk of labor shortage</li> <li>Risk of non-fulfillment of contractual obligations</li> <li>Cyber risk</li> <li>Risk of infectious diseases</li> </ul>
<b>FINANCIAL RISKS</b>	<ul style="list-style-type: none"> <li>Currency risk</li> <li>Interest rate risk</li> <li>Price risk</li> <li>Credit risk</li> <li>Liquidity risk</li> </ul>
<b>SUSTAINABILITY RISKS</b>	<ul style="list-style-type: none"> <li>Climate risk</li> <li>Reputational risk</li> </ul>

## RISK MANAGEMENT

AD Plastik Group identifies, analyzes and monitors key business risks, including environmental, social and governance (ESG) risks. Through the **Risk and Opportunity Management procedure**, a methodology has been defined for identifying, analyzing and managing business process risks, which ensures the achievement of planned results and minimizing negative consequences. The risk list is regularly updated and reflects interactions with both internal and external factors affecting business operations.

However, there is currently no centralized strategic risk management system that encompasses market, geopolitical, financial and ESG risks in a structured manner. In practice, these risks are managed through reactive measures and assessments carried out as needed.

In order to ensure long-term business resilience, it is planned to gradually strengthen the strategic risk management system through:

- development of a system for regular monitoring of strategic risks, including systematic assessments and risk mitigation strategies
- introduction of tools for risk and opportunity analysis in business planning
- strengthening transparency through harmonization of reporting with ESRS and better analysis of the impact of sustainability on business processes and financial results
- digitalization of monitoring of key risk indicators

# STRATEGIC RISKS

Strategic risks include challenges that can potentially threaten the company's long-term business goals. They include changes in the market, technological innovation, political instability, regulatory changes and changes in the business environment. In 2024, special attention was paid to the challenges related to the electrification of vehicles, the geopolitical situation, growing competition and regulatory requirements, especially those related to sustainability.

## MARKET RISK

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Fluctuations in demand and changing trends in the automotive industry, such as the shift to electric vehicles and hybrid models, can affect business. The transition to environmentally friendly technologies requires product and service strategy adjustments by both car manufacturers and their suppliers. Inflation and rising prices of key raw materials can also further threaten profitability, and the emergence of low-cost Chinese manufacturers in the European market is further increasing pressure on margins, but also opening up new opportunities.

### MANAGEMENT

- Focus on diversification of the product portfolio
- Monitoring global and regional trends, including the entry of new manufacturers into the EU market
- Close collaboration with customers to align prices with market changes

**SUSTAINABILITY:** The development of products with a lower carbon footprint contributes to long-term compliance with ESG requirements and investor expectations.

## BUSINESS ENVIRONMENT RISK

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Instabilities in the countries of operation, including macroeconomic conditions, inflation, and social tensions, can affect operational and financial stability. Diversifying production across multiple countries helps mitigate risk, but it requires continuous adaptation of business practices. This risk is particularly pronounced in the context of operations in the Russian market.

### MANAGEMENT

- Regular monitoring of macroeconomic indicators and adjustment of operational strategies
- Focus on stable European markets, while reducing exposure to risky region

**SUSTAINABILITY:** Business diversification ensures the company's resilience to external influences.

## COMPETITION RISK

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The increasing number of suppliers in the automotive industry and technological advancements by competitors reduce profitability and market share. Price, quality, and innovation remain key factors of competitiveness, while low prices from Chinese manufacturers further intensify pressure on the European market.

### MANAGEMENT

- Investments in technologies and innovations to reduce production costs
- Development of tailored solutions in collaboration with key customers
- Focus on high quality standards and sustainability as a competitive advantage

**SUSTAINABILITY:** The implementation of sustainable practices in production attracts environmentally conscious customers and investors. ▶

## ► RISK OF DEPENDENCE ON A SINGLE CUSTOMER

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The historical dependence on a single customer has been reduced through customer portfolio diversification. However, the consolidation of manufacturers in the automotive industry limits the potential for further diversification.

### MANAGEMENT

- Sealing deals with new customers and those with a smaller share of the Group's revenue
- Developing long-term relationships with multiple partners to ensure revenue stability

**SUSTAINABILITY:** Focus on manufacturers who integrate sustainability into their business models contributes to the long-term success of the AD Plastik Group.

## TECHNOLOGICAL RISK

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Lag in technological development reduces competitiveness and makes it difficult to meet the requirements for new vehicles, while environmental standards demand investment in technologies with a lower carbon footprint.

### MANAGEMENT

- Continuous investments in new technologies, with a focus on automation, energy efficiency, and reducing carbon footprint
- Development of products tailored to environmental standards that enhance competitiveness
- Monitoring technological trends reduces the risk of regulatory non-compliance and increases energy efficiency

**SUSTAINABILITY:** The Group's key technologies are not direct environmental pollutants, thus minimizing the risk of non-compliance with increasingly stringent environmental protection regulations.

## REGULATORY RISKS

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Changes in the legislative and regulatory framework, such as fiscal regulations, labor laws, and sustainability requirements, can have a material impact on business operations. Particularly challenging are the requirements related to reducing greenhouse gas emissions and compliance with ESG standards. Given the Group's exposure to the Russian market, material regulatory risks arise from sanctions and Russian counter-sanctions, as well as their consequences. While these measures have not yet led to changes in the Group's business model, they have completely transformed the automotive industry in Russia and significantly complicated operations for subsidiaries.

### MANAGEMENT

- Monitoring legislative changes in all countries of operation
- Proactive planning and operational adjustments to meet new sustainability standards
- Collaboration with industry associations to advocate for more favorable regulatory frameworks

**SUSTAINABILITY:** Special attention is given to regulations requiring CO<sub>2</sub> emission reductions and increased energy efficiency. The development of products with a lower carbon footprint and potential investments in renewable energy sources are aligned with these requirements.

# OPERATIONAL RISKS

Operational risks relate to internal processes, resource management, and external factors that may disrupt the company's daily operations. In 2024, particular focus was placed on challenges related to supply chains, workforce, and cybersecurity.

## RISK OF SUPPLY DISRUPTION

Instabilities in supply chains caused by geopolitical conflicts, sanctions, and market shifts, including raw material shortages and logistical challenges, can disrupt production continuity. For example, floods in Spain during 2024 affected the company's partners, causing minor delivery delays.

### MANAGEMENT

- Diversification of suppliers and securing multiple sources of supply
- Maintaining safety stock of key materials to prevent disruptions
- Developing crisis protocols and flexible supply chain plans

**SUSTAINABILITY:** Logistics optimization contributes to more sustainable operations.

## RISK OF LABOR SHORTAGES

The shortage of skilled workers, especially in production facilities in Croatia and Europe, poses a challenge to maintaining operational efficiency and production capacity. The ramp-up of production for new projects in 2024 required additional workforce and specialized skills, which, due to labor shortages in the domestic market, were addressed through the employment of foreign workers.

### MANAGEMENT

- Increasing the company's attractiveness as an employer and detailed planning of hiring needs
- Education and retraining of employees for specific production processes
- Collaboration with recruitment agencies and attracting labor from regions with an excess of qualified workers

**SUSTAINABILITY:** By developing internal training programs and practicing inclusive hiring, AD Plastik Group contributes to social sustainability and the long-term development of the workforce. ▶



## ► RISK OF NON-FULFILMENT OF CONTRACTUAL OBLIGATIONS

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Delays in production or delivery, caused by disruptions in supply chains, human resources, or external factors, can negatively impact a company's reputation and customer relationships. In this process, the company is exposed to risks of potential non-fulfillment of contractual obligations toward customers, primarily due to suppliers' failure to meet their contractual obligations or production and delivery stoppages caused by unforeseen circumstances. Despite numerous challenges during the reporting period, AD Plastik Group has fulfilled all contractual obligations to its customers and suppliers.

### MANAGEMENT

- Strict project management and deadline control through enhanced production monitoring systems
- Continuous supplier evaluation by tracking delivery quality and stability, as well as ensuring stock availability when needed
- Increasing transparency and proactive communication with customers, with regular customer audits at the Group's sites
- Optimizing production processes to reduce vulnerability to disruptions

**SUSTAINABILITY:** Increasing efficiency contributes to the reliability and sustainability of delivery.

## CYBER RISKS

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The increased number of cyberattacks and security threats poses a risk to the integrity of data, business processes, and confidential information about clients and partners.

### MANAGEMENT

- Investment in advanced cybersecurity systems and regular updating of security protocols
- Employee training on the importance of information security and attack prevention
- Regular testing of security systems and IT infrastructure audits

**SUSTAINABILITY:** The application of digital technologies in a secure and sustainable manner enables long-term data protection and business optimization.

## RISK OF INFECTIOUS DISEASES

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Pandemics and other infectious diseases can cause disruptions in the operation of production facilities, affect employee health, and reduce business efficiency. The emergence of the coronavirus has demonstrated how significant an impact it can have and has necessitated adjustments to work protocols.

### MANAGEMENT

- Implementation of health and safety measures in accordance with the recommendations of health authorities
- Development of crisis management plans for pandemic situations with regular annual evaluations
- Flexibility in work organization, including remote work options for administrative departments

**SUSTAINABILITY:** Taking care of the health and safety of employees contributes to the company's social responsibility and resilience to external disruptions.

# FINANCIAL RISKS

Financial risks encompass challenges that can jeopardize the company's financial stability, such as significant exchange rate fluctuations, rising interest rates, delays in receivables collection, and similar issues. In 2024, special focus has been dedicated to market trends, changes in the Russian ruble exchange rate, interest rate developments, and maintaining the company's liquidity. Management of these risks is centralized and carried out by the finance department within the parent company, which oversees activities in both domestic and international financial markets and consolidates the cash flows of the Group's members.

## CURRENCY RISK

Currency risk has been significantly reduced with Croatia's transition to the euro. However, international operations and the fact that some Group members are located outside the EU or do not use the euro as their official currency still pose certain currency risks. The Group is exposed to exchange rate fluctuations of EUR/RUB, EUR/HUF, EUR/RSD, and EUR/LEI, which can impact financial results, especially due to market volatility and geopolitical influences.

In 2024, the most significant negative impact on the Group's financial results came from the depreciation of the ruble against the euro. However, thanks to agreed mechanisms with customers, significant exchange rate fluctuations of the ruble are adjusted through sales prices adaptations, thereby reducing the negative financial impact.

### MANAGEMENT

- Balancing open foreign exchange positions for each currency within the balance sheet positions
- Adjusting sales prices for euro-denominated components with changes in the euro exchange rate relative to the sales currency, ensuring the protection of profitability
- Regular monitoring of currency markets and conducting analyses to maintain flexibility in managing exchange rate risks

**SUSTAINABILITY:** Stable currency risk management enables sustainable growth and reduces the company's vulnerability to changes in the global economic environment. Established price adjustment mechanisms ensure business resilience to long-term macroeconomic shifts, while continuous risk assessment allows for timely decisions that support financial stability.

*\* Additional information on the management of this risk is available in the notes to the financial statements on pages [235](#) and [295](#).*

## INTEREST RATE RISK

The rise in interest rates can increase financing costs, reducing profitability and limiting the availability of capital for investments. Although interest rates began to decline in 2024, the repayment of older loans with lower (fixed) interest rates and new borrowings at higher interest rates led to an increase in financing costs.

### MANAGEMENT

- Negotiating more favorable borrowing terms, including variable interest rates in high-interest rate conditions and fixed rates in low-interest rate conditions
- Refinancing existing debt obligations in line with market conditions, aiming to optimize financing costs
- Transferring part of investments into long-term project assets to the customer

**SUSTAINABILITY:** Reducing financial costs allows for resource allocation to sustainable projects and eases pressure on operating margins. ►

## ► PRICE RISK

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Changes in raw material and energy prices can significantly impact production costs and the company's profitability. During the reporting period, strong inflationary pressures continued, primarily affecting services and labor costs.

### MANAGEMENT

- Long-term contracts with suppliers to stabilize raw material costs
- Passing increased costs onto customers in accordance with contractual clauses

**SUSTAINABILITY:** Increased use of recycled materials and optimization of energy efficiency reduce costs and improve environmental responsibility.

## CREDIT RISK

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The risk of non-payment by customers can lead to cash flow issues and reduce the company's liquidity. AD Plastik Group collaborates with reputable customers who are financially stable companies, thereby minimizing the collection risk and ensuring receivables are realized within agreed terms. The credit risk related to loans granted is under the company's control, as these loans are provided to subsidiary companies, where the parent company is the sole owner.

### MANAGEMENT

- Sealing deals with customers who have high financial ratings
- Monitoring receivable due dates and taking timely action in case of delays

**SUSTAINABILITY:** Stable credit risk management enables better cash flow planning and reduces financial risks.

## LIQUIDITY RISK

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Failure to meet obligations to creditors in a timely manner may jeopardize the company's operations. Therefore, AD Plastik Group maintains optimal cash balances, with available credit lines in place. Liquidity risk can increase in conditions of rising inflation and reduced access to financing.

### MANAGEMENT

- Proactive cash flow management through regular planning on a monthly, quarterly, and annual basis
- Securing additional credit lines and reserves to ensure the availability of necessary financial resources
- Increasing flexibility in payment and collection terms to optimize cash flows during periods of intensive investments

**SUSTAINABILITY:** Stable liquidity management enables the company to maintain long-term financial stability and finance sustainable projects, while reducing reliance on expensive short-term financing sources.

\* Additional information on the management of this risk is available in the notes to the financial statements on pages [236](#) and [295](#).



# SUSTAINABILITY RISKS

Sustainability risks are related to challenges concerning the environmental, social, and governance aspects of business. These risks are becoming increasingly significant due to heightened regulatory requirements, investor expectations, and changes in consumer preferences. In 2024, the focus was placed on climate risks and risks associated with the company's reputation.

## CLIMATE RISKS

Climate risks are becoming increasingly significant, not only due to regulatory requirements but also because of changes in customer preferences, who expect products with a lower carbon footprint. EU regulations bring additional costs but also opportunities for market differentiation. The rise in extreme weather conditions, such as the floods in Spain in 2024 that impacted one of the key suppliers, highlights the importance of adapting business strategies. AD Plastik Group is responding to these challenges by developing environmentally friendly products, collaborating with suppliers to implement sustainable practices, and continuously monitoring regulatory changes to remain competitive in the European market.

### MANAGEMENT

- Implementing measures to reduce CO<sub>2</sub> emissions at production sites
- Collaborating with suppliers who implement sustainable practices and reduce their own environmental footprint
- Potential investments in energy efficiency and the use of renewable energy sources
- Increasing the share of new materials with a lower carbon footprint
- Regular evaluation of internal procedures, based on frequency and potential impact on safety and business operations

**SUSTAINABILITY:** Investments in sustainable practices ensure compliance with EU climate change regulations and enhance the company's resilience to climate risks.

## REPUTATIONAL RISK

Reputational risk is becoming increasingly significant due to growing market and regulatory expectations regarding sustainability, and it can impact access to markets, securing new contracts, and attracting investors. In addition to the perception of being linked to the Russian market, reputational challenges include failure to meet ESG requirements, such as compliance with EU regulations on emissions and sustainability, as well as transparency in reporting sustainable practice.

### MANAGEMENT

- Strengthening transparency through improved reporting in line with ESRS and the EU Taxonomy
- Active collaboration with customers and regulators to ensure alignment with market expectations
- Regularly updating sustainability goals in accordance with international standards
- Conducting regular ESG compliance assessments across the value chain and business operations

**SUSTAINABILITY:** Transparency and proactive management of ESG practices ensure a long-term market position and reduce the risks of regulatory penalties and loss of clients. By improving sustainability practices and transparency, the company secures a competitive advantage and increases stakeholder trust.



## OPPORTUNITIES

Traditionally, the development and production of polymer components for the automotive industry were not considered key factors in reducing carbon footprints. However, with global decarbonization goals in mind, the automotive industry is increasingly investing in the development of lighter vehicles, which encourages the replacement of metal parts with polymer solutions. This trend presents significant opportunities for AD Plastik Group, particularly in terms of material innovations and increasing vehicle energy efficiency.

The growing need for more sustainable solutions, together with advancements in electrification, autonomous driving, and digital connectivity, are increasing the demand for customized polymer components. This creates opportunities to expand the product portfolio and strengthen collaboration with both existing and new customers.

Additionally, the arrival of new manufacturers in the European market, primarily Chinese companies, is changing the competitive dynamics and presenting new opportunities. Their need for local suppliers could create room for collaboration, either through direct component supply or by adapting existing technologies to meet their requirements.

Geopolitical stabilization and the potential conclusion of conflicts in Europe could further boost economic growth and strengthen supply chains, reducing business uncertainty. On the other hand, market opportunities are not limited to the automotive industry—developments in new materials, digitalization of manufacturing processes, and the growing demand for sustainable solutions are opening up opportunities in other sectors such as construction, transportation, and energy.

With the advancement of new technologies and materials, digitalization and robotization continue to raise industry standards, delivering better performance, greater safety, and improved product quality. In this context, AD Plastik Group has the opportunity to further strengthen its position as an innovative and reliable partner in the market in the coming years.

# FINANCIAL RESULTS FOR 2024

The observed business year brought a continuation of the positive growth and stabilization trend, visible through the presented interim reports throughout the year, confirming the resilience and strategic direction of the AD Plastik Group. The achieved results clearly indicate further strengthening of market position and the creation of a foundation for sustainable growth in the future.

The Group's revenue in 2024 amounted to EUR 152.44 million, representing an 17.9 percent increase compared to the previous year. The parent company's revenue grew by 22.9 percent, reaching EUR 116.03 million. New projects are a key driver of revenue growth and will contribute to strengthening business results in 2025 and the upcoming periods as contracted volumes are realized, along with further improvements in capacity utilization and profitability.

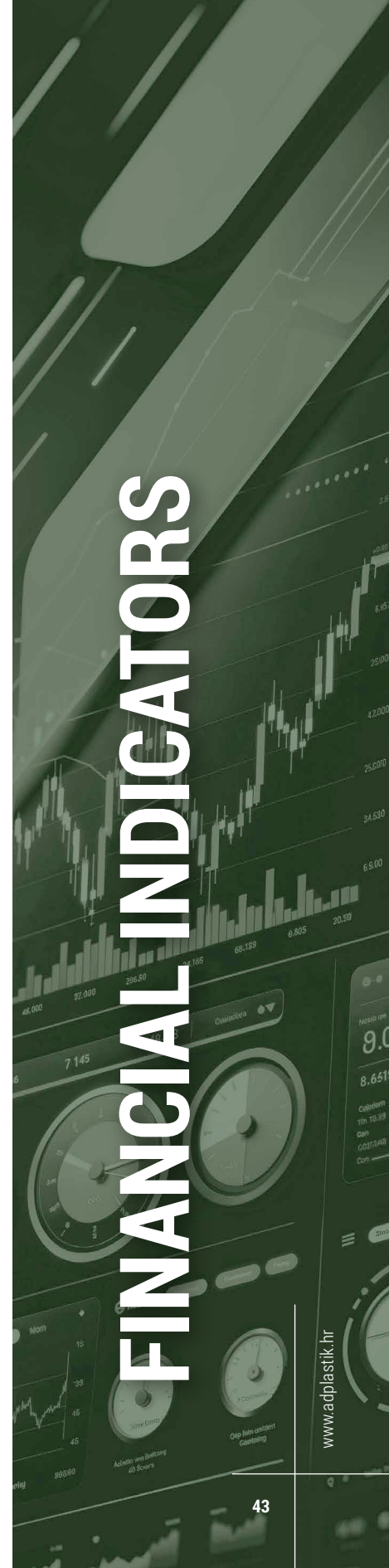
The Group's EBITDA amounted to EUR 13.41 million, representing an 86.03 percent increase compared to the previous year. The parent company's EBITDA grew by 123.15 percent, reaching EUR 7.68 million. The sales of tools made for projects that entered serial production during the reporting period had a significant impact on the EBITDA growth.

The Group's net profit amounted to EUR 2.13 million, marking significant progress compared to the previous year when a net loss was recorded. At the same time, the parent company's net profit amounted to EUR 0.40 million, primarily due to the impairment of the investment in the subsidiary ADP d.o.o. in Mladenovac. Otherwise, the parent company's net profit would have been EUR 2.68 million.

The replacement of old vehicle models with new ones in the serial production of the Romanian factory affected the results of the affiliated company, which achieved a net profit of EUR 6.18 million in the reporting year, thus contributing more modestly to the Group's results compared to the previous year. The results of the parent company were also affected by the decision to pay a lower dividend amount. However, with the full-year production of new models in 2025, a positive impact is expected on capacity utilization and the financial effect of the Romanian company, as well as on the results of the parent company and AD Plastik Group.

The increased level of indebtedness due to financing project activities and investments, along with a higher average

## FINANCIAL INDICATORS



- ▶ borrowing cost, affected the growth of interest expenses in 2024. However, strong deleveraging in the last quarter, along with a decline in reference interest rates and the continued trend of debt reduction, will enable lower financing costs in 2025.

Project and industrialization activities were extremely important during the observed period and had a significant impact on capacities, internal resources, and costs. With regard to the projects that will start their serial production in

2025, and whose full contribution to business results will only be realized, operational and financial efficiency will be significantly improved in the coming period.

Sales activities remain highly dynamic and strongly focused on the European market, with a steady inflow of new contracts. The Group's achieved results confirm the successful direction of the business and open up opportunities for further improvement in profitability. Investments in capacity development and optimization continue, while simultaneously strengthening financial stability and operational efficiency. Despite existing market challenges, with a strong adaptation strategy in place, the company remains on track for sustainable and long-term growth.

## KEY PERFORMANCE INDICATORS

Indicators (in EUR 000)	AD Plastik Group			AD Plastik d.d.		
	2023	2024	Index	2023	2024	Index
Sales	123,832	147,967	119.49	89,388	111,152	124.35
Other income	5,476	4,476	81.74	5,060	4,877	96.38
Operating expenses	132,371	149,841	113.20	98,301	118,928	120.98
EBITDA*	7,210	13,413	186.03	3,440	7,676	223.15
Net profit/loss	-1,273	2,133	-	1,040	397	38.17
NFD*	45,884	40,345	87.93	43,928	37,598	85.59
EBITDA margin*	5.58%	8.80%	322 bps	3.64%	6.62%	297 bps
Net profit margin*	-0.98%	1.40%	-	1.10%	0.34%	-76 bps
ROE*	-1.26%	2.16%	-	1.15%	0.43%	-71 bps
Capex*	8,860	12,907	145.68	7,349	11,348	154.41

\* In addition to the measures defined by International Financial Reporting Standards (IFRS), AD Plastik Group also uses alternative performance indicators in its reports. An overview and definition of the indicators used in this document are provided on pages [49](#) and [50](#).

# OPERATING EXPENSES

Operating expenses (in EUR 000)	AD Plastik Group			AD Plastik d.d.		
	2023	2024	Index	2023	2024	Index
Increase/(decrease) in the value of work in progress and finished products	227	-418	-	85	-41	-
Cost of raw material and supplies	66,677	64,871	97.29	45,059	45,904	101.88
Cost of goods sold	7,223	24,229	335.44	11,922	27,850	233.60
Service costs	12,122	11,726	96.73	8,900	8,354	93.87
Staff costs	31,980	34,638	108.31	22,708	24,175	106.46
Depreciation and amortisation	10,273	10,811	105.24	7,293	8,290	113.67
Other operating expenses	3,767	3,960	105.12	2,278	4,155	182.40
Provisions for risks and charges, (net)	-136	1	-	-136	1	-
Impairment of loans and trade receivables	238	23	9.78	192	240	125.00

# NET FINANCIAL RESULT

Net financial result (in EUR 000)	AD Plastik Group			AD Plastik d.d.		
	2023	2024	Index	2023	2024	Index
<b>FINANCIAL REVENUE</b>	<b>199</b>	<b>271</b>	<b>136.02</b>	<b>5,337</b>	<b>4,065</b>	<b>76.17</b>
Interest revenue	199	271	136.02	377	595	157.76
Dividends	-	-	-	4,960	3,470	69.97
<b>FINANCIAL EXPENSES</b>	<b>2,349</b>	<b>2,917</b>	<b>124.20</b>	<b>672</b>	<b>1,323</b>	<b>196.96</b>
Negative exchange differences	1,451	1,323	91.16	20	3	14.61
Interest expenses	898	1,595	177.58	652	1,320	202.56
<b>FINANCIAL RESULT</b>	<b>-2,150</b>	<b>-2,647</b>	<b>123.11</b>	<b>4,665</b>	<b>2,742</b>	<b>58.77</b>

The pronounced weakening of the rouble throughout the year, along with its volatility and the weakening of the forint, resulted in significant exchange rate differences at the Group level, although these were lower than in the previous year. During the reporting period, interest expenses also increased significantly, primarily due to the rise in the average

interest rate on debt, as well as the level of financial debt throughout the year. A lower dividend from the affiliated company in Romania, increased interest expenses had a significant impact on the financial results of the parent company.

# FINANCIAL POSITION

Abbreviated balance sheet (in EUR 000)	AD Plastik Group			AD Plastik d.d.		
	31 Dec 2023	31 Dec 2024	Index	31 Dec 2023	31 Dec 2024	Index
<b>ASSETS</b>	<b>189,136</b>	<b>180,877</b>	<b>95.63</b>	<b>163,528</b>	<b>157,704</b>	<b>96.44</b>
Long term assets	124,117	123,919	99.84	116,522	115,403	99.04
Current assets	65,019	56,958	87.60	47,006	42,301	89.99
<b>LIABILITIES</b>	<b>90,672</b>	<b>81,970</b>	<b>90.40</b>	<b>72,413</b>	<b>66,159</b>	<b>91.36</b>
Long term liabilities	33,501	20,635	61.60	29,668	17,748	59.82
Current liabilities	57,171	61,335	107.28	42,745	48,411	113.26
<b>CAPITAL</b>	<b>98,464</b>	<b>98,908</b>	<b>100.45</b>	<b>91,115</b>	<b>91,545</b>	<b>100.47</b>

Although investments during the reporting period were significant, primarily related to new deals, the collection of payments for new projects tools and a positive operating cash flow enabled substantial deleveraging.

Activities aimed at optimizing repayment plans and reducing the pressure of short-term financial liabilities, initiated during 2024, were completed at the beginning of 2025. As a result, the balance sheet as of December 31, 2024, shows an unfavorable ratio of short-term to long-term financial debt. However, through agreements made with creditors, the repayment of EUR 9.39 million has been spread over the coming years, although these amounts were initially due to be settled in 2025. This ensures a balanced loan repayment schedule and improves the company's financial position.

The Group's net financial debt amounted to EUR 40.35 million, representing a decrease of EUR 5.54 million compared to the end of 2023. At the same time, the parent company's net financial debt was reduced by EUR 6.33 million, reaching EUR 37.60 million.

The NFD/EBITDA ratios for both the Group and the parent company have also significantly improved. At the Group level, this ratio now stands at 3.01, while at the parent company level, it amounts to 4.90. Further improvements are expected through continued deleveraging and profitability growth.

The Group's debt ratio decreased from 0.48 to 0.45 as of December 31, 2024, while in the parent company, it declined from 0.44 to 0.42.



# INVESTMENTS 2024

The value of realized investments in the reporting year amounted to EUR 12.91 million, which represents an increase of 45.7 percent compared to the previous year. Of the total amount of investments, EUR 9.89 million was invested in tangible assets, while the remaining EUR 3.01 million relates to intangible assets. The majority of investments in tangible assets are directed towards specific investments and returnable packaging for new projects, while investments in intangible assets relate mostly to capitalized costs of developing new projects.

The conclusion of 2024 also ends a significant investment cycle related to new projects, which will result in significantly lower investments in the current and upcoming years. At the same time, the current level of production capacity utilization allows for further growth in production without the need for significant investments in capacity equipment, which opens up space for increasing operational efficiency and profitability.

# AFFILIATED COMPANY EAPS

## AD PLASTIK GROUP WITH THE CONSOLIDATION OF THE CORRESPONDING OWNERSHIP PART IN THE AFFILIATED COMPANIES

Positions (in EUR 000)	2023	2024	Index
<b>OPERATING REVENUE</b>	<b>177,885</b>	<b>214,967</b>	<b>120.8</b>
<b>OPERATING EXPENSES</b>	<b>175,817</b>	<b>208,575</b>	<b>118.6</b>
Material costs	101,969	126,329	123.9
Staff costs	39,091	43,741	111.9
Amortization	11,173	11,992	107.3
Other costs	23,584	26,513	112.4
<b>FINANCIAL REVENUE</b>	<b>237</b>	<b>286</b>	<b>120.3</b>
<b>FINANCIAL EXPENSES</b>	<b>2,335</b>	<b>2,983</b>	<b>127.8</b>
<b>TOTAL REVENUE</b>	<b>178,122</b>	<b>215,253</b>	<b>120.8</b>
<b>TOTAL EXPENSES</b>	<b>178,152</b>	<b>211,558</b>	<b>118.8</b>
Profit/loss before taxation	-30	3,695	-
Profit tax	1,244	1,561	125.6
<b>PROFIT/LOSS OF THE PERIOD</b>	<b>-1,273</b>	<b>2,133</b>	<b>-</b>
<b>EBITDA</b>	<b>13,241</b>	<b>18,384</b>	<b>138.8</b>

In order to present a clearer picture of the business, a comparable, shortened, consolidated profit and loss account of AD Plastik Group for 2023 and 2024 has been created, with the profit and loss account of the affiliated company Euro Auto Plastic Systems s.r.l. Mioveni, Romania, in which AD Plastik d.d. holds a 50 percent ownership stake.

The operating revenue of AD Plastik Group with the consolidated corresponding ownership part in the affiliated company amounted to EUR 214.97 million, representing an increase of 20.8 percent compared to the previous period. EBITDA amounted to EUR 18.38 million.



# ABBREVIATED P/L AND THE BALANCE SHEET OF THE AFFILIATED COMPANY EAPS

EAPS results have been included in the results of AD Plastik Group by the equity method. The operating revenue of this company increased by 30 percent and amounted to EUR 130.25 million. However, due to the previously mentioned transition to the production of new vehicle models and associated costs, net profit decreased compared to the same period, amounting to EUR 6.18 million. It is expected that the full annual production of the new model, along with high capacity utilization, will have a significant positive impact on the profitability of this company in the coming years.

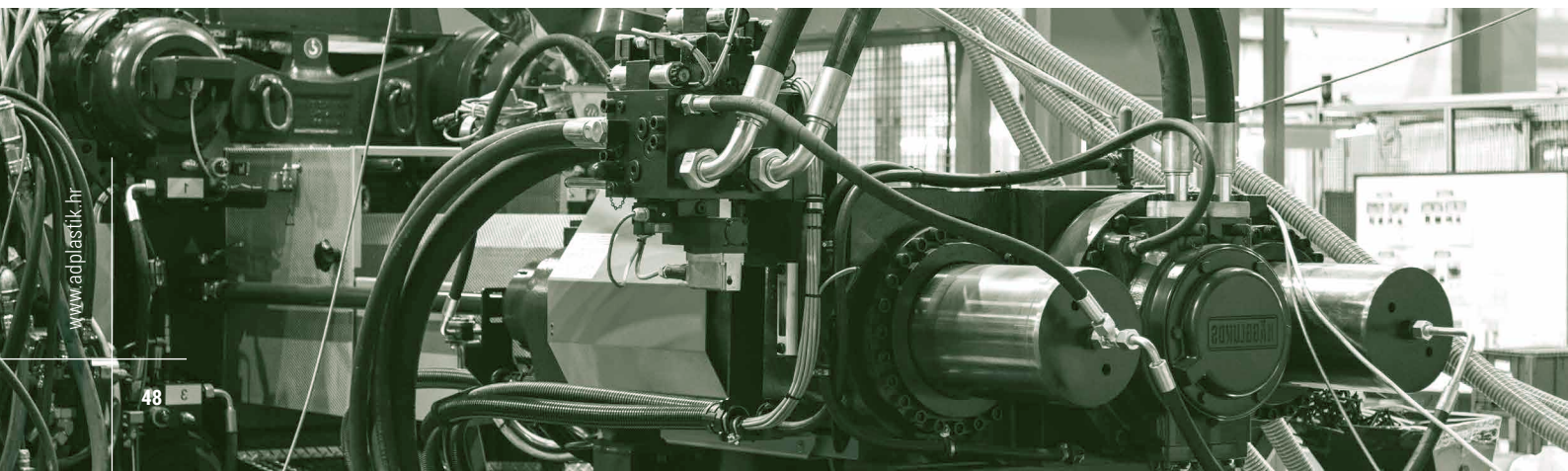
During the reporting period, EAPS investments amounted to EUR 4.30 million, primarily directed towards the acceptance of new projects and the renewal of the machinery, a process that began in 2023.

The majority of EAPS's revenue comes from the Romanian market, while smaller portions are delivered to markets in Morocco, Brazil, Colombia, Argentina, and Turkey.

Positions (in EUR 000)	2023	2024	Index
Operating revenue	100,190	130,250	130.0
Operating expenses	-89,928	-122,671	136.4
Net financial result	105	-103	-
Profit before taxation	10,367	7,477	72.1
Profit tax	-1,649	-1,295	78.5
Profit of the period	8,718	6,183	70.9

100% achievement shown

Positions (in EUR 000)	31 Dec 2023	31 Dec 2024	Index
Long term assets	19,478	19,650	100.9
Current assets	38,767	62,432	161.0
<b>ASSETS</b>	<b>58,245</b>	<b>82,082</b>	<b>140.9</b>
Capital and reserves	21,015	20,264	96.4
Long term liabilities and provisions	1,271	1,194	93.9
Current liabilities	35,959	60,624	168.6
<b>CAPITAL AND LIABILITIES</b>	<b>58,245</b>	<b>82,082</b>	<b>140.9</b>





# ALTERNATIVE PERFORMANCE MEASURES

In addition to the financial performance measures defined by International Financial Reporting Standards (IFRS), AD Plastik Group also uses certain alternative performance measures in its reports, considering them useful for business performance analysis for investors. Alternative performance measures show comparative periods so that the company's results can be compared over different periods.

## EBITDA AND EBITDA MARGIN

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) represents the operating profit (operating revenue minus operating expenses) increased by amortization of tangible and intangible assets. The company also presents an EBITDA margin that represents a percentage of EBITDA relative to operating revenue.

## NET PROFIT MARGIN

It is calculated by the ratio of realized net profit and operating revenue. The company uses this measure to track its profitability relative to operating revenue.

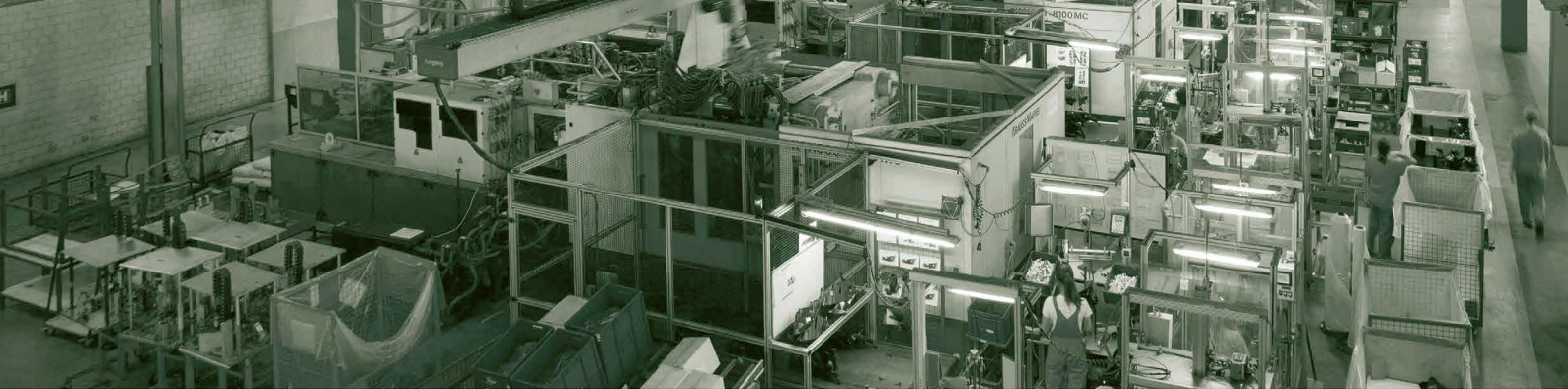
## NET DEBT AND NET DEBT IN RELATION TO EBITDA

Net debt represents the sum of short-term and long-term liabilities to banks and short-term and long-term loans to non-banking companies, minus cash and cash equivalents. AD Plastik Group uses the ratio of net debt to EBITDA as an

indicator of financial stability and the company's ability to repay its financial obligations. When calculating the indicators on a quarterly basis, the EBITDA realized in the last four quarters is taken into account.

AD Plastik Group (in EUR 000)	31 Dec 2023	31 Dec 2024
Non-bank loans	3,128	2,282
Long-term liabilities to banks	30,367	17,850
Short-term liabilities to banks	16,431	24,475
Cash	-4,042	-4,262
<b>Net financial debt</b>	<b>45,884</b>	<b>40,345</b>

AD Plastik d.d. (in EUR 000)	31 Dec 2023	31 Dec 2024
Non-bank loans	2,508	1,904
Long-term liabilities to banks	27,899	16,178
Short-term liabilities to banks	14,546	22,562
Cash	-1,025	-3,046
<b>Net financial debt</b>	<b>43,928</b>	<b>37,598</b>



## ROE

This measure is used to monitor the realized return on equity. It is calculated on an annual and quarterly basis. When calculating the indicators on an annual basis, the ratio is the net profit of the current period and the average value of equity (the average value of equity at the end of the reporting period and equity at the beginning of the reporting period). At the quarterly level, it is calculated by the ratio of net profit for the last four quarters and the average value of equity (average value of equity at the end of the reporting period and equity at the end of the same period of the previous year).

## CAPEX

Capital investments are indirect cash flow position and they are related to payments for tangible and intangible assets. This measure is used as an indicator of the use of funds to achieve future economic flows and ensure the distribution of funds in accordance with the Group's strategy.

## INDEBTEDNESS RATIO

The indebtedness ratio is the ratio of total liabilities to total assets. This measure is used to monitor the company's financial risk in terms of growth of liabilities in relation to assets.

## MARKET CAPITALIZATION

Market capitalization is the total market value of the company, and it is calculated as the product of the total number of shares and the last share price on the day of the reporting period.

	31 Dec 2023	31 Dec 2024
Last price in the period (EUR)	13.7	9.5
Number of shares (000)	4,200	4,200
<b>Market capitalization (in EUR 000)</b>	<b>57,534</b>	<b>39,728</b>

## EPS and P/E

These measures are used so that investors can analyze the value of the share. Earnings per share (EPS) are calculated by dividing net profit by the weighted average number of shares. The quarterly calculation uses the net profit realized in the last four quarters.

	31 Dec 2023	31 Dec 2024
Net profit /loss of the period (000 EUR)	-1,273	2,133
Average weighted number of shares (000)	4,159	4,161
<b>EPS (EUR)</b>	<b>-0.31</b>	<b>0.51</b>

P/E is the ratio of price to earnings per share (EPS). The price represents the share price on the last day of the reporting period, and in the quarterly calculation, net profit represents the realized profit in the last four quarters.

# ADPL SHARE

The reporting period was marked by strong growth in global capital markets, despite geopolitical instabilities and risks. For instance, the S&P 500 saw an increase of 23.3 percent, while the Dow Jones Industrial Average rose by 12.9 percent, confirming a positive investment sentiment.

However, the movements of indices related to the automotive industry were significantly more modest, and in some cases even negative,

as reflected in the sharp decline in the share prices of peer companies. Weaker-than-expected sales of new vehicles, along with uncertainties surrounding European electrification plans, were key factors putting additional pressure on share performances in this sector.

The trend of decreasing interest rates by central banks, which characterized the previous year and is expected to continue in the current year, certainly

has a significant impact on market flows and investment decisions.

The value of ADPL share on December 31, 2024, amounted to EUR 9.5, reflecting a 31 percent decrease compared to the end of 2023. At the same time, the Crobex index grew by 25.9 percent during the same period, further confirming the divergence between the broader market and the specific challenges faced by the automotive sector.

ADPL	31 Dec 2023	31 Dec 2024	Index
Final price (EUR)	13.7	9.5	69.1
Average price (EUR)	14.2	12.4	87.1
The highest price (EUR)	17.2	13.9	80.8
The lowest price (EUR)	10.5	9.4	89.5
Volume	346,352	410,813	118.6
Turnover (EUR)	4,927,042	5,088,190	103.3
Market capitalization (EUR)*	57,534,301	39,728,065	69.1
EPS (EUR)*	-0.3	0.5	-

\* In addition to the measures defined by International Financial Reporting Standards (IFRS), AD Plastik Group also uses alternative performance indicators in its reports. An overview and definition of the indicators used in this document are provided in Appendix 1.

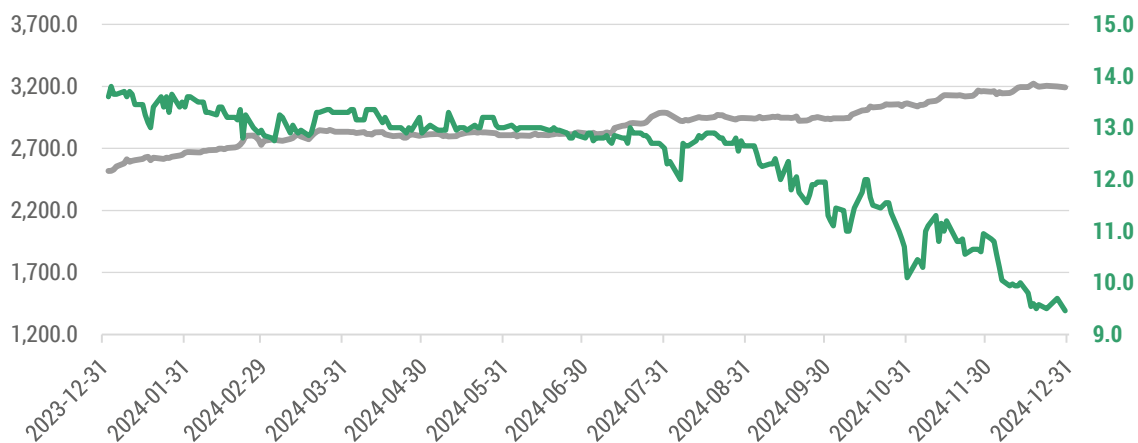
## DIVIDEND

The company's dividend strategy remains unchanged. Taking into account the achieved results, business plans, and other relevant factors, the goal is to continue implementing the policy of paying attractive dividends. Upon fulfilling legal and statutory requirements, it is proposed to pay a dividend of at least fifty percent of the available amount. The specified

amount is defined in the Charter, which, along with the [Dividend Payment Policy](#), is available on the company's website. In making the decision on the proposed use of profits, the company takes into consideration the business circumstances and ensures the sustainability of operations and the achievement of development goals.

## SHARE TREND (€)

- 31.0 % ADPL + 25.9 % CROBEX



## EVENTS CALENDAR

<b>26 Feb 2025</b>	Unaudited Annual Financial Report 2024
<b>6 Mar 2025</b>	Supervisory Board meeting
<b>24 Apr 2025</b>	Audited Integrated Annual Report 2024
<b>29 Apr 2025</b>	Financial Statement for the first quarter of 2025
<b>30 Apr 2025</b>	Presentation of the Integrated Annual Report 2024 and Financial Statement for the first three months of 2025 to interested financial analysts and public representatives
<b>29 May 2025</b>	Supervisory Board meeting
<b>17 July 2025</b>	General Assembly
<b>25 July 2025</b>	Financial Statement for the second quarter of 2025 and Semi-Annual Financial Statement 2025
<b>18 Sep 2025</b>	Supervisory Board meeting
<b>28 Oct 2025</b>	Financial Statement for the third quarter of 2025 and Financial Statement for the nine months of 2025
<b>12 Dec 2025</b>	Supervisory Board meeting

In accordance with the rules of the Zagreb Stock Exchange, the AD Plastik Group published the events calendar for 2025 at the end of 2024, which includes all major events.

Any changes or updates shall be published immediately upon occurrence, no later than one week before the event itself.

# BUSINESS PLAN FOR 2025

The challenges of electrification and restructuring of the European automotive industry will continue to shape market opportunities in the coming years. Although a gradual recovery in demand is expected, the industry is facing increasing pressures to optimize costs, increase efficiency and comply with regulatory requirements to reduce its carbon footprint. In this context, AD Plastik Group is directing its strategy towards long-term growth in serial production, increased profitability, optimization of operating capacities and sustainable business.

A more significant contribution to revenue from serial production is expected as early as 2025, with an average annual growth rate of 6 percent for its own products over the three-year period, along with a slight increase in total operating revenue. This growth will be driven by a gradual increase in production volumes on ongoing projects, as well as the acquisition of new deals that strengthen the company's position as a supplier of complex exterior and interior components. At the same time, increased capacity utilization and a focus on higher value-added products are expected to have a positive impact on the EBITDA margin, which is expected to be at the level of 12 percent in the next three years.

Financial discipline and cost optimization remain key priorities, with the average annual CAPEX planned for the next three years at a level of only EUR 5 million per year. This rational investment approach will enable the company to increase operational efficiency without additional financial burden, while at the same time further deleveraging and strengthening financial stability. The company's strategic focus remains on the development of materials and processes that bring greater profitability and compliance with sustainable mobility trends.

The coming period brings opportunities for further transformation of the product portfolio, with increased use of advanced polymer materials and technologies that enable vehicle weight reduction and lower CO<sub>2</sub> emissions. At the same time, digitization and optimization of production processes will further contribute to operational efficiency and strengthen the company's competitive advantage.

Increasing capacity utilization, efficiency and profitability, along with further deleveraging and strengthening the financial position, are the main goals in the coming period. AD Plastik Group is ready to take advantage of new market trends, continuing to build its position as a strategic partner to car manufacturers in Europe.

## ANNUALLY (FOR THE NEXT THREE YEARS)

6 %

REVENUE GROWTH  
FROM OWN PRODUCTS

12 %

EBITDA MARGIN

5 mil.€

CAPEX



# SUSTAINABILITY REPORT



Sustainability reporting is based on the requirements of EU Directive 2022/2464 on corporate sustainability reporting and is aligned with the European Sustainability Reporting Standards (ESRS). In order to achieve greater transparency and compliance with national regulations, information is also included according to the Companies Act, the Accounting Act and the Code of Corporate Governance of the Zagreb Stock Exchange. In cases where other standards or reporting frameworks were used, their applied provisions are clearly indicated.

# STRATEGIC SUSTAINABILITY GOALS

## SUSTAINABILITY OF PRODUCTS AND SERVICES

development of  
**LIGHTER  
MATERIALS**  
reduction of  
vehicle weight

**CO<sub>2</sub> EMISSIONS**  
**-50%**  
**2030**

**NET ZERO  
CO<sub>2</sub>  
EMISSIONS**  
**2050**

**LANDFILL  
WASTE**  
**-80%**  
**2030**

**100%**  
**PRODUCT  
RECYCLABILITY**  
**2050**

**+40%**  
**ECOLOGICAL  
MATERIALS**  
**2030**

**ENERGY EFFICIENCY**  
**+30%**  
**2030**

**+50%**  
**2050**

**OPTIMIZATION OF  
MANUFACTURING  
PROCESSES**  
increase in  
energy efficiency

## MARKET EXPANSION AND LOGISTICS

increasing  
**MARKET SHARE**  
in the EU  
**EXPANDING INTO  
MARKETS**  
with high  
environmental standards

increasing the use of  
**RETURNABLE PACKAGING**



optimization of  
**LOGISTICS AND DISTRIBUTION**  
reduction of CO<sub>2</sub> transport emissions



# STAKEHOLDER AND EMPLOYEE ENGAGEMENT

EMPLOYEE  
ENGAGEMENT

**+20%**  
**2030**

EMPLOYEE  
SATISFACTION

**+20%**  
**2030**

INJURY-FREE

**2030**



increase  
STAKEHOLDER  
ENGAGEMENT  
(ESG strategies)

IMPLEMENTATION OF  
WELL-BEING  
AND LIFELONG  
LEARNING PROGRAMS

# SUSTAINABLE VALUE CHAIN

PRODUCT  
COMPLAINTS

**-20% 2026**

OPERATIONAL  
RISKS

**-20% 2030**

SUSTAINABLE SUPPLIERS by purchasing value



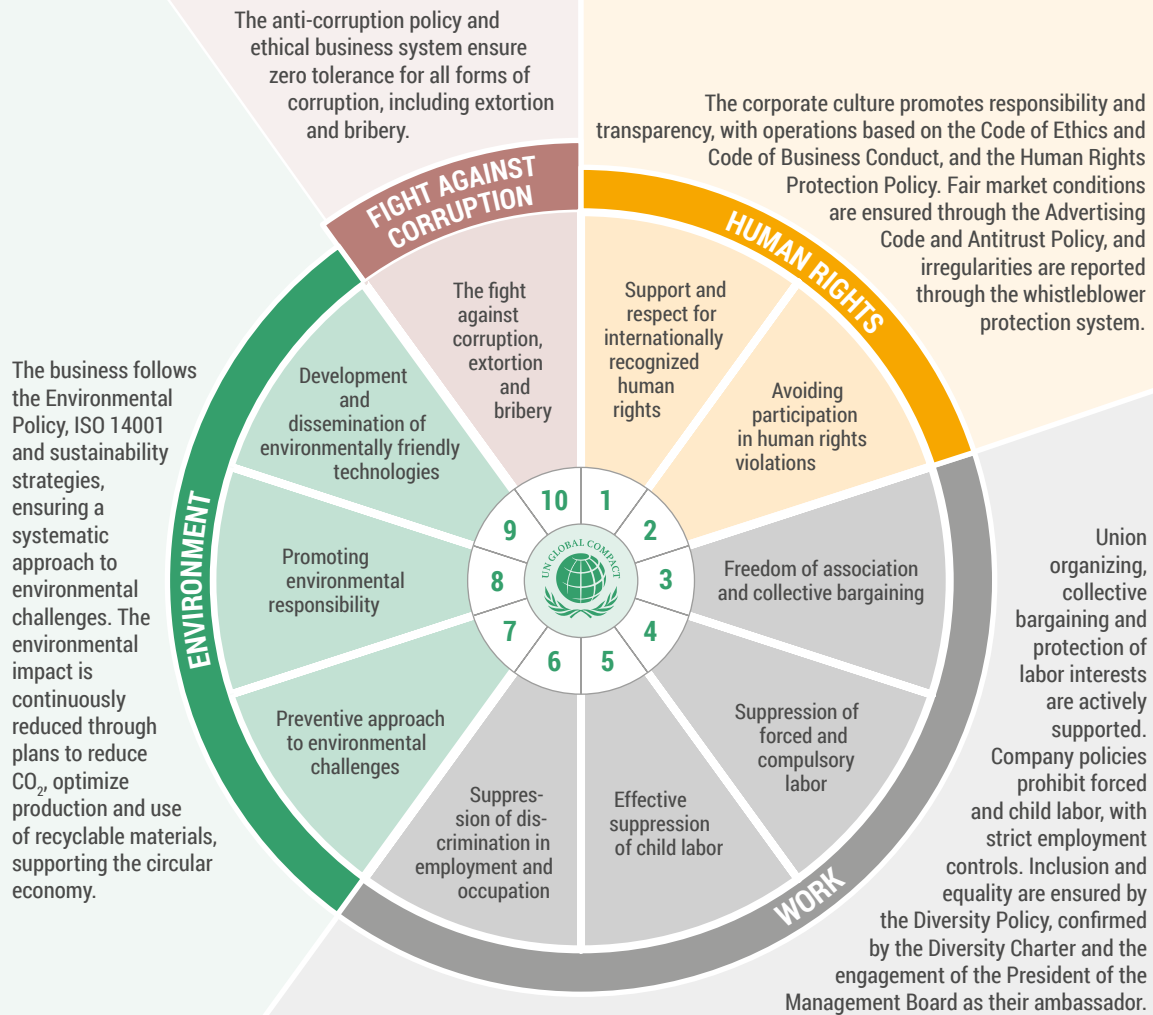
**75%**  
**2030**

**85%**  
**2040**

**100%**  
**2050**

STRATEGIC SUSTAINABILITY GOALS

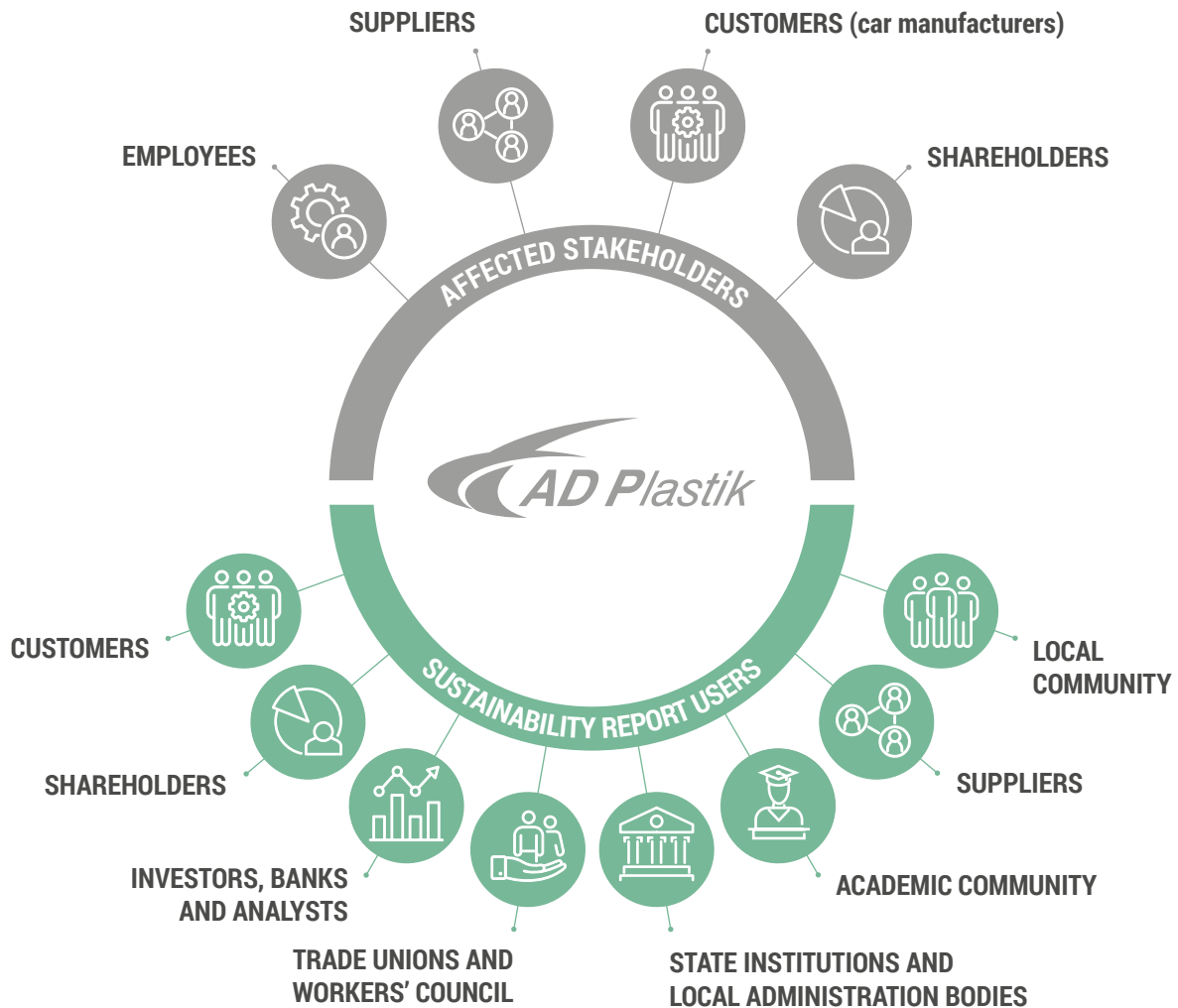
# PRINCIPLES OF THE UN GLOBAL COMPACT



The AD Plastik Group has been a proud signatory of the UN Global Compact (UNGC) since 2013, the world's largest initiative for sustainable and responsible business. As one of the founders of the local UNGC network in Croatia, with the President of the Management Board serving on the Management Committee, it actively contributes to the development of sustainable business practices and the promotion of its principles.

UNGC sets high standards that are fully aligned with the company's long-term goals. Business operations are continuously improved in accordance with these values, reaffirming the commitment to responsible growth and a sustainable future.

# STAKEHOLDERS



## STAKEHOLDER INTERESTS AND VIEWPOINTS

The AD Plastik Group actively collaborates with its key stakeholders, including customers and suppliers, regulatory bodies, and the academic community, to ensure compliance with sustainability standards and improve the environmental performance of its products and processes. The collaboration is focused on the development of ecological and recyclable

materials, reducing carbon footprint, and improving energy efficiency in vehicles through innovations in research and development and the optimization of manufacturing processes. More details on the results and achievements during the reporting period are available in the [Research and Development](#) and [Production](#) chapters. ►

▶ Although the company does not directly influence end users and does not produce components with a direct impact on vehicle safety, its contribution to the industry is reflected in meeting the highest industry standards and customer requirements. Adherence to safety and quality standards enables increased reliability and longevity of vehicles, as well as a reduction in their overall environmental footprint. End users do not directly participate in shaping the company's strategy, but their growing demand for more energy-efficient vehicles encourages further investment in research and the implementation of green technologies.







In addition to technological innovations, the business model and strategy are continuously improved to minimize the potential negative impacts of products and operations. Transparent collaboration with stakeholders ensures timely insight into market trends and regulatory changes, enabling more effective integration of sustainable solutions and optimization of manufacturing processes.

This approach not only ensures compliance with regulatory requirements and industry standards but also makes a proactive contribution to the development of a sustainable automotive industry, reducing negative environmental impacts and contributing to the long-term competitiveness of products.

## AFFECTED STAKEHOLDERS

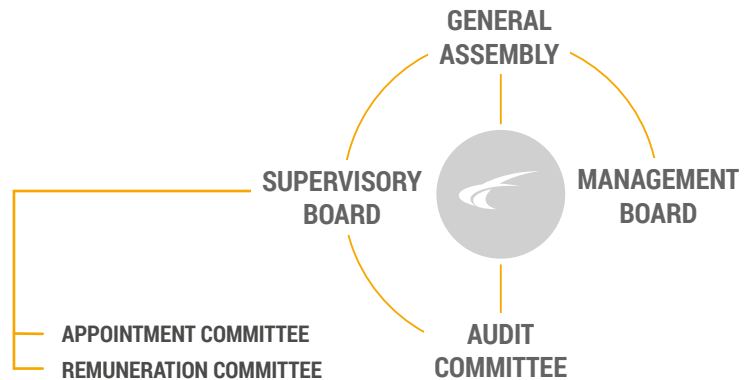
Stakeholders	Stakeholder needs and business benefits	Communication channels
 <b>Employees</b>	<ul style="list-style-type: none"> <li>■ Engaged, capable and motivated employees</li> <li>■ Occupational safety and health</li> <li>■ Employment stability and working conditions</li> <li>■ Career development, education and reward system</li> <li>■ Lower employee turnover</li> <li>■ Strengthening organizational culture</li> <li>■ Focus on sustainable business through reduced environmental impact and ethical working conditions</li> </ul>	<ul style="list-style-type: none"> <li>■ Satisfaction and engagement survey</li> <li>■ Sustainability survey (new)</li> <li>■ Education and internal workshops</li> <li>■ Digital notifications (regular)</li> <li>■ ADP Mailbox</li> <li>■ Bulletin boards (production)</li> <li>■ Intranet</li> <li>■ Direct communication, meetings, focus groups and email</li> </ul>
 <b>Customers</b> (car manufacturers)	<ul style="list-style-type: none"> <li>■ Product quality and reliability</li> <li>■ Collaboration in development projects</li> <li>■ Innovations in ecological materials and technologies</li> <li>■ Compliance with sustainability regulations and regulations</li> <li>■ Delivery accuracy and supply chain efficiency</li> </ul>	<ul style="list-style-type: none"> <li>■ Regular meetings and B2B events (encouraging the use of environmentally friendly materials and technologies)</li> <li>■ Sustainability survey (new)</li> <li>■ Regular ESG audits and customer technical audits</li> <li>■ Sustainability questionnaires for customers</li> <li>■ B2B portal (satisfaction assessment)</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>■ Long-term cooperation</li> <li>■ Adherence to sustainability standards, fair payment terms and business ethics</li> <li>■ Partnership in innovation and efficiency</li> <li>■ Supply chain stability</li> <li>■ Reduction of emissions and waste in the supply chain</li> <li>■ Increased competitiveness through innovation</li> <li>■ Simplified processes and better quality control</li> </ul>	<ul style="list-style-type: none"> <li>■ Regular meetings and B2B events</li> <li>■ ESG audits as needed</li> <li>■ Sustainability survey - ESRS requirements (new)</li> <li>■ Supplier assessment (questionnaires)</li> <li>■ Governance platforms (B2B portal)</li> <li>■ Corporate website</li> </ul>
 <b>Shareholders</b>	<ul style="list-style-type: none"> <li>■ Stable growth in share value, sustainable income and dividend</li> <li>■ Transparent financial and ESG reporting and management</li> <li>■ Long-term business strategy aligned with market trends</li> <li>■ Financial stability and growth</li> </ul>	<ul style="list-style-type: none"> <li>■ Transparent and regular reporting</li> <li>■ General Assembly and shareholder meetings</li> <li>■ Regular announcements on the Zagreb Stock Exchange</li> <li>■ Investor Day and conferences</li> <li>■ Direct communication</li> <li>■ Corporate website</li> </ul>

## SUSTAINABILITY REPORT USERS

Stakeholders	Stakeholder needs and business benefits	Communication channels
<b>Employees Suppliers Shareholders</b> 	<ul style="list-style-type: none"> <li>Workers' rights, job security and compliance with the collective agreement</li> <li>Stable social relations reduce risks and increase employee satisfaction</li> <li>Sustainability through improvement of working conditions and an inclusive work culture</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings and negotiations</li> <li>Collective agreement</li> <li>Internal reporting systems</li> <li>Notice boards (production)</li> <li>Intranet</li> <li>Transparent and regular reporting</li> </ul>
 <b>Unions and Workers' Council</b>	<ul style="list-style-type: none"> <li>Workers' rights, job security and compliance with the collective agreement</li> <li>Stable social relations reduce risks and increase employee satisfaction</li> <li>Sustainability through improvement of working conditions and an inclusive work culture</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings and negotiations</li> <li>Collective agreement</li> <li>Internal reporting systems</li> <li>Notice boards (production)</li> <li>Intranet</li> <li>Transparent and regular reporting</li> </ul>
 <b>Investors, banks and analysts</b>	<ul style="list-style-type: none"> <li>Financial stability and creditworthiness of the company</li> <li>Business model sustainability and risk management</li> <li>Compliance with sustainability standards reduces financial risks and enables more favorable financing conditions</li> </ul>	<ul style="list-style-type: none"> <li>Meetings with financial institutions</li> <li>Transparent and regular reporting</li> <li>Regular announcements on the Zagreb Stock Exchange</li> <li>Direct communication</li> <li>Investor Day and conferences</li> <li>Corporate website</li> </ul>
 <b>Academic community</b>	<ul style="list-style-type: none"> <li>Cooperation on research, development of new materials and technologies</li> <li>Professional practice enables employment of young talents and access to innovations and scientific research</li> <li>Development of competencies and future employees</li> <li>Partnership in green mobility and circular economy projects</li> </ul>	<ul style="list-style-type: none"> <li>University Partnerships, Expert Workshops and Seminars</li> <li>Research Projects</li> <li>Internship and Sustainable Development Programs</li> <li>Joint Research</li> <li>Conferences</li> <li>Career Days</li> <li>Guest Lectures, Visits and Events</li> </ul>
 <b>State institu- tions and local self-govern- ment</b>	<ul style="list-style-type: none"> <li>Compliance with regulations</li> <li>Supporting the legislative framework</li> <li>More favorable business conditions</li> <li>Increasing strategic investments</li> <li>Tax contributions and economic growth</li> <li>Partnerships in development projects</li> </ul>	<ul style="list-style-type: none"> <li>Meetings and consultations</li> <li>Forums and conferences</li> <li>Participation in industry and regulatory bodies</li> <li>Transparent communication about business</li> </ul>
 <b>Local community</b>	<ul style="list-style-type: none"> <li>Employment and economic impact</li> <li>Social responsibility and environmental impact</li> <li>Involvement in the community reinforces a positive reputation</li> <li>Investments in energy efficiency projects and reduction of the ecological footprint</li> </ul>	<ul style="list-style-type: none"> <li>Sponsorships and Donations and Sustainability Initiatives</li> <li>Employee Volunteer Programs</li> <li>Transparent and Regular Sustainability Reporting</li> <li>Direct Collaboration and Direct Collaboration</li> <li>Corporate Website</li> <li>Business Social Media</li> </ul>

# GOVERNANCE STRUCTURE

The corporate governance structure is based on a dualistic system, which includes the Management Board and the Supervisory Board. Together with the General Assembly and the Audit Committee, they form the four key functions of the company. This ensures effective decision-making and oversight of the company's operations.



## GENERAL ASSEMBLY

Shareholders exercise their rights at the General Assembly, where decisions are made on key issues such as the election and removing from the office of members of the Supervisory Board, appropriation of profit, granting clearance to Management Board and Supervisory Board members, appointment of auditors, amendments to the Charter, increase or decrease of share capital and other important issues provided by law.

At the regular General Assembly held on July 18, 2024, in Solin, 2,555,921 votes

were present or represented, accounting for 60.86 percent of the company's share capital. The Assembly discussed the Integrated Annual Report of the AD Plastik Group for 2023 and the Supervisory Board's assessment report. Decisions were adopted regarding the use of profits, the appointment of auditors for 2024, and reports on the remuneration of management bodies. Amendments to the Management Board's Remuneration Policy were also approved, and a decision was made regarding the election of a member of the Supervisory Board.

