

SC ARTEGO SA

Explanatory notes prepared

on December 31, 2022 and December 31, 2023

(*all amounts are in RON, unless otherwise specified*)

Notes to the financial statements

For the financial year ended December 31st , 2023

1. The reporting entity

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

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

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

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

2. Basics of drawing up

(a) Declaration of conformity

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

The company applies the International Financial Reporting Standards as approved by the European Union when preparing the separate financial statements concluded on December 31, 2023 in accordance with OMF no. 881/2012. This order specifies that starting with the financial year 2012, the annual financial statements will be prepared in accordance with IFRS, this order being applicable to companies whose securities are admitted to trading on a regulated market.

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

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(b) Presentation of financial statements

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

(c) Basis of evaluation

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

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

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

(d) Functional and presentation currency

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

(e) Use of estimates and judgments

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

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

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

3. Significant accounting policies

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

(a) Subsidiaries and associates

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

The company does not own associates.

(b) Foreign currency transactions

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

The exchange rates of the main foreign currencies were:

Currency	31 dec.2019	31 dec.2020	31dec.2021	31.12.2022	31.12.2023
Euro (EUR)	4,7793	4,8694	4,9481	4,9474	4,9746
Dollar (USD)	4,2608	3,9660	4,3707	4,6346	4,4958
Pound sterling (GBP)	5,6088	5,4201	5,8994	5,5878	5,7225

c) Financial Instruments

Financial risk management

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

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

Interest rate risk

The Company's operating cash flows are affected by changes in interest rates, mainly due to foreign currency loans contracted at the financing banks. The cash risk determined by the interest rate is the risk that the interest, and ,therefore the expense with it, will fluctuate.

Currency risk

The company may be exposed to exchange rate fluctuations in cash and cash equivalents , receivables or trade payables denominated in foreign currency. The currency used on the domestic market is the Romanian leu. The company is exposed to currency risk in cash and cash equivalents, acquisitions and loans made in a currency other than that used on the domestic market. The currencies that expose the Company to this risk are mainly EUR , USD, and GBP. Foreign currency loans are subsequently expressed in RON, at the exchange rate on the last banking day of each month, communicated by the National Bank of Romania. The resulting differences are included in the profit and loss account.

Credit risk

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

At December 31st, 2023, the company holds cash and cash equivalents in the amount of 779.573 RON. Cash and cash equivalents are held by the banks,from which we list: Unicredit Tiriac, BRD, Intesa, ING Bank, Credit Europe,Raiffeisen.

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Liquidity risk

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

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

Fair value of financial instruments

Fair value is the amount at which financial instruments can be exchanged in ordinary transactions, other than those determined by liquidation or forced sale. Fair values are derived from quoted market prices or cash flow patterns as appropriate. As at December 31st , 2023 , cash and other cash, customers and similar accounts, trade payables and other payables are approaching their actual value due to their short maturity. Management considers that the estimated value of these instruments is close to their carrying amount.

Capital risk management

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

Accounting for the effect of hyperinflation

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

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

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

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

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

Tangible fixed assets

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

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

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

Amortization periods are as follows:

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

Intangible assets

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

An intangible asset meets the criteria to be identifiable when:

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

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

Receivables

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

Inventories

Stocks consist of:

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

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

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

Cash availability

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

Revaluation reserves

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

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

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

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

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

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

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

Social capital

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

Dividends

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

Suppliers and similar accounts

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

Loans

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

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Income tax

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

Current tax

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

Deferred tax

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

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

Employee Benefits

Short-term employee benefits

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

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

Financing costs

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

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

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Grants

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

Provisions

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

The result per share

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

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

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

Quotas

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

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

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Segment reporting

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

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

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

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

The deliveries made by the Company during 2023, internally ,amounted to 76.996.778 RON, of which the main clients are:

Complexul Energetic Oltenia	32.708.316 RON
Apenin Tg Jiu	5.036.426 RON
Cerulex Craiova	3.913.436 RON
CET Govora	3.644.891 RON
Holcim Romania Bucuresti	904.725 RON
CNCFR Bucuresti	900.851 RON
Arte Rubber Distribution Tg Jiu	886.507 RON
Elastimpex Tg Jiu	780.389 RON
Kaufland Bucuresti	533.665 RON
Prelmet Tg Jiu	422.089 RON
Lekavex Tg Jiu	320.981 RON
Meridian Electro Construct	172.082 RON
Romcim Bucuresti	148.492 RON

