

REPORT
ACCORDING TO ASF REGULATION NO.5/2018

Report date: 30.09.2022

SC ARTEGO S.A. TG JIU

Registered office: Ciocarlau Street no. 38, Tg-Jiu

Phone number: 0253/226066, fax: 0253/226066

Unique registration code at the Trade Registry Office: 2157428

Order number at the Trade Register: J 18/1120/1991

Subscribed and paid-up capital: 20,286,865 lei

**The regulated market on which the issued securities are traded: BVB
Bucharest**

ECONOMIC AND FINANCIAL SITUATION
1.a. ANALYSIS BASED ON BALANCE ELEMENTS

Name of indicators	<u>31.12.2021</u>	<u>30.09.2022</u>
ASSETS		
Fixed assets	38.666.360	36.958.687
<i>Tangible assets</i>	29.892.443	29.363.091
<i>Intangible assets</i>	8.773.917	7.595.596
<i>Financial assets</i>		
Current assets	98.634.203	109.743.046
<i>Stocks</i>	56.523.078	68.254.365
<i>Commercial receivables</i>	40.741.933	40.869.008
<i>Financial assets of which</i>	14.397	14.397
<i>available for sale</i>	14.397	14.397
<i>Cash and cash equivalents</i>	1.053.305	296.618
<i>Prepayments</i>	301.490	308.658
TOTAL ASSETS	137.300.563	146.701.733
OWN CAPITAL AND LIABILITIES		
Own capitals		
<i>Subscribed and paid-up share capital</i>	20.286.865	20.286.865
<i>Other equity items</i>	711.761	673.623
<i>Reserves from reevaluation</i>	28.410.212	28.135.502
<i>Legal reserves</i>	4.478.083	4.057.373
<i>Other reserves</i>	25.520.521	26.051.332
<i>Social Capital Adjustment</i>	89.052.449	89.052.449
<i>Own actions</i>	-	-
<i>Retained earnings (without IAS 29)</i>	-3.237.810	2.314.016
<i>Retained earnings (with IAS 29)</i>	-89.052.449	-89.052.449
<i>Current profit</i>	12.050.173	9.460.337
<i>Profit Distribution</i>	-683.685	-
<i>Total equity</i>	87.536.120	90.979.048
Long-term debt		
<i>Investment grants</i>	8.924	2.490
<i>Other long-term debts</i>	7.777	7.827
<i>Long-term provisions</i>		
Total long-term debts	16.701	10.317
Current debts		
<i>Investment grants</i>	9.801	8.857
<i>Commercial and other debts</i>	15.740.147	11.225.116
<i>Short-term loans</i>	25.869.952	35.972.333
<i>Tax and current tax liabilities</i>	8.127.842	8.506.062
<i>Short-term provisions</i>		
Total current liabilities	49.747.742	55.712.368
Total debts	49.764.443	55.722.685
TOTAL PASSIVE	137.300.563	146.701.733

The decrease in the net value of tangible assets is due to the depreciation of existing fixed assets.

The effects of the difficult situation and the financial blockade in which the economy finds itself keep the company in the impossibility of reducing the receivables and implicitly the debts that it has to collect, respectively to pay.

A detailed comparative situation of the company's debts is presented as follows:

ElementS	30 sept.2021	30 sept. 2022
1. State budget	1.163.068	1.022.035
- tax on profit	844.745	506.140
- tax on dividends	-	-
- tax on salaries	244.136	255.882
- the insurance contribution for work	74.187	77.196
- VAT on payment	-	182.817
2. Special fund budgets	375.802	352.627
- CASS	327.886	341.598
- average fund	8.471	2.333
- solidarity fund for people with disabilities	39.445	8.696
3. Social insurance budgets	844.228	872.455
- CAS	844.228	872.455
- 0,5% unemployment	-	-
- 0,75% unemployment	-	-
- 0,214% accidents fund	-	-
4. Other taxes, fees, payments	-	-

1.b. PROFIT AND LOSS ACCOUNT at 30 september 2022

- lei-

Crt. No.	NAME OF INDICATORS	30.09.2021	30.09.2022
1.	Net turnover of which	121.764.409	139.209.549
	Revenues from the sold production	120.008.141	138.027.459
	Revenues from the sale of goods	1.902.279	1.387.433
	Commercial discounts granted	146.011	205.343
2.	Revenues from stored production	9.341.923	16.850.681
3.	Revenues from the production of fixed assets	523.283	659.501
4.	Revenues from fixed assets intended for sale	113.634	-
5.	Revenues from operating grants	1.986.148	2.710.293
6.	Other revenues from exploitation	701.504	438.004
I.	OPERATING INCOME	134.430.901	159.868.028
7.	Expenditure on goods	1.806.629	1.220.682
8.	Material expenses	76.013.630	101.117.606
9.	Expenditure on works and services performed by third parties	5.019.130	5.026.545
10.	Expenses with taxes and fees	1.081.601	867.670
11.	Staff costs	36.915.091	35.857.939
12.	Other operating expenses	672.297	537.096

13.	Expenses with depreciation and provisions	3.160.006	3.081.662
14.	Value adjustments for current assets	-	-
II.	EXPENSES FOR EXPLOITATION	124.668.384	147.709.200
A.	RESULT FROM EXPLOITATION		
	- PROFIT	9.762.517	12.158.828
	- LOSS		
III.	FINANCIAL REVENUES	363.283	714.801
IV.	FINANCIAL EXPENSES	725.917	1.947.368
B.	FINANCIAL RESULT	(362.634)	(1.232.567)
V.	EXCEPTIONAL REVENUES		
VI.	EXCEPTIONAL EXPENSES		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL REVENUES	134.794.184	160.582.829
VIII	TOTAL EXPENSES	125.394.301	149.656.568
D.	GROSS RESULT		
	- PROFIT	9.399.883	10.926.261
	- LOSS		
	TAX	1.394.884	1.504.062
E	REVENUES FROM BENEFIT FROM PROFIT	41.628	38.138
F.	NET RESULT		
	- PROFIT	8.046.627	9.460.337
	- LOSS		
G.	Number of shares	8.114.746	8.114.746
H.	Output per share	0.992	1,166

The economic, financial and market activity of S.C. ARTEGO S.A.

In accordance with Emergency Ordinance no. 132/2020 with subsequent amendments and additions, the Company reduced the working time of employees by a maximum of 80% of the duration stipulated in the individual employment contract and requested from AJOFM Gorj the allowances provided by this ordinance in the amount of 151,523 lei for the month of February 2022, the amount of 1,446,607 lei for the month of May 2022, the amount of 183,228 lei for the month of July 2022, the amount of 355,628 lei for the month of August 2022 and the amount of 573,307 lei for the month of September 2022. The company collected from AJOFM Gorj the amount of 2,136,986 lei.