# SUPERVISORY BOARD

The Supervisory Board oversees the company's operations, provides strategic guidance, and ensures the protection of shareholders' interests, in accordance with the [Charter](#).

The Supervisory Board consists of seven members, four of whom are appointed by the General Assembly, one by the Workers' Council and two by the joint-stock company Holding Avtokomponenty, Saint Petersburg, Russia. Their term of office lasts four years and they can be reappointed.

To ensure expertise and diversity, the Profile of the Supervisory Board was adopted in 2021, tailored to the business model and strategy of the AD Plastik Group.

During the reporting period, four regular meetings were held in accordance with the Events Calendar. All members attended three of the meetings, while one member was absent from one. Decisions were made in accordance with the [Rules of Procedure of the Supervisory Board](#), which is available on the company's website.

According to the aforementioned Rules of Procedure, any member who notices a conflict of interest, either with themselves or others, is required to immediately report it to the other members of the Supervisory Board. If there is suspicion of an undisclosed conflict of interest, it should be reported to the President of the Supervisory Board. In case of suspicion regarding the President's conflict of interest, the Vice President must be notified.

The Supervisory Board keeps a record of all notifications regarding conflicts of interest.

## MEMBERS OF THE SUPERVISORY BOARD

### Ivica Tolić, President

- term of office from August 25, 2024 to August 25, 2028
- elected by the General Assembly
- 40,881 ADPL shares
- **independent member** - in accordance with the Zagreb Stock Exchange Code

### Bože Plazibat, Vice President

- term of office from February 1, 2023 to February 1, 2027
- elected by the General Assembly
- **independent member** - in accordance with the Zagreb Stock Exchange Code

### Igor Anatolyevich Solomatin, member

- term of office from July 25, 2023 to July 25, 2027
- elected by the General Assembly

### Katija Klepo, member

- term of office from December 4, 2024 to December 4, 2028
- 67,633 ADPL shares
- appointed by the shareholder AO Holding Avtokomponenty

### Alina Viktorovna Koretskaya, member

- term of office from July 21, 2024 to July 21, 2028
- appointed by the shareholder AO Holding Avtokomponenty

### Andjelka Čulo, member

- term of office from May 15, 2024 to May 15, 2028
- appointed by the Workers' Council - employee representative

### Ivka Bogdan, member

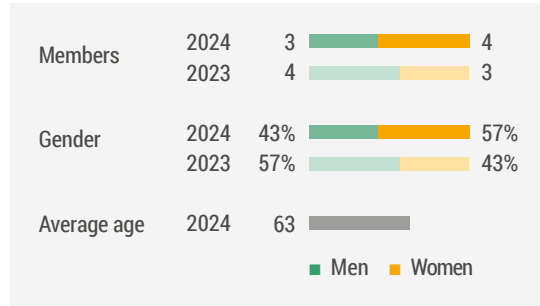
- term of office from February 1, 2023 to February 1, 2027
- elected by the General Assembly
- 20,000 ADPL shares
- **independent member** - in accordance with the Zagreb Stock Exchange Code

Three members of the Supervisory Board are independent members in accordance with the rules of the Zagreb Stock Exchange.

**43%**  
**INDEPENDENT MEMBERS**

In accordance with the Stock Exchange Rules, the President of the Supervisory Board performs their role as an independent member, ensuring objectivity and impartiality in their work. Furthermore, one member of the Supervisory Board has been elected as a representative of the employees, allowing for the integration of employees' perspectives into the management processes.

Given their professional experience, two members of the Supervisory Board have significant expertise in accounting and financial management, while four members possess direct experience in the automotive sector gained through previous work in the company. This combination of expertise and



practical knowledge ensures high-quality oversight of operations and the making of informed and responsible decisions.

*According to the Corporate Governance Code of the Zagreb Stock Exchange, Article 74.*

## SUPERVISORY BOARD COMMITTEES

The company's Supervisory Board has established three committees as advisory bodies, which, through their work, enable more efficient decision-making.

### AUDIT COMMITTEE

The Audit Committee monitors the financial reporting process, accounting policies, and provides recommendations on the engagement and effectiveness of the external auditor. **The company meets the Zagreb Stock Exchange requirement that at least one member of the committee must be independent.**

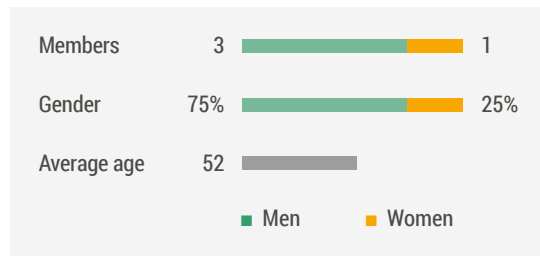
During 2024, the committee held four meetings, with all members in attendance. Discussions focused on the annual internal audit plan, reports from internal and external audits, decisions on the use of profits, and the appointment of auditors for 2024. The Audit Committee provided recommendations to the Supervisory Board for the approval of these reports and plans.

### PRESIDENT

■ Ivica Tolić

### MEMBERS

- Bože Plazibat
- Alina Viktorovna Koretskaya
- Igor Anatolyevich Solomatina





## REMUNERATION COMMITTEE

The Remuneration Committee proposes the remuneration policy for the Management Board, compensation for members of the Supervisory Board approved by the General Assembly, and the contractual terms for the members of the Management Board.

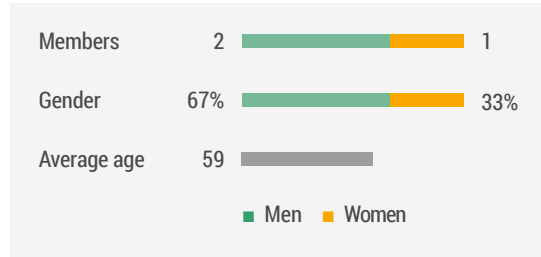
In 2024, one meeting was held with all members in attendance, during which the discussion focused on the non-payment of bonuses to Management Board members for 2023, a review of the remuneration report, and proposals for amendments to the Remuneration Policy for the members of the Management Board.

### PRESIDENT

- Ana Luketin

### MEMBERS

- Igor Anatolyevich Solomatin
- Ivica Tolić



## APPOINTMENT COMMITTEE

The Appointment Committee proposes candidates for the Management Board and the Supervisory Board, taking into account the objectives of the [Diversity Policy](#).

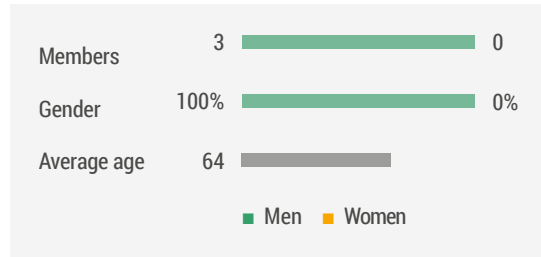
In 2024, one meeting was held, with all members in attendance, during which members of the Appointment Committee, the Remuneration Committee, and the Audit Committee, as well as one member of the Supervisory Board, were proposed.

### PRESIDENT

- Ivica Tolić

### MEMBERS

- Nenad Škomrlj
- Igor Anatolyevich Solomatin



# MANAGEMENT BOARD

According to the Rules of Procedure of the Management Board, members of the Management Board are required to avoid decisions arising from personal interests or the interests of related parties and must not participate in decision-making that could lead to a conflict of interest.

If any member of the Management Board notices an existing or potential conflict of interest, either with themselves or another member, they are obligated to immediately inform the other

members of the Management Board and the President of the Supervisory Board. In the event of suspicion that a member has not reported a conflict of interest, this information must be forwarded to the President of the Supervisory Board.

To prevent potential conflicts of interest, management contracts include clauses prohibiting competition during and after the termination of employment, as well as a confidentiality obligation.

## MANAGEMENT BOARD MEMBERS

### MARINKO DOŠEN

President of the Management Board

- Management Board President since February 6, 2015
- the current term of office from July 21, 2020 to July 21, 2025
- 28,324 ADPL shares

He was born in Rijeka where he graduated from the Faculty of Engineering and obtained the title of mag. ing. mech. He completed an MBA programme at the Zagreb School of Business, orientation Petroleum and during his career, he has attended several additional seminars and professional training courses in the country and abroad.

He began his career at the Croatian petrochemical industry as an intern, and from 1997 to 2004 he performed multiple managerial and executive functions, including the post of the President of the Management Board of DINA d.d. Afterwards, as the director of the investment company Coca-Cola Bottling Energy Ltd., he managed the construction of several energy projects in the Republic of Hungary.

He was the executive director and member of the Management Board of the company Trast d.d., one of the leading logistics companies in the Republic of Croatia, after which as the President of the Management Board he managed the project for the operative restructuring of the company Mirna, Rovinj.



He came to AD Plastik Group in 2012 as a general director of the company PHR (today AD Plastik Togliatti) in Russia. He was appointed President of the Management Board in 2015.

He is specialized in change management and crisis management.

## MLADEN PEROŠ

Member of the Management Board for Sales

- Management Board member since November 9, 2011
- the current term of office from July 21, 2020 to July 21, 2025
- 25,613 ADPL shares

He graduated from the Faculty of Mechanical Engineering and Naval Architecture in Zagreb, orientation Engines and Motor Vehicles. He began his business career as a construction engineer at the Department of Research & Development at the company Končar EVA in Zagreb. In June 1999, he joined the team of AD Plastik as a construction engineer at the Department of Construction.

His career within the company advanced quickly. He soon became a project manager, director of construction, director of development, assistant to the member of the Management Board for commerce and development, and member of the Management Board for commerce and development. During that period he spent significant time in Russia developing the market and launching newly formed companies.



From July 2012 to February 2015 he was President of the Management Board of AD Plastik Group, after which he has been working as member of the Management Board.

## JOSIP DIVIĆ

Member of the Management Board for Finance, Controlling, Accounting and IT

- Management Board member since September 15, 2022
- current term of office from September 15, 2022 to July 21, 2025
- 645 ADPL shares

He was born in Imotski, and he earned a master's degree in economics at the Faculty of Economics in Split.

He started his career as a controlling coordinator in AD Plastik, controlling the business operations of affiliated companies in Romania and Serbia. Subsequently he spent four years in Russia, conducting financial control of the business operations of the subsidiary company AD Plastik Togliatti. Upon his return, he was promoted to the position of finance director and was in charge of managing the cash flows and financial risks of the entire group as well as the treasury management of the parent company. He participated in several due diligence processes and managed investments and relations with investors. Thanks to many years of work experience in the automotive industry and knowledge



of various market opportunities, he is a member of the supervisory boards of AD Plastik Group's subsidiary companies in Hungary and Russia, as well as the affiliated company in Romania.

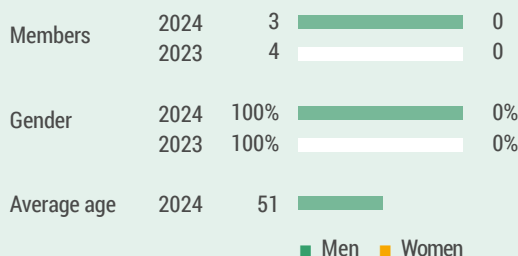


GOAL

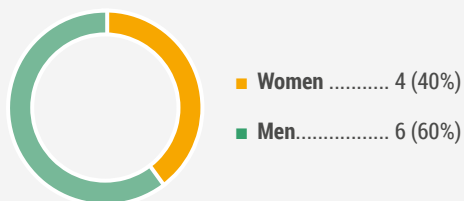
SHARE OF WOMEN  
IN THE MANAGEMENT BOARD

**25%** by the end of **2026**

GENDER STRUCTURE AND AVERAGE AGE OF THE MANAGEMENT BOARD



GENDER STRUCTURE OF THE HIGHEST LEVELS OF  
MANAGEMENT (Management and Supervisory Board)



The representation of women at the highest levels of governance is 40 percent, which meets legal criteria and confirms the company's commitment to gender equality.

*According to the Companies Act 272 p*

Although the company implements a succession plan in accordance with the [Diversity Policy for the Management Board and the Supervisory Board](#), and the adopted target of at least 25 percent women in the Management Board, this target has not yet been achieved. However, efforts continue to reach this goal within the defined five-year period. In 2024, there were no appointments of new members to the Management Board, and as a result, the proportion of women in its composition has not increased.

The composition of the governing and supervisory bodies reflects a high level of professionalism, diversity, and equality, thereby creating all the prerequisites for effective, responsible, and transparent corporate governance. A balance has been established based on criteria of skills, experience, and competencies, which is evident from the CVs of the members of the Management Board.

## STATEMENT ON THE REMUNERATION POLICY FOR SUPERVISORY BOARD MEMBERS

In 2021 the General Assembly adopted a Decision on the remuneration of Supervisory Board members for a four-year period, which was applied in 2024.

This decision is based on the principles of ensuring quality and professional members of the Supervisory Board, in order to achieve the company's mission and long-term strategy, and for the benefit of all its stakeholders. The decision ensures the transparency of the remuneration of the Supervisory Board members, taking into account external and internal elements, economic conditions, employee remuneration and best practices.

Members of the Supervisory Board are entitled to remuneration for their participation in the work of the Supervisory Board and its committees, with the aim of ensuring independence and avoiding conflicts of interest. Their remuneration is not dependent on the company's performance but is defined as fixed amounts, in accordance with the guidelines of the Corporate Governance Code of the Zagreb Stock Exchange and HANFA.

The amount of remuneration depends on the function of each member of the Supervisory Board and remuneration is paid once a quarter. Members who are also part of the Supervisory Board committees are additionally compensated for their involvement, with payments being made after the respective committee meetings.

## STATEMENT ON THE REMUNERATION POLICY FOR THE MANAGEMENT BOARD MEMBERS

Since 2021, the company has been implementing the Management Board Members' Remuneration Policy, which was adopted by the Supervisory Board on the proposal of the Remuneration Committee. After approval by the General Assembly, the Remuneration Policy for the Management Board members was publicly disclosed.

This Policy establishes a system of remuneration for the Management Board members that promotes transparency, long-term interests, and the ethical and successful implementation of the business strategy and development of the entire group.

The Remuneration Policy ensures a balance between fixed and variable compensation for the members of the Management Board, contributing to transparent and effective management.

Managerial contracts define the rights and obligations of the members of the Management Board in accordance with their function.

- **monthly salary**
- **the annual bonus (award)** can be paid in accordance with the achieved result in the business year, depending on the degree of fulfillment of certain key business indicators determined by individual managerial contracts. One of the criteria for bonus payment is a non-financial goal, defined as achieving a positive assessment of the sustainability report by an independent external expert body. The decision on bonus payment is made by the Supervisory Board, having in mind the degree and scope of achieving the objectives. The bonus is paid in company shares or cash.
- **life insurance policy**
- **right to use an official vehicle** 24 hours a day
- **severance payment in the event of the termination of the term of office**, unless the member was repealed prior to the expiry of the term of office caused by their fault or they resigned themselves

In 2024, there were no bonus payments to members of the Management Board.

Pursuant to the law, data on the remuneration of members of the Management Board and the Supervisory Board are published as part of the Remuneration Report previously approved by the General Assembly.

*In the AD Plastik Group's remuneration system, non-financial effects related to climate aspects are part of the Management Board remuneration system, but not for other bodies, so no compensation related to climate issues was paid out during the reporting period.*

# CORPORATE FUNCTIONS

Each corporate function has a clearly defined management level that reports directly to the highest governance body. Improving common knowledge on all relevant business issues of the company and its sustainable development are integral elements of regular business operations.

Management regularly holds consultations with individual stakeholders and is obliged to regularly report on this to the Management Board. Consultations with the Management Board are organized from time to time as needed or requested by individual stakeholders.

## CONSULTANTS

- Production Operations

## EXECUTIVE DIRECTORS

- Controlling and Accounting
- Legal Affairs
- Human Resources and Business Organization
- Strategic Purchasing
- Production, Logistics, Quality, Occupational Safety and General Affairs

## DIRECTORS

- Production site Solin
- Technical Director at Production site Solin
- Production site Zagreb
- Production Zagreb
- ADP Mladenovac
- AD Plastik Tisza
- AD Plastik Togliatti
- Internal Audit
- Quality
- Logistics
- Sales
- Projects
- Process Development
- Product Development
- Strategic Purchasing of Materials
- Occupational Safety and General Affairs

# SUSTAINABILITY MANAGEMENT AND STRATEGIC INTEGRATION

**AD Plastik Group implements a business model strategy that aligns with sustainable development and long-term goals of reducing ecological footprint and improving social impact. The business model is based on innovative solutions for the production of automotive components, with particular attention given to the efficiency of manufacturing processes, resource optimization, and sustainability in the value chain.**

Key factors include reducing CO<sub>2</sub> emissions, increasing energy efficiency, developing environmentally friendly materials, and improving workplace safety.

There is active work on diversifying production capacities and technologies, including the digitalization and automation of business processes, in order to increase competitiveness and reduce the ecological footprint. ►

- ▶ The sustainable value chain includes optimizing purchasing, increasing the share of local suppliers, and reducing the ecological impact of production and distribution. At the same time, collaboration with the academic community and research institutions contributes to the development of innovative solutions for sustainable mobility.

Strategic Purchasing Department, through existing policies, systematically encourages suppliers to respect human rights, employee rights, the rights of vulnerable groups, equal opportunities, and other labor-related rights. By improving existing sustainable policies, guidelines are set for sustainable supplier management, with the aim of minimizing the negative environmental impact, promoting social responsibility, and ensuring economic sustainability. In this context, a comprehensive analytical approach is applied to topics aligned with the ESRS requirements.

To achieve a higher standard of sustainability in the value chain, the updated Sustainability Assessment Questionnaire for suppliers has been adopted. This tool enables an analytical approach and ranking of suppliers based on sustainability criteria. It helps fulfill the goals defined in sustainability policies, with a particular focus on environmental protection, respect for human rights, and ethical business practices.

Alongside technological innovation, the strategy includes strengthening internal capacities through employee development, the promotion of lifelong learning, and the implementation of programs aimed at well-being and increased engagement. This integrated approach ensures the long-term resilience of the business model, enables adaptation to market changes, and positions AD Plastik Group as a key stakeholder in the sustainable transformation of the automotive industry.

## Strategic framework and decision-making

The Management Board and the executives, in collaboration with the Sustainability Group, are responsible for implementing the sustainability strategy and making key decisions based on the assessment of double materiality. The Sustainability Group identifies significant impacts, risks, and opportunities, conducts a double materiality assessment, and analyzes the views and interests of stakeholders, informing the Management Board. Based on the approved analysis, the Management Board integrates the key findings into strategic decisions and further business activities.

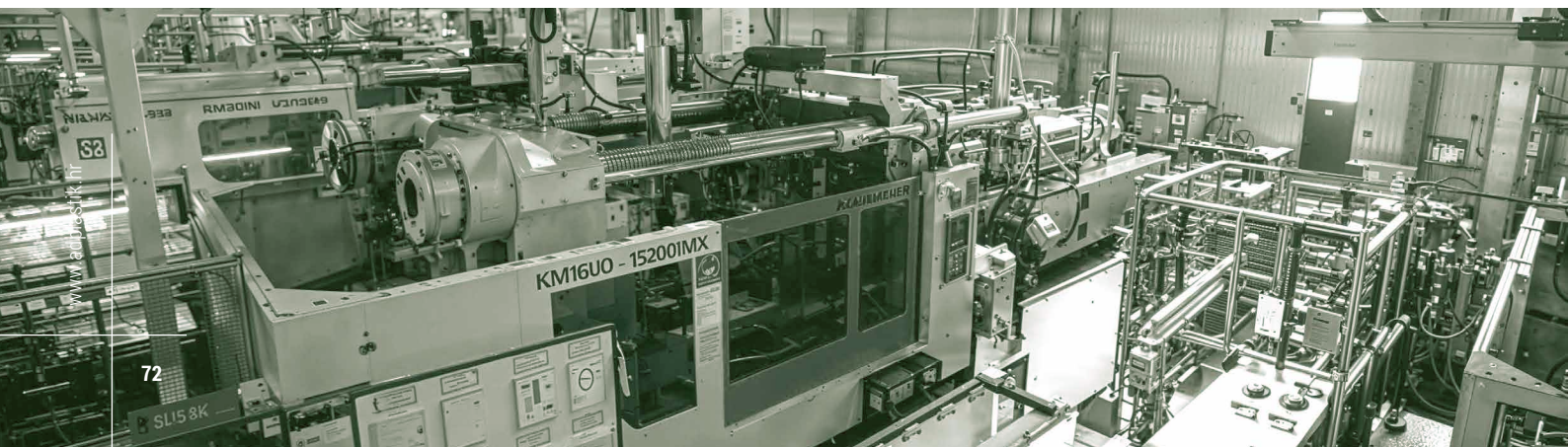
The Management Board makes key sustainability decisions based on the double materiality assessment, which:

- are presented to the Supervisory Board
- are integrated into the management reward system through sustainability performance
- affect the financial reports to ensure alignment with sustainable business goals

After the strategic goals are defined by the Sustainability Group and approved by the Management Board, they are operationally implemented within business areas. Directors and executive directors of business functions are responsible for integrating the sustainability strategy into operational plans and aligning their activities with long-term sustainability goals. Their responsibility includes ensuring resources and support for the implementation of sustainability initiatives and overseeing the implementation of action plans within their areas.

Their task is to integrate key sustainability indicators into operational processes, define medium-term and long-term goals, and develop the strategies and policies needed to achieve them. This also includes conducting training and strengthening the specific competencies required for the further development of sustainable business practices within AD Plastik Group.

The company does not have specific incentive programs related to sustainability factors for administrative, management, and supervisory bodies, except for the Management Board, whose variable compensation is also dependent on the achievement of non-financial goals (pg.69).





## Sustainability Group

The Sustainability Group by the Management Board, which plays a key role in monitoring regulatory compliance, identifying material impacts, risks, and opportunities, and defining strategic goals and action plans. The members of the Group come from various sectors, including quality, development, legal affairs, organization, strategic purchasing, technology, occupational safety, general affairs, and sales, ensuring the alignment of sustainability goals with operational processes.

In addition, the directors of subsidiary companies are associate members of the Sustainability Group, which enables broader integration of the sustainability strategy across all business units. To further enhance their knowledge and competencies, members of the Sustainability Group participate in various workshops and training sessions on sustainability, and some have successfully completed EKO training on corporate sustainability organized by HR BCSD.

The Sustainability Group directly reports to the President of the Management Board, while its member, who is also a Management Board Member for Finance, ensures the connection between sustainability and financial management.

The members of the Management Board possess extensive professional expertise, gained through years of experience in an industry that promotes sustainable business practices. Their active participation in various professional associations related to sustainability ensures continuous monitoring of global trends and the application of best practices in business.

In 2024, the Code of Business Conduct and Policies and the [Sustainability Strategic Goals](#) were updated, and the Sustainability Group was expanded with new members.

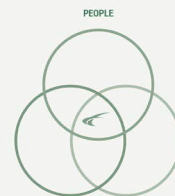
### Monitoring and reporting

Based on the decision of the Management Board, **quarterly reporting** by the Sustainability Group on progress in achieving **sustainability goals** has been established. In the next reporting period, the **introduction of monthly reporting** on sustainability operational activities at the Management Board and executives meetings is planned. Business function directors will report on sustainability topics within their areas of responsibility, thus ensuring accuracy and transparency in tracking sustainability progress. This reporting system will enable continuous adjustment of the strategy in line with regulatory, technological, and market changes, ensuring long-term resilience and business transparency.

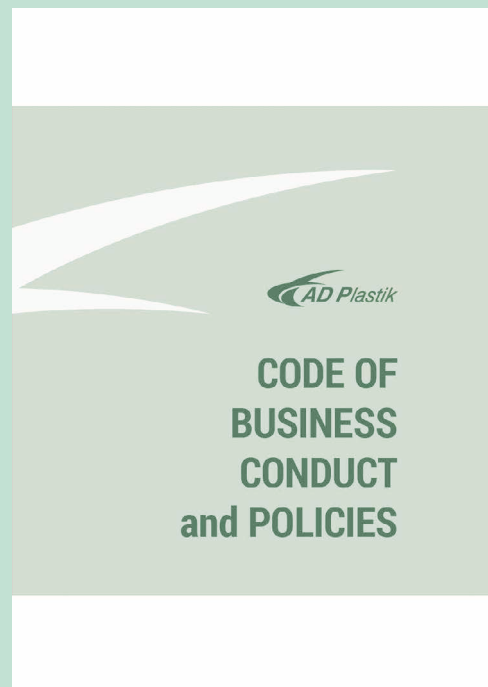


## SUSTAINABILITY STRATEGY

The goal of the sustainability strategy is to set and achieve long-term business sustainability objectives that contribute to reducing the carbon (ecological) footprint and improving social impact. This strategy applies to all sites of the AD Plastik Group, and the objectives are set in relation to 2023 as the baseline year for this document.

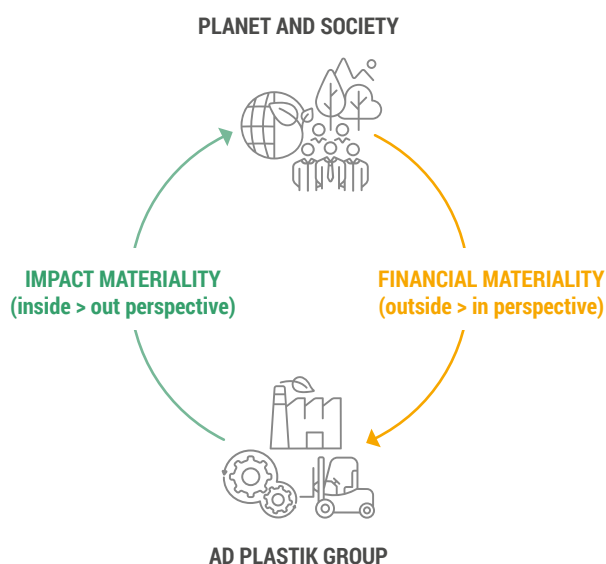


ECOLOGY AND CLIMATE CHANGE MANAGEMENT BUSINESS OPERATIONS AND MANAGEMENT



# DOUBLE MATERIALITY ANALYSIS

AD Plastik Group has conducted a double materiality assessment in accordance with European sustainability reporting standards. It developed a methodology that enabled the identification of key impacts, risks, and opportunities, ensuring their integration into strategic management.



The interconnection between the company's impacts on the environment and society and the financial consequences arising from external sustainability factors has been recognized.

## DOUBLE MATERIALITY ASSESSMENT METHODOLOGY

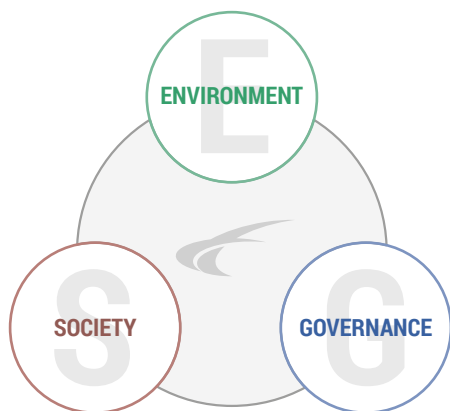
To ensure a comprehensive understanding of key sustainability aspects, a structured double materiality approach was applied, encompassing two key components:

<b>Impact Materiality</b>	an analysis of the effects of business activities, products, and services on the environment and society
<b>Financial Materiality</b>	assessment of potential risks and opportunities arising from external sustainability impacts

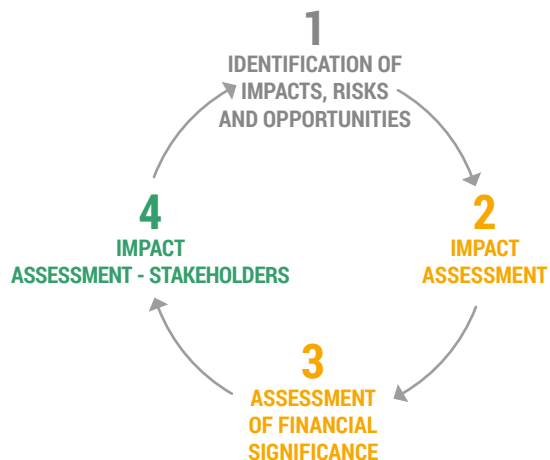
- ▶ The assessment was conducted through a systematic analysis of business activities, internal operations, industry standards, and internal consultations. The process involved interdisciplinary consultations within the company, monitoring key projects and activities during the reporting period, as well as evaluating operational activities and their impacts.

Each member of the Sustainability Group took responsibility for a sustainability area that corresponds to their expertise, competencies, and professional qualifications. This ensured a thorough and comprehensive analysis of all topics related to the environment, society, and governance, as well as the application of specialized knowledge. Based on the analysis, impacts were identified for each individual topic, and additional consultations were conducted with internal experts from specific business areas.

To ensure the comprehensiveness of the assessment, all of the Group's sites were included in the analysis, evaluating their business activities and the specific context of business operations. Since the Group conducts the same core activities at all sites, uses the same technologies, and applies a unified strategy and corporate policies, no significant deviations were observed among individual sites, allowing for a consistent and uniform materiality assessment at the Group level.



## ASSESSMENT PROCESS AND MATERIALITY CRITERIA



The identification of impacts, risks, and opportunities was conducted based on defined criteria, considering regulatory requirements, the business model, and market trends. The assessment was aligned with the ESRS guidelines and is based on a combination of qualitative and quantitative indicators, taking into account their significance for the business, long-term stability, and resilience of the company. Positive and negative impacts were assessed based on their scale and scope, as well as the possibility of mitigating negative effects. The severity of potential impacts was further considered by evaluating the likelihood of their occurrence.

<b>Scale</b>	the actual severity of impact on the environment or people, taking into account existing mitigation measures
<b>Scope</b>	how widespread is the impact – the share of sites, employees, or costs
<b>Recoverability</b>	the assessed ability to remediate the damage in terms of costs and time frame ▶

- ▶ Each of these criteria was rated on a scale from one to five, and the final severity was calculated as the average of these ratings. If the average rating exceeds a threshold of three, the impact is considered material. This approach ensures an objective and consistent assessment of the severity of negative impacts. When interpreting the values of negative potential impacts on human rights, the severity of the effects takes precedence over the likelihood of their occurrence.

When assessing risks, their potential financial impact was analyzed based on the effect on EBITDA. The assessment was conducted across several levels of severity, with risks being categorized according to their relative impact on the business. To ensure a comprehensive view of the impact of risks,

the time horizon of the potential effect was also considered – short-term, medium-term, or long-term.

In addition to the financial impact, the likelihood of a risk occurring was also assessed, considering the frequency and conditions under which it could occur. The probability was rated on a scale ranging from an unlikely event, which occurs rarely and only under specific circumstances, to those that are highly probable or inevitable.

The final risk rating was determined as the average of the financial impact score and the likelihood of occurrence, ensuring an objective and consistent approach to risk assessment and enabling effective decision-making for risk management and mitigation.

## STAKEHOLDER ENGAGEMENT

As an important part of the impact significance assessment process, relevant stakeholders such as employees, shareholders, suppliers, and community representatives were involved. Through consultations, presentations, and questionnaires, an exchange of perspectives was facilitated, further enriching the materiality analysis of the impacts. Each group was presented with the impact assessment methodology to provide them with a better understanding of the company's effects on the environment and society.

Among the surveyed stakeholders were small shareholders, banks, and investment funds, while consultations with employees included representatives from different organizational levels, ensuring a wide range of relevant insights. Under the community category, respondents from the academic community and public institutions were included, and when identifying key stakeholders in the supply chain, attention was paid to their importance based on turnover, business impact, and their own sustainability reporting obligations.

The company has undertaken a series of activities to ensure customer participation in the significance assessment process, including detailed guidelines and consultations; however, a formal assessment of the impacts was not carried out. Customers clarified that they already systematically evaluate the sustainability of their suppliers through internal assessments and audits, and they do not see the need for additional evaluation.

High sustainability standards within the industry are confirmed through regular assessments ordered by customers from specialized agencies such as EcoVadis, where AD Plastik Group achieved a score of **73/100** in 2024, **ranking among the top five percent of suppliers** and earning a gold medal.



Although formal customer participation was not achieved, their expectations and sustainability standards have already been integrated into industrial processes. To further enhance the exchange of information, direct consultations, workshops, and targeted interviews are planned, which will strengthen transparency and collaboration in the field of sustainability.

## STATEMENT ON DUE DILIGENCE

Elements of the Due Diligence Process	chapter	page
Incorporating due diligence into management, strategy, and business model	Sustainability Management and Strategic Integration	72-74
Collaboration with affected stakeholders in all key steps of the due diligence process	Stakeholder Engagement	77
Identification and assessment of harmful impacts	Materiality Analysis	78-87
Taking measures to eliminate these negative impacts	Materiality Analysis	78-87
Monitoring the effectiveness of these efforts and communicating the results	Materiality Analysis	78-87

## MATERIALITY ANALYSIS

The data analysis reveals a high level of alignment between the internal assessment of impact materiality and stakeholder perception, with a few noticeable differences indicating varying priorities or perceptions of impact.

Climate change has been identified as a highly material topic in both the internal analysis and stakeholder assessment. This shows a clear consensus on the importance of this topic and awareness of its impact on business and sustainability. A similar situation is observed with issues such as pollution, water, circular economy, biodiversity, consumers, and end-users, where internal ratings and stakeholder perceptions are identical. This suggests that these topics are consistently recognized as important, but not critical to business operations.

At the same time, there is a noticeable difference in the evaluation of the workforce and business conduct. While the internal assessment defines these as highly material, stakeholders have assigned somewhat lower ratings to these topics. This indicates that the organization recognizes a strong internal impact of these issues on business operations, while stakeholders, although considering them important, do not perceive their impact as equally pronounced or direct. This difference may arise from the fact that the organization views its workforce and business conduct as areas of greater responsibility, whereas stakeholders, particularly external ones, consider these topics within a broader industry context.

In the case of worker-related topics in the value chain and affected communities, there is full alignment between the internal analysis and stakeholders, with both parties rating them as less material. These topics are currently not recognized as material either internally or externally, suggesting a lower current operational impact.

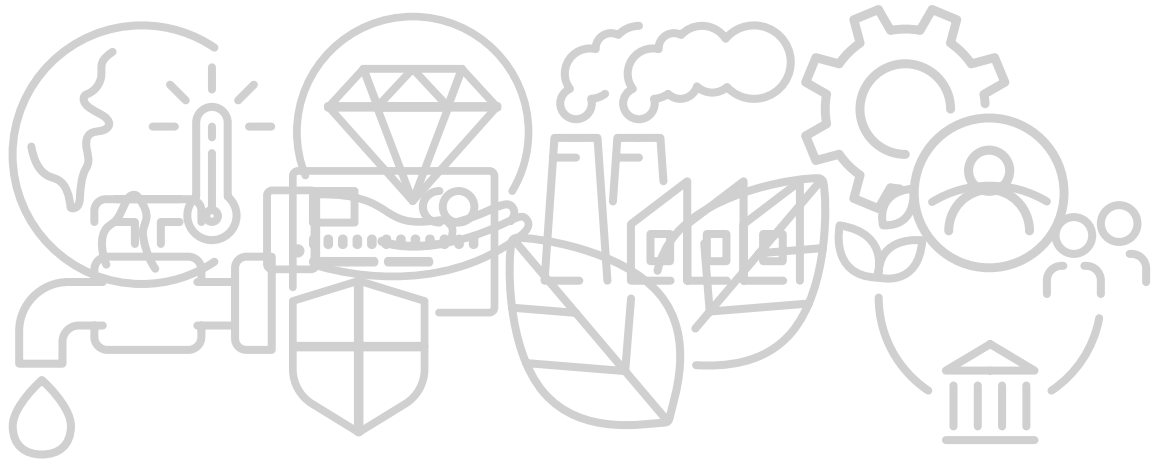
It is evident that there is strong alignment in most of the ratings, indicating stability in the understanding of the importance of individual topics between the organization and stakeholders. However, the differences regarding the workforce and business conduct suggest that the organization views these aspects as crucial for internal management and sustainability.









The analysis of financial materiality shows that climate change, pollution, water, circular economy, workforce, business conduct, and consumers are recognized as financially relevant. These topics are linked to regulatory requirements, market expectations, and operational risks, and they can affect business costs, investments, and long-term sustainability.

On the other hand, biodiversity and ecosystems are currently not recognized as financially material, while workers in the value chain and affected communities have low financial materiality. The latter two topics are important from a corporate social responsibility perspective but still do not represent key factors in financial decision-making.

In general, the topics with the greatest financial materiality are those directly linked to adaptation costs, regulatory requirements, and market changes, while environmental and social topics with lower financial materiality ratings have not yet been recognized as factors with a direct impact on financial results.

In accordance with the materiality assessment of information, an **exemption from disclosure of the expected financial effects has been applied**, taking into account the uncertainty of outcomes and the availability of reliable data.



FINANCIAL MATERIALITY	Material/Crucial		 <b>Circular economy (E5)</b>	
			 <b>Pollution (E2)</b>  <b>Water (E3)</b>  <b>Consumers and end users (S4)</b>	 <b>Climate change (E1)</b>  <b>Own workforce (S1)</b>  <b>Business conduct (G1)</b>
	Minimum	<b>Workers in the value chain (S2)</b> <b>Affected communities (S3)</b>		
			 <b>Biodiversity and ecosystems (E4)</b>	
		Non-material topics	Material topics	
		Minimum	Material	Crucial
		IMPACT MATERIALITY		

In order to further improve understanding, a materiality matrix has been developed to show the relationship between the significance of environmental and social impacts and their financial consequences for the company's business.

The matrix allows for the strategic prioritization of sustainability and ensures that key topics remain in focus within the company's strategy.

## MATERIAL IMPACTS

### ENVIRONMENT

material impacts



## E1

### CLIMATE CHANGE

	impact	goal / expected consequence	activities and progress
■ Positive	Transition plan to reduce emissions and increase energy efficiency	Reduction in CO <sub>2</sub> emissions by 50% and 50% of energy from renewable sources by 2030	Application to the NRRP and the Modernisation Fund – construction of a photovoltaic power plant, energy consumption optimization, improvement of energy efficiency, and monitoring of Scope 1, 2, and 3 emissions
■ Negative	Use of exclusively non-renewable energy sources, difficult data collection from Scope 3, emissions of greenhouse gases from Scopes 1 and 2 and their impact on the environment and climate change	Reduction of emissions from Scope 1 and 2 - zero CO <sub>2</sub> emissions by 2050	Modernization of energy systems, increasing energy efficiency, annual monitoring of emission reductions
■ Risks	Financial and operational exposure due to the transition to a low-carbon economy	Achieving strategic sustainability goals and regulatory challenges	Use of subsidies and development of products with a smaller carbon footprint

#### Strategies and policies

Sustainability strategy and goals, Code of Business Conduct and Policies.

## ENVIRONMENT

material impacts



### E2

### POLLUTION

	impact	goal / expected consequence	activities and progress
■ Positive	Regular monitoring of emissions that are not included in Scope 1, 2 and 3	Reducing negative environmental impact	Replacing certain products with those with a lower environmental impact, reducing emissions and use of substances of concern, and strict control of microplastics at mills
■ Negative	The qualitative performance of specific materials containing a proportion of substances of concern makes their substitution with alternative solutions more difficult	Continuous control and development of alternative solutions in cooperation with partners	IMDS - regular reporting on detailed chemical composition of materials and implementation of replacement materials
■ Risks	Increased investment costs in the development and research of new materials and additional equipment	Slowing down the development of new solutions and operating costs can affect competitiveness and financial stability	More efficient research and development and diversification of funding sources

#### Strategies and policies

Sustainability strategy and goals, Code of Business Conduct and Policies.



## ENVIRONMENT

material impacts



### E3 WATER

	impact	goal / expected consequence	activities and progress
■ Positive	Digital monitoring of water consumption, regular analysis and control of wastewater, and efficient management and reporting	Reducing water consumption by 30% by 2030	Regular monitoring of consumption and quality control of discharged water
■ Negative	Improving infrastructure and management of water systems	Reduction of water consumption and constant control of waste water	Replacement of the internal infrastructure system at certain sites and digital monitoring of consumption
■ Risks	High investments in infrastructure systems increase operating costs and affect investment plans	Violation of environmental standards and consequently reduced efficiency of production processes	Upgrading infrastructure systems improves water quality and safety

#### Strategies and policies

Sustainability strategy and goals, Code of Business Conduct and Policies.



**E4**

**BIODIVERSITY AND ECOSYSTEMS**

	impact	goal / expected consequence	activities and progress
■ Positive	The business does not contribute to the introduction of invasive species into new habitats, while emissions from production processes are strictly controlled by purification and filtration systems to minimize pollution	Continuous improvement of environmental impact management through the strengthening of control measures	By improving filtration and purification systems, enhancing transport control, and regularly monitoring environmental indicators, minimal impact on biodiversity and ecosystems is ensured
■ Negative	By reducing emissions and making improvements in ESRS areas E1, E2 and E3, negative impacts on biodiversity and ecosystems are reduced	Improvement of the management system aimed at achieving sustainability goals	Through resource optimization, filtration, water management, and education, emissions are reduced and biodiversity is protected
■ Risks	Risks to biodiversity are not specifically identified as they are related to standards E1, E2 and E3		

**Strategies and policies**

Sustainability strategy and goals, Code of Business Conduct and Policies.

## ENVIRONMENT

material impacts



### E5

#### CIRCULAR ECONOMY

	impact	goal / expected consequence	activities and progress
■ Positive	Reducing the ecological footprint through resource optimization and waste management	Increase in the share of recycled materials by 30%, eco-friendly materials by 40%, and returnable packaging by 2030, with full product recyclability at end-of-life targeted by 2050	Projects with a higher share of ecological materials, inventory optimization, product development that can be a secondary raw material
■ Negative	The inability to separate complete waste and the use of materials made from non-renewable sources due to their qualitative performance and the limitations of waste disposal companies	Transition to a circular economy - recycle all production waste by 2050	Development of sustainable alternative materials and improvement of production processes to reduce production waste
■ Risks	Price and quality non-competitiveness of environmentally friendly materials and the high costs of their development	Failure to meet environmental standards and consequent reputational and regulatory challenges	Contracting new projects with a higher share of ecological materials

#### Strategies and policies

Sustainability strategy and goals, Code of Business Conduct and Policies.



S1

OWN WORKFORCE

	impact	goal / expected consequence	activities and progress
■ Positive	Adequate measures to protect working conditions, health and social security of employees	Safe and stable jobs, greater employee engagement, increase the share of training hours by 30% by 2030	New collective agreements signed with better material conditions, all Group employees covered by collective agreements, preventive measures for employee protection and health
■ Negative	The inability to fully adjust to inflationary pressures, which exceed the realistic capabilities, create challenges in preserving economic stability and the social standard of employees	Monitoring and aligning salaries with industry standards	Collective bargaining
■ Potential	Increasing job stability and competence development improve working conditions, but higher workloads and less flexibility can cause dissatisfaction	Increasing employee satisfaction and motivation increases productivity, operational efficiency and long-term competitiveness, while the consequences can be dissatisfaction and increased turnover	Job analysis and systematic training, identifying opportunities for flexible work models
■ Risks	Increased turnover due to changing labor market conditions and inflationary pressures can cause labor shortages	Reduced operational efficiency, difficulties in maintaining production continuity, increased costs of hiring and training new workers, and long-term weakened competitiveness	Improving the working climate, working conditions and employment system

Strategies and policies

Sustainability strategy and goals, Code of Business Conduct and Policies.



# S4

## CONSUMERS AND END USERS

	impact	goal / expected consequence	activities and progress
■ Positive	Secure processes, regulatory compliance and regular testing ensure data protection, product quality and safety	Ensure the highest standards of product safety and quality	Adopted Advertising and Market Communication Code, improvement of communication B2B platforms in the value chain
■ Negative	Inability to quickly adapt to new customer requirements and regulations slow down the adaptation of new information	Timely adaptation in accordance with EU regulations	Improvement of internal procedures
■ Potential	Improving DFMEA analysis increases end-user safety	Absolute end-user security	Improved DFMEA analysis
■ Risks	Lack of control over confidential data, non-compliance with regulations, and insufficient quality of product-related information	Legal sanctions, increased operating costs and damage to reputation and long-term business relationships	Strict implementation of NDA contracts, compliance with regulations, regular testing, transparent communication and employee education

### Strategies and policies

Sustainability strategy and goals, Code of Business Conduct and Policies.



G1

BUSINESS CONDUCT

	impact	goal / expected consequence	activities and progress
■ Positive	The Code of Business Conduct and Policies ensure ethical and transparent business through clear standards, compliance with regulations, systematic audits and mechanisms for the protection of whistleblowers	Sustainable supplier management, zero tolerance for corruption and violence, protection of human rights, strengthening stakeholder trust, preventing corruption and continuous improvement of sustainability indicators	Employee education, compliance and adherence to prescribed procedures, and regular supplier audits to monitor sustainability standards
■ Potential	Promoting sustainability through conferences and professional organizations, optimizing the supply chain through supplier consolidation and long-term contracts, and educating employees on anti-corruption practices	Sustainable, ethical and transparent business through strengthening of regulatory initiatives, supply chain optimization and employee education	Active participation in professional panels, membership in professional organizations, consolidation of suppliers, long-term contracts and training
■ Risks	Insufficient whistleblower protection, untimely payments to suppliers, and insufficient understanding of anti-corruption practices	Increased operating costs, legal consequences and reputational challenges	Promoting protection mechanisms, optimizing payments and educating employees

**Strategies and policies**

Sustainability strategy and goals, Code of Business Conduct and Policies.

## Unassessed topics

In the process of assessing materiality, certain subtopics were not evaluated because they are considered irrelevant to the business or not applicable in the context of the industry. All other topics were systematically assessed, with some impacts identified as non material, as reflected in the individual analysis of [thematic standards](#).

- **ESRS E3 Marine Resources** were not assessed as they are not relevant to the business, while part of this topic related to water was included in the analysis ([pg. 104](#)).
- **ESRS E4 Biodiversity and Ecosystems** - data on land use change, freshwater and marine resources, and direct exploitation were not assessed as they are not material for the business model and industry context, except from the perspective of their impact on climate change and pollution ([pg. 107](#)). The effects on species status, the extent and condition of ecosystems, as well as the impacts of ecosystem services and dependence on those services were not assessed as they are not applicable to the business.

## Key Recommendations

- Implement systematic tracking of emissions in the value chain (particularly Scope 3).
- Gradual transition to sustainable energy sources
- Leverage sustainable innovations to reduce financial and operational risks
- Improve control of sustainability criteria within the supply chain
- Improve transparency and digital solutions for communication within the value chain
- Continuous employee education and further development of social policies





# E1

## CLIMATE CHANGE

### RESILIENCE OF THE STRATEGY AND BUSINESS MODEL

AD Plastik Group is gradually developing an analysis of physical and transition risks to ensure adequate management and long-term resilience. Currently, there is no formalized resilience analysis, but a climate scenario assessment is planned for 2025 and 2026 to identify long-term challenges and opportunities. The goal is to improve the understanding of climate risks and opportunities, which will enable better strategic planning and the development of adaptation measures.



## IDENTIFIED PHYSICAL RISKS

- Extreme weather events, such as floods and heatwaves, can impact production processes, increase operational costs, and cause disruptions in the supply chain
- Changes in resource availability and rising energy prices can have long-term consequences on operational efficiency and stability in planning

### ADAPTATION MEASURES

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Strengthening the resilience of production sites through vulnerability assessments of climate impacts and the implementation of protective infrastructural measures

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Optimizing energy consumption through digitalization and improving energy efficiency

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Diversifying the supply chain to reduce dependence on regions prone to extreme weather events

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Implementing early warning systems for weather disruptions and crisis plans for unforeseen situations

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## IDENTIFIED TRANSITION RISKS

- Regulatory risks – stricter EU regulations may increase regulatory obligations and operational costs
- Market risks – customer and industry expectations for reducing carbon footprints may impact competitiveness and business opportunities
- Financial risks – investments in decarbonization and renewable energy sources represent significant costs and require careful planning

### ADAPTATION MEASURES

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Gradual adjustment of the product portfolio to sustainability requirements through the development of lightweight and recycled materials, as well as products with lower CO<sub>2</sub> emissions

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Optimization of the supply chain through the assessment of Scope 3 emissions and collaboration with suppliers to reduce the carbon footprint

---

Exploration of investment opportunities in sustainable technologies, including circular economy and renewable energy sources for internal operations

---

Assessment of the financial implications of climate change through stress tests and scenario analysis, considering the costs of emission allowances and potential carbon taxes

---

AD Plastik Group recognizes the need for continuous improvement in managing climate-related risks and opportunities and will enhance its resilience analysis methods in the coming years, integrating the results into its strategic planning.

Currently, it does not have a formalized transition plan for mitigating climate change, but it is aware of its importance for harmonizing the business model with the goal of climate neutrality by 2050. During the reporting period, its development was started in accordance with ESRS requirements, and its completion is planned for 2025. In this context, a climate scenario compatible with limiting global warming to 1.5°C was also considered, as a basis for identifying environmental, social, technological, market and regulatory trends and potential decarbonization measures that will be included in the plan, in accordance with the EU taxonomy and the Paris Agreement.

During the reporting period, sustainability strategic goals, including emission reduction, were updated. These updates are not the result of additional internal research but are aligned with binding EU regulations and guidelines, taking into account anticipated regulatory changes, technological developments, and market trends. The emission reduction plan is based on available parameters from the EU framework, and its progress will be regularly monitored and adjusted to meet the latest requirements.

For monitoring progress towards achieving target values, **2023 has been set as the baseline year**, taking into account external factors such as temperature variations that may affect energy consumption and emissions. In the case of significant deviations in future years, a three-year average may be used to ensure a more accurate representation of emission reduction trends.

# CLIMATE CHANGE-RELATED POLICIES

AD Plastik Group is focused on responsible environmental impact management and continuously develops and implements policies that support climate change mitigation, business adaptation to climate challenges, and energy efficiency. Climate risks are managed through **the Code of Business Conduct, environmental protection policies, energy management policies, and sustainable supplier management.**

<b>Environmental Protection Policy</b>	aligning production and operational processes with the best available technologies and techniques to reduce the environmental footprint
<b>Sustainable Supplier Management Policy</b>	setting requirements for reducing emissions across the supply chain
<b>Energy Management Policy</b>	implementing an energy management system according to ISO 50001 standard to improve energy efficiency

The policies are applied to all operational activities of AD Plastik Group, including production processes, energy efficiency, and the supply chain. Special emphasis is placed on reducing emissions within the company's own operations, while the impact within the supply chain is reduced through requirements for suppliers. These policies are applied to all of the Group's production sites, while operations outside of production activities are not currently covered by specific climate goals.

## MITIGATION OF CLIMATE CHANGE

As part of the energy transition, AD Plastik Group is developing projects that reduce dependence on fossil fuels, improve energy efficiency, and optimize manufacturing processes. It is adapting to climate change through the development of sustainable materials, with a particular focus on introducing recycled and biodegradable polymers, thereby reducing carbon footprint and dependence on fossil resources. One of the key projects in the upcoming periods is the construction of a **photovoltaic power station in Zagreb**, which would **reduce CO<sub>2</sub> emissions by 300 tons annually**. During the reporting period, two co-financing projects were submitted through the Modernization Fund and the National Recovery

and Resilience Plan (NRRP), with a main investment in a photovoltaic power station with a capacity of 1725 kW. The Modernization Fund exclusively co-finances the photovoltaic power station, while the NRRP covers the integration of metering points, a new grinding machine, cooling plant, and climate chamber. Additionally, the replacement of the old boiler with a low-temperature boiler and the modernization of the heating system are planned, which will reduce gas consumption by 36,000 m<sup>3</sup> annually and CO<sub>2</sub> emissions by 80 tons annually. These projects reaffirm the company's commitment to reducing its environmental footprint and increasing resilience to climate change.

The implementation of measures depends on the availability of financial resources, with affordable financing playing a crucial role in adapting to market changes and investing in decarbonization. Shareholder and financial institution trust in the sustainability of the strategy can secure better financing conditions and facilitate the realization of the planned measures.

The company's activities related to reducing greenhouse gases and mitigating emissions are financed through alternative mechanisms (e.g., internal funds or other forms of financing), and therefore, there is no data available on financing through carbon credits.

AD Plastik Group has not yet developed a detailed assessment of the financial consequences of climate risks, but it is aware of their impact and has started analyzing potential effects. Physical risks, such as extreme weather events and rising energy prices, may affect operational efficiency and business stability, while transition risks, including stricter regulations and costs related to decarbonization investments, could increase financial obligations in the coming years. At the same time, opportunities such as energy efficiency and the use of renewable energy sources can reduce operational costs and ensure long-term stability. Projects like the photovoltaic power station and the development of recycled materials undoubtedly strengthen the market position and business sustainability.

Since the resilience analysis of the strategy is still in preparation, the quantification of financial consequences will be available in future reports.

# ENERGY

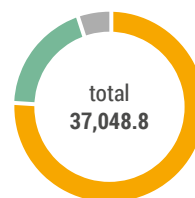
## TOTAL ENERGY CONSUMPTION FROM FOSSIL FUELS (MWh)

Site	2023	2024	Δ
Croatia	27,241.7	26,201.3	-3.8%
Hungary	4,648.9	4,293.4	-7.6%
Serbia	2,880.5	2,401.9	-16.6%
Russia	3,062.4	4,152.2	+35.6%
<b>TOTAL</b>	<b>37,833.6</b>	<b>37,048.8</b>	<b>-2.1%</b>



## TOTAL ENERGY CONSUMPTION FROM FOSSIL FUELS 2024 (MWh)

- Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (Scope 2) .....28,158.0 (76.0%)
- Fuel consumption from natural gas (Scope 1) .....6,876.4 (18.6%)
- Fuel consumption from crude oil and petroleum products (Scope 1).....2,014.4 (5.4%)
- Fuel consumption from coal and coal products .....0
- Fuel consumption from other fossil sources .....0



ENERGY INTENSITY

**0.24** MWh/k€

Energy intensity is measured as the ratio of total electricity consumption (MWh) to **total revenue** (k€).

**FUEL CONSUMPTION FROM CRUDE OIL AND PETROLEUM PRODUCTS (SCOPE 1) (MWh)**

Site	2023	2024	Δ
Croatia	619.8	655.6	+5.8%
Hungary	167.5	509.3	+204.1%
Serbia	11.1	8.2	-26.0%
Russia	544.1	841.2	+54.6%
<b>TOTAL</b>	<b>1,342.5</b>	<b>2,014.4</b>	<b>+50.0%</b>

**FUEL CONSUMPTION FROM NATURAL GAS (SCOPE 1) (MWh)**



Site	2023	2024	Δ
Croatia	5,574.9	5,915.6	+6.1%
Hungary	537.4	624.0	+16.1%
Serbia	391.4	336.7	-14.0%
Russia	66.4	-	-100.0%
<b>TOTAL</b>	<b>6,570.1</b>	<b>6,876.4</b>	<b>+4.7%</b>

**CONSUMPTION OF PURCHASED OR ACQUIRED ELECTRICITY, HEAT, STEAM, OR COOLING FROM FOSSIL SOURCES (SCOPE 2) (MWh)**

Site	2023	2024	Δ
Croatia	21,047.0	19,630.0	-6.7%
Hungary	3,944.0	3,160.0	-19.9%
Serbia	2,478.0	2,057.0	-17.0%
Russia	2,452.0	3,311.0	+35.0%
<b>TOTAL</b>	<b>29,921.0</b>	<b>28,158.0</b>	<b>-5.9%</b>



**OTHER SOURCES**

	2023	2024
 <b>Total energy consumption from nuclear sources</b>	-	-
<b>Share of energy from nuclear sources in total energy consumption</b>	-	-
<b>Total energy consumption from renewable sources</b>	-	-
Energy consumption for renewable sources including biomass	-	-
 Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	-	-
Consumption of energy from renewable sources from own production, except for fuel	-	-
<b>Share of energy from renewable sources in total energy consumption</b>	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

# EMISSIONS

During the reporting period, total greenhouse gas emissions did not decrease, despite clearly defined targets. The increase in emissions is a consequence of a larger production volume and improved calculation methodology, which is considered an important step towards more accurate and transparent reporting. Additionally, for a portion of Scope 3 emissions calculated during the reporting period, there is no comparable data available for 2023.

Although 2023 has been selected as the baseline year for Scope 1 and 2, alignment with Scope 3 has not yet been fully completed. This is due to the need for additional analysis and data validation from the value chain, as the operational boundary was gradually expanded throughout the year, and Scope 3 was initially not included. In the upcoming period, a recalculation and alignment of the baseline year for Scope 3 is planned, which will ensure greater comparability and consistency in reporting.

In defining the organizational boundary, the AD Plastik Group applies the operational control approach. Emissions reporting includes all entities covered by the consolidated financial

	t CO <sub>2</sub> e 2023	reference year	location-based targets	
			2030	2050
<b>Scope 1 and 2</b>	9,740	√	4,900 -50%	- <b>net zero</b>
Scope 1	1,790	√	900	-
Scope 2	7,950		4,000	-
<b>Scope 3</b>	64,353.1	×	51,483 -20%	- <b>net zero</b>

statements, except for the Kaluga and Slovenia sites, which have limited operational and sustainability relevance.

Based on consultations with expert organizations and individuals, as well as additional training for internal specialists, the calculation of emissions for Scope 1, 2, and 3 has been improved. The changes primarily relate to the calculation methodology, and to ensure better comparability, the same methodology has been applied to 2023, resulting in changes in that section as well, which is further explained on the following pages.

More information on the scope of reporting can be found on [page 17](#).

## TOTAL EMISSIONS SCOPE 1, 2, 3

### BASED ON MARKET (t CO<sub>2</sub>e)

Site	2023	2024	Δ
Croatia	47,523.9	77,620.9	+63.3%
Hungary	9,359.8	9,209.8	-1.6%
Serbia	10,004.1	9,446.6	-5.6%
Russia	8,121.7	11,065.9	+36.3%
<b>TOTAL</b>	<b>75,009.5</b>	<b>107,343.2</b>	<b>+43.1%</b>

### BASED ON SITE (t CO<sub>2</sub>e)

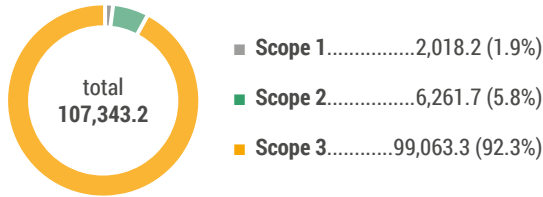
Site	2023	2024	Δ
Croatia	48,995.7	79,728.5	+62.7%
Hungary	9,359.8	9,209.8	-1.6%
Serbia	10,004.1	9,446.6	-5.6%
Russia	8,121.7	11,065.9	+36.3%
<b>TOTAL</b>	<b>76,481.3</b>	<b>109,450.8</b>	<b>+43.1%</b>

INTENSITY **0.70** t CO<sub>2</sub>e/k€

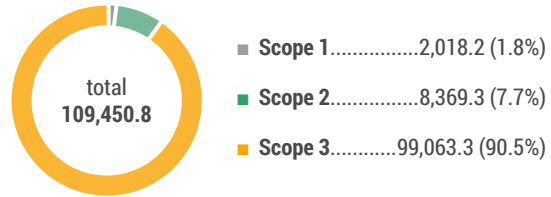
INTENSITY **0.72** t CO<sub>2</sub>e/k€

Emissions intensity is measured as the ratio of total Scope 1, 2, and 3 emissions (t CO<sub>2</sub>e) to **total revenue** (k€).

### BASED ON MARKET (t CO<sub>2</sub>e)

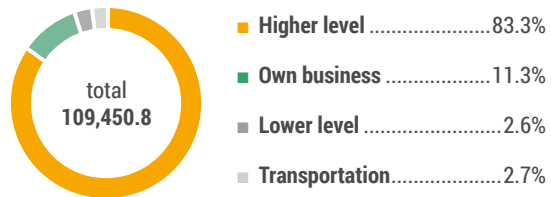


### BASED ON SITE (t CO<sub>2</sub>e)



### DISTRIBUTION OF EMISSIONS IN THE VALUE CHAIN (t CO<sub>2</sub>e)

	2023	2024	Δ
Higher level	62,251.4	91,217.7	+46.5%
Own business	11,740.1	12,324.1	+5.0%
Lower level	-	2,899.9	-
Transportation	2,489.8	3,009.0	-20.9%
<b>TOTAL</b>	<b>76,481.3</b>	<b>109,450.8</b>	<b>+43.1%</b>



## SCOPE 1 – Energy Consumption

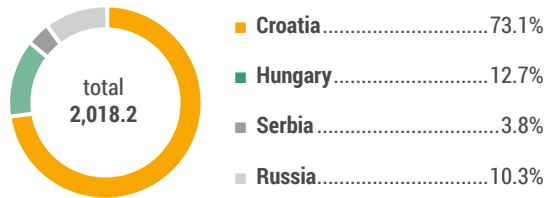
This includes the consumption of fuel oil, natural gas for heating, bottled LPG for forklifts, as well as gasoline and diesel for company-owned or leased vehicles, including emissions from official business trips in these vehicles. The calculation is performed by multiplying the quantity of consumed energy (measured in tons, liters, or cubic meters) by the corresponding emission factor. Emission factors from DEFRA, which are

internationally accepted and regularly updated to ensure accuracy, were used for the emission calculations.

In relation to the report published for the previous period, different emission factors were used, so there were changes for 2023 as well. At the same time, the emissions related to business trips were transferred to Scope 1 for a more precise calculation, as the company has data on fuel consumption.

### GROSS EMISSIONS (t CO<sub>2</sub>e)

Site	2023	2024	Δ
Croatia	1.387.2	1.475.6	+6.4%
Hungary	161.2	257.3	+59.6%
Serbia	88.9	76.5	-13.9%
Russia	152.4	208.8	+37.0%
<b>TOTAL</b>	<b>1,789.7</b>	<b>2,018.2</b>	<b>+12.8%</b>



## SCOPE 2 – Electricity

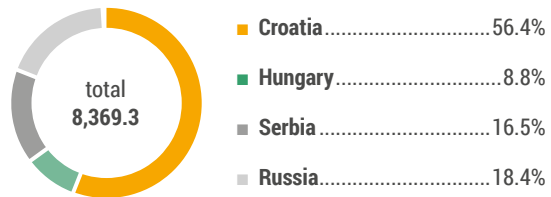
Emissions are calculated based on the actual electricity consumption, which is provided on the supplier invoices. Consumption is multiplied by the location-based emission factor of each country to ensure a more accurate emission calculation. Carbon Database Initiative emission factors for 2023 and 2024 were used. As a result, changes were also made to the 2023 data, since different emission factors were applied in the previous reporting period.

Although the total consumption of electricity in 2024 was slightly lower than the previous year, greenhouse gas emissions from Scope 2 increased due to higher emission factors for electricity in the countries where we operate.

The company requested market-based emission factors from electricity suppliers by site, but received them only for Croatia. Accordingly, the total market-based greenhouse gas emissions value is not fully accurate.

### GROSS LOCATION-BASED EMISSIONS (t CO<sub>2</sub>e)

Site	2023	2024	Δ
Croatia	4,271.1	4,718.5	+10.5%
Hungary	964.8	734.7	-23.9%
Serbia	1,553.2	1,379.3	-11.2%
Russia	1,160.9	1,536.8	+32.4%
<b>TOTAL</b>	<b>7,950.0</b>	<b>8,369.3</b>	<b>+5.3%</b>



### GROSS MARKET-BASED EMISSION (t CO<sub>2</sub>e)

Site	2023	2024	Δ
Croatia	2,799.2	2,610.9	-6.7%
Hungary	964.8	734.7	-23.9%
Serbia	1,553.2	1,379.3	-11.2%
Russia	1,160.9	1,536.8	+32.4%
<b>TOTAL</b>	<b>6,478.2</b>	<b>6,261.7</b>	<b>-3.3%</b>



## SCOPE 3 – Other Emissions

During the reporting period, the calculation of emissions within Scope 3 was improved and expanded to include additional categories that were not previously covered. For the years 2023 and 2024, emissions were calculated for additional categories that were not previously part of the report, which ensured a more complete presentation of the company's carbon footprint.

At the same time, more precise calculation methodologies for some categories are still in development, and active work is

underway to improve them. The goal is to implement calculations in future reporting periods that will include more detailed data on the supply chain, product use, and disposal.

Through further collaboration with relevant stakeholders, using industry guidelines, and adapting the methodology, consistency and alignment with best practices in greenhouse gas emissions reporting will be ensured.

### GROSS EMISSIONS (t CO<sub>2</sub>e)

Site	2023	2024	Δ
Croatia	43,337.5	73,534.4	+69.7%
Hungary	8,233.7	8,217.8	-0.2%
Serbia	8,362.0	7,990.8	-4.4%
Russia	6,808.4	9,320.3	+36.9%
<b>TOTAL</b>	<b>66,741.6</b>	<b>99,063.3</b>	<b>+48.4%</b>



	2023	2024	Δ
1. Purchased goods and services	59,281.4	83,790.3	+41.3%
2. Capital goods	-	4,254.6	-
3. Fuel- and energy-related activities (not included in Scope 1 and 2)	2,970.0	3,169.6	+6.7%
4. Upstream transportation and distribution	2,489.8	3,009.0	+20.9%
5. Waste generated in operations	-	89.9	-
6. Employee business travel	164.0	90.3	-44.9%
7. Employee commuting	1,836.4	1,756.4	-4.4%
8. Leased assets (rental)	-	3.2	-
12. End-of-life treatment of sold products	-	69.4	-
15. Investments - Euro APS (Croatia)	-	2,830.5	-



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## 1 Purchased goods and services

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To ensure the most accurate calculation of emissions, a distinction is made between recycled and non-recycled basic materials, with their quantities calculated according to their specific emission factors. Materials such as wood, cardboard, plastic film, and office paper are included in the calculation, based on the tonnage of material used in packaging. All these indicators are also part of the material flows within the Circular Economy.