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Between January 1st, 2022 and December 31st, 2023, the Company recorded exports as follows:

Total Livrari la Export	20.997.364	EURO (103.823.057 RON)	din care :
Outside the European Union	3.054.060	EURO	
Inside the European Union	17.943.304	EURO	

The main products manufactured by the Company are : /

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

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

The new standards and interpretations as approved by the European Union

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

New standards not yet applicable as of December 31, 2023

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

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

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

Fixed assets 2023

NOTE 1

- RON -

Name of the asset	Gross Amount				Value adjustments (depreciation and amortization or impairment)			
	Balance at 1st January 2023	Increments	Assignment s, transfers and other reductions	Balance at 31st Dec. 2023	Balance at 1st January 2023	Adjustments recorded during the year	Discounts or resumes	Balance at 31st Dec. 2023
0	1	2	3	4=1+2-3	5	6	7	8=5+6-7
A. FIXED ASSETS								
I. INTANGIBLE ASSETS								
1. Formation expenses	-	-	-	-	-	-	-	-
2. Development costs	4.112.519	-	-	4.112.519	4.112.519	-	-	4.112.519
3. Concessions, patents, licenses and other fixed assets	28.503.094	336.000	-	28.839.094	21.236.699	1.396.259	-	22.632.958
4. Commercial fund	-	-	-	-	-	-	-	-
5. Advances and intangible assets in progress	-	-	-	-	-	-	-	-
TOTAL:	32.615.613	336.000	-	32.951.613	25.349.218	1.396.259	-	26.745.477
II. TANGIBLE FIXED ASSETS								
1. Land	12.892.792	-	1.035.449	11.857.343	133.421	-	-	133.421
2. Constructions	43.502.440	48.689	1.007.471	42.543.658	32.776.907	948.901	637.951	33.087.857
3. Technological equipment	44.042.688	1.889.382	511.899	45.420.171	40.354.632	689.887	501.896	40.542.623
4. Measuring, controlling and regulating apparatus and installations	2.303.716	79.561	108.674	2.274.603	2.098.471	80.733	108.674	2.070.530
5. Means of transport	7.365.797	290.302	458.219	7.197.880	5.759.353	562.977	458.219	5.864.111
6. Furniture, appliances, office supplies and other assets	579.755	130.808	16.318	694.245	469.819	41.279	16.318	494.780
7. Advances and tangible fixed assets in progress	1.844.825	578.875	1.857.719	565.981	-	-	-	-
TOTAL:	112.532.013	3.017.617	4.995.749	110.553.881	81.592.603	2.323.777	1.723.058	82.193.322
III. FINANCIAL ASSETS								
1. Equity securities held in group companies	-	-	-	-	-	-	-	-
2. Claims on group companies	-	-	-	-	-	-	-	-
3. Securities in the form of participation interests	-	-	-	-	-	-	-	-
4. Receivables from participation interests	-	-	-	-	-	-	-	-
5. Securities held as fixed assets	-	-	-	-	-	-	-	-

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6. Other receivables	-	-	-	-	-	-	-	-
7. Owned actions	-	-	-	-	-	-	-	-
TOTAL:	-	-	-	-	-	-	-	-
FIXED ASSETS - TOTAL	145.147.626	3.353.617	4.995.749	143.505.494	106.941.821	3.720.036	1.723.058	108.938.799

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

Provisions for risks and expenses

NOTE 2

-RON-

Provision name	Balance at January 1st,2023	Transfers		Balance at December 31,2023
		in the account	from the account	
0	1	2	3	4=1+2-3
Provisions for Depreciation of receivables - customers	1.119.559	781.755	89.856	1.811.458
Provisions for Depreciation of receivables - miscellaneous debtors		-		-

NOTE 3

Distribution of profit on 31.12.2023

- RON -

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

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Analysis of the operating result

NOTE NO. 4

RON

Indicator	Previous year – 2022	Current year – 2023
0	1	2
1. Net turnover	199.727.280	162.994.877
2. The cost of goods sold and services rendered (3 + 4 + 5 + 6), of which:	179.694.534	154.689.991
3. Expenses of the basic activity	106.190.417	87.495.270
4. Expenditure on auxiliary activities	35.361.681	27.827.561
5. Indirect production costs	35.238.507	36.374.017
6. Expenditure on sold goods and packaging	2.903.929	2.993.143
7. Gross turnover (1-2)	20.032.746	8.304.886
8. Sales expenses	3.624.115	3.515.131
9. General administrative expenses	6.617.335	2.781.021
10. Other operating income	26.761.957	23.147.167
11. Expenditure related to other operating income	20.781.081	14.638.226
12. Total operating income (1 + 10)	226.489.237	186.142.044
13. Total operating expenses (2 + 8 + 9 + 11)	210.717.065	175.624.369
14. Operating profit (12-13)	15.772.172	10.517.675