The situation generated by the armed conflict in Ukraine led to the establishment by the international community of economic sanctions and financial restrictions regarding economic relations with the Russian Federation and Belarus. As such, there were effects regarding the import and export of products from and to Ukraine, the Russian Federation and Belarus, our society being affected both directly and indirectly by this situation.

An important consequence, besides the delay and/or impossibility of supplying raw materials from the above-mentioned countries, is the uncontrolled increase in the prices of natural gas and electricity, which leads to major difficulties in the production and sale of manufactured bridges.

For our Company, the effects of the economic crisis can be felt most easily through a depreciation of the national currency in relation to the currencies with which we work, through delays in the supply of raw materials, in the production, delivery and transportation of products.

The lack of the possibility of making coherent and correct predictions led to the maintenance of the volatility of the Romanian business climate, the main commercial organizations in the steel, oil, energy fields continuing to emphasize cost reduction and implicitly the development of procurement activities characterized by the pursuit of obtaining purchase prices the lowest.

Under these conditions, the stages involved in the renegotiation of commercial contracts with some companies in the mentioned fields were difficult and lasted much longer than the initial estimated time, which left its mark on the decrease in the volume of orders for specific products and implicitly on the level of sales.

In another vein, the turbulences of the economic environment also adversely affect the possibilities of making payments by customers, there are long delays in the payment terms corresponding to the deliveries made, which leads to the negative impact of cash flows and the possibilities of making payments to suppliers on time.

For the next period, the evolution on the market will be influenced by the impact, on which the measures that will be taken at the macro-economic level (the increase in natural gas prices, the evolution of fuel prices, the evolution of the leu/euro exchange rate, the development and/or conclusion of the processes of privatization in the fields of rail and air transport, the expected organizational developments in the energy field, the insolvency status of some organizations in the energy and petrochemical fields) will have an effect on the dynamics of acquisitions, investments, modernizations, and maintenance.

Therefore, taking into account all these aspects, if the general evolution of the Romanian economy is relatively stable, it is possible to maintain, in the short and medium term, the existing situation, from the point of view of the level of sales and productive activity, continuing, on the other hand, to make efforts to ensure cash flows that allow the honoring of debts to employees, the state and suppliers. At the same time, action will be taken to identify all possibilities to reduce as much as possible the difference between income and expenses and for an appropriate reaction to the influence of all these factors that have the potential to impact the way of evolution on the market and the performance of SC ARTEGO SA.

We mention the fact that the financial statements drawn up on 30.09.2022 have not been audited/reviewed.

SITUATION OF TREASURY FLOWS AT 30 SEPTEMBER 2022

- lei -

INDICATORS LEI (RON)	ACCOMPLI SHED 2021	ACCOMPLI SHED 30.09.2022
A. LIQUIDITY AT THE BEGINNING OF THE PERIOD	1.799.336	1.053.305
In accounts	1.537.545	996.941
House	2.865	24.174
Other values	258.576	31.781
Cash advances	-	-
Receivables	350	409
PROCEEDS FROM OPERATING ACTIVITY	211.387.089	179.500.887
Customer collections	171.867.465	150.959.195
Other receipts	39.519.624	28.541.692
PAYMENTS FOR OPERATING ACTIVITY	211.811.176	179.230.823
Pay suppliers	115.490.758	117.815.744

Pay for staff pay	45.017.489	29.319.779
Payments regarding taxes and duties	22.428.485	16.952.815
Tax profit	1.730.551	1.509.864
Interest payments	638.672	1.061.192
Other payments	26.505.221	12.571.429
CASH FLOW FROM OPERATING ACTIVITIES	-424.087	270.064
PROCEEDS FROM INVESTMENT ACTIVITY	621.211	256.075
Proceeds from the sale of land, fixed assets and intangible assets	621.211	256.075
Proceeds from the sale of equity and debt instruments of other companies	-	-
Proceeds from repayment of advances and loans to other parties	-	-
PAYMENTS FROM THE INVESTMENT ACTIVITY	943.155	1.282.826
Payments for the acquisition of land, fixed assets and intangible assets	943.155	1.282.826
Receipts for the acquisition of equity and debt instruments of other companies	-	-
Advances and loans made to other parties	-	-
CASH FLOW FROM INVESTMENT ACTIVITIES	-321.944	-1.026.751
PROCEEDS FROM THE FINANCING ACTIVITY	-	-
PAYMENTS FOR THE FINANCING ACTIVITY	-	-
CASH FLOW FROM FINANCING ACTIVITY	-	-
CASH FLOW - TOTAL	-746.031	-756.687
B. LIQUIDITIES AT THE END OF THE PERIOD	1.053.305	296.618
In accounts	996.941	253.935
House	24.174	9.290
Other values	31.781	9.657
Cash advances	-	17.908
Receivables	409	5.828

2. ANALYSIS OF THE COMMERCIAL COMPANY'S ACTIVITY

2.1. Liquidity indicators

- % -

Crt. No..	Naming of the indicators	Calculation formula	30.09.2021	30.09.2022
1.	Current patrimonial liquidity	[Active circ / DTS]	2,09	1,96
2.	Active liquidity (fast)	[Active circ.-Stocks] / DTS	93,49%	73,93%
3.	Rotation rate of fixed assets	Turnover / Fixed Assets	3,09	3,77

4.	Rotation speed of Total assets	Turnover / Total Assets	0,98	0,95
5.	Interest Coverage Indicator	Profit before interest payment and profit tax / Chelt.	23,21	11,30
6.	Return on Employee Capital	Profit before interest payments and profit tax / Employee Capital	0,117	0,132
7.	Gross Sales Margin	Gross Profit from Sales / Turnover	8,02%	8,73%

2.2 Capital expenditure

Due to the economic situation, both at the level of the company and at the macroeconomic level, the investments in the analyzed period stagnated, the cash outflows being intended to pay the debts accumulated in the previous period.

2.3. The structure of the income from the basic activity is presented in the following:

Operating income

- lei-

Elements	30 september 2021	30 september 2022
Production sold	120.008.141	138.027.459
Income from sale of goods	1.902.279	1.387.433
Commercial discounts granted	146.011	205.343
Revenues related to the costs of product stocks	9.341.923	16.850.681
Income from the production of fixed assets	523.283	659.501
Income from fixed assets intended for sale	113.634	-
Income from operating subsidies	1.986.148	2.710.293
Other operating revenues	701.504	438.004
Total operating income	134.430.901	159.868.028

In the following period, in the short and medium term, taking into account the difficulty of predictability of the evolution of the Romanian economy, but at the same time counting on its possible stability, it can be estimated for S.C. ARTEGO SA. a constant trend of the existing situation, as well as productive activity and sales level.

3. CHANGES AFFECTING THE SHARE CAPITAL AND ADMINISTRATION OF THE COMMERCIAL COMPANY

3.1. . During the analyzed period of time, there were no recorded cases in which the company could not honor its obligations to third parties, even if in some situations the payments were made late.

