

## REPORT

regarding the activity carried out in 2023 according to the balance sheet concluded on 31.12.2023 in keeping with Order no. 2844/2016 with subsequent amendments and completions - for the approval of the compliant accounting regulations with International Financial Reporting Standards

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

### Shareholding structure as of December 31st,2023

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

In 2023, the production activity and the economic-financial activity carried out by the company and reflected in the balance sheet concluded on 31.12.2023, are as follows:

## CHAPTER I. PRODUCTION ACTIVITY

In 2023, the production of technical articles was of 9.980 tone .

In 2023, the production for export was of 5.565 tons of conveyor belts and of 1.645 tons of technical sheets. Table 1 shows some comparative data for the years 2019, 2020, 2021, 2022 si 2023.

Table 1

	2019	2020	2021	2022	2023
Commodity production, RON	174.382.899	133.069.906	166.390.564	200.934.353	155.964.970
Conveyor belts,MT, of which:	11.157	8.345	9.855	9.097	7.744
- export	5.927	4.625	6.598	6.277	5.565
RON, of which	142.666.404	106.471.797	130.819.654	165.911.879	121.508.941
- export	77.566.256	61.611.034	87.027.887	103.168.014	87.459.935
Technical sheets, MT, of which:	1.918	1.766	2.771	1.980	1.645
- export	1.339	1.001	1.890	1.338	874
RON, of which	17.622.727	14.266.865	21.567.887	19.920.421	17.967.753
- export	11.708.552	8.536.477	15.480.578	12.797.003	9.307.304
Pressed gaskets, MT	757	502	539	489	591
RON	8.542.478	7.862.762	7.407.575	7.702.883	8.098.059
Total Export RON	94.788.398	73.566.105	105.305.989	114.115.626	103.823.057
Total EURO	19.967.318,52	15.200.491,44	21.406.669,23	23.130.441,72	20.997.363,58

During 2023, the export value reached 20.997.363,58 EURO, the export representing 66,57% of the production of technical rubber articles. The most stable markets where the goods were exported are Germany, England, Spain, the Netherlands. It has also been exported to Poland,Sweden, Italy,France, Finland, Slovakia, Serbia, Austria. ARTEGO is currently the largest producer of technical rubber articles in Romania (95% of the country's need for conveyor belts) and one of the largest producers in Europe.

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

The country	2019	2020	2021	2022	2023
Italy	247.672,14	274.257,47	640.898,00	761.516,02	894.151,79
England	2.960.298,58	3.378.633,14	4.924.681,66	3.245.759,62	2.267.899,53

Austria	27.597,83	169.262,38	229.836,04	287.188,26	413.451,19
EUA	34.769,68	-	-	-	-
Finland	848.463,14	492.021,60	595.590,48	724.904,20	754.954,84
Spain	3.924.233,85	2.911.316,56	3.501.717,70	5.038.474,32	5.135.939,52
Netherlands	1.552.207,44	1.480.772,69	1.752.367,69	3.226.146,65	1.635.612,73
France	2.572.580,19	1.419.709,52	2.180.879,07	792.786,73	722.887,03
Germany	6.409.113,48	4.151.773,06	6.165.628,98	7.643.714,52	5.358.096,09
Poland	40.847,33	61.680,17	63.905,99	112.478,98	1.153.513,24
Bulgaria	295.444,82	100.350,17	200.843,84	110.652,80	13.703,35
Bosnia & Herzegovina	5.125,04	44.180,02	5.585,51	83.231,60	16.350,46
Turkey	40.689,33	9.542,80	-	6.800,00	
Estonia	10.582,60	2.531,62	2.274,84	14.580,00	
Russia	11.871,32	18.268,87	770,00	-	
Serbia	270.536,37	255.499,64	206.023,84	416.074,03	564.998,01
Belgium	188.320,82	91.424,65	164.657,40	83.099,94	91.092,88
Hungary	247.477,86	88.074,42	186.411,22	211.894,37	124.496,67
Czech Republic	10.579,84	4.741,76	8.821,12	16.688,64	6.208,00
Ireland	-	-	-	-	
Ukraine	48.753,54	9.962,29	83.606,03	70.560,11	201.731,74
Greece	57.104,73	156.532,60	45.278,27	2.116,00	2.270,40
Egypt	33.477,72	33.565,39	114.380,77	25.145,94	
Lithuania	10.679,83	2.674,19	1.769,20	4.020,61	
Moldavia	18.646,54	-	-	-	
Slovakia	76.578,12	30.770,15	302.112,09	78.516,31	55.653,20
Morocco	-	-	-	-	-
Qatar	-	-	-	-	-
Slovenia	7.758,68	-	2.671,19	■	■
Macedonia	10.412,70	2.792,40	-	-	3.079,80
Norway	5.495,00	5.375,00	-	-	-
Belarus	-	3.883,88	-	-	-
Latvia	-	895,00	-	-	-
Azerbaijan	-	-	25.958,30	-	-
Switzerland	-	-	-	15.383,26	
Sweden	-	-	-	158.708,71	1.581.263,11
TOTAL	19.967.318,52	15.200.491,44	21.406.669,23	23.130.441,72	20.997.363,58

An essential aspect to the achievements of our company is brought by the good professional training of the specialists and the management team who have

always sought and found solutions not only for maintaining on the market the technical rubber articles, but also for its expansion. Solutions were found for the production of new parts that, until recently, were only in the portfolio of renowned companies, such as DUNLOP, CONTINENTAL, METSO MINERALS, etc.

The training of the technical staff and its involvement in finding solutions regarding the improvement of technologies, modern equipment and the reduction of production costs was materialized by obtaining over 66 patents in the period 1985-2023. Other technical solutions are under examination at OSIM for patent, and others are in the industrial testing phase. The patented technical solutions are very diverse, some of them being made in cooperation with companies from outside Romania.

## **CHAPTER I I. FINANCIAL STATEMENT - EQUITY**

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

### **A. 1. Economic means**

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

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

INDICATOR	Beginning of 2023 (RON)	End of 2023 (RON)
Fixed assets - total	38.205.805	34.566.695
a) Intangible assets	7.266.395	6.206.136
b) Tangible fixed assets of which:	30.939.410	28.360.559
- land	12.892.792	11.857.343
- Fixed assets at inventory value	97.794.397	98.130.557
- Fixed assets at the remaining value	16.335.214	16.070.656
- Corporal immobilizations in progress	1.844.825	565.981
c) Financial fixed assets	-	-

### **A. 2. CURRENT ASSETS**

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

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

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

The value of current assets at 31.12.2023 according to the balance sheet is of 96.956.009 RON structured as follows:

Indicator		Total (RON)	%
1. STOCKS of which:		<b>56.340.312</b>	58,11
-	raw materials, materials	35.711.144	
-	finished product	20.367.579	
-	products in progress	-	
-	Assets held for sale	50.289	
-	overtures	211.300	
2. MONEY AVAILABILITY		<b>779.573</b>	0,80
3. RECEIVABLES		<b>39.821.727</b>	41,07
-	Trade receivables	35.832.029	
-	other receivables	3.989.698	
4. SHORT-TERM FINANCIAL INVESTMENTS		<b>14.397</b>	0,02

## B. PATRIMONY SITUATION

During 2023, an inventory program and fund management control was carried out.