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Statement of receivables and payables

NOTE 5

- RON -

Receivables	Balance at December 31, 2023 (col. 2 + 3)	Liquidity term	
		under 1 year	over 1 year
0	1	2	3
Total from which:	39.821.727	39.821.727	-
Suppliers - debtors	8.975.105	8.975.105	-
Customers	24.136.076	24.136.076	-
Other receivables	6.710.546	6.710.546	-

-RON-

Payables	Balance at December 31, 2023 (col. 2 + 3 + 4)	Due date		
		under 1 year	1-5 years	over 5 years
0	1	2	3	4
Total from which:	30.574.332	30.566.269	8.063	-
1 . The state budget	2.420.680	2.420.680	-	-
- tax	464.084	464.084	-	-
- tax on dividends	56.857	56.857	-	-
- income tax from salaries	323.967	323.967	-	-
- VAT payable	1.474.984	1.474.984	-	-
- 2.25% insurance contribution for The Work	100.788	100.788	-	-
2.Special funds budget	31.948	31.948	-	--
- environment fund	7.181	7.181	-	-
- solidarity fund for people with disabilities	24.767	24.767	-	-
3. Social security budgets	1.578.339	1.578.339	-	-
- CAS	1.130.961	1.130.961	-	-
- CASS	447.378	447.378	--	-
4. Other taxes, fees, payments	-	-	-	-
5. Other loans and similar liabilities - leasing	-	-	-	-

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6. Interest on other loans and similar liabilities - leasing	-	-	-	-
7. Staff – due salaries	1.115.402	1.115.402	-	-
8. Staff - sick leave	-	-	-	-
9. Uncollected personnel rights	-	-	-	-
10. Deductions from salaries due to third parties	50.908	50.908	-	-
11. Referall handlers guarantees	8.063	-	8.063	
12. VAT not required	17.648	17.648		
13. Various creditors	55.503	55.503	-	-
14. Dividends	5.684.623	5.684.623	-	-
15. Credits	11.185.713	11.185.713	-	-
16 Suppliers	8.089.359	8.089.359	-	-
17. Creditor customers	308.318	308.318	-	-
18. Payable interest	27.828	27.828	-	-
19. Long-term loans	-	-	-	-

Inventories

At 31st December , 2023 , compared to December 31, 2022, the stocks are as follows:

Elements	31 dec 2022	31 dec 2023
1. Raw materials and consumables	35.065.254	35.711.144
2. Fixed assets held for sale	50.289	50.289
3. Production in progress	89.834	-
4. Finished products and goods	20.947.189	20.367.579
5. Advances	398.176	211.300
TOTAL	56.550.742	56.340.312

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

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

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Clients and similar accounts

At 31st December , 2023, compared to December 31, 2022, customers and similar accounts are as follows:

Elements	31 dec 2022	31 dec 2023
1. Trade receivables	36.615.972	26.856.924
2. Advances paid	641.527	8.975.105
3. Other receivables	3.738.173	3.989.698
TOTAL	40.995.672	39.821.727

The deliveries made by the Company during 2023, internally, amounted to 76.996.778 RON , of which the main clients are:

Complexul Energetic Oltenia	32.708.316 RON
Apenin Tg Jiu	5.036.426 RON
Cerulex Craiova	3.913.436 RON
CET Govora	3.644.891 RON
Holcim Romania Bucuresti	904.725 RON
CNCFR Bucuresti	900.851 RON
Arte Rubber Distribution Tg Jiu	886.507 RON
Elastimpex Tg Jiu	780.389 RON
Kaufland Bucuresti	533.665 RON
Prelmet Tg Jiu	422.089 RON
Lekavex Tg Jiu	320.981 RON
Meridian Electro Construct	172.082 RON
Romcim Bucuresti	148.492 RON

Between January 1st, 2023 and December 31st, 2023 , the Company recorded exports as follows:

Total Export deliveries 20.997.364 **EURO** (103.823.057 RON) din care :

Outside the European Union	3.054.060 EURO
Inside the European Union	17.943.304 EURO