3.2. During the analyzed time period, there were changes regarding the rights of the holders of securities issued by the commercial company. Thus, the shareholding structure on September 30, 2022 is as follows:

Shareholders	Nominal value per share	Number of shares held	Total value	% of share capital
PAS ARTEGO EMPLOYEES ASSOCIATION	2,50	6.968.820	17.422.050,00	85,8785%
Shareholders of legal entities	2,50	35.414	88.535,00	0,4364%
Individual shareholders	2,50	1.110.510	2.776.275,00	13,6851%
ROMANIAN STATE BY THE AUTHORITY FOR THE ADMINISTRATION OF THE ASSETS OF THE STATE OF BUCHAREST	2,50	2	5	0,0000%
TOTAL	2,50	8.114.746	20.286.865,00	100,000%

4 SIGNIFICANT TRANSACTIONS

It's not necessary

ECONOMIC-FINANCIAL INDICATORS

Name of the indicator	Calculation method	Result
1. Current liquidity indicator	Current assets / current liabilities	146.701.733/55.712.368=2.63
2. The degree of indebtedness indicator	Borrowed capital / equity x 100 Borrowed capital / committed capital x 100	No loans are contracted in one year
3. Flow rotation speed - customers	Average customer balance / turnover x 270	29.817.282/139.209.549*270=57.83
4. Rotation speed of fixed assets	Turnover / fixed assets	139.209.549/36.958.687=3.76

1.It offers the guarantee of covering the current debts from the current assets.

2. Expresses the effectiveness of credit risk management, indicating potential financing problems, liquidity, with influences in honoring the commitments assumed.

Borrowed capital = loans over 1 year

Employee capital = borrowed capital + equity

3. Express the effectiveness of the company in collecting its receivables, respectively the number of days until the date on which the debtors pay their debts to the company.
4. . Express the effectiveness of the management of fixed assets, by examining the turnover generated by a certain amount of fixed assets.

**SITUATION OF THE GLOBAL RESULT
at 30 september 2022**

- lei-

Crt. No.	NAME OF INDICATORS	30.09.2021	30.09.2022
1.	Net turnover of which	121.764.409	139.209.549
	Revenues from the sold production	120.008.141	138.027.459
	Revenues from the sale of goods	1.902.279	1.387.433
	Commercial discounts granted	146.011	205.343
2.	Revenues from stored production	9.341.923	16.850.681
3.	Revenues from the production of fixed assets	523.283	659.501
4.	Revenues from fixed assets intended for sale	113.634	-
5.	Revenues from operating grants	1.986.148	2.710.293
6.	Other revenues from exploitation	701.504	438.004
I.	REVENUES FROM EXPLOITATION	134.430.901	159.868.028
7.	Expenditure on goods	1.806.629	1.220.682
8.	Material expenses	76.013.630	101.117.606
9.	Expenditure on works and services performed by third parties	5.019.130	5.026.545
10.	Expenses with taxes and fees	1.081.601	867.670
11.	Staff costs	36.915.091	35.857.939
12.	Other operating expenses	672.297	537.096
13.	Expenses with depreciation and provisions	3.160.006	3.081.662
14.	Value adjustments for current assets	-	-
II.	RESULT FROM EXPLOITATION	124.668.384	147.709.200
A.	- PROFIT		
	- LOSS	9.762.517	12.158.828
	FINANCIAL REVENUES		
III.	FINANCIAL EXPENSES	363.283	714.801
IV.	RESULT FROM EXPLOITATION	725.917	1.947.368
B.	FINANCIAL RESULT	-362.634	-1.232.567
V.	EXCEPTIONAL REVENUES		
VI.	EXCEPTIONAL EXPENSES		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL REVENUES	134.794.184	160.582.829
VIII	TOTAL EXPENSES	125.394.301	149.656.568
D.	GROSS RESULT		
	- PROFIT	9.399.883	10.926.261
	- LOSS		
	TAX	1.394.884	1.504.062
E	REVENUES FROM BENEFIT FROM PROFIT	41.628	38.138
F.	NET RESULT		
	- PROFIT	8.046.627	9.460.337
	- LOSS		
G.	NET RESULT	8.114.746	8.114.746
H.	- PROFIT	0,992	1,166

Statement

In accordance with the provisions of art.223, point B, para. (1), letter c) of Regulation no.5 / 2018 regarding issuers and operations with securities, we declare , to our knowledge, the financial statements as of september 30, 2022 provide a fair and realistic picture of the assets, obligations, financial position and profit and loss account. Also, The report of the Board of Directors prepared in accordance with the provisions of annex no.14 presents the company information correctly and completely.

Notes to the financial statements

For the financial year ended at 30 september 2022

1. The reporting entity

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

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

According to the statute, the main activity of the company has the CAEN code 2219 - "Manufacture of other rubber products".

The record of the shares and the shareholders is kept under the conditions of the law by the Central Depository.

2. Basics of drawing up

(a) Declaration of conformity

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

The company applies the International Financial Reporting Standards as approved by the European Union when preparing the separate financial statements concluded on September 30, 2022 in accordance with OMF no. 881/2012.

This order specifies that starting with the 2012 financial year, the annual financial statements will be drawn up in accordance with SIRF, this order being applicable to commercial companies whose securities are admitted to trading on a regulated market.

The Company's accounting records are maintained in lei, in accordance with the Romanian Accounting Regulations ("RCR"). These accounts have been restated to reflect the differences between the accounts according to RCR and those according to IFRS. Accordingly, the accounts according to RCR have been adjusted, if necessary, to harmonize these separate financial statements, in all significant aspects , with IFRS.

(b) Presentation of financial statements

The separate financial statements are presented in accordance with the requirements of IAS 1 "Presentation of financial statements"..

(c) Basis of evaluation

The separate financial statements are drawn up at historical cost, with the exception of certain classes of tangible assets that are revalued.

The share capital is adjusted according to the International Accounting Standard ("SIC") 29 ("Financial reporting in hyperinflationary economies") until December 31, 2003.

The management considers that the Company will carry out its activity in the foreseeable future and, consequently, the application of the principle of continuity of activity in the preparation of the financial statements is considered adequate. The separate financial statements are presented in accordance with the requirements of IAS 1 "Presentation of financial statements". The company adopted a presentation based on liquidity in the balance sheet and a presentation of income and expenses according to their nature in the profit and loss account, considering that these presentation methods provide information that is credible and more relevant than those that would have been presented.

(d) Functional and presentation currency

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

(e) Use of estimates and judgments

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

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

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

3. Significant accounting policies

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

(a) Subsidiaries and associated entities

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

The company does not own any associated companies.

(b) Transactions in foreign currency

Operations expressed in foreign currency are recorded in lei at the official exchange rate from the date of settlement of the transactions. The monetary assets and liabilities recorded in foreign currency on the date of preparation of the balance sheet are converted into the functional currency at the exchange rate of the respective day. The gains or losses from their settlement and from the conversion using the exchange rate at the end of the month or at the end of the financial year of the assets and liabilities monetary items denominated in foreign currency are recognized in the profit and loss account.

c) Financial Instruments

Financial risk management

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

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

Interest rate risk

The operational cash flows of the Company are affected by interest rate variations, mainly due to the foreign currency loans contracted from the financing banks.