Net Assets = Fixed Assets + Current Assets - Liabilities

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

INDICATOR	M/U	2019	2020	2021	2022	2023
Fixed assets	RON	44.934.421	41.680.492	38.666.360	38.205.805	34.566.695
Current assets	RON	93.052.623	83.037.086	98.332.713	98.381.653	96.956.009
Total Assets	RON	137.987.044	124.717.578	136.999.073	136.587.458	131.522.704
Total Debts	RON	49.258.275	38.819.721	49.745.718	43.363.720	30.574.332
Own capital	RON	88.982.079	86.199.939	87.536.120	93.530.664	99.008.253

## ECONOMIC-FINANCIAL RESULTS

In the period 2019-2023, the economic-financial indicators were achieved as follows:

2022                      2023                      2019                      2020                      2021

(RON)

I Operating income	197.290.206	157.159.639	191.637.944	226.489.237	186.142.044
a) Turnover	181.088.888	131.914.607	172.531.341	199.727.280	162.994.877
b) Variation of stocks	14.203.886	16.299.252	15.424.470	20.473.730	12.530.099
c) Income from fixed assets production	711.324	386.966	570.395	1.419.048	334.336
d) Other income	1.286.108	8.558.814	3.111.738	4.869.179	10.282.732
II Operating expenses	181.221.246	143.911.413	177.107.829	210.717.065	175.624.369
- operating profit / loss (+/-)	16.068.960	13.248.226	14.530.115	15.772.172	10.517.675
III Financial income	659.747	320.615	374.197	1.038.733	893.728
IV Financial expenses	2.619.326	1.544.812	985.376	2.697.199	1.735.859
- loss	1.959.579	1.224.197	611.179	1.658.466	842.131
VII Total income	197.949.953	157.480.254	192.012.141	227.527.970	187.035.772
VIII Total expenses	183.840.572	145.456.225	178.093.205	213.414.264	177.360.228
- the gross result of the exercise	14.109.381	12.024.029	13.918.936	14.113.706	9.675.544
- tax	2.016.142	1.548.082	1.924.253	1.848.098	994.872
NET INCOME	12.149.812	10.531.639	12.050.173	12.315.948	8.746.511

In the period 01.01.-31.12.2023, SC ARTEGO SA TG. JIU, delivered to the majority state-owned companies products worth 39.574.888 RON ,as follows:

C.E.OLTENIA 32.708.316

RON

CNCFR SA BUCURESTI 898.613

RON

SOCIETATEA NATIONALA A SARIU 679.077

RON

The balance of uncollected invoices at 31.12.2022 was of 13.027.064 RON from majority state-owned companies, as follows:

C.E.OLTENIA 13.027.064 RON

At 31.12.2023 the amounts receivable from majority state-owned companies were of 7.377.126 RON , as follows:

C.E.OLTENIA 6.677.944 RON

S. NAT. A SARIU 679.077 RON

From the total amount of 213.930.542 RON owed by the majority state-owned companies and other clients, (the balance on 31.12.2022 plus the deliveries between 01.01.-31.12.2023) the following amounts were collected:

- a) through liquidity: 207.609.530 RON, adica 97,05 %  
 b) by compensations: 6.321.012 RON, adica 2,95

%

thus:

BENEFICIARY	M.U.	COMPENSATIONS	%	LIQUIDITY	%	TOTAL
CE OLTENIA	RON	6.172.935	15,8	32.884.501	84,20	39.057.436
Others	RON	148.077	0,21	70.929.881	99,79	71.077.958
Export	RON	-	-	103.795.148	100	103.795.148
<b>T O T A L</b>	<b>RON</b>	<b>6.321.012</b>	<b>2,95</b>	<b>207.609.530</b>	<b>97,05</b>	<b>213.930.542</b>

### **HUMAN POTENTIAL**

The average number of employees in 2023 was 626 compared to 692 in 2022 having a decrease of 9,54%, and the actual number at the end of 2023 was 572 employees, compared to 671 at the end of 2022.

The total salary fund achieved in 2023 was of 44.855.082 RON.

The expenses regarding the insurance and social protection were of 1.947.382RON, meal vouchers were granted in the total amount of 3.644.460 RON.

### **DEPRECIATION OF FIXED ASSETS**

SC ARTEGO SA used as depreciation regime - linear depreciation.

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

The depreciation included in the operating expenses was in the amount of 3.720.036 RON.

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

### **PROFIT**

As at 31.12.2023, the gross profit was of 9.675.544 RON, respectively the net profit was of 8.746.511 RON.

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

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

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

SC ARTEGO SA Tg-Jiu had total debts at 31.12. 2023 in the amount of 30.574.332 RON of which:

	RON
<b>1. The state budget</b>	<b>2.420.680</b>
- tax	464.084
- income tax from salaries	323.967
-dividend tax	56.857
- VAT payable	1.474.984
2.25% CASM	100.788
<b>2. Special funds budgets</b>	<b>31.948</b>
-solidarity fund for people with disabilities	24.767
- environment fund	7.181
<b>3. Social security budgets</b>	<b>1.578.339</b>
CAS	1.130.961
-CASS	447.378
<b>Credits</b>	<b>11.185.713</b>
<b>Suppliers</b>	<b>8.089.359</b>
<b>Customer creditors</b>	<b>308.318</b>

<b>PROVISIONS OF THE CORPORATE GOVERNANCE CODE</b>	<b>RESPECT</b>	<b>DOES NOT RESPECT OR PARTIALLY RESPECT</b>	<b>REASON FOR NON-CONFORMITY</b>
A.1. All companies must have internal rules of the Board which include the terms of reference / responsibilities of the Board and the key management functions of the company , and which apply ,among others, the General Principles of the A Section.		PARTIAL RESPECT	The terms of reference / responsibilities of the Board and the key management positions of the company are found in the Constitutive Document. This requirement will be analyzed within the Board of Directors.
A.2. Provisions for the management of conflicts of interest should be included in the Council Regulation. In any case,the members of the Council shall notify the Council of any conflicts of interest which have arisen or are likely to arise and shall refrain from participating in discussions ( including by non- attendance , unless it would prevent the		PARTIAL RESPECT	There are no provisions in the Constitutive Document regarding the management of conflicts of interest. However,the recommendation of the



formation of a quorum) and from the vote on the adoption of a decision on the matter giving rise to the conflict of interests in question.			Corporate Governance Code is respected.
A.3. The Management Board or the Supervisory Board shall be composed of at least five members.		NOT	
A.4. The majority of the members of the Management Board shall not hold executive position. At least one member of the Board of Directors must be independent in the case of companies in Standard Category. In the case of companies in the Premium Category, not less than two non-executive members of the Management Board shall be independent. Each independent member of Administration Board or the Supervisory Board, as the case may be, must submit a statement at the time of his nomination for election or re-election, as well and when any change in its status occurs, indicating the items in on the basis of which it is considered to be independent in terms of its character and judgment .		PARTIAL RESPECT	The majority of the members of the Board of Directors consists of non-executive administrators. There are currently no independent administrators. The administrators have been appointed by the General Meeting of Shareholders.
A.5. Other relatively permanent professional commitments and obligations of a member of the Board, including executive and non- executive positions on the Board of non- profit corporations and institutions , should be disclosed to potential shareholders and investors, before his nomination and during his mandate.		NOT	
A.6. Any member of the Board shall submit to the Board information on any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This obligation refers to any report that may affect the member's position on matters decided by the Board.		NOT	It's not necessary.
A.7. The company must appoint a secretary of the Board to support the work of the Board .	YES		
A.8. The corporate governance statement will state whether an evaluation of the Board has been carried out under the chairmanship of the Chairman or the nomination committee and , if so, will summarize the key measures and changes resulting from it. The company should have a policy / guidance on the evaluation of the Board including the purpose, criteria and frequency of the evaluation process.		NOT	The company is to develop a policy / guidance on the evaluation of the Board including the purpose, criteria and frequency of the evaluation process.
A.9. The corporate governance statement must contain information on the number of meetings of the Board and the committees during the last year, the participation of the administrators (in person and in absentia ) and a report of the Board and committees on their activities .		NOT	The requirement will be met
A.10. The corporate governance statement should include information on the exact number of		NOT	It's not necessary. The Board of Directors of the