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EURO

ANGLIA	2.267.899,53
AUSTRIA	413.451,19
BELGIA	91.092,88
BOSNIA &HERZEGOVINA	16.350,46
BULGARIA	13.703,35
CEHIA	6.208,00
FINLANDA	754.964,84
FRANTA	722.887,03
GERMANIA	5.358.096,09
GRECIA	2.270,40
ITALIA	894.151,79
MACEDONIA	3.079,80
OLANDA	1.635.612,73
POLONIA	1.153.513,24
SERBIA	564.998,01
SPANIA	5.135.939,52
SLOVACIA	55.653,20
SUEDIA	1.581.263,11
UCRAINA	201.731,74
UNGARIA	124.496,67
TOTAL	20.997.363,58

Financial assets available for sale

At 31st December , 2023 , compared to December 31, 2022, short-term investments are as follows:

Elements	31 dec.2022	31 dec. 2023
Short-term investments	14.397	14.397
TOTAL	14.397	14.397

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The balance on December 31, 2023 in the amount of 14,397 RON is represented by the equivalent value of the shares acquired in the previous years from IFB Invest Tg-Jiu.

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

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

Prepayments

At 31st December , 2023 , compared to December 31, 2022, the expenses incurred in advance are as follows:

Elements	31 dec. 2022	31 dec. 2023
Prepayments	315.850	301.456
TOTAL	315.850	301.456

The balance on December 31, 2023 in the amount of 301.456 RON, represents expenses incurred in advance for: insurance in favor of banks for loans, car RoVignettes, professional training courses, rents paid in advance for renting various equipment.

Cash and cash equivalents

At 31st December, 2023, compared to December 31, 2022, cash and cash equivalents are as follows:

Elements	31 dec 2022	31 dec 2023
Current accounts with banks and deposits	796.516	719.803
Cash RON	8.899	28.457
Currency cash		
Other cash equivalents	15.427	31.313
TOTAL	820.842	779.573

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Social capital

As of December 31, 2023 and December 31, 2022, the social capital includes the effects of restatements recorded in previous years according to the application of "SIC" 29 "Financial reporting in hyperinflationary economies. The reconciliation of the share capital is as follows:

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

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

The shareholding structure as of December 31, 2023 is as follows:

Shareholders	Nominal value per share	Number of shares held	Total amount	% of share capital
<i>PAS ARTEGO EMPLOYEES ASSOCIATION</i>	2,50	6.968.820	17.422.050,00	85,8785%
<i>Individuals _</i>	2,50	1.110.210	2.775.525,00	13,6814%
<i>Legal entities</i>	2,50	35.714	89.285,00	0,4401%
<i>ROMANIAN STATE THROUGH THE AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS</i>	2,50	2	5,00	0.0000%
TOTAL	2,50	8.114.746	20.286.865,00	100,000%

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Legal reserves

The legal reserves are in amount of 4.057.373RON at December 31, 2023. The company transferred to the legal reserve 5% of the annual accounting profit (Law 571/2003) the cumulative balance reaching 20% of the paid-in share capital.

Revaluation reserves

The revaluation reserve is in the amount of 26.984.335 RON on December 31,2023.

Other reserves

At 31st December , 2023 , compared to December 31, 2022, other reserves have the following levels:

Elements	31 dec.2022	31 dec.2023
Other Reserves	26.893.424	32.978.990
Total	26.893.424	32.978.990

Other equity items

As of December 31, 2023, the amount of 595.582 RON is represented by the deferred tax related to revaluations on balance made after January 1, 2004, diminished by deferred tax related to the amortization of the revaluation recorded on costs in the 12 months of 2023.

Subventii pentru investitii

The revenues registered in advance are represented by the subsidies to be received by signing a non-refundable financing contract with the Ministry of Energy.

Elements	31 dec. 2022	31 dec.2023
1. Investment grants	8.924	2.241.575
Total	8.924	2.241.575

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Short-term loans

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

	31.12.2022			31.12.2023	
The bank	Approved	Used	The bank	Approved	Used
ING BANK(SGB)RON	5.000.000	3.930.603	ING BANK(SGB)RON	5.000.000	1.421.041
INTESA EUR	2.222.222	2.043.026	INTESA EUR	2.222.222	-
ING BANK EUR	4.250.000	2.782.354	ING BANK EUR	4.250.000	1.889.009
CREDIT EUROPE RON	13.900.000		CREDIT EUROPE RON	13.900.000	1.788.651

Long-term loans

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

The result per share

At December 31, 2023 compared to December 31 , 2022, the result per share is:

	31 dec. 2022	31 dec. 2023
Profit for the period	12.315.948	8.746.511
Number of ordinary shares at beginning and end of the period	8.114.746	8.114.746
Basic and diluted result per action (RON / share)	1,52	1,08

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Dividends

According to the GMS Decision of 19.04.2023 the amount of 7.056.259 RON was distributed to dividends due to shareholders for 2022, returning a net dividend of 0.8 RON per share.