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

Currency risk

The company can be exposed to exchange rate fluctuations through cash and cash equivalents, receivables or commercial debts expressed in foreign currency.

The currency used on the domestic market is the Romanian leu. The company is exposed to currency risk for cash and cash equivalents from purchases and loans made in a currency other than the one used on the domestic market. The currencies that expose the Company to this risk are, mainly, EUR, USD and GBP. Foreign currency loans are subsequently expressed in lei, at the exchange rate of the last banking day of each month, communicated by the National Bank of Romania. The resulting differences are included in the profit and loss account.

Credit risk

Credit risk is the risk that the Company will incur a financial loss as a result of non-fulfillment of contractual obligations by a customer or counterparty to a financial instrument, and this risk results mainly from trade receivables and cash and cash equivalents.

On September 30, 2022, the Company holds cash and cash equivalents in the amount of 296,618 lei. Cash and cash equivalents are held at the following banks: Unicredit Tiriac, Intesa, ING Bank, Credit Europe, BRD.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in fulfilling the obligations associated with financial debts that are settled in cash or through the transfer of another financial asset.

A prudent liquidity risk management policy implies maintaining sufficient cash and cash equivalents, the availability of financing through appropriate credit facilities. The Company's liquidity policy is to maintain sufficient liquid resources to be able to honor obligations as they come due.

Fair value of financial instruments

The fair value is the value at which the financial instrument can be exchanged in ordinary transactions, other than those determined by liquidation or forced sale. Fair values are obtained from quoted market prices or cash flow models as appropriate. On September 30, 2022, cash and other assets, customers and assimilated accounts, trade payables as well as other debts are approaching their real value due to their short maturity. The management considers that the estimated value of these instruments is close to their accounting value.

Capital risk management

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

Accounting for the effect of hyperinflation

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

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

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

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

In order to prepare the separate financial statements on December 31, 2012, the Company adjusted the share capital (non-monetary element) to be expressed in the current unit of measure on December 31, 2003.

Tangible assets

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

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

The valuation of tangible assets at the balance sheet date is carried out at cost, less amortization and accumulated depreciation adjustments, or at the revalued value, this being the fair value at the revaluation date, less any subsequent accumulated depreciation and any subsequent accumulated depreciation losses.

The amortization periods are as follows:

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

Intangible assets

An intangible asset is an identifiable, non-monetary asset without material support and held for use in the production or provision of goods or services, to be leased to third parties or for administrative purposes.

An intangible asset meets the criterion of being identifiable when:

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

Intangible assets purchased by the Company are shown at cost less accumulated depreciation and the provision for depreciation of intangible assets. Depreciation is recognized in the profit and loss account based on the straight-line method over the estimated life of the intangible assets.

Receivables

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

Stocks

Stocks are made up of:

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

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

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

Cash availability

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

Reserves from revaluation

After recognition as assets, an item of tangible fixed assets whose fair value can be reliably assessed is accounted for at a revalued value, this being its fair value at the date of the revaluation minus any subsequently accumulated depreciation and any accumulated impairment losses. Revaluations must be done with sufficient regularity to ensure that the accounting value does not differ significantly from what would have been determined by using the fair value at the balance sheet date.

If the accounting value of an asset is increased as a result of a revaluation, this increase must be recorded directly in the equity in the element "Reserves from revaluation". However, the increase is recognized in profit or loss to the extent that it compensates for a decrease from the revaluation of the same asset previously recognized in profit or loss.

If the accounting value of an asset is reduced as a result of a revaluation, this reduction is recognized in profit or loss. However, the decrease must be debited directly from equity in the element "Reserves from revaluation" to the extent that there is a credit balance in the revaluation surplus for this asset

The surplus from the revaluation included in the equity related to an element of tangible assets is transferred directly to the retained earnings according to the depreciation of the revalued tangible assets and when the asset is recognisable.

Starting with May 1, 2009, the statutory reserves from the revaluation of fixed assets, including land, carried out after January 1, 2004, which are deducted in the calculation of taxable profit by means of fiscal depreciation or expenses regarding the assets transferred and/or scrapped, are taxed simultaneously with the deduction of the fiscal depreciation, respectively at the time of deducting from the management of these fixed assets.

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

The reserves made are taxed in the future, in the event of a change in the destination of the reserves in any form, in the case of liquidation, merger, including when it is used to cover accounting losses, with the exception of the transfer after May 1, 2009, of reserves related to assessments made after January 1, 2004, which are taxed simultaneously with the deduction of tax depreciation.

Social capital

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

Dividends

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

Suppliers and assimilated accounts

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

Loans

Loans are initially recognized at fair value, without transaction costs. After the initial recognition, loans are recorded at amortized costs, any difference between the cost and the repayment value being recognized in the profit and loss account for the period of the loan.

Profit tax

Income tax expense includes current tax and deferred tax. Current tax and deferred tax are recognized in the profit and loss account, except in the case where they are recognized directly in equity or in other elements of the overall result.

Current tax

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

Deferred tax

The deferred tax is recognized for the temporary differences that appear between the accounting value of the assets and liabilities used for the purpose of financial reporting and the fiscal base used for the tax calculation.

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

Employee Benefits

Short-term employee benefits

Obligations regarding short-term benefits are evaluated without being discounted and are recognized as expenses as the services are rendered. A provision is recognized at the estimated amount to be paid for short-term benefits in the form of premiums or employee profit sharing, only if the Company has a present, legal or implicit obligation to pay this amount for past services rendered by employees, and this obligation can be estimated at fair value. Short-term employee benefits are mainly represented by salaries.

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

Financing costs

The company does not capitalize the costs of the loans because it has no contracted long-term loans.

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

Grants

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

Provisions

A provision is recognized when, and only when, the following conditions are met: The Company has a current obligation (legal and implicit) as a result of a past event, it is probable (that is, more likely than improbable) that an outflow of resources representing economic benefits to be necessary for the settlement of the obligation; when a correct estimate can be made regarding the amount of the obligation.

The result per action

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

The weighted average of the shares in circulation during the exercise represents the number of shares from the beginning of the period, adjusted by the number of shares issued, multiplied by the number of months in which the shares were in circulation during the exercise.

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

Quotas

Contingent liabilities are not recognized in the attached financial statements. They are presented in case the outflow of resources incorporating economic benefits becomes possible and not probable.

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

Segment reporting

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

The company carries out its operations in a single location in Romania. The management of the Company considers the operations in their entirety as "a single segment".

The operational segments are examined in a consistent manner by the main operational decision-making factor of the entity in order to make decisions regarding the allocation of resources to the segments and the evaluation of its performance, and for which distinct financial information is available.