A combined approach was used to calculate emissions, with the average-data method applied for basic materials and the spend-based method used for other goods and services. For the latter, DEFRA's emission factors from 2021 were used (spend-based), with inflation rate adjustments, ensuring data relevance and covering a broader range of purchasing. Further improvements in the methodology are planned for the next reporting period to increase accuracy and scope of this segment. Due to data unavailability, emissions from this category for 2023 were partially calculated.

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## 2 Capital Goods

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Emissions were calculated using the spend-based method, applying DEFRA's 2021 emission factors, adjusted for inflation rates to ensure data relevance.

The data used for the calculation was sourced from financial reports, with capital goods referring to only two categories: buildings and plants & equipment. This approach ensures a more comprehensive representation of the impact of capital investments on the company's total carbon footprint. Emissions for 2023 have not been calculated.

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## 3 Fuel- and energy-related activities (not included in Scope 1 and 2)

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Emissions from this category include emissions from the "Well-To-Tank" (WTT) phases and transmission and distribution (T&D) losses for electricity consumed from Scope 2, as well as for fuels used from Scope 1 (fuel oil, natural gas, LPG, gasoline, and diesel).

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## 4 Transport and distribution

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Emissions were calculated by multiplying the total transport distance, the weight of goods in tons, and the corresponding emission factors, with transport emission factors from the official DEFRA database used, including factors that account for emissions occurring before the fuel combustion (WTT).

The analysis was fully conducted for sites in Russia, Serbia, and Hungary, while for the parent company in Croatia, it was partially carried out. In Croatia, data for the 30 largest suppliers (out of a total of 500) were included, considering EXW and DAP delivery terms. The net weight of purchased materials was used, as data on gross weight is currently unavailable, and for materials expressed in different units of measurement, the weight was estimated based on conversion factors.

The analysis covers only transportation from first-tier suppliers to Group sites and transportation of finished products to customers, but only in cases where the transportation was organized by the company. Transport organized by customers, as well as internal transportation within production sites in Croatia, are currently excluded due to data unavailability.

Unlike previous periods when the weight of goods was not included in the calculation, the emission calculation methodology has been improved, and a more reliable approach based on the actual quantity of goods transported has been introduced. With this calculation, the impact of transport processes in the supply chain on total emissions was quantified for the first time, with the planned further improvement of data collection and reporting methodology, in accordance with international standards and regulatory requirements. ►

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► **5 Waste generated in operations**

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Emissions from waste generated during operations were calculated based on data regarding the type, quantity, and disposal method of waste, expressed in tons, and multiplied by the corresponding emission factors. The calculation is made by multiplying the quantity of each type of waste and its associated emission factor, with waste categorized into the following groups: plastics, metals, paper/cardboard, electrical waste, textiles, mineral oils, bricks, wood, and commercial/industrial waste. Emissions were determined depending on the waste treatment method, including recycling, energy recovery through incineration, and landfilling. Emission factors from DEFRA for 2024 were also used for calculation to ensure consistency with internationally recognized standards. Emissions for 2023 have not been calculated.

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**6 Business Travel**

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Emissions from business travel by plane are based on data provided for each flight ticket by the travel agency organizing the trips. Data for sites outside of Croatia were not available during the reporting period. Emissions from rented vehicles are not included in Scope 3 but are reported under Scope 1.

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**7 Employee Commuting**

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For employee commuting to and from work, an estimated value is used, based on the employees' home addresses and their mode of transportation. This estimate is then multiplied by the corresponding emission factor from DEFRA.

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**8 Upstream Leased Assets**

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Most of the emissions from the use of leased properties, machinery, and vehicles have already been included in the Scope 1 and 2 calculations, based on actual energy and fuel consumption. In this category, emissions were calculated for the warehouse in Krapina, based on electricity consumption.

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**EMISSIONS AFTER PRODUCT DELIVERY**

**DOWNSTREAM**

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**9 Transport and distribution**

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Emissions from this category, which refer to the transport of products organized by customers or third parties, are not included due to the unavailability of data.

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**10 Processing of sold products**

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Emissions have not been included in this year's calculation as precise data on the production processes of customers have not yet been collected. Since the company's products are further processed, i.e., assembled onto vehicles before final use, it is planned to develop a data collection system in collaboration with customers in the next reporting periods, which will enable accurate calculations in future reporting periods.

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**11 Use of sold products**

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Emissions have also not been included in this year's calculation as precise data has not yet been collected. Although the company's products do not directly consume energy, their mass positively impacts fuel consumption in the vehicles in which they are installed. In the next reporting periods, it is planned to develop an appropriate methodology that will allow for a comprehensive representation. ►

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► **12 End-of-life treatment of sold products**

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Emissions have been calculated based on the total quantity of sold products expressed in tons. According to average industry data, it is assumed that 50 percent of the products are recycled, 25 percent are disposed of by incineration, and 25 percent are landfilled at the end of the vehicle's life cycle. For the calculation, DEFRA emission factors for waste in Scope 3 were used, with the same factor applied as indicated in the tables. Emissions for 2023 have not been calculated.

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**13 Leased assets**

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Emissions from leases are not separately reported, as emissions from rented spaces have already been included in the calculation of Scope 1 and 2, based on actual energy and fuel consumption. Additionally, the leased space was not in use for most of the year, meaning it was not actively rented, and therefore, there were no material emission sources that would require a separate calculation under this category.

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**14 Franchises**

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Emissions from this category are not applicable as the company does not operate under a franchise model.

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**15 Investments**

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Emissions related to investments include emissions from Scope 1 and 2 of the affiliated company Euro APS, calculated proportionally to the 50 percent ownership share, in accordance with the applicable requirements of the ESRS. Data for Scope 3 were not available and will be sought for inclusion in the next reporting period. Since the operational control approach is used to determine reporting boundaries, the guidelines allowing the inclusion of emissions in accordance with the company's ownership share in this entity were applied in this case. No data is available for 2023.

AD Plastik Group does not currently apply the internal carbon price system in its business decisions, and its potential introduction will be considered in accordance with future regulatory requirements and strategic sustainability goals. There were no biogenic CO<sub>2</sub> emissions because biomass is not used as an energy source nor is it used in processes.

During the reporting period, no formal analysis was conducted regarding the expected financial impacts, material physical

and transitional climate risks, or potential opportunities. Based on preliminary internal assessments and available data, it was determined that the risks are currently not material to the company's financial position. However, the importance of a comprehensive analysis of climate risks and opportunities has been recognized, and preparatory work is underway to establish a methodology and conduct a detailed analysis in the upcoming periods. This will ensure comprehensive and transparent reporting in future reports, in line with ESRS requirements.

*In this reporting period, capital and operating expenses related to climate measures were not presented separately, but it is planned to develop a methodology for their monitoring and linking to financial statements in future periods.*

*The Emissions Trading System (EU ETS) does not apply to the company's operations, and none of its sites fall under the regulatory scope of the ETS. Consequently, there is no requirement to acquire emission allowances, nor is any revenue generated from their sale.*



# E2

## POLLUTION

Pollution management is crucial for the long-term sustainability of a business, both in terms of compliance with regulatory requirements and environmental preservation, as well as cost optimization. Key risks and opportunities associated with various forms of pollution have been identified, and management activities are focused on minimizing negative impacts and seizing opportunities to improve business performance.

The analysis of double materiality has enabled clear identification of material impacts, risks, and opportunities related to pollution. Monitoring VOC emissions from painting lines, emissions from boiler rooms, and cooling systems helps reduce pollution and ensures compliance with laws. Replacing equipment with more efficient technology reduces pollution but requires higher initial investments.

By using IMDS and REACH regulations, the presence of hazardous substances is analyzed and reduced, including replacing chrome-plated components with more sustainable alternatives. Microplastics are controlled through filtration and closed cooling systems, while storing plastic materials in enclosed spaces increases operational costs.

Pollution of living organisms, food resources, and substances of very high concern has not been given special attention, as they are not relevant to the company's operations, while soil pollution has been assessed as non-material. However,

other factors related to this issue have been deemed material, which was confirmed by stakeholder assessment, further emphasizing the completeness and importance of reporting on pollution.

Business activities at all sites have been analyzed using qualitative assessments and assumptions, and within the Environmental Protection Policy, a clear focus has been defined on preventing and controlling air, water, and soil pollution. Specific procedures for reducing negative impacts and replacing harmful substances have been established and are applied at all levels of the business, ensuring consistent environmental protection. Emission monitoring systems are regularly maintained and supervised, while modernization and implementation of measures help reduce pollution at the source, with action plans enabling rapid intervention in case of incidents. The company systematically applies measures to avoid, reduce, and control pollution, ensuring the long-term sustainability of its operations.

Apart from its own operations, the company implements measures through collaboration with stakeholders in the value chain. The Supplier Management Policy encourages the use of sustainable materials, reduction of hazardous substances, and the application of environmentally friendly technologies. The best available techniques are promoted, along with the gradual elimination of materials with negative effects. Additionally, through a certification system and regular

- ▶ reporting, compliance with relevant standards and regulations is ensured. By continuously optimizing processes, including emission reductions, the company, together with its value chain, contributes to reducing the ecological footprint and ensuring long-term business sustainability.

The target values for pollution management have been set ambitiously – transitioning to water-based paints, coatings, and solvents by 2050, and increasing the share of ecological materials to 40 percent by 2030. These voluntary values are based on a detailed analysis of business activities and are monitored through regular reporting and comparison with previous results. The goals are set in line with regulatory requirements and best industry practices, with ecological thresholds not being considered. Instead, the approach is based on compliance with relevant legislation, reducing the environmental footprint, and optimizing operational processes.

In accordance with legal regulations, emissions of NO<sub>2</sub>, SO<sub>2</sub>, CO<sub>2</sub>, PM, and VOC are regularly measured. Monitoring systems and regular servicing ensure control over the negative impacts of emissions from thermal processes and the painting line.

Cooling substances are used in cooling systems and fire protection systems, with records confirming regular servicing and maintenance of the systems in collaboration with authorized service providers.

#### REFRIGERANT QUANTITY IN THE EQUIPMENT (t)

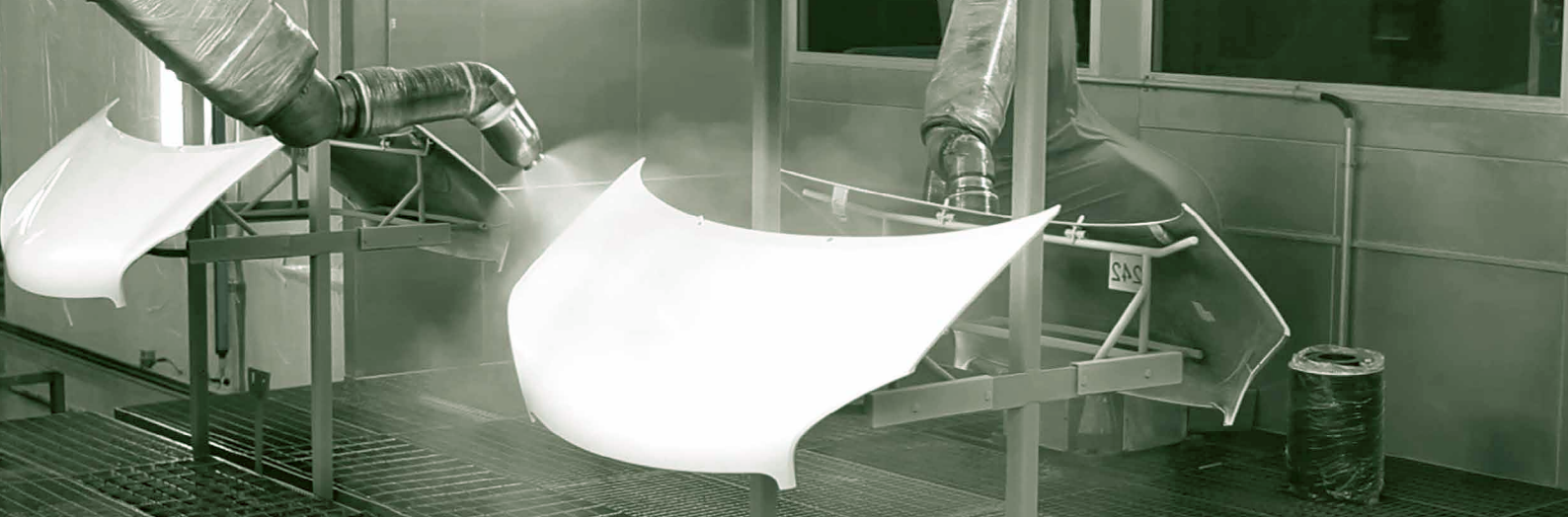
Site	2023	2024	Δ
Croatia	1.6	1.7	+3.9%
Hungary	0.4	0.2	-60.5%
Serbia	0.2	0.1	-54.5%
Russia	0.4	-	-97.3%
<b>TOTAL</b>	<b>2.6</b>	<b>2.0</b>	<b>-23.1%</b>

Refrigerants (t)	2024				
	Croatia	Hungary	Serbia	Russia	TOTAL
R22	0.029	-	0.009	-	<b>0.038</b>
R32	-	0.020	0.004	-	<b>0.024</b>
R407C	0.974	-	0.074	0.011	<b>1.058</b>
R404A	0.004	-	-	-	<b>0.004</b>
R410A	0.452	0.077	0.004	-	<b>0.534</b>
R417A	0.030	-	-	-	<b>0.030</b>
R449A	0.009	-	-	-	<b>0.009</b>
R134A	0.125	-	-	-	<b>0.125</b>
HCFC-22	-	0.061	-	-	<b>0.061</b>
227ea	0.040	-	-	-	<b>0.040</b>
<b>TOTAL</b>	<b>1.7</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>2.0</b>

#### OTHER MATERIAL AIR EMISSIONS (t)

Site	2023	2024	Δ
Croatia	13.4	14.9	+11.2%
Hungary	-	0.2	-
Serbia	0.3	0.5	+66.7%
Russia	6.2	6.2	-
<b>TOTAL</b>	<b>19.9</b>	<b>21.8</b>	<b>+9.5%</b>

Emissions (t)	2024				
	Croatia	Hungary	Serbia	Russia	TOTAL
NO <sub>x</sub>	0.8	0.1	0.5	4.9	<b>6.3</b>
SO <sub>x</sub>	-	-	-	-	<b>-</b>
CO	0.5	0.1	-	-	<b>0.6</b>
VOC	13.6	-	-	1.2	<b>14.8</b>
PM(10)	-	-	-	0.1	<b>0.1</b>
<b>TOTAL</b>	<b>14.9</b>	<b>0.2</b>	<b>0.5</b>	<b>6.2</b>	<b>21.8</b>



## SUBSTANCES OF CONCERN

As a manufacturer of plastic components for the automotive industry, AD Plastik Group is required to register its products through the International Material Data System (IMDS), a global system for managing material data in the automotive industry. This system enables the collection, analysis, and exchange of information on the chemical composition of materials, ensuring full transparency across the entire supply chain. Its purpose is to ensure compliance with regulatory requirements (REACH, ELV, RoHS directives) and facilitate the vehicle recycling process at the end of its lifecycle.

Data in the IMDS system is regularly updated and provided to customers according to their requirements. This tool is crucial for managing material sustainability, contributes to compliance with environmental standards, and enables responsible business practices in the automotive industry.

All materials used in production are homologated by the car manufacturer, ensuring their technical and environmental compliance with industry standards. Before being used in production, they undergo detailed checks of chemical and technical specifications, guaranteeing that no substances are prohibited or restricted by applicable regulations. This ensures a high level of quality, safety, and environmental friendliness of the finished products, as well as long-term compliance with industry and legal standards.

The company systematically monitors and reports the presence of substances of concern in volatile organic solvents used in production processes, and the total VOC emissions from production facilities are shown in the table on [page 101](#).

The main sources of these emissions are paints, coatings, and solvents used in the painting processes in Zagreb. Volatile organic compounds (VOCs) include various chemical substances, such as toluene, benzene, and xylene, which are classified as substances of concern. Their consumption is monitored monthly through logbooks, where individual substances are not recorded; instead, data is collected at the total mass level of volatile organic compounds used.

During 2024, a total of **692 tons of paints, coatings, and solvents** were consumed in the painting processes, of which **552 tons consisted of volatile organic compounds**. To reduce the negative impact of volatile organic compounds, **321.63 tons** of volatile organic compounds were burned in the regenerative incinerators of the painting lines exhaust vents in Zagreb. The amount of volatile organic compounds is not measured on the delivered products.

Since the company is not a major polluter, internal analysis and implemented pollution management measures indicate that the expected financial consequences of significant risks and opportunities are minimal and do not have a material impact on the company's financial position, results, and cash flows.

Revenue from the sales of products and services that contain or consist of substances of concern relates exclusively to products undergoing a painting process; however, the exact share of such revenue within total revenue is not disclosed. Substances of very high concern have not been identified within the production process. During the reporting period, there were no incidents, and as such, it is not possible to present operational and capital expenses related to this factor. The costs for the remediation of polluted sites, or polygons, in 2024 amounted to EUR 27,881.

## MICROPLASTICS

Microplastics have been identified as a material topic by stakeholders due to the specific nature of the business in the production of plastic components for the automotive industry. It is important to note that **microplastics are not released during the manufacturing process**. The production process is based on melting plastic granules and injection molding into a mold cavity within a closed system under high pressure. However, scrapped products are generated during production, which can, in most cases, be reused within the system. To enable their reuse, they must be ground in a special mill.

The grinding process takes place within the mill housing, where rotating blades move around fixed blades, adjusted to the desired size of the granules. At the bottom of the housing, there is a sieve through which smaller particles pass, while larger ones remain in the process until they reach the appropriate size. During grinding, mechanical tearing of the

material occurs, resulting in plastic dust that, along with the granules, exits the mill. The dust is separated in a cyclone separator and collected in specially prepared bags, where it is sealed and stored as plastic waste.

To reduce the production of plastic dust and improve recycling efficiency, regular weighing of the extracted dust is performed, and its ratio to the total ground mass is determined. Mill maintenance includes regular cleaning, with blades being replaced or sharpened depending on the quantity and type of material being ground and the duration of the process. The cyclone separator undergoes regular cleaning and filter replacement, and its adjustment ensures the separation of dust without mixing with the granules. These procedures are defined by internal maintenance guidelines, ensuring the efficiency of the process and minimizing environmental impact.





# E3

## WATER RESOURCES MANAGEMENT

Water is an important natural resource and an integral part of the business processes used for the operation of AD Plastik Group's technological facilities. The company's operations do not cause a negative impact on local water resources and ecosystems, and all production plants are located outside areas with high water scarcity risks and protected areas. Water supply is exclusively ensured through local public water supply connections, and consumption is continuously monitored using water meters at all sites.

AD Plastik Group uses a systematic approach to assess material impacts, risks, and opportunities through a review of sites and business activities, as well as consultation with affected communities. As part of the double materiality analysis, consultations were held with the communities, and since there are no material impacts on marine resources, separate consultation on this topic was not conducted. On the other hand, water was identified as a material topic both internally and by stakeholders, with water consumption being particularly highlighted as an important factor. When assessing impacts, ecological thresholds were not considered, as the company does not have a material impact on overall water consumption and is not located in areas with water scarcity risks.

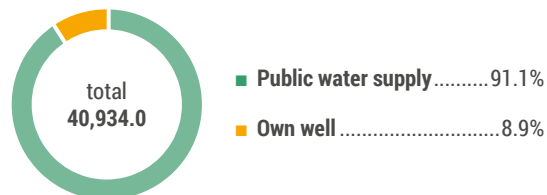
Both positive and negative impacts, both actual and potential, have been identified internally. The most important risks include financial challenges, depletion of local water resources, and high costs of modernizing wastewater and stormwater systems. At the same time, opportunities have been recognized, such as improving business sustainability through wastewater treatment systems, increasing transparency by monitoring the quality of discharged water, and optimizing consumption through digital tracking systems and online monitoring.

The company currently does not have a separate water resource management policy, but all sites consistently meet legal obligations and hold the appropriate water use permits. Responsible and sustainable water use is ensured through regular monitoring of consumption, analysis of discharged water, and infrastructural adjustments. The goal is **to reduce water consumption by 30 percent by 2030** through the introduction of more efficient technologies and process optimization, although the company is not legally obligated to do so.



### TOTAL WATER CONSUMPTION (m<sup>3</sup>)

Site	2023	2024	Δ
Croatia	36,164.0	33,641.0	-7.0%
Hungary	2,470.0	2,032.0	-17.7%
Serbia	1,717.0	1,871.0	+9.0%
Russia	3,601.0	3,390.0	-5.9%
<b>TOTAL</b>	<b>43,952.0</b>	<b>40,934.0</b>	<b>-6.9%</b>



### WATER CONSUMPTION FROM OWN WELL (m<sup>3</sup>)

Site	2023	2024	Δ
Zagreb	4,809.0	3,629.0	-24.5%
<b>TOTAL</b>	<b>4,809.0</b>	<b>3,629.0</b>	<b>-24.5%</b>

### WATER CONSUMPTION FROM PUBLIC WATER SUPPLY (m<sup>3</sup>)

Site	2023	2024	Δ
Croatia	31,355.0	30,012.0	-4.3%
Hungary	2,470.0	2,032.0	-17.7%
Serbia	1,717.0	1,871.0	+9.0%
Russia	3,601.0	3,390.0	-5.9%
<b>TOTAL</b>	<b>39,337.0</b>	<b>37,305.0</b>	<b>-5.2%</b>

INTENSITY	m <sup>3</sup> / per employee	m <sup>3</sup> / tons of products	m <sup>3</sup> / k€
	<b>23.0</b>	<b>4.1</b>	<b>0.27</b>

Water consumption intensity is measured as the ratio of total water consumption (m<sup>3</sup>) to **total revenue** (k€).

**GOAL**

**2030**  
water consumption  
**-30%**  
(2023 43,952.0 m<sup>3</sup>)

### WATER USED IN THE TECHNOLOGICAL PROCESS (m<sup>3</sup>)

Site	2023	2024	Δ
Croatia	11,046.0	11,048.0	0%
Hungary	10.0	12.0	+20.0%
Serbia	10.7	10.7	0%
Russia	670.0	670.0	0%
<b>TOTAL</b>	<b>11,736.7</b>	<b>11,740.7</b>	<b>-0.1%</b>

## TOTAL WATER DISCHARGE (m<sup>3</sup>)

Site	2023	2024	Δ
Croatia	17,806.0	16,681.0	-6.3%
Hungary	980.0	2,032.0	+107.3%
Serbia	1,717.0	1,871.0	+9.0%
Russia	3,601.0	3,390.0	-5.9%
<b>TOTAL</b>	<b>24,104.0</b>	<b>23,974.0</b>	<b>-0.5%</b>



In the production facilities, a recirculating water system is used, where cooling water is reused for cooling in a closed loop. A portion of the water evaporates and is replenished with fresh water, and the cooling systems are emptied and cleaned annually as needed. In Croatia, the amount of water consumed in the technological production process is measured at both sites, while at other sites the amount of technological water is displayed by volume according to the specifications of the cooling systems.

### Measures to Reduce Negative Impacts and Risks

To reduce potential negative effects, a digital consumption monitoring and alert system has been implemented in Croatia, enabling immediate response in case of any undesirable consumption fluctuations. Regular wastewater analyses are conducted at all sites to improve resource management efficiency, while infrastructure improvements reduce consumption and enable better control of water quality.

Each investment is considered from the perspective of its potential environmental impact, achieving an optimal balance between economic and environmental needs. The company is investing in the modernization of water supply systems to reduce losses, but the high costs of infrastructure investments can affect investment plans. In addition, wastewater is treated before discharge using sedimentation tanks, grease traps, and separators. The replacement of outdated infrastructure and the introduction of digital monitoring systems allow for the optimization of consumption and the reduction of operational risks.

In Hungary, water is purchased directly from MOL, which is responsible for water supply, wastewater management, storm-water drainage systems and compliance with regulatory requirements. In the production process, water is used mainly for cooling tools and oil, and is changed within the system once a year, with the discharged water being released into the sewage network also provided by MOL, which is fully compliant with applicable regulations.

Currently, financial quantification of the expected impacts related to water resources is not carried out, but the information is presented qualitatively in accordance with relevant reporting standards.





# E4

## BIODIVERSITY AND ECOSYSTEMS

Biodiversity is extremely important for the stability of ecosystems, and its preservation requires responsible management of natural resources and environmental impacts. Although it does not engage in activities that would have a direct negative impact on biodiversity, AD Plastik Group integrates ecological aspects into its business processes to contribute to reducing the overall environmental footprint.

The production sites are not located in protected areas, thus eliminating direct negative impacts on sensitive ecosystems. The company's activities do not include processes that could disrupt natural habitats or directly threaten specific species, thereby reducing the risk to biodiversity.

Despite this, through the double materiality assessment, the potential impact on certain aspects of this topic was analyzed, and certain links with environmental business factors were identified. As part of this assessment, only climate change, pollution, and invasive alien species were evaluated, while the effects on species' status, the extent and condition of ecosystems, land degradation, desertification, and soil cover were not assessed as they are not applicable to the business. The company does not use resources from natural ecosystems nor is it dependent on ecosystem services in its operational activities; therefore, an impact assessment on these topics was not carried out.

Of the assessed factors, climate change and pollution were recognized as material, based on stakeholder evaluation, making the topic of biodiversity relevant for reporting. Climate change affects ecosystems on a global scale, and the company, through its emission reduction measures and energy efficiency efforts, contributes to mitigating its consequences, as further detailed in the section on [climate change](#) and [pollution](#).

Although the topic of invasive alien species was not assessed as material, potential impacts were analyzed and it was concluded that business activities do not involve actions that could lead to their introduction into new habitats. Potential risks are exclusively associated with transportation and distribution; however, these are subject to strict controls to prevent any undesirable impact. ►



- ▶ A formal assessment of the resilience of the strategy and business model in relation to risks and opportunities related to biodiversity has not been conducted, as no direct risks that could threaten the sustainability of the business have been identified. Nevertheless, regulatory requirements and industry guidelines are continuously monitored to ensure long-term compliance and responsible management of potential environmental impacts.

Through its business approach, implementation of environmental protection policies, and improvement of technological processes, it ensures the long-term sustainability of its operations without negatively impacting biodiversity, while contributing to global efforts in ecosystem protection and combating climate change. In line with the Environmental Protection Policy, special emphasis is placed on biodiversity conservation, responsible land use, and preventing deforestation, in alignment with EU sustainable development goals and best practices in the automotive industry. Additionally, through the Sustainable Supplier Management Policy, it encourages the adoption of measures and the implementation of biodiversity protection practices, as well as the prevention of deforestation and ecosystem degradation, ensuring sustainable management of natural resources throughout the entire value chain.

Currently, no compensatory measures for biodiversity have been established, nor is a mitigation hierarchy applied in the company's action plans. Also, local and indigenous knowledge or nature-based solutions have not been used in previous initiatives. Target values related to biodiversity and ecosystems have not been defined, and ecological thresholds have not been used in setting goals. However, regulatory requirements and industry guidelines are continuously monitored to ensure responsible management of potential environmental impacts and long-term compliance with best practices. Through existing environmental protection policies and sustainable supplier management, principles of natural resource conservation and responsible land use are integrated, with continuous monitoring of best practices in the industry.

The quantification of expected financial consequences related to biodiversity and ecosystems has not been conducted, and currently, there is no relevant data available on potential impacts, dependencies, or key assumptions in this area.



# E5

## CIRCULAR ECONOMY

The evolution of business today is unthinkable without sustainability, especially in the auto industry, where reducing the impact on the environment through more efficient use of resources and the application of a circular economy is almost mandatory. As a long-term partner of leading vehicle manufacturers, AD Plastik Group recognizes the importance of innovations in sustainable materials, optimization of production processes and increased reuse of raw materials. By integrating circular economy principles into business strategies, the company reduces waste, improves energy efficiency and explores alternative materials with a smaller ecological footprint.

In the double materiality assessment, it was evaluated that all defined impacts of this topic are material, including the inflow of resources, outflow of materials, and waste management, which was also confirmed by stakeholders. The main challenges arise from the fact that polymers are mostly made from non-renewable sources, such as petrochemicals, and there is limited potential for separating all scrapped products in multi-component and painted products. An additional risk is posed by the high costs of researching and implementing new materials, which strain resources. On the other hand, positive progress is being made through the systematic monitoring of used materials and the integration of sustainable solutions into new projects, actively reducing the environmental footprint of manufacturing processes.

Through continuous process improvements, resource efficiency is increased, and the negative impact is reduced. The sustainability strategy focuses on extending product lifecycles, optimizing recycling processes, and reducing dependence on primary raw materials.

The strategy for managing these topics is shaped in response to stakeholder expectations, market trends, and global sustainability goals. Circular economy principles are integrated into business processes in accordance with internationally recognized standards ISO 14001 and ISO 50001, with regular performance assessments enabling continuous improvement. Through a systematic approach and close collaboration with suppliers and customers, resource usage is optimized, and the ecological footprint of the business is reduced.

In addition, the quality and sustainable supplier management policies, as well as the Code of Business Conduct, ensure the implementation of sustainability principles across all aspects of the business. These policies clearly define guidelines for responsible business practices, process improvements, and strengthening partnerships that support long-term sustainability. The environmental protection policy stipulates the reduction, reuse, and recycling of waste and packaging materials in line with circular economy practices, as well as the optimization of resource use and the increase of recycled materials in production processes. ►

- By 2030, the goal is to reduce the amount of waste sent to landfills by 80 percent, increase the share of recycled input materials in the total amount of polymers by 30 percent, and increase the share of returnable packaging and eco-friendly materials to 40 percent. Additionally, it is planned that at least 50 percent of production waste will be directed towards further use, while the long-term goal is for all products to be 100 percent recyclable by 2050.

As part of the RFQ (Request for Quotation) process, during the reporting period, in collaboration with one of the customers, a material containing 25 percent recycled material was proposed and adopted for one component.

Similarly, during the development of another product, the customer was presented with the possibility of forming a fixation

directly on the product, using ultrasonic (US) welding technology, while maintaining high product quality. Based on this, significant green savings were achieved, including a 8.66% reduction in product weight by eliminating adhesives and reducing energy consumption. Such optimization allows for a more environmentally friendly and energy-efficient production process, to the satisfaction of all stakeholders.

In addition to the photovoltaic power station, contracting the certified origin of electricity from renewable sources with suppliers is being considered in the medium term as an additional contribution to the integration of sustainable energy sources into the business. In accordance with the updated supplier sustainability questionnaire, an assessment of their sustainability is planned, the results of which will be included in the value chain assessment.

## RESOURCE INFLOWS

### SHARE OF RECYCLED MATERIAL IN PRODUCTION (t)

Site	2023	2024	Δ
Croatia	18.4%	14.8%	-19.7%
Hungary	0%	43.2%	0%
Serbia	23.1%	32.9%	+42.3%
Russia	18.7%	27.1%	+45.2%
<b>AD Plastik Group</b>	<b>15.9%</b>	<b>23.2%</b>	<b>+46.0%</b>

In the reporting year, an analysis of input materials was conducted, with a special emphasis on those used in production processes and becoming an integral part of the final products. The analysis monitored the share of recycled materials and non-returnable packaging components. The basic materials used in all production sites of the Group are thermoplastic organic polymers. They are used in different proportions and

combinations, depending on the product specifications. The analysis of the material inflow was conducted based on the official report of the controlling department, taking into account the original basic input materials, the recycled share of the original input materials and the regenerate as a by-product of the injection molding process. The recycled content rate of materials in the products is presented, with all processed material considered as recycled material incorporated into the final products.

Packaging data was taken from the internal ERP system where packaging was recorded in pieces, so the total quantity was estimated by multiplying the packaging surface area and the average specific density of three-layer cardboard. The same weight estimation methodology was applied for plastic foil, and most of the packaging used is reusable and returnable. ►

- The reuse of materials is optimized through a special calculation of the recycled content ratio for each processed material, based on reports of the total amount of raw materials used. The secondary raw material is identified within the Promis system by a special code, which is assigned immediately upon its creation and processing, allowing for the tracking of its integration into final products.

The source of information about the certification system used to determine the recycled material content in the base material is the customer's document, according to which the recycled content ratio is defined in accordance with their standard.

## MATERIAL CONSUMPTION BY CATEGORIES

A detailed breakdown of material consumption by categories ensures a systematic assessment of material flows in production, allowing for a better understanding of the impact of used resources and their optimization in line with sustainable business principles. The data for 2023 has been updated to ensure high-quality comparability, as data from previous years was collected using a different methodology. This adjustment ensures consistency in the analysis and enables more precise tracking and comparison of trends over time periods.

TYPES OF MATERIALS (t)		2023	2024	share of recycled material
Croatia	Basic materials	7,464.3	5,929.6	
	Recycled part of basic materials	671.0	369.4	14.8%
	Secondary raw material	703.5	507.5	
Hungary	Basic materials	1,732.0	1,899.0	
	Recycled part of basic materials	-	821.0	43.2%
	Secondary raw material	-	-	
Serbia	Basic materials	737.9	661.1	
	Recycled part of basic materials	157.7	185.9	32.9%
	Secondary raw material	13.1	31.8	
Russia	Basic materials	1,115.0	1,322.4	
	Recycled part of basic materials	115.0	-	27.1%
	Secondary raw material	93.2	358.5	
<b>Total materials used</b>		<b>11,049.2</b>	<b>9,812.1</b>	<b>23.2%</b>
<b>Total recycled materials used</b>		<b>1,753.5</b>	<b>2,274.1</b>	
<b>Total secondary raw material</b>		<b>809.8</b>	<b>897.8</b>	

OFFICE PAPER (t)	2023	2024	Δ
Croatia	9.8	8.3	-15.5%
Hungary	2.2	3.8	+72.7%
Serbia	0.9	1.0	+11.1%
Russia	1.7	1.6	-3.6%
<b>TOTAL</b>	<b>14.6</b>	<b>14.7</b>	<b>+0.8%</b>

# RESOURCE OUTFLOWS

AD Plastik Group's key products are plastic parts for the interior and exterior of cars, which mostly consist of basic and auxiliary materials listed in the table [Material consumption by categories](#). The amount of material in the outflow corresponds to the amount of processed materials in the resource inflow, since all processed material is ultimately incorporated into the final product that is delivered directly to customers. There are no internal warehouses that could accumulate larger quantities of goods and thereby disrupt the input-output balance. In cases where AD Plastik Group is a development supplier, the principles of circularity and sustainability are taken into account during product design, which is described in more detail on [pg. 27](#).

The expected durability of the product is in line with automotive industry standards, with the quality of materials and products being highly regulated by car manufacturers and customers of AD Plastik Group. The average lifespan of polymer products in vehicles corresponds to the lifespan of the vehicles themselves, which, according to available EU statistics, ranges between 10 and 20 years. All products are designed to allow for disassembly and eventual replacement. During product validation, tests are conducted in authorized laboratories, including testing the forces required for assembly and disassembly. The possibility of repairing polymer parts depends on the type and severity of damage.

Currently, the calculation of recycled content rates at the level of individual products is not performed, but it is planned to establish a system that will enable more detailed monitoring of this indicator in the future. An analysis of the total amount of materials used has determined that the share of recycled material in the inflow is equal to the share of recycled material in the outflow, since all processed material is ultimately incorporated into the final products. This ensures the consistency of material flow and supports the principles of a circular economy within the production process.

PACKAGING (t)	2023	2024	Δ
Wooden pallets	690.6	469.7	-32.0%
Cardboard	231.5	227.2	-1.9%
Plastic foil	196.4	273.9	+93.5%
		970.8	

	2023	2024	Δ
<b>WOODEN PALLETS</b>	<b>690.6</b>	<b>469.7</b>	<b>-32.0%</b>
Croatia	452.4	324.6	-28.2%
Hungary	81.7	50.1	-38.7%
Serbia	138.9	77.4	-44.3%
Russia	17.6	17.6	0%
<b>CARDBOARD</b>	<b>231.5</b>	<b>227.2</b>	<b>-1.9%</b>
Croatia	72.1	101.8	+41.2%
Hungary	95.5	77.2	-19.2%
Serbia	59.1	40.4	-31.6%
Russia	4.8	7.8	+62.5%
<b>PLASTIC FOIL</b>	<b>196.4</b>	<b>273.9</b>	<b>+39.5%</b>
Croatia	60.8	148.4	+144.1%
Hungary	25.6	21.5	-16.0%
Serbia	77.6	41.9	-46.0%
Russia	32.4	62.1	+91.7%

AD Plastik Group does not use biological materials.





# WASTE MANAGEMENT

Responsible waste management is one of the basic elements of the circular economy that is integrated into the environmental protection strategy of the AD Plastik Group. This commits to waste prevention, recycling and reuse of materials, and safe disposal in accordance with regulations.

Current waste reduction targets are not set on the basis of scientifically defined environmental thresholds or sectoral allocations, but are voluntary and arise from internal analyses and operational strategies. The approach is based on optimizing production processes, increasing recycling and reducing waste ending up in landfills, while improving the waste management system.

An improvement in the methodology for setting goals is planned through the analysis of ecological thresholds and alignment with national and industry standards in the future. This process will also consider relevant regulatory frameworks and scientific guidelines, including EU circular economy goals and sectoral recommendations for waste reduction.

Waste is systematically managed in accordance with the ISO 14001 standard, where this is not only the responsibility of the professional services but also of all employees. Internal procedures clearly define waste management processes, with a mandatory regular assessment of the system's effectiveness on an annual basis.



## MANAGEMENT OF PRODUCTION WASTE

Waste represents a potential loss of resources, materials, and energy, so preventing its generation is an important premise of the business strategy. The primary raw material for production processes is thermoplastic polymers, which are processed using injection molding, extrusion, and thermoforming technologies, while plastic components are painted on painting lines in Zagreb.

### The process of managing defective products:

<b>Visual and measurable control</b>	defective products are separated into special containers
<b>Internal recycling</b>	defective products are, wherever possible, ground and returned to the production process
<b>External disposal</b>	in case recycling is not possible, waste is handed over to an authorized waste disposal company, with mandatory documentation as required by law

## TOTAL AMOUNT OF WASTE

Site	2023 (t)	2024 (t)	Δ
Croatia	1,293.3	1,823.1	+41.0%
Hungary	239.3	173.7	-27.4%
Serbia	127.8	101.2	-20.8%
Russia	94.4	159.4	+68.9%
<b>TOTAL</b>	<b>1,754.7</b>	<b>2,257.3</b>	<b>+28.6%</b>

Waste sorting is based on direct measurements – after the production process is completed, waste is handed over to authorized waste handlers who measure it and provide official data. Based on these measurements and documentation, the proportions of materials that can be recycled or reused are determined, ensuring consistent and transparent product classification. The amount of waste at the sites directly depends on the level of production, the type and quantity of raw material packaging, and additional activities such as extraordinary cleanings and the introduction of new products. As a result, the amount of waste increased at certain sites during the reporting period due to the following activities:

**Solin** due to extraordinary cleanings

**Zagreb** due to the introduction of new projects and frequent trials

**Vintai** due to increased production

A significant increase in waste recycling is also a result of the aforementioned activities. Notably, at the factory in Zagreb, the introduction of a new painting technology project led to



## NON-HAZARDOUS WASTE (t)

Site	2023	2024	Δ
Croatia	484.1	1,174.3	+142.6%
Hungary	231.4	166.5	-28.0%
Serbia	122.1	101.2	-17.1%
Russia	93.3	143.7	+54.1%
<b>TOTAL</b>	<b>930.9</b>	<b>1,585.8</b>	<b>+70.4%</b>

## HAZARDOUS WASTE (t)

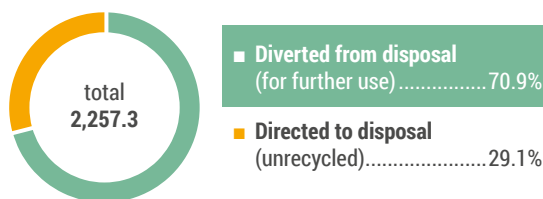
Site	2023	2024	Δ
Croatia	809.1	648.7	-19.8%
Hungary	7.9	7.2	-9.2%
Serbia	5.7	-	-100%
Russia	1.1	15.6	+1,321.8%
<b>TOTAL</b>	<b>823.9</b>	<b>671.5</b>	<b>-18.5%</b>

an increase in the amount of paper and plastic waste, which is systematically recycled. In Solin, the share of recycled waste also increased due to extraordinary cleanings of the site.

## WASTE DISPOSAL METHODS

### DIVERTED FROM DISPOSAL (t)

Method	2023	2024	Δ
Recycling	791.4	1,594.9	+101.5%
Energy recovery	25.3	4.5	-82.2%
<b>TOTAL</b>	<b>816.6</b>	<b>1,599.4</b>	<b>+95.9%</b>



## DIRECTED TO DISPOSAL (t)

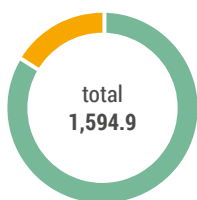
Method	2023	2024	Δ
Incineration of waste on land	3.6	303.1	+8,294.7%
Disposal of waste in a specially prepared landfill	321.3	192.3	-40.2%
Storage of waste before applying any of the disposal procedures	613.1	103.0	-83.2%
Physical-chemical treatment of waste	-	59.5	-
<b>TOTAL</b>	<b>938.1</b>	<b>657.9</b>	<b>-29.9%</b>

## RECYCLING (t)

Non-hazardous waste	2023	2024	Δ
Croatia	379.9	1,159.9	+205.3%
Hungary	25.4	29.9	+17.5%
Serbia	-	-	-
Russia	57.9	143.7	+148.5%
<b>TOTAL</b>	<b>463.2</b>	<b>1,333.5</b>	<b>+187.9%</b>

Hazardous waste	2023	2024	Δ
Croatia	324.4	261.4	-19.4%
Hungary	2.7	-	-100%
Serbia	-	-	-
Russia	1.1	-	-100%
<b>TOTAL</b>	<b>328.2</b>	<b>261.4</b>	<b>-20.3%</b>

Non-hazardous waste	quantity
Paper and cardboard packaging	410.6
Waste plastic	400.5
Iron and steel	191.8
Decorations and scraps of mixed fabric	122.9
Mixed packaging	112.4
Wooden packaging	23.5
Plastic packaging	19.5
Waste foil	18.0
Waste polyurethane foam, uncontaminated	6.8
Tiles and ceramics	6.1
Waste from polypropylene products	6.1
Waste from uncontaminated packaging boards	4.1
Plastic and rubber	3.6
Paper-cardboard	3.3
Waste from polyethylene foil and polyethylene products	2.8
Fiberglass waste	1.1
Inorganic waste	0.5
<b>TOTAL</b>	<b>1,333.5</b>



- Non-hazardous waste .....83.6%
- Hazardous waste .....16.4%

<b>Hazardous waste</b>	<b>quantity</b>
Other solvents and solvent mixtures	208.7
Waste sludge	51.9
Metal packaging containing hazardous solid porous materials, including empty pressure containers	0.6
Discarded equipment containing hazardous components	0.2
Fluorescent tubes and other mercury-containing waste	0.1
Batteries and accumulators	-
<b>TOTAL</b>	<b>261.4</b>

#### PREPARATION FOR REUSE (t)

<b>Hazardous waste</b>	<b>2023</b>	<b>2024</b>	<b>Δ</b>	<b>Hazardous waste</b>	<b>quantity</b>
Croatia	25.3	4.5	-82.2%	Non-chlorinated hydraulic oils	4.5
Hungary	-	-	-	<b>TOTAL</b>	<b>4.5</b>
Serbia	-	-	-		
Russia	-	-	-		
<b>TOTAL</b>	<b>25.3</b>	<b>4.5</b>	<b>-82.2%</b>		

*AD Plastik Group does not use machines, devices, equipment, or raw materials that contain radioactive substances, and therefore, does not generate radioactive waste.*

#### INCINERATION ON LAND (t)

<b>Hazardous waste</b>	<b>2023</b>	<b>2024</b>	<b>Δ</b>	<b>Hazardous waste</b>	<b>quantity</b>
Croatia	-	303.1	-	Paint or varnish sludges containing organic solvents or other hazardous substances	195.6
Hungary	3.6	-	-100.0%	Packaging containing residues of hazardous substances or contaminated with hazardous substances	60.8
Serbia	-	-	-	Absorbents, filter materials, wiping cloths and protective clothing contaminated with hazardous substances	38.6
Russia	-	-	-	Waste paints and varnishes containing organic solvents or other hazardous substances	8.1
<b>TOTAL</b>	<b>3.6</b>	<b>303.1</b>	<b>+8,294.7%</b>	Organic waste containing hazardous substances	0.1
				Waste printer toners containing hazardous substances	-
				<b>TOTAL</b>	<b>303.1</b>

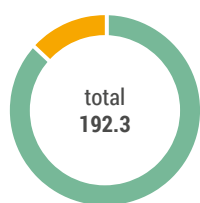
## WASTE DISPOSAL AT A SPECIALLY PREPARED LANDFILL (t)

Non-hazardous waste	2023	2024	Δ
Croatia	54.1	14.1	-73.9%
Hungary	206.0	136.6	-33.7%
Serbia	24.4	17.0	-30.3%
Russia	35.4	-	-100.0%
<b>TOTAL</b>	<b>319.9</b>	<b>167.7</b>	<b>-47.6%</b>

Hazardous waste	2023	2024	Δ
Croatia	1.2	1.8	+49.2%
Hungary	0.3	7.2	+2,657.7%
Serbia	-	-	-
Russia	-	15.6	-
<b>TOTAL</b>	<b>1.4</b>	<b>24.6</b>	<b>+1,606.3%</b>

Non-hazardous waste	quantity
Plastic waste	89.8
Municipal waste	46.8
Mixed material waste	17.0
Plastic particles and shavings	7.3
Plastic and rubber	5.3
Bulk waste	1.5
Waste not otherwise specified	-
<b>TOTAL</b>	<b>167.7</b>

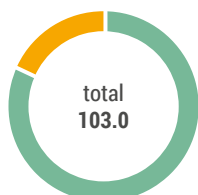
Hazardous waste	quantity
Garbage and assessments of industrial premises are low-risk	5.7
Assessments from the company's territory	5.7
Non-chlorinated engine, gear and mineral-based lubricating oils	4.4
Containers, polyethylene, contaminated	3.4
Discarded EE equipment	1.7
Hazardous packaging waste	1.1
Absorbents, filter materials, wiping cloths, protective clothing contaminated with hazardous substances	0.7
Waste adhesives and sealants containing organic solvents or other hazardous substances	0.5
Sand contaminated with oil or petroleum products	0.4
Oily plastic	0.3
Leather work shoes that have lost their consumer properties	0.2
Empty fuel bottles	0.2
Workwear made of natural, synthetic, artificial and wool fibers, contaminated with petroleum products	0.1
Waste toners	0.1
Waste wiping material contaminated with oil or petroleum products	0.1
Waste ink containing hazardous substances	-
<b>TOTAL</b>	<b>24.6</b>



## WASTE STORAGE BEFORE APPLICATION OF ANY DISPOSAL PROCEDURE (t)

Non-hazardous waste	2023	2024	Δ	Hazardous waste	2023	2024	Δ
Croatia	50.1	0.3	-99.4%	Croatia	458.3	18.5	-96.0%
Hungary	-	-	-	Hungary	1.3	-	-100.0%
Serbia	97.7	84.2	-13.8%	Serbia	5.7	-	-100.0%
Russia	-	-	-	Russia	-	-	-
<b>TOTAL</b>	<b>147.8</b>	<b>84.5</b>	<b>-42.8%</b>	<b>TOTAL</b>	<b>465.4</b>	<b>18.5</b>	<b>-96.0%</b>

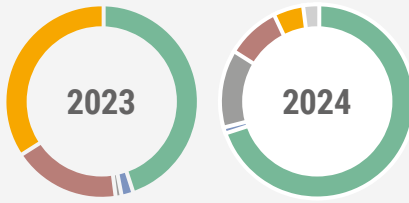
Non-hazardous waste	quantity	Hazardous waste	quantity
Scrap iron and steel	30.9	Waste containing oil	8.2
Waste plastic	26.3	Oily water from oil/water separators	6.4
Cardboard packaging	16.3	Sludge from separators	3.2
Wooden packaging	8.2	Oily rags/gloves	0.6
Plastic packaging	2.4	Pressurized packaging	0.2
Mixture of fats and oils from oil/water separators containing only edible oils and fats	0.3	Packaging containing residues of hazardous substances or contaminated with hazardous substances	0.1
<b>TOTAL</b>	<b>84.5</b>	<b>TOTAL</b>	<b>18.5</b>



## PHYSICAL-CHEMICAL WASTE TREATMENT (t)

Hazardous waste	2023	2024	Δ	Hazardous waste	quantity
Croatia	-	59.5	-	Oily water from oil/water separators	25.2
Hungary	-	-	-	Halogen-free emulsions and machining solutions	22.5
Serbia	-	-	-	Aqueous liquid waste containing hazardous substances	9.8
Russia	-	-	-	Sludge from oil/water separators	2.0
<b>TOTAL</b>	<b>-</b>	<b>59.5</b>	<b>-</b>	<b>TOTAL</b>	<b>59.5</b>

45.1%	70.7%	■ Recycling
1.4%	0.2%	■ Energy recovery
0.2%	13.4%	■ Incineration on land
18.3%	8.5%	■ Waste disposal at a specially prepared landfill
35.0%	4.6%	■ Waste storage before disposal
0%	2.6%	■ Physical-chemical waste treatment



### Innovations in waste reduction

In order to reduce environmental impact, waste management processes are continuously improved:

Internal solvent distillation at the Zagreb site, **199.5 tons of solvents were purified** and are reused in the painting process

Circular economy model in collaboration with partners, since 2017, a model of renting and eco-friendly cleaning of work rags and oil absorbents has been applied

Solvent recycling in collaboration with partners since 2018, and in 2024, **209.9 tons of waste organic solvents were purified** and returned to the production process

Solvents used on the paint lines in Zagreb are collected after use and sent to the supplier for recovery. Through this process, 78 percent of the collected solvent is returned to the production cycle, while the remaining part is replenished with the original solvent, thus optimizing consumption and reducing waste.

The collection of hazardous sludge in paint shops is an example of efficient waste management. The water collection system allows the collection of residual particles after painting, whereby the contaminated water is treated and reused, thereby reducing the ecological footprint of the process.

AD Plastik Group continuously adapts to new waste management requirements with the aim of reducing waste, increasing recyclability, and optimizing resources throughout the entire value chain.

Currently, the calculation of expected financial impacts from the effects, risks, and opportunities related to resource use and the circular economy is not being carried out, as a methodology has not yet been established to enable reliable quantification of these effects in monetary terms without significant costs or efforts. At present, the qualitative aspects of related risks and opportunities are being analyzed, including identified challenges and potential benefits from increased use of recycled materials, resource optimization, and the transition to more sustainable production processes. Further improvements to the monitoring and analysis system are planned to allow for more accurate assessment of financial impacts in the future, in line with ESRS requirements.

# EU TAXONOMY

With the Paris Agreement and the European Green Deal, the European Union has committed to achieving climate neutrality by 2050, alongside a 55 percent reduction in greenhouse gas emissions by 2030 compared to 1990 levels. Various proposals, acts, and policies have been adopted to achieve these ambitious goals, and one of the key measures is the Taxonomy Regulation, which encourages investments in sustainable projects and business operations. It sets a framework, or a unified classification system, for assessing economic activities that can be considered environmentally sustainable. The goal of the EU taxonomy is to reduce greenwashing and promote financing for sustainable business practices.

The Taxonomy Regulation and its delegated acts define the criteria for determining which economic activities are sustainable and make a significant contribution to environmental goals. If economic activities are described in the delegated taxonomy acts, they can be qualified as taxonomy-eligible. In this context, the term ineligible economic activity does not refer to activities that are inherently good or bad, but rather to those that are not recognized according to the Taxonomy Regulation.

Economic activities qualify as taxonomy-aligned if they meet four fundamental criteria:

- they make a significant contribution to at least one of the six environmental objectives defined in Article 9 of the Taxonomy Regulation
- they do not significantly harm any of the other environmental objectives
- they are carried out in accordance with minimum safeguards
- they are aligned with technical verification criteria

Pursuant to Article 8 of the Taxonomy Regulation, from 2021 the company has been obliged to report on the appropriate share of turnover, capital investments and operating expenses that originate from assets or processes from taxonomy-eligible economic activities.

The Commission Delegated Regulation (EU) 2023/2485 has recognized the activity of AD Plastik Group, "Manufacture of automotive and mobility components," as one that can significantly contribute to climate change mitigation. However, the company's compliance depends on the number of vehicles with alternative drivetrains produced, which is not under the Group's control.



## METODOLOGY

The assessment of eligibility and compliance with the EU taxonomy was carried out by internal multidisciplinary teams through workshops, interviews, and working meetings. Economic activities were evaluated, taxonomy-eligible and ineligible activities were identified and aligned, and the share in revenue, capital, and operational expenses was calculated. Data is presented in euros, and the application of International Financial Reporting Standards eliminates double-counting of figures. A summary of the key accounting policies is presented in the "Annual Financial Report" section, within the notes to the consolidated financial statements.

## CHALLENGES

The EU Taxonomy Regulation contains complex formulations, and their interpretation may vary. Although currently available interpretations, estimates and assumptions were used in calculating taxonomic indicators in the reporting and comparative periods, potential additional information in the future may affect future taxonomy reporting and disclosures.

Although the company strictly complies with various acts and regulations related to human rights, workers' and

consumers' rights, bribery and corruption, taxation and fair competition, subsequent analyses have determined that the criteria for implementing minimum safeguards require a significantly higher allocation of resources in order to further confirm the above. This leaves room for improvements and adjustments in future reporting periods.

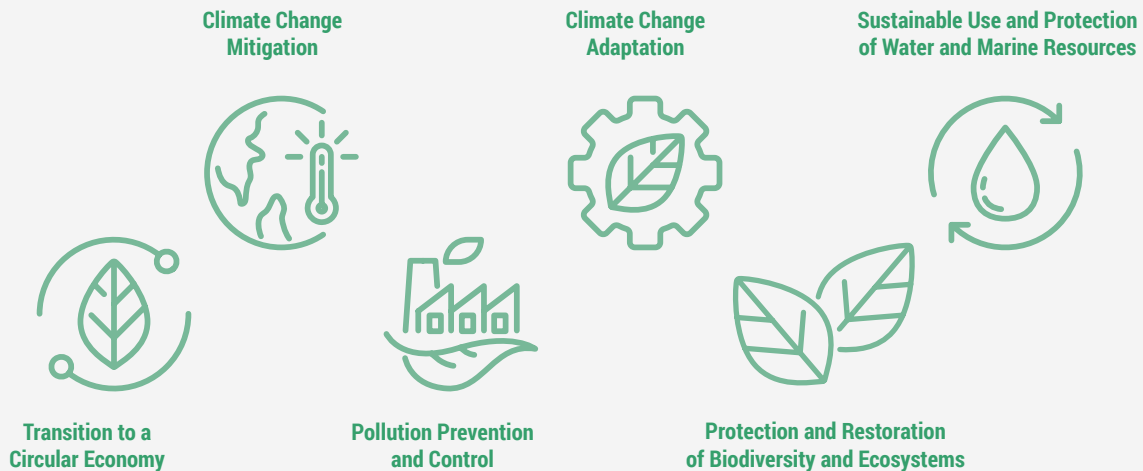
## MINIMUM SAFEGUARDS

For all identified activities, compliance with the minimum safeguards has been ensured. This includes fulfilling obligations in the area of human rights and carrying out due diligence processes in accordance with the requirements of ESRs 2. Special attention has been given to matters related to own workforce (S1), consumers and end-users (S4), and business conduct (G1).

## DO NO SIGNIFICANT HARM (DNSH)

During the reporting period, no significant harm to other environmental objectives was recorded, in line with the DNSH criteria set out in the Taxonomy Regulation. All eligible activities have been assessed as aligned with this requirement.

## THE TAXONOMY REGULATION PRESCRIBES SIX ENVIRONMENTAL OBJECTIVES



# REVENUE

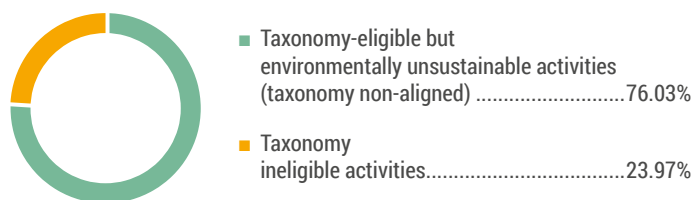
The share of revenue from taxonomy-eligible activities is calculated as the ratio of revenue from economic activities that meet the taxonomy criteria to the total revenue of the company. The majority of AD Plastik Group's revenue comes from its core activities, which are taxonomy-eligible.

## Revenue = Revenue from Sales

For the reported activities, revenue includes income from the sales of products and from the provision of services. These are disclosed in Note 4 Sales and Note 5 Other income of the consolidated financial statements.

## RECOGNIZED ELIGIBLE ECONOMIC ACTIVITIES

No	Activity	Activity code
1	Collection and transport of non-hazardous waste in source segregated fractions	5.5
2	Production of components for vehicles and mobility	3.18



## SHARE OF ALIGNED AND ELIGIBLE TOTAL REVENUE BY ENVIRONMENTAL OBJECTIVES

Environmental objectives	Share of taxonomy-aligned total revenue by objective	Share of taxonomy-eligible total revenue by objective
Climate change mitigation	-	76.03%
Climate change adaptation	-	-
Sustainable use and protection of water and marine resources	-	-
Transition to a circular economy	-	-
Pollution prevention and control	-	-
Protection and restoration of biodiversity and ecosystems	-	-

“Manufacture of automotive and mobility components” constitutes a significant share of the Group's revenue at 75.4 percent, considering that the Group's core activity is fully taxonomy non-aligned. Although the business does not cause significant harm to any of the environmental objectives and is aligned with the minimum safeguards, the lack of evidence of a significant contribution to climate change mitigation classifies it as taxonomy non-aligned.

All products of AD Plastik Group are plastic components of vehicle interiors and exteriors that are not dependent on the vehicle's drivetrain. However, according to taxonomy criteria, a significant contribution to climate change mitigation is linked to the type of vehicle drivetrain in which the components are installed, which is beyond the company's control. Although products are already allocated to customers and vehicle types, they are currently not fully linked to their drivetrain. For this reason, this activity is conservatively classified as taxonomically non-aligned, despite the fact that a certain part of the components are installed in vehicles without exhaust emissions and thus undoubtedly contribute to reducing the negative impact on the environment.

It is important to emphasize that future alignment of activities will largely depend on the increase in the share of vehicles with alternative drivetrains and reduced emissions, an area over which the company has limited or no direct influence.

# CAPITAL EXPENDITURE (CAPEX)

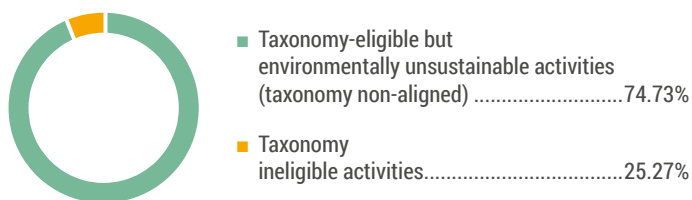
The share of capital expenditures is calculated in relation to capital investments reported in the cash flow statement, including the acquisition of real estate, plants, equipment, investments in real estate, and intangible assets. The numerator includes those capital expenditures related to taxonomy-aligned activities, while the denominator includes increases in tangible and intangible assets before depreciation and remeasurements, including revaluation and impairments. Additionally, the denominator includes increases in assets arising from business mergers, while changes in fair value are excluded from the calculation.

## Capital Expenditures (CapEx)

Included are items of property, plant and equipment, as well as costs related to the replacement of parts of certain assets at the time they are incurred, from which future economic benefits are expected. These are disclosed in Note 17 Property, Plant and Equipment, Note 16 Intangible Assets, and Note 18 Right-of-Use Assets in the consolidated financial statements.

## RECOGNIZED ELIGIBLE ECONOMIC ACTIVITIES

No	Activity	Activity code
1	Installation, maintenance and repair of energy efficiency equipment	7.3
2	Renovation of existing buildings	7.2
3	Acquisition and ownership of buildings	7.7
4	Manufacture of automotive and mobility components	3.18



## SHARE OF ALIGNED AND ELIGIBLE CAPITAL EXPENDITURES BY ENVIRONMENTAL OBJECTIVES

Environmental objectives	Share of taxonomy-aligned CAPEX by objective	Share of taxonomy-eligible CAPEX by objective
Climate change mitigation	-	15.21%
Climate change adaptation	-	-
Sustainable use and protection of water and marine resources	-	-
Transition to a circular economy	-	0.27%
Pollution prevention and control	-	-
Protection and restoration of biodiversity and ecosystems	-	-

A share of 94 percent of eligible economic activities, the Group's primary activities, relates to activities that can make a significant contribution to the goal of climate change mitigation. A significant share of these activities results from investments in the modernization of production processes, the acquisition of energy-efficient machinery and equipment, and the maintenance of non-residential buildings at all sites.

However, although some activities do not cause significant harm to other environmental objectives and are in line with the minimum safeguards, the non-alignment primarily results from the failure to meet the criteria for significant contribution and the lack of certification related to the minimum safeguards. This indicates the scope for further investments that could ensure a greater contribution to at least one of the six environmental objectives in the future and the need to review the certification of the implementation of the minimum safeguards.

# OPERATING EXPENSES (OPEX)

The indicator of operating expenses (Opex) is shown in relation to total operating costs in the statement of comprehensive income, minus depreciation. According to the EU Taxonomy Regulation, the denominator includes direct non-capitalized costs related to research and development, building renovation measures, short-term leases related to right-of-use assets according to IFRS 16, maintenance and repair, and all other operating expenses for the day-to-day servicing of property, plant, and equipment. These activities can be performed by the company itself or by external service providers to whom these tasks have been entrusted.

The numerator of operating expenses reflects the costs directly associated with the above-mentioned taxonomy-eligible activities.

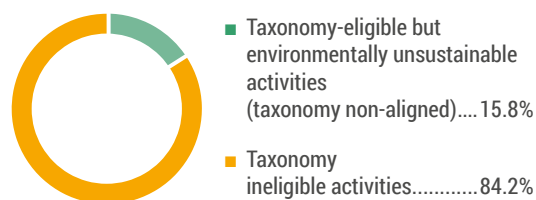
Double counting has been avoided by preparing data at the consolidated level, aligning it with the consolidated financial statements, and classifying data by category in such a way that a single data point cannot fall into multiple categories. Categories have also been clearly defined in terms of whether they qualify as aligned, non-aligned, or ineligible activities.

## RECOGNIZED ELIGIBLE ECONOMIC ACTIVITIES

No	Activity	Activity code
1	Installation, maintenance and repair of energy efficiency equipment	7.3
2	Collection and transport of non-hazardous waste in source segregated fractions	5.5
3	Transport by motorcycles, cars and light commercial vehicles	6.5
4	Urban and suburban transport, road passenger transport	6.3
5	Renewal of water collection, treatment and supply systems	5.2
6	Acquisition and ownership of buildings	7.8
7	Freight transport services by road	6.6
8	Renovation of existing buildings	7.2
9	Manufacture of automotive and mobility components	3.18
10	Collection and transport of non-hazardous and hazardous waste	2.3

Eligible economic activities account for 15.8 percent of total operating expenses. It is important to note that the largest share of non-compliant activities stems from the fact that the Group's primary activity, as well as road freight or passenger transport services, do not meet the criteria for a significant contribution under the Taxonomy Regulation. Given that these factors are partly beyond the Group's control, the possibility of their compliance with the taxonomy requirements is limited.

Despite the significant share of eligible economic activities in operating expenses, the non-alignment of activities indicates



## SHARE OF ALIGNED AND ELIGIBLE OPERATING EXPENSES BY ENVIRONMENTAL OBJECTIVES

Environmental objectives	Share of taxonomy-aligned OPEX by objective	Share of taxonomy-eligible OPEX by objective
Climate change mitigation	-	74.43%
Climate change adaptation	-	-
Sustainable use and protection of water and marine resources	-	-
Transition to a circular economy	-	-
Pollution prevention and control	-	-
Protection and restoration of biodiversity and ecosystems	-	-

room for additional investment in projects that will enable a more significant contribution to environmental objectives. This includes investments in technologies and systems that reduce energy consumption by more than 30 percent, the transition to zero-emission vehicles, and the implementation of studies and independent audits to better quantify the impact of individual economic activities on the environment.