Other taxes and obligations for the state budget and social insurance

Elements	31 dec.2022	31 dec.2023
1. The state budget	1.402.694	2.420.680
- tax	341.161	464.084
- income tax from salaries	363.106	323.967
-dividend tax	30.155	56.857
- VAT payable	555.672	1.474.984
-2.25% CAM	112.600	100.788
2. Special funds budgets	22.614	31.948
- environment fund	14.637	24.767
- solidarity fund for disabled people	7.977	7.181
3. Social security budgets	1.762.177	1.578.339
- CAS	1.262.394	1.130.961
- CASS	499.783	447.378
4. Other taxes, fees, payments	-	-

Income tax

The current and deferred profit tax of the Company for the year 2023 and 2022 is determined at a statutory rate of 16%, being in force in the financial year 2023 and 2022 respectively.

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Income tax expense for the year 2023 and 2022 is as follows:

	2022	2023
Current profit tax	1.848.098	994.872
Deferred income tax		
Total	1.848.098	994.872
<i>Reconciling the effective tax rate</i>	2022	2023
Profit before profit tax	14.113.706	9.675.544
Income tax at the statutory rate of 16%	2.258.193	1.548.087
The effect of non-deductible expenses	212.662	178.645
The effect of non-taxable income		
Taxable revaluation reserve		
Legal reserve		
Deferred tax reversal		
Other effects	-622.757	-731.860
Total	1.848.098	994.872

Operating income

Elements	31 dec. 2022	31 dec. 2023
Sold production	197.732.759	160.875.965
Income from sale of goods	2.649.104	2.814.174
Commercial discounts granted	654.583	695.262
Revenue from stock of products cost	20.473.730	12.530.099
Income from fixed assets production	1.419.048	334.336
Income from fixed assets for sale	-	-
Income from operating grants	4.017.888	49.932

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Other operating revenues	851.291	10.232.800
Total operating income	226.489.237	186.142.044

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

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

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

Operating expenses

Elements	31 dec. 2022	31 dec. 2023
Expenditures on raw materials and consumables	115.577.762	88.518.242
Other material expenses	913.171	818.709
Other external costs (energy and water)	28.257.757	19.074.149
Expenditure on goods	2.270.771	2.426.142
Trade discounts received	8.442	4.933
Staff costs of which:	50.760.900	50.446.924

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-Salaries and allowances	48.632.525	48.499.542
-Insurance and social protection	2.128.375	1.947.382
Tangible assets adjusting including:	4.071.573	3.720.036
-Costs	4.071.573	3.720.036
-Income	-	-
Current asset adjustments of which:	-	-
-Costs	261.355	-
-Income	261.355	-
Other operating expenses of which:	8.873.573	10.625.100
Expenditure on external services	6.749.775	6.749.337
Expenses with other taxes and fees	1.156.271	1.325.170
Expenses on fixed assets for sale	366	271
Other expenses	967.161	2.550.322
Total Operating Expenses	210.717.065	175.624.369

Operating result

Elements	31 dec. 2022	31 dec. 2023
Operating profit (Profit)	15.772.172	10.517.675
Total operating profit	15.772.172	10.517.675

Net financial result

Elements	31 dec. 2022	31 dec. 2023
Income from exchange rate differences	1.035.458	893.639
Interest income	3.275	89
Other financial incomes	-	-
Total Financial Income	1.038.733	893.728
Interest charges	1.427.635	888.600
Other financial expenses	1.269.564	847.259

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Total Financial Expenses	2.697.199	1.735.859
Net financial result (Loss)	-1.658.466	-842.131

Provisions

During 2023, the Company had set up provisions for uncertain customers, having a balance in the amount of 1.811.458 RON ,as of December 31,2023.