An entity must report revenues from external customers for each product and service or for similar products or services, unless the necessary information is not available and the cost of their preparation would be excessive, in which case this fact must be presented. Values of revenues reported must take into account the financial information used to prepare the entity's financial statements.

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

The new standards and interpretations as approved by the European Union

Name of the asset	Gross amount				Value adjustments (depreciation and adjustments for depreciation or loss of value)			
	Balance at 1st January 2022	increasing	Assignments, transfers and other discounts	Balance at September 30th 2022	Balance at 1st January 2022	Adjustments recorded during the exercise	Discounts or reruns	Balance at September 30th 2022
0	1	2	3	4=1+2-3	5	6	7	8=5+6-7
A. FIXED ASSETS								
I INTANGIBLE ASSETS								
1. Establishment costs	-	-	--	-	-	-	-	-
2. Development costs	4.112.519	-	-	4.112.519	4.112.519	-	-	4.112.519
3. Concessions, patents, licenses and other assets	28.343.094	80.000	-	28.423.094	19.569.177	1.258.321	-	20.827.498
4. Goodwill	-	-	-	-	-	-	-	-
5. Advances and intangible assets in progress	-	-	-	-	-	-	-	-
TOTAL:	32.455.613	80.000	-	32.535.613	23.681.696	1.258.321	-	24.940.017
I. I. TANGIBLE ASSETS								
1. Lands	12.775.919	-	633	12.775.286	133.421	-	-	133.421
2. Constructions	43.600.950	120.000	247.878	43.473.072	31.941.325	806.167	230.272	32.517.220
3. Technological equipments	44.844.656	812.766	770.687	44.886.735	41.248.674	546.214	770.687	41.024.201
4. Measuring, control and regulating machines and installations	2.271.191	89.760	9.610	2.351.341	2.092.054	57.465	9.610	2.139.909
5. Transport means	7.008.235	218.141	263.967	6.962.409	5.509.739	391.822	263.967	5.637.594
6. Furniture, equipment, office and other tangible assets	579.374	24.968	7.787	596.555	464.896	21.672	7.787	478.781
7. Advances and tangible assets in progress	202.227	708.779	662.187	248.819	-	-	-	-
TOTAL:	111.282.552	1.974.414	1.962.749	111.294.217	81.390.109	1.823.340	1.282.323	81.931.126
II. II. FINANCIAL ASSETS								
1. Participation titles held in the companies within the group	-							
2. Claims on companies within the group	-				-			
3. Securities in the form of participating interests	-				-			
4. Receivables from participation interests	-				-			
5. Titles held as fixed assets	-				-			
6. Other claims	-				-			
7. Own actions	-				-			
TOTAL:	-				-			
FIXED ASSETS – TOTAL	143.738.165	2.054.414	1.962.749	143.829.830	105.071.805	3.081.661	1.282.323	106.871.143

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

The new standards that are not yet applicable on September 30, 2022

International Accounting Standard (SIC) 19 (2011) Employee benefits (effective for periods beginning on or after January 1, 2013).

This amendment is not relevant for the financial statements of the company, since the current policy of the Company is to immediately recognize gains and losses in the profit and loss account.

Fixed Assets as of September 30, 2022

Stocks

On September 30, 2022, compared to December 31, 2021, the stocks are presented as follows:

Elements	31 dec 2021	30 sept. 2022
1. Raw materials and consumables	37.303.806	37.497.118
2. Fixed assets held for sale	50.289	50.289
3. Production under execution	81.319	87.519
4. Finished goods and commodities	13.995.741	21.544.134
5. Advances	5.091.923	9.075.305
TOTAL	56.523.078	68.254.365

Customers and assimilated accounts

On September 30, 2022, compared to December 31, 2021, customers and assimilated accounts are presented as follows:

Elements	31 dec. 2021	30 sept. 2022
1. Commercial debts	39.920.685	34.848.198
2. Advances paid	76.416	1.943.248

3. Other claims	744.832	4.077.562
TOTAL	40.741.933	40.869.008

In the period 01.01.2022-30.09.2022 the Company registered exports as follows:

EURO

ENGLAND	2.391.603,37
AUSTRIA	146.856,00
BELGIUM	70.006,74
BOSNIA	83.231,60
BULGARIA	107.852,80
CZECH REPUBLIC	4.560,64
SWITZERLAND	15.383,36
ESTONIA	14.580,00
FINLAND	704.393,20
FRANCE	762.779,83
GERMANY	6.057.339,80
GREECE	1.360,00
ITALY	569.022,44
LITHUANIA	4.020,61
NETHERLANDS	2.324.450,86
POLAND	22.466,50
BONDAGE	310.104,92
SLOVAKIA	78.516,31
SPAIN	4.361.074,20
TURKEY	6.800,00
UKRAINE	39.040,75
HUNGARY	150.220,80
TOTAL	18.225.664,73

Financial assets of which are available for sale

On September 30, 2022, compared to December 31, 2021, short-term investments are presented as follows:

Elements	31 dec. 2021	30 sept. 2022
-----------------	---------------------	----------------------

Short-term investments	14.397	14.397
TOTAL	14.397	14.397

The balance on September 30, 2022 in the amount of 14,397 lei is represented by the value of the shares purchased in previous years from IFB Invest Tg-Jiu, which has since dissolved.

The share of financial assets intended for sale in the capital of the company is insignificant.

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

Prepayments

On September 30, 2022, compared to December 31, 2021, the expenses made in advance are presented as follows:

Elements	31 dec. 2021	30 sept. 2022
Prepayments	301.490	308.658
TOTAL	301.490	308.658

The balance on September 30, 2022 in the amount of 308,658 lei, represents expenses made in advance for: insurance in favor of the banks for the loans granted, car repairs, professional training courses, rents paid in advance for the rental of various machines.

Numerar si echivalente in numerar

On September 30, 2022, compared to December 31, 2021, cash and cash equivalents are presented as follows:

Elements	31 dec. 2021	30 sept. 2022
Current accounts at banks and deposits	996.941	253.935
House of lions	24.174	9.290
House in foreign currency		
Other cash equivalents	32.190	33.393
TOTAL	1.053.305	296.618

Social capital

On September 30, 2022, the share capital includes the effects of restatements recorded in previous years according to the application of "SIC" 29"Financial reporting in hyperinflationary economies. The reconciliation of the social capital is presented as follows:

Share capital (nominal value)	20.286.865
Differences related to restatement according to SIC 29	89.052.449
Share capital balance (withdrawn)	<u>109.339.314</u>

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

The shareholding structure on September 30, 2022 is as follows:

Shareholders	Nominal value per share	Number of shares held	Total value	% of the social capital
<i>ASSOCIATION OF THE EMPLOYEES PAS ARTEGO</i>	2,50	6.968.820	17.422.050,00	85,8785%
<i>Other legal entities</i>	2,50	35.414	88.535,00	0,4364%
<i>Other individuals</i>	2,50	1.110.510	2.776.275,00	13,6851%
<i>THE ROMANIAN STATE THROUGH THE AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS</i>	2,50	2	5,00	0.000%
TOTAL	2,50	8.114.746	20.286.865,00	100,000%

Legal reserves

The legal reserves amount to 4,057,373 lei as of September 30, 2022.