# SCOPE

## AD Plastik Group's production sites

AD Plastik d.d., Croatia  
 AD Plastik Tisza Kft., Hungary  
 ADP d.o.o., Serbia  
 AO AD Plastik Togliatti, Russia

## REVENUE FROM ECONOMIC ACTIVITIES

Economic activities (1)	Code(s) (2)	Absolute revenue (3)	Proportion of revenue (4)	Substantial contribution criteria		DNSH criteria ("Does not significantly harm")		Taxonomy-aligned proportion of revenue, year N (14)	Taxonomy-aligned proportion of revenue, year N-1 (15)	Category (enabling activity) (16)	Category (transitional activity) (17)										
				%	%	%	%														
		Valuta	%	%	Climate Change Mitigation (5)	Climate Change Adaptation (5)	Climate Change Mitigation (7)	Climate Change Adaptation (8)	Water and Marine Resources (9)	Circular Economy (10)	Pollution (11)	Biodiversity and Ecosystems (12)	Minimum safeguards (13)								
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																					
<b>A.1. Taxonomy-eligible but environmentally unsustainable activities (taxonomy non-aligned)</b>																					
Collection and transport of non-hazardous waste in source segregated fractions	5.5	191	0.13%															0.29%	0		
Manufacture of automotive and mobility components	3.18	115,712	75.90%															0	0		
<b>Revenue from taxonomy-eligible but environmentally unsustainable activities (taxonomy non-aligned) (A)</b>		<b>115,903</b>	<b>76.03%</b>																		
<b>B. TAXONOMY-INELIGIBLE ACTIVITIES</b>																					
<b>Revenue from taxonomy-ineligible activities (B)</b>		<b>36,540</b>	<b>23.97%</b>																		
<b>Total (A + B)</b>		<b>152,443</b>	<b>100.00%</b>																		

## CAPITAL EXPENDITURE FROM ECONOMIC ACTIVITIES

Economic activities (1)	Code(s) (2)	Absolute capital expenditure (3) Valuta	Proportion of capital expenditure (4) %	Substantial contribution criteria		DNSH criteria ("Does not significantly harm")					Taxonomy-aligned proportion of capital expenditure, year N (14) %	Taxonomy-aligned proportion of capital expenditure, year N (15) %	Category (enabling activity) (16) O	Category (transitional activity) (17) P
				Climate Change Mitigation (5) %	Climate Change Adaptation (5) %	Climate Change Mitigation (7)	Climate Change Adaptation (8)	Water and Marine Resources (9)	Circular Economy (10)	Pollution (11)				
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>														
<b>A.2. Taxonomy-eligible but environmentally unsustainable activities (taxonomy non-aligned)</b>														
Installation, maintenance and repair of energy efficiency equipment	7.3	14	0.11%									1.92%		O
Renovation of existing buildings	7.2	485	3.72%									0		P
Acquisition and ownership of buildings	7.7	120	0.92%									0		P
Manufacture of automotive and mobility components	3.18	9,087	69.69%											O
<b>Capital expenditures from taxonomy-eligible but environmentally unsustainable activities (taxonomy non-aligned) (A)</b>		<b>9,706</b>	<b>74.43%</b>											
<b>B. TAXONOMY-INELIGIBLE ACTIVITIES</b>														
Capital expenditure from taxonomy-ineligible activities (B)	0	3,333	25.57%											
<b>Total (A + B)</b>		<b>13,039</b>	<b>100%</b>											

## OPERATING EXPENSES

Economic activities (1)	Code(s) (2)	Absolute operating expenses (3)	Proportion of operating expenses (4)	Substantial contribution criteria		DNSH criteria ("Does not significantly harm")				Taxonomy-aligned proportion of operating expenses, year N (14)	Taxonomy-aligned proportion of operating expenses, year N (15)	Category (enabling activity) (16)	P
				Valuta	%	%	%	Climate Change Mitigation (5)	Climate Change Adaptation (6)				
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>													
<b>A.2. Taxonomy-eligible but environmentally unsustainable activities (taxonomy non-aligned)</b>													
Installation, maintenance and repair of energy efficiency equipment	7.3	61	0.35%								0.21%	0	
Collection and transport of non-hazardous waste in source segregated fractions	5.5	111	0.64%										
Collection and transport of non-hazardous and hazardous waste	2.3	47	0.00%										
Transport by motorbikes, passenger cars, and light commercial vehicles	6.5	136	0.79%								0.09%		P
Urban, suburban and road passenger transport	6.3	212	1.22%										P
Renewal of water collection, treatment and supply systems	5.2	13	0.08%										P
Acquisition and ownership of buildings	7.7	60	0.35%										P
Freight transport services by road	6.6	94	0.54%										P
Renovation of existing buildings	7.2	14	0.08%										P
Manufacture of automotive and mobility components	3.18	1,986	11.46%										P
<b>Operating expenses from taxonomy-eligible but environmentally unsustainable activities (taxonomy non-aligned) (A.2)</b>		<b>2,734</b>	<b>15.78%</b>										
<b>B. TAXONOMY-INELIGIBLE ACTIVITIES</b>													
<b>Operating expenses from taxonomy-ineligible activities (B)</b>	<b>0</b>	<b>14,594</b>	<b>84.22%</b>										
<b>Total (A + B)</b>		<b>17,328</b>	<b>100%</b>										



# S1

## OWN WORKFORCE

EMPLOYEES - THE  
DRIVING FORCE OF  
SUCCESS

# 1,783

TOTAL NUMBER OF EMPLOYEES





People are the foundation of the business, the driving force behind every innovation, delivered value, and success. Their expertise, commitment, and energy ensure not only the company's competitiveness but also its long-term stability and sustainability. Investing in employees is, therefore, an investment in the future – their safety, health, professional development, and satisfaction are key priorities for the company. The organizational culture is shaped to encourage inclusivity, excellence, and a sense of belonging, while the supportive work environment is continuously improved to enable employees to grow.

Employees are one of the three key areas of the sustainability strategy, for which the goals were updated during the reporting period, in line with their needs, rights, and EU regulations. The Code of Business Conduct and Policies were also updated and aligned with the highest international standards and legal frameworks.

All employees are included in the reporting scope, with agency workers and workers providing cleaning, hospitality, and similar services at the company sites not being considered employees.

The report assessed job security, occupational health and safety, employee rights, freedom of association, social dialogue, skills development and treatment of vulnerable groups as key issues related to the company's own workforce. Labor shortages and rising employee retention costs are recognized as potential risks, which could impact turnover and production stability.

Despite continuous efforts to improve workforce stability by increasing the share of indefinite contracts, maintaining regular social dialogue, and improving working conditions, market volatility and rising living costs pose a significant challenge. Given the rise in operational costs and the pressure on financial sustainability of the business, increasing

wages in line with employee needs is not easy. Nevertheless, the company continues to invest in long-term solutions that ensure competitive working conditions, work-life balance, and opportunities for professional development, recognizing that employee satisfaction is the foundation of stability and successful business operations.

There are clearly defined employee protection mechanisms that ensure confidentiality and security in the event of a violation of rights, with zero tolerance for retaliation. Detailed information on procedures for addressing negative impacts and available channels for raising concerns can be found on [page 156](#). Active collaboration with the Workers' Council and trade unions ensures that the voice of employees is present in all decisions that affect them, ensuring their involvement in shaping the company's future.

Although potential negative impacts are rare and unpredictable, they are systematically addressed through existing risk management mechanisms. Special attention is given to employees who may be more exposed to risks due to specific working conditions, personal circumstances, or business changes. In such situations, workplace adjustments, additional training, and opportunities for professional development are provided, aiming to offer support and long-term security.

The company is aware that the transition to more sustainable business practices may bring changes that impact employees. Restructuring and optimization of production processes sometimes require reskilling or job adjustments, but at the same time, they open up opportunities for employment in green industry sectors. To ensure a fair transition and maintain stability in changing conditions, education and training programs are being developed for employees to help them successfully adapt to new market demands.

# MANAGEMENT POLICIES

During the reporting period, policies for managing impacts on the company's own workforce were improved, including policies on human rights protection and ethical employment, diversity and equal opportunities, as well as occupational health and safety. These policies are aligned with EU standards, the UN's Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration, and the OECD guidelines. The policies contribute to managing significant sustainability factors and apply to all employees within the Group, with particular emphasis on vulnerable groups.

Employee rights policies have been improved, with a specific focus on the protection of children's rights and ethical employment. Key changes include strengthening mechanisms to prevent child labor and human trafficking, as well as aligning internal processes with the highest international standards in the protection of labor and children's rights. The Code and Policies strictly prohibit forced and child labor, as well as human trafficking, with established monitoring mechanisms and reporting channels that ensure confidentiality and protection for whistleblowers. The company has no operations where there is a high risk of forced labor, compulsory or child labor, either by type of business or geographical areas in which it operates.

Additionally, the commitment to ensuring the payment of wages in accordance with the laws of each country of operation has been further emphasized, with an expanded obligation to ensure that wages cover the basic living expenses of employees and their families (living wage), enabling them to live with dignity. The payment of adequate wages, which exceed the legally mandated minimum, is defined to provide employees with stability and financial security. The Code and policies are published on the company's website and intranet, and each employee receives a copy upon hiring.

Employee safety is ensured through the occupational safety management system and the Occupational Health and Safety Policy, which include preventive measures, risk assessments, and regular training, thereby creating a safe and healthy work environment. The Code of Business Conduct and the Diversity and Equal Opportunities Policy prevent any form of discrimination based on gender, age, disability, racial or ethnic origin, religion, and other protected categories, while the company actively promotes inclusivity and equality through training and monitoring mechanisms.

Open collaboration with employees is achieved through regular social dialogue, the Workers' Council, and trade unions, ensuring their active involvement in decision-making processes and the protection of their rights and interests.

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## EMPLOYMENT

AD Plastik Group is dedicated to ensuring transparent and fair employment, professional development and equal opportunities for all employees. Qualifications, skills and experience form the basis for employment, assignment of functions, training and advancement of employees, while continuous work is being done on further improvement of internal policies to ensure an inclusive approach to all candidates, taking into account possible obstacles in acquiring certain qualifications.

### GOAL

SHARE OF WOMEN IN THE LONG TERM

**45-50%**

(2023 52.6%)

# COLLABORATION WITH EMPLOYEES

Collaboration with employees and their representatives is carried out through social dialogue, collective bargaining, and internal communication channels. Employee perspectives are taken into account when making decisions that affect working conditions, professional development, and workplace safety.

Regular meetings with the Worker's Council and trade unions ensure transparency and active employee involvement in decision-making processes. Additionally, a worker representative participates in the Supervisory Board, having direct insight into business decision-making. Alongside formal dialogue methods, individual and group discussions with employees, satisfaction surveys, and systematic assessments of working conditions and their needs are encouraged.

Operational responsibility for implementing these processes lies with the Management Board in collaboration with the human resources and occupational safety departments. The effectiveness of the collaboration is assessed through employee feedback analysis, collective bargaining outcomes, and monitoring the impact of implemented measures. Special attention is given to the inclusion of vulnerable employee groups, including persons with disabilities, women, and those working in roles with increased safety risks. Their needs are integrated through workplace adjustments, professional development programs, and ensuring equal opportunities.

Communication with employees is most intensive and occurs at various levels, including direct consultations and their involvement in assessing business impact. To ensure inclusivity and

provide all employees with equal access to information, different communication channels are used, tailored to specific needs and potential barriers such as language and cultural differences, gender imbalances, or structural challenges within the organization.

Internal workshops, surveys, thematic meetings, and the option to anonymously express opinions via the ADP Mailbox are used to gather feedback and encourage dialogue. Regular organizational climate and employee satisfaction surveys are conducted, as well as specific research focused on diversity and inclusion challenges.

Employees are regularly informed about the company's activities and key decisions through the internal newsletter ADP Novosti, bulletin boards, intranet and other digital communication channels. Accessibility of information is also ensured by adapting content to the needs of employees, taking into account different work locations, levels of digital literacy and ability to understand key topics.

In cases of potential conflicts of interest within the workforce, social dialogue mechanisms and internal procedures are applied to resolve disagreements, ensuring transparency and fairness in the proceedings. Special attention is also paid to the protection of human rights, including the right to privacy, freedom of expression, and peaceful assembly and protest, and all protection and reporting mechanisms are available to employees in an understandable and simple manner.

This approach creates open and accessible communication that encourages inclusiveness, transparency, and employee participation in shaping the work environment, enabling them to play an active role in business processes and decision-making.

In its [Human Rights Protection and Ethical Employment Policy](#), the company commits to respecting internationally recognized human rights in accordance with the UN principles on business and human rights. The policy includes a prohibition of forced and child labor, human trafficking, and discrimination, as well as the promotion of freedom of association and collective bargaining. Through the principles of due diligence, the company continuously identifies and mitigates risks of adverse impacts across its own operations and value chain. **Grievance mechanisms** for receiving and resolving issues are available to all stakeholders, with more information provided on [page 156](#).





### Employee involvement in the double materiality assessment

Employee input played a significant role in the double materiality assessment, with representatives from various employee groups participating through focus groups. In addition to working conditions, health, and safety, employees rated the importance of preventing corruption and bribery, corporate culture, and climate change as particularly high. This confirms a strong level of awareness regarding sustainability and ethical standards within the company.

Through the principles of due diligence, the company continuously identifies and mitigates risks of adverse impacts across its own operations and value chain. Grievance mechanisms are available to all stakeholders, with more information provided on page 156.

Risk management is systematically conducted through assessments of impact of business decisions on employees, particularly in the context of restructuring and technological changes. The effectiveness of the measures taken is monitored through regular analyses, employee feedback, and tracking key workforce indicators.

### Goals for improving working conditions and employee development

To further improve employee safety, health, professional development, and satisfaction, specific target values have been defined as part of the sustainability strategy:

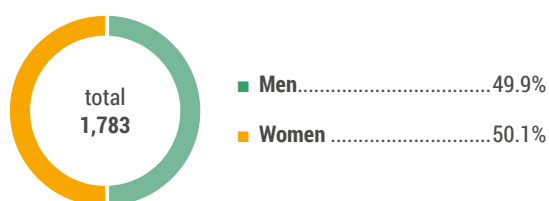
<b>Occupational Safety</b>	eliminate workplace injuries by 2030 through strengthening safety standards and training
<b>Employee Health</b>	implement well-being programs at all sites by 2030, with a focus on physical and mental health
<b>Education and Development</b>	30 hours of training per employee annually by 2030 for lifelong learning and skill development
<b>Talent Development</b>	increase talent retention rate by 20 percent and introduce individual career plans by 2030
<b>Engagement and Satisfaction</b>	increase employee engagement by 25 percent and satisfaction by 20 percent by 2030 through flexible working conditions and social dialogue
<b>Diversity and Inclusion</b>	achieve 40 percent women in managerial positions by the end of 2025 and increase representation of underrepresented groups by 15 percent by 2030

These target values were developed in collaboration with employees and their representatives, and their progress is continuously monitored through surveys, audits, and workforce indicators.

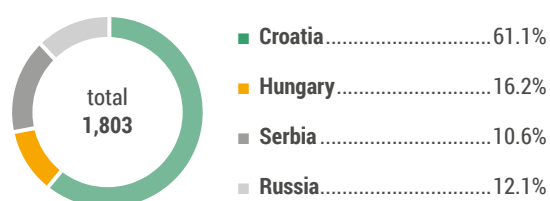
# EMPLOYMENT STRUCTURE AND DYNAMICS

Country	2023			2024		
	Total employees	Men	Women	Total employees	Men	Women
Croatia	1,120	568	552	1,123	598	525
Hungary	307	120	187	278	112	166
Serbia	202	105	97	172	94	78
Russia	229	87	142	210	85	125
<b>Total</b>	<b>1,858</b>	<b>880</b>	<b>978</b>	<b>1,783</b>	<b>889</b>	<b>894</b>

## TOTAL EMPLOYEES



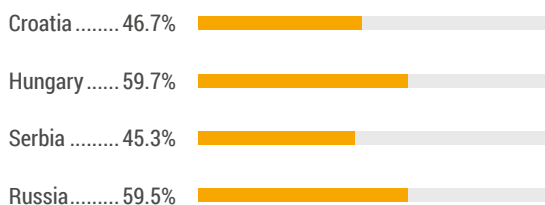
## AVERAGE EMPLOYEES



Gender as declared by employees themselves, other categories are not applicable and therefore not listed.

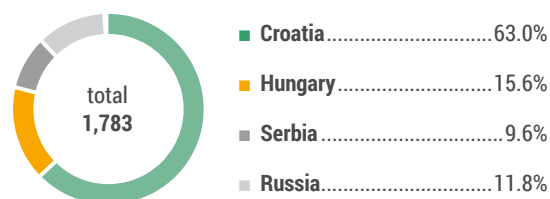
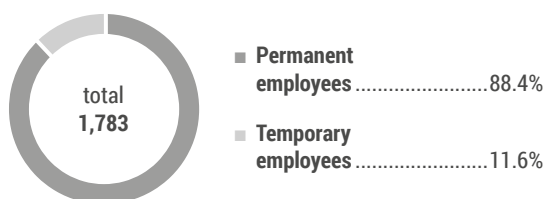
The average number of employees annually is calculated by adding the number of employees at the end of each month, from which the average over 12 months is derived.

## SHARE OF WOMEN

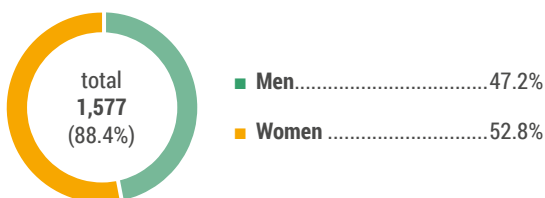


## EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT

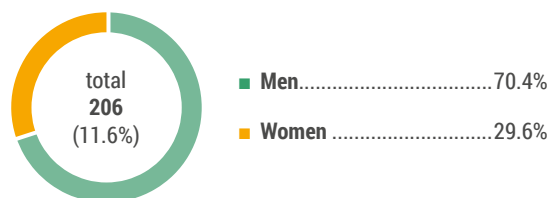
	2023					2024				
	Croatia	Hungary	Serbia	Russia	Total	Croatia	Hungary	Serbia	Russia	Total
<b>Permanent employees</b>	<b>996</b>	<b>304</b>	<b>165</b>	<b>229</b>	<b>1,694</b>	<b>931</b>	<b>276</b>	<b>160</b>	<b>210</b>	<b>1,577</b>
Men	483	120	89	87	779	458	112	89	85	744
Women	513	184	76	142	915	473	164	71	125	833
<b>Temporary employees</b>	<b>124</b>	<b>3</b>	<b>37</b>	<b>-</b>	<b>164</b>	<b>192</b>	<b>2</b>	<b>12</b>	<b>-</b>	<b>206</b>
Men	85	-	16	-	101	140	-	5	-	145
Women	39	3	21	-	63	52	2	7	-	61
<b>TOTAL</b>	<b>1,120</b>	<b>307</b>	<b>202</b>	<b>229</b>	<b>1,858</b>	<b>1,123</b>	<b>278</b>	<b>172</b>	<b>210</b>	<b>1,783</b>



### PERMANENT EMPLOYEES



### TEMPORARY EMPLOYEES

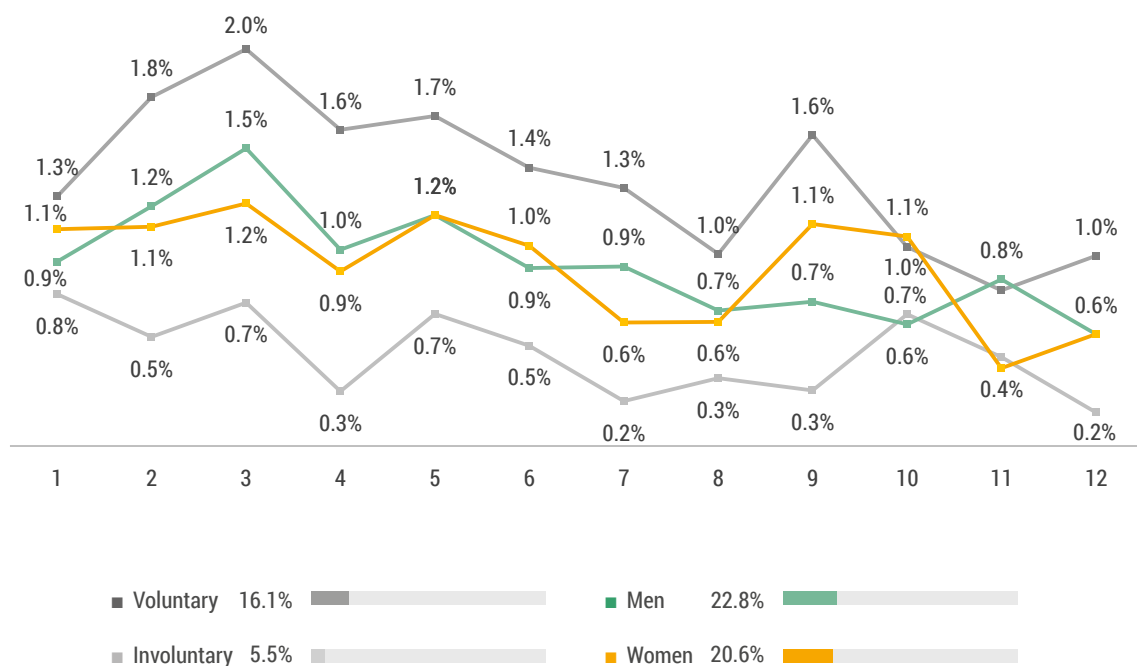
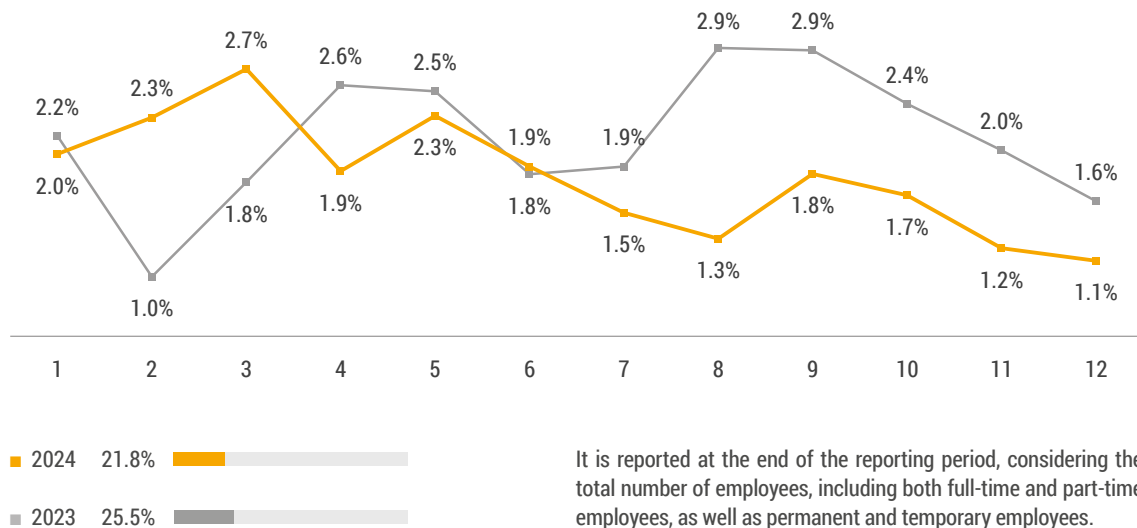


The high proportion of permanent employees in the company is a result of the practice where new employees initially receive fixed-term contracts, and after some time, they most commonly transition to indefinite-term contracts. The additional increase in fixed-term contracts in Croatia during 2024 is related

to the increased employment of workers from third countries. According to the legislative frameworks of the European Union and their home countries, such contracts are linked to work permits, which currently prevents their conversion into indefinite-term contracts.

*Employees with an uncertain number of working hours are not a recognized category in the company's operations.*

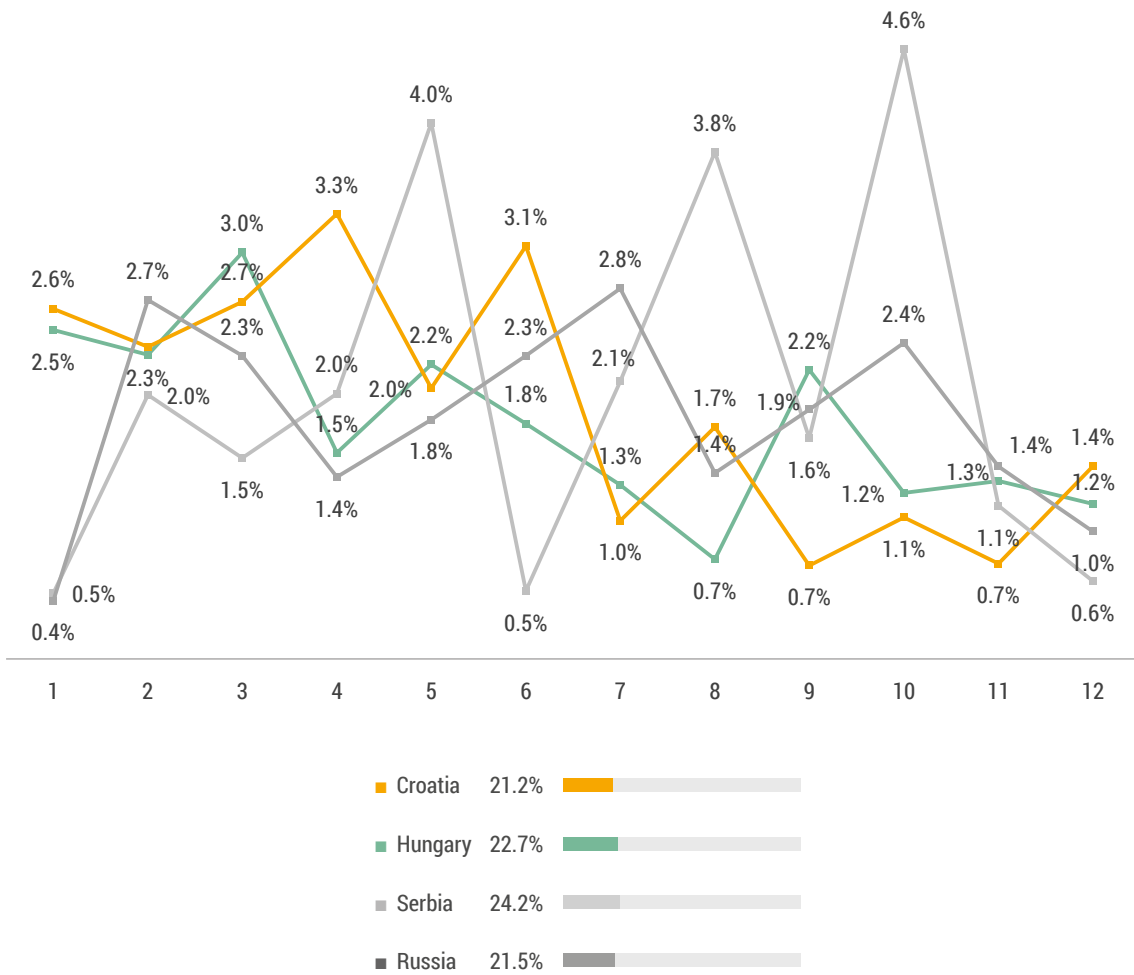
## TURNOVER RATE BY MONTH



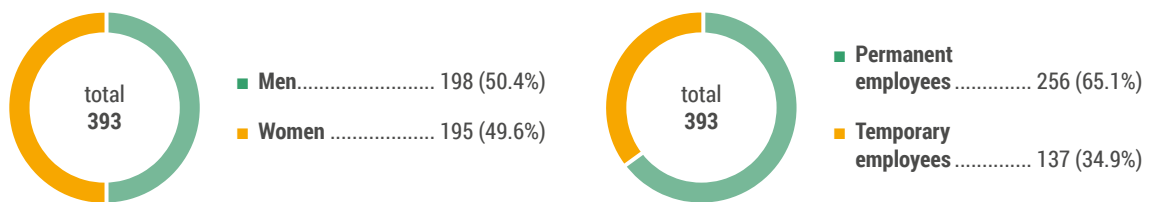
The annual turnover rate is calculated by taking the total number of employees who left and dividing it by the average number of employees during the year.

The monthly turnover rate is calculated by taking the total number of employees who left during the month and dividing it by the number of employees at the end of that month.

## TURNOVER RATE BY COUNTRY



## RESIGNATIONS

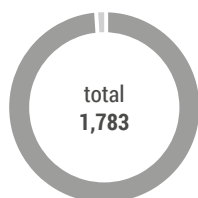




# WORKING HOURS

## EMPLOYEES BY TYPE OF WORKING HOURS

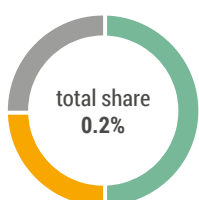
	2023					2024				
	Croatia	Hungary	Serbia	Russia	Total	Croatia	Hungary	Serbia	Russia	Total
<b>Full time work</b>	<b>1,117</b>	<b>306</b>	<b>201</b>	<b>229</b>	<b>1,853</b>	<b>1,121</b>	<b>277</b>	<b>171</b>	<b>210</b>	<b>1,779</b>
Men	566	120	105	87	878	597	112	94	85	888
Women	551	186	96	142	975	524	165	77	125	891
<b>Part-time work</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>4</b>
Men	2	-	-	-	2	1	-	-	-	1
Women	1	1	1	-	3	1	1	1	-	3
<b>TOTAL</b>	<b>1,120</b>	<b>307</b>	<b>202</b>	<b>229</b>	<b>1,858</b>	<b>1,123</b>	<b>278</b>	<b>172</b>	<b>210</b>	<b>1,783</b>



- Full time work.....99.8%
- Part-time work.....0.2%

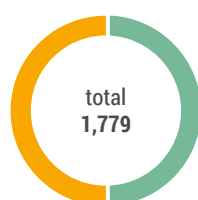
Only 0.2% of employees work part-time, exclusively by personal choice, adjusting their work obligations to suit individual needs and circumstances.

## SHARE OF PART-TIME WORK BY SITE



- Croatia.....0.2%
- Serbia.....0.4%
- Hungary.....0.6%
- Russia.....0.0%

## FULL TIME



- Men.....49.9%
- Women.....50.1%

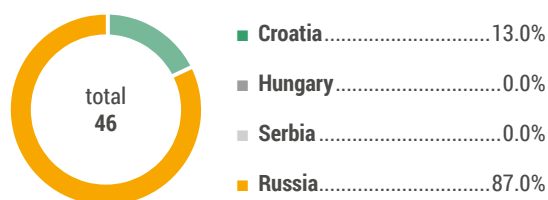
## WORKERS WHO ARE NOT EMPLOYEES

	Share	NACE 78 *	Self-employed
Croatia	13.0%	6	0
Hungary	0.0%	0	0
Serbia	0.0%	0	0
Russia	87.0%	40	0
<b>Total</b>		<b>46</b>	<b>0</b>

The company employs only workers through employment agencies (NACE 78), and there are no self-employed individuals. The published data includes the total number of agency workers at the end of the reporting period, with these workers primarily being involved in production due to increased workload.

The data clearly shows the allocated agency workers by site, but there are no comparative data for previous periods due to a different methodology used in earlier periods. This methodology previously included workers from other companies providing services at the company's sites, who were part of the value chain.

\* NACE 78 - seconded agency workers by site



## SHARE OF EMPLOYEES COVERED BY COLLECTIVE AGREEMENT

	2023		2024	
	employees	C.A.	employees	C.A.
Croatia	1,120	100%	1,123	100%
Hungary	307	100%	278	100%
Serbia	202	0%	172	100%
Russia	229	100%	210	100%
<b>TOTAL</b>	<b>1,858</b>	<b>87.7%</b>	<b>1,783</b>	<b>100%</b>

	EEA members	Employees	C.A.
Croatia Hungary	√	1,401	100%
Serbia Russia	×	382	100%

All employees of the company are covered by collective agreements, with a separate agreement signed in each country. In Croatia, negotiations were held during the reporting period, and a new Collective Agreement was signed for one year. In Serbia, the first Collective Agreement was signed for three

years. The collective agreements in Hungary and Russia are valid until December 31, 2025.

There are no employee representation agreements within the EWC, SE or SCE.

# DIVERSITY AND EQUAL OPPORTUNITIES FOR ALL

A fair and inclusive work environment is the foundation of stability and success for the AD Plastik Group. Equal treatment and equal opportunities are integral parts of the company's corporate culture and values. The company's policies ensure that every employee has an equal opportunity for professional

development, advancement, and a safe working environment. This approach not only contributes to social responsibility but also strengthens the company's ethical standards, creating an encouraging and productive work atmosphere.

## AGE DIVERSITY IN MANAGEMENT

		2023				2024			
		18-30	30-50	>50	Total	18-30	30-50	>50	Total
Top management	Men	-	12	12	24	-	11	12	23
	Women	-	7	4	11	-	5	5	10
Middle management	Men	2	32	4	38	4	29	3	36
	Women	1	19	11	31	-	19	11	30
Line management	Men	4	42	22	68	3	39	21	63
	Women	2	21	14	37	3	21	15	39
<b>TOTAL</b>		<b>9</b>	<b>133</b>	<b>67</b>	<b>209</b>	<b>10</b>	<b>124</b>	<b>67</b>	<b>201</b>



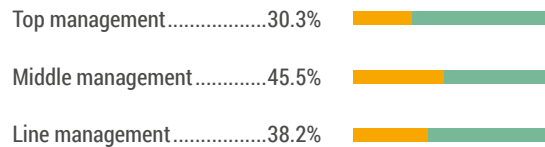
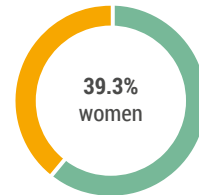
### GOAL

SHARE OF WOMEN IN MANAGEMENT POSITIONS

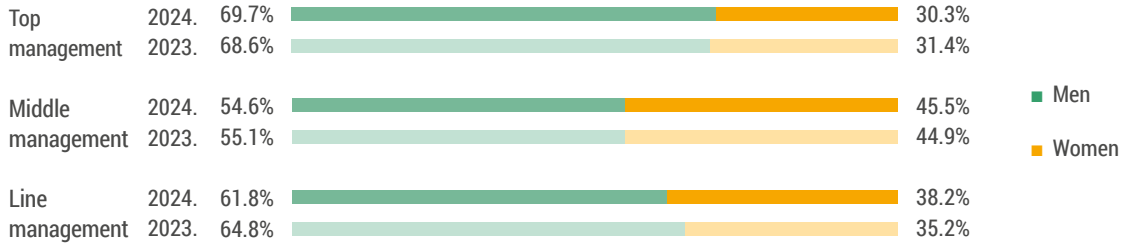
**40%** by the end of **2025**  
(2023 37.8%)

## SHARE OF WOMEN IN MANAGEMENT

Men .....60.7%  
Women .....39.3%

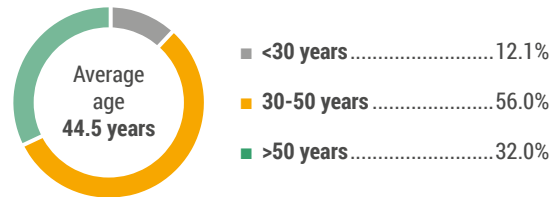


## GENDER DIVERSITY IN MANAGEMENT

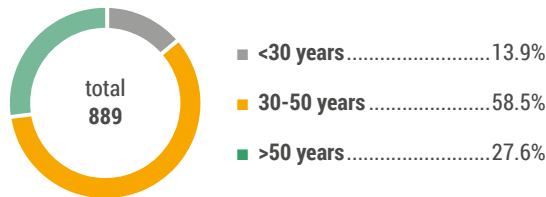


## AGE DIVERSITY OF EMPLOYEES

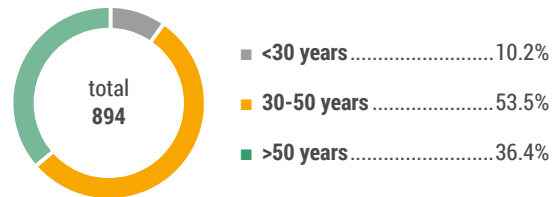
	2023			2024		
	<30	30-50	>50	<30	30-50	>50
Men	146	498	236	124	520	245
Women	111	514	353	91	478	325
<b>TOTAL</b>	<b>257</b>	<b>1.012</b>	<b>589</b>	<b>215</b>	<b>998</b>	<b>570</b>



## AGE DIVERSITY OF EMPLOYEES - MEN



## AGE DIVERSITY OF EMPLOYEES - WOMEN



To ensure the effectiveness of policies, clear procedures have been established to identify and address irregularities. Employees have access to various channels for anonymously or directly reporting concerns, and each reported case of unequal treatment, discrimination, or human rights violations is thoroughly investigated and addressed with appropriate measures. During the reporting period, two complaints were received, and the investigation revealed that these were related to uncertainties regarding work organization and job scope. Therefore, no cases requiring corrective actions were recorded, confirming the effectiveness of the existing mechanisms and the company's commitment to creating a safe and fair work environment.

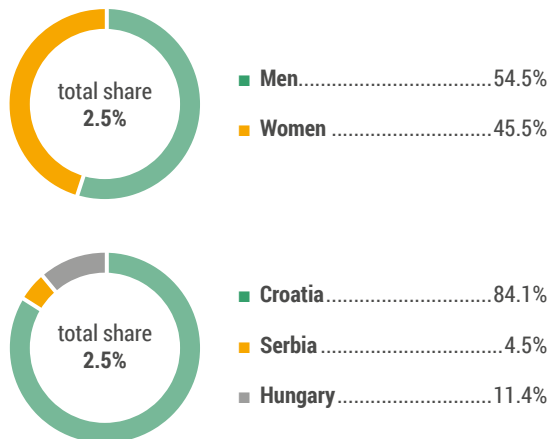
To further enhance inclusivity, regular employee surveys are conducted to identify challenges and opportunities related to equality in the workplace. Through a proactive approach, the company aims to continuously improve the professional development of all employees, ensuring equal access to opportunities regardless of gender, age, disability, or other factors.

More information about management diversity can be found on [page 68](#), where the highest governing bodies are considered the Management Board and the Supervisory Board, while senior management includes the Management Board, executive directors, and directors.

**PERSONS WITH DISABILITIES**

*There is no comparative period, as reporting is being conducted in this format for the first time.*

	Employees	PWD men	PWD women	Share
Croatia	1,123	1.8%	1.5%	3.3%
Hungary	278	0.4%	0.4%	0.7%
Serbia	172	1.7%	1.2%	2.9%
Russia	210	-	-	-
<b>Total</b>	<b>1,783</b>	<b>1.3%</b>	<b>1.1%</b>	<b>2.5%</b>



*Share of people with disabilities in the total number of employees subject to data collection limitations.*

Data is collected based on valid documentation issued by the competent authorities, through which persons with disabilities confirm their status. This includes pension insurance decisions, decisions issued by Institute for Expert Evaluation, Professional

Rehabilitation and Employment of People with Disabilities, as well as other relevant acts in accordance with the laws of the countries in which the company operates.



## GENDER EQUALITY AND EQUAL PAY

Gender equality and ensuring equal pay for work of equal value are fundamental to a dynamic and fair work environment. By regularly monitoring the gender structure of employees and management, the company ensures balance and equal representation, which enables a diversity of perspectives, improves the work atmosphere, and fosters innovation within the organization.

The company conducts a gender pay gap analysis and implements measures to reduce it, ensuring that women and men receive equal compensation for the same work. In line with its sustainability strategy, initiatives are being developed to promote greater representation of women in key roles, strengthening their presence in leadership positions and contributing to the creation of a more supportive and inclusive work environment.

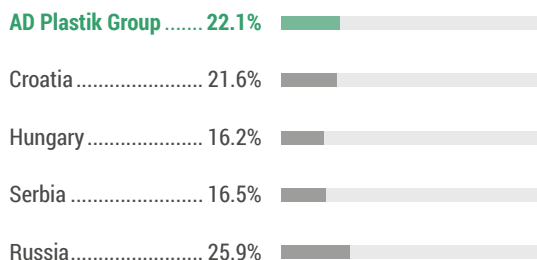
## FAIR AND DIGNIFIED SALARY

All employees of AD Plastik Group receive appropriate wage in line with applicable reference values. Continuous efforts are made to improve the reward system to ensure fairness and competitiveness of salaries in accordance with industry and market standards.

## GENDER PAY GAP

In previous years, the calculation of the gender pay gap was based on different methodologies, which is why earlier reports indicated that no pay gap existed. However, with the implementation of new methodological requirements in line with the ESRS, it has been determined that a gender pay gap does exist, although this can be partially explained by the structure of employees at different levels of responsibility and job complexity. Since earlier data is not comparable to the new calculation methods, it is currently not possible to display trends over the past years. However, future reports will monitor the development of these indicators.

The current gender pay gap is:



The goal is to reduce the gap and increase the transparency of the remuneration system through a long-term sustainability strategy.

The ratio between the compensation of the highest paid person and the median employee compensation is 17.4.

## TALENT AND LEADERSHIP DEVELOPMENT

One of the significant opportunities for improving equality is mentoring and developing leadership skills in women, preparing them for managerial roles and strengthening their visibility in a sector traditionally dominated by male workers. The perception of the automotive industry as a sector in which men are more represented remains a challenge, which may affect women's lower interest in taking on management positions.

In order to strengthen gender equality, analyses of pay gaps are continuously conducted and initiatives are developed to increase the number of women in key positions. Special focus is placed on strategic sustainability goals, which include increasing the representation of women in management positions.

The positive impact of these measures is reflected not only in the improvement of work culture and trust among employees, but also in the creation of a more innovative, dynamic and sustainable organization.

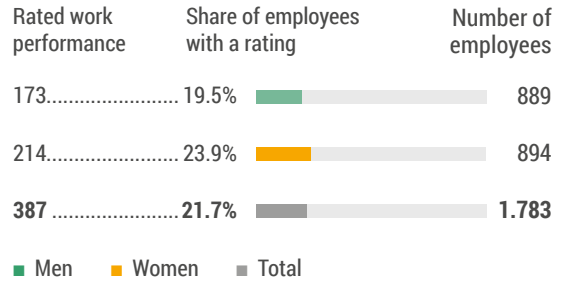
# TRAINING AND SKILLS DEVELOPMENT

Continuous investments in employees' knowledge and competencies ensure their adaptability to dynamic industrial changes and contribute to innovation and improvement of business processes. Tracking training hours by gender and employee categories enables an equal distribution of training, thus ensuring equal opportunities for professional development. At the same time, diverse training programs are tailored to the specific requirements of different work areas, enabling targeted development of key competencies.

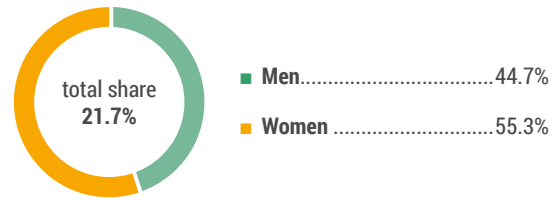
Systematic assessments of employee performance identify areas for improvement, which enables the adaptation of development programs to individual needs. Annual training plans are structured to provide a clear path for professional development, contributing to long-term development and strengthening of expertise.

Special potential lies in increasing investment in training and the implementation of hybrid learning models, which enable a more flexible approach to knowledge acquisition. The combination of classic and digital training is adapted to the needs of employees, which further improves the learning experience. Through continuous skills development, employees become better prepared to face challenges, while raising the overall level of work quality. Strategic investments in education not only strengthen internal expertise, but also increase the company's competitiveness on the market and strengthen the trust of business partners.

## SKILLS DEVELOPMENT



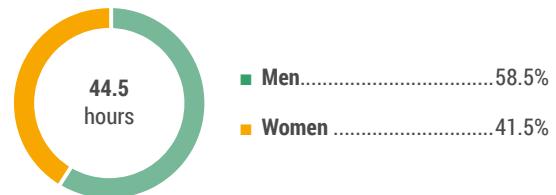
*Gender as declared by employees themselves, other categories are not applicable and therefore not listed*



## TRAINING

		Total training hours	Number of employees	Training hours per employee
Direct workers	Men	34,570	330	104.8
	Women	23,377	551	42.4
Indirect workers	Men	11,797	559	21.1
	Women	9,638	343	28.1
Subtotal	Men	<b>46,367</b>	<b>889</b>	<b>52.2</b>
	Women	<b>33,015</b>	<b>894</b>	<b>36.9</b>
<b>TOTAL</b>		<b>79,382</b>	<b>1,783</b>	<b>44.5</b>

## TRAINING HOURS PER EMPLOYEE



*Comparative data with previous years is not available because the reporting methodology has changed.*

# HEALTH AND SAFETY

A safe working environment, health protection and social protection of employees are a strategic priority of the AD Plastik Group. Stable working conditions and comprehensive social protection are key to the long-term sustainability of the business, employee satisfaction and their productivity and motivation. Therefore, continuous work is being done to identify and

eliminate potential risks, ensuring employees' safety at work. No specific groups of employees have been identified that would be exposed to a higher risk of negative effects, since all processes take place in controlled working conditions with the application of equal standards of protection, safety and professional development for all employees.

Country		Croatia			Hungary			Serbia			Russia			Total
		Permanent employees	Temporary employees	Workers who are not employees	Permanent employees	Temporary employees	Workers who are not employees	Permanent employees	Temporary employees	Workers who are not employees	Permanent employees	Temporary employees	Workers who are not employees	
2023	Employees	996	124	56	304	3	3	165	37	4	229	-	22	1,943
		Unemployment	√	√	x	√	√	x	√	√	x	√	√	x
	Sick Leave	√	√	x	√	√	x	√	√	x	√	√	x	1,858
	Maternity Leave	√	√	x	√	√	x	√	√	x	√	√	x	1,858
	Workplace Accidents	√	√	x	√	√	x	√	√	x	√	√	x	1,858
	Disability Benefit	√	√	x	√	√	x	√	√	x	√	√	x	1,858
	Pension	√	√	x	√	√	x	√	√	x	√	√	x	1,858
2024	Employees	931	192	6	276	2	-	160	12	-	210	-	40	1,829
	Unemployment	√	√	x	√	√	x	√	√	x	√	√	x	1,783
	Sick Leave	√	√	x	√	√	x	√	√	x	√	√	x	1,783
	Maternity Leave	√	√	x	√	√	x	√	√	x	√	√	x	1,783
	Workplace Accidents	√	√	x	√	√	x	√	√	x	√	√	x	1,783
	Disability Benefit	√	√	x	√	√	x	√	√	x	√	√	x	1,783
	Pension	√	√	x	√	√	x	√	√	x	√	√	x	1,783



All employees enjoy social protection in accordance with applicable legislation, including rights in cases of illness, unemployment, workplace injuries, acquired disability, parental leave, and

retirement. Workers who are not in direct employment with the company, such as agency workers, receive their rights through the agency that employs them.

### INJURIES AT WORK

	2023	2024	Δ
Solin	6	4	-33.3%
Zagreb	11	13	+18.2%
Tiszaújváros	21	8	-61.9%
Mladenovac	8	10	+25.0%
Vintai	-	-	-
<b>TOTAL</b>	<b>46</b>	<b>35</b>	<b>-23.9%</b>

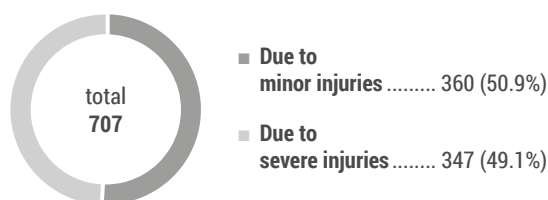
### OCCUPATIONAL DISEASES

	2023	2024	Δ
Solin	-	1	-
Zagreb	-	-	-
Tiszaújváros	-	-	-
Mladenovac	-	-	-
Vintai	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>1</b>	<b>-</b>

### LOST DAYS

	2023	2024	Δ
Solin	346	254	-26.6%
Zagreb	233	146	-37.3%
Tiszaújváros	55	147	+167.3%
Mladenovac	70	160	+128.6%
Vintai	-	-	-
<b>TOTAL</b>	<b>704</b>	<b>707</b>	<b>+0.4%</b>

### LOST WORKING DAYS BY SEVERITY OF INJURY



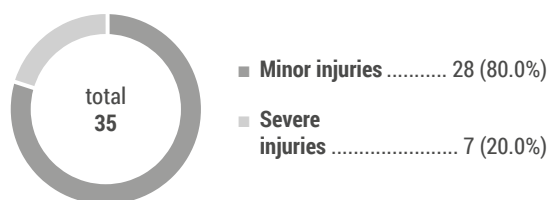
There were no worker injuries at the sites involving non-employees.

### INJURY RATE

(Number of injured workers / total number of hours worked by employees x 1,000,000)

	2023	2024	Δ
Solin	6.0	4.4	-25.9%
Zagreb	10.6	11.0	+4.0%
Tiszaújváros	41.4	17.3	-58.1%
Mladenovac	22.1	31.6	+43.0%
Vintai	-	-	-
<b>TOTAL</b>	<b>13.9</b>	<b>10.8</b>	<b>-22.3%</b>

### INJURIES BY SEVERITY



All employees are covered by the highest occupational health and safety standards, which are aligned with the relevant legislation in each country of operation. They are required to attend basic safety training and work regulations upon hiring, while continuous education and training are provided to ensure a high level of safety awareness and reduce the risks of workplace injuries. Relevant committees and occupational health and safety services regularly monitor and improve the implementation of protective measures.

Special attention is given to injury prevention and the reduction of health risks, while providing social benefits and support to employees in various life situations. The goal is to create a work environment free of injuries and risks, particularly in production processes, through ongoing investments, education, and improvements to safety standards.

A certified occupational health and safety management system according to ISO 45001 has been implemented in Croatia

GOAL INJURY-FREE  
2030

and Mladenovac, ensuring systematic risk management and continuous improvement of working conditions. The system is subject to regular internal audits and external certification, confirming compliance with the highest standards of employee health and safety.

#### FATALITIES

There were no fatalities in AD Plastik Group in 2024.

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## BALANCING PRIVATE AND WORK LIFE

By providing support in balancing professional and family obligations for its employees, the company ensures the right to family leave in accordance with national legislation and collective agreements. Various forms of family leave are available, including maternity, paternity, parental, and caregiver leave.

Maternity leave ensures job protection for employed women during the period immediately before and after childbirth, while paternity leave guarantees fathers or equivalent other parents the right to take time off work upon the birth or adoption of a child to provide care. Parental leave allows for additional child care after maternity leave, in accordance with the regulations of individual countries, while caregiver

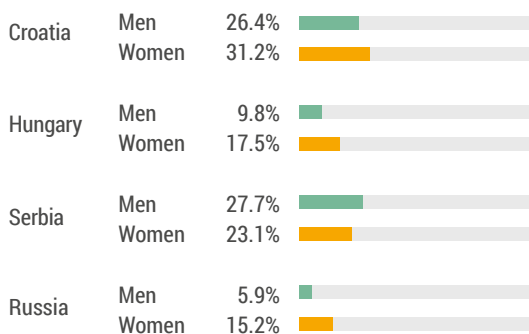
leave ensures that employees have the right to take time off work to personally care for a family member or a person from the same household who requires significant support due to a serious health condition.

All employees are entitled to the mentioned forms of leave, with the duration varying depending on the legislation of the country of operation, ranging from one to three years. Special attention is given to encouraging fathers to take parental leave, promoting a more equal distribution of family responsibilities. Through the active implementation of these measures, the company creates a stable and supportive work environment, ensuring flexibility and security for employees in balancing their commitments.

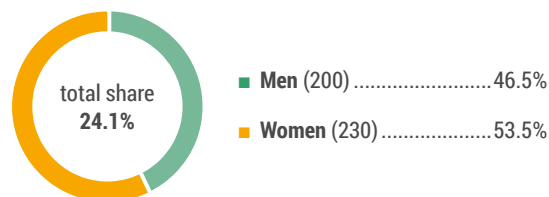
## FAMILY LEAVE

2023 is not comparable due to different reporting method

	Croatia		Hungary		Serbia		Russia		AD Plastik Group		Σ
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	
<b>Total employees</b>	<b>598</b>	<b>525</b>	<b>112</b>	<b>166</b>	<b>94</b>	<b>78</b>	<b>85</b>	<b>125</b>	<b>889</b>	<b>894</b>	<b>1,783</b>
Paternity	14	-	2	-	-	-	-	-	16	-	16
Maternity and parental	18	45	-	11	2	-	-	12	20	68	88
Care of a family member	19	46	-	1	2	5	-	-	21	52	73
Marriage	12	2	-	-	-	-	-	1	12	3	15
Newborn child	10	-	-	-	2	-	-	-	12	-	12
First day of school	12	5	-	-	-	-	-	-	12	5	17
Death of a close family member	33	46	9	16	5	2	3	4	50	68	118
Moving	6	10	-	-	-	-	-	-	6	10	16
Natural disaster	1	-	-	-	-	-	-	-	1	-	1
Voluntary blood donation	33	9	-	1	15	11	-	-	48	21	69
Humanitarian, cultural or sports events	-	-	-	-	-	-	-	-	-	-	-
Professional training	-	1	-	-	-	-	2	2	2	3	5
<b>Family leave utilization rate</b>	<b>26.4%</b>	<b>31.2%</b>	<b>9.8%</b>	<b>17.5%</b>	<b>27.7%</b>	<b>23.1%</b>	<b>5.9%</b>	<b>15.2%</b>	<b>22.5%</b>	<b>25.7%</b>	<b>24.1%</b>



### SHARE OF FAMILY LEAVE USE



100% of employees are entitled to family leave





# S2

## VALUE CHAIN

Strategic purchasing consistently encourages suppliers to respect human rights, employee rights, and the rights of vulnerable groups, ensure equal opportunities, and comply with other labor-related rights through existing policies. By updating the **Sustainable Supplier Management Policy**, the approach to collecting and tracking material sustainability topics in the supply chain was further improved during the reporting period, including labor rights and employee protection. Clear guidelines for sustainable supply chain management were established, aimed at minimizing negative environmental impacts, promoting social responsibility, and ensuring economic sustainability through a detailed analysis of topics aligned with ESRS requirements.

Although the topic of Workers in the Value Chain was not assessed as material, neither according to the stakeholders' opinions nor the company's own evaluation, the importance of systematic data collection and setting clear standards in the supply chain was recognized.

In the materiality assessment process, certain factors were identified as material, including job security, working hours,

adequate wages, freedom of association, health and safety, measures against violence, diversity, and privacy. However, despite being aware of its responsibility in managing potential risks and impacts on workers in the value chain, the company currently does not have direct data from the value chain. To ensure transparency and responsible business practices, efforts are being made to improve access to data, and this year the possibility of exemption according to ESRS is being utilized.

The positive effects stem from the fact that most suppliers come from the European Union, where they are subject to strict legislative requirements, thus ensuring their reliability and compliance with sustainability standards to a large extent. By introducing the updated **Supplier Sustainability Questionnaire**, data is collected on the certifications and standards held by suppliers (IATF 16949, ISO 14001, ISO 9001, ISO 27001, and others), allowing for more objective ranking based on sustainability criteria. This process further strengthens transparency in supplier assessment and ensures compliance with established sustainable business policies. ►

- ▶ On the other hand, the main challenges include the increased need for data analysis across all levels of the value chain and the limited ability to gain insight into lower-tier suppliers, which makes it difficult to fully track their practices. Although surveys are already conducted with first-tier suppliers through the updated monitoring system and publicly available data is collected for higher levels of the value chain, challenges in ensuring comprehensive insight into all segments of the supply chain still exist.

The confidentiality of contracts between the company and its business partners further limits transparency and the ability to verify data about working conditions. The lack of available data makes it challenging to monitor key aspects such as job security, working hours, appropriate wages, and overall working conditions at deeper levels of the value chain. Additionally, the limited number of suppliers included in the Supplier Portal makes it difficult to fully assess freedom of association and other workers' rights. However, the planned expansion of the Portal to cover the entire supply chain will enable the inclusion of a larger number of suppliers and improve data transparency in this area.

During the reporting period, 100 percent of the suppliers on the Supplier Portal stated that they promote freedom of association and support workers' rights. Furthermore, 96 percent of registered suppliers expressed positive responses regarding the introduction of measures against workplace violence and harassment, and the same percentage supports diversity and implements policies that promote inclusion.

The management of potential risks, such as human rights violations in lower levels of the supply chain or lack of measures

against workplace violence and harassment, is carried out through the supplier database and the mandatory acceptance of the company's published policies by all suppliers. However, this year, the company was unable to collect detailed data on all aspects of working conditions within the value chain, which complicates drawing conclusions regarding compliance within the value chain.

In 2024, the company's [Code of Business Conduct and Policies](#) were updated, with the [Sustainable Supplier Management Policy](#) further clarifying expectations regarding environmental protection, respect for human and labor rights, and ethical behavior. All suppliers are invited to cooperate and adhere to these standards, and upon entering the **Supplier Database**, they are directly informed about the sustainability policies.

Through the updated **Supplier Sustainability Questionnaire**, data is also collected on available channels for workers to express concerns, which will facilitate a better understanding of their rights and working conditions. Given that the first significant analytical data is expected in the medium term, specific indicators and target values have yet to be defined, but solid foundations have been laid for systematic monitoring and further optimization of the supply chain.

Since the issue of Workers in the Value Chain was not identified as material, the company is not obligated to report on specific policies, cooperation procedures, remediation mechanisms, or target values related to this topic. However, the company will continue to monitor relevant aspects of the business, particularly in terms of expanding data availability regarding the value chain and improving business transparency with suppliers.

### SUPPLIER ASSESSMENT BY PROCUREMENT VALUE (k€)

	2023		2024	
	assessed share	purchase value	assessed share	purchase value
Croatia	95.3%	77,544	88.7%	87,427
Hungary	79.9%	8,198	79.7%	10,287
Serbia	90.3%	9,518	72.5%	13,125
Russia	64.3%	5,679	33.3%	17,077
<b>AD Plastik Group</b>	<b>91.7%</b>	<b>100,939</b>	<b>78.9%</b>	<b>127,916</b>

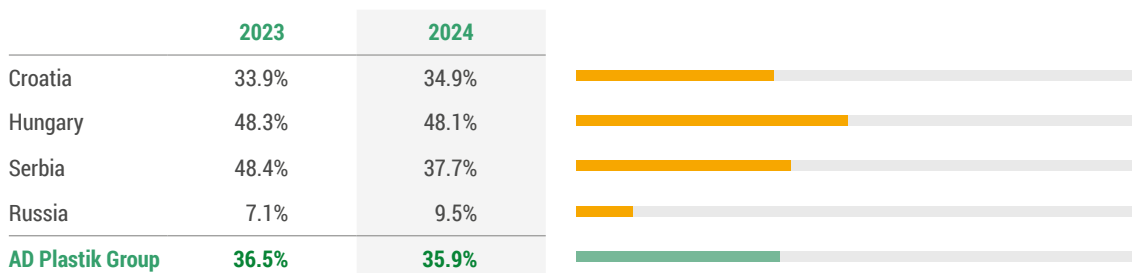
**GOAL**

**LOCAL SUPPLIERS**

**+10% by 2030**

(2023 36% share in procurement value in k€)

### SHARE OF EVALUATED SUPPLIERS WITH ISO 14001 STANDARD



### SHARE OF LOCAL SUPPLIERS BY VALUE (k€)

	2023	2024			share
	share	local	import	total	
Croatia	29.0%	25,908	61,518	87,426	29.6%
Hungary	76.4%	7,664	2,623	10,287	74.5%
Serbia	37.4%	3,606	9,519	13,125	27.5%
Russia	48.6%	1,730	4,016	5,746	30.1%
<b>Total</b>	<b>36.5%</b>	<b>38,908</b>	<b>77,676</b>	<b>116,584</b>	<b>33.4%</b>



■ Local.....33.4%  
 ■ Import.....66.6%

### OTHER GOALS

SUPPLY CHAIN  
 ECOLOGICAL FOOTPRINT  
**20% by 2040**

**75%**    **85%**    **100%**  
 SUSTAINABLE SUPPLIERS BY PURCHASE VALUE  
 by **2030**    **2040**    **2050**





# S3

## AFFECTED COMMUNITIES

AD Plastik Group recognizes its responsibility towards communities that are directly or indirectly affected by its business activities. Production sites and business processes can have environmental, economic and social impacts on local communities, including residents, local authorities, non-governmental organisations and other relevant stakeholders, especially in terms of employment and workforce development. In addition to the immediate surroundings of production facilities, the company is aware of the impact on communities in the value chain, including suppliers and subcontractors whose operations are adapting to growing sustainability requirements. Taking these factors into account, business impacts are monitored and, through dialogue with key stakeholders, potential negative impacts are identified and reduced, contributing to the long-term development of the communities in which it operates.

Affected communities did not prove to be a material topic in the double materiality analysis, both according to internal assessments and according to stakeholders. Although certain positive impacts of business operations on local communities were identified, they were not assessed as material in the reporting context, while the identified risks and opportunities do not have a material financial impact on the business.

In the area of economic, social and cultural rights of communities, certain positive impacts were identified, including increasing the quality of life through cooperation with local communities and employment of local population, ensuring food supply through local suppliers, responsible use of water resources and minimizing land conversion, since business operations mainly take place in industrial and already developed sites. Also, employee training on safety protocols and risk management contributes to safety and strengthening trust within communities.

Water supply and drainage was assessed as material and certain opportunities were identified in this area, such as regeneration of local water systems and reuse of treated water for sanitary purposes, which would reduce the consumption of natural resources. At the same time, the costs of investing in water treatment equipment and rehabilitation of sewage and stormwater systems represent a moderate financial burden, but were not assessed as financially material. Since these topics are covered in more detail in the chapter on [Water Resources Management](#), they are not considered in this section. ►



- ▶ Similarly, the impacts related to employee safety and emergency risk management have been assessed as positive for local communities, as regular risk assessments, risk management practices, and employee training contribute to building community trust and improving overall safety. Although this factor was assessed as material, it was not further discussed within this standard, as employee safety is covered in the [Employees - The Driving Force of Success](#) chapter.

The affected communities are partly covered in the [Business Conduct](#) chapter, which addresses responsible business conduct in relation to the community, including ethical standards, collaboration with local stakeholders, and contributions to the development of the communities in which the company operates.

Civil and political rights of communities, including freedom of expression, freedom of assembly, and impacts on human rights defenders, are not subject to assessment, given that the company operates in regions with well-developed legal systems where such rights are legally protected and regulated, and the company's activities do not have a direct or significant impact on them.

The company also does not operate in areas inhabited by indigenous peoples, nor are there indications of business operations within such areas in its value chain, which is why no assessment has been conducted on issues related to their rights.

In its [Human Rights Protection and Ethical Employment Policy](#), AD Plastik Group undertakes to respect international standards, with a special emphasis on protecting the human rights of affected communities through the prohibition of all forms of human trafficking and forced labor, preserving the rights of local communities to land, forests and water, respecting the cultural identity and resources of indigenous and minority communities, and ensuring accessible and safe mechanisms for reporting violations of rights, thereby strengthening transparency, accountability and legal protection in accordance with the UN principles on business and human rights.

A formal procedure for cooperation with affected communities is not prescribed; instead, this cooperation takes place through existing business processes and initiatives, adapted to the specific needs and circumstances of each community.

In accordance with the standards, and since the topic of affected communities has not been identified as material, the company is not obligated to report on specific policies, cooperation procedures, remediation mechanisms, or target values related to this topic. Based on the results of the assessment, the company does not recognize the need for additional disclosures or management approaches but will continue to monitor relevant aspects of its operations and their potential impacts in line with business strategies and regulatory requirements.





# S4

## CONSUMERS AND END-USERS

AD Plastik Group, as a leading supplier of plastic components for the automotive industry, is dedicated to the development and production of innovative solutions that contribute to the safety, sustainability and quality of vehicles used by millions of end users every day.

Although the company does not have direct interaction with end consumers, through the value chain and cooperation with vehicle manufacturers there is a material impact on the experience and safety of product users. The needs and expectations of end users are monitored through cooperation with car manufacturers, regulatory bodies and industry associations.

Continuous work is being done on improving the impact of products on end users through sustainable solutions, innovative materials, and manufacturing processes that support safer and more environmentally friendly mobility. This is largely contributed by the application of high-quality standards and

internationally certified management systems, which reduce maintenance costs and increase vehicle reliability.

The development of lightweight and recyclable materials actively contributes to reducing the carbon footprint of the automotive industry, thus enabling lower energy consumption and higher vehicle efficiency. The company maintains transparent and responsible supply chain management, ensuring compliance with regulatory requirements and ethical business principles.

Potential risks associated with the use of plastics in cars are identified and analyzed, and significant resources are invested in innovations that support the circular economy and more environmentally friendly solutions. The topic of consumers and end-users has proven to be highly material from both an impact and financial materiality perspective, with the health and safety of end-users identified as extremely important—both internally and by stakeholders. ▶



- ▶ Aware of the potential risks related to data privacy, the Group applies a range of measures to ensure the protection of sensitive information. Through the implementation of non-disclosure agreements (NDAs) with customers and the enforcement of the Code of Business Conduct, data security is ensured. Additionally, some offers are sent via digital platforms such as GST and CAYOR, which allow for secure data exchange. As an additional measure, the Customer Portal is used for sending all offers to ensure controlled and secure information exchange. However, the challenge of data transfer remains at lower levels of the value chain, where the company lacks direct control, which may pose a potential risk.

Through the Customer Portal, feedback on products and services is received, promoting transparency and two-way communication, further supported by the regular completion of ESG questionnaires. However, limited access to end-users of vehicles reduces the ability to collect their feedback on product satisfaction, which is identified as a potential risk.

The complexity of regulations and customer requirements, along with their constant changes, can slow down adaptation and the updating of information, presenting a challenge in maintaining product relevance and compliance with market standards. At the same time, detailed information is provided already in the quotation phase, including data on materials, processes, tools, and packaging, allowing customers to make informed decisions. The calculation of the carbon footprint per product, which is becoming an increasingly important sustainability indicator, is currently performed only for a smaller portion of products but will be expanded to cover all products in the medium term.

The health and safety of end-users are of particular importance throughout the value chain. By complying with EC regulations in product design, a high level of safety in the event of a crash is achieved, while monitoring the chemical composition of products reduces the risks of exposure to harmful substances. Regular impact resistance tests and material inspections further ensure the quality and safety of products.

Improvements to the DFMEA analysis are planned for the medium term to further improve these factors.