Fiscal legislative framework

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

GUARANTEES

As of December 31, 2023, the company has mortgaged the following assets in favor of the financing banks to which it has committed credit lines as follows:

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INTESA SANPAOLO BANK

- MORTGAGE REAL ESTATE SITUATION -

NO. CADASTRAL	MORTGAGED PROPERTY (LAND + CONSTRUCTIONS) - DESCRIPTION
1315/2/1/1/1/4 CF 41172	-land with an area of 11,243 sqm + auto-metrology platform consisting of: 1. warehouse - 254.62 sqm (C15); 2. bathroom -6.30 sqm (C16); 3. charging station for fire extinguishers - 56.97 sqm (C17); 4. workshop - 619.46 sqm (C28); 5. metrology laboratory - 134.59 sqm (C29); 6. drinking water station - 99.73 sqm (C30); 7. drinking water basin - 146.17 sqm (C31); 8. metal warehouse - 106.87 sqm (C60); 9. warehouse -146.17 sqm (C70); 10. auto body workshop - 359.24 sqm (C73);
1315/2/1/1/1/7 CF 40067	-land with an area of 18,910 sqm + constructions: 1. wardrobe -199.59 sqm (C54); 2. raw material silo - 195.60 sqm (C55); 3. mixtures and annexes workshop - 437.91 sqm (C58); 4. hot water station and condensate recirculation - 48.88 sqm (C57); 5. monobloc hall -10,808.88 sqm (C56 / 2/1); 5. warehouse - 2,225.98 sqm (C69).
1315/2/1/1/1/9 CF 41169	-land with an area of 4,114 sqm + constructions: 1. finished products warehouse - 657.25 sqm (C56 / 4).
1315/2/1/1/1/10 CF 41170	-land with an area of 1,575 sqm + constructions: 1. administrative group gate 3 - 123.44 sqm (C63).
1315/2/1/1/1/11 CF 41165	-land with an area of 22,150 sqm + constructions: 1. monobloc hall - 4,739.39 sqm (C56 / 3); 2. warehouse -95.55 sqm (C61); 3. overhead crane - 811.12 sqm (C62).

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CREDIT EUROPE BANK

- MORTGAGE REAL ESTATE SITUATION -

NO. CADASTRAL	MORTGAGED PROPERTY (LAND + CONSTRUCTIONS) - DESCRIPTION (RANGES I AND II MORTGAGES)
1315/2/1/1/3 CF 39568	- urban land on the surface. of 1,271 sqm together with an administrative group consisting of two buildings (C1 with a built-up area of 161.32 sqm and C2 with a built-up area of 151.81sqm), located in Tg Jiu, str. Ciocârlău, no. 38.
1315/2/1/1/4 CF 37455	- urban land on the surface. of 6,705 sqm together with oxygen factory (C1), located in Tg Jiu, str. Ciocârlău, no. 38.
1315/2/1/1/7 CF 39567	- urban land on the surface. of 1,859 sqm together with tailoring section (C1) + gate group, with a built-up area of 667.87sqm located in Tg Jiu, str. Ciocârlău, no. 38.
1315/2/1/1/9 CF 39579	- urban land on the surface. of 5047 sqm together with the reconditioned drum section (C59), located in Tg Jiu, str. Ciocârlău, no. 38.
1315/2/1/1/10 CF 39564	- urban land on the surface. of 3,744 sqm , located in Tg Jiu, str. Ciocârlău, no. 38.
1315/2/1/1/1/8 CF 39562	- urban land on the surface. of 9,538 sqm together with the construction of C1-Industrial hall-Gaskets section with built-up area of 6,429.15 sqm , located in Tg Jiu, str. Ciocârlău, no. 38.
1315/2/1/1/1/3 CF 47078	- urban land with an area of 9,280 sqm + constructions: 1. demineralization station (C1) 2. annexes of demineralization station (C2) 3. Demineralization station basin (C3) 4.dressing (C4) 5. thermal power plant (C5) 6. compressor station warehouse (C6)

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<p>1315/2/1/1/1/5 CF 41246</p>	<p>- urban land with an area of 17,758 sqm + constructions: 1.basin (C1) 2. pump house (C2) Basin 3 (C3) 4. thermal power plant (C4) 5.Industrial construction (C5) 6.Transformer post (C6) 7. Recirculated water basin (C7) 8.Cooling tower (C8) _ 9. Pump station (C9) 10. Cooling tower (C10) 11.Industrial and urban construction (C11) 12.Industrial and urban construction (C12) 13.Industrial and urban construction (C13) 14.Industrial and urban construction (C14) 15.Industrial and urban construction (C15) 16. Chlorination station (C16) 17.Metal warehouse (C18)</p>
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ING BANK