independent members of the Board of Directors or the Supervisory Board.			company consists of 3 members, the majority of them being non-executive administrators.
A.11. The Board of Premium Companies must set up a nomination committee of non-executive members, which will lead the procedure for nominating new members to the Board and make recommendations to the Board. The majority of the members of nomination committee must be independent.		NOT	The company is not included in the Premium Category.
B.1 The Board shall set up an audit committee in which at least one member shall be an independent non-executive administrator. A majority of the members, including the chairman, must have demonstrated that they have the appropriate qualifications relevant to the functions and responsibilities of the committee . At least one member of the audit committee must have proven and appropriate auditing or accounting experience . In the case of companies in the Category Premium, the audit committee must consist of at least three members and the majority of the members of the audit committee must be independent .		NOT	There is currently no Audit Committee. To the extent that the conditions are met and the need arises, it will be established.
B.2. The Chairman of the audit committee must be an independent non-executive member.		NOT	It's not necessary. See explanation in B.1
B.3. Within its responsibilities, the audit committee must carry out an annual evaluation of the internal control system.		NOT	It's not necessary. See explanation in B.1
B.4. The evaluation should consider the effectiveness and comprehensiveness of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Board's audit committee, the promptness and effectiveness with which the management addresses the deficiencies or weaknesses identified as a result of the internal audit and the submission of relevant reports to the Council.		NOT	It's not necessary. See explanation in B.1
B.5. The audit committee must assess conflicts of interest in relation to the transactions of the company and its subsidiaries with related parties .		NOT	It's not necessary. See explanation in B.1
B.6. The audit committee must evaluate the effectiveness of the internal control system and the risk management system.		NOT	It's not necessary. See explanation in B.1
B.7. The Audit Committee should monitor the application of legal standards and generally accepted internal auditing standards. The audit committee must receive and evaluate internal audit team reports .		NOT	It's not necessary. See explanation in B.1
B.8. Whenever the Code mentions reports or analyzes initiated by the Audit Committee, they must be followed by periodic (at least annually) or		NOT	It's not necessary. See explanation in B.1

ad-hoc reports to be subsequently submitted to the Board.			
B.9. No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements entered into by the company with shareholders and their affiliates .	YES		
B.10. The Board must adopt a policy to ensure that any transaction of the company with any of the companies with which it has a close relationship, whose value is equal to or greater than 5% of the company's net assets ( according to the latest financial report) is approved by the Council following a mandatory opinion of the Board's audit committee and correctly disclosed to shareholders and potential investors , to the extent that these transactions fall within the scope of the category events that are subject to reporting requirements .		NOT	This requirement is to be analyzed at the level of the Board of Directors.
B.11. Internal audits must be performed by a structurally separate division (internal audit department) within the company or by hiring an independent third party .	YES		
B.12. In order to ensure that the internal audit department performs its core functions , it shall report functionally to the Board through the audit committee. For administrative purposes and as part of the management's obligations to monitor and reduce risks, he must report directly to the General Manager. .		PARTIAL RESPECT	The internal auditor reports directly to the Board of Directors and the General Manager, as no audit committee is set up.
C.1. The company must publish the remuneration policy on its website and include in the annual report a statement on the implementation of the remuneration policy during the annual period under review.	YES		The remuneration policy is published on the company website
D.1. The company must organize an Investor Relations service - indicating to the general public the person (s) responsible or the organizational unit. In addition to the information required by law, the company must include on its website a section dedicated to Investor Relations , in Romanian and English, with all relevant information of interest to investors, including :	YES		
D.1.1. The main corporate regulations: the constitutive act, the procedures regarding the general meetings of shareholders ;	YES		
D.1.2. Professional CVs of the members of the management of the company , other professional commitments of the members of the Board, including executive and non - executive positions on boards of directors of companies or non - profit institutions;		PARTIAL RESPECT	The recommendation is not implemented with regard to other professional commitments of Board members, including executive and non - executive positions on

			boards of directors of companies or non - profit institutions. This is to be implemented.
D.1.3. Current and periodic reports (quarterly, half-yearly and annual) - at least those provided for in point D.8 - including current reports with detailed information on non-compliance with this Code;	YES		
D.1.4. Information on general meetings of shareholders : agenda and information materials; the procedure for electing the members of the Board; the arguments in support of the nomination of candidates for election to the Council, together with their professional CVs; questions from shareholders on the company's agenda items and answers , including decisions taken;	YES		
D.1.5. Information about corporate events, such as the payment of dividends and other distributions to shareholders , or other events that lead to the acquisition or limitation of a shareholder's rights , including deadlines and principles applied to such transactions . That information will be published in a timeframe that will allow investors to make investment decisions ;	YES		
D.1.6. The name and contact details of a person who will be able to provide, upon request, relevant information ;	YES		
D.1.7. Company presentations ( e.g. , investor presentations,presentations on quarterly results, etc.), financial statements (quarterly, half-yearly, annual), audit reports and annual reports.		PARTIAL RESPECT	
D.2. The company will have a policy on the annual distribution of dividends or other benefits to shareholders , proposed by the General Manager or the Board of Directors and adopted by the Board, in the form of a set of guidelines that the company intends to follow on the distribution of net profit. The principles of the annual distribution policy to shareholders will be published on the company's website .		NOT	It is to be implemented
D.3. The company will adopt a policy on forecasts, whether they are made public or not. The forecasts refer to quantified conclusions of studies aimed at establishing the global impact of a number of factors for a future period (so - called assumptions): by its nature, this projection has a high level of uncertainty, the actual results may differ significantly from the forecasts originally presented .The forecast policy will set the frequency , the period considered and the content of the forecast .		NOT	It is to be implemented

If published, forecasts can only be included in annual, half-yearly or quarterly reports. The forecast policy will be published on the company's website .			
D.4. The rules of general meetings of shareholders must not limit the participation of shareholders in general meetings and the exercise of their rights. The changes to the rules will take effect as soon as possible, starting with the next meeting of shareholders . _	YES		
D.5. The external auditors will be present at the general meeting of shareholders when their reports are presented at these meetings.		NOT	
D.6. The Board will present to the annual general meeting of shareholders a brief assessment of the significant internal control and risk management systems, as well as opinions on issues subject to the decision of the general meeting.		PARTIAL RESPECT	
D.7. Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting at the prior invitation of the Board. Accredited journalists may also attend the general meeting of shareholders, unless the Chairman of the Board decides otherwise .		NOT	
D.8. The quarterly and half-yearly financial reports will include information in both Romanian and English on key factors influencing changes in sales, operating profit , net profit and other relevant financial indicators, both from one quarter to another, and from one year to another.	YES		
D.9. A company will hold at least two meetings / teleconferences with analysts and investors each year. The information presented on these occasions will be published in the investor relations section of the company's website at the date of the meetings / teleconferences .		NOT	The possibility of organizing such events will be evaluated in relation to the requests from investors.
D.10. If a company supports various forms of artistic and cultural expression , sports, educational or scientific activities and considers that their impact on the innovative nature and competitiveness of society makes as part of its development mission and strategy, it will publish the policy on its work in this area.		NOT	Such a policy is not required at this time. To the extent that these activities are considered to have an impact on the innovative nature and competitiveness of the company and are part of its development mission and strategy, the policy will be developed.