AD Plastik Group does not produce components that directly affect the safety of vehicle passengers, except through the quality and safety of materials that are designed according to customer specifications. At the same time, it does not manufacture products intended for children, nor specifically designed for their safety, so the impact on child protection is not relevant in the context of business activities. It also does not discriminate against end users, since the products are technically standardized according to customer instructions. The technical quality of the products guarantees safety, but there is no direct impact on their final availability to users.

Responsible marketing practices are ensured through the Advertising and Market Communication Code and the Code of Business Conduct, which set high standards for ethical communication. Business and product promotion is carried out through responsible channels, without using misleading messages. Transparency of information via IMDS ensures traceability and documented information about the chemical composition, recycled materials, and sustainability of products.

All the measures and initiatives mentioned ensure a high level of compliance with standards and affirm the company's commitment to responsible business practices and protecting the interests of consumers and end-users. Sustainability goals, such as reducing the carbon footprint and developing sustainable materials, are shaped in line with industry standards and the requirements of manufacturers who integrate end-user feedback. Although end-users are not directly involved in setting goals, their expectations are encompassed through market demands and regulatory frameworks. Performance monitoring is carried out through quality and environmental management systems, and manufacturer feedback is used for further improvements. In this way, the alignment of sustainable solutions with end-user needs is ensured, even though they do not directly participate in decision-making.

# G1



## BUSINESS CONDUCT

Business conduct has proven to be an exceptionally material topic based on internal assessments and stakeholder opinions during the double materiality analysis. Corporate culture, in particular, was highly rated. Strengthening a corporate culture based on ethical principles and sustainability has been identified as a key impact, as it contributes to improving stakeholder and employee trust, improving cooperation with partners, and supporting the organization's long-term financial growth.

Despite the positive effects, certain risks have also been recognized that could impact the business, such as insufficient protection for whistleblowers, which could lead to employee mistrust, reduced reporting of irregularities, reputational damage, and potential legal consequences. In the area of supplier relationship management, delayed payments can cause supply disruptions, damage trust, and lead to increased operational costs due to urgent replacements. Additionally, in the context of preventing and detecting corruption and bribery, a lack of understanding of anti-corruption practices among employees increases the risk of misconduct, which could result in legal penalties, loss of contracts, and reputational damage.

At the same time, opportunities have been identified that can improve business operations and reduce the aforementioned risks. Further strengthening of a corporate culture based on ethical principles and sustainability will increase stakeholder and employee trust, improve cooperation with partners, and contribute to long-term financial growth. Signing long-term contracts with suppliers enhances stability, reduces the risk of price fluctuations, and ensures a reliable supply. ▶

*The role of the Management Board and the Supervisory Board is described in detail in the [Corporate Governance](#) section.*



# INFORMATION ON GOVERNANCE

- ▶ This approach ensures systematic management of business conduct to capitalize on opportunities, reduce risks, and further strengthen the positive impacts on business performance. The assessment did not identify significant risks or opportunities in the areas of political engagement, lobbying, or incidents related to business conduct.

## CORPORATE CULTURE

AD Plastik Group bases its operations on high standards of corporate governance, ethics, and sustainability, ensuring long-term growth and development in alignment with the interests of its stakeholders. The **Code of Business Conduct and corporate policies** define the fundamental values and principles of responsible business, and their application encompasses employees and business partners, including suppliers.

During the reporting year, the company updated its key corporate policies and the Code of Business Conduct to ensure compliance with regulatory requirements, industry standards, and best practices. The Code and policies were published and made available on the Group's website and intranet, and were provided to all employees and business partners involved to ensure transparency and understanding of their obligations.

### Corporate Culture Management

AD Plastik Group develops a corporate culture based on integrity, ethics, and responsibility, ensuring a high standard of professional behavior. To monitor and improve the corporate culture, the following measures are implemented:

- integration of ethical standards into the human resources management process, hiring, and promotion
- ensuring independent monitoring and reporting of ethical issues through appropriate internal bodies

### Updated policies

- Anti-Corruption Policy
- Anti-Monopoly Policy
- Energy Management Policy
- Sustainable Supplier Management Policy
- Quality Policy
- Environmental Protection Policy
- Employee Health and Safety Protection Policy
- Human Rights and Ethical Employment Protection Policy
- Corporate Security Policy

- Diversity and Equal Opportunity Policy
- Advertising and Market Communication Code

The listed policies represent a clear commitment of the company, and their implementation will be integrated into business processes, internal regulations, and management systems. Continuous improvements in various management areas are carried out through internal audits and monitoring compliance with international standards.

Animal welfare is not recognized as a material topic for the company's business, but it is still covered by environmental protection and sustainable supplier management policies, through adherence to industry standards, ethical guidelines, and best practices for humane treatment of animals.

## MECHANISMS FOR REPORTING CONCERNS AND IRREGULARITIES

A comprehensive whistleblowing system has been established to ensure transparency, accountability, and protection for all whistleblowers. Reporting mechanisms are defined in the Code of Business Conduct, which applies throughout the entire group, and are further detailed in the **Rulebook on Whistleblower Protection**, which provides a secure and confidential channel for reporting irregularities. These mechanisms include direct reports to supervisors or the legal department, reports via email, as well as anonymous submissions through the internal system and physical drop boxes available at all business sites.

The reporting system is not limited to employees but is also available for suppliers, customers, and other business partners through a publicly available email address for reporting irregularities.

Whistleblowers are guaranteed full protection against any retaliation, in accordance with applicable laws and best practices. Reports are processed confidentially and in accordance with clearly defined internal procedures, and the effectiveness of the mechanisms is monitored through the analysis of received and resolved cases, as well as regular social dialogue with employees and their representatives.

The effectiveness of these channels is continuously evaluated through procedure audits, ensuring their accessibility, reliability, and the timely resolution of all reported issues. ▶

- ▶ During the reporting period, there were no violations of human rights, and no concerns or irregularities were reported through the provided channels, indicating a stable and ethical business environment.

## WHISTLEBLOWER PROTECTION

- Internal channels for reporting irregularities
- All employees have access to information about whistleblower rights
- The Workers' Council has appointed individuals for receiving and processing reports, with the prescribed support of professional services, ensuring objective and impartial investigations
- Measures are taken to protect whistleblowers from retaliation

During the reporting period, no reports were received.

The **Rulebook on Whistleblower Protection** is applied in accordance with the national legislation of the Republic of Croatia, which transposes the EU Directive. In Hungary, legal requirements arising from the implementation of this directive into national legislation are also applied, while in Russia and Serbia, there are no equivalent legal requirements. However, regulatory changes will continue to be monitored, and the application of best practices for whistleblower protection will be ensured across all business units.

## PREVENTION OF CORRUPTION

AD Plastik Group consistently applies a zero-tolerance policy towards any form of corruption, bribery, and unethical business practices. The awareness of employees and business partners regarding the importance of ethical business conduct, the availability of reporting mechanisms, and the procedures for preventing risks related to bribery and corruption is continuously strengthened.

### Existing measures and practices

- Anti-corruption policy – a binding document for all employees
- The Internal Order Regulations specify that using internal contacts for personal purposes constitutes a violation of the employee's work duties
- Whistleblowing mechanisms have been established with confidential channels, available to employees and external stakeholders

Suspicious of non-compliance with the Company's Code or policies can be reported verbally, in writing, or anonymously. Verbal reports can be made directly to supervisors or the legal department, written reports can be sent to the email address [adpkodeks@adplastik.hr](mailto:adpkodeks@adplastik.hr), or anonymous reports can be submitted through the ADP Mailbox. The individuals responsible for conducting investigations related to the prevention and detection of corruption and bribery have not been defined. ▶



- ▶ A procedure for reporting to management bodies regarding the outcomes, ensuring timely and transparent communication of relevant findings, conclusions, and recommendations has not been established.

#### Activities in implementation and planned measures

To further strengthen the system for preventing and detecting corruption, the company has defined the following activities:

- Implementation of a new round of internal training at all levels on the risks associated with bribery and corruption, legal frameworks and sanctions, and mechanisms for prevention, identification, and reporting of corruption risks
- Analysis of the highest-risk functions within the company regarding corruption and bribery – development of a model for systematic verification of functions

The company remains committed to continuously strengthening internal control mechanisms, ensuring business transparency, risk prevention, and the protection of the integrity of business processes.

In 2024, no training programs were conducted to combat corruption and bribery, nor were high-risk functions or members of administrative, managerial, and supervisory bodies covered.

Similarly, no reports related to corruption or bribery were received.

#### POLITICAL ENGAGEMENT AND LOBBYING

AD Plastik Group does not materially or financially support political parties, but actively participates in transparent public advocacy of the interests of industry, economy and sustainable development. This is carried out through business and interest organizations, through which the company promotes dialogue and constructive relations with key social actors.

During the reporting period, company representatives participated in relevant conferences, initiatives and in the work of associations of which it is a member, thereby contributing to the formation of industry standards and development policies.

There were no cases of non-compliance with laws and regulations, nor were there any irregularities recorded in connection with the application of the Code and policies, for which no financial or other sanctions were imposed.

#### MEMBERSHIPS IN ASSOCIATIONS

- Croatian Chamber of Economy - mandatory member and signatory of the Code of Ethics
- HR BCSD - Croatian Business Council for Sustainable Development
  - Marinko Došen, President of the Assembly
- UN Global Compact Croatia
  - Marinko Došen, Member of the Management Committee
- Assembly of the Croatian Chamber of the Economy
  - Marinko Došen, Member of the Assembly
- Economic Council of Croatian Chamber of Economy - County Chamber Split
  - Mladen Peroš, Vice President
- Croatian Exporters
  - Marinko Došen, Vice President
- Plastic and Rubber Industry Association
  - Mladen Peroš, Member of the Board, Igor Lončar (replacement)
- Vocational Plastics and Rubber Manufacturing Group of the County Chamber Split
  - Josip Suzan, President
- Vocational Group for Environmental Protection in the Economy of the CCE - County Chamber Split
  - Jadranka Konta, Member
- CIPD – the professional body for HR and people development
  - Krešimir Mikulandra
- Occupational Safety Community
  - Bernarda Huić
- Association of Metal Processing Industry of the CCE
- Community for environmental protection in the economy CCE
- Lider's Club of Exporters
- Automotive Cluster Russia
- Serbian Automotive Cluster
- Chamber of Commerce and Industry of Serbia
- Business Club of Mladenovac
- National Association of Entrepreneurs and Employers Hungary
- Hungarian Plastics Association
- Association of Hungarian Automotive Component Manufacturers
- Hungarian Chamber of Commerce and Industry

## PARTICIPATION IN CONFERENCES AND BUSINESS EVENTS

- **Learning by Doing** conference, Istria
  - panel: Who takes the penalty kicks in ESG?, participant: Marinko Došen
- **Women in Business**, round table, Croatian Employers' Association, Zagreb
  - participant: Marinko Došen
- **19th Convention of Croatian Exporters and "Golden Key" Award** ceremony, Mozaik Event Center, Zagreb
  - panel: Export in the environment of geopolitical risks, participant: Marinko Došen
- **11th Export Conference "Smart People Know What Export Is For"**, Kraš Auditorium, Zagreb
  - panel: At the beginning or end of the supply chain, participant: Lidija Škarica
- **21st HBOR's Conference on Export Promotion**, Zadar
  - panel: Deglobalization in Action: How does the fragmentation of international trade affect Croatian exports, participant: Marinko Došen
- **CCE - Industry Conference: It's Time for Industry**, Zagreb
  - panel: Prospects for strengthening Croatian industry, participant: Marinko Došen
- Big Plans Day Conference, Hotel Westin Zagreb
- Golden Marten, Croatian National Theatre Zagreb
- Challenge of Change Conference, Hotel Lone, Rovinj
- 16th conference on sustainable development, Zagreb
- 20th anniversary of Croatian Exporters and the Platinum Key Award, Zagreb
- Corporate Governance: Standards Shaping Tomorrow, HANFA, Zagreb
- Zagreb Stock Exchange Awards, Zagreb

## SUPPLIER PAYMENTS

AD Plastik Group makes its payments to small and medium-sized enterprises, taking into account the contractual and legal deadlines. Of the total number of domestic suppliers in the parent company from the SME group, 37 percent have a contractual payment deadline of up to 30 days from the date of invoice, while for an additional 37 percent this deadline is between 31 and 60 days. The remaining suppliers have contractual payment deadlines longer than 60 days. The average weighted time required to pay SMEs in the parent company is 68 days from the date of invoice, with 27 percent of liabilities being paid within 30 days, 28 percent in the period from 31 to 60 days, and the rest after 60 days.

The average payment delay from the contractual or legal due date is 22 days, which is most often affected by later receipts and postings of invoices, lack of supporting documentation, possible complaints, but also shifts in the cash flow plan.

In subsidiaries, most SME suppliers are paid within 30 days of invoice issuance. Payments are made weekly, in accordance with a defined cash flow plan, in order to settle all liabilities within the month of maturity. As of the reporting date, AD Plastik Group has no pending legal proceedings related to late payments to suppliers.



## DONATIONS AND SPONSORSHIPS

### DONATIONS

- Bocce club Sućidar
- Caspera - Association of women affected by malignant diseases
- Center for Occupational Therapy and Rehabilitation
- Faculty of Electrical Engineering, Mechanical Engineering and Naval Architecture, University of Split
- Croatian Football Club Sloga Mrvinc
- Croatian Exporters
- Faculty of Chemistry and Technology - assistance to students for professional travel
- Football Club Solin
- Youth Water Polo Club Split
- Croatian War Veterans Association Kaštela
- Association of persons with cerebral palsy and polio Rijeka
- Andrej Gal – Chess Development
- Donation of Decommissioned Computers – Caritas, Autism Center, Urbik kindergarten, Josip Vergilij Perić Elementary School, Parasports Association of the City of Split, Handball Club Petason, Supetar Tamburitza Ensemble, Dalmacijacement Tennis Club, Moment of Time Association

### SPONSORSHIPS

- Faculty of Economics, Split
  - International Summer School 2024
- Faculty of Mechanical Engineering and Naval Architecture, Zagreb
  - Career Days
- Croatian Chamber of Economy
  - Industrial Conference
- Penta d.o.o.
  - Challenge of Change
- Scool d.o.o.
  - Kwizard
- St. Ilija Metković Boatmen's Association



# REPUBLISHED AND CUSTOMIZED INFORMATION

- Tables within the report have been marked and explained that do not have comparative periods due to differences in the calculation method or data collection approach
- **Energy** – from this year, energy consumption is calculated in MWh, while in previous years it was calculated in GJ, and the 2023 data has been adjusted accordingly to ensure better data comparison
- **Emissions Scope 1** – changes occurred in 2023 primarily due to the use of new emission factors (DEFRA 2023), and part of the business travel emissions previously calculated based on fuel consumption have been moved from Scope 3 to Scope 1
- **Emissions Scope 2** – changes occurred in the calculation of emissions in 2023, in accordance with ESRS, and different emission factors (DEFRA 2023) were used to align and improve the comparability of the data
- **Emissions Scope 3** – more details are provided in Scope 3 itself, but part of the calculation has been modified using new emission factors (DEFRA 2023), and the comprehensive calculation has been supplemented with emissions that were not previously reported
- **Waste** – the amounts and numbers in 2023 have not changed, but unlike the previous year, waste has been separated, diverted from disposal and directed towards disposal
- **The share of women in management positions** in 2023 had an error in the calculation, which has been corrected, so instead of the published 40.4 percent in 2023, their share was 37.8 percent
- The methodology for reporting on **training and skills development** has been changed, so there is no possibility of comparing periods
- The method of reporting on **family leave** has been adjusted to ESRS, so it is not possible to compare with the previous period
- The method of reporting on **employees who are not our own workforce** has been changed and aligned with ESRS and is therefore not comparable with the previous period
- The shares of **estimated suppliers by purchase value** in 2023 have been slightly changed, exclusively for Russia, due to subsequently collected data
- Data for **water consumption, water in technological processes** and **discharged water** for 2023 in Croatia and for water in technological processes in Serbia have been changed because an incorrect calculation was detected

*Modifications and adjustments to the 2023 data have been included to ensure alignment with ESRS requirements and are not within the scope of KPMG's audit.*

# LIST OF DATA IN THE INTERSECTORAL AND THEMATIC STANDARDS ARISING FROM OTHER EU REGULATIONS

Disclosure Requirement	Description	Data Point	Sustainable Finance Disclosure Regulation	Pillar III	Benchmark Regulations	European Climate Law	Page or materiality
ESRS 2 GOV-1	Gender diversity in the Management Board	21 (d)	Indicator No. 13 from Table 1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		68
ESRS 2 GOV-1	Percentage of Management Board members who are independent	21 (c)			Delegated Regulation (EU) 2020/1816, Annex II		64
ESRS 2 GOV-4	Statement on due diligence	30	Indicator No. 10 from Table 3 of Annex I				77
ESRS 2 SBM-1	Involvement in activities related to fossil fuels and energy	40 (d) i	Indicator No. 4 from Table 1 of Annex I	Regulation (EU) No. 575/2013, Article 449a Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II		non-material
ESRS 2 SBM-1	Involvement in activities related to the production of chemicals	40 (d) ii	Indicator No. 9 from Table 2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		non-material
ESRS 2 SBM-1	Involvement in activities related to controversial weapons	40 (d) iii	Indicator No. 14 from Table 1 of Annex I				non-material
ESRS E1-1	Transition plan to achieve climate neutrality by 2050	14				Regulation (EU) 2021/1119, Article 2(1)	non-material
ESRS E1-1	Companies excluded from Paris Agreement benchmarks	16 (g)		Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions, and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12(1), points (d) to (g), and Article 12(2)		non-material
ESRS E1-4	Greenhouse gas emission reduction targets	34	Indicator No. 4 from Table 2 of Annex I	Article 449a of Regulation (EU) No. 575/2013	Delegated Regulation (EU) 2020/1818, Article 6		93
ESRS E1-5	Energy consumption from fossil sources broken down by source	38	Indicator No. 5 from Table 1 and Indicator No. 5 from Table 2 of Annex I				91
ESRS E1-5	Energy intensity related to activities in sectors with significant climate impact	40-43	Indicator No. 6 from Table 1 of Annex I				91

Disclosure Requirement	Description	Data Point	Sustainable Finance Disclosure Regulation	Pillar III	Benchmark Regulations	European Climate Law	Page or materiality
ESRS E1-6	Gross greenhouse gas emissions from Scope 1, 2, and 3, and total emissions	44	Indicators No. 1 and 2 from Table 1 of Annex I	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions, and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6, and Article 8(1)		93-96
ESRS E1-6	Gross greenhouse gas emissions intensity	53-55	Indicator No. 3 from Table 1 of Annex I	Regulation (EU) No. 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		93
ESRS E1-7	Greenhouse gas removals and carbon credits	56				Regulation (EU) 2021/1119, Article 2(1)	non-material
ESRS E1-9	Exposure of the reference portfolio to physical climate-related risks	66			Delegated Regulation (EU) 2020/1818, Delegated Regulation (EU) 2020/1816, Annex II		non-material
ESRS E1-9	Breakdown of monetary amounts by acute and chronic physical risk	66 (a)		Regulation (EU) No. 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, points 46 and 47; Template 5: Banking book – Physical climate risk: Exposures subject to physical risk			non-material
ESRS E1-9	Location of significant assets exposed to material physical risk	66 (c)		Regulation (EU) No. 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, points 46 and 47; Template 5: Banking book – Physical climate risk: Exposures subject to physical risk			non-material
ESRS E1-9	Breakdown of the carrying amount of company properties by energy efficiency classes	67 (c)		Regulation (EU) No. 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, point 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of collateral			non-material
ESRS E1-9	Degree of portfolio exposure to opportunities related to climate change	69			Delegated Regulation (EU) 2020/1818, Annex II		non-material
ESRS E2-4	Quantity of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) released into air, water, and soil	28	Annex I, indicator no. 8 Table 1, Annex I, indicator no. 2 Table 2, Annex I, indicator no. 1 Table 2, Annex I, indicator no. 3 Table 2				101
ESRS E3-1	Water and marine resources	9	Indicator No. 7 from Table 2 of Annex I				non-material

Disclosure Requirement	Description	Data Point	Sustainable Finance Disclosure Regulation	Pillar III	Benchmark Regulations	European Climate Law	Page or materiality
ESRS E3-1	Specific policy	13	Indicator No. 8 from Table 2 of Annex I				non-material
ESRS E3-1	Sustainable oceans and seas	14	Indicator No. 12 from Table 2 of Annex I				non-material
ESRS E3-4	Total volume of recycled and reused water	28 (c)	Indicator No. 6.2. from Table 2 of Annex I				non-material
ESRS E3-4	Total water consumption in m <sup>3</sup> per net revenue from own operations	29	Indicator No. 6.1. from Table 2 of Annex I				105
ESRS 2-IRO 1	E4	16 (a) i	Indicator No. 7 from Table 1 of Annex I				non-material
ESRS 2-IRO 1	E4	16 (b)	Indicator No. 10 from Table 2 of Annex I				non-material
ESRS 2-IRO 1	E4	16 (c)	Indicator No. 14 from Table 2 of Annex I				non-material
ESRS E4-2	Sustainable land/agricultural practices or policies	24 (b)	Indicator No. 11 from Table 2 of Annex I				non-material
ESRS E4-2	Sustainable ocean/sea practices or policies	24 (c)	Indicator No. 12 from Table 2 of Annex I				non-material
ESRS E4-2	Policies addressing deforestation	24 (d)	Indicator No. 15 from Table 2 of Annex I				non-material
ESRS E5-5	Hazardous and radioactive waste	39	Indicator No. 9 from Table 1 of Annex I				114
ESRS 2-SBM3-S1	Risk of forced labor	14 (f)	Indicator No. 13 from Table 3 of Annex I				non-material
ESRS 2-SBM3-S1	Risk of child labor	14 (g)	Indicator No. 12 from Table 3 of Annex I				non-material
ESRS S1-1	Human rights policy commitments	20	Indicator No. 9 from Table 3 and Indicator No. 11 from Table 1 of Annex I				131
ESRS S1-1	Due diligence policies on matters covered by ILO Core Conventions 1 to 8	21			Delegated Regulation (EU) 2020/1816, Annex II		131
ESRS S1-1	Procedures and measures to prevent human trafficking	22	Indicator No. 11 from Table 3 of Annex I				130
ESRS S1-1	Occupational accident prevention policy or management system	23	Indicator No. 1 from Table 3 of Annex I				144-146
ESRS S1-3	Grievance mechanism	32 (c)	Indicator No. 5 from Table 3 of Annex I				131, 140
ESRS S1-14	Number of fatalities, and number and rate of occupational accidents	88 (b) and (c)	Indicator No. 2 from Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		145, 146
ESRS S1-14	Number of days lost due to injuries, accidents, fatalities, or illness	88 (e)	Indicator No. 3 from Table 3 of Annex I				145
ESRS S1-16	Unadjusted gender pay gap	97 (a)	Indicator No. 12 from Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		142
ESRS S1-16	Excessive pay ratio between executives and employees	97 (b)	Indicator No. 8 from Table 3 of Annex I				142
ESRS S1-17	Incidents of discrimination	103 (a)	Indicator No. 7 from Table 3 of Annex I				140

Disclosure Requirement	Description	Data Point	Sustainable Finance Disclosure Regulation	Pillar III	Benchmark Regulations	European Climate Law	Page or materiality
ESRS S1-17	Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD Guidelines	104 (a)	Indicator No. 10 from Table 1 and Indicator No. 14 from Table 3 of Annex I		Delegated Regulation (EU) 2020/1816 and Commission Delegated Regulation (EU) 2020/1818, Annex II, Article 12(1)		157
ESRS 2-SBM3-S2	High risk of child labour or forced labour in the value chain	11 (b)	Indicators No. 12 and 13 from Table 3 of Annex I				non-material
ESRS S2-1	Human rights policy commitments	17	Indicator No. 9 from Table 3 and Indicator No. 11 from Table 1 of Annex I				149
ESRS S2-1	Policies relating to workers in the value chain	18	Indicators No. 11 and 4 from Table 3 of Annex I				149
ESRS S2-1	Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	19	Indicator No. 10 from Table 1 of Annex I		Delegated Regulation (EU) 2020/1816 and Commission Delegated Regulation (EU) 2020/1818, Annex II, Article 12(1)		non-material
ESRS S2-1	Due diligence policies on issues covered by ILO Core Conventions 1 to 8	19			Delegated Regulation (EU) 2020/1816, Annex II		non-material
ESRS S2-4	Human rights issues and incidents related to higher and lower tiers of the value chain	36	Indicator No. 14 from Table 3 of Annex I				non-material
ESRS S3-1	Commitments in the area of human rights protection policy	16	Indicator No. 9 from Table 3 of Annex I and Indicator No. 11 from Table 1 of Annex I				152
ESRS S3-1	Non-compliance with the UN Guiding Principles on Business and Human Rights, ILO principles, and OECD Guidelines	17	Indicator No. 10 from Table 1 of Annex I		Delegated Regulation (EU) 2020/1816 and Delegated Regulation (EU) 2020/1818, Annex II, Article 12(1)		152
ESRS S3-4	Human rights issues and related incidents	36	Indicator No. 14 from Table 3 of Annex I				non-material
ESRS S4-1	Policies related to consumers and end users	16	Indicator No. 9 from Table 3 and Indicator No. 11 from Table 1 of Annex I				non-material
ESRS S4-1	Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	17	Indicator No. 10 from Table 1 of Annex I		Delegated Regulation (EU) 2020/1816 and Delegated Regulation (EU) 2020/1818, Annex II, Article 12(1)		non-material
ESRS S4-4	Human rights issues and related incidents	35	Indicator No. 14 from Table 3 of Annex I				non-material
ESRS G1-1	United Nations Convention against Corruption	10 (b)	Indicator No. 15 from Table 3 of Annex I				157
ESRS G1-1	Whistleblower protection	10 (d)	Indicator No. 6 from Table 3 of Annex I				157
ESRS G1-4	Fines for violations of anti-corruption and anti-bribery regulations	24 (a)	Indicator No. 17 from Table 3 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		158
ESRS G1-4	Anti-corruption and anti-bribery standards	24 (b)	Indicator No. 16 from Table 3 of Annex I				157

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# ESG INDICATORS

Environmental	Unit	2023	2024
GHG Scope 1 & 2 Location-Based	Thousand Metric Tonnes CO <sub>2</sub> e	9.74	10.39
GHG Scope 1	Thousand Metric Tonnes CO <sub>2</sub> e	1.79	2.02
GHG Scope 2 Location-Based	Thousand Metric Tonnes CO <sub>2</sub> e	7.95	8.37
GHG Scope 3	Thousand Metric Tonnes CO <sub>2</sub> e	59.43	76.03
Scope 3 Business Travel Emissions	Thousand Metric Tonnes	0.16	0.09
Scope 3 Employee Commuting Emissions	Thousand Metric Tonnes CO <sub>2</sub> e	0.38	0.36
Scope 3 Dwnstrm Transprttn and Distrbtn Emissions	Thousand Metric Tonnes CO <sub>2</sub> e	2.49	1.31
Scope 3 Emissions Other	Thousand Metric Tonnes CO <sub>2</sub> e	51.31	69.12
CO <sub>2</sub> Scope 1 & 2 Location-Based	Thousand Metric Tonnes	9.74	10.39
CO <sub>2</sub> Scope 1	Thousand Metric Tonnes	1.79	2.02
CO <sub>2</sub> Scope 2 Location-Based	Thousand Metric Tonnes	7.95	8.37
Carbon per Unit of Production	Metric Tonnes/Unit of Production	1	1
Methane (CH <sub>4</sub> ) Scope 1	Thousand Metric Tonnes CO <sub>2</sub> e	0	0
ODS Emissions	Thousand Metric Tonnes	0	0
Nitrous Oxide (N <sub>2</sub> O) Scope 1	Thousand Metric Tonnes	0	0
Sulfur Hexafluoride (SF <sub>6</sub> ) Scope 1	Thousand Metric Tonnes	0	0
Methane (CH <sub>4</sub> ) Scope 1 in CO <sub>2</sub> Equivalent	Thousand Metric Tonnes CO <sub>2</sub> e	0	0
Nitrous Oxide (N <sub>2</sub> O) Scope 1 in CO <sub>2</sub> Equivalent	Thousand Metric Tonnes CO <sub>2</sub> e	0	0
Hydrofluorocarbon (HFC) Scope 1 in CO <sub>2</sub> Equivalent	Thousand Metric Tonnes CO <sub>2</sub> e	0	0
Perfluorocarbon (PFC) Scope 1 in CO <sub>2</sub> Equivalent	Thousand Metric Tonnes CO <sub>2</sub> e	0	0
Sulfur Hexafluoride (SF <sub>6</sub> ) Scope 1 CO <sub>2</sub> Equivalent	Thousand Metric Tonnes CO <sub>2</sub> e	0	0
Emissions Reduction Initiatives	Y/N	Y	Y
Climate Change Policy (1)	Y/N	Y	Y
Risks of Climate Change Discussed	Y/N	Y	Y
Total Energy Consumption	Thousand Megawatt Hours	37.83	37.05
Renewable Energy Use	Thousand Megawatt Hours	0	0
Energy Efficiency Policy (1)	Y/N	Y	Y
Electricity Used	Thousand Megawatt Hours	29.92	28.16
Fuel Used - Coal/Lignite	Thousand Metric Tonnes	0	0
Fuel Used - Natural Gas	Thousand Cubic Meters	709.47	742.54
Fuel Used - Crude Oil/Diesel	Thousand Cubic Meters	0.12	0.14
Self Generated Renewable Electricity	Thousand Megawatt Hours	0	0
Energy Per Unit of Production	Megawatt Hours/Unit of Production	0	0
Percentage Electricity of Total Energy Consumed	Percentage	79.00	76.00
ISO 14001 Certified Sites	Count	4	5
Environmental Quality Management Policy (1)	Y/N	Y	Y
Investments in Operational Sustainability	Million Euro		
Alignment with GRI Standards/ESRS	Y/N	Y	Y
Verification Type	Y/N	Y	Y
Number of Sites	Count	8	8
Pct Sites Certified	Percentage	85.71	100.00
Nitrogen Oxide Emissions	Thousand Metric Tonnes	0	0
Sulphur Dioxide Emissions	Thousand Metric Tonnes	0	0
VOC Emissions	Thousand Metric Tonnes	0.01	0.01

Environmental	Unit	2023	2024
Carbon Monoxide Emissions	Thousand Metric Tonnes	0	0
Particulate Emissions	Thousand Metric Tonnes	0	0
Sulphur Oxide Emissions	Thousand Metric Tonnes	0	0
Total Water Use	Thousand Cubic Meters	44	41
Discharges to Water	Thousand Metric Tonnes	24.10	23.97
Hazardous Waste	Thousand Metric Tonnes	0.82	0.67
Total Waste	Thousand Metric Tonnes	1.75	2.26
Waste Recycled	Thousand Metric Tonnes	0.79	1.59
Paper Consumption	Thousand Metric Tonnes	0.01458	0.01470
Raw Materials Used	Thousand Metric Tonnes	11.05	9.81
Number of Environmental Fines	Count	0	0
Amount of Environmental Fines	Million Euro	0	0
Waste Reduction Policy (1)	Y/N	Y	Y
Total Water Discharged	Thousand Cubic Meters	24.10	23.97
Water per Unit of Production	Liters/Unit of Production	4.06	4.10
Environmental Accounting Cost	Million Euro		
Biodiversity Policy (1)	Y/N	Y	Y
Waste Sent to Landfills	Thousand Metric Tonnes	0.32	0.19
Process Water	Thousand Cubic Meters	11.74	11.74
Groundwater Withdrawals	Thousand Cubic Meters	4.81	3.63
Municipal Water	Thousand Cubic Meters	39.34	37.29
Chemical Oxygen Demand of Discharges	Metric Tonnes	0	0
Biological Oxygen Demand of Discharges	Metric Tonnes	0	0
Cooling Water Inflow	Thousand Cubic Meters	11.74	11.74
Water Policy (1)	Y/N	Y	Y
Total Water Withdrawal	Thousand Cubic Meters	44.15	40.92
Water Stress Exposure Percentage	Percentage	0	0
Percentage of Hazardous Waste	Percentage	46.95	29.75
Number of Environmental Incidents	Count	0	0
Hazardous Waste Recycled	Thousand Metric Tonnes	0.33	0.26
Percentage of Hazardous Waste Recycled	Percentage	18.70	11.60
Percentage of Waste Recycled	Percentage	45.10	70.65
Hazardous Waste Management Policy (1)	Y/N	Y	Y
Wastewater Management Policy (1)	Y/N	Y	Y
Amount of Waste Incinerated	Thousand Metric Tonnes	0	0
Waste Used for Energy	Thousand Metric Tonnes	0.03	0.00
Number of Significant Spills	Count	0	0
Number of Significant Environmental Fines	Count	0	0
Amount of Significant Environmental Fines	Million Euro	0	0
Water Consumption	Thousand Cubic Meters	44.15	40.92
Pct Recycled Materials	Percentage	15.87%	23.18%
Environmental Supply Chain Management (2)	Y/N	Y	Y
Sustainable Packaging	Y/N	Y	Y

Social	Unit	2023	2024
Political Donations	Million Euro	0	0
Business Ethics Policy (1)	Y/N	Y	Y
Anti-Bribery Ethics Policy (1)	Y/N	Y	Y
Intellectual Property Rights Protection Policy (1)	Y/N	Y	Y
Number of Corruption Legal Cases	Count	0	0
Amount of Anti - Competition Fines	Million Euro	0	0
Political Involvement Policy (1)	Y/N	Y	Y
Number of Fines for Anti - Competition	Count	0	0
Anti - Competition Policy (1)	Y/N	Y	Y
Number of Fines For Bribery And Corruption	Count	0	0
Amount Of Fines For Bribery And Corruption	Million Euro	0	0
Percentage of Company Facilities Non-Compliance	Percentage	0	0
Cybersecurity Risk Management	Y/N	Y	Y
Number of Fines for Marketing and Labeling	Count	0	0
Amount of Fines for Marketing and Labeling	Million Euro	0	0
Community Spending	Million Euro	0.21	0.19
Human Rights Policy (1)	Y/N	Y	Y
Quality Assurance and Recall Policy (1)	Y/N	Y	Y
Consumer Data Protection Policy (1)	Y/N	Y	Y
Critical Materials Policy (1)	Y/N	Y	Y
Product Data Security Policy (1)	Y/N	Y	Y
Data Security Risks Discussed	Y/N	Y	Y
Executive with Responsibility for Data Security	Y/N	Y	Y
Human Rights Remediation Process	Y/N	Y	Y
Customer Satisfaction Survey Conducted	Y/N	Y	Y
UN Global Compact Signatory	Y/N	Y	Y
Number of Employees - CSR	Count	1,860	1,783
Employee Turnover Pct	Percentage	25.50	21.76
Pct Employees Unionized	Percentage	87.70	100.00
Pct Women in Management	Percentage	40.38	38.00
Pct Women in Workforce	Percentage	52.63	50.14
Workforce Accidents - Employees	Count	46	35
Lost Time from Accidents	Hours	5,632.00	5,656.00
Fatalities - Contractors	Count	0	0
Fatalities - Employees	Count	0	0
Fatalities - Total	Count	0	0
Health and Safety Policy (1)	Y/N	Y	Y
Equal Opportunity Policy (1)	Y/N	Y	Y
Training Policy (1)	Y/N	Y	Y
Employee Average Age	Years	44	45
Pct Disabled in Workforce	Percentage	2.20	2.47
Lost Time Incident Rate - Employees	Lost Time Incidents/200,000 Hours Worked or 100 Full Time Employees	2.78	2.16
Employee CSR Training	Y/N	Y	Y

Social	Unit	2023	2024
Employee Training Cost	Million Euro	0.10	0.10
Fatalities - Third Party	Count	0	0
Total Recordable Incident Rate - Employees	Recordable Incidents/200,000 Hours Worked or 100 Full Time Employees	2.78	2.16
Employee Protection / Whistle Blower Policy (1)	Y/N	Y	Y
Total Hours Spent by Firm - Employee Training	Hours	47,261	79,382
Number of Part-Time Employees	Count	5	4
Number of Temporary Employees	Count	164	206
Number of Contractors	Count	85	46
Total Accidents - Contractors	Count	0	0
Lost Time Incident Rate - Contractors	Lost Time Incidents Contractors/200,000 Hours Worked or 100 Contractors	0	0
Total Recordable Incident Rate - Contractors	Recordable Incidents Contractors/200,000 Hours Worked or 100 Contractors	0	0
Policy Against Child Labor (1)	Y/N	Y	Y
Voluntary Turnover Pct	Percentage	17.10	16.17
Involuntary Turnover Pct	Percentage	6.40	5.58
Pct Women in Middle and or Other Management	Percentage	44.93	45.45
Average Employee Training Hours	Hours	25.10	44.50
Contractors in Total Workforce	Count	85	46
Total Workforce	Count	1,945	1,829
Total Recordable Incident Rate - Workforce	Recordable Incidents/200,000 Hours Worked or 100 Employees & Contractors	2.53	1.98
Lost Time Incident Rate - Workforce	Lost Time Incidents/200,000 Hours Worked or Employees & Contractors	2.78	2.16
Company Diversity Target Indicator	Y/N	Y	Y
Number of Suppliers Audited	Count	682.00	713.00
Number of Supplier Audits Conducted	Count	682.00	713.00
Social Supply Chain Management (2)	Y/N	Y	y
Number Supplier Facilities Audited	Count	4	3
Sustain Sup Guidelines Encomp ESG Area Pub Discld	Y/N	Y	y
Percentage of Suppliers in Non-Compliance	Percentage	0	0
Percentage Suppliers Audited	Percentage	25.96	32.00
Number of Suppliers in Non Compliance	Count	0	0
Number of Suppliers	Count	2,627	2,228
Number of Critical Suppliers	Count	0	0

Governance	Unit	2023	2024
Auditor Ratification	Y/N	Y	y
Auditor Employed Duration	Years	4	5
Auditor Ratification Number of Votes - FOR	Count	2.60	2.60
Auditor Ratification Number of Votes - AGAINST	Count	0	0
Auditor Ratification Support Level	Percentage	100	100
Supervisory Board Size	Count	7	7
Supervisory Board Independent Members	Count	3	3
Pct of Supervisory Board Independent Members	Percentage	42.85	42.85
Term of Office Duration in the Supervisory Board	Years	4	4
Supervisory Board Meetings for the Year	Count	4	4
Supervisory Board Meeting Attendance	Percentage	100.00	96.43
Share of Women in the Supervisory Board	Percentage	42.86	57.00
Supervisory Board Average Age	Years	62	62
Supervisory Board Age Limit	Years	N	N
CEO Duality	Y/N	N	N
Audit Committee Meetings	Count	4	4
Classified Management System	Y/N	Y	Y
Unitary or Two Tier Board System	Nominal (1-2)	2	2
Members of the Management Board	Count	4	3
Former Management Board President in the Supervisory Board	Y/N	N	N
Female President or Equivalent	Y/N	N	N
Members of the Supervisory Board	Count	7	7
Percentage of Non-Executive Members in the Supervisory Board	Percentage	100.00	100.00
Term of Office Duration of the Management Board Members	Years	5	5
Supervisory Board Members Attending Less than 75% of the Meetings	Count	0	0
Women in the Supervisory Board	Count	3	4
Employee Representative in the Supervisory Board	Count	1	1
The Youngest Supervisory Board Member	Years	34	35
The Oldest Supervisory Board Member	Years	72	73
Supervisory Board Members Age Range	Years	38	38
Management Board Average Age	Years	50	51
Independent Members Attendance at the Supervisory Board Meetings	Percentage	100.00	100.00
Size of Audit Committee	Count	4	4
Independent Members in the Audit Committee	Count	2	2
Pct of Independent Members in the Audit Committee	Percentage	50.00	50.00
Independent Audit Committee President	Y/N	Y	Y
Supervisory Board Members in the Audit Committee	Count	4	4
Audit Committee Meeting Attendance	Percentage	100.00	100.00
Size of Remuneration Committee	Count	3	3
Independent Members in the Remuneration Committee	Count	1	1
Pct of Independent Members in the Remuneration Committee	Percentage	33.33	33.33
Independent Remuneration Committee President	Y/N	N	N
Supervisory Board Members in the Remuneration Committee	Count	2	2
Remuneration Committee Meetings	Count	2	1

<b>Governance</b>	<b>Unit</b>	<b>2023</b>	<b>2024</b>
Remuneration Committee Meeting Attendance	Percentage	100.00	100.00
Size of Appointment Committee	Count	3	3
Independent Members in the Appointment Committee	Count	1	1
Pct of Independent Members in the Appointment Committee	Percentage	33.33	33.33
Independent Appointment Committee President	Y/N	Y	Y
Supervisory Board Members in the Appointment Committee	Count	2	2
Appointment Committee Meetings	Count	1	1
Appointment Committee Meeting Attendance	Percentage	100.00	100.00
Executive Director with Responsibility for CSR	Y/N	Y	Y
Audit Financial Expert	Y/N	Y	Y
Company conducts Supervisory Board evaluations	Y/N	Y	N
Management Board Compensation Linked to ESG	Y/N	Y	Y
Say On Pay Provision	Y/N	Y	Y
Frequency of Say on Pay Votes	Years	4	4
Chg of Ctrl Benefits/Golden Parachute Agreements	Y/N	N	N
Say on Pay Number of Votes FOR	Count	2.58	2.60
Say on Pay Number of Votes AGAINST	Count	0.03	0.00
Say on Pay Support Level	Percentage	99.02	100.00
Company Has Executive Share Ownership Guidelines	Y/N	N	N
Management Share Ownership Guidelines	Y/N	N	N
Comp Discloses Management Board President or Equivalent Pay Ratio Flg	Y/N	Y	Y
Management Board President Pay Ratio Average Employee Compensation	Reporting Currency	14.08	17.40
Management Board President or Equivalent Appointed from Within	Y/N	Y	Y
Female Management Board Member or Equivalent	Y/N	N	N
Women Management Board Members	Count	0	0
Unequal Voting Rights	Y/N	N	N
Unequal Voting Rights Shares Issued	Y/N	N	N
Controlled Company	Y/N	N	N

(1) The policies are available at the following link:

<https://e87qx58u4hr.exactdn.com/wp-content/uploads/2025/02/ADP-Kodeks-EN-web.pdf>

(2) Details are available at the following link:

<https://www.adplastik.hr/en/about-us/purchasing>



## Independent Auditor's Limited Assurance Report on the Sustainability Report

### To the Shareholders of AD Plastik d.d.

#### Limited assurance conclusion

We have performed a limited assurance engagement on whether the consolidated Sustainability Report of AD Plastik d.d. ("the Company") and its subsidiaries (collectively, "the Group"), included in the *Sustainability Report* section of the Group's Management Report as of and for the year ended 31 December 2024 ("the Sustainability Report"), has been prepared in accordance with the Croatian Accounting Law (Official Gazette 85/24, 145/24) ("the Accounting Law").

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Group's Sustainability Report as of and for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the Accounting Law, including:

- Compliance with the European Sustainability Reporting Standards ("ESRS"), including that the process carried out by the Group to identify the information reported in the Sustainability Report ("the Process") is in accordance with the description set out in the *Double materiality analysis* section thereof; and
- Compliance of the disclosures in the *EU Taxonomy* section of the Sustainability Report with the reporting requirements of Article 8 of Regulation (EU) 2020/852 ("the Taxonomy Regulation").

Our conclusion on the Sustainability Report does not extend to any other information that accompanies or contains the Sustainability Report and our limited assurance report thereon, nor to any information within the Sustainability Report not in scope of our assurance engagement. We have not performed any assurance procedures as part of this engagement with respect to such other information. However, we audited the Company's separate and the Group's consolidated financial statements as of and for the year ended 31 December 2024 prepared in accordance with International Financial Reporting Standards as adopted by the European Union, forming part of the other information, and our auditor's reports thereon are also included with the other information.

#### Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics of Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA code), together with the ethical requirements that are relevant to our assurance engagements on the Sustainability Reports in Croatia.

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Other matter – Comparative information

Our assurance engagement does not extend to comparative information in respect of earlier periods. Our conclusion is not modified in respect of this matter.

This version of our limited assurance report is a translation from the original, which was prepared in Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our audit report takes precedence over this translation.





## Independent Auditor's Limited Assurance Report on the Sustainability Report (continued)

### **Responsibilities for the Sustainability Report**

The Management of the Company is responsible for designing, implementing and maintaining a process to identify the information reported in the Sustainability Report in accordance with the ESRS and for disclosing this Process in the *Double materiality analysis* section of the Sustainability Report. This responsibility includes:

- Understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- Identifying the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- Assessing the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- Developing methodologies and making assumptions that are reasonable in the circumstances.

The Management of the Company is further responsible for the preparation of the Sustainability Report in accordance with the Accounting Law, including:

- Compliance with the ESRS;
- Preparing the disclosures in the *EU taxonomy* section of the Sustainability Report, in compliance with Article 8 of the Taxonomy Regulation;
- Designing, implementing and maintaining such internal controls that the Management of the Company determines are necessary to enable the preparation of the Sustainability Report such that it is free from material misstatement, whether due to fraud or error; and
- Selecting and applying appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the reporting process for the Group's Sustainability Report.

### **Inherent limitations in preparing the Sustainability Report**

There are inherent limitations regarding the measurement or evaluation of the sustainability matters presented in the Sustainability Report subject to limited assurance, which have been set out below:

- As described in the *About the Integrated Report*, greenhouse gas emissions quantification is subject to inherent uncertainty as a result of both scientific and estimation uncertainty.
- In reporting forward-looking information in accordance with the ESRS, the Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.
- In determining the disclosures in the Sustainability Report, the Management interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.



## Independent Auditor's Limited Assurance Report on the Sustainability Report (continued)

### ***Our responsibilities***

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Report is free from material misstatement, whether due to fraud or error, and reporting our limited assurance conclusion to the Company's shareholders. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Report as a whole.

Our responsibilities in relation to the Process for reporting the Sustainability Report, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in the *Double materiality analysis* section.

Our other responsibilities in respect of the Sustainability Report include:

- Obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Report but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures focused on disclosures in the Sustainability Report where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

### ***Summary of the work we performed as the basis for our conclusion***

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Report. We designed and performed our procedures to obtain evidence about the Sustainability Report that is sufficient and appropriate to provide a basis for our conclusion.

The nature, timing and extent of our procedures depended on our understanding of the Sustainability Report and other engagement circumstances, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Report. We exercised professional judgment and maintained professional skepticism throughout the engagement.

In conducting our limited assurance engagement, with respect to the Process, the procedures we performed included:

- Obtaining an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (including stakeholder engagement, business plans and strategy documents); and
  - inspecting the Group's internal documentation of its Process.
- Evaluating whether the evidence obtained from our procedures about the Process was consistent with the description of the Process set out in the *Double materiality analysis* section.



## Independent Auditor's Limited Assurance Report on the Sustainability Report (continued)

### Summary of the work we performed as the basis for our conclusion (continued)

In conducting our limited assurance engagement with respect to the Sustainability Report, the procedures we performed included:

- Obtaining an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Report by performing inquiries of the relevant personnel and inspecting the Group's internal documentary evidence;
- Evaluating whether material information identified by the Process is included in the Sustainability Report;
- Evaluating whether the structure and the presentation of the Sustainability Report is in accordance with the ESRS;
- Performing inquiries of relevant personnel and analytical procedures on selected disclosures in the Sustainability Report;
- Performing substantive assurance procedures on a sample basis on selected disclosures in the Sustainability Report;
- Obtaining evidence on the methods, assumptions and data for developing material estimates and forward-looking information and on how these methods were applied;
- Obtaining an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Report;
- Evaluating whether the standardized reporting templates required by the Taxonomy Regulation were appropriately used to present the key performance indicators;
- Assessing whether the taxonomy disclosures are reconciled, where relevant, with the Group's consolidated financial statements; and
- Performing substantive assurance procedures on selected taxonomy disclosures.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

*KPMG Croatia d.o.o.*

**KPMG Croatia d.o.o. za reviziju**  
Croatian Certified Auditors  
Eurotower, 17th floor  
Ivana Lučića 2a  
10000 Zagreb  
Croatia

**KPMG Croatia**  
d.o.o. za reviziju  
Eurotower, 17. kat  
Ivana Lučića 2a, 10000 Zagreb

**24 April 2025**

# REPORT ON THE APPLICATION OF THE CORPORATE GOVERNANCE CODE

In accordance with the rules of the Zagreb Stock Exchange, the Management Board of AD Plastik Group declares that it applies the Corporate Governance Code, published on the official website of the Zagreb Stock Exchange ([www.zse.hr](http://www.zse.hr)).

The company operates in accordance with good practices and the majority of the recommendations of the Corporate Governance Code. Minor deviations, explanations, and additional alignments can be found in the Annual Compliance Questionnaire for 2024, which is published on the websites of both the Zagreb Stock Exchange and the company simultaneously with the Integrated Annual Report.

Internal control is carried out by the controlling and internal audit departments, with Controlling reporting to the Management Board, while Internal Audit reports to the Audit Committee and the Management Board.

Internal audit is an independent function that supports management in achieving the company's objectives through a systematic and professionally grounded approach to oversight, as well as an assessment of the effectiveness of risk management, control systems, and corporate governance. The findings and recommendations of internal audit aim to enable management to improve processes, proactively manage risks, or reduce them to an acceptable level.

Ten significant direct and indirect shareholders are listed on page 19 of this report. The company does not have securities holders with special control rights, nor those with voting rights restricted to a certain percentage or number of votes. Additionally, there are no special rules regarding the appointment and dismissal of members of the Management Board, nor their powers. The Charter stipulates that two members of the Supervisory Board are appointed by the joint-stock company Holding Avtokomponenty from St. Petersburg, Russia.

On July 14, 2022, the General Assembly gave authorization to the Management Board to acquire its own shares on behalf of the company for a period of five years. As of December 31, 2024, the company held 35,008 of its own shares.

Shareholders exercise their rights via the General Assembly which is competent for making decisions on the following issues:

- election and removing from the office of members of the Supervisory Board
- appropriation of profit
- granting clearance to Management Board members
- appointment of auditors
- amendments to the Charter
- increase or decrease of share capital and
- other issues that are within its authority as prescribed by law

Activities of the General Assembly are regulated by the Companies Act and the Rules of Procedure of the General Assembly published on the company's website.

Data on members of the Management Board and Supervisory Board is listed on pages 66 and 67 of this report. In accordance with the Companies Act and the Company Charter, the Management Board makes decisions at its meetings. In 2024, 43 meetings of the Management Board were held, in line with good corporate practices. In accordance with the Act and the Rules of Procedure of the Supervisory Board, the company has three committees that support its work by preparing decisions and overseeing their implementation - the Audit Committee, the Remuneration Committee, and the Appointment Committee.

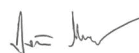
The Diversity Policy of the AD Plastik Group is applied to the company's governing bodies and ensures diversity in the composition of the Management Board and the Supervisory Board, with particular attention given to professional competencies, skills, age, gender, and education, which contributes to better quality decision-making. A detailed overview can be found on page 63, 64 and 68 of this report.

The average age of the members of the Supervisory Board is 63 years, and their age range is diverse, from 35 to 73 years.

**Marinko Došen**  
president of the  
Management Board

**Mladen Peroš**  
member of the  
Management Board

**Josip Divić**  
member of the  
Management Board



# AUDITOR'S REPORT AND FINANCIAL STATEMENTS

*The Supervisory Board has not yet considered and approved the financial statements, but will decide on this at the meeting planned for May 2025.*

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Consolidated financial statements of AD Plastik Group **182**

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Separate financial statements of AD Plastik d.d. **240**

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**D**

# AD PLASTIK D.D., SOLIN AND ITS SUBSIDIARIES

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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PHILIPS

logitech



**AD Plastik** Prvi nivo održavanja naprave

Kod: 101	Nač: 101		Komponente: Kontrolna ploča
Kod: 102	Nač: 102		Komponente: Ručica
Kod: 103	Nač: 103		Komponente: Ručica

Kontrolna ploča

Uključuje kontrolnu ploču i pripadajuće komponente za rad. Prilikom održavanja treba biti oprezan jer se može dogoditi ozljeda. Prilikom održavanja treba biti oprezan jer se može dogoditi ozljeda. Prilikom održavanja treba biti oprezan jer se može dogoditi ozljeda.

- AD Plastik** Opće upute za rad na sigurnosno zaštićenim strojevima i uređajima za rad
- Strojevima/uređajima smije rukovati samo osposobljeni radnik.
  - Za vrijeme rada, radnici ne smiju nositi osobna zaštitna sredstva.
  - Prostor oko strojeva/uređaja mora biti čist, a pristup slobodan.
  - Zabranjeno je skidati zaštitna sredstva i stavljati ih izvan radnog područja.
  - Dok strojevi/uređaji rade, zabranjeno ih je čistiti, podmazivati, popravljati i održavati.
  - Zabranjeno je rukovati strojevima/uređajima koji nisu u ispravnom stanju.
  - U slučaju kvarova, radnici ne smiju vršiti održavanje na strojevima/uređajima bez pomoći stručnjaka.
  - Na radnom mjestu i u radnom prostoru treba zabraniti korištenje alkohola.
  - Na radnom mjestu zabranjeno je jesti.
  - Za vrijeme rada, radnici ne smiju koristiti mobilne telefone koji mogu ometati rad strojeva/uređaja.
  - Strojeve treba isključiti i otključati nakon završetka rada.

www.adplastik.hr

## RESPONSIBILITY OF THE MANAGEMENT BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the Accounting Act of the Republic of Croatia, the Management Board is responsible for ensuring that consolidated financial statements are prepared for each financial year in accordance with International Financial Reporting Standards ("the IFRSs"), as adopted in the European Union, which give a true and fair view of the financial position and results of operations of AD Plastik d.d., Solin and its subsidiaries ("the Group") for that period.

After making enquiries, the Management Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Management Board continues to adopt the going concern basis in preparing the financial statements.

In preparing those financial statements, the Management Board is responsible for:

- selecting and then consistently applying suitable accounting policies;
- making reasonable and prudent judgements and estimates;
- following applicable accounting standards and disclosing and explaining any material departure in the consolidated financial statements;
- preparing the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Group and its' compliance with the Croatian Accounting Act. The above stated responsibility includes the responsibility for accuracy of the Management Report, which is an integral part of consolidated financial statements and submission of financial statements in unique XBRL electronic reporting format (ESEF) prescribed by regulatory technical standards developed by ESMA (European Securities and Markets Authority) and adopted by the European Commission. The Management Board is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of embezzlement and other irregularities.

Signed on behalf of the Management Board  
For AD Plastik d.d., Solin by:



**Marinko Došen**  
President of the  
Management Board

Handwritten signature of Marinko Došen.

**Mladen Peroš**  
Member of  
Management Board

Handwritten signature of Mladen Peroš.

**Josip Divić**  
Member of  
Management Board

Handwritten signature of Josip Divić.

**AD Plastik d.d.**  
Matoševa 8, 21210 Solin, Republic of Croatia

24 April 2025





## **Independent Auditors' Report to the shareholders of AD Plastik d.d.**

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the consolidated financial statements of AD Plastik d.d. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group as at 31 December 2024, and the consolidated statements of comprehensive income, cash flows and changes in shareholders' equity for the year then ended, and notes, comprising material accounting policies and other explanatory information (hereinafter "the financial statements").

In our opinion, the accompanying financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("EU IFRS").

#### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Croatia and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Independent Auditors' Report to the shareholders of AD Plastik d.d. (continued)

### Report on the Audit of the Financial Statements (continued)

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### REVENUE RECOGNITION

Revenue in 2024: EUR 147,967 thousand (2023: EUR 123,832 thousand). As at 31 December 2024, trade receivables: EUR 25,045 thousand; accrued revenue: EUR 432 thousand (31 December 2023: trade receivables: EUR 21,534 thousand; accrued revenue: EUR 403 thousand).

Please refer to the Note 2.4 Revenue recognition of Significant accounting policies and Note 4 Segment information in the financial statements.

#### Key audit matter

Revenue is an important metric used to evaluate the financial performance of the Group. In the year ended 31 December 2024, its principal revenue streams included sales of car parts and of customized tools developed by the Group. As discussed in Note 2.4, revenue is recognized when control over the goods is transferred to the customer.

Application of the revenue recognition principles of the relevant financial reporting standard, IFRS 15 *Revenue from Contracts with Customers* ("the Standard"), is complex and requires making significant assumptions and judgment. In the Group's case, particular complexity is associated with the following aspects:

- Determination of whether a customer contract exists requires the Group to assess whether one document or a combination of documents, including general terms of business, nomination letter, agreement with customer and purchase orders, create enforceable rights and obligations of the parties to the arrangement.
- Goods with different revenue recognition patterns, such as spare parts and tooling, may be sold as part of one contract or several contracts accounted for as one arrangement. The Group applies significant judgment in identifying contracts which require to be combined and accounted for as one arrangement, and in identifying performance obligations therein.

#### How our audit addressed the matter

Our audit procedures in this area included among others:

- Assessing the accounting policy for recognition of revenue and its compliance with the requirements of the Standard;
- Updating our understanding of the Group's revenue recognition process, and testing the design and implementation of selected internal controls within;
- For a sample of sales transactions in the current year, inspecting underlying contractual provisions and making inquiries of relevant sales and finance personnel, in order to challenge:
  - The existence of a customer contract, by reference to the relevant criteria of the Standard, including, among other things, those relating to the parties' commitment to their obligations and probability of collecting the consideration due;
  - Identification of the contracts which require to be accounted for on a combined basis and of performance obligations within those contracts, by among other things, assessment of whether the goods and services in the arrangements are distinct and also whether any subsequent changes to the contract price arising from the learning curve result in the reduced price representing the parts' stand-alone selling price;
  - Inspecting underlying contracts with customers for tooling sales transactions to identify any lease component embedded within those contracts, mainly by evaluating ownership rights, the party directing the use of the tool and whether there is a separate performance obligation in relation to the sale of car parts.



## Independent Auditors' Report to the shareholders of AD Plastik d.d. *(continued)*

### Report on the Audit of the Financial Statements *(continued)*

#### Key Audit Matters *(continued)*

##### REVENUE RECOGNITION *(continued)*

###### Key audit matter *(continued)*

- Many contracts with customers entitle customers to price reductions after a certain period of purchase orders (as a result of expected reduction in the Group's costs along its learning curve). Judgement is required to determine whether such 'efficiency savings' provide customers with material rights to be accounted for as separate performance obligations.
- Tooling arrangements are typically contracts or framework agreements between the Group and its customers for the sale of tools to be used in the production of customized parts for a given customer. Since such tooling arrangements may vary with respect to transfer of development activities and ownership, careful assessment to determine whether, among other things, an arrangement is a sale, a lease or development of its own equipment, whether it contains a lease and whether it is a separate performance obligation from the sale of car parts.

In the wake of the above factors, we considered revenue recognition to be associated with a significant risk of material misstatement in the consolidated financial statements. Therefore, the area required our increased attention in the audit and as such was determined to be a key audit matter.

###### How our audit addressed the matter *(continued)*

- For a sample of sales transactions selected as part of the preceding procedure, challenging the timing of the transfer of control, the resulting pattern of revenue recognition and revenue amounts, by reference to sales invoices, inventory and shipping documents, customer acceptance forms and other documents as appropriate;
- For a sample of invoices, obtaining confirmations of the amounts receivable outstanding as at the reporting date, and evaluating any differences between the amounts confirmed and the Groups's records, by inspecting the underlying documentation such as contracts, invoices, shipping documents, customer acceptance forms and payments made by customers;
- Inspecting journal entries posted to revenue accounts focusing on unusual and irregular items;
- Examining whether the Group's revenue recognition-related disclosures in the financial statements appropriately address the relevant quantitative and qualitative requirements of the applicable financial reporting framework.



## Independent Auditors' Report to the shareholders of AD Plastik d.d. *(continued)*

### Report on the Audit of the Financial Statements *(continued)*

#### Key Audit Matters *(continued)*

##### GOING CONCERN

Please refer to notes 2.2 Basis of preparation and 3 Critical accounting judgments and key sources of estimation uncertainty, going concern assumption section

##### Key audit matter

The Group's financial statements are prepared on a going concern basis. On the reporting date the Group had negative net working capital.

The Group's going concern assessment is based on the cash flows forecast, which, according to the management's assessment, support the claim that the Group will have sufficient funds to continue operations for at least 12 months from the reporting date. A number of assumptions and significant judgments are incorporated into the preparation of these forecasts. Management concluded that the range of possible outcomes considered in the assessment process does not lead to material uncertainty regarding events or circumstances that may cast significant doubt on the Group's ability to continue as a going concern.

The Group's use of the going concern basis of accounting is a key audit matter due to the associated extent of uncertainty and consequently high level of judgment required in evaluating the Group's plans for future actions and their financial impact.

##### How our audit addressed the matter

Our procedures in this area included, among others:

- Review of the minutes of the Management Board and Supervisory Board meetings, with the goal of identifying the measures that the Management Board intends to implement in order to ensure sufficient funds for current activities;
- Discussion with management about plans for future activities in relation to the going concern assumption, whether the outcome of those plans is likely to improve the situation and whether management's plans are feasible in the circumstances;
- Analysis of the Group's net working capital position as of 31 December 2024 to assess the availability of liquid funds to meet short-term financial obligations;
- Evaluating the historical accuracy of management budgeting by comparing historical cash flow projections with actual outcomes and analysing sensitivity of the budgets to changes in key assumptions and considering whether the level of key assumptions indicates management bias;
- Taking into account whether additional facts or information have become available since the date the Group made the assessment;
- Assessing the availability of the financing facilities and arrangement including inspection of prolongation agreements;
- Assessing whether, in light of the requirements of the applicable financial reporting framework, the consolidated financial statements provide adequate disclosures about events or circumstances that have been identified that may cast significant doubt on the Group's ability to continue as a going concern.



## **Independent Auditors' Report to the shareholders of AD Plastik d.d. *(continued)***

### **Report on the Audit of the Financial Statements *(continued)***

#### ***Other Information***

Management is responsible for the other information. The other information comprises the Management Report (including the Sustainability Statement as a separate part of the Management Report) and Corporate Governance Report included in the Annual Report of the Group but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With regard to the Management Report and the Corporate Governance Report, we also performed procedures prescribed by applicable legal requirements and we report that:

- the information given in the Management Report and the Corporate Governance Report for the financial year for which the financial statements are prepared, is consistent, in all material respects, with the financial statements;
- the Management Report, excluding the Sustainability Report (which constitutes a separate part of the Management Report), and the Corporate Governance Report have been prepared, in all material respects, in accordance with applicable legal requirements;
- with respect to the Sustainability Report (which is included as part of the other information and constitutes a separate part of the Management Report), we performed a limited assurance engagement, the results of which were presented in a separate limited assurance report with an unmodified conclusion.

If, based on the work we have performed above, we conclude that there is a material misstatement, we are required to report that fact. We have nothing to report in this regard.

#### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with EU IFRS, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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



## Independent Auditors' Report to the shareholders of AD Plastik d.d. *(continued)*

### Report on the Audit of the Financial Statements *(continued)*

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit.



## **Independent Auditors' Report to the shareholders of AD Plastik d.d. *(continued)***

### **Report on the Audit of the Financial Statements *(continued)***

#### ***Auditors' Responsibilities for the Audit of the Financial Statements (continued)***

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters 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 the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

We were appointed by those charged with governance on 18 July 2024 to audit the consolidated financial statements of AD Plastik d.d. for the year ended 31 December 2024. Our total uninterrupted period of engagement is five years, covering the period from 31 December 2020 to 31 December 2024.

We confirm that:

- our audit opinion is consistent with the additional report presented to the Audit Committee of the Company dated 24 April 2025;
- for the period to which our statutory audit relates we have not provided any prohibited non-audit services (NASS) referred to in Article 44 of the Audit Act. We also remained independent of the audited entity in conducting the audit.

The engagement partner on the audit resulting in this independent auditors' report is Domagoj Hrkać.



## Independent Auditors' Report to the shareholders of AD Plastik d.d. *(continued)*

### Report on Compliance with the ESEF Regulation

In accordance with the requirements of Article 462 paragraph 5 of Capital Market Act, we are required to express an opinion on compliance of the consolidated financial statements of the Group as at and for the year ended 31 December 2024, as included in the attached electronic file adplastik-grupa-2024-12-31-0-en.zip, with the requirements of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "RTS on ESEF").

### Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation of the consolidated financial statements in a digital format that complies with the RTS on ESEF. This responsibility includes:

- the preparation of the consolidated financial statements in the applicable XHTML format and their publication;
- the selection and application of appropriate iXBRL tags, using judgment where necessary;
- ensuring consistency between digitised information and the consolidated financial statements presented in human-readable format; and
- the design, implementation and maintenance of internal control relevant to the application of the RTS on ESEF.

Those charged with governance are responsible for overseeing the Group's ESEF reporting, as a part of the financial reporting process.

### Auditors' Responsibilities

Our responsibility is to express an opinion on whether the consolidated financial statements comply, in all material respects, with the RTS on ESEF, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the RTS on ESEF. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements of set out in the RTS on ESEF, whether due to fraud or error. Reasonable assurance is a high degree of assurance. However, it does not guarantee that the scope of procedures will identify all significant (material) non-compliance with the RTS on ESEF.

Our procedures included, among other things::

- obtaining an understanding of the tagging process;
- evaluating the design and implementation of relevant controls over the tagging process;
- tracing the tagged data to the consolidated financial statements of the Group presented in human-readable format;
- evaluating the completeness of the Group's tagging of the consolidated financial statements;
- evaluating the appropriateness of the use of iXBRL elements selected from the ESEF taxonomy used and creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- evaluating the use of anchoring in relation to the extension elements; and
- evaluating the appropriateness of the format of the consolidated financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





## Independent Auditors' Report to the shareholders of AD Plastik d.d. *(continued)*

### Report on Compliance with the ESEF Regulation *(continued)*

#### *Conclusion*

In our opinion, based on the procedures performed and evidence obtained, the consolidated financial statements of the Group as at and for the year ended 31 December 2024 presented in ESEF format and contained in the aforementioned attached electronic file, have been prepared, in all material respects, in accordance with the requirements of the RTS on ESEF.