MORTGAGE REAL ESTATE SITUATION -

<i>NO. CADASTRAL</i>	<i>MORTGAGED PROPERTY (LAND + CONSTRUCTIONS) - DESCRIPTION</i>
1315/1/1/1/12 CF 47071	- urban land with an area of 3611 sqm together with the built-up area with an area of 16.67 sqm (weighing cabin)
1315/2/1/1/8 CF 39574	- urban land with an area of 531 sqm together with the built-up area with an area of 215.14 sqm (commercial space)
4327 CF 47079	- urban land with an area of 1000 sqm
4296 CF 47074	- urban land with an area of 4760 sqm together with the built-up area with an area of 12.42 sqm (deep well)
3201 CF 39572	- urban land with an area of 10073.17 sqm
37200 CF 37200	- urban land with an area of 1395 sqm
37202 CF 37202	- urban land with an area of 9632 sqm

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1315/2/1/1/2 CF 40066 RANG I	-land with an area of 20,616 sqm + constructions: 1.Conveyor belts hall (C56 / 1).
3003 CF 41266	-land with an area of 15,446 sqm together with Jiu Capture Station composed of: pump room, dosing tower, water settling tanks 1 and 2, water treatment plants, filters + annexes, central heating, gate cabin, located in Tg Jiu, Cartier Vădeni.
1315/2/1/1/5 CF 41270 1315/2/1/1/6 CF 41263	- land with an area of 996 sqm together with a bread workshop (C11 / 2) -land with an area of 1,063 sqm together with a dairy workshop (C11 / 1), located in Tg Jiu, str. Ciocârlău, no. 38.
1315/2/1/1/2 CF 44426	- urban land with an area of 14,478 sqm + constructions: 1. bathroom - 4.13 sqm C3 2. warehouse - 81.27 sqm C38 3. industrial hall - 119.85 sqm (C39); 4. warehouse - 484.78 sqm (C65); 5. warehouse - 111.31 sqm (C66); 6. warehouse - 360.73 sqm (C67); 7- warehouse - 44.72 sqm (C68).
1315/2/1/1/6 CF 47076	- urban land with an area of 6,843 sqm + constructions: 1st workshop - 651.14 sqm (C18) 2nd workshop - 626.59 sqm (C19) 3. school laboratory -384.47 sqm (C20) 4. bathroom - 12.93 sqm (C21) 5.basin -88.76 mp (C22) 6.basin- 26.3 sqm (C23) 7. warehouse (C58) 8. car body workshop - 359,245 sqm (C73)

Affiliated parties

The company has no affiliated parties .

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The status of ongoing litigation

ARTEGO S.A. – reclamanta

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

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7	528/95/2015	Succes Nic Com Targu - Jiu	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 34,155.80 RON	- in progress; we were admitted to the credit table with the amount of 34,155.80 RON; the procedure of judicial reorganization continues
8	2575/85/2015	Ambient Sibiu	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 1,240.00 RON	- in progress; We were admitted to the credit table with the amount of 1,240.00 RON; the debtor entered bankruptcy proceedings
9	3520/95/2015	Ignifug Prest Targu-Jiu	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 4,783.92 RON	- in progress; We were admitted to the credit table with the amount of 4,783.92 RON; continue bankruptcy proceedings
10	1396/90/2016	CET Govora	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 1,665,256.19 RON	- in progress; We were admitted to the table with the amount of 1,665,256.19 RON; the procedure of judicial reorganization continues
11	5114/95/2016	Instalatii Revizii Utilitati Pentru Minerit Targu-Jiu	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 41,307.71 RON	- in progress; We were admitted to the table with the amount of 41,307.71 RON; continue bankruptcy proceedings
12	1248/95/2018	Intreprinderea de Drumuri si Poduri Targu-Jiu	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 2,783.39 RON	- in progress; We were admitted to the table with the amount of 2,783.39 RON, of which I recovered the amount of 1,391.39 RON; continue bankruptcy proceedings
13	5075/97/2016	Societatea Complexul Energetic Hunedoara	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 580,000.00 RON	- in progress; We were admitted to the creditor's table with the amount of 580,000.00 RON ; continue the insolvency proceedings (extension of the observation period)

SC ARTEGO SA

Explanatory notes prepared

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(all amounts are in RON, unless otherwise specified)

14	8105//318/2022	Trașcă Corneliu	Real estate claim	Obliging the defendant to leave us in full ownership and peaceful possession of a plot of land with an area of 250 square meters.	- in progress; - court term -- 01.03.2024
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ARTEGO S.A. – defendant