**OVERALL RESULT SITUATION  
on December 31, 2023**

RON

Crt. No.	NAME OF THE INDICATORS	31.12.2022	31.12.2023
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1.	Net turnover of which	199.727.280	162.994.877
	Income from 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
2.	Income from stored production	20.473.730	12.530.099
3.	Income from the production of fixed assets	1.419.048	334.336
4.	Income from fixed assets for sale	-	-
5.	Income from operating grants	4.017.888	49.932
6.	Other operating revenues	851.291	10.232.800
I.	OPERATING INCOME	226.489.237	186.142.044
7.	Expenditure on goods	2.270.771	2.426.142
8.	Material expenses	144.740.614	108.406.438
9.	Expenses with works and services performed by third parties	6.749.775	6.749.337
10.	Expenses with taxes and fees	1.156.271	1.325.170
11.	Staff costs	50.760.900	50.446.924
12.	Other operating expenses	967.161	2.550.322
13.	Provision and amortization expenses	4.071.573	3.720.036
II.	OPERATING EXPENSES	210.717.065	175.624.369
A.	OPERATING RESULT		
	- PROFIT	15.772.172	10.517.675
	- LOSS		
III.	FINANCIAL INCOME	1.038.733	893.728
IV.	FINANCIAL EXPENSES	2.697.199	1.735.859
B.	FINANCIAL RESULT	-1.658.466	-842.131
V.	EXCEPTIONAL INCOME		
VI.	EXCEPTIONAL EXPENDITURE		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL INCOME	227.527.970	187.035.772
VIII.	TOTAL EXPENSES	213.414.264	177.360.228
D.	GROSS RESULT		
	- PROFIT	14.113.706	9.675.544
	- LOSS		
	TAX	1.848.098	994.872
E.	DELAYED PROFIT TAX REVENUE	50.340	65.839
F.	NET RESULT		
	- PROFIT	12.315.948	8.746.511
	- LOSS		
G.	Number of shares	8.114.746	8.114.746
H.	The result per action	1,52	1,08

## Individual Financial Statements

### STATEMENT OF FINANCIAL POSITION AT 31.12.2023

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

Name of indicators	<u>31/12/2022</u>	<u>31/12/2023</u>
<b>ASSETS</b>		
<b>Fixed assets</b>	<b>38,205,805</b>	<b>34,566,695</b>
<i>Tangible fixed assets</i>	30,939,410	28,360,559
<i>Intangible assets</i>	7,266,395	6,206,136
<i>Financial assets</i>		
<b>Current assets</b>	<b>98,697,503</b>	<b>97,257,465</b>
<i>Stock</i>	56,550,742	56,340,312

<i>Trade receivables</i>	40,995,672	39,821,727
<i>Financial assets from which:</i>	14,397	14,397
<i>Available for sale</i>	14,397	14,397
<i>Cash and cash equivalent</i>	820,842	779,573
<i>Upfront expenditure</i>	315,850	301,456
<b>TOTAL ASSETS</b>	<b>136,903,308</b>	<b>131,824,160</b>
<b>EQUITY AND DEBT</b>		
<b>Equity</b>		
<i>Subscribed and paid-up share capital</i>	20,286,865	20,286,865
<i>Share capital adjustment</i>	89,052,449	89,052,449
<i>Reappraisal reserves</i>	27,950,677	26,984,335
<i>Other equity items</i>	661,421	595,582
<i>Legal reserve</i>	4,057,373	4,057,373
<i>Other reserve</i>	26,893,424	32,978,990
<i>Owned shares</i>	-	-
<i>Retained earnings (excluding IAS 29)</i>	2,207,048	7,318,359
<i>Retained earnings (with IAS 29)</i>	-89,052,449	-89,052,449
<i>Current year profit</i>	12,315,948	8,746,511
<i>Profit allocation</i>	-842,092	-1,959,762
<b>Total equity</b>	<b>93,530,664</b>	<b>99,008,253</b>
<b>Long- term debts</b>		
<i>Investment grants</i>	701	2,171,186
<i>Other long- term debts</i>	7,827	8,063
<i>Long-term provisions</i>		
<b>Totsl long-term debts</b>	<b>8,528</b>	<b>2,179,249</b>
<b>Current debts</b>		
<i>Investment grants</i>	8,223	70,389
<i>Commercial and other debts</i>	10,015,927	8,397,677
<i>Short-term loans</i>	23,873,084	11,185,713
<i>Current taxes and fees debts</i>	9,466,882	10,982,879
<i>Short-term provisions</i>		
<b>Total current debts</b>	<b>43,364,116</b>	<b>30,636,658</b>
<b>Total debts</b>	<b>43,372,644</b>	<b>32,815,907</b>
<b>TOTAL EQUITY AND DEBTS</b>	<b>136,903,308</b>	<b>131,824,160</b>

## STATEMENT OF TREASURY FLOWS AT 31.12.2023

*(Amounts are expressed in RON,  
unless otherwise specified)*

INDICATORS (RON)	ACHIEVED IN 2022	ACHIEVED IN 2023
<b>A. LIQUIDITIES AT THE BEGINNING OF THE PERIOD</b>	<b>1.053.305</b>	<b>820.842</b>
In the accounts	996.941	796.516
House	24.174	8.899
Other values	31.781	10.224
Cash advances	-	-
Values receivable	409	5.203
<b>REVENUE FROM OPERATING ACTIVITY</b>	<b>267.497.914</b>	<b>230.549.876</b>
Customer receipts	217.115.772	180.461.771
Other receipts	50.382.142	50.088.105
<b>PAYMENTS FOR OPERATING ACTIVITY</b>	<b>265.377.588</b>	<b>221.852.302</b>
Paying suppliers	160.380.004	122.045.093
Payments for staff	40.954.161	44.781.332
Payments regarding taxes and fees	23.623.304	23.023.395
Tax /profit	2.018.879	1.807.437
Interest payments	1.427.635	888.600
Other payments	36.973.605	29.306.445
<b>CASH FLOW FROM OPERATING ACTIVITY</b>	<b>2.120.326</b>	<b>8.697.574</b>
<b>INCOME FROM THE INVESTMENT ACTIVITY</b>	<b>664.704</b>	<b>10.045.398</b>
Proceeds from the sale of land, fixed assets and intangible assets	664.704	10.045.398
Proceeds from the sale of equity instruments and receivables of other enterprises	-	-
Receipts from the repayment of advances and loans to other parties	-	-
<b>PAYMENTS FROM THE INVESTMENT ACTIVITY</b>	<b>3.017.493</b>	<b>1.306.555</b>
Payments for the acquisition of land, fixed assets and intangible assets	3.017.493	1.306.555
Receipts for the acquisition of equity instruments and receivables of other enterprises	-	-
Advances and loans made to other parties	-	-
<b>CASH FLOW FROM INVESTMENT ACTIVITY</b>	<b>-2.352.789</b>	<b>8.738.843</b>
<b>RECEIPTS FROM THE FINANCING ACTIVITY</b>	<b>-</b>	<b>-</b>
<b>PAYMENTS FOR FINANCING ACTIVITY</b>	<b>-</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>	<b>-</b>	<b>-</b>
<b>CASH FLOW - TOTAL</b>	<b>-232.463</b>	<b>-41.269</b>
<b>B. LIQUIDITIES AT THE END OF THE PERIOD</b>	<b>820.842</b>	<b>779.573</b>
In the accounts	796.516	719.803
House	8.899	28.457
Other values	10.224	10.211
Cash advances	-	-
Values receivable	5.203	21.102