Our conclusion does not represent an opinion on the true and fair view of the financial statements as this is included in our Report on the Audit of the Financial Statements. Furthermore, we do not express any assurance with respect to other information included in documents in the ESEF format.

*KPMG Croatia d.o.o.*

**KPMG Croatia d.o.o. za reviziju**  
Croatian Certified Auditors  
Eurotower, 17th floor  
Ivana Lučića 2a  
10000 Zagreb  
Croatia

**KPMG Croatia**  
d.o.o. za reviziju  
Eurotower, 17. kat  
Ivana Lučića 2a, 10000 Zagreb  
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**24 April 2025**

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts are expressed in thousands of euros)

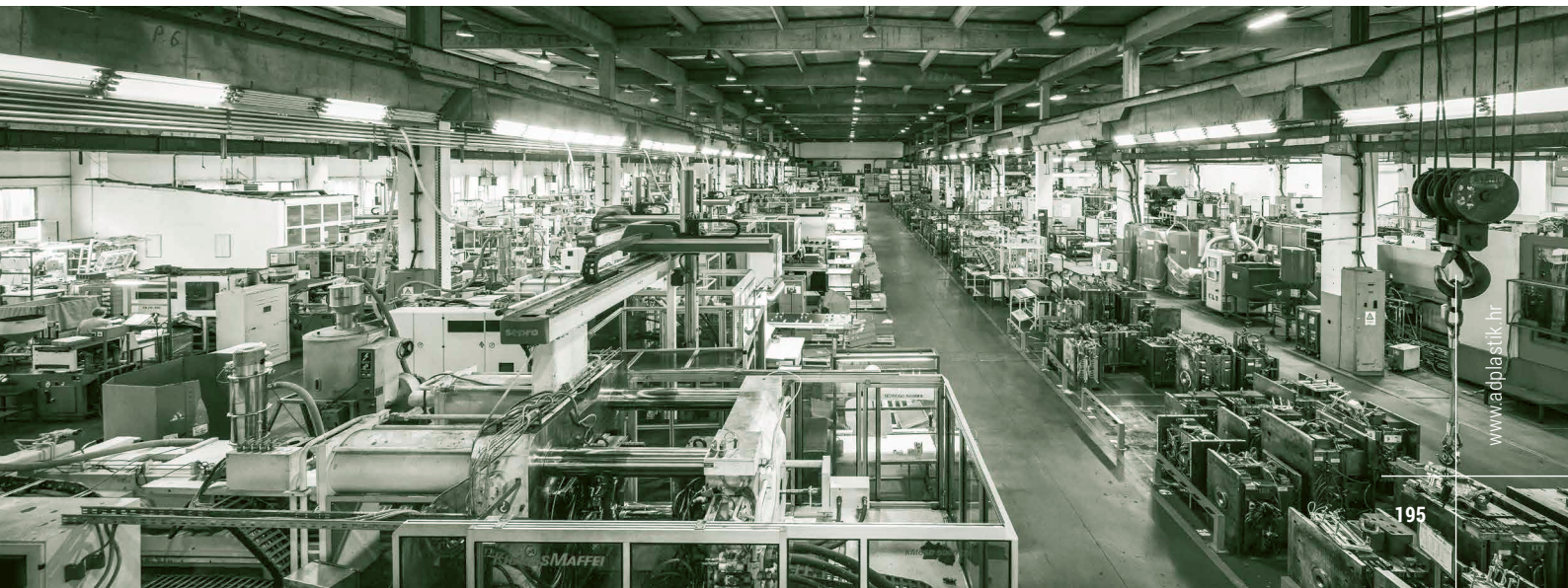
	Notes	2024	2023
Sales	4	147,967	123,832
Other income	5	4,476	5,476
<b>Total income</b>		<b>152,443</b>	<b>129,308</b>
Increase/(decrease)in the value of work in progress and finished products	23	418	(227)
Cost of raw material and supplies	6	(64,871)	(66,677)
Cost of goods sold	7	(24,229)	(7,223)
Service costs	8	(11,726)	(12,122)
Staff costs	9	(34,638)	(31,980)
Depreciation and amortisation	10	(10,811)	(10,273)
Other operating expenses	11	(3,960)	(3,767)
Provisions for risks and charges, (net)	12	(1)	136
Impairment of trade receivables, (net)		(23)	(238)
<b>Total operating expenses</b>		<b>(149,841)</b>	<b>(132,371)</b>
<b>(Loss)/Profit from operations</b>		<b>2,601</b>	<b>(3,063)</b>
Finance income	13	271	199
Finance costs	14	(2,917)	(2,349)
<b>Loss from financing activities</b>		<b>(2,646)</b>	<b>(2,150)</b>
Share in the profit of associates	22	3,091	4,359
<b>(Loss)/Profit before taxation</b>		<b>3,046</b>	<b>(854)</b>
Income tax expense	15	(914)	(419)
<b>(Loss)/Profit for the year</b>		<b>2,132</b>	<b>(1,273)</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

(All amounts are expressed in thousands of euros)

ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	Notes	2024	2023
Exchange differences on translation of a foreign operation, items	16	(1,099)	(1,476)
Accruals of foreign exchange differences from the current year, net of tax	16	(621)	(2,743)
<b>Other comprehensive income for the year, net of income tax</b>		<b>(1,720)</b>	<b>(4,219)</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>412</b>	<b>(5,492)</b>
<b>Loss/Profit attributable to</b>			
Equity holders of the Company		2,132	(1,273)
Non-controlling interests		-	-
<b>Total comprehensive loss/income attributable to:</b>			
Equity holders of the Company		412	(5,492)
Non-controlling interests		-	-
Basic and diluted (loss)/earnings per share (in euros and cents)	17	0.51	(0.31)

The accompanying policies and notes form an integral part of these of these financial statements.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2024

(All amounts are expressed in thousands of euros)

ASSETS	Note	31.12.2024	31.12.2023
<b>Non-current assets</b>			
Intangible assets	18	9,540	9,572
<i>Goodwill</i>	36	2,391	2,391
Property, plant and equipment	19	92,183	91,507
Right-of-use assets	20	2,478	2,483
Investment property	21	3,217	3,256
Investments in associates	22	10,812	11,872
Deferred tax assets	15	3,300	3,036
<b>Total non-current assets</b>		<b>123,921</b>	<b>124,117</b>
<b>Current assets</b>			
Inventories	23	23,464	32,288
Trade receivables	24	25,045	21,534
Other receivables	25	3,126	6,092
Cash and cash equivalents	26	4,262	4,042
Prepaid expenses		629	660
Accrued income		432	403
<b>Total current assets</b>		<b>56,958</b>	<b>65,019</b>
<b>TOTAL ASSETS</b>		<b>180,879</b>	<b>189,136</b>

The accompanying policies and notes form an integral part of these of these financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2024 (CONTINUED)

(All amounts are expressed in thousands of euros)

	Note	31.12.2024	31.12.2023
<b>Shareholder's equity and liabilities</b>			
Share capital	27	54,595	54,595
Capital and other reserves		24,119	25,201
Retained earnings		20,194	18,668
<b>Total shareholder's equity</b>		<b>98,908</b>	<b>98,464</b>
Long-term provisions	28	466	461
Long-term borrowings	29	17,850	30,566
Deferred revenue	30	1	37
Lease liabilities	31	1,380	1,581
Deferred tax liability	15	940	856
<b>Total non-current liabilities</b>		<b>20,637</b>	<b>33,501</b>
Advances received	32	5,938	10,339
Trade payables	33	22,471	20,977
Short-term borrowings	34	26,756	19,359
Other current liabilities	35	3,948	4,570
Lease liabilities	31	1,146	936
Short-term provisions	28	1,075	990
<b>Total current liabilities</b>		<b>61,334</b>	<b>57,171</b>
<b>Total liabilities</b>		<b>81,971</b>	<b>90,672</b>
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>		<b>180,879</b>	<b>189,136</b>

The accompanying policies and notes form an integral part of these of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts are expressed in thousands of euros)

	Share capital	Capital reserves	Legal, statutory and general reserves	Reserves from accruals of foreign exchange differences	Reserves for own shares	Own shares	Retained earnings	Exchange differences on translation of a foreign operation	Total equity attributable to the equity holders of the parent	Non-controlling interests	Total
<b>Balance at 31 December 2023</b>	<b>54,595</b>	<b>25,938</b>	<b>7,783</b>	<b>(3,795)</b>	<b>2,772</b>	<b>(871)</b>	<b>18,668</b>	<b>(6,627)</b>	<b>98,464</b>	-	<b>98,464</b>
Profit for the year	-	-	-	-	-	-	2,132	-	2,132	-	2,132
Other comprehensive income for the year	-	-	-	(621)	-	-	(1)	(1,099)	(1,720)	-	(1,720)
<b>Total comprehensive income for the year</b>	-	-	-	<b>(621)</b>	-	-	<b>2,131</b>	<b>(1,099)</b>	<b>412</b>	-	<b>412</b>
Release of reserves for own (treasury) shares	-	-	-	-	(1,979)	-	1,979	-	-	-	-
Disposal of own (treasury) shares	-	(45)	-	-	-	78	-	-	33	-	33
<b>Transactions with owners recognized directly in equity</b>	-	<b>(45)</b>	-	-	<b>(1,979)</b>	<b>78</b>	<b>1,979</b>	-	<b>33</b>	-	<b>33</b>
Realization of recognised exchange differences	-	-	-	355	-	-	(355)	-	-	-	-
Reserves for not written off costs of development	-	-	2,229	-	-	-	(2,229)	-	-	-	-
<b>Balance at 31 December 2024</b>	<b>54,595</b>	<b>25,893</b>	<b>10,012</b>	<b>(4,061)</b>	<b>793</b>	<b>(793)</b>	<b>20,194</b>	<b>(7,726)</b>	<b>98,908</b>	-	<b>98,908</b>

The accompanying policies and notes form an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

(All amounts are expressed in thousands of euros)

	Share capital	Capital reserves	Legal, statutory and general reserves	Reserves from accruals of foreign exchange differences	Reserves for own shares	Own shares	Retained earnings	Exchange differences on translation of a foreign operation	Total equity attributable to the equity holders of the parent	Non-controlling interests	Total
<b>Balance at 31 December 2022</b>	<b>55,738</b>	<b>25,456</b>	<b>7,783</b>	<b>(1,103)</b>	<b>2,772</b>	<b>(921)</b>	<b>19,231</b>	<b>(5,159)</b>	<b>103,798</b>	<b>-</b>	<b>103,798</b>
Loss for the year	-	-	-	-	-	-	(1,273)	-	(1,273)	-	(1,273)
Other comprehensive income for the year	-	-	-	(2,743)	-	-	(8)	(1,469)	(4,219)	-	(4,219)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,743)</b>	<b>-</b>	<b>-</b>	<b>(1,281)</b>	<b>(1,469)</b>	<b>(5,492)</b>	<b>-</b>	<b>(5,492)</b>
Disposal of own (treasury) shares	-	(20)	-	-	-	50	-	-	30	-	30
<b>Transactions with owners recognized directly in equity</b>	<b>-</b>	<b>(20)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>30</b>
Realization of recognised exchange differences	-	-	-	51	-	-	(51)	1	1	-	1
Coverage Of the previous year's loss	-	(642)	-	-	-	-	642	-	-	-	-
Correction of the Share capital due to EUR conversion	(1,143)	1,143	-	-	-	-	-	-	-	-	-
Abolition of the dividend obligation in ADP Tisza	-	-	-	-	-	-	125	-	125	-	125
<b>Balance at 31 December 2023</b>	<b>54,595</b>	<b>25,938</b>	<b>7,783</b>	<b>(3,795)</b>	<b>2,772</b>	<b>(871)</b>	<b>18,668</b>	<b>(6,627)</b>	<b>98,464</b>	<b>-</b>	<b>98,464</b>

The accompanying policies and notes form an integral part of these financial statements

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts are expressed in thousands of euros)

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2024	2023
<b>Profit/(loss) for the year</b>		<b>2,132</b>	<b>(1,273)</b>
Adjusted for:			
Income tax	15	914	419
Depreciation and amortization	10	10,811	10,273
Tangible assets write-off	11	154	146
Intangible assets write-off	11	277	45
Interest expense and exchange rates recognised in profit or loss		1,850	795
Share in profit of associates	22	(3,091)	(4,359)
Gain from sale of property, plant and equipment and intangible assets	5	(1,273)	(2,819)
Interest income	13	(271)	(199)
Increase/(decrease) in long-term and short-term provisions, (net)		89	(159)
Value adjustment of investment in property	5	-	(329)
Loss allowance for trade receivables, (net)		23	205
Write down and write off of inventories	6	182	2,658
<b>Profit from operations before working capital changes</b>		<b>11,797</b>	<b>5,403</b>
Decrease/(increase) in inventories	23	8,642	(6,397)
(Increase)/decrease in trade receivables		(767)	(6,299)
Increase in other receivables	25	2,947	(1,990)
Increase in trade payables		1,540	3,311
(Decrease)/increase of advances received	32	(4,401)	(169)
(Decrease)/increase in other current liabilities		(940)	823
Decrease of accrued income and prepaid expenses		2	351
Interest paid		(1,621)	(827)
Income tax paid		(743)	(33)
<b>Cash flows from operating activities</b>		<b>16,456</b>	<b>(5,827)</b>

The accompanying policies and notes form an integral part of these financial statements.



## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

(All amounts are expressed in thousands of euros)

<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
Interest received		288	179
Purchase of property, plant and equipment	19	(9,894)	(5,437)
Purchase of intangible assets	18	(3,013)	(3,423)
Proceeds from sale of property, plant and equipment and intangible assets		2,319	3,380
Dividends received		618	4,341
<b>Cash (used) investing activities</b>		<b>(9,683)</b>	<b>(960)</b>

<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>2024</b>	<b>2023</b>
Proceeds from borrowings	34	21,398	35,308
Repayment of borrowings	34	(27,221)	(28,175)
Repayment of lease liabilities	32	(1,144)	(1,150)
<b>Cash (used) in/from financing activities</b>		<b>(6,967)</b>	<b>5,983</b>
Unrealised exchange rate differences in respect of cash and cash equivalents		(11)	5
(Decrease) in cash and cash equivalents, net		(205)	(799)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>26</b>	<b>3,249</b>	<b>4,048</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>26</b>	<b>3,044</b>	<b>3,249</b>

The accompanying policies and notes form an integral part of these financial statements

# Notes to the consolidated financial statements

## For the year ended 31 December 2024

### 1. NEW STANDARDS AND AMANDMENTS TO EXISTING NOT YET ADOPTED

The following new standards, interpretations, and amendments to existing standards are mandatory for periods beginning on 1 January 2024:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current, Long-term Liabilities in Agreements
- Amendments to IFRS 16 Leases: Lease Liability in Sale and Leaseback Transactions
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

The adoption of these standards did not have a significant impact on the amounts recognized in the statement of financial position or the statement of comprehensive income, nor on the disclosed accounting policies.

The following new standards, interpretations, and amendments to existing standards issued by the IASB and adopted by the EU are still not in effect or have not been adopted by the EU. If applicable, the Company intends to adopt these standards when they become effective.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Exchangeability Issues
- Amendments to the Classification and Measurement of Financial Instruments (IFRS 7 and IFRS 9): Classification of Financial Assets, Payment Settlement via Electronic Means
- IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7 Annual Improvements to IFRS Standards 2011-2013 Cycle: Clarifications, Simplifications, Corrections, and Amendments to Improve Consistency of the aforementioned IFRSs
- IFRS 18 Presentation and Disclosure in Financial Statements: New Standard
- IFRS 19 Parent-Subsidiary Relations with No Public Accountability - Disclosures: New Standard

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Set out below are the principal accounting policies consistently applied in the preparation of the financial statements for the current and prior year.

#### 2.1 STATEMENT OF COMPLIANCE

The separate financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

#### 2.2 BASIS OF PREPARATION

The Group maintains its accounting records in the Croatian language, in euro and in accordance with Croatian laws and the accounting principles and practices observed by enterprises in Croatia. All components of the Group maintain accounting records in their functional currencies.

The preparation of the consolidated financial statements requires from the Management Board to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.2 BASIS OF PREPARATION (CONTINUED)

These estimates are based on the information available as at the date of preparation of the financial statements, and actual results could differ from those estimates.

The consolidated financial statements of the Group represent aggregate amounts of assets, liabilities, capital and reserves of the Group as of 31 December 2024, and the results of operations for the year that ended.

Consolidated financial statements are presented in euro (EUR). All amounts presented in the financial statements are expressed in thousands of euros unless otherwise stated, and there may be differences of 1 in the totals due to rounding.

### 2.3 BASIS OF CONSOLIDATION

Accompanying consolidated financial statements comprise of the Company's financial statements and the entities under its control. The control principle sets out the following three elements of control:

- power over the investee;
- exposure, or rights, to variable returns from involvement with the investee; and
- the ability to use power over the investee to affect the amount of those returns.

The Company re-evaluates the existence of its control when the facts and circumstances indicate that one or more of the above-mentioned control elements have occurred.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

AD Plastik Group in the reporting period consists of companies:

- AD Plastik d.d., Croatia
- AO AD Plastik Togliatti, Russian Federation
- ZAO AD Plastik Kaluga, Russian Federation
- AD Plastik Tisza Kft. Hungary
- ADP d.o.o., Serbia
- AD Plastik d.o.o., Slovenia

### 2.4 REVENUE RECOGNITION

Revenue is measured based on the consideration specified in a contract with a customer.

The contract exists only if it is legally enforceable and meets all of the following criteria:

- the contract is approved, and the parties are committed to their obligations,
- the rights to goods and services and payment terms can be identified,
- the contract has commercial substance, and
- collection of consideration is probable.

The definition of contract as stated above is by combining the clauses of following documentation: the Buyer's General Terms and conditions, the Nomination letter, the Purchase agreement and Purchase order.

The Group has contracts with Buyers (OEM) as Tier 1, with Buyer's suppliers as Tier 2, with subsidiaries and associates. The contracts exist for sales of following goods and services:

- Product sale,
- Tooling sale,
- R&D activities
- Royalty services,
- Technical support services

Contracts do not commit the customer to a specified quantity of products; however, the Group is generally required to fulfil its customer's purchasing requirements for the production life of the vehicle. Contracts do not typically become a performance obligation until the Group receives either a purchase order for a specific number of parts at a specified price. The long-term agreements with customers for specific product may range from five to seven years, contracts may be terminated by customers at any time, while occurred very rarely.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.4 REVENUE RECOGNITION (CONTINUED)

The Group's customers pay for products received in accordance with payment terms that are customary in the industry, typically 60 to 120 days. The Group's contracts with its customers do not have significant financing components.

Tooling and product sales may be contracted in separate agreements, or concluded at different points in time, or may be contracted in one agreement. In either case, any binding obligation for the customer with respect to parts is created only upon issuance of purchase orders. Revenue from tooling sale and product sale is recognised at point in time when the control is passed on the buyer.

The Group has determined that royalty and technical support services, tooling and the delivery of product parts are separate and distinct for the customer and therefore constitute separate performance obligations under IFRS 15, when the ownership is transferred.

The prices agreed in the contracts for the single performance obligations are considered to be the stand-alone.

The Group, in contracts with variable consideration, assesses whether there is an obligation to return the consideration to the customer and includes a portion of the variable consideration only if it is highly probable that there will not be a significant reversal of the total recognized revenue after resolving the uncertainties related to the variable consideration.

The Group considers a contract modification to have occurred when there is a change in the scope or price of the contract, or both, which is approved by the contracting parties. The Group considers that a contract modification exists when the contracting parties approve a modification that establishes new enforceable rights and performance obligations, or changes the existing ones. The Group recognizes a contract modification as a separate contract if the scope of the contract increases due to the addition of promised goods or services that are distinct from the previous ones, and if the contract price increases by an amount of consideration that reflects the selling prices of the additional promised goods or services and all appropriate adjustments to that price to reflect the circumstances of the contract. The Group recognizes a contract modification as

part of the existing contract if the remaining goods or services are not distinct and therefore form part of a single performance obligation, which is partially fulfilled on the date of the contract modification.

#### Revenue from sale of products

Product sales are recognized when the products are delivered to, and accepted by the customer and when the control of a product is transferred to the customer. Sales to customers with whom self-invoicing has been arranged are recognized upon receiving from such a customer the confirmation of delivery, i.e. when control is transferred to the customer. Each delivery is considered as performance obligation that is satisfied at point in time. Some of the Group's contracts include variable consideration which take a form of year-to-year price reductions („productivity“), but Group has concluded that those discounts do not give rise to a material right as those decreases are consistent with the pricing pattern in the automotive industry which takes into consideration learning curve effect.

Some contracts with customers include warranty clauses for repair of faulty goods during a specified long-term period and cover only a product's compliance with agreed specifications. Such warranties granted by the Group are in most cases assurance type warranties recognized in accordance with IAS 37 when the control of product transfers to customers.

#### Revenue from the manufacture of tools

Revenues from tools are matched with contracts that are specifically concluded for developing an asset, or a group of assets, closely linked and interdependent on the design, technology and function or their final use or application. The Group estimates that the transfer of control of tools, gauges and other devices is met at the time of „SOP“ (Start Of Production), i.e. start of the mass production on them. At that point the Group recognizes revenue from the sale of tools. Costs of modification, completion and similar tool costs are recognised by the Group as an increase in inventory value.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.4 REVENUE RECOGNITION (CONTINUED)

#### Revenue from royalty and technical services

The Group generates revenues from royalty fees by concluding contracts with affiliates to whom it sells the right to use intellectual property calculated on the amount of products produced by these companies, and for which products the Group has carried out development activities.

Revenue from licenses is recognized at the time of execution, according to the quantities of products produced by the customer.

The Group generates revenues from technical services on the basis of contracts it has with affiliated companies to which it provides technical consulting services for the needs of development and industrialization.

Revenue from royalty is recognized at the time of execution based on the generated sales of customers while revenue for technical-administrative support and consultancy services is recognized over time based on when the service is rendered.

### 2.5 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs that cannot be directly attributable to acquisition, construction or production of qualifying asset, are capitalized applying a capitalization rate. Capitalization rate is weighted average of borrowing costs applicable to the general borrowings, excluding borrowing costs that are directly attributable for acquisition of qualifying asset, until substantially all the activities necessary to prepare that asset for its intended use or sale are completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

### 2.6 FOREIGN-CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Presentation currency for Group is Euro. Functional currencies for companies included in Group are as follows:

- AD Plastik d.d., Croatia ..... Euro
- AO AD Plastik Togliatti, Russian Federation ....Russ. rouble
- ZAO AD Plastik Kaluga, Russian Federation ....Russ. rouble
- AD Plastik Tisza Kft. Hungary..... Hungarian forint
- ADP d.o.o., Serbia..... Serbian dinar
- AD Plastik d.o.o., Slovenia..... Euro

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

### 2.7 FOREIGN OPERATIONS

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into euro at the exchange rates at the dates of the transactions.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.7 FOREIGN OPERATIONS (CONTINUED)

reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

The Group may have a monetary item as an amount receivable from, or payable to a foreign entity. An item neither planned to be settled nor likely to arise in the foreseeable future is essentially part of the entity's net investment in a foreign operation and accounted for in accordance with IAS 21. The Group recognizes foreign exchange differences arising from monetary items that are part of the net foreign investment initially in other comprehensive income and accumulates them under a separate component of equity – Reserves from accruals of foreign exchange differences.

On disposal of a net investment in a foreign operation, the entire balance of exchange differences is transferred from equity to profit or loss.

### 2.8 INCOME TAX

#### Current tax

Income tax expense is based on taxable profit for the year and represents the sum of the tax currently payable and deferred tax. Income tax is recognised in the statement of comprehensive income, except where it relates to items recognised directly in equity, in which case it is also recognised in equity. Current tax represents tax expected to be paid on the basis of taxable profit for the year, using the tax rates enacted at the date of the statement of financial position, adjusted by appropriate prior-period tax liabilities. According to the Croatian tax laws. Groups subsidiaries are not taxable at the consolidation level nor can tax losses be transferred

among the group members. Subsidiaries are subject to the tax laws of their countries of registration.

#### Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured at the tax rate expected to apply to taxable profit in the period in which the liability is expected to be settled or the asset realised, based on the tax rates in effect at the date of the statement of financial position.

The measurement of deferred tax liabilities and assets reflects the amount that the Group expects, at the date of the statement of financial position, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are not discounted and are classified in the statement of financial position as non-current assets and/or non-current liabilities. Deferred tax assets are recognised only to the extent that it is probable that the related tax benefit will be realised. At each date of the statement of financial position, the Group reviews the unrecognised potential tax assets and the carrying amount of the recognised tax assets.

### 2.9 PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment as well as intangible assets are recognised at purchase cost and subsequently reduced by accumulated depreciation/amortisation. Intangible asset represents capitalized development costs of all Group's projects. Intangible assets – Projects (which mainly refers to models, designs, and prototypes for auto parts developed by the Company) are depreciated according to its useful life which varies from 2 to 7 years. The purchase cost comprises the purchase price, import duties and non-refundable sales taxes (for property, plant and equipment) and any directly attributable costs

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.9 PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS (CONTINUED)

of bringing an asset to its working condition and location for its intended use, such as employee remuneration, professional fees directly arising from putting an asset into its working condition, test costs (for intangible assets), as well as all other costs directly attributable to bringing an asset to a condition for its intended use. Maintenance and repairs, replacements and improvements of minor importance are expensed as incurred. Where it is obvious that expenses incurred resulted in an increase of expected future economic benefits to be derived from the use of an item of property, plant and equipment or intangible assets in excess of the originally assessed

standard performance of the asset, they are added to the carrying amount of the asset. Gains or losses on the retirement or disposal of property, plant and equipment or intangible assets are included in the statement of comprehensive income in the period in which they occur. Depreciation commences on putting an asset into use. Depreciation is provided so as to write down the cost or revalued amount of an asset other than land, property, plant and equipment and intangible assets under development over the estimated useful life of the asset using the straight-line method as follows:

	Depreciation rates in 2024	Depreciation rates in 2023
Buildings	1.50	1.50
Machinery	7.00 - 10.00	7.00 - 10.00
Tools, furniture, office and laboratory equipment, measuring and control instruments	7.00 – 50.00	7.00 – 50.00
Vehicles	20.00	20.00
IT equipment	10.00 - 20.00	10.00 - 20.00
Others	10.00	10.00
Intangible assets - Projects	14.29 – 50.00	14.29 – 33.33
Software	20.00 – 50.00	20.00 – 50.00

Intangible assets based on contracts with customers occurred during the allocation of the purchase price by the acquisition of AD Tisza in Hungary, and these intangible assets are amortized at rates ranging from 16.67% to 25.00%.



## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.10 GOODWILL

Goodwill represents the excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of a business at the acquisition date. Goodwill generated by acquisition of a subsidiary is presented as an intangible asset.

Goodwill is tested for impairment annually or more often if the events and circumstances that indicate potential impairment occur. Goodwill is measured as cost of acquisition less accumulated losses due to impairment. Impairment losses on goodwill are not reversed. Gains and losses from the sale of a business include the net book value of goodwill, which relates to the sold business.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

### 2.11 IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is an indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, the Group's assets are also allocated to individual cash-generating units or, if this is not possible, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

### 2.12 INVESTMENTS IN ASSOCIATES

An associate is an entity over which the Group has significant influence but no control over the entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control or joint control over those policies.

The results of operations of associates are incorporated in these financial statements using the equity method of accounting. Under this method, the Group's share in the profit or loss of associates is recognized in profit and loss from the date of acquisition of significant influence until the date on which significant influence is lost.

Investments are recognized initially at cost and are subsequently adjusted by the changes in the acquirer's share of the net profit of the investee. Where the Group's share of losses in an associate is equal to or higher than the equity investment in the associate, no further losses are recognized, except where the Group has assumed an obligation or committed to make a payment on behalf of the associate.

### 2.13 INVENTORIES

Inventories of raw material and spare parts are stated at the lower of cost and net realisable value, whichever is lower. Cost is determined using the weighted-average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less all variable selling costs.

Small inventory is written off when put in use.

The cost of product inventories i.e. the production price is based on direct material used, the cost of which is determined using the weighted average cost method, then direct labour costs and fixed overheads at the actual level of production which approximates the normal capacities, as well as variable overheads that are based on the actual use of the production capacities.

Inventories of goods are recognized at the cost of acquiring the inventories, which include the purchase price, import duties and other non-recoverable taxes, transportation costs, and other costs directly attributable to the acquisition of finished goods or materials.

### 2.14 OTHER TRADE RECEIVABLES AND PREPAYMENTS

Other receivables and prepayments represent receivables and prepayments that are not included in financial instruments, and they are carried at nominal amounts less an appropriate allowance for impairment for estimated irrecoverable amounts.



## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.14 OTHER TRADE RECEIVABLES AND PREPAYMENTS (CONTINUED)

The Group impairs the carrying amount of receivables in the same way as the impairment of financial assets.

### 2.15 CASH AND CASH EQUIVALENTS

Cash comprises account balances with banks, cash in hand, deposits and securities at call or with maturities of less than three months.

### 2.16 PROVISIONS

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each date of the statement of financial position and adjusted to reflect the current best estimate. Where the effect of discounting is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation, determined using the estimated risk free interest rate as the discount rate. Where discounting is used, the reversal of such discounting in each year is recognised as a financial expense and the carrying amount of the provision increases in each year to reflect the passage of time.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the date of the statement of financial position, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Provisions for litigation losses represents provisions relating to litigation against the Company from regular commercial operations and from disputes with former employees.

Provisions for unused vacation days are calculated on the basis of the remaining days of the vacation days that employees have made in the current year, multiplied by amount of gross 2 daily wage.

Employees bonuses represents rewards that were planned to be paid out in the coming year based on results from the current year.

### 2.17 TERMINATION, LONG-SERVICE AND OTHER EMPLOYEE BENEFITS

#### (a) Pension-related obligations

In the normal course of business, the Group makes payments, through salary deductions, to mandatory pension funds on behalf of its employees, as required by law. The contributions paid to the mandatory pension funds are recognised as salary expense when accrued. The Group does not have any other retirement benefit plan and, consequently, has no other obligations in respect of the retirement benefits for its employees. In addition, the Group is not obliged to provide any other post-employment benefits.

#### (b) Long-term employee benefits

Long-term employee benefits represent jubilee awards and post employment benefit obligations. Post employment benefit obligations falling due more than 12 months after the reporting date are discounted to their present value. Jubilee awards are paid in intervals according to time that employee was working for company.

The cost of benefits is determined using the projected unit credit method based on an actuarial valuation performed at each reporting date. Gains and losses arising from actuarial valuation are recognized in the period in which they arise.

Past service cost is recognized immediately to the extent that the benefits have already been vested. Otherwise, it is amortized on a straight-line basis over a specified period until the benefits become vested.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.18 FINANCIAL INSTRUMENTS

#### Financial assets

Trade receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include

whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. Trade receivables are held in the business model of holding for the purpose of collection.

#### Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, relevant for the purpose of classifying financial assets at amortised cost, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing the main criterion, i.e. whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

The structure of the Group's financial assets is simple and primarily relates to trade receivables without a significant financial component.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.18 FINANCIAL INSTRUMENTS (CONTINUED)

#### Subsequent measurement and gains and losses

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### Financial liabilities

Debt securities are initially recognised when they are originated. All other financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue, if this is an instrument which is not stated at fair value through profit or loss.

Financial liabilities are classified as measured at amortised cost. A financial liability is classified as as measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### Impairment of non-derivative financial assets

The Group recognises loss allowances for expected credit loss (ECLs) on financial assets measured at amortised cost.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if early warning indicators have been activated in accordance with the Group's policy or contractual terms of the instrument.

The Group considers a financial asset to be fully or partially in default if:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 360 days past due based on historical experience of average market participant.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.18 FINANCIAL INSTRUMENTS (CONTINUED)

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

#### Expected credit losses measurement

In accordance with IFRS 9, assets that are carried at amortised cost must have attributed expected credit losses (ECL)- the formula for calculating the annual ECL is the following:

Probability of default (PD) x Loss given default (LGD) x Exposure at default (EAD)

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or liability, and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset or liability, or, where appropriate, a shorter period.

#### Impairment of financial assets

Financial assets are assessed for indications of impairment at each date of the statement of financial position. A financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the expected credit losses.

Impairment loss on a financial asset is recognised by reducing the carrying amount of the asset through the use of an

allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account.

#### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset have expired, when the asset is transferred and when substantially all the risks and rewards of ownership of the asset are passed onto another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the underlying contractual arrangement.

#### Interest income

Interest income is recognised on a pro rata temporis basis, using the effective interest method. Interest earned on balances with commercial banks (demand and term deposits) is credited to income for the period as it accrues. Interest on trade receivables is recognised as income when accrued.

### 2.19 CONTINGENCIES

Contingent liabilities have not been recognised in these consolidated financial statements. They are disclosed if the possibility of outflow of resources embodying economic benefits is possible. A contingent asset is not recognised in financial statements, but it is disclosed when the inflow of economic benefits becomes probable.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.20 EVENTS SUBSEQUENT TO THE DATE OF THE STATEMENT OF FINANCIAL POSITION

Events after the date of the statement of financial position that provide additional information about the Group's position at that date (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

### 2.21 SEGMENT REPORTING

In the consolidated financial statements, the Group discloses sales revenues grouped by country. When assessing business performance and making decisions on the allocation of resources in accordance with IFRS 8, the Group's Management Board uses the division into two business segments: the EU, UK and Serbia and Russia. In the consolidated financial statements, the Group's operating results, assets and liabilities are presented for above mentioned business segments. The division into segments is based on the Group's presence in the different markets.

Transactions between segments relate to sales of materials, revenues from engineering services and royalty revenues.

### 2.22 LEASES

At inception of a contract, Group assesses whether a contract is, or contains lease. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Group uses the definition of a lease in IFRS 16.

Leases are recognised by the present value of the lease payments and showed either as right-of-use assets or together with property, plant and equipment. Group also recognises a financial liability representing its obligation to make future lease payments. Lessees are recognised separately interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees are also required to re-measure lease liability due to certain events (e.g. a change in lease term, a change in future lease payments, resulting from a change in an index or discounting rate). The standard includes two recognition exemptions for lessees: "low-value" leases (e.g. tablets and personal computers) and „short-term“ leases (leases which ends within 12 months). Low-value leases are assets with value lower than EUR 4,000.

Right-of-use assets and lease liabilities will be reported separately in the statement of financial position. The Group has elected not to apply the requirements of IFRS 16 for low-value leases (e.g. printers) and short-term leases (e.g. apartments). Detailed movement of right of use assets are presented in Note 20 and movements of lease liability in Note 31.

### 2.23 GRANTS

The Group recognizes grants as income over the period necessary to match them with related costs, for which they are intended to compensate on a systematic basis. A grant receivable as compensation for costs already incurred is derecognised as income in the period in which it is receivable.

A grant related to income is reported as deduction from the related expense.

### 2.24 INVESTMENT PROPERTY

Investment property is property held by the Group to earn rentals or for capital appreciation or for both, but not for sale in the ordinary course of business or for administrative purposes.

Investment property is measured initially at its cost, including transaction costs. Subsequently, investment property is stated at cost less accumulated depreciation and any impairment loss.

Investment property is depreciated on a straight-line basis at the rate of 1.5%.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.18 FINANCIAL INSTRUMENTS (CONTINUED)

Investment property is derecognised when either it has been disposed of or permanently withdrawn from use or no future economic benefits are expected from its disposal. Any gains

or losses on the retirement or disposal of investment property are recognised in the income statement in the year of retirement or disposal.

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, the Management Board is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on past experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods. The key areas of estimation in applying the Group's accounting policies that had a most significant impact on the amounts recognized in the financial statements were as follows.

### Revenue from the sale of tools

Tools are custom made for the customer and cannot be used for other purposes. In accordance with the automotive practice, those contracts may differ with respect to the development of tools and transfer of the title to the customer. In such cases, the Group determines whether tool arrangements are sale, lease or development of own equipment, whether this is a lease arrangement and whether it is separate from the sale of car parts.

The Group has assessed that the sale of car parts is a separate performance obligation from the sale of tools since the customer has the control over the use of tool and unconditional right for payment upon the transfer of control of tool

to the customer. Additionally, the development of the tool is not integrated with the production of parts to produce a combined output and those two are not interrelated as tool can be sold without affecting the sale of car parts. The contract for the sale of tools and the contract for the sale of auto parts are separate contracts, which should not be combined because there are two different performance obligations, which can also be seen from the fact that the prices for the tools are not linked to the contract for the sale of auto parts.

In addition, although in production of parts the Group may continue to use tools that it sold to customers, the Group has concluded that its arrangements do not contain a lease because customers control the use of the asset.

### Measurement of fair values

Certain Group's accounting policies and disclosures require the measurement of fair values for non-financial assets.

The Group has an established control framework with respect to fair value measurement which assumes the overall responsibility of the Management Board and finance department in relation to the monitoring of all significant fair value measurements and consultation with external experts.

Fair values are measured using information collected from third parties in which case the Board and the finance department assess whether the evidence collected from third parties support the conclusion that such valuations meet the requirements of IFRSs, including the level in the fair value hierarchy where such valuations should be classified.

### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Fair values are categorised into different level in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included in level 1, that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - input variables for assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more significant inputs are not based on observable market data, the fair value estimate is included in level 3.

#### Going concern assumption

Group reported a net profit for the year ended 31 December 2024 of EUR 2,132 thousand (2023: loss of EUR 1,273 thousand). As at 31 December 2024, the Group's current liabilities exceeded current assets by EUR 4,376 thousand (31 December 2023: current assets exceeded current liabilities by EUR 7,848 thousand). According to Note 34, it is evident that EUR 17,851 thousand of long-term loans mature in 2025 and accordingly, the Group has already initiated discussions

with banks in 2024 with the aim of rescheduling the maturities of short-term loan liabilities.

In February 2025, an agreement was successfully concluded and implemented with the Group's leading creditors to reschedule the maturity of short-term loan liabilities in the total amount of EUR 9,390 thousand, which mature in a period of over one year.

The remaining amount of short-term liabilities under long-term loans will be repaid in 2025 in accordance with the repayment plans, while short-term loans (revolving lines and overdrafts) in the amount of EUR 8,418 thousand will, in accordance with established practice, be prolonged for an additional year.

The Group's going concern assumption is based on the Management's assessment that the future cash flows generated by the Group are sufficient to meet the Group's obligations. The Group's Management has included a range of possible outcomes in its estimates and believes that the use of reasonable estimates does not compromise the going concern principle. Given the agreement reached with the Group's main creditors, over EUR 370 million in value of new business contracted in the past three years, the expected growth in profitability and insignificant investments in tangible assets in the coming periods, the Management Board of the Group believes that these consolidated financial statements, assuming a going concern, have been properly prepared.

#### Business risk in Russia

The Group has control over the cash flows of its Russian subsidiaries. There is currently a limit on the collection of credit receivables of RUB 10,000 thousand per month per subsidiary. There is no limit on the collection amount for other receivables for goods, services and loan interests. ZAO AD Plastik Kaluga is operating in a "cold mode", taking into account the withdrawal of all European customers from the Russian market with whom the Company did business before the start of the Russian-Ukrainian crisis. AO AD Plastik from Togliatti continues to operate with its main customer AutoVaz on the production of several models for Lada vehicles.

## 4. SEGMENT INFORMATION

IFRS 8 requires operating segments to be identified based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order

to allocate resources to the segments and to assess their performance.

### Year ended 31 December 2024

	EU, UK and Serbia	Russia	Total
External income	130,928	21,515	152,443
Intra segment income	4,022	-	4,022
<b>Total income</b>	<b>134,950</b>	<b>21,515</b>	<b>156,465</b>
EBITDA	8,376	5,037	13,413
Profit of the year	402	1,731	2,132

	EU, UK and Serbia	Russia	Intra-segment effect	Total
<b>Total assets</b>	<b>178,379</b>	<b>25,044</b>	<b>(22,544)</b>	<b>180,879</b>
Capital and reserves	104,645	3,034	(8,771)	98,908
Liabilities	73,734	22,010	(13,773)	81,971
<b>Total equity and liabilities</b>	<b>178,379</b>	<b>25,044</b>	<b>(22,544)</b>	<b>180,879</b>

### Year ended 31 December 2023

	EU, UK and Serbia	Russia	Total
External income	114,173	15,135	129,308
Intra segment income	1,037	-	1,037
<b>Total income</b>	<b>115,210</b>	<b>15,135</b>	<b>130,345</b>
EBITDA	4,730	2,480	7,210
Profit/(loss) of the year	99	(1,372)	(1,273)

	EU, UK and Serbia	Russia	Intra-segment effect	Total
<b>Total assets</b>	<b>185,106</b>	<b>26,291</b>	<b>(22,261)</b>	<b>189,136</b>
Capital and reserves	105,192	2,147	(8,875)	98,464
Liabilities	79,914	24,144	(13,386)	90,672
<b>Total equity and liabilities</b>	<b>185,106</b>	<b>26,291</b>	<b>(22,261)</b>	<b>189,136</b>





#### 4. SEGMENT INFORMATION (CONTINUED)

EBITDA represents profit before income taxes, finance income/costs, depreciation and amortization.

##### Sales revenue based on geographical location of the customer:

	2024	2023
Slovenia	29,560	20,845
Romania	26,391	18,723
Russia	20,194	14,271
Hungary	16,652	15,875
France	10,843	18,243
Poland	9,912	5,645
Slovakia	7,032	2,425
Italy	5,276	7,193
United Kingdom	4,952	5,502
Serbia	4,755	61
Spain	4,408	4,845
Germany	3,977	6,213
Czech Republic	1,228	1,118
Croatia	868	1,358
Other	1,919	1,515
	<b>147,967</b>	<b>123,832</b>

##### Sales segmentation by type of the product:

	2024	2023
Car parts sales	115,701	112,760
Revenue from tools	23,319	4,952
Merchandise	6,061	4,886
Royalty revenue	1,560	234
Engineering services revenue	1,056	1,000
Product development services	270	-
	<b>147,967</b>	<b>123,832</b>

The largest sales income from companies in the same group, which make more than 15% of sales income in 2024, amounted to EUR 37,181 thousand (2023: EUR 28,630 thousand), while the carrying amount of receivables from this group amounted to EUR 6,670 thousand at 31.12.2024 (31.12.2023: EUR 5,251 thousand).

The second largest sales income from companies in the same group, which make more than 15% of sales income in 2024 amounted to EUR 28,625 thousand (2023: EUR 16,074 thousand), while the carrying amount of receivables from this group amounted to EUR 375 thousand at 31.12.2024 (31.12.2023: EUR 2,860 thousand).



## 5. OTHER INCOME

	2024	2023
Income from compensation for canceled projects	1,590	-
Gain from sale of property, plant and equipment and intangible assets	1,273	2,818
Income from consumption of own products and services	398	78
Rental income and income from the sale of services to tenants	371	581
Income from sales of waste and secondary raw material	191	372
Income from damages and insurance	55	78
Income from validation, quality control and laboratory testing	11	72
Other operating income	587	1,477
	<b>4,476</b>	<b>5,476</b>

Gain from sale of property, plant and equipment and intangible assets in 2024, include gain from sales of intangible assets in amount of EUR 978 thousand and tangible assets in amount of EUR 295 thousand (2023: sales of intangible assets in amount of EUR 1,957 thousand and tangible assets in amount of EUR 861 thousand).

## 6. COST OF RAW MATERIAL AND SUPPLIES

	2024	2023
Direct materials	57,995	55,513
Electricity	3,818	4,748
Other raw material and supplies	2,877	3,758
Inventory shortage costs and value adjustments of inventory	182	2,658
	<b>64,872</b>	<b>66,677</b>

## 7. COST OF GOODS SOLD

	2024	2023
Cost of tools sold	19,179	4,142
Cost of trade goods	5,049	3,081
	<b>24,229</b>	<b>7,223</b>

## 8. SERVICE COST

	2024	2023
Transport	3,969	4,755
Intellectual services	1,723	1,856
Maintenance costs	1,604	1,631
Software licenses	1,091	1,038
Security and fire services	653	538
Logistic services at distribution warehouses	548	477
Communal fee	497	424
Rental costs	412	359
Marketing	160	157
Telephone, cell phone, internet costs	128	122
Water	116	120
Forwarding and shipping costs	22	26
Licence fees	16	36
Other service costs	787	583
	<b>11,726</b>	<b>12,122</b>

During 2024, the Group's auditors provided the Group with services related to the costs of the statutory audit of the Company's consolidated and unconsolidated statements and other verification services related to sustainability reporting and reporting on the remuneration of the Management Board and the Supervisory Board in the total amount of EUR 220 thousand (2023: EUR 145 thousand), as well as permitted non-audit services related to financial analysis in the amount of EUR 28 thousand (2023: EUR 51 thousand).

## 9. STAFF COSTS

	2024	2023
Net wages and salaries	19,570	18,201
Taxes and contributions	11,504	10,884
Other staff costs	3,564	2,895
	<b>34,638</b>	<b>31,980</b>

Other staff costs comprise jubilee awards, bonuses, termination benefits, commuting costs, cost of student service and other business-related costs. The Group included reversal of provision for unused vacation in amount of EUR 24 thousand. Also, within "Other staff cost" provision for termination benefits in amount of EUR 125 thousand is shown.

In the previous period, reversal of provision for jubilee awards in amount of EUR 22 thousand was shown as a cost reduction within "Other staff cost". Also, within "Other staff costs" provision for unused vacation days in amount of EUR 176 thousand and provision for termination benefits in amount of EUR 21 thousand were shown.

## 10. DEPRECIATION AND AMORTISATION

	2024	2023
Depreciation of property, plant, and equipment (Note 19)	7,752	7,361
Amortization of intangible assets (Note 18)	1,858	1,726
Depreciation of right of use asset (Note 20)	1,162	1,153
Depreciation of investment property (Note 21)	39	33
	<b>10,811</b>	<b>10,273</b>

## 11. OTHER OPERATING EXPENSES

	2024	2023
Business trips	575	451
Insurance premiums	509	439
Withholding tax and property tax expense	505	635
Membership fees, contributions, municipal utility fees	364	345
Impairment and write off of capitalised development cost	277	43
Cost of own consumption and goods provided free of charge	251	372
Entertainment/representation costs	249	177
Bank fees and commissions	236	118
Gifts, donations and sponsorships	191	214
Customer complaints	181	172
Non-current tangible assets write off	155	145
Professional training costs	103	104
Safety at work and health services	80	81
Supervisory Board fees	52	89
Other expenses	232	382
	<b>3,960</b>	<b>3,767</b>

## 12. PROVISIONS FOR RISKS AND CHARGES

	2024	2023
Provision for legal cases, net (Note 28)	1	(4)
Provision for warranties, net (Note 28)	-	(132)
	<b>1</b>	<b>(136)</b>

### 13. FINANCE INCOME

	2024	2023
Interest income	271	199
	<b>271</b>	<b>199</b>

### 14. FINANCE COSTS

	2024	2023
Interest expense	1,536	859
Foreign exchange losses, net	1,323	1,451
Interest expense on lease liabilities	59	39
	<b>2,917</b>	<b>2,349</b>

### 15. INCOME TAX

Income tax comprises the following:

	2024	2023
Current tax	(1,070)	(591)
Deferred tax	156	172
	<b>(914)</b>	<b>(419)</b>

Reconciliation between the accounting and tax results is shown as follows:

	2024	2023
<b>Profit/loss before tax</b>	<b>3,046</b>	<b>(853)</b>
Tax using the Company's domestic tax rate (18%)	548	(153)
Effect of tax rates in foreign jurisdictions	121	120
<b>Tax effect of:</b>		
Share of profit of equity-accounted investees reported	(556)	(785)
Tax exempt revenue	519	967
Non-deductible expenses	(60)	(400)
Current-year losses for which no deferred tax asset is recognised	394	76
Changes in estimates from previous years	(52)	594
<b>Profit tax expense</b>	<b>914</b>	<b>419</b>
<b>Effective tax rate</b>	<b>30.01%</b>	<b>(49.12%)</b>

Deferred tax is presented in the statement of financial position as follows:

	2024		2023	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Balance at 1 January	3,036	856	2,321	377
Increase	560	94	1,368	497
Usage	16	-	(59)	-
Reversal	(312)	(10)	(594)	(18)
<b>Balance at 31 December</b>	<b>3,300</b>	<b>940</b>	<b>3,036</b>	<b>856</b>

## 15. INCOME TAX (CONTINUED)

Deferred tax assets arise from the following:

2024	Opening balance	Charged to statement of compr. income	Charged to other compr. income	Closing balance
<b>Temporary differences:</b>				
Provisions for jubilee awards and termination benefits	86	16	-	102
Impairment of inventory	66	34	-	100
Impairment/reversal receivables/loans	66	55	-	121
Deferred tax assets from carried-over tax losses	2,070	144	(6)	2,208
Impairment of Investment property	329	-	-	329
Deferred tax liabilities from allocation of purchase price on fair value of Tisza Automotive Kft.	(29)	10	-	(19)
Differences between tax depreciation rates and accounting depreciation rates	(414)	(111)	30	(495)
Lease liabilities	419	25	(3)	441
Right of use assets	(413)	(17)	3	(427)
<b>Balance at 31 December</b>	<b>2,180</b>	<b>156</b>	<b>24</b>	<b>2,360</b>

2023	Opening balance	Charged to statement of compr. income	Charged to other compr. income	Closing balance
<b>Temporary differences:</b>				
Provisions for jubilee awards and termination benefits	86	-	-	86
Impairment of inventory	-	66	-	66
Impairment/reversal receivables/loans	-	66	-	66
Deferred tax assets from carried-over tax losses	1,848	217	6	2,070
Impairment of Investment property	387	(59)	-	329
Deferred tax liabilities from allocation of purchase price on fair value of Tisza Automotive Kft.	(47)	18	-	(29)
Differences between tax depreciation rates and accounting depreciation rates	(330)	(142)	58	(414)
Lease liabilities	-	419	-	419
Right of use assets	-	(413)	-	(413)
<b>Balance at 31 December</b>	<b>1,944</b>	<b>172</b>	<b>64</b>	<b>2,180</b>

## 15. INCOME TAX (CONTINUED)

The tax losses available for carry-forward to the following tax periods are as follows:

	2024	2023
Tax losses from 2020	1,744	1,805
Tax losses from 2021	230	241
Tax losses from 2022	15,184	15,472
Tax losses from 2023	4,813	4,905
Tax losses from 2024	5,166	-
	<b>27,137</b>	<b>22,423</b>

In the future period from 2025 to 2029, the Group plans to generate taxable profit for which the aforementioned recognized deferred tax assets from tax losses will be utilized, except for the amount of unrecognized deferred tax of EUR 2,520 thousand that arose in subsidiaries in Serbia and Russia, given that it is unlikely that they will be utilized at the reporting date.

## 16. EXCHANGE DIFFERENCES FROM TRANSLATION OF FOREIGN OPERATIONS AND RESERVES FROM ACCRUALS OF FOREIGN EXCHANGE DIFFERENCES – TRANSACTIONS WITH SUBSIDIARIES

	Reserves from accruals of foreign exchange differences – transactions with subsidiaries		Exchange differences from translation of foreign operations – transactions with subsidiaries	
	2024	2023	2024	2023
Balance at beginning of the year	(3,795)	(1,103)	(6,627)	(5,159)
Exchange differences from translation of foreign operations	-	-	(1,099)	(1,469)
Accruals of foreign exchange differences from the current year	(757)	(3,429)	-	-
Income tax	136	686	-	-
Exchange differences from translation of foreign operations, net	(621)	(2,743)	(1,099)	(1,469)
Realization of exchange differences	355	51	-	1
Balance at end of year	<b>(4,061)</b>	<b>(3,795)</b>	<b>(7,726)</b>	<b>(6,627)</b>



## 17. EARNINGS PER SHARE

Basic earnings per share are determined by dividing the Group's net profit by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares redeemed and held by the Group as

treasury shares. The basic earnings per share equal the diluted earnings per share, as there are currently no share options that would potentially increase the number of issued shares.

	2024	2023
Profit/(loss) of the year	2,132	(1,273)
Weighted average number of shares	4,161,277	4,159,022
<b>Basic and diluted earnings/(loss) per share (in euros and cents)</b>	<b>0.51</b>	<b>(0.31)</b>

	2024	2023
Issued ordinary shares on 1 January	4,199,584	4,199,584
Effect of treasury shares held	(35,008)	(38,428)
Effect of treasury shares disposed of	(3,299)	(2,134)
<b>Weighted-average number of ordinary shares on 31 December</b>	<b>4,161,277</b>	<b>4,159,022</b>

## 18. INTANGIBLE ASSETS

Projects comprise investments in the development of new products that are expected to generate economic benefits in future periods. Consequently, the costs are amortised over the period in which the related economic benefits flow into the Group.

Intangible assets under development mostly consists of capitalised development cost of new products.

In 2024, the cost of net salaries and wages of EUR 540 thousand, the cost of taxes and contributions from salaries of EUR 210 thousand and the cost of contributions to salaries of EUR 111 thousand were capitalized in intangible assets. In the previous 2023, the capitalized cost of net salaries and wages amounted to EUR 366 thousand, the cost of taxes and contributions from salaries amounted to EUR 151 thousand, and the cost of contributions to salaries amounted to EUR 79 thousand.

In 2024, capitalized interest expense in the amount of EUR 20 thousand (2023: EUR 19 thousand) was recognized on intangible assets.



## 18. INTANGIBLE ASSETS (CONTINUED)

	Licences and Soft- ware	Projects	Other in- tangible assets	Customer contracts	Intangible assets un- der devel- opment	Prepay- ments for intangible assets	Total
<b>Cost</b>							
<b>Balance at 31 December 2022</b>	<b>2,310</b>	<b>19,011</b>	<b>833</b>	<b>1,357</b>	<b>3,393</b>	<b>-</b>	<b>26,904</b>
Additions	-	-	-	-	3,423	-	3,423
Assets put into use	8	1,060	3	-	(1,072)	-	-
Disposals	(1)	(1,113)	-	-	-	-	(1,114)
Write off and retirements	(64)	(383)	-	-	-	-	(447)
Effect of exchange differences	5	(350)	(2)	-	-	-	(347)
<b>Balance at 31 December 2023</b>	<b>2,257</b>	<b>18,226</b>	<b>835</b>	<b>1,357</b>	<b>5,744</b>	<b>-</b>	<b>28,419</b>
Additions	-	-	-	-	3,013	-	3,013
Assets put into use	27	5,606	-	-	(5,633)	-	-
Disposals	-	(891)	-	-	-	-	(891)
Write off and retirements	-	(1,065)	-	-	-	-	(1,065)
Effect of exchange differences	(18)	(114)	(4)	-	-	-	(136)
<b>Balance at 31 December 2024</b>	<b>2,265</b>	<b>21,763</b>	<b>831</b>	<b>1,357</b>	<b>3,124</b>	<b>-</b>	<b>29,340</b>
<b>Accumulated amortisation</b>							
<b>Balance at 31 December 2022</b>	<b>1,976</b>	<b>14,727</b>	<b>534</b>	<b>1,040</b>	<b>-</b>	<b>-</b>	<b>18,277</b>
Charge for the year (Note 10)	101	1,271	151	203	-	-	1,726
Disposals	-	(545)	-	-	-	-	(545)
Write off and retirements	(64)	(338)	-	-	-	-	(402)
Effect of exchange differences	1	(208)	(2)	-	-	-	(209)
<b>Balance at 31 December 2023</b>	<b>2,014</b>	<b>14,907</b>	<b>683</b>	<b>1,243</b>	<b>-</b>	<b>-</b>	<b>18,847</b>
Charge for the year (Note 10)	83	1,599	62	114	-	-	1,858
Disposals	-	-	-	-	-	-	-
Write off and retirements	-	(788)	-	-	-	-	(788)
Effect of exchange differences	(16)	(100)	(1)	-	-	-	(117)
<b>Balance at 31 December 2024</b>	<b>2,081</b>	<b>15,617</b>	<b>744</b>	<b>1,357</b>	<b>-</b>	<b>-</b>	<b>19,800</b>
<b>Net book value</b>							
<b>Balance at 31 December 2023</b>	<b>243</b>	<b>3,319</b>	<b>152</b>	<b>114</b>	<b>5,744</b>	<b>-</b>	<b>9,572</b>
<b>Balance at 31 December 2024</b>	<b>184</b>	<b>6,145</b>	<b>87</b>	<b>-</b>	<b>3,124</b>	<b>-</b>	<b>9,540</b>



## 19. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and equipment	Other tangible assets	Assets under development	Prepayments for tangible assets	Total
<b>Cost</b>							
<b>Balance at 31 December 2022</b>	<b>18,376</b>	<b>51,788</b>	<b>113,362</b>	<b>399</b>	<b>5,825</b>	<b>343</b>	<b>190,093</b>
Additions	-	-	-	-	6,222	(89)	6,133
Assets put into use	5	1,979	2,930	16	(4,930)	-	-
Disposals	-	(48)	(3,622)	(5)	-	-	(3,675)
Write off and retirements	-	(220)	(428)	(1)	-	-	(649)
Effect of exchange differences	(106)	(2,498)	(4,157)	(25)	(747)	(7)	(7,540)
<b>Balance at 31 December 2023</b>	<b>18,276</b>	<b>51,000</b>	<b>108,085</b>	<b>384</b>	<b>6,370</b>	<b>247</b>	<b>184,362</b>
Additions	-	-	-	-	10,108	(214)	9,894
Assets put into use	-	760	10,011	10	(10,768)	(14)	-
Disposals	-	(21)	(948)	(1)	-	-	(970)
Write off and retirements	-	(213)	(1,007)	(33)	-	-	(1,253)
Effect of exchange differences	(33)	(841)	(1,441)	(20)	(199)	(1)	(2,535)
<b>Balance at 31 December 2024</b>	<b>18,243</b>	<b>50,685</b>	<b>114,701</b>	<b>339</b>	<b>5,511</b>	<b>19</b>	<b>189,498</b>
<b>Accumulated depreciation</b>							
<b>Balance at 31 December 2022</b>	<b>-</b>	<b>16,017</b>	<b>77,250</b>	<b>271</b>	<b>-</b>	<b>-</b>	<b>93,538</b>
Charge for the year (Note 10)	-	1,075	6,248	38	-	-	7,361
Disposals	-	(32)	(3,646)	(4)	-	-	(3,683)
Write off and retirements	-	(82)	(420)	(1)	-	-	(503)
Effect of exchange differences	-	(936)	(2,916)	(5)	-	-	(3,857)
<b>Balance at 31 December 2023</b>	<b>-</b>	<b>16,041</b>	<b>76,516</b>	<b>299</b>	<b>-</b>	<b>-</b>	<b>92,855</b>
Charge for the year (Note 10)	-	1,115	6,611	26	-	-	7,752
Disposals	-	(15)	(799)	(1)	-	-	(815)
Write off and retirements	-	(83)	(984)	(33)	-	-	(1,100)
Effect of exchange differences	-	(273)	(1,084)	(20)	-	-	(1,377)
<b>Balance at 31 December 2024</b>	<b>-</b>	<b>16,785</b>	<b>80,260</b>	<b>270</b>	<b>-</b>	<b>-</b>	<b>97,314</b>
<b>Net book value</b>							
<b>At 31 December 2023</b>	<b>18,276</b>	<b>34,959</b>	<b>31,569</b>	<b>86</b>	<b>6,370</b>	<b>247</b>	<b>91,507</b>
<b>At 31 December 2024</b>	<b>18,243</b>	<b>33,900</b>	<b>34,440</b>	<b>69</b>	<b>5,511</b>	<b>19</b>	<b>92,183</b>

From assets mentioned in Note 19 Property, plant and equipment and in Note 21 Investment property, pledged assets are lands with the book value on the date of 31.12.2024 of (all in EUR thousand) 15,272 (31.12.2023 13,390), buildings 20,261

(31.12.2023 19,648). The listed items as of December 31, 2024, include investments in land with a net book value of EUR 1,479 thousand, and investments in buildings with a net book value of EUR 1,738 thousand.

## 20. RIGHT OF USE ASSET

	Land	Buildings	Plant and equipment	Total
<b>Cost</b>				
<b>Balance at 31 December 2022</b>	<b>36</b>	<b>3,609</b>	<b>1,860</b>	<b>5,505</b>
Additions	2	-	74	76
Lease modification, net	-	1,269	34	1,303
Effect of exchange differences	(9)	(14)	30	7
<b>Balance at 31 December 2023</b>	<b>29</b>	<b>4,864</b>	<b>1,998</b>	<b>6,891</b>
Additions	1	-	131	132
Lease modification, net	-	11	1,035	1,046
Contract termination/expiration	(5)	(45)	-	(50)
Effect of exchange differences	(1)	(2)	(53)	(56)
<b>Balance at 31 December 2024</b>	<b>24</b>	<b>4,828</b>	<b>3,111</b>	<b>7,963</b>
<b>Accumulated depreciation</b>				
<b>Balance at 31 December 2022</b>	<b>7</b>	<b>2,147</b>	<b>1,110</b>	<b>3,264</b>
Charge for the year (Note 10)	1	699	453	1,153
Lease modification	-	-	(10)	(10)
Effect of exchange differences	(2)	(14)	17	1
<b>Balance at 31 December 2023</b>	<b>6</b>	<b>2,832</b>	<b>1,570</b>	<b>4,408</b>
Charge for the year (Note 10)	1	717	444	1,162
Contract termination/expiration	(5)	(45)	-	(50)
Effect of exchange differences	-	(2)	(33)	(35)
<b>Balance at 31 December 2024</b>	<b>2</b>	<b>3,502</b>	<b>1,981</b>	<b>5,485</b>
<b>Net book value</b>				
<b>At 31 December 2023</b>	<b>23</b>	<b>2,032</b>	<b>428</b>	<b>2,483</b>
<b>At 31 December 2024</b>	<b>22</b>	<b>1,326</b>	<b>1,130</b>	<b>2,478</b>

<b>Amounts recognised in profit and loss</b>	<b>2024</b>	<b>2023</b>
Depreciation expense on right of use assets	1,162	1,153
Expense relating to leases of low value	314	184
Expense relating to short-term leases	64	67
Interest expense on lease liabilities	59	39
Expenses relating to variable lease payments not included in the measurement of lease liability	34	109
	<b>1,633</b>	<b>1,552</b>

In accordance with IFRS 16, Group has classified leases for land, buildings and plant and equipment as "Right-of-use asset". Within the category "Buildings", apartments and the leases of office buildings and warehouses used by the Group in business are located in. The "Plant and equipment" category includes concluded machines, car and forklift rental agreements.

## 21. INVESTMENT PROPERTY

	Land	Buildings	Total
<b>Cost</b>			
Balance at 31 December 2022	1,479	2,210	3,689
Value increase of investment property	-	408	408
Balance at 31 December 2023	1,479	2,618	4,097
Balance at 31 December 2024	1,479	2,618	4,097
<b>Accumulated depreciation</b>			
Balance at 31 December 2022	-	728	728
Charge for the year (Note 10)	-	33	33
Value increase of investment property	-	79	79
Balance at 31 December 2023	-	840	840
Charge for the year (Note 10)	-	39	39
Balance at 31 December 2024	-	879	879
<b>Net book value</b>			
Balance at 31 December 2023	1,479	1,778	3,257
Balance at 31 December 2024	1,479	1,739	3,218

Income from the rental of the building in 2024 amounts to EUR 110 thousand (2023: EUR 266 thousand), and the depreciation charge for the year 2024 amounts to EUR 39 thousand (2023: EUR 33 thousand).

At December 31 2024 the carrying amount of investment property approximates fair value, that has been internally determined by the company based on the income capitalisation method which assumes sustainable annual lease income which investment property generates or is able to generate during its ordinary course of business.

## 22. INVESTMENTS IN ASSOCIATES

Name of associate	Principal activity	Country of incorporation and business	Ownership interest in %		Amount of equity investment, EUR'000	
			2024	2023	2024	2023
EURO Auto Plastic Systems	Manufacture of other vehicle spare parts and accessories	Mioveni, Romania	50.00%	50.00%	10,813	11,872
					<b>10,813</b>	<b>11,872</b>

Name of associate	Amount of equity investment 31.12.2023	Share in the result for the year 2024	Dividend paid	Effect of exchange differences	Amount of equity investment 31.12.2024
EURO Auto Plastic Systems	11,872	3,091	(3,470)	(680)	10,813
<b>Total</b>	<b>11,872</b>	<b>3,091</b>	<b>(3,470)</b>	<b>(680)</b>	<b>10,813</b>

## 22. INVESTMENTS IN ASSOCIATES (CONTINUED)

Euro Auto Plastic Systems s.r.l. is considered to be associate since the management of its operations is under the control of Faurecia Automotive Holdings s.a.s. Set out below is a summary of financial information about the associates:

	31.12.2024	31.12.2023
Current assets	62,432	38,767
Fixed assets	19,650	19,478
<b>Total assets</b>	<b>82,082</b>	<b>58,245</b>
Short-term liabilities	60,624	35,959
Long-term liabilities and provisions	1,194	1,271
<b>Total Liabilities</b>	<b>61,818</b>	<b>37,230</b>
<b>Net assets</b>	<b>20,264</b>	<b>21,015</b>

## 23. INVENTORIES

The amount of inventories recognised as an expense during the 2024 was EUR 118,863 thousand (in the 2023 the expense was EUR 99,341 thousand). The amount includes material costs, personnel costs, transportation costs, depreciation and other indirect costs of producing inventory.