Revaluation reserves

The revaluation reserve is in the amount of 28,135,502 lei as of September 30, 2022.

Other reservations

On September 30, 2022, compared to December 31, 2021, other reserves register the following levels:

Elements	31 dec. 2021	30 sept. 2022
Other reserves	25.520.521	26.051.332
Total	25.520.521	26.051.332

Other elements of equity

On September 30, 2022, the amount of 673,623 lei represents the deferred tax related to the balance revaluations carried out after January 1, 2004, reduced by the deferred tax related to the amortization of the revaluation recorded on costs in the first 9 months of 2022.

Subsidies for investments

The revenues registered in advance are represented by the subsidies received for non-refundable investments for the project carried out in previous years through the axis of Increasing Economic Competitiveness and register the following decreasing levels until the full amortization of the objectives put into operation, as follows:

Elements	31 dec. 2021	30 sept. 2022
1. Subsidies for investments	18.725	11.347
Total	18.725	11.347

Short term loans

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

	30.09.2021		30.09.2022	
	Approved	Used	Approved	Used
INTESA lei	11.000.000	7.477.611	-	-

INTESA EUR	-	-	2.222.222	10.900.034
ING BANK lei	9.000.000	4.026.586	9.000.000	5.395.745
ING BANK EUR	2.250.000	4.264.057	2.250.000	8.276.645
CREDIT EUROPE lei	8.900.000	4.776.523	13.900.000	11.399.909

Long term loans

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

The result per action

On September 30, 2022 compared to September 30, 2021, the result per share is:

	<u>30 september 2021</u>	<u>30 september 2022</u>
Profit of the period	8.046.627	9.460.337
Number of ordinary shares at the beginning and the end of the period	8.114.746	8.114.746
Basic and diluted result per share (lei/share)	0,992	1,166

Other taxes and obligations for social security

Elements	30 september 2021	30 september 2022
1. State budget	1.163.068	1.022.035
- tax on profit	844.745	506.140
- tax on dividends	-	-
- tax on salaries	244.136	255.882
- the insurance contribution for the work	74.187	77.196
- VAT on payment	-	182.817

2. Special fund budgets	375.802	352.627
- CASS	327.886	341.598
- average fund	8.471	2.333
- solidarity fund for people with disabilities	39.445	8.696
33. Social security budgets	844.228	872.455
- CAS	844.228	872.455
- 0,5% unemployment	-	-
- 0,75% unemployment	-	-
- 0,214% accidents fund	-	-
4 Other taxes, fees, payments	-	-

Operating income

Elements	30 september 2021	30 september 2022
The product sold	120.008.141	138.027.459
Income from sale of goods	1.902.279	1.387.433
Commercial discounts granted	146.011	205.343
Revenues related to product inventory costs	9.341.923	16.850.681
Income from the production of fixed assets	523.283	659.501
Income from fixed assets intended for sale	113.634	-
Income from operating subsidies	1.986.148	2.710.293
Other operating revenues	701.504	438.004
Total revenues from exploitation	134.430.901	159.868.028

Operating expenses

Elements	30 september 2021	30 september 2022
Expenses with raw materials and consumables	69.873.429	91.713.150
Other material expenses	1.143.090	694.019
Other external expenses (energy and	4.897.577	8.714.422

water)		
Expenditure on goods	1.806.629	1.220.682
Trade discounts received	85	4.314
Personnel expenses of which:	36.915.091	35.857.939
-Salaries and allowances	35.507.101	34.443.501
- Insurance and social protection	1.407.990	1.414.438
Tangible immobilization adjustments from:	3.160.006	3.081.662
-Costs	3.160.006	3.081.662
-Income	-	-
Current asset adjustments of which:	-	-
-Costs	-	261.355
-Income	-	261.355
Other operating expenses of which:	6.872.647	6.431.640
-Expenses regarding external benefits	5.019.130	5.026.545
-Expenses with other taxes and fees	1.081.601	867.670
-Expenses related to assets	99.619	329
assets intended for sale	672.297	537.096
Total Operating Expenses	124.668.384	147.709.200

Result from exploitation

Elements	30 september 2021	30 september 2022
Operating result (Prof it)	9.762.517	12.158.828
Total Operating Profit	9.762.517	12.158.828

Net financial result

Elements	30 september 2021	30 september 2022
Revenues from exchange rate fluctuations	361.755	711.547

Interest revenues	788	3.254
Other financial revenues	740	-
Total financial revenues	363.283	714.801
Interest charges	423.306	1.061.192
Other financial expenses	302.611	886.176
Total financial expenses	725.917	1.947.368
Net financial result (Loss)	(362.634)	(1.232.567)

The fiscal legislative framework

The legislative-fiscal framework in Romania and its implementation in practice changes frequently and is subject to different interpretations by various control bodies. The declarations regarding the profit tax are subject to revision and corrections by the fiscal authorities, generally for a period of five years after the date of their completion. The management considers that it has adequately recorded the fiscal obligations from the attached financial statements, however, the risk persists that the fiscal authorities will adopt different positions regarding the interpretation of these issues. Their impact could not be determined at this time.

GUARANTEES

As of September 30, 2022, the company has mortgaged the following assets in favor of the financing banks with which it has committed lines of credit as follows:

INTESA SANPAOLO BANK

- SITUATION OF REAL ESTATE PROPERTIES

CADASTRAL NO	IMOBIL IPOTECAT (TEREN + CONSTRUCȚII) - DESCRIERE
	-

1315/2/1/1/1/4 CF 41172	-- land area of 11.243 sqm + self-metrology platform made up of: 1. storage - 254,62 mp (C15); 2. toilet -6,30 mp (C16); 3. loaded extinguisher station - 56,97 mp (C17); 4. workshop - 619,46 mp (C28); 5. metrology laboratory - 134,59 mp (C29); 6. drinking water station - 99,73 mp (C30); 7. drinking water basin - 146,17 mp (C31); 8. metal storage - 106,87 mp (C60); 9. storage -146,17 mp (C70); 10. auto workshop - 359,24 mp (C73);
1315/2/1/1/1/7 CF 40067	land area of 18.910 mp + constructions: 1. locker room -199,59 mp (C54); 2. silo raw material - 195,60 mp (C55); 3. mixtures and annexes workshop - 437,91 mp (C58); 4. hot water station and condensate recirculation - 48,88 mp (C57); 5. monobloc hall -10.808,88 mp (C56)
1315/2/1/1/1/9 CF 41169	-land area of 4.114 mp + constructions: 1. finished warehouse - 657,25 mp (C56/4).
1315/2/1/1/1/10 CF 41170	-land area of 1.575 mp + constructions: 1. Administrative group gate 3 - 123,44 mp (C63).
1315/2/1/1/1/11 CF41165	-land area of 22.150 mp + constructions: 1. monobloc hall - 4.739,39 mp (C56/3); 2. storage -95,55 mp (C61); 3. rolling bridge - 811,12 mp (C62).