# THE INCOME AND EXPENDITURE BUDGET

## General Activity

RON

SPECIFICATION	NR. RD.	PREDICTED 2023	REALIZED 2023	PREDICTED 2024				
				TOTAL	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER
<b>I.TOTAL INCOME</b>	01	172.000.000	187.035.772	140.000.000	35.000.000	35.000.000	35.000.000	35.000.000
<b>1.Exploitation income</b>	02	171.200.000	186.142.044	139.200.000	34.800.000	34.800.000	34.800.000	34.800.000
<b>2.Financial Income</b>	03	800.000	893.728	800.000	200.000	200.000	200.000	200.000
<b>3.Exceptional income</b>	04	-	-	-	-	-	-	-
<b>II.TOTAL EXPENSES from which:</b>	05	167.000.000	177.360.228	139.000.000	34.750.000	34.750.000	34.750.000	34.750.000
<b>1. exploitation expenses from which:</b>	06	166.200.000	175.624.369	138.000.000	34.500.000	34.500.000	34.500.000	34.500.000
<b>a) material expenses</b>	07	77.700.000	89.336.951	68.000.000	17.000.000	17.000.000	17.000.000	17.000.000
<b>b) staff expenses from which:</b>	08	48.000.000	46.802.464	42.000.000	10.500.000	10.500.000	10.500.000	10.500.000
<b>-Gross wages</b>	09	45.800.000	44.855.082	40.300.000	10.075.000	10.075.000	10.075.000	10.075.000
<b>-Social insurance and social protection</b>	10	2.200.000	1.947.382	1.700.000	425.000	425.000	425.000	425.000
<b>c) operating exp.related to depreciation,provisions</b>	11	4.200.000	3.720.036	3.200.000	800.000	800.000	800.000	800.000
<b>d)protocol,advertising,other</b>	12	500.000	522.562	350.000	87.500	87.500	87.500	87.500
<b>e) meal and gift vouchers expenses</b>	13	7.000.000	3.644.460	5.280.000	1.320.000	1.320.000	1.320.000	1.320.000
<b>f) sponsorship expenses</b>	14	800.000	408.665	350.000	87.500	87.500	87.500	87.500
<b>g) other operating expenses</b>	12	28.000.000	31.189.231	18.820.000	4.705.000	4.705.000	4.705.000	4.705.000
<b>2. Financial expenses</b>	13	800.000	1.735.859	1.000.000	250.000	250.000	250.000	250.000
<b>3. Exceptional expenses</b>	14	-	-	-	-	-	-	-
<b>4. Coverage of previous year's losses</b>	15	-	-	-	-	-	-	-
<b>III .GROSS EXERCISE RESULT FOR THE YEAR</b>	16	5.000.000	9.675.544	1.000.000	250.000	250.000	250.000	250.000
<b>IV. Profit tax</b>	17	800.000	994.872	160.000	40.000	40.000	40.000	40.000
<b>V. NET EXERCISE RESULT FOR THE YEAR</b>	18	4.200.000	8.746.511	840.000	210.000	210.000	210.000	210.000
<b>VI. Legal reserve</b>	19	-	-	-	-	-	-	-



<b>Other elements of the overall result of which:</b>													
Surplus from reappraisal of tangible assets													
Decrease of the reserve from reappraisal-registration of deferred tax					-966,342					-65,839			-1,032,181
<b>Total other elements of the overall result</b>					<b>-966,342</b>					<b>-65,839</b>			<b>-1,032,181</b>
<b>Total overall result for the period</b>			<b>8,746,511</b>		<b>-966,342</b>					<b>-65,839</b>			<b>7,714,330</b>
<b>Other elements</b>													
Resumption of the reserve from the reappraisal of the reported result							966,342						966,342
Increasing of the legal reserve													
Other elements			12,315,948	-		6,085,566	11,201,228					-1,117,670	3,853,176
<b>Total other elements</b>			<b>12,315,948</b>	<b>-</b>		<b>6,085,566</b>	<b>12,167,570</b>					<b>-1,117,670</b>	<b>4,819,518</b>
<b>Transactions with shareholders recognized directly in equity</b>													0
Distribution of dividends							-7,056,259						-7,056,259
<b>Total transactions with owners</b>							<b>-7,056,259</b>						<b>-7,056,259</b>
<b>Balance on DECEMBER 31st, 2023</b>	<b>20,286,865</b>	<b>89,052,449</b>	<b>8,746,511</b>	<b>4,057,373</b>	<b>26,984,335</b>	<b>32,978,990</b>	<b>7,318,359</b>	<b>-89,052,449</b>	<b>0</b>	<b>595,582</b>	<b>0</b>	<b>-1,959,762</b>	<b>99,008,253</b>

## ON-FINANCIAL STATEMENT

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

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

### **Brief description of the entity's business model**

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

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

Fiscal code :RO2157428

Trade Register no.: J18/1120/1991

Phone /Fax:0253/226444

Main activity :2219-Manufacture of other rubber products

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

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

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

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

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

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

- has implemented and developed a partnership system for the consistent orientation of the company towards satisfying the requirements of the relevant interested in parts;

- ensures the necessary resources for the continuous improvement of the performances of the Integrated Management System quality, environment, safety and health at work;

- the activities are carried out in compliance with the legal regulatory requirements and with requirements applicable to the activities carried out at S.C. Artego S.A.;

- there are effective measures in place to prevent pollution and incidents at work.

### **Environmental aspects**

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

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

**NORTH:** - S.C. CRILELMAR S.R.L. (ex STARGLASS S.A.) Târgu-Jiu

- The upper passage over the Târgu-Jiu - Petroșani railway

- Grain base (currently also arranged as a Auto Market)

- S.C. COMBGORJ S.A.

- Blocks of flats

**EAST:** -The city's ring road - Narciselor Street

- Privately owned lands

**WEST:** - Railway station Ecaterina Teodoroiu and railways unloading dock

- Tg. Jiu – Petroșani railways and triage lines

- At south-west of railway station is S.C. ROSTRAMO S.A.

**SOUTH:** - Uncultivated private land.

### **Location in the environment**

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

The main activities in the field of environmental protection in 2023 were carried out planned and organized, aiming to prevent pollution, reduce the risks of environmental incidents on the company's premises, as well as comply with legal provisions in the field.

As such, the main directions pursued were:

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

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

2. The assessment of compliance with the relevant legislation shall be carried out by:

A. Internal evaluation - this activity is performed planned and according to the procedures in force.

Following these inspections to assess compliance with the legislation and in order to improve the activity, environmental protection measures have been established:

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

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

. B. External assessment - In 2023, Artego was subjected to external inspections, carried out by the control structures within the National Environmental Guard.

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

D. Specialized reports to the relevant authorities.

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

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

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

- determination of emissions of [atmospheric](#) pollutants of nitrogen oxides from medium combustion plants (thermal power plant), and the limit values are in accordance with the legislation on limiting emissions to air;

- determination of dust emissions at the raw material mixing dosing section;

- physico-chemical determinations of technological water.

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

#### **Environmental objective 1 Mitigation of climate change:**

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

#### **Environmental objective 2. Adaptation to climate change**

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

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

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

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

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

#### **Environmental objective 4. Prevention and control of pollution**

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

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

#### **E. Environmental protection costs**

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

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

## **Quality aspects**

In 2023, in order to achieve the assumed quality policies, SC Artego SA planned the efficient implementation of the processes in order to increase the satisfaction of the interested parties: shareholders, customers, employees, suppliers, company. ARTEGO's quality objectives take into account the competitive environment in which the company operates, the expectations of relevant stakeholders.

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

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

### **Aspects of social and personnel policy**

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

The evolution of the number of staff in the period 2019-2023 is as follows:

Specification	2019	2020	2021	2022	2023
Employees no.at the beginning of the period	917	877	809	748	671
Number of new hires	120	81	32	15	9
Number of people who have stopped working with the company	160	149	93	92	108
Employees no.at the end of the period	877	809	748	671	572



The evolution of the staff in 2023 is as follows:

Specification	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Employees no.at the beginning of the period	671	661	659	655	649	646	638	632	625	606	588	576
Number of new hires	-	4	2	-	1	-	1	-	-	1	-	-
Number of people who have stopped working with the company	10	6	6	6	4	8	7	7	19	19	12	4
Employees no.at the end of the period	661	659	655	649	646	638	632	625	606	588	576	572

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

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

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

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

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

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

### **Human rights aspects**

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

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

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

### **Business ethics and integrity aspects**

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

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

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

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

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

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

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

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

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

### **Operational risks**

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

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

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

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

### **Personnel risk and payroll system**

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

In 2023, considering the economic context, labor migration, lack of skilled labor, the company focused all its attention on the retention of qualified staff, but also on the training of newly hired staff.