Total write-down of damaged and obsolete inventories in 2024 was EUR 182 thousand (in 2023 it was EUR 2,658 thousand).

	31.12.2024	31.12.2023
Raw material and supplies on stock	11,380	9,990
Tools	5,609	11,700
Finished products	3,440	3,203
Work in progress	1,779	1,836
Prepayments for inventories	909	5,074
Merchandise on stock	347	485
	<b>23,464</b>	<b>32,288</b>

## 24. TRADE RECEIVABLES

	31.12.2024	31.12.2023
Trade receivables (unrelated companies)	21,278	21,396
Receivables for dividends (associates)	3,470	619
Trade receivables (associates)	1,274	505
Expected credit loss	(977)	(986)
	<b>25,045</b>	<b>21,534</b>

The average debtors' days were 59 days in 2024 (2023: 61 days).

The movements expected credit losses are presented as follows:

	2024	2023
<b>Balance at beginning of the year</b>	<b>986</b>	<b>846</b>
Movements based on expected credit gains/losses	29	71
Collected during the year	(5)	(11)
Trade receivables impairment	-	178
Written off during the year	(13)	-
Exchange differences	(20)	(98)
<b>Total expected credit loss</b>	<b>977</b>	<b>986</b>

## 24. TRADE RECEIVABLES (CONTINUED)

Ageing analysis of receivables is shown as follows:

	31.12.2024	31.12.2023
0-90 days past due	1,594	2,539
91-180 days past due	663	168
181-365 days past due	156	272
Over 365 days past due	97	20
Not due	22,535	18,535
	<b>25,045</b>	<b>21,534</b>

## 25. OTHER RECEIVABLES

	31.12.2024	31.12.2023
Receivables from the State and State institutions	2,720	4,811
Prepayments made	373	1,165
Due from employees	26	110
Other receivables	6	6
	<b>3,125</b>	<b>6,092</b>

## 26. CASH AND CASH EQUIVALENTS

As at 31 December 2024 the amount of EUR 368 thousand (31 December 2023 EUR 2,369 thousand) includes short term deposits which bear interest rate ranging from 21.00% to 23.19%.

	31.12.2024	31.12.2023
Current account balance	3,888	1,668
Deposits	368	2,369
Cash in hand	6	5
<b>Cash and cash equivalents in statement of financial position</b>	<b>4,262</b>	<b>4,042</b>
Bank overdrafts	(1,218)	(793)
<b>Cash and cash equivalents in statement of cash flows</b>	<b>3,044</b>	<b>3,249</b>

## 27. SHARE CAPITAL

Subscribed capital amounts to EUR 54,595 thousand and consists of 4,199,584 shares, with a nominal value of EUR 13 per share (2023: EUR 54,595 thousand; 4,199,584 shares, with a nominal value of EUR 13 each). All shares are ordinary shares with all associated rights, except for treasury shares. These rights include the right to vote at the General Assembly of the Company as well as the right to receive dividends.

Capital reserves are the differences between the nominal and sale value of shares.

Statutory and general reserves consist of legal and statutory reserves and reserves for unwritten development costs.

Reserves were made by transferring from retained earnings to the position of legal and general reserves in the Group's capital

in accordance with the local legislation. The transfer of capitalized development costs to intangible assets is made on the basis of net book value.

The treasury share item refers to 35,008 treasury shares as at 31.12.2024 while on 31.12.2023 treasury shares amounted 38,428.

Retained earnings consists of retained earnings, profit for the year and all the transfers from retained earnings (dividend payments, transfer to reserves).

On the basis of mother company long-term investment in the subsidiary companies, in the group statement, have been formed reserves from the accrual of exchange rate differences.

## 28. LONG-TERM AND SHORT-TERM PROVISIONS

	Short-term		Long-term	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Vacation accrual	737	772	-	-
Termination benefits	170	36	307	316
Legal cases	127	126	-	-
Jubilee awards (long-service benefits)	27	41	159	144
Employee bonuses	14	16	-	-
	<b>1,075</b>	<b>991</b>	<b>466</b>	<b>460</b>

Movement in provisions was as follows:

	Jubilee Awards	Retirement/termination benefits	Legal Cases	Vacation Accrual	Employee Bonuses	Risks within the warranty period	Total
<b>Balance at 1 January 2024</b>	185	352	126	772	16	-	1,451
Increase/(decrease) in provisions, net	-	125	1	(35)	(1)	-	90
<b>Balance at 31 December 2024</b>	185	477	127	737	15	-	1,541
<b>Balance at 1 January 2023</b>	206	332	367	636	20	132	1,693
Increase/(decrease) in provisions, net	(21)	20	(241)	136	(4)	(132)	(242)
<b>Balance at 31 December 2023</b>	185	352	126	772	16	-	1,451

The part of the provision included in other staff costs is shown in Note 9.

All companies within the Group use a discount rate (in range 2.32% - 5.77%), fluctuation rate (in range 11% - 31.38%) and mortality data that are in line with the company's country of residence when calculating provisions (2023: discount rate in range 1.85% - 6.50%, fluctuation rate in range 11% - 15.50%).



## 29. LONG-TERM BORROWINGS

	31.12.2024	31.12.2023
Long-term borrowings	35,701	40,797
Long-term commodity loans provided by suppliers	-	199
	<b>35,701</b>	<b>40,996</b>
Current portion of long-term borrowings (Note 34)	(17,851)	(10,430)
<b>Total long-term borrowings</b>	<b>17,850</b>	<b>30,566</b>

By the 31.12.2024, Group has received bank certificate report which claims that it renounces from sustaining DSCR ratio and net debt and EBITDA ratio clause, related to long term credit. Net carrying amount of credit is EUR 10,959 thousand. In the event of a breach of financial covenants, the bank has the right to cancel the loan agreement and declare it prematurely due.

Long-term borrowings are used to finance capital investments and development projects. Instruments of collateral provided for the for long-term loans include mortgage on real estate and equipment (Note 19), HBOR portfolio insurance and payment instruments. Most existing long-term loans are paid monthly.

In 2024, the weighted average interest rate on the long-term loans was 2.60% (2023: 1.45 %).

## 30. DEFERRED REVENUE

	31.12.2024	31.12.2023
Deferred revenue	1	37
<b>Total deferred revenue</b>	<b>1</b>	<b>37</b>

Deferred revenue arose as a result of borrowing from a financial institution at an interest rate lower than the market rate.

## 31. LEASE LIABILITIES

	2024	2023
Balance at 1 January	2,517	2,292
Additions	132	74
Lease modifications, net	1,045	1,293
Interest expense on lease liabilities	59	39
Principal paid	(1,144)	(1,150)
Interest paid	(59)	(39)
Effect of exchange differences	(24)	8
	<b>2,526</b>	<b>2,517</b>
Long-term liabilities	1,380	1,581
Short-term liabilities	1,146	936

## 32. ADVANCES RECEIVED

	31.12.2024	31.12.2023
Customers outside Croatia	5,937	10,338
Customers in Croatia	1	1
	<b>5,938</b>	<b>10,339</b>

Advances received from foreign customers represent cash advanced ordered tools.

## 33. TRADE PAYABLES

	31.12.2024	31.12.2023
Trade payables outside Croatia	15,807	13,391
Trade payables in Croatia	5,878	4,966
Accrued expenses	786	2,620
	<b>22,471</b>	<b>20,977</b>

Average payment period for trade payables during 2024 equaled to 69 days (2023: 68 days).

### 34. SHORT-TERM BORROWINGS

	31.12.2024	31.12.2023
Current portion of long-term borrowings (Note 29)	17,851	10,430
Short-term loans – principle payable	8,418	8,591
Short-term commodity loans provided by suppliers	361	182
Short term borrowings – interest payable	126	156
	<b>26,756</b>	<b>19,359</b>

The short-term borrowings were used to finance development projects and for working capital purposes. Instruments of collateral provided for the short-term borrowings are payment instruments.

The short-term borrowings represent loans provided by the commercial banks, with a weighted average interest rate of 4.09% (2023: 2.69 %).

Movements in payables for borrowings (long-term and short-term) during the year:

	2024	2023
<b>Balance on 1 January</b>	<b>49,925</b>	<b>41,849</b>
New loans	21,398	35,308
Change in bank overdraft	440	793
Invoiced interest	1,473	627
Exchange differences	(10)	(1)
Interest paid	(1,500)	(537)
Repayments of received loans	(27,221)	(28,175)
Other	101	61
<b>Balance on 31 December</b>	<b>44,606</b>	<b>49,925</b>

### 35. OTHER CURRENT LIABILITIES

	31.12.2024	31.12.2023
Due to the State and State institutions	2,111	2,771
Amounts due to employees	1,775	1,671
Deferred revenue	36	101
Other current liabilities	27	27
	<b>3,949</b>	<b>4,570</b>

Obligations for state aid shown within deferred revenue arose as a result of borrowing from a financial institution at an interest rate lower than the market rate.

### 36. GOODWILL

	31.12.2024	31.12.2023
Goodwill resulting from acquisition of Tisza Automotive Kft.	2,391	2,391
	<b>2,391</b>	<b>2,391</b>

Recognized goodwill in amount of 2,391 EUR thousand relates to the difference between fair value of the net assets of AD Plastik Tisza Kft. and the value paid for the purchase of AD Plastik Tisza Kft. by AD Plastik d.d. Solin.

In 2023 and 2024 the Group tested impairment of goodwill resulted from acquisition of Tisza Automotive Kft. It is estimated that the company AD Plastik Tisza constitutes one cash generating unit. In 2024, the recoverable amount of the cash-generating unit was determined based on the application of the value in use method. The estimate is made based on a projection of future cash flows based on three-year plans, Cash flows beyond the three- year period is extrapolated using the estimated growth rates which is determined for cash generating unit..

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.



### 36. GOODWILL (CONTINUED)

The cash flow projections included specific estimates for three years, considering WACC rate of 9.36 percent (in 2023 9.77 percent) and a terminal growth rate thereafter. The estimated growth in operating cash flows for the three-year period was 12.24 percent. The terminal growth rate was determined in accordance with market assumptions and was estimated by the Group at 3%.

Budgeted EBITDA was estimated considering past experience, adjusted as follows.

- new projects with customers either contracted with, announced by or subject to the negotiations with customers.

By performing the impairment test of goodwill, the Group has concluded that no impairment should be recognised on goodwill resulted from acquisition of Tisza Automotive Kft in 2024 and 2023..

### 37. RELATED PARTY TRANSACTIONS

Transactions with related companies were as follows:

#### Receivables and payables for goods and services

	Receivables		Payables	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
EURO APS, Romania	1,277	507	13	5
	<b>1,277</b>	<b>507</b>	<b>13</b>	<b>5</b>

#### Operating and financing income and expenses

	Income		Purchases	
	2024	2023	2024	2023
EURO APS, Romania	2,616	1,518	13	5
Sankt-Peterburgskaya investicionnaya kompaniya	-	-	27	30
	<b>2,616</b>	<b>1,518</b>	<b>40</b>	<b>35</b>

#### Receivables and payables for loans and interest

	Receivables		Payables	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Sankt-Peterburgskaya investicionnaya kompaniya	-	-	1,906	2,508
	<b>-</b>	<b>-</b>	<b>1,906</b>	<b>2,508</b>

Receivables for dividends	Receivables	
	31.12.2024	31.12.2023
EURO APS, Romania	3,470	619
	<b>3,470</b>	<b>619</b>

Sankt-Peterburgskaya investicionnaya kompaniya is member of Group in which is also company AO Holding Autokomponenti which holds 30% of shares in Company.

The total remuneration provided to the members of the Supervisory Board of AD Plastik d.d. and subsidiaries, The President and members of Management Board, Board Assistants and General directors of subsidiaries in 2024 amounts to EUR 1,628 thousand (in 2023 EUR 1,749 thousand).

## 38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### 38.1 GEARING RATIO

The Group's gearing ratio, expressed as the ratio of net debt to equity, is as follows:

	31.12.2024	31.12.2023
Long-term borrowings (Note 29)	17,850	30,566
Short-term borrowings (Note 34)	26,756	19,359
Cash and cash equivalents (Note 26)	(4,262)	(4,042)
<b>Net debt</b>	<b>40,344</b>	<b>45,883</b>
Equity	98,908	98,464
<b>Net debt-to-equity ratio</b>	<b>40.79%</b>	<b>46.60%</b>

Commodity loans on 31 December 2024 amounted EUR 361 thousand (31 December 2023: EUR 381 thousand) (Note 29 and Note 34). Above referred amounts are included in the Group's net debt.

Equity consists of share capital, reserves, reserves for own shares, own shares, retained earnings and profit/loss for the year.

The Group strives to have a debt-to-equity ratio of less than 50%.

### 38.2 CATEGORIES OF FINANCIAL INSTRUMENTS

	31.12.2024	31.12.2023
<b>Financial assets</b>	<b>29,770</b>	<b>26,094</b>
Trade receivables (Note 24)	25,045	21,534
Cash and cash equivalents and deposits (Note 26)	4,262	4,042
Accrued income and other receivables	463	518
<b>Financial liabilities</b>	<b>71,333</b>	<b>75,031</b>
Loans received (Notes 29,34)	44,607	49,925
Trade and other payables	24,200	22,589
Lease liabilities (Note 31)	2,526	2,517

Accrued income and other receivables include accrued income, other receivables less receivables from the State and advances given.

Trade and other payables include: trade and other payables less payables to the State and grants.

Details of concentration of credit risk are included in Note 24 Trade receivables. Detailed information on credit risk management is stated under chapter Risks and opportunities in business of the Integrated annual report which integral part are those financial statements.



## 38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### 38.3 RISK OF RELYING ON ONE CUSTOMER

Historical dependence on the one customer has been reduced through diversification of the customer portfolio. However, the consolidation of manufacturers in the automotive industry limits the possibility of further diversification. Risk is managed by contracting with new customers and those with a smaller share of the company's revenues and by developing long-term relationships with multiple partners to ensure revenue stability.

### 38.4. MARKET RISK

Fluctuations in demand and changes in trends in the automotive industry, such as the transition to electric vehicles and hybrid models, can affect business. The transition to environmentally friendly technologies requires an adjustment of product and service strategies. Inflation and rising prices of key raw materials can also further threaten profitability, and the emergence of low-cost Chinese manufacturers on the European market further increases pressure on margins, but also opens up new opportunities. Group manages this risk through a focus on diversifying its product portfolio, monitoring global and regional trends, including the entry of new manufacturers into the EU market, and close cooperation with customers to adjust prices in line with market changes.

### 38.5. INTEREST RATE RISK

Rising interest rates can increase financing costs, which reduces profitability and limits the availability of capital for investments. Although interest rates began to decline in 2024 with the repayment of older loans with lower (fixed) interest rates and newer borrowings at higher interest rates, financing costs have increased. Interest rate risk is managed by negotiating more favorable borrowing terms, including variable interest rates in high-interest conditions and fixed rates in low-interest conditions, refinancing existing loan obligations in accordance with market conditions, with the aim of optimizing the cost of financing, and transferring a portion of investments in long-term project assets to the buyer.

Interest-bearing loans are contracted with variable and fixed interest rates. Loans with variable rates expose the Company to cash flow interest rate risk. As of December 31, 2024, loans contracted with variable interest rates amount to EUR 18,843 thousand (2023: EUR 19,625 thousand). Interest rates on bank loans are linked to one-month and three-month EURIBOR.

On December 31, 2024, if interest rates on loans with a variable interest rate were 1 percentage point lower/higher, assuming that other variables remain unchanged, the Company's net profit would be EUR 201 thousand lower/higher (2023: EUR 105 thousand).

### 38.6. CREDIT RISK

The risk of non-payment by customers can lead to cash flow problems and reduce the Group's liquidity. AD Plastik Group cooperates with reputable customers who are financially stable companies, which minimizes the collection risk and receivables are realized within the agreed deadlines.

Group manages this risk by contracting with customers with a high financial rating and by monitoring the due dates of receivables and acting promptly in case of delays.

### 38.7 FOREIGN CURRENCY RISK MANAGEMENT

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The carrying amounts of the Group's foreign-currency denominated monetary assets and monetary liabilities at the reporting date are provided in the table below. In 2024, the exposure of Parent Company in EUR is excluded, given that the euro is the domestic currency of Parent Company from January 1, 2023. The amounts are converted into euros:



## 38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### 38.7 FOREIGN CURRENCY RISK MANAGEMENT (CONTINUED)

At 31 December	Assets		Liabilities		Net FX position	
	2024	2023	2024	2023	2024	2023
EUR	4,644	4,811	34,637	34,229	(29,993)	(29,418)
RON	3,468	618	-	-	3,468	618
USD	3	5	-	2	3	3
GBP	2	4	-	6	2	(2)
CNY	-	-	-	24	-	(24)
	<b>8,117</b>	<b>5,438</b>	<b>34,637</b>	<b>34,261</b>	<b>(26,520)</b>	<b>(28,823)</b>

In EUR 4,644 thousand of EUR assets and EUR 34,637 thousand of EUR liabilities of subsidiaries (in 2023 EUR 4,811 thousand of EUR assets and EUR 34,229 thousand of EUR liabilities of Group) is included exposure on EUR intra Group receivables and loans in amount of EUR 1,626 thousand, i.e EUR 27,221 thousand (in 2023 EUR 28,455 thousand). In addition, the remainder of EUR 50,501 thousand of assets and EUR 65,580 thousand of liabilities as at 31 December 2024 (31 December 2023: EUR 49,111 thousand of assets and EUR 69,364 thousand of liabilities) relates to exposure in domestic currencies.

#### Foreign currency sensitivity analysis

Foreign currency risk note includes exchange rate exposure of all monetary positions in all companies of the Group, which generate foreign exchange differences in separate reports of those companies.

On 31 December 2024, if RUB were to depreciate/appreciate by 1% compared to EUR, assuming all other variables remain unchanged, net profit of the Group for 2024 would be EUR 65 thousand (2023: EUR 53 thousand) (lower)/higher, because of (negative)/positive foreign exchange differences generated by conversion of trade receivables, cash and cash equivalents, trade payables and loans received originally denominated in euros.

### 38.8 LIQUIDITY RISK MANAGEMENT

This risk represents the risk of the company not being able to convert assets into liquid assets in a short time, i.e the inability to fulfill its obligations to creditors. Therefore, AD Plastik Group maintains optimal amounts of funds on the account with secured available credit lines.

Cash flow management is of key importance for liquidity risk management. Each company within the Group, based on operational business plans, financial liabilities and investment needs, plans its future cash needs on a monthly, quarterly and annual basis. Based on that data, the parent company's Finance Department prepares a consolidated cash flow plan of the Group, and makes decisions on timely provision of credit lines for capital investments and project financing, as well as placing surplus funds in deposits or covering the lack of funds from short-term financing sources.

In 2024, the parent company issued corporate guarantees to the subsidiaries in the following amounts: EUR 7,700 thousand to banks and EUR 1,044 thousand to suppliers (in 2023: EUR 7,700 thousand to banks, EUR 1,377 thousand to suppliers and EUR 3,000 thousand to buyers).

The following tables detail the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Group can require payment i.e. can be required to pay.

### 38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

#### 38.8 LIQUIDITY RISK MANAGEMENT (CONTINUED)

2024	Weighted average interest rate	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total	Carrying amount
<b>Assets</b>								
Non-interest bearing	-	15,309	10,900	3,150	-	43	29,402	29,402
Interest bearing	16.65%	375	-	-	-	-	375	369
		<b>15,684</b>	<b>10,900</b>	<b>3,150</b>	<b>-</b>	<b>43</b>	<b>29,777</b>	<b>29,771</b>
<b>Liabilities</b>								
Non-interest bearing	-	14,117	7,207	985	153	744	23,206	23,206
Interest bearing	2.88%	1,818	8,337	18,470	18,765	-	47,390	45,600
Lease liability	2.13%	113	195	877	1,419	-	2,604	2,526
		<b>16,048</b>	<b>15,739</b>	<b>20,332</b>	<b>20,337</b>	<b>744</b>	<b>73,200</b>	<b>71,332</b>
<b>2023</b>								
2023	Weighted average interest rate	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total	Carrying amount
<b>Assets</b>								
Non-interest bearing	-	10,973	10,312	2,440	-	-	23,725	23,725
Interest bearing	11.31%	2,392	-	-	-	-	2,392	2,369
		<b>13,365</b>	<b>10,312</b>	<b>2,440</b>	<b>-</b>	<b>-</b>	<b>26,117</b>	<b>26,094</b>
<b>Liabilities</b>								
Non-interest bearing	-	12,081	8,164	2,344	-	-	22,589	22,589
Interest bearing	1.67%	1,241	1,910	17,523	31,664	771	53,109	49,925
Lease liability	2.13%	117	174	685	1,627	-	2,603	2,517
		<b>13,439</b>	<b>10,248</b>	<b>20,552</b>	<b>33,291</b>	<b>771</b>	<b>78,301</b>	<b>75,031</b>

Total interest bearing liabilities in amount of EUR 45,600 thousand at 31 December 2024 refers to liabilities denominated in EUR (at 31 December 2023 EUR 49,925 thousand refers to liabilities denominated in EUR).

## 38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(CONTINUED)

### 38.9. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments held to maturity in the ordinary course of business are carried at the lower of cost and net amount less repaid portion. Fair value is the price that would be generated from the sales of some item of an asset or paid for transferring some liability in a fair transaction between market participants at the measurement date, regardless of whether it would be directly visible or evaluated by applying some other valuation technique. At 31 December 2024, the carrying amounts of cash, receivables, short-term liabilities, accrued expenses, short-term borrowings and other financial instruments match their fair values.

## 39. EVENTS AFTER THE REPORTING PERIOD

After 31 December 2024, there were no events that would have a significant impact on the financial statements for the year 2024, respectively they are not of such significance to the Group to require disclosure in the notes to the financial statements. Information on the rescheduling of the Group's credit obligations in 2025 is presented in Note 3. Critical accounting judgments and key sources of estimation uncertainty. The Group's management has considered the effects of the introduction of US tariffs on European car manufacturers and does not expect them to have any significant effects on business performance. Main reason for it comes from the fact that direct exposure to USA market is insignificant for the Group, while most of the vehicles for which Company supplies are predominantly produced for European market. The same situation is with all significant recently won nominations.

## 40. CONTINGENT LIABILITIES

Based on the Management's estimate, Group had no material contingent liabilities at 31 December 2024 which would require to be disclosed in the notes to the financial statements. Group had no capital expenditure commitments contracted at 31 December 2024 which would require to be disclosed in the notes to the financial statements. As at 31 December 2024 and 2023 there were no material legal actions outstanding against the Group with an expected negative outcome other than those reflected in these separate financial statements.

## 41. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Management Board of AD Plastik d.d. and authorised for issue on 24 April 2025.

For AD Plastik d.d., Solin by:

**Marinko Došen**  
President of the  
Management Board



**Mladen Peroš**  
Member of the  
Management Board



**Josip Divić**  
Member of the  
Management Board



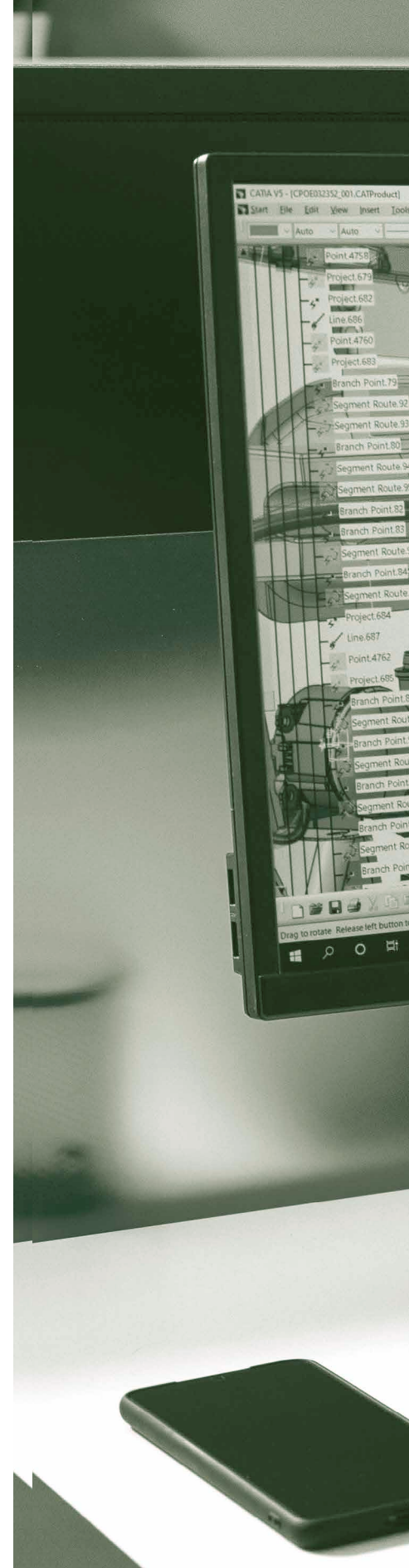
24 April 2025



# AD PLASTIK D.D., SOLIN

## SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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## MANAGEMENT BOARD RESPONSIBILITY FOR SEPARATE FINANCIAL STATEMENTS

Pursuant to the Accounting Act of the Republic of Croatia, the Management Board is responsible for ensuring that separate financial statements are prepared for each financial year in accordance with International Financial Reporting Standards (IFRSs), as adopted in the European union, which give a true and fair view of the financial position and results of operations of AD Plastik d.d. Solin (the "Company") for that period.

After making enquiries, the Management Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Management Board continues to adopt the going concern basis in preparing the separate financial statements.

In preparing those separate financial statements, the Management Board is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making reasonable and prudent judgements and estimates;
- following applicable accounting standards and disclosing and explaining any material departure in the separate financial statements;
- preparing the separate financial statements under the going concern principle unless it is inappropriate to presume that the Company will continue in business.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Company and their compliance with the Croatian Accounting Act. The above stated responsibility includes the responsibility for accuracy of the Management Report, which is an integral part of separate financial statements and submission of financial statements in electronic reporting format (ESEF) prescribed by regulatory technical standards developed by ESMA (European Securities and Markets Authority) and adopted by the European Commission. The Management Board is also responsible for safeguarding the assets of the Company, and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Management Board  
For AD Plastik d.d., Solin:



**Marinko Došen**  
President of the  
Management Board

Handwritten signature of Marinko Došen.

**Mladen Peroš**  
Member of  
Management Board

Handwritten signature of Mladen Peroš.

**Josip Divić**  
Member of  
Management Board

Handwritten signature of Josip Divić.

**AD Plastik d.d.**  
Matoševa 8, 21210 Solin, Republic of Croatia

24 April 2025



## **Independent Auditors' Report to the shareholders of AD Plastik d.d.**

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the separate financial statements of AD Plastik d.d. ("the Company"), which comprise the separate statement of financial position of the Company as at 31 December 2024, and its separate statements of comprehensive income, cash flows and changes in shareholders' equity for the year then ended, and notes, comprising material accounting policies and other explanatory information (further referred to as "the financial statements").

In our opinion, the accompanying financial statements give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2024 and of unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("EU IFRS").

#### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Croatia and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Independent Auditors' Report to the shareholders of AD Plastik d.d. *(continued)*

### Report on the Audit of the Financial Statements *(continued)*

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### REVENUE RECOGNITION

Revenue in 2024: EUR 111,152 thousand (2023: EUR 89,388 thousand). As at 31 December 2024, trade receivables: EUR 21,916 thousand; accrued revenue: EUR 325 thousand (31 December 2023, trade receivables: EUR 17,029 thousand; accrued revenue: EUR 343 thousand).

Please refer to the Note 2.3 Revenue recognition of Significant accounting policies and Note 4 Sales in the financial statements.

#### Key audit matter

#### How our audit addressed the matter

Revenue is an important metric used to evaluate the financial performance of the Company. In the year ended 31 December 2024, its principal revenue streams included sales of car parts and of customized tools developed by the Company. As discussed in Note 2.3, revenue is recognized when control over the goods is transferred to the customer.

Application of the revenue recognition principles of the relevant financial reporting standard, IFRS 15 *Revenue from Contracts with Customers* ("the Standard"), is complex and requires making significant assumptions and judgment. In the Company's case, particular complexity is associated with the following aspects:

- Determination of whether a customer contract exists requires the Company to assess whether one document or a combination of documents, including general terms of business, nomination letter, agreement with customer and purchase orders, create enforceable rights and obligations of the parties to the arrangement.
- Goods with different revenue recognition patterns, such as spare parts and tooling, may be sold as part of one contract or several contracts accounted for as one arrangement. The Company applies significant judgment in identifying contracts which require to be combined and accounted for as one arrangement, and in identifying performance obligations therein.

Our audit procedures in this area included, among others:

- Assessing the accounting policy for recognition of revenue and its compliance with the requirements of the Standard;
- Updating our understanding of the Company's revenue recognition process, and testing the design and implementation of selected related internal controls within;
- For a sample of sales transactions in the current year, inspecting underlying contractual provisions and making inquiries of relevant sales and finance personnel, in order to challenge:
  - The existence of a customer contract, by reference to the relevant criteria of the Standard, including, among other things, those relating to the parties' commitment to their obligations and probability of collecting the consideration due;
  - Identification of the contracts which require to be accounted for on a combined basis and of performance obligations within those contracts, by among other things, assessment of whether the goods and services in the arrangements are distinct and also whether any subsequent changes to the contract price arising from the learning curve result in the reduced price representing the parts' stand-alone selling price;
  - Inspecting underlying contracts with customers for tooling sales transactions to identify any lease component embedded within those contracts, mainly by evaluating ownership rights, the party directing the use of the tool and whether there is a separate performance obligation in relation to the sale of car parts.



## Independent Auditors' Report to the shareholders of AD Plastik d.d. *(continued)*

### Report on the Audit of the Financial Statements *(continued)*

#### Key Audit Matters *(continued)*

##### REVENUE RECOGNITION *(CONTINUED)*

Key audit matter <i>(continued)</i>	How our audit addressed the matter <i>(continued)</i>
<p>— Many contracts with customers entitle customers to price reductions after a certain period of purchase orders (as a result of expected reduction in the Company's costs along its learning curve). Judgement is required to determine whether such 'efficiency savings' provide customers with material rights to be accounted for as separate performance obligations.</p> <p>— Tooling arrangements are typically contracts or framework agreements between the Company and its customers for the sale of tools to be used in the production of customized parts for a given customer. Since such tooling arrangements may vary with respect to transfer of development activities and ownership, careful assessment to determine whether, among other things, an arrangement is a sale, a lease or development of its own equipment, whether it contains a lease and whether it is a separate performance obligation from the sale of car parts.</p> <p>In the wake of the above factors, we considered revenue recognition to be associated with a significant risk of material misstatement in the separate financial statements. Therefore, the area required our increased attention in the audit and as such was determined to be a key audit matter.</p>	<ul style="list-style-type: none"><li>• For a sample of sales transactions selected as part of the preceding procedure, challenging the timing of the transfer of control, the resulting pattern of revenue recognition and revenue amounts, by reference to sales invoices, inventory and shipping documents, customer acceptance forms and other documents as appropriate;</li><li>• For a sample of invoices, obtaining confirmations of the amounts receivable outstanding as at the reporting date, and evaluating any differences between the amounts confirmed and the Company's records, by inspecting the underlying documentation such as contracts, invoices, shipping documents, customer acceptance forms and payments made by customers;</li><li>• Inspecting journal entries posted to revenue accounts focusing on unusual and irregular items;</li><li>• Examining whether the Company's revenue recognition-related disclosures in the separate financial statements appropriately address the relevant quantitative and qualitative requirements of the applicable financial reporting framework.</li></ul>



## Independent Auditors' Report to the shareholders of AD Plastik d.d. *(continued)*

### Report on the Audit of the Financial Statements *(continued)*

#### Key Audit Matters *(continued)*

##### CARRYING VALUE OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

As at 31 December 2024, investments in subsidiaries and associates in the separate financial statements amounted to EUR 12,987 thousand (31 December 2023: EUR 14,980 thousand).

Please refer to notes 2.9 Investment in subsidiaries and associates, 20 Investment in subsidiaries and associates and 3 Critical accounting judgments and key sources of estimation uncertainty

##### Key audit matter *(continued)*

In accordance with the relevant financial reporting standards, the Company is required to perform an impairment test for assets for which impairment indicators were identified.

Due to the magnitude of investments in subsidiaries and associates (as well as total exposure toward these entities, calculated as the sum of the carrying amounts of the investments and related loans and receivables, net of related liabilities), identification of the impairment indicators for any such subsidiaries and associates at the reporting date and testing for potential impairment requires significant management judgement.

Where impairment indicators are identified for a certain exposure, the Company tests the impairment by determining the recoverable amount of the assets and comparing it with their carrying values. The recoverable amounts are determined, with the assistance from external and internal appraisers, as fair values of the underlying subsidiaries, measured using appropriate valuation techniques, e.g. discounted cash flow models of the underlying entity, supplemented, where available, by comparable valuation.

The determination of the recoverable amount requires making a number of assumptions and judgements, in particular those relating to the selection and application of valuation models, future cash flow projections and costs to sell. Future cash flow projections are subject to significant variability due to changing market conditions and environment. Key assumptions relate to discount rate used and cash flows growth rate in the residual period. A minor change in these assumptions may have a significant impact on the recoverable amount.

As a result, this area required our significant judgment and increased attention in the course of our audit and consequently we considered it to be a key audit matter.

##### How our audit addressed the matter *(continued)*

Our audit procedures in this area included, among others:

- Evaluating, against the relevant requirements of the financial reporting standards, the process of management's identification of impairment indicators, considering factors such as unfavourable developments in the industry, negative or insufficient net assets, changing laws and regulations, declining financial performance compared to available industry data such as relevant market multiples (assisted by our valuation specialists), existence of any overdue loans and receivables and/or rolling of existing facilities, and changing business models;

When impairment indicators are identified, we:

- Assess the appropriateness of valuation methodology applied for impairment testing against the relevant requirements of financial reporting standards. As part of the above, we identify the relevant methods, assumptions and sources of data, and assessed whether such methods, assumptions, data and their application are appropriate in the context of the said requirements;
- Assisted by our own valuation specialists, challenge the key assumptions used by management in its impairment testing, which specifically involves:
  - Evaluating the historical accuracy of management budgeting by comparing historical cash flow projections with actual outcomes;
  - Challenging the key assumptions applied (such as discount rates and growth rates in the residual period) by reference to publicly available external sources and data on historical financial performance;
  - Analysing sensitivity of the impairment test results to changes in key assumptions and considering whether the level of key assumptions indicates management bias;
  - Tracing the subsidiary assets' fair values to valuations by external experts engaged by the Company, whose competence, capabilities and objectivity we independently assessed.



## Independent Auditors' Report to the shareholders of AD Plastik d.d. *(continued)*

### Report on the Audit of the Financial Statements *(continued)*

#### Key Audit Matters *(continued)*

#### CARRYING VALUE OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES *(CONTINUED)*

Key audit matter <i>(continued)</i>	How our audit addressed the matter <i>(continued)</i>
	<ul style="list-style-type: none"> <li>Examining whether the Company's impairment testing-related disclosures in the separate financial statements appropriately address the relevant quantitative and qualitative requirements of the applicable financial reporting framework.</li> </ul>

#### GOING CONCERN

Please refer to notes 2.2 Basis of preparation and 3 Critical accounting judgments and key sources of estimation uncertainty, going concern assumption section

Key audit matter	How our audit addressed the matter
<p>The Company's financial statements are prepared on a going concern basis. On the reporting date the Company had negative net working capital.</p> <p>The Company's going concern assessment is based on the cash flows forecast, which, according to the management's assessment, support the claim that the Company will have sufficient funds to continue operations for at least 12 months from the reporting date. A number of assumptions and significant judgments are incorporated into the preparation of these forecasts. Management concluded that the range of possible outcomes considered in the assessment process does not lead to material uncertainty regarding events or circumstances that may cast significant doubt on the Company's ability to continue as a going concern.</p> <p>The Company's use of the going concern basis of accounting is a key audit matter due to the associated extent of uncertainty and consequently high level of judgment required in evaluating the Company's plans for future actions and their financial impact.</p>	<p>Our procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>Review of the minutes of the Management Board and Supervisory Board meetings, with the goal of identifying the measures that the Management Board intends to implement in order to ensure sufficient funds for current activities;</li> <li>Discussion with management about plans for future activities in relation to the going concern assumption, whether the outcome of those plans is likely to improve the situation and whether management's plans are feasible in the circumstances;</li> <li>Analysis of the Company's net working capital position as of 31 December 2024 to assess the availability of liquid funds to meet short-term financial obligations;</li> <li>Evaluating the historical accuracy of management budgeting by comparing historical cash flow projections with actual outcomes and analysing sensitivity of the budgets to changes in key assumptions and considering whether the level of key assumptions indicates management bias;</li> <li>Taking into account whether additional facts or information have become available since the date the Company made the assessment;</li> <li>Assessing the availability of the financing facilities and arrangement including inspection of prolongation agreements;</li> <li>Assessing whether, in light of the requirements of the applicable financial reporting framework, the separate financial statements provide adequate disclosures about events or circumstances that have been identified that may cast significant doubt on the Company's ability to continue as a going concern.</li> </ul>



## **Independent Auditors' Report to the shareholders of AD Plastik d.d. *(continued)***

### **Report on the Audit of the Financial Statements *(continued)***

#### ***Other Information***

Management is responsible for the other information. The other information comprises the Management Report (including the Sustainability Statement as a separate part of the Management Report) and Corporate Governance Report included in the Annual Report of the Company but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With regard to the Management Report and the Corporate Governance Report, we also performed procedures prescribed by applicable legal requirements and we report that:

- the information given in the Management Report and the Corporate Governance Report for the financial year for which the financial statements are prepared, is consistent, in all material respects, with the financial statements;
- the Management Report, excluding the Sustainability Report (which constitutes a separate part of the Management Report), and the Corporate Governance Report have been prepared, in all material respects, in accordance with applicable legal requirements;
- with respect to the Sustainability Report (which is included as part of the other information and constitutes a separate part of the Management Report), we performed a limited assurance engagement, the results of which were presented in a separate limited assurance report with an unmodified conclusion.

If, based on the work we have performed above, we conclude that there is a material misstatement, we are required to report that fact. We have nothing to report in this regard.

#### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with EU IFRS, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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.

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





## **Independent Auditors' Report to the shareholders of AD Plastik d.d. *(continued)***

### **Report on the Audit of the Financial Statements *(continued)***

#### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## **Independent Auditors' Report to the shareholders of AD Plastik d.d. *(continued)***

### **Report on the Audit of the Financial Statements *(continued)***

#### ***Auditors' Responsibilities for the Audit of the Financial Statements (continued)***

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters 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 the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

We were appointed by those charged with governance on 18 July 2024 to audit the separate financial statements of AD Plastik d.d. for the year ended 31 December 2024. Our total uninterrupted period of engagement is five years, covering the period from 31 December 2020 to 31 December 2024.

We confirm that:

- our audit opinion is consistent with the additional report presented to the Audit Committee of the Company dated 24 April 2025;
- for the period to which our statutory audit relates we have not provided any prohibited non-audit services (NASs) referred to in Article 44 of the Audit Act. We also remained independent of the audited entity in conducting the audit.

The engagement partner on the audit resulting in this independent auditors' report is Domagoj Hrkać.



## **Independent Auditors' Report to the shareholders of AD Plastik d.d. *(continued)***

### **Report on Compliance with the ESEF Regulation**

In accordance with the requirements of Article 462 paragraph 5 of the Capital Market Act, we are required to express an opinion on compliance of the separate financial statements of the Company as at and for the year ended 31 December 2024, as included in the attached electronic file "adplastik-drustvo-2024-12-31-0-en.zip", with the requirements of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "RTS on ESEF").

#### ***Responsibilities of Management and Those Charged with Governance***

Management is responsible for the preparation of the separate financial statements in a digital format that complies with the RTS on ESEF. This responsibility includes:

- the preparation of the separate financial statements in the applicable xHTML format and their publication;
- the selection and application of appropriate iXBRL tags, using judgment where necessary;
- ensuring consistency between digitised information and the separate financial statements presented in human-readable format; and
- the design, implementation and maintenance of internal control relevant to the application of the RTS on ESEF.

Those charged with governance are responsible for overseeing the Company's ESEF reporting, as a part of the financial reporting process.

#### ***Auditors' Responsibilities***

Our responsibility is to express an opinion on whether the separate financial statements comply, in all material respects, with the RTS on ESEF, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000) issued by the International Auditing and Assurance Standards Board.



## Independent Auditors' Report to the shareholders of AD Plastik d.d. *(continued)*

### Report on Compliance with the ESEF Regulation *(continued)*

#### *Auditors' Responsibilities (continued)*

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the RTS on ESEF. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in the RTS on ESEF, whether due to fraud or error. Reasonable assurance is a high degree of assurance. However, it does not guarantee that the scope of procedures will identify all significant (material) non-compliance with the RTS on ESEF.

Our procedures included, among other things:

- obtaining an understanding of the tagging process;
- evaluating the design and implementation of relevant controls over the tagging process;
- tracing the tagged data to the separate financial statements of the Company presented in human-readable format;
- evaluating the completeness of the Company's tagging of the separate financial statements;
- evaluating the appropriateness of the use of iXBRL elements selected from the ESEF taxonomy used and creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- evaluating the use of anchoring in relation to the extension elements; and
- evaluating the appropriateness of the format of the separate financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusion**

In our opinion, based on the procedures performed and evidence obtained, the separate financial statements of the Company as at and for the year ended 31 December 2024, presented in ESEF format and contained in the aforementioned attached electronic file, have been prepared, in all material respects, in accordance with the requirements of the RTS on ESEF.

Our conclusion does not represent an opinion on the true and fair view of the financial statements as this is included in our Report on the Audit of the Financial Statements. Furthermore, we do not express any assurance with respect to other information included in documents in the ESEF format.

*KPMG Croatia d.o.o.*

**KPMG Croatia d.o.o. za reviziju**  
Croatian Certified Auditors  
Eurotower, 17th floor  
Ivana Lučića 2a  
10000 Zagreb  
Croatia

**KPMG Croatia**  
d.o.o. za reviziju  
Eurotower, 17. kat  
Ivana Lučića 2a, 10000 Zagreb

**24 April 2025**

## SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts are expressed in thousands of euros)

	Notes	2024	2023
Sales	4	111,152	89,388
Other income	5	4,877	5,060
<b>Total income</b>		<b>116,029</b>	<b>94,448</b>
Increase/(decrease) in the value of work in progress and finished products		41	(85)
Cost of raw material and supplies	6	(45,904)	(45,059)
Cost of goods sold	7	(27,850)	(11,922)
Service costs	8	(8,354)	(8,900)
Staff costs	9	(24,175)	(22,708)
Depreciation and amortisation	10	(8,290)	(7,293)
Other operating expenses	11	(4,155)	(2,278)
Provisions for risks and charges, net	12	(1)	136
Impairment of loans and trade receivables		(240)	(192)
<b>Total operating expenses</b>		<b>(118,928)</b>	<b>(98,301)</b>
<b>Loss from operations</b>		<b>(2,899)</b>	<b>(3,853)</b>
Financial income	13	4,065	5,337
Financial expenses	14	(1,323)	(672)
<b>Profit from financing activities</b>		<b>2,742</b>	<b>4,665</b>
<b>(Loss)/profit before taxation</b>		<b>(157)</b>	<b>812</b>
Income tax expense	15	554	228
<b>Profit for the year</b>		<b>397</b>	<b>1,040</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>397</b>	<b>1,040</b>

The accompanying accounting policies and notes form an integral part of these separate financial statements.

## SEPARATE STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2024

(All amounts are expressed in thousands of euros)

<b>ASSETS</b>	<b>Note</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>Non-current assets</b>			
Intangible assets	16	9,278	8,788
Property, plant and equipment	17	69,067	66,491
Right-of-use assets	18	2,146	2,113
Investment property	19	3,217	3,256
Investments in subsidiaries and associates	20	12,987	14,980
Given long-term loans	21	13,709	16,353
Long-term receivables	22	2,222	2,318
Deferred tax assets	15	2,777	2,223
<b>Total non-current assets</b>		<b>115,403</b>	<b>116,522</b>
<b>Current assets</b>			
Inventories	23	11,294	21,660
Trade receivables	24	21,916	17,029
Other receivables	25	1,977	4,092
Given short-term loans	26	3,267	2,354
Cash and cash equivalents	27	3,046	1,025
Prepaid expenses		476	503
Accrued income		325	343
<b>Total current assets</b>		<b>42,301</b>	<b>47,006</b>
<b>TOTAL ASSETS</b>		<b>157,704</b>	<b>163,528</b>

## SEPARATE STATEMENT OF FINANCIAL POSITION

### AT 31 DECEMBER 2024 (CONTINUED)

(All amounts are expressed in thousands of euros)

	Note	31.12.2024	31.12.2023
Share capital	28	54,595	54,595
Capital and other reserves		35,762	35,480
Retained earnings/(loss brought forward)		1,188	1,040
<b>Total shareholders' equity</b>		<b>91,545</b>	<b>91,115</b>
Long-term provisions	29	369	385
Long-term borrowings	30	16,178	27,899
Deferred revenue	31	1	38
Lease liabilities	32	1,200	1,346
<b>Total non current liabilities</b>		<b>17,748</b>	<b>29,668</b>
Advances received	33	878	5,339
Trade payables	34	18,630	16,906
Short-term borrowings	35	24,466	17,053
Other current liabilities	36	2,622	1,936
Lease liabilities	32	985	793
Short-term provisions	29	830	718
<b>Total current liabilities</b>		<b>48,411</b>	<b>42,745</b>
<b>Total liabilities</b>		<b>66,159</b>	<b>72,413</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>157,704</b>	<b>163,528</b>

The accompanying accounting policies and notes form an integral part of these separate financial statements.

## SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts are expressed in thousands of euros)

	Share capital	Capital reserves	General and legal reserves	Reserves for own (treasury) shares	Own (treasury) shares	Retained earnings (loss brought forward)	Total
<b>Balance at 31 December 2022</b>	<b>55,738</b>	<b>25,402</b>	<b>7,694</b>	<b>2,773</b>	<b>(921)</b>	<b>(642)</b>	<b>90,044</b>
Loss for the year	-	-	-	-	-	1,040	1,040
<b>Total comprehensive (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,040</b>	<b>1,040</b>
Coverage of the previous year's loss	-	(642)	-	-	-	642	-
Disposal of own (treasury) shares	-	(19)	-	-	50	-	31
Correction of the Share capital due to EUR conversion	(1,143)	1,143	-	-	-	-	-
<b>Transactions with the owners of the Company</b>	<b>(1,143)</b>	<b>482</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>642</b>	<b>31</b>
<b>Balance at 31 December 2023</b>	<b>54,595</b>	<b>25,884</b>	<b>7,694</b>	<b>2,773</b>	<b>(871)</b>	<b>1,040</b>	<b>91,115</b>
	Share capital	Capital reserves	General and legal reserves	Reserves for own (treasury) shares	Own (treasury) shares	Retained earnings	Total
<b>Balance at 31 December 2023</b>	<b>54,595</b>	<b>25,884</b>	<b>7,694</b>	<b>2,773</b>	<b>(871)</b>	<b>1,040</b>	<b>91,115</b>
Profit for the year	-	-	-	-	-	397	397
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>397</b>	<b>397</b>
Release of reserves for own (treasury) shares	-	-	-	(1,979)	-	1,979	-
Disposal of own (treasury) shares	-	(45)	-	-	78	-	32
<b>Transactions with the owners of the Company</b>	<b>-</b>	<b>(45)</b>	<b>-</b>	<b>(1,979)</b>	<b>78</b>	<b>1,979</b>	<b>32</b>
Reserves for not written off costs of development	-	-	2,229	-	-	(2,229)	-
<b>Balance at 31 December 2024</b>	<b>54,595</b>	<b>25,839</b>	<b>9,923</b>	<b>794</b>	<b>(794)</b>	<b>1,188</b>	<b>91,545</b>

The accompanying accounting policies and notes form an integral part of these separate financial statements.



## SEPARATE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts are expressed in thousands of euros)

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2024.	2023.
<b>Profit for the year</b>		<b>397</b>	<b>1,040</b>
<b>Adjusted for:</b>			
Income tax	15	(554)	(228)
Depreciation and amortisation	10	8,290	7,293
Tangible assets write-off	17	151	138
Intangible assets impairment/write-off	16	-	43
Interest expense and exchange rates recognized in profit or loss	14	1,322	652
Dividend income	13	(3,470)	(4,960)
Gain from sale of property, plant and equipment and intangible assets	5	(2,055)	(3,455)
Value adjustments of investment in property	5	-	(329)
Interest income	13	(595)	(377)
Decrease in long-term and short-term provisions, (net)		97	(201)
Impairment of loans given (net)		232	164
Impairment of trade receivables		8	27
Obsolete stock write-off	6	188	364
Impairment of related parties investment	11	1,993	-
<b>Profit from operations before working capital changes</b>		<b>6,004</b>	<b>171</b>
Decrease/(increase) in inventories	23	10,178	(8,991)
(Increase) in current trade receivables		(1,093)	(5,549)
Decrease/(increase) in other receivables	25	2,116	(2,090)
Increase in trade payables		1,720	2,913
(Decrease)/increase of advances received	33	(4,461)	1,958
Increase in other current liabilities		783	85
Decrease of accrued income and prepaid expenses		46	213
Interest paid		(1,352)	(563)
<b>Cash flows from operating activities</b>		<b>13,942</b>	<b>(11,853)</b>

## SEPARATE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

(All amounts are expressed in thousands of euros)

<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
Interest received		-	121
Cash receipts from repayment of loans		2,093	1,125
Purchase of property, plant and equipment	17	(8,359)	(3,937)
Purchase of intangible assets	16	(2,989)	(3,412)
Proceeds from sale of property, plant and equipment and intangible assets		2,092	4,492
Dividends received		618	4,341
<b>Cash from/(used) from investing activities</b>		<b>(6,545)</b>	<b>2,730</b>

<b>Cash flows from financing activities</b>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
Proceeds from borrowings	35	21,398	34,051
Repayment of borrowings	35	(26,172)	(25,874)
Repayment of lease principal	32	(995)	(1,015)
<b>Cash from/(used) in financing activities</b>		<b>(5,769)</b>	<b>7,162</b>
Unrealised exchange rate differences in respect of cash and cash equivalents	-	-	-
Increase/(decrease) in cash and cash equivalents	27	1,627	(1,961)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>27</b>	<b>418</b>	<b>2,378</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>27</b>	<b>2,045</b>	<b>418</b>

The accompanying accounting policies and notes form an integral part of these separate financial statements.

# NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

## 1. NEW STANDARDS AND AMANDMENTS TO EXISTING NOT YET ADOPTED

The following new standards, interpretations, and amendments to existing standards are mandatory for periods beginning on 1 January 2024:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current, Long-term Liabilities in Agreements
- Amendments to IFRS 16 Leases: Lease Liability in Sale and Leaseback Transactions
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

The adoption of these standards did not have a significant impact on the amounts recognized in the statement of financial position or the statement of comprehensive income, nor on the disclosed accounting policies.

The following new standards, interpretations, and amendments to existing standards issued by the IASB and adopted by the EU are still not in effect or have not been adopted by the EU. If applicable, the Company intends to adopt these standards when they become effective.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Exchangeability Issues
- Amendments to the Classification and Measurement of Financial Instruments (IFRS 7 and IFRS 9): Classification of Financial Assets, Payment Settlement via Electronic Means
- IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7 Annual Improvements to IFRS Standards 2011-2013 Cycle: Clarifications, Simplifications, Corrections, and Amendments to Improve Consistency of the aforementioned IFRSs
- IFRS 18 Presentation and Disclosure in Financial Statements: New Standard
- IFRS 19 Parent-Subsidiary Relations with No Public Accountability - Disclosures: New Standard

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Set out below are the principal accounting policies consistently applied in the preparation of the financial statements for the current and prior year.

### 2.1 STATEMENT OF COMPLIANCE

The separate financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European union.

### 2.2 BASIS OF PREPARATION

The Company maintains its accounting records in the Croatian language, in euro and in accordance with Croatian laws and the accounting principles and practices observed by enterprises in Croatia.

The preparation of the separate financial statements requires from the Management Board to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.2 BASIS OF PREPARATION (CONTINUED)

These estimates are based on the information available as at the date of preparation of the separate financial statements, and actual results could differ from those estimates.

The separate financial statements of the Company represent aggregate amounts of assets, liabilities, capital and reserves of the Company as of 31 December 2024, and the results of operations for the year then ended.

The Company also prepares its consolidated financial statements in accordance with International Financial Reporting Standards adopted by EU, which include the financial statements of the Company, as the parent, and the financial statements of the subsidiaries controlled by the Company. In these financial statements, investments in entities controlled by the Company or in which the Company has significant influence are carried at cost less impairment, if any. For a full understanding of the financial positions of the Company and its subsidiaries, as a group, and of the results of their operations and their cash flows for the year, users are advised to read the consolidated financial statements of the Group AD Plastik d.d. Details of the investments in subsidiaries and associates are presented in Note 20.

The financial statements are presented in euro (EUR). All amounts presented in the financial statements are expressed in thousands of euros unless otherwise stated, and there may be differences of 1 in the totals due to rounding.

### 2.3 REVENUE RECOGNITION

Revenue is measured based on the consideration specified in a contract with a customer.

Contract exists only if it is legally enforceable and meets all of the following criteria:

- the contract is approved and the parties are committed to their obligations,
- the rights to goods and services and payment terms can be identified,
- the contract has commercial substance, and
- collection of consideration is probable.

Definition of contract as stated above is by combining the clauses of following documentation: Buyer's General Terms and conditions, Nomination letter, Purchase agreement and Purchase order. The Company has contracts with Buyers (OEM) as Tier 1, with buyer's suppliers as Tier 2, with subsidiaries and associates. Contracts exist for sales of following goods and services:

- product sale,
- tooling sale,
- R&D activities
- royalty services,
- technical and engineering services

Contracts do not commit the customer to a specified quantity of products; however, the Company is generally required to fulfill its customers' purchasing requirements for the production life of the vehicle. Contracts do not typically become a performance obligation until the Company receives either a purchase order for a specific number of parts at a specified price. Long-term agreements with customers for specific product may range from five to seven years, contracts may be terminated by customers at any time, while occurred very rarely.

The Company's customers pay for products received in accordance with payment terms that are customary in the industry, typically 60 to 120 days. The Company's contracts with its customers do not have significant financing components.

Tooling and product sales may be contracted in separate agreements, or concluded at different points in time, or may be contracted in one agreement. In either case any binding obligation for the customer with respect to parts is created only upon issuance of purchase orders. Revenue from tooling sale and product sale is recognized at point in time when the control is passed on Buyer.

The Company has determined that royalty and technical support services, tooling and the delivery of product parts are separate and distinct for the customer and therefore constitute separate performance obligations under IFRS 15, when the ownership is transferred.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.3 REVENUE RECOGNITION (CONTINUED)

The prices agreed in the contracts for the single performance obligations are considered to be the stand-alone.

The company, in contracts with variable consideration, assesses whether there is an obligation to return the consideration to the customer and includes a portion of the variable consideration only if it is highly probable that there will not be a significant reversal of the total recognized revenue after resolving the uncertainties related to the variable consideration.

The company considers a contract modification to have occurred when there is a change in the scope or price of the contract, or both, which is approved by the contracting parties. The company considers that a contract modification exists when the contracting parties approve a modification that establishes new enforceable rights and performance obligations, or changes the existing ones. The company recognizes a contract modification as a separate contract if the scope of the contract increases due to the addition of promised goods or services that are distinct from the previous ones, and if the contract price increases by an amount of consideration that reflects the selling prices of the additional promised goods or services and all appropriate adjustments to that price to reflect the circumstances of the contract. The company recognizes a contract modification as part of the existing contract if the remaining goods or services are not distinct and therefore form part of a single performance obligation, which is partially fulfilled on the date of the contract modification

#### Revenue from sale of products

Product sales are recognized when the products are delivered to, and accepted by the customer and when the control of a product is transferred to the customer. Sales to customers with whom self-invoicing has been arranged are recognized upon receiving from such a customer the confirmation of delivery, i.e. when control is transferred to the customer. Each delivery is considered as performance obligation that is satisfied at point in time. Some of the Company's contracts include variable consideration which take a form of year-to-year price reductions („productivity“), but Company has concluded that those discounts do not give rise to a material right as those decreases are consistent with pricing pattern in automotive industry which takes into consideration learning curve effect.

Some contracts with customers include warranty clauses for repair of faulty goods during a specified long term period and cover of only a product's compliance with agreed specifications. Such warranties granted by the Company are in most cases assurance type warranties recognized in accordance with IAS 37 when the control of product transfers to customers.

#### Revenue from tools

Revenues from tools are matched with contracts that are specifically concluded for developing an asset, or a group of assets, closely linked and interdependent on the design, technology and function or their final use or application. The company estimates that the transfer of control of tools, gauges and other devices is met at the time of „SOP“ (Start Of Production), i.e. start of the mass production on them. At that point Company recognizes revenue from the sale of tools. Costs of modification, completion and similar tool costs Company recognizes as an increase in inventory value.

#### Revenue from royalty and technical services

Company generates revenues from licenses by concluding contracts with affiliates to whom it sells the right to use intellectual property calculated on the amount of products produced by these companies, and for which products the Company has carried out development activities.

Revenue from licenses is recognized at the time of execution, according to the quantities of products produced by the customer.

Company generates revenues from technical services on the basis of contracts it has with affiliated companies to which it provides technical-administrative consulting services.

Revenue from royalty is recognized at the time of execution based on the generated sales of customers while revenue for technical-administrative support and consultancy services is recognized over time based on when the service is rendered.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.4 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs that cannot be directly attributable to acquisition, construction or production of qualifying asset, are capitalised applying a capitalisation rate. Capitalisation rate is weighted average of borrowing costs applicable to the general borrowings, excluding borrowing costs that are directly attributable for acquisition of qualifying asset, until substantially all the activities necessary to prepare that asset for its intended use or sale are completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

### 2.5 FOREIGN-CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into euros at the rates of exchange in effect at the dates of the transactions. Cash, receivables and payables denominated in foreign currencies are retranslated at the rates of exchange in effect at the date of the statement of financial position. Gains and losses arising on translation are included in the statement of comprehensive income for the year.

### 2.6 INCOME TAX

#### Current taxes

Income tax expense is based on taxable profit for the year and represents the sum of the tax currently payable and deferred tax. Income tax is recognized in the statement of comprehensive income, except where it relates to items recognized directly in equity, in which case it is also recognized

in equity. Current tax represents tax expected to be paid on the basis of taxable profit for the year, using the tax rates enacted at the date of the statement of financial position, adjusted by appropriate prior-period tax liabilities. The income tax rate for year 2024 and 2023 amounts to 18%.

#### Deferred taxes

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured at the tax rate expected to apply to taxable profit in the period in which the liability is expected to be settled or the asset realised, based on the tax rates in effect at the date of the statement of financial position. The income tax rate applicable to deferred tax assets is 18 %.

The measurement of deferred tax liabilities and assets reflects the amount that the Company expects, at the date of the statement of financial position, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are not discounted and are classified in the statement of financial position as non-current assets and/or non-current liabilities. Deferred tax assets are recognized only to the extent that it is probable that the related tax benefit will be realized. At each date of the statement of financial position, the Company reviews the unrecognized potential tax assets and the carrying amount of the recognized tax assets.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities.

In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.7. PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment as well as intangible assets are recognized at purchase cost and subsequently reduced by accumulated depreciation. Intangible asset represent capitalized development costs of all Company's projects. Intangible assets Projects (which mainly refers to models, designs, and prototypes for auto parts developed by the Company) is depreciated according to its useful life which varies from 2 to 7 years. The purchase cost comprises the purchase price, import duties and non-refundable sales taxes (for property, plant and equipment) and any directly attributable costs of bringing an asset to its working condition and location for its intended use, such as employee remuneration, professional fees directly arising from putting an asset into its working condition, test costs (for intangible assets), as well as all other costs directly attributable to bringing an asset to a condition for its intended use. Maintenance and repairs, replacements and improvements of minor importance are expensed as

incurred. Where it is obvious that expenses incurred resulted in an increase of expected future economic benefits to be derived from the use of an item of property, plant and equipment or intangible assets in excess of the originally assessed standard performance of the asset, they are added to the carrying amount of the asset. Gains or losses on the retirement or disposal of property, plant and equipment or intangible assets are included in the statement of comprehensive income in the period in which they occur. Depreciation commences on putting an asset into use. The Company reviews the estimated useful life of assets at the end of each year.

Depreciation is provided so as to write down the cost or revalued amount of an asset other than land, property, plant and equipment and intangible assets under development over the estimated useful life of the asset using the straight-line method as follows:

	Depreciation rates in 2024 (%)	Depreciation rates in 2023 (%)
Buildings	1.50	1.50
Machinery	7.00 – 10.00	7.00 – 10.00
Tools, furniture, office and laboratory equipment, measuring and control instruments	7.00 – 50.00	7.00 – 50.00
Vehicles	20.00	20.00
IT equipment	10.00 – 20.00	10.00 – 20.00
Others	10.00	10.00
Intangible assets - Projects	14.29 – 50.00	14.29 – 33.33
Software	20.00 – 50.00	20.00 – 50.00



## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date the Company reviews the carrying amounts of its impairment of non-financial assets (Inventories and Deferred Tax Asset excluded) to determine whether there is an indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, The Company's assets are also allocated to individual cash-generating units or, if this is not possible, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

### 2.9 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

A subsidiary is an entity over which the Company has effective control over financial and operating policy decisions of the Company. The results, assets and liabilities of subsidiaries are incorporated in these separate financial statements using the cost method of accounting.

An associate is an entity over which the Company has significant influence and usually an ownership interest from 20 to 50 percent, but no control over the entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control or joint control over those policies. The results of operations of associates are incorporated in these financial statements using the cost method of accounting.

### 2.10 INVENTORIES

Inventories of raw material and spare parts are stated at the lower of cost and net realisable value, whichever is lower. Cost is determined using the weighted-average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less all variable selling costs.

Small inventory is written off when put in use. The cost of product inventories i.e. the production price is based on

direct material used, the cost of which is determined using the weighted average cost method, then direct labour costs and fixed overheads at the actual level of production which approximates the normal capacities, as well as variable overheads that are based on the actual use of the production capacities. Inventories of goods are recognized at the cost of acquiring the inventories, which include the purchase price, import duties and other non-recoverable taxes, transportation costs, and other costs directly attributable to the acquisition of finished goods or materials.

### 2.11 OTHER TRADE RECEIVABLES AND PREPAYMENTS

Other trade receivables and prepayments represent receivables and prepayments that are not included in financial instruments, and they are carried at nominal amounts less an appropriate allowance for impairment for estimated irrecoverable amounts.

The Company impairs the carrying amount of receivables in the same way as the impairment of financial assets.

### 2.12 CASH AND CASH EQUIVALENTS

Cash comprises account balances with banks, cash in hand, and deposits at call or with maturities of less than three months.

### 2.13 PROVISIONS

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each date of the statement of financial position and adjusted to reflect the current best estimate. Where the effect of discounting is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation, determined using the estimated interest rate specific for obligation as the discount rate. Where discounting is used, the reversal of such discounting in each year is recognized as a financial expense and the carrying amount of the provision increases in each year to reflect the passage of time.



## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.13 PROVISIONS (CONTINUED)

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the date of the statement of financial position, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Provisions for litigation losses represents provisions relating to litigation against the Company from regular commercial operations and from disputes with former employees.

Provisions for unused vacation days are calculated on the basis of the remaining days of the vacation days that employees have made in the current year, multiplied by amount of gross daily wage.

### 2.14 TERMINATION, LONG-SERVICE AND OTHER EMPLOYEE BENEFITS

#### (a) Pension-related obligations

In the normal course of business, the Company makes payments, through salary deductions, to mandatory pension funds on behalf of its employees, as required by law. The contributions paid to the mandatory pension funds are recognized as salary expense when accrued. The Company does not have any other retirement benefit plan and, consequently, has no other obligations in respect of the retirement benefits for its employees. In addition, the Company is not obliged to provide any other post-employment benefits.

#### (b) Long-term employee benefits

Long-term employee benefits represent jubilee awards and post employment benefit obligations. Post employment benefit obligations falling due more than 12 months after the reporting date are discounted to their present value. Jubilee awards are paid in intervals according to time that employee was working for Company.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses are recognized in the period in which they arise.

Past service cost is recognized immediately to the extent that entitlement to benefits has already been acquired. Otherwise, it is amortized proportionately over a period of time until the right to receive benefits is acquired.

### 2.15 FINANCIAL INSTRUMENTS

#### Financial assets

Trade receivables are initially recognized when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial assets is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.15 FINANCIAL INSTRUMENTS (CONTINUED)

#### Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. Accounts receivable are held in the business model of holding for collection.

#### Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, relevant for the purpose of classifying financial assets at amortized cost, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing the main criterion, i.e. whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

The structure of the Company's financial assets is simple and primarily relates to trade receivables without a significant financial component and loans given.

#### Subsequent measurement and gains and losses

Financial assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

#### Financial liabilities

Debt securities are initially recognized when they are originated. All other financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Financial liabilities are measured at amortized cost. A financial liability is classified as measured at amortized cost using the effective interest method. Interest expenses and exchange differences are recognized within profit or loss. Any gain or loss on derecognition is also recognized within profit or loss.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.15 FINANCIAL INSTRUMENTS (CONTINUED)

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

#### Impairment of non-derivative financial assets

The Company recognizes loss allowances for expected credit loss (ECLs) on financial assets measured at amortized cost.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if early warning indicators have been activated in accordance with the Company's policy or contractual terms of the instrument.