CREDIT EUROPE BANK

- SITUAȚIE IMOBILE IPOTECATE -

NO. CADASTRAL	REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION (REAL ESTATE RANK I AND II)
1315/2/1/1/3 CF 39568	- land area of 1.271 mp with administrative group consisting of two buildings (C1 with ground surface built by 161,32mp and C2 With ground surface built by 151,81mp), located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/4 CF 37455	-land area of 6.705 mp with Oxygen factory (C1), located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/7 CF 39567	- land area of 1.859 mp with tailoring section (C1)+gate group, with ground surface built by 667,87mp located in Tg Jiu, Ciocârlău street, no. 38.

1315/2/1/1/9 CF 39579	- land area of 5047 mp with reconditioned drums section (C59), located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/10 CF 39564	- land area of 3.744 mp , located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/1/8 CF 39562	- land area of 9.538 mp with construction C1-Industrial hall- Section of gaskets with ground surface of 6.429,15 mp , located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/1/3 CF 47078	- land area of 9.280 mp + constructions: 1. demineralization station (C1) 2. demineralization station annexes (C2) 3. demineralization station basin (C3) 4.locker room (C4) 5. heating plant (C5) 6.compressor station storage (C6)
1315/2/1/1/1/5 CF 41246	land area of 17.758 mp + constructions: 1.basin (C1) 2. pump house (C2) 3.basin (C3) 4. heating plant (C4) 5. industrial construction (C5) 6. trafo post (C6) 7. recirculated water basin (C7) 8. cooling tower (C8)_ 9. pump station (C9) 10. cooling tower (C10) 11. industrial and public construction (C11) 12. industrial and public construction (C12) 13. industrial and public construction (C13) 14. industrial and public construction (C14) 15. industrial and public construction (C15) 16. chlorination Station (C16) 17.metal storage (C18)

ING BANK
- MORTGAGED REAL ESTATE SITUATION -

<i>NO. CADASTRAL</i>	<i>MORTGAGED PROPERTY (LAND + BUILDINGS) - DESCRIPTION</i>
1315/2/1/1/8 CF 39574	- urban land with an area of 531 sqm together with the built construction with an area of 215.14 sqm (commercial space)
4327 CF 47079	-land within the city with an area of 1000 square meters

4296 CF 47074	- urban land with an area of 4,760 sqm together with the built construction with an area of 12.42 sqm (deep well)
37200 CF 37200	- inner city land with an area of 1395 sq m
37202 CF 37202	- urban land with an area of 9632 sq m
1315/2/1/1/2 CF 40066 RANG I	-land with an area of 20,616 sq m + buildings: 1. transport lane hall (C56/1).
3003 CF 41266	-land with an area of 15,446 sqm together with the Jiu Catchment Station composed of: pump room, dosing tower, water settling basins 1 and 2, water treatment facilities, filters + annexes, thermal plant, gate cabin, located in Tg Jiu, Cartier you see
1315/2/1/1/5 CF 41270	- land with an area of 996 sqm together with a bread workshop (C11/2)
1315/2/1/1/6 CF 41263	- land with an area of 1,063 sq m together with a milk workshop (C11/1), located in Tg Jiu, Ciocârlau str., no. 38.
1315/2/1/1/1/2 CF 44426	- inner-city land with an area of 14,478 sq m + constructions: 1. bathroom - 4.13 sqm C3 2. warehouse - 81.27 sq m C38 3. industrial hall - 119.85 (C39); 4. warehouse - 484.78 sqm (C65); 5. warehouse - 111.31 sqm (C66); 6. warehouse - 360.73 sqm (C67); - storeroom - 44.72 sqm (C68).
1315/2/1/1/1/6 CF 47076	- inner-city land with an area of 6,843 sq m + constructions: 1. workshop - 651.14 sqm (C18) 2. workshop - 626.59 sqm (C19) 3. school laboratory -384.47 sqm (C20) 4. bathroom - 12.93 sqm (C21) 5. pool -88.76 sq m (C22) 6. pool - 26.3 sqm (C23) 7. warehouse (C58) 8. car workshop - 359,245 sq m (C73)

The situation of ongoing litigation

ARTEGO S.A. – complainant

File no.	Defendant society	Object	Request/ The requested amount	Stage file / Notifications	Stage of file
----------	-------------------	--------	----------------------------------	-------------------------------	---------------

1	8207/62/2011	CET Brasov	Insolvency procedure	- admission to the credit table of the debtor with the amount of 46,887.93 lei	- ongoing; we were admitted to the credal table with the amount of 46,887.93 lei; continue the bankruptcy procedure
2	60833/3/2011	Munplast Bucharest	Insolvency procedure	- admission to the credit table of the debtor with the amount of 19,457.81 lei	- ongoing; we were admitted to the credal table with the amount of 19,457.81 lei, from which we recovered the amount of 5,000 lei; continue the bankruptcy procedure
3	4163/95/2012	Gastrom Group Targu - Jiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 52,777.37 lei	- ongoing; we were admitted to the credal table with the amount of 52,777.37 lei; continue the bankruptcy procedure
4	887/90/2013	Oltchim Ramnicu-Valcea	Insolvency procedure	- admission to the credit table of the debtor with the amount of 19,946.68 lei	- ongoing; we were admitted to the credal table with the amount of 19,946.68 lei; continue the bankruptcy procedure
5	9089/101/2013	Autonomous Directorate for Severin Nuclear Activities	Insolvency procedure	- admission to the credit table of the debtor with the amount of 1,439,815.78 lei	- ongoing; we were admitted to the credal table with the amount of 1,439,815.78 lei; continue the bankruptcy procedure
6	2570/63/2014	Energy Services Oltenia Craiova	Insolvency procedure	- admission to the credit table of the debtor with the amount of 3,188.77 lei	- ongoing; we were admitted to the credal table with the amount of 2,486.37 lei; continue the bankruptcy procedure
7	528/95/2015	Good luck Nic Com Targu - Jiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 34,155.80 lei	- ongoing; we were admitted to the credal table with the amount of 34,155.80 lei; continue the judicial reorganization procedure
8	2575/85/2015	Ambient Sibiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 1,240.00 lei	- ongoing; we were admitted to the credal table with the amount of 1,240.00 lei; continue the bankruptcy procedure