Crt. No.	File No.	Plaintiff	Object	Request/ The requested amount	File status / Observations
1	5201/95/2021	Asociația Club Sportiv Pandurii – Lignitul Tg-Jiu, in insolvență	claims	Obliging the defendant to pay the amount of 864,956.30 RON (penalty interest)	- in progress ; - an appeal was declared against Civil Decision no. 555/28.11.2023, pronounced by the Craiova Court of Appeal
2	3775/318/2022	Asociația Club Sportiv Pandurii – Lignitul Tg-Jiu, in insolvență	claims	Obliging the defendant to pay court costs from File no. 6274/95/2017)	- in progress ; - an appeal was declared by C.S. Pandurii against decision no. 2765/18.05.2023 - trial term: 30.01.2024
3	2482/95/2022	Asociația Club Sportiv Pandurii – Lignitul Tg-Jiu, in insolvență	claims	Obliging the defendant to pay contributions by members for the years 2018 - 2021	- in progress ; - an appeal was declared against the Sentence no. 158/08.11.2023 – the appeal does not affect the Artego (By the Closing of the meeting of 04.05.2023, the plaintiff waived the judgment regarding Artego)
4	3773/95/2023	Găletaru Dumitru	Obligation to do	Obligation of Artego S.A. to make available to him the Register of Shareholders	- in progress ; - trial term: - 09.01.2024

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Subsequent events

Following the reporting on December 31, 2023, there were no significant events that would have affected the data contained in the current financial statements

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

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

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

In 2022, the supervision of the company's management was performed by an audit firm.

The members of the Board of Directors were remunerated in 2023 as follows:

1. Executive member with a gross monthly allowance according to the Management Contract of 30,000 RON.
2. A non-executive member with a gross monthly allowance of 13,000 RON and a non-executive member with a gross monthly allowance according to the Management Contract of 11,000 RON.

SC ARTEGO SA Tg Jiu, at the end of 2023, had no contractual obligations regarding the payment of pensions to former directors and administrators.

During 2023, SC ARTEGO SA did not grant advances and loans to directors and administrators.

The average number of employees for 2023 was of 626 employees.

During 2023, SC ARTEGO SA paid salaries in the amount of 44.855.082 RON, and the expenses with insurance and social protection were in the amount of 1.947.382 RON.

SC ARTEGO SA Tg Jiu granted for its staff during the year 2023 meal vouchers in the total amount of 3.644.460 RON.

SC ARTEGO SA

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ANALYSIS OF THE MAIN ECONOMIC-FINANCIAL INDICATORS IN 2023

Liquidity indicators

1. Current liquidity indicator

$$\frac{\text{Current assets}}{\text{current debts}} = \frac{96.956.009}{30.566.269} = 3,17$$

2. Immediate liquidity

$$\frac{\text{Current assets - Stocks}}{\text{current debts}} = \frac{96.956.009 - 56.340.312}{30.566.269} *100 = \frac{40.615.697}{30.566.269} *100 = 132,88\%$$

Activity indicators

1. Rotation speed of tangible assets

$$\frac{\text{Turnover}}{\text{Tangible assets}} = \frac{162.994.877}{34.566.695} = 4,72$$

2. Rotation speed of total assets

$$\frac{\text{Turnover}}{\text{Total assets}} = \frac{162.994.877}{131.824.160} = 1,24$$

Risk indicators

a) Interest coverage indicator

$$\frac{\text{Profit before interest and income tax}}{\text{interest expenses}} = \frac{10.629.983}{888.600} = 11,96$$

Profitability indicators

a) Return of employed capital

$$\frac{\text{Profit before interest and income tax}}{\text{Employed capital}} = \frac{10.629.983}{99.008.253} = 0,11$$

b) Gross sales margin

$$\frac{\text{Gross profit from sales}}{\text{Turnover}} \times 100 = \frac{10.517.675}{162.994.877} = 6,45\%$$

SC ARTEGO SA

Explanatory notes prepared

on December 31, 2022 and December 31, 2023

(*all amounts are in RON, unless otherwise specified*) _____

Other information

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

SC ARTEGO SA is a joint stock company with entirely private capital, the majority shareholder being the Employees Association “PAS ARTEGO” which on 31.12.2022 holds 85.8785% of the share capital.

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

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

General Manager,

Eng. Viorel David

Economic Department,