The Company considers a financial asset to be fully or partially in default if:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held);
- the financial asset is more than 360 days past due based on historical experience of average market participant.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

#### Measurement of expected credit losses

In accordance with IFRS 9, assets that are carried at amortized cost must have attributed expected credit losses (ECL). Formula for calculating yearly ECL is the following:

Probability of default (PD) x Loss given default (LGD) x Exposure at default (EAD).

Company used publicly available information to model ECL for loans, as follows:

Probability of default: Company used latest available Moody's Annual Default Study. Marginal PD for automotive industry was used for every year.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.15 FINANCIAL INSTRUMENTS (CONTINUED)

Probability of default used in calculation is shown in the table below:

Years	Cumulative probability of default	Marginal probability of default
1	2.3%	2.3%
2	4.5%	2.3%
3	6.7%	2.2%
4	8.7%	2.0%
5	10.6%	1.9%
6	12.4%	1.8%
7	13.9%	1.6%
8	15.5%	1.5%
9	16.9%	1.4%
10	17.9%	1.0%

Loss given default: Company used latest available Moody's Annual Default Study. It was calculated using annual default recoveries percentage. LGD used in 2024 is 62.33% (in 2023: 60.53%).

Exposure at default: Company calculated it internally taking into account annually repayment schedule for loans for every year of repayment.

#### Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or liability, and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset or liability, or, where appropriate, a shorter period.

#### Impairment of financial assets

Financial assets are assessed for indications of impairment at each date of the statement of financial position.

A financial asset are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the expected credit losses.

Impairment loss on a financial asset is recognized by reducing the carrying amount of the asset through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account.

#### Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset have expired, when the asset is transferred and when substantially all the risks and rewards of ownership of the asset are passed onto another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

#### Classification as financial debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the underlying contractual arrangement.

#### Interest income

Interest income is recognized on a pro rata temporis basis, using the effective interest method. Interest earned on balances with commercial banks (demand and term deposits) is credited to income for the period as it accrues. Interest on trade receivables is recognized as income when accrued.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.16 CONTINGENCIES

Contingent liabilities have not been recognized in these separate financial statements. They are disclosed if the possibility of outflow of resources embodying economic benefits is possible. A contingent asset is not recognized in financial statements, but it is disclosed when the inflow of economic benefits becomes probable.

### 2.17 EVENTS SUBSEQUENT TO THE DATE OF THE STATEMENT OF FINANCIAL POSITION

Events after the date of the statement of financial position that provide additional information about the Company's position at that date (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are disclosed in the notes to the separate financial statements when material.

### 2.18 SEGMENT REPORTING

In separate financial statements the Company discloses sales revenues grouped by country (Note 4).

When assessing business performance and making decisions on the allocation of resources in accordance with IFRS 8 the Company's Management Board uses the division into two operating segments: EU, UK and Serbia and Russia. In the consolidated financial statements the Group's financial results, assets and liabilities are disclosed for above mentioned operating segments.

### 2.19 LEASES

At inception of a contract, Company assesses whether a contract is, or contains lease. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Company uses the definition of a lease in IFRS 16.

Leases are recognized by the present value of the lease payments and showed either as right-of-use assets or together with property, plant and equipment. Company also recognizes a financial liability representing its obligation to make future lease payments. Lessees are recognized separately interest expense

on the lease liability and the depreciation expense on the right-of-use asset.

Lessees are also required to re-measure lease liability due to certain events (e.g. a change in lease term, a change in future lease payments, resulting from a change in an index or discounting rate). The standard includes two recognition exemptions for lessees: „low-value“ leases (e.g. tablets and personal computers) and „short-term“ leases (leases which ends within 12 months). Low-value leases are considers assets with value lower than EUR 4,000.

Right-of-use assets and lease liabilities will be reported separately in the statement of financial position.

The Company has elected not to apply the requirements of IFRS 16 for low-value leases (e.g. printers) and short-term leases (e.g. apartments). Detailed movement of right of use assets are presented in Note 18 and movements of lease liability in Note 33.

### 2.20 GRANTS

Company recognizes grants as income over the period necessary to match them with related costs, for which they are intended to compensate on a systematic basis.

Receivables from government to reimburse expenses that have already been incurred are recognized in profit or loss in the period in which the receivable is incurred, and these grants are deducted from related expenses in financial statements.

### 2.21 INVESTMENT PROPERTY

Investment property is property held by the Company to earn rentals or for capital appreciation or for both, but not for sale in the ordinary course of business or for administrative purposes.

Investment property is measured initially at its cost, including transaction costs. Subsequently, investment property is stated at cost less accumulated depreciation and any impairment loss.

Investment property is depreciated on a straight-line basis at the rate of 1.5%.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.21 INVESTMENT PROPERTY (CONTINUED)

Investment property is derecognized when either it has been disposed of or permanently withdrawn from use or no future economic benefits are expected from its disposal.

Any gains or losses on the retirement or disposal of investment property are recognized in the income statement in the year of retirement or disposal.

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, the Management Board is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on past experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. 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 of revision and future periods if the revision affects both current and future periods. The key areas of estimation in applying the Company's accounting policies that had a most significant impact on the amounts recognized in the financial statements were as follows:

### Revenue from the sale of tools

Tools are custom made for the customer and cannot be used for other purposes. In accordance with the automotive practice, those contracts may differ with respect to the development of tools and transfer of the title to the customer. In such cases, the Company determines whether tool arrangements are sale, lease or development of own equipment, whether this is a lease arrangement and whether it is separate from the sale of car parts.

The Company has assessed that the sale of car parts is a separate performance obligation from the sale of tools since the customer has the control over the use of tool and unconditional right for payment upon the transfer of control of tool to the customer. Additionally, the development of the tool is not integrated with the production of parts to produce a combined output and those two are not interrelated as tool can be

sold without affecting the sale of car parts. The contract for the sale of tools and the contract for the sale of auto parts are separate contracts, which should not be combined because there are two different performance obligations, which can also be seen from the fact that the prices for the tools are not linked to the contract for the sale of auto parts.

In addition, although in production of parts the Company may continue to use tools that it sold to customers, the Company has concluded that its arrangements do not contain a lease.

### Recoverability of investments in subsidiaries

At the end of each reporting period, the Company carries out the process of identifying indicators that would indicate that the value of investments in subsidiaries and associates (shown in Note 20) is potentially impaired and, if such indicators are identified, the Company assesses the recoverable amount of the investment through impairment testing.

When implementing the process of identification of impairment indicators, the Company considers a number of factors. Depending on the circumstances, a single factor by itself or several of them in combination may result in an indication of impairment. Unfavourable developments in the industry, such as the recent COVID 19 pandemic or macroeconomic disturbances due to the war in Ukraine, which led to challenges in supply chains and the lack of necessary quantities of semi-conductors, as a rule, result in the implementation of impairment tests if there is noticeable significant impact on the operating results of subsidiaries and associates. In addition to the above, the Company monitors the key performance indicators of subsidiaries, the most important of which are realized operating margins and net assets of subsidiaries.

### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Operating margins of subsidiaries are annually compared with available market multipliers for the valuation of similar companies in the industry to determine if they deviate significantly, which would indicate the need to perform a detailed impairment test. Additionally, negative or insufficient net assets of a subsidiary also typically indicate the need to perform an impairment test.

When the Company concludes for a particular investment that one factor by itself or several of them in combination result in an indication of impairment, a detailed impairment test and assessment of the recoverable value of the investment is prepared. As a rule, the discounted cash flow method (DCF method) is used to make an investment assessment, which is based on the assumption that the value of the company represents the present value of future net cash flows. When calculating the recoverable amount, as a rule, the Company applies the terminal growth rate of cash flows after a three-year period and discounts such cash flows using a discount rate that reflects the risk of the asset in question and which, for the purpose of calculating the impairment test, is approximated by the weighted average cost of capital (WACC) related to the primary sales market of individual subsidiary and industry. Impairment tests are also tested for sensitivity to changes in key variables such as the discount rate, growth rate, and similar.

During 2024, the Company identified indicators of impairment related to its investments in subsidiary companies ADP d.o.o., Mladenovac and AD Plastik Tisza, and conducted detailed impairment tests on the investments and loans provided.

The cash flow projections for the company ADP Plastik Tisza included specific estimates for a three-year period, based on new customer contracts that were agreed upon, announced, or under negotiation, considering planned capital investments and required working capital, along with a terminal growth rate after this period. The estimated growth in operating cash flows for the three-year period was 12.24 percent. The terminal growth rate was determined in

accordance with market assumptions and was estimated by the Company at 3%, while the discount rate applied was 9.4%. The impairment test did not indicate a need for an impairment of the investment.

Regarding the sensitivity of the impairment tests to changes in key variables, sensitivity analysis shows that a reasonably expected change in one of the key variables (terminal growth rate and weighted average cost of capital), with the other variable remaining unchanged, does not result in an impairment of the investment in the subsidiary ADP Plastik Tisza. A reasonable change in the key variables, as considered by the management, is a change of 50 basis points.

An increase in the discount rate used in the impairment model of more than 1.47 percentage points, with other variables unchanged, results in the need to decrease the value of the investment in the company ADP Plastik Tisza. By reducing the terminal growth rate by 1.36 percentage points with other variables unchanged, it results in the need to reduce the value of the investment in the company ADP Plastik Tisza.

The recoverable amount of initial investments and given loans to ADP d.o.o., Mladenovac is equal to the fair value of the net assets, less costs to sell, based on market and comparable asset prices (level 2 in determining fair value). When estimating the fair value of the asset, prices for comparable assets on the market were used, which were additionally adjusted taking into account the condition and location of the asset and the Company's estimate of the total costs that would be required to sell the valued asset. The Company estimated the costs to sell, depending on the type of asset, based on market conditions, historical experience and other relevant factors.

Total effect of the impairment of investments in ADP d.o.o., Mladenovac and loans given to ADP d.o.o., Mladenovac is presented in the statement of comprehensive income as follows:

Impairment item	Position in the Profit and Loss Statement	Amount
Impairment of investment in ADP d.o.o., Mladenovac	Other operating expenses – Note 11	1,993
Impairment of loans given to ADP d.o.o., Mladenovac	Impairment of loans and trade receivables	292
		<b>2,285</b>

### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

#### Measurement of fair values

Certain Company's accounting policies and disclosures require the measurement of fair values, for non-financial assets.

The Company has an established control framework with respect to fair value measurement which assumes the overall responsibility of the Management Board and finance department in relation to the monitoring of all significant fair value measurements and consultation with external experts. Fair values are measured using information collected from third parties in which case the Board and the finance department assess whether the evidence collected from third parties support the conclusion that such valuations meet the requirements of IFRSs, including the level in the fair value hierarchy where such valuations should be classified.

Fair values are categorised into different level in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in level 1, that are observable for the asset or liability either directly (ie as prices) or indirectly (ie derived from prices).
- Level 3 – input variables for assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific

estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more significant inputs are not based on observable market data, the fair value estimate is included in level 3.

#### Going concern assumption

The Company reported a net profit for the year ended December 31, 2024, of EUR 397 thousand (2023: profit of EUR 1,040 thousand). As of December 31, 2024, the Company's current liabilities exceeded its current assets by EUR 6,110 thousand (December 31, 2023: current assets exceeded current liabilities by EUR 4,261 thousand). According to Note 35, it is evident that in 2025, EUR 17,056 thousand of long-term loans will mature, and as a result, the Company has already initiated discussions with banks in 2024 to restructure the maturity of its short-term loan obligations. In February 2025, an agreement was successfully concluded and executed with the Company's main creditors regarding the maturity of short-term loan obligations totaling EUR 9,390 thousand, which will mature beyond one year. The remaining amount of short-term liabilities under long-term loans will be repaid in 2025 in accordance with the repayment plans, while short-term loans (revolving lines and overdrafts) in the amount of EUR 7,302 thousand will, in accordance with established practice, be extended for an additional year.

The going concern assumption is based on the Management Board's assessment that the future cash flows generated by the Company are sufficient to meet the Company's obligations. The Management Board has included a range of possible outcomes in its estimates and believes that the use of reasonable estimates does not call into question the going concern basis. Given the agreement reached with the Company's main creditors, over 370 million euros worth of new business contracted in the past three years, expected growth in profitability, and insignificant investments in tangible assets in the coming periods, the Company's Management Board believes that these financial statements, assuming a going concern basis, have been properly prepared.



### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

#### Business risk in Russia

The Company has control over the cash flows of its Russian subsidiaries. There is currently a limit on the collection of credit receivables of RUB 10,000 thousand per month per subsidiary. There is no limit on the collection amount for other receivables for goods, services and loan interests. ZAO AD Plastik Kaluga is operating in a "cold mode", taking into account

the withdrawal of all European customers from the Russian market with whom the Company did business before the start of the Russian-Ukrainian crisis. AO AD Plastik from Togliatti continues to operate with its main customer AutoVaz on the production of several models for Lada vehicles.

### 4. SALES

	2024	2023
Foreign sales	110,284	88,213
Domestic sales	868	1,175
	<b>111,152</b>	<b>89,388</b>

#### Sales segmentation by type:

	2024	2023
Car parts sale	73,985	73,191
Revenue from tools	20,042	1,908
Merchandise	12,036	12,203
Engineering services revenue	2,930	1,314
Licenses fees	1,889	773
Product development services	270	-
	<b>111,152</b>	<b>89,388</b>

#### Sales segmentation by country:

	2024	2023
Slovenia	29,243	24,079
Romania	26,391	18,704
Poland	8,661	5,062
Hungary	7,998	5,776
Serbia	7,852	3,619
France	7,011	10,545
Slovakia	6,020	1,792
Italy	5,208	7,193
Spain	3,491	3,962
Germany	2,526	4,635
Russia	1,667	298
Croatia	868	1,175
Other countries	4,216	2,548
	<b>111,152</b>	<b>89,388</b>

Revenues from merchandise consist of revenues from the sale of material and the sale of car parts that are not own production. The largest sales income from companies in the same group, which make more than 25% of sales income in 2024, amounted to EUR 29,936 thousand (2023: EUR 22,681 thousand), while the carrying amount of receivables from this group amounted to EUR 5,267 thousand at 31.12.2024 (31.12.2023: EUR 3,717 thousand).

#### 4. SALES (CONTINUED)

The second largest sales income from companies in the same group, which make more than 25% of sales income in 2024 amounted to EUR 28,327 thousand (2023: EUR 15,480 thousand), while the carrying amount of receivables from this group amounted to EUR 367 thousand at 31.12.2024 (31.12.2023: EUR 2,785 thousand).

#### 5. OTHER INCOME

	2024	2023
Gain from sale of property, plant and equipment and intangible assets	2,055	3,455
Income from compensation for canceled projects	1,474	-
Income from consumption of own products and services	383	23
Rental income and income from the sale of services to tenants	277	559
Income from sales of waste and secondary raw material	116	344
Income from damages and insurance	49	40
Income from validation, quality control and laboratory testing	15	72
Other operating income	508	567
	<b>4,877</b>	<b>5,060</b>

Gain from sale of property, plant and equipment and intangible assets in 2024 include gain from sale of intangible assets in amount of EUR 2,055 thousand (2023: EUR 2,543 thousand).

#### 6. COST OF RAW MATERIAL AND SUPPLIES

	2024	2023
Direct materials	40,573	38,325
Electricity	2,859	3,225
Other raw material and supplies	2,284	3,145
Inventory shortage costs and value adjustment of inventory	188	364
	<b>45,904</b>	<b>45,059</b>

#### 7. COST OF GOODS SOLD

	2024	2023
Cost of tools sold	16,755	1,524
Cost of merchandise	11,054	10,359
Other costs of goods sold	41	39
	<b>27,850</b>	<b>11,922</b>

#### 8. SERVICE COSTS

	2024	2023
Transport	2,329	3,270
Intellectual service cost	1,345	1,516
Maintenance costs	1,059	983
Software licenses	993	949
Security and fire services	555	447
Communal fee	427	347
Logistic services at distribution warehouses	273	164
Rental costs	259	241
Marketing	156	157
Water	108	109
Engineering services costs	94	97
Telephone, cell phone, internet costs	82	79
Licence fees	14	32
Other service costs	660	509
	<b>8,354</b>	<b>8,900</b>

During 2024, the Company's auditors provided the Company with services related to the costs of the statutory audit of the Company's consolidated and unconsolidated statements and other verification services related to sustainability reporting and reporting on the remuneration of the Management Board and the Supervisory Board in the total amount of EUR 143 thousand (2023: EUR 97 thousand), as well as permitted non-audit services related to financial analysis in the amount of EUR 28 thousand (2023: EUR 51 thousand).

## 9. STAFF COSTS

	2024	2023
Net wages and salaries	13,300	12,544
Taxes and contributions on and out of salaries	7,900	7,537
Other staff costs	2,975	2,627
	<b>24,175</b>	<b>22,708</b>

Other staff costs comprise jubilee awards, bonuses, termination benefits, commuting costs, cost of student service and other business-related costs. Company included reversal of provision for termination benefits in amount of EUR 30 thousand, reversal of provision for unused vacation days in amount of EUR 4 thousand, and reversal of provision for jubilee awards in amount of EUR 3 thousand as cost reduction within category "Other staff cost". Further, within "Other staff cost" provision for termination benefits is shown in amount of EUR 134 thousand.

In the previous period, reversal of provision for jubilee awards in amount of EUR 24 thousand was shown as a cost reduction through „Other staff cost“. Also, in the previous period, provision for unused vacation days in amount of EUR 142 thousand and provision for termination benefits in amount of EUR 18 thousand were shown in other staff cost.

## 10. DEPRECIATION AND AMORTISATION

	2024	2023
Depreciation of property, plant and equipment (Note 17)	5,631	4,850
Amortisation of intangible assets (Note 16)	1,608	1,393
Depreciation of right of use assets (Note 18)	1,012	1,017
Depreciation of investment property (Note 19)	39	33
	<b>8,290</b>	<b>7,293</b>

## 11. OTHER OPERATING EXPENSES

	2024	2023
Impairment of related parties investment	1,993	-
Business trips	413	357
Membership fees, contributions, municipal utility fees	274	271
Cost of own consumption and goods provided free of charge	241	341
Customer complaints	170	144
Entertainment/representation costs	170	139
Withholding tax	159	265
Insurance premiums	156	169
Non-current tangible assets write off	151	138
Gifts, donations and sponsorships	73	110
Professional training costs	63	72
Supervisory Board fees	52	89
Safety at work and health services	39	48
Other expenses	202	135
	<b>4,155</b>	<b>2,278</b>

## 12. PROVISIONS FOR RISKS AND CHARGES

	2024	2023
Provision for possible litigation losses, net (Note 29)	1	(4)
Provision for warranties, net	-	(132)
	<b>1</b>	<b>(136)</b>

### 13. FINANCIAL INCOME

	2024	2023
Dividend income from associate	3,470	4,960
Interest income	595	377
	<b>4,065</b>	<b>5,337</b>

### 14. FINANCIAL EXPENSES

	2024	2023
Interest expense	1,271	623
Interest expense on lease liabilities	49	29
Foreign exchange losses, net	3	20
	<b>1,323</b>	<b>672</b>

### 15. INCOME TAX

Income tax comprises the following:

	2024	2023
Current tax	-	-
Deferred tax	554	228
	<b>554</b>	<b>228</b>

Movement of Deferred tax assets/ (liabilities) are presented in following table:

Deferred tax, as presented in the statement of financial position, is as follows:

	2024		2023	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Balance at 1 January	2,604	380	1,996	-
Increase	560	6	1,262	380
Usage	-	-	(60)	-
Reversal	-	-	(594)	-
<b>Balance at 31 December</b>	<b>3,164</b>	<b>386</b>	<b>2,604</b>	<b>380</b>

2024	Opening balance	(Charged)/ credited to statement of comprehensive income, net	Closing balance
Provisions for jubilee service and termination benefits	83	18	101
Impairment of investment property	329	-	329
Impairment of inventory	66	34	100
Impairment/reversal receivables/loans	66	55	121
Tax loss carryforward	1,675	445	2,120
Lease liabilities	385	8	393
Right of use assets	(380)	(6)	(386)
<b>Balance at 31 December</b>	<b>2,224</b>	<b>554</b>	<b>2,778</b>

## 15. INCOME TAX (CONTINUED)

2023	Opening balance	(Charged)/ credited to statement of comprehensive income, net	Closing balance
Provisions for jubilee service and termination benefits	84	(1)	83
Impairment of investment property	388	(59)	329
Impairment/reversal receivables/loans	-	66	66
Tax loss carryforward	1,524	151	1,675
Impairment of inventory	-	66	66
Lease liabilities	-	385	385
Right of use assets	-	(380)	(380)
<b>Balance at 31 December</b>	<b>1,996</b>	<b>228</b>	<b>2,224</b>

Reconciliation between the accounting and tax results is shown as follows:

	2024	2023
<b>Accounting profit/(loss) before tax</b>	<b>(156)</b>	<b>812</b>
Tax at the rate of 18% (2023.: 18%)	(28)	146
Non-deductible expenses	441	96
Tax exempt revenues	(903)	(1,064)
Changes in estimates from previous years	(64)	594
<b>Profit tax expense</b>	<b>(554)</b>	<b>(228)</b>
Effective tax rate	355.06%	(28.08%)

The effective income tax rate in Republic of Croatia in year 2024 was 18% the same as it was for the year 2023.

The amount of EUR 445 thousand was recognized as deferred tax assets from recognized tax losses in 2024. The Company is planning to achieve taxable profit in the period from 2025 to 2029, for which forementioned deferred tax assets is planned to be used.

The tax losses available for carry-forward to the following tax periods are as follows:

	2024	2023
Tax losses from 2022 - expire in 2027	8,348	8,348
Tax losses from 2023 - expire in 2028	4,142	4,142
Tax losses from 2024 - expire in 2029	2,473	-
	<b>14,963</b>	<b>12,490</b>

The Company did not recognize deferred tax assets on tax loss carryforwards from 2022 in the amount of EUR 594 thousand expiring in 2027.



## 16. INTANGIBLE ASSETS

	Software	Projects	Other intangible assets	Intangible assets under development	Total
<b>Cost</b>					
<b>Balance at 31 December 2022</b>	<b>1,852</b>	<b>14,472</b>	<b>752</b>	<b>3,416</b>	<b>20,492</b>
Additions	-	-	-	3,412	3,412
Transfer from assets under development	4	1,058	3	(1,065)	-
Disposals	(1)	(1,113)	-	-	(1,114)
Retirements/Write Offs	(28)	(303)	-	-	(331)
<b>Balance at 31 December 2023</b>	<b>1,826</b>	<b>14,114</b>	<b>756</b>	<b>5,763</b>	<b>22,459</b>
Additions	-	-	-	2,989	2,989
Transfer from assets under development	19	5,609	-	(5,629)	-
Disposals	-	(891)	-	-	(891)
<b>Balance at 31 December 2024</b>	<b>1,846</b>	<b>18,833</b>	<b>756</b>	<b>3,124</b>	<b>24,558</b>
<b>Accumulated amortisation</b>					
<b>Balance at 31 December 2022</b>	<b>1,568</b>	<b>11,004</b>	<b>539</b>	<b>-</b>	<b>13,111</b>
Charge for the year	91	1,153	150	-	1,393
Write Offs	(28)	(260)	-	-	(287)
Disposal	(1)	(545)	-	-	(545)
<b>Balance at 31 December 2023</b>	<b>1,630</b>	<b>11,353</b>	<b>689</b>	<b>-</b>	<b>13,672</b>
Charge for the year	76	1,471	61	-	1,608
<b>Balance at 31 December 2024</b>	<b>1,706</b>	<b>12,825</b>	<b>750</b>	<b>-</b>	<b>15,280</b>
<b>Net book value</b>					
<b>At 31 December 2023</b>	<b>197</b>	<b>2,761</b>	<b>67</b>	<b>5,763</b>	<b>8,787</b>
<b>At 31 December 2024</b>	<b>140</b>	<b>6,008</b>	<b>6</b>	<b>3,124</b>	<b>9,278</b>

Projects comprise investments in the development of new products that are expected to generate economic benefits in future periods. Consequently, the costs are amortized over the period in which the related economic benefits flow into the Company. Intangible assets under development mostly refer to the capitalized costs of new product development.

In 2024, the cost of net salaries and wages of EUR 540 thousand the cost of taxes and contributions from salaries of EUR 210 thousand and the cost of contributions to salaries of EUR 111

thousand were capitalized in intangible assets. In the previous 2023, the capitalized cost of net salaries and wages amounted to EUR 366 thousand the cost of taxes and contributions from salaries amounted to EUR 151 thousand and the cost of contributions to salaries amounted to EUR 79 thousand.

In 2024, capitalized interest expense in the amount of EUR 20 thousand (2023: EUR 19 thousand) was recognized on intangible assets.

## 17. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and equipment	Assets under development	Total
<b>Cost</b>					
<b>Balance at 31 December 2022</b>	<b>17,366</b>	<b>34,521</b>	<b>76,795</b>	<b>2,592</b>	<b>131,274</b>
Additions	-	-	-	4,635	4,635
Transfer from assets under development	-	1,781	2,031	(3,812)	-
Disposals	-	-	(2,492)	-	(2,492)
Retirements/Write Offs	-	(215)	(284)	-	(500)
<b>Balance at 31 December 2023</b>	<b>17,366</b>	<b>36,087</b>	<b>76,049</b>	<b>3,415</b>	<b>132,916</b>
Additions	-	-	-	8,359	8,359
Transfer from assets under development	-	271	8,991	(9,262)	-
Retirements/Write Offs	-	(215)	(845)	-	(1,061)
<b>Balance at 31 December 2024</b>	<b>17,366</b>	<b>36,142</b>	<b>84,195</b>	<b>2,511</b>	<b>140,214</b>
<b>Accumulated depreciation</b>					
<b>Balance at 31 December 2022</b>	<b>-</b>	<b>11,404</b>	<b>52,396</b>	<b>-</b>	<b>63,801</b>
Charge for the year (Note 10)	-	661	4,189	-	4,850
Disposals	-	-	(1,863)	-	(1,863)
Retirements/Write Offs	-	(78)	(284)	-	(361)
<b>Balance at 31 December 2023</b>	<b>-</b>	<b>11,988</b>	<b>54,437</b>	<b>-</b>	<b>66,425</b>
Charge for the year (Note 10)	-	687	4,944	-	5,631
Retirements/Write Offs	-	(81)	(828)	-	(909)
<b>Balance at 31 December 2024</b>	<b>-</b>	<b>12,594</b>	<b>58,553</b>	<b>-</b>	<b>71,147</b>
<b>Net book value</b>					
<b>At 31 December 2023</b>	<b>17,366</b>	<b>24,099</b>	<b>21,612</b>	<b>3,415</b>	<b>66,491</b>
<b>At 31 December 2024</b>	<b>17,366</b>	<b>23,549</b>	<b>25,642</b>	<b>2,511</b>	<b>69,067</b>

From assets mentioned in Note 17 Property, plant and equipment and in Note 19 Investment property, pledged assets are lands with book value on the date of 31.12.2024 of (in thousand EUR) 15,405 (31.12.2023: 13,260) and

buildings 17,223 (31.12.2023: 16,427). The mentioned assets include investment property, land in the net book value of 1,479 and buildings in the net book value of 1,738 (in thousand EUR).

## 18. RIGHT OF USE ASSET

	Buildings	Plant and equipment	Total
<b>Cost</b>			
<b>Balance at 31 December 2022</b>	<b>3,549</b>	<b>1,029</b>	<b>4,578</b>
Additions	-	-	-
Lease modification, net	1,269	-	1,269
<b>Balance at 31 December 2023</b>	<b>4,818</b>	<b>1,029</b>	<b>5,847</b>
Additions	-	-	-
Lease modification, net	11	1,035	1,046
<b>Balance at 31 December 2024</b>	<b>4,829</b>	<b>2,064</b>	<b>6,893</b>
<b>Accumulated depreciation</b>			
<b>Balance at 31 December 2022</b>	<b>2,086</b>	<b>631</b>	<b>2,717</b>
Charge for the year (Note 10)	699	318	1,017
<b>Balance at 31 December 2023</b>	<b>2,785</b>	<b>949</b>	<b>3,734</b>
Charge for the year (Note 10)	717	295	1,012
<b>Balance at 31 December 2024</b>	<b>3,502</b>	<b>1,244</b>	<b>4,746</b>
<b>Net book value</b>			
<b>At 31 December 2023</b>	<b>2,033</b>	<b>80</b>	<b>2,113</b>
<b>At 31 December 2024</b>	<b>1,327</b>	<b>820</b>	<b>2,147</b>

Amounts recognised in profit and loss	2024	2023
Depreciation expense on right of use assets	1,012	1,017
Expense relating to leases of low value	175	99
Expense relating to short-term leases	51	42
Interest expense on lease liabilities	49	29
Expenses relating to variable lease payments not included in the measurement of lease liability	34	100
	<b>1,320</b>	<b>1,287</b>

In accordance with IFRS 16, Company has classified leases for buildings and plant and equipment as "Right of use asset". Within the category "Buildings", the leases of office buildings and warehouses used by the Company in business are positioned. The "Plant and equipment" category includes concluded car and forklift rental agreements.



## 19. INVESTMENT PROPERTY

	Land	Buildings	Total
<b>Cost</b>			
Balance at 31 December 2022	1,479	2,210	3,689
Value increase of investment property	-	408	408
Balance at 31 December 2023	1,479	2,618	4,097
Balance at 31 December 2024	1,479	2,618	4,097
<b>Accumulated depreciation</b>			
Balance at 31 December 2022	-	728	728
Charge for the year (Note 10)	-	33	33
Value increase of investment property	-	79	79
Balance at 31 December 2023	-	840	840
Charge for the year (Note 10)	-	39	39
Balance at 31 December 2024	-	879	879
<b>Net book value</b>			
Balance at 31 December 2023	1,479	1,778	3,257
Balance at 31 December 2024	1,479	1,739	3,218

Income from the rental of the building in 2024 amounts to EUR 110 thousand (2023: EUR 266 thousand), and the depreciation charge for the year 2024 amounts to EUR 39 thousand (2023: EUR 33 thousand).

At December 31 2024 the carrying amount of investment property approximates fair value, that has been internally determined by the company based on the income capitalization method which assumes sustainable annual lease income which investment property generates or is able to generate during its ordinary course of business.



## 20. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

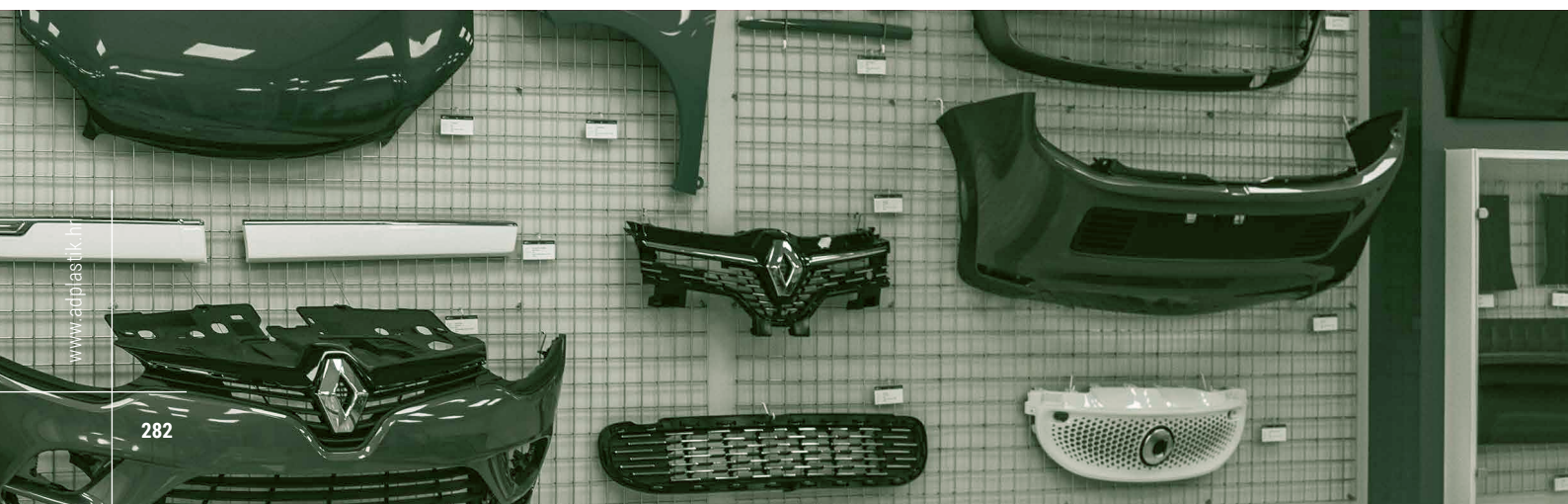
Set out below are details of the Company's subsidiaries at the end of the reporting period:

Name of subsidiary	Country of incorporation and business	Ownership interest in %		Amount of equity investment, in EUR 000	
		31.12. 2024	31.12. 2023	31.12. 2024	31.12. 2023
AD Plastik Tisza Kft	Tiszaújváros, Hungary	100%	100%	9,418	9,418
ADP d.o.o.	Mladenovac, Serbia	100%	100%	-	1,993
AO AD Plastik Togliatti	Samara, Russian Federation	100%	100%	674	674
AD Plastik d.o.o.	Novo Mesto, Slovenia	100%	100%	8	8
ZAO AD Plastik Kaluga	Kaluga, Russian Federation	100%	100%	-	-
				<b>10,100</b>	<b>12,092</b>

Currently, there is a limit on the loan collection from Russian subsidiaries in the amount of 10,000 thousand rubles on a monthly basis per one subsidiary company.

Name of subsidiary	Country of incorporation and business	Ownership interest in %		Amount of equity investment, in EUR 000	
		31.12. 2024	31.12. 2023	31.12. 2024	31.12. 2023
EURO Auto Plastic Systems	Mioveni, Romania	50%	50%	2,887	2,887
				<b>2,887</b>	<b>2,887</b>
<b>Total investments in subsidiaries and associates</b>				<b>12,987</b>	<b>14,980</b>

Company has a 50-percent equity share in EURO Auto Plastic Systems, but has no control over the entity. However, the company is treated as an associate.



## 20. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (CONTINUED)

Set out below is a summary of financial information about the subsidiaries and associates:

<b>AO AD Plastik Togliatti, Samara, Russian Federation</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Current assets	12,886	12,445
Fixed assets	7,947	8,538
<b>Total assets</b>	<b>20,833</b>	<b>20,983</b>
Short-term liabilities	(10,784)	(12,027)
Long-term liabilities and provisions	(457)	(1,932)
<b>Total Liabilities</b>	<b>(11,241)</b>	<b>(13,959)</b>
<b>Net assets</b>	<b>9,592</b>	<b>7,024</b>

<b>ZAO AD Plastik Kaluga, Kaluga, Russian Federation</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Current assets	1,875	2,733
Fixed assets	3,397	4,107
<b>Total assets</b>	<b>5,272</b>	<b>6,840</b>
Short-term liabilities	(2,864)	(1,747)
Long-term liabilities and provisions	(8,960)	(9,967)
<b>Total Liabilities</b>	<b>(11,824)</b>	<b>(11,714)</b>
<b>Net assets</b>	<b>(6,552)</b>	<b>(4,874)</b>

<b>AD Plastik Tisza Kft, Tiszaújváros, Hungary</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Current assets	5,037	4,823
Fixed assets	5,992	6,692
<b>Total assets</b>	<b>11,029</b>	<b>11,515</b>
Short-term liabilities	(6,512)	(5,713)
Long-term liabilities and provisions	(1,891)	(2,721)
<b>Total Liabilities</b>	<b>(8,403)</b>	<b>(8,434)</b>
<b>Net assets</b>	<b>2,626</b>	<b>3,081</b>

## 20. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (CONTINUED)

<b>ADP d.o.o, Mladenovac, Serbia</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Current assets	4,936	5,684
Fixed assets	6,673	7,343
<b>Total assets</b>	<b>11,609</b>	<b>13,027</b>
Short-term liabilities	(6,280)	(6,127)
Long-term liabilities and provisions	(7,537)	(7,547)
<b>Total Liabilities</b>	<b>(13,817)</b>	<b>(13,674)</b>
<b>Net assets</b>	<b>(2,208)</b>	<b>(647)</b>

<b>AD Plastik d.o.o., Novo Mesto, Slovenia</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Current assets	483	480
Fixed assets	-	-
<b>Total assets</b>	<b>483</b>	<b>480</b>
Short-term liabilities	(23)	(20)
Long-term liabilities and provisions	-	-
<b>Total Liabilities</b>	<b>(23)</b>	<b>(20)</b>
<b>Net assets</b>	<b>460</b>	<b>460</b>

<b>EURO Auto Plastic Systems</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Current assets	62,432	38,767
Fixed assets	19,650	19,478
<b>Total assets</b>	<b>82,082</b>	<b>58,245</b>
Short-term liabilities	(60,624)	(35,959)
Long-term liabilities and provisions	(1,193)	(1,271)
<b>Total Liabilities</b>	<b>(61,817)</b>	<b>(37,230)</b>
<b>Net assets</b>	<b>20,265</b>	<b>21,015</b>

## 21. GIVEN LONG-TERM LOANS

	31.12.2024	31.12.2023
Long-term loans to subsidiaries	16,364	18,776
Long-term receivables for interests	729	729
Impairment of given loans	(3,384)	(3,152)
	<b>13,709</b>	<b>16,353</b>

Long-term investment loans were granted to the subsidiaries with maturities from one to ten years and an interest rate of 3.25%. During the 2023 loans were granted with the interest rate of 2.40 %.

## 22. LONG-TERM RECEIVABLES

	31.12.2024	31.12.2023
ADP d.o.o., Mladenovac, Serbia	2,222	2,318
	<b>2,222</b>	<b>2,318</b>

## 23. INVENTORIES

	31.12.2024	31.12.2023
Raw material and supplies on stock	6,448	5,229
Finished products	1,818	1,870
Tools	1,103	9,337
Work in progress	1,071	1,043
Prepayments for tools	595	3,792
Merchandise on stock	259	389
	<b>11,294</b>	<b>21,660</b>

The amount of inventories recognized as an expense during the 2024 was EUR 96,344 thousand (in the 2023 the expense was EUR 77,176 thousand). The amount includes material costs, personnel costs, transportation costs, depreciation and other indirect costs of producing inventory.

Total inventory write – off was EUR 188 thousand in 2024 (in 2023 it was EUR 364 thousand). The inventories were deemed as obsolete. The inventory write – off is included in note 6 – Cost of raw material and supplies, line „Inventory shortage costs and value adjustment of inventory“.



## 24. TRADE RECEIVABLES

	31.12.2024	31.12.2023
Trade receivables (unrelated companies)	12,952	13,586
Trade receivables (intra group)	4,599	2,692
Receivables for dividends (associates)	3,470	619
Trade receivables (associates)	1,274	505
Expected credit loss	(379)	(373)
	<b>21,916</b>	<b>17,029</b>

The average credit period on sales is 65 days (2023: 78 days).

Movements in the expected credit loss can be presented as follows:

	2024	2023
<b>Balance at beginning of the year</b>	<b>373</b>	<b>169</b>
Movements based on IFRS 9 expected credit losses	8	26
Trade receivables impairment	-	178
Written off during the year	(2)	-
<b>Total expected credit loss</b>	<b>379</b>	<b>373</b>

Ageing analysis of not impaired receivables can be presented as follows:

	31.12.2024	31.12.2023
0 - 90 days past due	968	1,884
91 - 180 days past due	775	347
181 - 365 days past due	1,200	694
Over 365 days past due	983	987
Not due	17,990	13,117
	<b>21,916</b>	<b>17,029</b>

Most of the receivables past due beyond 365 days comprise amounts owed by the subsidiaries.



## 25. OTHER RECEIVABLES

	31.12.2024	31.12.2023
Receivables from the State and State institutions	1,645	2,881
Foreign prepayments made	205	941
Domestic prepayments made	117	184
Other receivables	10	86
	<b>1,977</b>	<b>4,092</b>

Amounts due from the State and State institutions comprise from these receivables:

	31.12.2024	31.12.2023
VAT refund receivables	1,560	2,810
Receivables for sick leave	79	65
Other receivables	6	6
	<b>1,645</b>	<b>2,881</b>

## 26. GIVEN SHORT-TERM LOANS

	31.12.2024	31.12.2023
Interest receivables	2,348	1,754
Receivables per short-term loans	600	600
Receivables for the short-term portion of long-term loans	319	-
	<b>3,267</b>	<b>2,354</b>

Interest receivables relate to loans given to subsidiaries.

## 27. CASH AND CASH EQUIVALENTS

	31.12.2024	31.12.2023
Current account balance	3,039	1,013
Foreign account balance	5	9
Cash in hand	3	3
<b>Cash and cash equivalents in statement of financial position</b>	<b>3,046</b>	<b>1,025</b>
Bank overdrafts	(1,001)	(608)
<b>Cash and cash equivalents in statement of cash flows</b>	<b>2,045</b>	<b>417</b>

## 28. CAPITAL

The subscribed share capital amounts to EUR 54,595 thousand and consists of 4,199,584 shares with a nominal value of EUR 13 per share (2023: EUR 54,595 thousand, 4,199,584 shares with a nominal value of EUR 13 each). All shares are ordinary shares with all associated rights, except for treasury shares. These rights include the right to vote at the General Assembly of the Company as well as the right to receive dividends.

Capital reserves are the differences between the nominal and selling values of a share.

General and legal reserves consist of legal reserves up to 5% of the amount of share capital (defined by the Croatian Company law), and of unwritten development costs. Under Croatian Accounting Law, Article 18, Paragraph 12, AD Plastik d.d. has made provisions for not written - off development costs stated in Assets. The provision was made with the transfer from Retained earnings to the position of General and legal reserves of Company's equity. Amount of provisions at least amounts capitalized development costs stated in Assets at the end of previous year.

Own treasury shares refers to treasury shares of the Company. The company owns 35,008 treasury shares on 31.12.2024. The Company owned 38,428 treasury shares on the date of 31.12.2023.

## 29. LONG-TERM AND SHORT-TERM PROVISIONS

	Short-term		Long-term	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Vacation accrual	513	517	-	-
Termination benefits	168	36	216	246
Legal cases	127	126	-	-
Jubilee awards (long-service benefits)	23	39	153	139
	<b>831</b>	<b>718</b>	<b>369</b>	<b>385</b>

Movement in provisions was as follows:

	Jubilee Awards	Retirement/ termination benefits	Legal Cases	Vacation Accrual	Risks within the warranty period	Total
<b>Balance at 1 January 2024</b>	<b>178</b>	<b>282</b>	<b>126</b>	<b>517</b>	<b>-</b>	<b>1,103</b>
Increase/(decrease) in provisions,net	(3)	103	1	(4)	-	97
<b>Balance at 31 December 2024</b>	<b>175</b>	<b>385</b>	<b>127</b>	<b>513</b>	<b>-</b>	<b>1,200</b>
<b>Balance at 1 January 2023</b>	<b>202</b>	<b>264</b>	<b>366</b>	<b>375</b>	<b>132</b>	<b>1,339</b>
Increase/(decrease) in provisions,net	(24)	18	(240)	142	(132)	(236)
<b>Balance at 31 December 2023</b>	<b>178</b>	<b>282</b>	<b>126</b>	<b>517</b>	<b>-</b>	<b>1,103</b>

Key assumptions used in calculating provisions for jubilee awards and severance pay in 2024 are the discount rate of 2.32% and the fluctuation rate of 16.59%. Discount rate of 1.85% and the fluctuation rate of 15.41% were used in

calculation of the required provisions in the year of 2023. Fluctuation rate is based on average fluctuation of employees in the last 5 years.





### 30. LONG – TERM BORROWINGS

	31.12.2024	31.12.2023
Long-term borrowings	33,234	37,307
	<b>33,234</b>	<b>37,307</b>
Current portion of long-term borrowings (Note 35)	(17,056)	(9,408)
<b>Total long-term borrowings</b>	<b>16,178</b>	<b>27,899</b>

Long-term borrowings are used to finance capital investments and development projects. Instruments of collateral provided for the long-term loans include mortgage on real estate and/or equipment and payment instruments. Majority of the long-term loans are repayable on a monthly basis.

By the 31.12.2024, the company received the bank's confirmation (regarding the long-term loan), according to which it waives the clause of maintaining the DSCR ratio and the ratio of net debt to EBITDA. Book value of the loan amounts to EUR 10,959 thousand. In the event of a breach of financial covenants, the bank has the right to cancel the loan agreement and declare it prematurely due.

In 2024, the weighted average interest rate on the long-term loans was 2.31 (in the 2023 the average interest rate on the long-term loans was 1.10 %). The Company regularly meets all its obligations arising from the loans and observes all the conditions specified in the underlying contracts.

### 31. DEFERRED REVENUE

	31.12.2024	31.12.2023
Deferred revenue	1	38
<b>Total deferred revenue</b>	<b>1</b>	<b>38</b>

Deferred revenue arose as a result of borrowing from a financial institution at an interest rate lower than the market rate.

### 32. LEASE LIABILITIES – IFRS 16

	31.12.2024	31.12.2023
Balance at 1 January	2,139	1,905
Additions	-	-
Lease modifications, net	1,041	1,249
Interest expense on lease liabilities	49	29
Principal paid	(995)	(1,015)
Interest paid	(49)	(29)
	<b>2,185</b>	<b>2,139</b>
Long-term liabilities	1,200	1,346
Short-term liabilities	985	793

### 33. ADVANCES RECEIVED

	31.12.2024	31.12.2023
Foreign customers	877	5,338
Domestic customers	1	1
	<b>878</b>	<b>5,339</b>

### 34. TRADE PAYABLES

	31.12.2024	31.12.2023
Foreign trade payables	12,123	11,097
Domestic trade payables	5,878	4,966
Accrued expenses	630	843
	<b>18,631</b>	<b>16,906</b>

The average number of days of payment to suppliers in 2024 was 69 (2023: 75 days).

### 35. SHORT – TERM BORROWINGS

	31.12.2024	31.12.2023
Current portion of long-term borrowings (Note 30)	17,056	9,408
Short-term borrowings – principal payable	7,302	7,506
Short-term borrowings – interest payable	108	139
	<b>24,466</b>	<b>17,053</b>

The short-term borrowings were used to finance development projects and for working capital purposes. Instruments of collateral provided for the short-term borrowings are payment instruments.

In 2024, the weighted average interest rate on the short-term loans was 3.91% (2.35% in 2023). The Company fulfils all its obligations under the loans regularly.

The total movement in loans (short-term and long-term) during the year can be shown as follows:

	2024	2023
<b>Balance at 1 January</b>	<b>44,952</b>	<b>36,000</b>
Borrowings raised	21,398	34,051
Change in bank overdrafts	396	606
Interest expenses	1,201	572
Interest paid	(1,233)	(463)
Principal repaid	(26,172)	(25,874)
Rest of changes	101	61
<b>Balance at 31 December</b>	<b>40,643</b>	<b>44,952</b>

### 36. OTHER CURRENT LIABILITIES

	31.12.2024	31.12.2023
Amounts due to employees	1,350	1,229
Due to the State and State institutions	1,213	583
Grant liabilities	36	101
Other current liabilities	22	22
	<b>2,622</b>	<b>1,936</b>

Grant liabilities arose as a result of borrowing from a financial institution at an interest rate lower than the market rate.



### 37. RELATED-PARTY TRANSACTIONS

Transactions with related companies were as follows:

Receivables and payables for goods and services	Receivables		Payables	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
ADP d.o.o., Mladenovac, Serbia	3,318	3,531	1,038	926
AO AD Plastik Togliatti, Russia	1,840	819	-	-
EURO APS, Romania	1,277	507	13	5
AD Plastik Tisza, Hungary	1,015	660	115	195
ZAO AD Plastik Kaluga, Russia	647	-	2	2
AD Plastik d.o.o., Slovenia	-	-	473	464
	<b>8,098</b>	<b>5,517</b>	<b>1,640</b>	<b>1,593</b>

Receivables and payables for loans and interest	Receivables		Payables	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
ZAO AD Plastik Kaluga, Russia	7,814	8,515	-	-
ADP d.o.o., Mladenovac, Serbia	7,762	7,814	-	-
AO AD Plastik Togliatti, Russia	768	1,766	-	-
AD Plastik Tisza, Hungary	633	613	-	-
Sankt-Peterburgskaya investicionaya kompaniya	-	-	1,906	2,508
	<b>16,976</b>	<b>18,707</b>	<b>1,906</b>	<b>2,508</b>

Receivables for dividends	Receivables		Payables	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
EURO Auto Plastic Systems, Romania	3,470	619	-	-
	<b>3,470</b>	<b>619</b>	<b>-</b>	<b>-</b>

During the 2024 in its financial statements Company recognized an impairment of receivables based on expected credit losses (all regarding the impairment of given loans) in the amount of EUR 232 thousand. Total amount of receivables impairment based on expected credit loss on the date of 31 December 2024 is EUR 3,384 thousand and it is related with the Companies - ADP doo Mladenovac EUR 681 thousand (2023: EUR 389 thousand) and ZAO ADP Kaluga EUR 2,703 thousand (2023: EUR 2,703 thousand). During

the 2024 in its financial statements Company recognized a impairment of long-term receivables from ADP doo Mladenovac in the amount of EUR 40 thousand (2023: 40 thousand).

Sankt-Peterburgskaya investicionnaya kompaniya is member of Group in which is also company AO Holding Autokomponenti. Company AO Holding Autokomponenti holds 30% of shares in Company AD Plastik d.d..

### 37. RELATED-PARTY TRANSACTIONS (CONTINUED)

Purchase transactions Operating income and expenses	Income		Purchases	
	2024	2023	2024	2023
ADP d.o.o., Mladenovac, Serbia	3,148	3,934	5,486	6,336
EURO Auto Plastic Systems, Romania	2,616	1,518	30	5
ZAO AD Plastik Kaluga, Russia	649	345	-	-
AO AD Plastik Togliatti, Russia	2,925	567	-	-
AD Plastik Tisza, Hungary	359	137	101	249
AD Plastik d.o.o., Novo Mesto, Slovenia	-	-	94	97
	<b>9,696</b>	<b>6,501</b>	<b>5,712</b>	<b>6,687</b>

Of the total operating income in 2024, EUR 1,878 thousand refers to profit from the sale of intangible assets (ZAO AD Plastik Kaluga EUR 641 thousand; AO AD Plastik Togliatti EUR 1,236 thousand). Of the total operating income EUR in 2023, 482 thousand refers to profit from the sale of long-term tangible

assets (ADP d.o.o. Mladenovac EUR 243 thousand; AD Plastik Tisza EUR 1 thousand, EURO Auto Plastic Systems – 238 thousand), and EUR 586 thousand to the profit of intangible assets (ZAO AD Plastik Kaluga EUR 334 thousand; AO AD Plastik Togliatti EUR 252 thousand).

Financial transactions Financial income and expenses	Income		Purchases	
	2024	2023	2024	2023
EURO Auto Plastic Systems, Romania	3,470	4,960	-	-
ZAO AD Plastik Kaluga, Russia	306	252	-	-
ADP d.o.o., Mladenovac, Serbia	241	70	-	-
AO AD Plastik Togliatti, Russia	28	40	-	-
AD Plastik Tisza, Hungary	20	14	-	-
Sankt-Peterburgskaya investicionaya kompaniya	-	-	27	30
	<b>4,065</b>	<b>5,337</b>	<b>27</b>	<b>30</b>

The total remuneration provided to the members of the Supervisory Board, President and members of Management Board and Board Assistants in 2024 amounts to EUR 636 thousand (in 2023 EUR 922 thousand).

## 38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### 38.1 GEARING RATIO

The Company's gearing ratio, expressed as the ratio of net debt to equity, is expressed as follows:

	31.12.2024	31.12.2023
Long-term borrowings (Note 30)	16,178	27,899
Short-term borrowings (Note 35)	24,466	17,053
Cash and cash equivalents (Note 27)	(3,046)	(1,025)
<b>Net debt</b>	<b>37,598</b>	<b>43,927</b>
Equity	91,545	91,115
<b>Net debt-to-equity ratio</b>	<b>41,07%</b>	<b>48,21%</b>

Equity consists of share capital, reserves, reserves for own shares, own shares, retained earnings and profit/loss for the year.

### 38.2 CATEGORIES OF FINANCIAL INSTRUMENTS

	31.12.2024	31.12.2023
<b>Financial assets</b>	<b>44,494</b>	<b>39,509</b>
Given loans and other financial assets (Notes 21, 26)	16,976	18,707
Trade receivables (Notes 24)	21,916	17,029
Non-current trade receivables (Note 22)	2,222	2,318
Cash and cash equivalents and deposits (Note 27)	3,046	1,025
Accrued income and other receivables	334	430
<b>Financial liabilities</b>	<b>62,717</b>	<b>65,110</b>
Loans and deposits received (Notes 30, 35)	40,644	44,952
Trade and other payables	19,888	18,019
Lease liabilities (Note 32)	2,185	2,139

Accrued income and other receivables includes: accrued income, other receivables less receivables from the State and advances given.

Trade and other payables includes amounts from Statement of financial position: trade payables and other current liabilities less accrued expenses, payables to the State and grants.

Probability of default: Company used latest available Moody's Annual Default Study. Marginal PD for automotive industry was used for every year. Lifetime probabilities of default are based on historical data published by Moody's rating agency for Automotive industry group. Loss given default (LGD) parameters generally reflect an assumed LGD rate of 62.33% (in 2023: 60.53%).



## 38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### 38.2 CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

The exposure to credit risk for loans given at amortized cost at the reporting date 31.12.2024 by subsidiary was as follows:

	31.12.2024	31.12.2023
ZAO AD Plastik Kaluga (Notes 21, 26)	10,516	11,217
ADP d.o.o.. Mladenovac (Notes 21, 26)	8,443	8,203
AO AD Plastik Togliatti (Notes 21, 26)	768	1,826
AD Plastik Tisza Kft (Notes 21, 26)	633	613
<b>Total</b>	<b>20,360</b>	<b>21,859</b>

Loans given to subsidiaries include interest. The amount of loans given is in the gross amount without an impairment allowance. Balance of an impairment allowance of in amount of EUR 3,384 thousand (2023: EUR 3,152 thousand) in respect of loans given is recognized in statement of financial position. Collaterals for loans given to subsidiaries are promissory notes.

### 38.3 RISK OF RELYING ON ONE CUSTOMER

Historical dependence on one customer has been reduced through diversification of the customer portfolio. However, the consolidation of manufacturers in the automotive industry limits the possibility of further diversification. Risk is managed by contracting with new customers and those with a smaller share of the company's revenues and by developing long-term relationships with multiple partners to ensure revenue stability.

### 38.4. MARKET RISK

Fluctuations in demand and changes in trends in the automotive industry, such as the transition to electric vehicles and hybrid models, can affect business. The transition to environmentally friendly technologies requires an adjustment of product and service strategies. Inflation and rising prices of key raw materials can also further threaten profitability, and the emergence of low-cost Chinese manufacturers on the European market further increases pressure on margins, but also opens up new opportunities. The company manages this risk through a focus on diversifying its product portfolio, monitoring global and regional trends, including the entry of new manufacturers into the EU market, and close cooperation with customers to adjust prices in line with market changes.



## 38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### 38.5. INTEREST RATE RISK

Rising interest rates can increase financing costs, which reduces profitability and limits the availability of capital for investments. Although interest rates began to decline in 2024 with the repayment of older loans with lower (fixed) interest rates and newer borrowings at higher interest rates, financing costs have increased. Interest rate risk is managed by negotiating more favorable borrowing terms, including variable interest rates in high-interest conditions and fixed rates in low-interest conditions, refinancing existing loan obligations in accordance with market conditions, with the aim of optimizing the cost of financing, and transferring a portion of investments in long-term project assets to the buyer.

Interest-bearing loans are contracted with variable and fixed interest rates. Loans with variable rates expose the Company to cash flow interest rate risk. As of December 31, 2024, loans contracted with variable interest rates amount to EUR 15,727 thousand (2022: EUR 15,812 thousand). Interest rates on bank loans are linked to one-month and three-month EURIBOR.

On December 31, 2024, if interest rates on loans with a variable interest rate were 1 percentage point lower/higher, assuming that other variables remain unchanged, the Company's net profit would be EUR 166 thousand lower/higher (2023: EUR 72 thousand).

### 38.6. CREDIT RISK

The risk of non-payment by customers can lead to cash flow problems and reduce the company's liquidity. AD Plastik Group cooperates with reputable customers who are financially stable companies, which minimizes the collection risk and receivables are realized within the agreed deadlines. The credit risk related to loans granted is under the control of the company, since these are loans approved to subsidiaries in which the parent company is the sole owner.

The Company manages this risk by contracting with customers with a high financial rating and by monitoring the due dates of receivables and acting promptly in case of delays.

### 38.7. FOREIGN CURRENCY RISK MANAGEMENT

Since the euro became the official currency of payment in Croatia on January 1, 2023, the significant currency risk disappeared. The most significant foreign currency exposure as of 31.12.2024 is the dividend receivable from the associated company EAPS in the amount of RON 17,251 thousand (EUR 3,470 thousand).

### 38.8. LIQUIDITY RISK MANAGEMENT

This risk represents the risk of the company not being able to convert assets into liquid assets in a short time, ie the inability to fulfill its obligations to creditors. Therefore, Company maintains optimal amounts of funds on the account with secured available credit lines.

Cash flow management is of key importance for liquidity risk management. Company, based on operational business plans, financial liabilities and investment needs, plans its future cash needs on a monthly, quarterly and annual basis. Based on that data, Company's Finance Department prepares a cash flow plan of the Company, and makes decisions on timely provision of credit lines for capital investments and project financing, as well as placing surplus funds in deposits or covering the lack of funds from short-term financing sources.

The Company issued corporate guarantees to the subsidiaries in the following amounts: EUR 7,700 thousand to banks and EUR 1,044 thousand to suppliers.

The following tables detail the Company's remaining estimated maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Company can require payment and can be required to pay.

## 38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### 38.8. LIQUIDITY RISK MANAGEMENT (CONTINUED)

2024	Weighted average interest rate	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total	Carrying amount
<b>Assets</b>								
Non-interest bearing	-	10,103	9,023	6,171	-	-	25,297	25,296
Interest bearing	4.38%	158	329	3,531	7,294	12,716	24,028	19,198
		<b>10,261</b>	<b>9,352</b>	<b>9,702</b>	<b>7,294</b>	<b>12,716</b>	<b>49,325</b>	<b>44,494</b>
<b>Liabilities</b>								
Non-interest bearing	-	12,988	5,304	603	-	-	18,895	18,895
Interest bearing	2.60%	1,185	8,138	16,874	16,937	-	43,134	41,637
Lease liability	2.00%	99	167	752	1,225	-	2,243	2,185
		<b>14,272</b>	<b>13,609</b>	<b>18,229</b>	<b>18,162</b>	<b>-</b>	<b>64,272</b>	<b>62,717</b>
<b>2023</b>								
2023	Weighted average interest rate	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total	Carrying amount
<b>Assets</b>								
Non-interest bearing	-	7,345	7,560	3,578	-	-	18,483	18,483
Interest bearing	3.25%	52	100	2,832	9,877	12,008	24,869	21,026
		<b>7,397</b>	<b>7,660</b>	<b>6,410</b>	<b>9,877</b>	<b>12,008</b>	<b>43,352</b>	<b>39,509</b>
<b>Liabilities</b>								
Non-interest bearing	-	10,714	6,612	693	-	-	18,019	18,019
Interest bearing	1.32%	898	1,676	15,544	28,688	771	47,577	44,952
Lease liability	2.00%	88	153	585	1,379	-	2,206	2,139
		<b>11,700</b>	<b>8,441</b>	<b>16,822</b>	<b>30,067</b>	<b>771</b>	<b>67,801</b>	<b>65,110</b>

As of 31 December 2024, the Company had a total of EUR 41,637 thousand in interest bearing liabilities and EUR 18,895 thousand in non-interest bearing liabilities. As of 31 December 2023, the Company had EUR 44,952 thousand in

interest bearing liabilities and EUR 18,019 thousand in non-interest-bearing liabilities. In 2024, lease liabilities amounted to EUR 2,185 thousand.



## 38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### 38.9 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments held to maturity in the ordinary course of business are carried at the lower of cost and net amount less repaid portion. Fair value is the price that would be generated from the sales of some item of an asset or paid for transferring some liability in a fair transaction between market participants at the measurement date, regardless of whether it would be directly visible or evaluated by applying some other valuation technique. At 31 December 2024, the carrying amounts of cash, receivables, short-term liabilities, accrued expenses, short-term borrowings and other financial instruments match their fair values.

## 39. EVENTS AFTER THE REPORTING PERIOD

After 31 December 2024, there were no events that would have a significant impact on the financial statements for the year 2024, respectively they are not of such significance to the Company to require disclosure in the notes to the financial statements. Information on the rescheduling of the Company's credit obligations in 2025 is presented in Note 3. Critical accounting judgments and key sources of estimation uncertainty. The Company's management has considered the effects of the introduction of American tariffs on European car manufacturers and does not expect them to have significant effects on business. Main reason for it comes from the fact that direct exposure to USA market is insignificant for the Company, while most of the vehicles for which Company supplies are predominantly produced for European market. The same situation is with all significant recently won nominations.

## 40. CONTINGENT LIABILITIES

Based on the Management's estimate, the Company had no material contingent liabilities at 31 December 2024 which would require to be disclosed in the notes to the financial statements. The Company had no capital expenditure commitments contracted at 31 December 2024 which would require to be disclosed in the notes to the financial statements. As at 31 December 2024 and 2023 there were no material legal actions outstanding against the Company with an expected negative outcome other than those reflected in these separate financial statements.

## 41. APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

These separate financial statements were approved by the Management Board of AD Plastik d.d. and authorised for issue on 24 April 2025.

For AD Plastik d.d., Solin by:

**Marinko Došen**  
President of the  
Management Board



**Mladen Peroš**  
Member of the  
Management Board

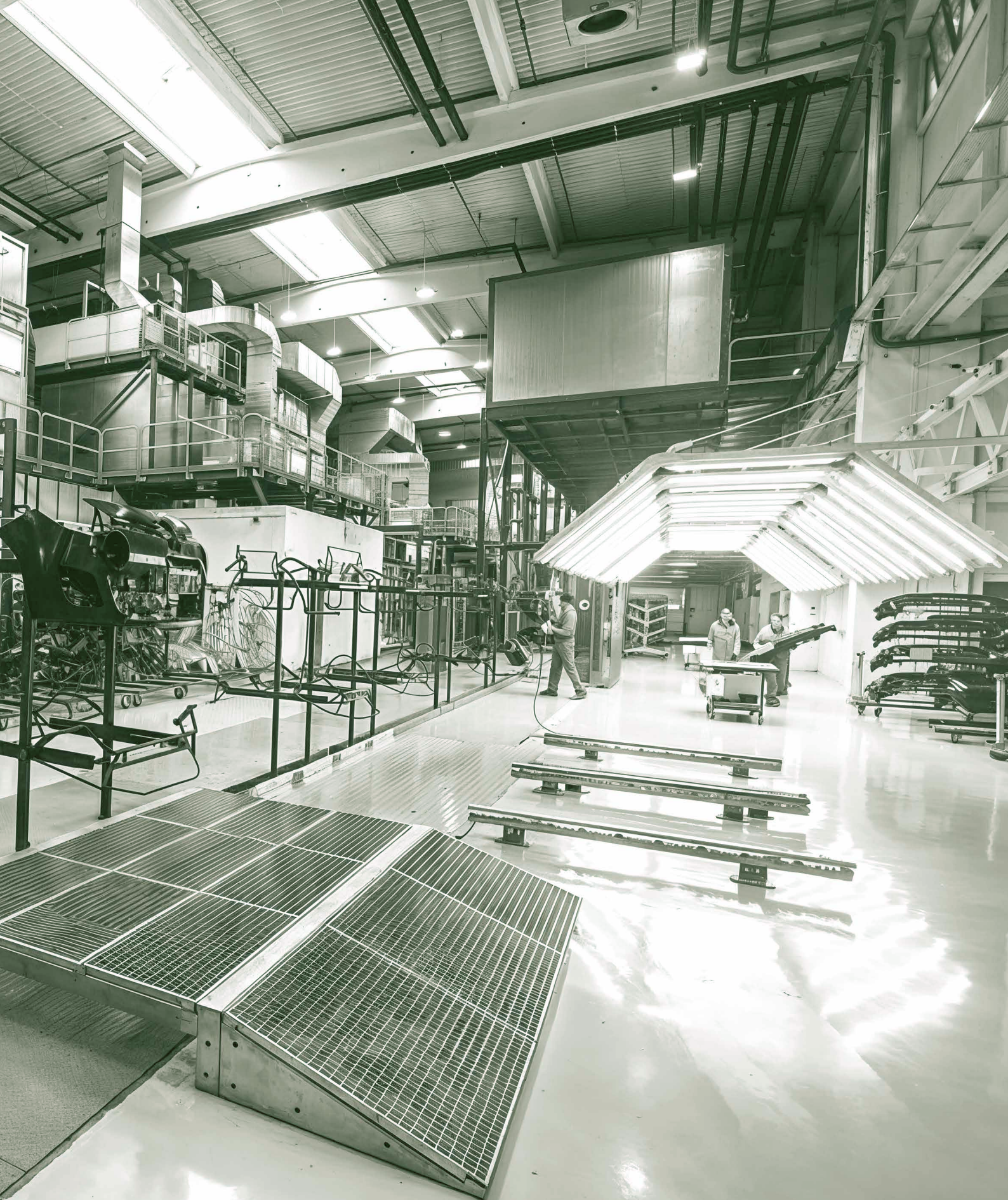


**Josip Divić**  
Member of the  
Management Board



24 April 2025







 *AD Plastik*