9	3520/95/2015	Fire retardant Prest Targu-Jiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 4,783.92 lei	- ongoing; - admission to the credit table of the debtor with the amount of 4,783.92 lei
10	1396/90/2016	CET Speak	Insolvency procedure	- admission to the credit table of the debtor with the amount of 1,665,256.19 lei	- ongoing; we were admitted to the credal table with the amount of 1,665,256.19 lei; continue the judicial reorganization procedure
11	5114/95/2016		Insolvency procedure	- admission to the credit table of the debtor with the amount of 41,307.71 lei	- ongoing; we were admitted to the credal table with the amount of 41,307.71 lei; continue the bankruptcy procedure
12	1248/95/2018	Installations Revision Utilities For Mining	Insolvency procedure	- admission to the credit table of the debtor with the amount of 2,783.39 lei	- ongoing; we were admitted to the credal table with the amount of 2,783.39 lei from which I recovered the amount of 1,391.39 lei; continue the bankruptcy procedure
13	5075/97/2016	Targu Jiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 580,000.00 lei	- ongoing; we were admitted to the credal table with the amount of 580,000.00 lei; continue the insolvency procedure (observation period)
14	5751/301/2022	Roads and Bridges Enterprise	payment ordinance	Obliging the defendant to pay the sum of 111,212.64 lei (debit) and 22,353.74 lei (delay penalties)	- ongoing; the court admitted the request; the decision can be challenged with a request for annulment within 10 days of communication
15	8105/318/2022	Targu Jiu	Claim	obliging the defendant to leave us in full ownership and peaceful possession of a 250 square meter plot of land	- ongoing; trial term – 11.11.2022
16	5031/207/2022	The Energy Complex Society	low value claim	Obliging the defendant to pay the amount of 5,622.27 lei (debt) and the legal interest from the due date until the	- ongoing; the cause is in the filter procedure

				actual payment of the debt	
--	--	--	--	----------------------------	--

ARTEGO S.A. – defendant

File no.	Defendant society	Object	Request/ The requested amount	Stage file / Notifications	Stage of file
1	1214/54/2020	ANAF – DGSC Bucharest	Challenging fiscal administrative act - appeal against Sentence 286/2021 pronounced by the Craiova Court of Appeal	Cancellation of Sentence no. 286/2021 pronounced by the Craiova Court of Appeal and rejection of the appeal	- ongoing; court term - 21.09.2023
2	5201/95/2021	ANAF – AJFP Valcea	claims	Obliging the defendant to pay the amount of 864,956.30 lei (penal interest)	- ongoing; court term - 15.11.2022
3	3775/318/2022	Pandurii Sport Club – Tg-Jiu Lignite through special administrator Serban Daniela and adm. judicial Consulting Company IPURL	claims	Obliging the defendant to pay court costs from File no. 6274/95/2017	- ongoing; court term - 09.12.2022
4	2482/95/2022	Pandurii Sport Club – Tg-Jiu Lignite through special administrator Serban Daniela and adm. judicial Consulting Company IPURL	claims	Solidary obligation of the defendants (Societatea Complexul Energetic Oltenia S.A., Societatea Artego S.A., Gorj County Council, Targu-Jiu Local Council, Union of Oltenia Mining Unions) to pay the sum of 11,100,000 lei	- ongoing; the cause is in the filter procedure

				representing the annual contribution for the years 2018 – 2021	
--	--	--	--	--	--

Affiliated Parties

The company has no affiliated parties.

Subsequent events

After the preparation of the reports completed on September 30, 2022, there were no events whose effects were significant and would influence the data contained in the current financial statements.

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

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

Being a joint-stock company, it is managed by the General Meeting of Shareholders and administered by a Board of Directors consisting of 3 members, of which 1 executive member and 2 non-executive members who are not part of the management of other companies.

Other information

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

SC ARTEGO S.A. is a joint-stock company with fully private capital, the majority shareholder being the "PAS ARTEGO" Employees' Association, which owns 85.8785% of the share capital.

When determining the profit tax, the provisions of Law 227/2015 with subsequent amendments and GD 1/2016 for the approval of the Methodological Norms for the application of Law 225/2015 regarding the tax code were taken into account, of which:

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

SC ARTEGO SA TG-JIU

The situation of changes in equity for the year ended 31 DECEMBER 2021 and 30 September 2022

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

Individual Financial Situations

	Social capital	Social capital adjustments	Profit or Loss	Legal reserve	Reserve from Revaluation	Other reservations	Reported result	Result IAS29	Losses related to equity instruments	Other elements of equity	Own actions	Distribution of profit	TOTAL
Balance on 01 January 2021	22,390,413	89,052,449	10,531,639	4,478,083	28,570,141	25,000,607	1,372,906	-89,052,449	0	767,251	-6,529,411	-381,690	86,199,939
Overall result of the period													
The profit of the exercise			12,050,173										12,050,173
Other elements of the overall result of which:													
Surplus from the revaluation of tangible assets													
The reduction of the reserve from the revaluation of deferred tax registration					-159,929					-55,490			-215,419
Total other elements of the overall result					-159,929					-55,490			-215,149
Total global result of the period			12,050,173		-159,929					-55,490			11,834,754
Other elements													
Resumption of the revaluation reserve to the carried forward result							159,929						159,929
Increasing the legal reserve													
Other elements			-10,531,639			519,914	610,742		4,425,863			-301,995	-5,277,115
Totally other elements			-10,531,639			519,914	770,671		4,425,863			-301,995	-5,117,186
Transactions with shareholders recognized directly in equity	-2,103,548								-4,425,863		6,529,411		
Distribution of dividends							-5,381,387						-5,381,387
Total transactions with the owners	-2,103,548						-5,381,387		-4,425,863		6,529,411		-5,381,387

Sold Ia 31 December 2021	20,286,865	89,052,449	12,050,173	4,478,083	28,410,212	25,520,521	-3,237,810	-89,052,449	0	711,761	0	-683,685	87,536,120
Sold 01.01.2022	20,286,865	89,052,449	12,050,173	4,478,083	28,410,212	25,520,521	-3,237,810	-89,052,449	0	711,761	0	-683,685	87,536,120
Overall result of the period													
The profit of the exercise			9,460,337										9,460,337
Other elements of the overall result of which:													
Surplus from the revaluation of tangible assets													
The reduction of the reserve from the revaluation of deferred tax registration							-274,710			-38,138			-312,848
Total other elements of the overall result							-274,710			-38,138			-312,848
Total global result of the period			9,460,337				-274,710			-38,138			9,147,489
Other elements													
Resumption of the revaluation reserve to the carried forward result								274,709					274,709
Increasing the legal reserve				-420,710									-420,710
Other elements			-12,050,173			530,811	11,256,387					683,685	420,710
Totally other elements			-12,050,173	-420,710		530,811	11,531,096					683,685	274,709
Transactions with shareholders recognized directly in equity													0
Distribution of dividends							-5,979,270						-5,979,270
Total transactions with the owners							-5,979,270						-5,979,270
Balance as of SEPTEMBER 30, 2022	20,286,865	89,052,449	9,460,337	4,057,373	28,135,502	26,051,332	2,314,016	-89,052,449	0	673,623	0	0	90,979,048