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

### **Credit risk**

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

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

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

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

### **Interest rate risk**

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

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

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

### **Liquidity risk**

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

### **Currency risk**

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

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

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

### **Stock risk**

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

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

### **Risks of a legislative nature**

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

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

### **Risk related to regulatory framework and authorizations**

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

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

### **Risks related to litigation**

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

## **Non-financial performance indicators**

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

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

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

# Notes to the financial statements

## *For the financial year ended December 31st , 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.

#### **( b ) Presentation of financial statements**

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

#### **(c) Basis of evaluation**

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

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

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

#### **(d) Functional and presentation currency**

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

#### **(e) Use of estimates and judgments**

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

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

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

### **3. Significant accounting policies**

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

#### **(a) Subsidiaries and associates**

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

The company does not own associates.

## **(b) Foreign currency transactions**

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

The exchange rates of the main foreign currencies were:

<b>Currency</b>	<b>31 dec.2019</b>	<b>31 dec.2020</b>	<b>31dec.2021</b>	<b>31.12.2022</b>	<b>31.12.2023</b>
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.

### **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.

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

### **Tangible fixed assets**

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

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

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

Amortization periods are as follows:

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

### **Intangible assets**

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

An intangible asset meets the criteria to be identifiable when:

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

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

### **Receivables**

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

### **Inventories**

Stocks consist of:

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

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

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

### **Cash availability**

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

### **Revaluation reserves**

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

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

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

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

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

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

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

### **Social capital**

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

### **Dividends**

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

### **Suppliers and similar accounts**

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

### **Loans**

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

### **Income tax**

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

#### **Current tax**

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

#### **Deferred tax**

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

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

### **Employee Benefits**

#### *Short-term employee benefits*

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

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

### **Financing costs**

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

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

### **Grants**

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

### **Provisions**

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

### **The result per share**

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

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

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

### **Quotas**

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

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

### **Segment reporting**

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

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

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

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

The deliveries made by the Company during 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, 2022 and December 31st, 2023, the Company recorded exports as follows:

Total Livrari la Export	20.997.364	<b>EURO</b> ( 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.

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
<b>A. FIXED ASSETS</b>								
<b>I. INTANGIBLE ASSETS</b>	-	-	-	-	-	-	-	-
<b>1. Formation expenses</b>								
<b>2. Development costs</b>	4.112.519	-	-	4.112.519	4.112.519	-	-	4.112.519
<b>3. Concessions, patents, licenses and other fixed assets</b>	28.503.094	336.000	-	28.839.094	21.236.699	1.396.259	-	22.632.958
<b>4. Commercial fund</b>	-	-	-	-	-	-	-	-
<b>5. Advances and intangible assets in progress</b>	-	-	-	-	-	-	-	-
<b>TOTAL:</b>	32.615.613	336.000	-	32.951.613	25.349.218	1.396.259	-	26.745.477
<b>II. TANGIBLE FIXED ASSETS</b>								
<b>1. Land</b>	12.892.792	-	1.035.449	11.857.343	133.421	-	-	133.421
<b>2. Constructions</b>	43.502.440	48.689	1.007.471	42.543.658	32.776.907	948.901	637.951	33.087.857
<b>3. Technological equipment</b>	44.042.688	1.889.382	511.899	45.420.171	40.354.632	689.887	501.896	40.542.623
<b>4. Measuring, controlling and regulating apparatus and installations</b>	2.303.716	79.561	108.674	2.274.603	2.098.471	80.733	108.674	2.070.530
<b>5. Means of transport</b>	7.365.797	290.302	458.219	7.197.880	5.759.353	562.977	458.219	5.864.111
<b>6. Furniture, appliances, office supplies and other assets</b>	579.755	130.808	16.318	694.245	469.819	41.279	16.318	494.780
<b>7. Advances and tangible fixed assets in progress</b>	1.844.825	578.875	1.857.719	565.981	-	-	-	-
<b>TOTAL:</b>	112.532.013	3.017.617	4.995.749	110.553.881	81.592.603	2.323.777	1.723.058	82.193.322
<b>III. FINANCIAL ASSETS</b>								
<b>1. Equity securities held in group companies</b>	-	-	-	-	-	-	-	-
<b>2. Claims on group companies</b>	-	-	-	-	-	-	-	-
<b>3. Securities in the form of participation interests</b>	-	-	-	-	-	-	-	-
<b>4. Receivables from participation interests</b>	-	-	-	-	-	-	-	-
<b>5. Securities held as fixed assets</b>	-	-	-	-	-	-	-	-
<b>6. Other receivables</b>	-	-	-	-	-	-	-	-
<b>7. Owned actions</b>	-	-	-	-	-	-	-	-
<b>TOTAL:</b>	-	-	-	-	-	-	-	-
<b>FIXED ASSETS - TOTAL</b>	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:	8.746.511
-reinvested profit	1.959.762
- coverage of the accounting loss resulting from corrections	-
- legal reserve	-
- dividends	5.292.226
- other reserves	1.494.523
- NON-SHARED PROFIT	-

## 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

<b>3. Expenses of the basic activity</b>	<b>106.190.417</b>	<b>87.495.270</b>
<b>4. Expenditure on auxiliary activities</b>	<b>35.361.681</b>	<b>27.827.561</b>
<b>5. Indirect production costs</b>	<b>35.238.507</b>	<b>36.374.017</b>
<b>6. Expenditure on sold goods and packaging</b>	<b>2.903.929</b>	<b>2.993.143</b>
<b>7. Gross turnover (1-2)</b>	<b>20.032.746</b>	<b>8.304.886</b>
<b>8. Sales expenses</b>	<b>3.624.115</b>	<b>3.515.131</b>
<b>9. General administrative expenses</b>	<b>6.617.335</b>	<b>2.781.021</b>
<b>10. Other operating income</b>	<b>26.761.957</b>	<b>23.147.167</b>
<b>11. Expenditure related to other operating income</b>	<b>20.781.081</b>	<b>14.638.226</b>
<b>12. Total operating income (1 + 10)</b>	<b>226.489.237</b>	<b>186.142.044</b>
<b>13. Total operating expenses (2 + 8 + 9 + 11)</b>	<b>210.717.065</b>	<b>175.624.369</b>
<b>14. Operating profit (12-13)</b>	<b>15.772.172</b>	<b>10.517.675</b>

### 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
<b>Total from which:</b>	<b>39.821.727</b>	<b>39.821.727</b>	<b>-</b>
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
<b>Total from which:</b>	<b>30.574.332</b>	<b>30.566.269</b>	<b>8.063</b>	<b>-</b>
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	-	-

<b>2.Special funds budget</b>	<b>31.948</b>	<b>31.948</b>	-	--
- environment fund	7.181	7.181	-	-
- solidarity fund for people with disabilities	24.767	24.767	-	-
<b>3. Social security budgets</b>	<b>1.578.339</b>	<b>1.578.339</b>	-	-
- CAS	1.130.961	1.130.961	-	-
- CASS	447.378	447.378	--	-
<b>4. Other taxes, fees, payments</b>	-	-	-	-
<b>5. Other loans and similar liabilities - leasing</b>	-	-	-	-
<b>6. Interest on other loans and similar liabilities - leasing</b>	-	-	-	-
<b>7. Staff – due salaries</b>	<b>1.115.402</b>	<b>1.115.402</b>	-	-
<b>8. Staff - sick leave</b>	-	-	-	-
<b>9. Uncollected personnel rights</b>	-	-	-	-
<b>10. Deductions from salaries due to third parties</b>	<b>50.908</b>	<b>50.908</b>	-	-
<b>11. Referall handlers guarantees</b>	<b>8.063</b>	-	<b>8.063</b>	
<b>12. VAT not required</b>	<b>17.648</b>	<b>17.648</b>		
<b>13. Various creditors</b>	<b>55.503</b>	<b>55.503</b>	-	-
<b>14. Dividends</b>	<b>5.684.623</b>	<b>5.684.623</b>	-	-
<b>15. Credits</b>	<b>11.185.713</b>	<b>11.185.713</b>	-	-
<b>16 Suppliers</b>	<b>8.089.359</b>	<b>8.089.359</b>	-	-
<b>17. Creditor customers</b>	<b>308.318</b>	<b>308.318</b>	-	-
<b>18. Payable interest</b>	<b>27.828</b>	<b>27.828</b>	-	-
<b>19. Long-term loans</b>	-	-	-	-

### Inventories

At 31<sup>st</sup> December , 2023 , compared to December 31, 2022, the stocks are as follows:

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

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

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

### Clients and similar accounts

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

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

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 <b>EURO</b> ( 103.823.057 RON)	din care :
Outside the European Union	3.054.060 EURO	
Inside the European Union	17.943.304 EURO	

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 31<sup>st</sup> December , 2023 , compared to December 31, 2022, short-term investments are as follows:

<b>Elements</b>	<b>31 dec.2022</b>	<b>31 dec. 2023</b>
<b>Short-term investments</b>	14.397	14.397
<b>TOTAL</b>	<b>14.397</b>	<b>14.397</b>

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 31<sup>st</sup> 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
<b>TOTAL</b>	<b>315.850</b>	<b>301.456</b>

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 31<sup>st</sup> 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
<b>TOTAL</b>	<b>820.842</b>	<b>779.573</b>

### 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 )	<b><u>109.339.314</u></b>

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	Number of	Total amount	% of share
--------------	---------------	-----------	--------------	------------

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

### 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 31<sup>st</sup> December , 2023 , compared to December 31, 2022, other reserves have the following levels:

<b>Elements</b>	<b>31 dec.2022</b>	<b>31 dec.2023</b>
<b>Other Reserves</b>	26.893.424	32.978.990
<b>Total</b>	<b>26.893.424</b>	<b>32.978.990</b>

### 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
<b>1. Investment grants</b>	8.924	2.241.575
<b>Total</b>	<b>8.924</b>	<b>2.241.575</b>

### 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	
	Approved	Used		Approved	Used
<b>The bank</b>			<b>The bank</b>		
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
<b>Profit for the period</b>	<b>12.315.948</b>	<b>8.746.511</b>
Number of ordinary shares at beginning and end of the period	8.114.746	8.114.746
<b>Basic and diluted result per action (RON / share)</b>	<b>1,52</b>	<b>1,08</b>
<b><u>Dividends</u></b>		



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
	<b>1.402.694</b>	<b>2.420.680</b>
1. The state budget		
- 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
<b>2. Special funds budgets</b>	<b>22.614</b>	<b>31.948</b>
- environment fund	14.637	24.767
- solidarity fund for disabled people	7.977	7.181
<b>3. Social security budgets</b>	<b>1.762.177</b>	<b>1.578.339</b>
- CAS	1.262.394	1.130.961
- CASS	499.783	447.378
<b>4. Other taxes, fees, payments</b>	<b>-</b>	<b>-</b>

**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.

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		
<b>Total</b>	<b>1.848.098</b>	<b>994.872</b>
<i>Reconciling the effective tax rate</i>	<b>2022</b>	<b>2023</b>

<b>Profit before profit tax</b>	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
<b>Total</b>	<b>1.848.098</b>	<b>994.872</b>

### Operating income

<b>Elements</b>	<b>31 dec. 2022</b>	<b>31 dec. 2023</b>
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
Other operating revenues	851.291	10.232.800
<b>Total operating income</b>	<b>226.489.237</b>	<b>186.142.044</b>

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**

<b>Elements</b>	<b>31 dec. 2022</b>	<b>31 dec. 2023</b>
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
-Salaries and allowances	48.632.525	48.499.542
-Insurance and social protection	2.128.375	1.947.382
Tangible assests 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
<b>Total Operating Expenses</b>	<b>210.717.065</b>	<b>175.624.369</b>

### **Operating result**

<b>Elements</b>	<b>31 dec. 2022</b>	<b>31 dec. 2023</b>
Operating profit (Profit)	15.772.172	10.517.675
<b>Total operating profit</b>	<b>15.772.172</b>	<b>10.517.675</b>

### **Net financial result**

<b>Elements</b>	<b>31 dec. 2022</b>	<b>31 dec. 2023</b>
Income from exchange rate differences	1.035.458	893.639
Interest income	3.275	89
Other financial incomes	-	-
<b>Total Financial Income</b>	<b>1.038.733</b>	<b>893.728</b>
Interest charges	1.427.635	888.600
Other financial expenses	1.269.564	847.259
<b>Total Financial Expenses</b>	<b>2.697.199</b>	<b>1.735.859</b>
<b>Net financial result (Loss)</b>	<b>-1.658.466</b>	<b>-842.131</b>

### **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:

#### **INTESA SANPAOLO BANK**

#### **- MORTGAGE REAL ESTATE SITUATION -**

<b>NO. CADASTRAL</b>	<b>MORTGAGED PROPERTY (LAND + CONSTRUCTIONS) - DESCRIPTION</b>

<b>1315/2/1/1/1/4 CF 41172</b>	<b>-land with an area of 11,243 sqm + auto-metrology platform consisting of:</b> 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);
<b>1315/2/1/1/1/7 CF 40067</b>	<b>-land with an area of 18,910 sqm + constructions:</b> 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).
<b>1315/2/1/1/1/9 CF 41169</b>	<b>-land with an area of 4,114 sqm + constructions:</b> 1. finished products warehouse - 657.25 sqm (C56 / 4).
<b>1315/2/1/1/1/10 CF 41170</b>	<b>-land with an area of 1,575 sqm + constructions:</b> 1. administrative group gate 3 - 123.44 sqm (C63).
<b>1315/2/1/1/1/11 CF 41165</b>	<b>-land with an area of 22,150 sqm + constructions:</b> 1. monobloc hall - 4,739.39 sqm (C56 / 3); 2. warehouse -95.55 sqm (C61); 3. overhead crane - 811.12 sqm (C62).

**CREDIT EUROPE BANK**

**- MORTGAGE REAL ESTATE SITUATION -**

<b>NO. CADASTRAL</b>	<b>MORTGAGED PROPERTY (LAND + CONSTRUCTIONS) - DESCRIPTION (RANGES I AND II MORTGAGES)</b>
<b>1315/2/1/1/3 CF 39568</b>	<b>- urban land on the surface. of 1,271 sqm</b> 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.
<b>1315/2/1/1/4 CF 37455</b>	<b>- urban land on the surface. of 6,705 sqm together with</b> oxygen factory (C1), located in Tg Jiu, str. Ciocârlău, no. 38.
<b>1315/2/1/1/7 CF 39567</b>	<b>- urban land on the surface. of 1,859 sqm</b> together with tailoring section (C1) + gate group, with a built-up area of 667.87sqm located in Tg Jiu, str. Ciocârlău, no. 38.
<b>1315/2/1/1/9 CF 39579</b>	<b>- urban land on the surface. of 5047 sqm</b> together with the reconditioned drum section (C59), located in Tg Jiu, str. Ciocârlău, no. 38.
<b>1315/2/1/1/10 CF 39564</b>	<b>- urban land on the surface. of 3,744 sqm</b> , 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)
1315/2/1/1/1/5 CF 41246	- 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.Transformers 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)

**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

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.

1315/2/1/1/1/2 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).
1315/2/1/1/1/6 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 .

### The status of ongoing litigation

### ARTEGO S.A. – reclamanta

Crt. No.	Folder No.	Defendand company	Object	Request/ The requested amount	File status / Remarks
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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	<b>- in progress;</b> 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	<b>- in progress;</b> 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	<b>- in progress;</b> 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	<b>- in progress;</b> 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	<b>- in progress;</b> 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	<b>- in progress;</b> We were admitted to the credit table with the amount of 2,486.37 RON; continue bankruptcy proceedings
7	528/95/2015	Succes Nic Com Targu - Jiu	Insolvency proceedings	- the admission to the creditor's table of the debtor with the amount of 34,155.80 RON	<b>- in progress;</b> 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	<b>- in progress;</b> 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	<b>- in progress;</b> 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	<b>- in progress;</b> 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	<b>- in progress;</b> 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	<b>- in progress;</b> 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	<b>- in progress;</b> 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)
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.	<b>- in progress;</b> - court term -- 01.03.2024

### **ARTEGO S.A. – defendant**

<b>Crt. No.</b>	<b>File No.</b>	<b>Plaintiff</b>	<b>Object</b>	<b>Request/ The requested amount</b>	<b>File status / Observations</b>
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)	<b>- in progress ;</b> - 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)	<b>- in progress ;</b> - 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	<b>- in progress ;</b> - trial term: - 09.01.2024

### **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.

## 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

Profit before interest

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

b) Gross sales margin

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

### **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.

## **Statement**

In accordance with the provisions of art.223, point B, paragraph (1), letter c) of Regulation no.5 / 2018 on issuers and securities operations, we declare that, to our knowledge, the financial statements as of December 31st, 2023 offer a correct and realistic picture of the assets, liabilities, financial position and profit and loss account. Also, the Report of the Board of Directors prepared in accordance with the provisions of Annex no. 14, presents correctly and completely the information about the company.

## Independent auditor's report

To the Shareholders of SC ARTEGO SA TG JIU

### Report on the audit of the financial statements

#### *Opinion*

- 1 We have audited the attached individual financial statements of SC ARTEGO SA ("the Company"), with registered office in Tg Jiu, str. Ciocarlau, no. 38, identified by the unique tax registration code RO 2157428, which include the balance sheet as of 31<sup>st</sup> December ,2022, the profit and loss account, the statement of changes in equity and the statement of cash flows for the financial year ended on this date, as well as a summary of significant accounting policies and explanatory notes.
- 2 The individual financial statements on December 31<sup>st</sup>, 2023 are identified as follows:
  - Total equity: 99.008.253 RON
  - Net profit for the financial year: 8.746.511 RON
  - Subscribed capital: 20.286.865 RON
- 3 **In our opinion, the attached individual financial statements provide a true picture of the financial position of the Company on December 31<sup>st</sup>, 2023, as well as the financial performance and cash flows for the financial year ended on this date, in accordance with the Order of the Minister of Public Finance no. . 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards ("OMFP no. 2844/2016").**

#### *Basis for opinion*

- 4 We conducted our audit in accordance with International Auditing Standards ("ISA"), EU Regulation no. 537 of the Parliament and of the European Council (hereinafter the "Regulation") and Law no. 162/2022 ("the Law"). Our responsibilities based on these standards are described in detail in the "Auditor's Responsibilities in an Audit of Financial Statements" section of our report. We are independent from the Company, according to the Code of Ethics of Accounting Professionals issued by the Council for International Ethics Standards for Accountants (IESBA code), according to the ethical requirements that are relevant for the audit of financial statements in Romania, including the Regulation and the Law, and we have fulfilled ethical responsibilities according to these requirements and according to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key audit matters*

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

Key audit matters	Approach within the audit mission
The revenues mainly include the revenues from sales related to the	Our audit procedures for evaluating sales revenue recognition included the following:

manufacture of rubber products to a range of both internal and external clients. The income is recognized upon the delivery of the sold goods, and the sales are adjusted with the commercial discounts, in accordance with the contracts concluded with the customers.

We have identified revenue recognition as a key aspect of the audit, because revenue represents one of the Company's key performance indicators and, therefore, there is an inherent risk in relation to their recognition by management for the fulfillment of specific objectives or expectations

- testing the effectiveness of the Company's main controls to prevent and detect fraud and errors in revenue recognition. This procedure included testing the controls for revenue recognition based on the deliveries made, by referring to a sample of transactions;
- inspecting contracts of the customers, on a sample basis, to understand the terms of sales transactions, including the ways in which discounts are applied, to assess whether the Company's revenue recognition criteria were in accordance with the requirements and accounting standards in force;
- evaluation, on a sample basis, of the recognition in the corresponding financial period of the revenues recorded near the end of the financial year, by comparing the selected transactions with the relevant documentation, including shipping notices;
- obtaining confirmations of clients' balances at the end of the year, on a sample basis;
- examining the sales register after the end of the financial year to identify significant credit notes issued and inspecting the relevant documentation to assess whether the related revenues have been accounted for in the corresponding financial period.

#### ***Other information – Directors' Report and Non-Financial Statement***

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

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

In connection with the audit of the financial statements for the financial year ended on December 31<sup>st</sup>, 2023, our responsibility is to read that other information and, in doing so, to assess whether that other information is significantly inconsistent with the financial statements, or with the knowledge that we obtained during the audit, or if they appear to be significantly distorted.

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

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

a) The information presented in the Administrators' Report and the Non-Financial Declaration for the financial year for which the financial statements were drawn up are consistent, in all significant aspects, with the financial statements;

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

In addition, based on our knowledge and understanding of the Company and its environment, acquired during the audit of the financial statements for the financial year ended on December 31<sup>st</sup>, 2023, we are required to report if we have identified significant distortions in the Directors' Report and the Non-Financial Statement. We have nothing to report on this matter.

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

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

### ***Auditor's responsibilities in an audit of financial statements***

- 10 Our objectives consist in obtaining a reasonable assurance regarding the measure in that the financial statements, as a whole, are free of significant distortions, caused either by fraud or error, as well as in issuing an auditor's report which includes our opinion. Reasonable insurance means a high level of insurance, but it is not a guarantee that an audit conducted in accordance with ISA will always detect a significant distortion, if it exists. Distortions can be caused by either fraud or error and are considered significant if it can reasonably be expected that they, individually or cumulatively, will influence the economic decisions of the users, taken on the basis of these financial statements.
- 11 As part of an audit in accordance with ISAs, we exercise professional judgement and we maintain professional skepticism during the audit.
- Also:
- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement caused by fraud is higher than that of not detecting a material misstatement caused by error, because fraud may involve collusion, forgery, intentional omissions,



false statements and avoidance of internal control.

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

### ***Report on other legal and regulatory provisions***

- 15 We were appointed by the General Meeting of Shareholders on 13.04.2022 To audit the financial statements of SC ARTEGO SA TG-JIU for the exercise financial year ended on December 31<sup>st</sup>, 2023. Total uninterrupted duration of our commitment is for 3 years covering the financial years ended on December 31<sup>st</sup>, 2022 until December 31<sup>st</sup>, 2024.

*We confirm that:*

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

*In the name*

*SC MONITOR SRL  
Tg-Jiu, Gorj.*

*Registered with the Chamber of Financial  
Auditors  
from Romania with number 1526/2021*

*Giubalca Andrei*

*registered at the Chamber of Financial  
Auditors  
from Romania with number 3039/22.07.2009*