

First Quarter Report 2021

Report date : 17.05.2021

Issuer Name: S.C. ARTEGO S,A.

Headquarters: Tg. Jiu, Ciocirlau street no. 38, Gorj County.

Registration no.at ORC: J18/1120/1991

VAT: RO215748

Capital 22.390.413 lei

Trading market: BVB Market

This report shows:

1. the financial statements as of 31 March 2021, prepared according to IFRS, namely:

- Situation of the financial position
- Overall result

2. explanatory notes;

3. Statement of changes in equity at 31.03.2021

4. Statement of cash flows at 31.03.2021

5. the economic and financial indicators mentioned in Annex 30 B of the RNSC Regulation no.1 / 2006

We mention that the financial information as of 31 March 2019 was not audited.

SC ARTEGO SA Tg-Jiu
Individual Financial Statements

**SITUATION OF THE FINANCIAL POSITION AT 31.12.2020 and
31.03.2021**

(Amounts are expressed in RON unless otherwise stated)

Name of indicators	<u>31/12/2020</u>	<u>31/03/2021</u>
ASSETS		
Fixed assets	41,680,492	41,067,223
<i>Tangible assets</i>	31,180,619	31,012,614
<i>Intangible assets</i>	10,499,873	10,054,609
<i>Financial asse</i>		
Current assets	83,361,272	81,295,410
<i>Stocks</i>	47,606,147	44,931,402
<i>Commercial receivables</i>	33,617,206	33,981,815
<i>Financial assets of which</i>	14,397	14,397
<i>available for sale</i>	14,397	14,397
<i>Cash and cash equivalents</i>	1,799,336	2,074,665
<i>Prepayments</i>	324,186	293,131
TOTAL ASSETS	125,041,764	122,362,633
OWN CAPITAL AND LIABILITIES		
Own capitals		
<i>Subscribed and paid-up share capital</i>	22,390,413	22,390,413
<i>Other equity items</i>	767,251	753,375
<i>Reserves from reevaluation</i>	28,570,141	28,512,216
<i>Legal reserves</i>	4,478,083	4,478,083
<i>Other reserves</i>	25,000,607	29,262,699
<i>Own actions</i>	-6,529,411	-6,529,411
<i>Social Capital Adjustment</i>	89,052,449	89,052,449
<i>Reported result(without IAS 29)</i>	1,372,906	1,937,302
<i>Reported result(with IAS 29)</i>	-89,052,449	-89,052,449
<i>Current profit</i>	10,531,639	2,756,066
<i>Profit Distribution</i>	-381,690	
Total own capitals	86,199,939	83,560,743
Long-term debt		

<i>Investment grants</i>	9,610	16,554
<i>Other long-term debts</i>	7,743	7,759
<i>Long-term provisions</i>		
Total long-term debt	17,353	24,313
Current debts		
<i>Investment grants</i>	12,494	14,309
<i>Commercial and other debts</i>	7,960,850	11,571,517
<i>Short-term loans</i>	23,159,579	14,754,398
<i>Tax and current tax liabilities</i>	7,691,549	12,437,353
<i>Short-term provisions</i>		
Total current debts	38,824,472	38,777,577
Total debts	38,841,825	38,801,890
TOTAL OWN CAPITALS AND DEBTS	125,041,764	122,362,633

SITUATION OF THE GLOBAL RESULT
at 31 march 2021

Crt No.	NAME OF INDICATORS	31.03.2020	31.03.2021
1.	Net turnover of which	35.504.794	38.850.296
	Revenues from the sold production	34.850.692	38.185.055
	Revenues from the sale of goods	731.737	712.770
	Commercial discounts granted	77.635	47.529
2.	Revenues from stored production	4.395.632	4.254.283
3.	Revenues from the production of fixed assets	223.105	334.508
4.	Revenues from fixed assets intended for sale	-	-
5.	Other revenues from exploitation	-	218.233
6.	Other operating revenues	156.807	340.781
1.	OPERATING INCOME	40.280.338	43.998.101
7.	Expenditure on goods	711.614	675.641
8.	Material expenses	23.889.111	25.165.808
9.	Expenses with works and services performed by third parties	1.439.293	1.800.954
10.	Expenses with taxes and fees	398.099	389.108
11.	Staff costs	11.054.789	11.552.753

12.	Other operating expenses	269.264	144.297
13.	Depreciation and amortization expenses	1.094.964	1.037.509
II.	OPERATING EXPENDITURE	38.857.134	40.766.070
A.	RESULT FROM EXPLOITATION		
	- PROFIT	1.423.204	3.232.031
	- LOSS		
III.	FINANCIAL REVENUES	159.250	184.149
IV.	FINANCIAL EXPENSES	505.433	254.398
B.	FINANCIAL RESULT	-346.183	-70.249
V.	EXCEPTIONAL REVENUES		
VI.	EXCEPTIONAL EXPENSES		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL REVENUES	40.439.588	44.182.250
VIII	TOTAL EXPENSES	39.362.567	41.020.468
D.	GROSS RESULT		
	- PROFIT	1.077.021	3.161.782
	- LOSS		
	TAX	183.569	419.592
E	REVENUES FROM BENEFIT FROM PROFIT	13.926	13.876
F.	NET RESULT		
	- PROFIT	907.378	2.756.066
	- LOSS		
G.	Number of shares	8.956.165	8.956.165
H.	Output per share	0,101	0,308

Notes to the financial statements

For the financial year ended 31 March 2021

1. The reporting entity

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

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

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

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

2. Basics of drawing up

(a) Declaration of conformity

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

The Company applies International Financial Reporting Standards as approved by the European Union at the preparation of the separate financial statements ended 31 March 2018, in accordance with OMF no. 881/2012. This order states that starting with the 2012 financial year, the annual financial statements will be drawn up in accordance with the IFRS, this order being applicable to the companies whose securities are admitted to trading on a regulated market.

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

(b) Presentation of the financial statements

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

(c) The basics of evaluation

The separate financial statements are carried 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 31 December 2003.

The management believes that the Company will operate in the predictable future and, in the long run, the application of the business continuity principle in the preparation of the financial statements is considered appropriate. The separate financial statements are presented in accordance with the requirements of IAS 1 "Presentation of Financial Statements". The Company has adopted a liquidity-based presentation in the balance sheet and a presentation of income and expenses by nature in the profit and loss account, considering that these disclosures provide informations that is more credible and relevant than those that would be presented.

(d) Functional and presentation currency

The company's management considers that the functional currency, as defined by IAS 21 "Effects of Foreign Exchange Rates", is LEI or RON. The separate financial statements are presented in RON, rounded to the nearest leu, the currency that the company's management chosed as the presentation currency.

(e) Using estimates and judgments

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

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

The judgments made by management in the application of IFRS have a material effect on the financial statements and estimates that involve a significant risk.

3. Significant accounting policies

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

(a) Branches and associated entities

The subsidiaries are entities under the control of the company. The control exists when the company has the power to direct, directly or indirectly, the financial and operating policies of an entity to obtain benefits from its business. The associated entities are those companies in which the company may exert a significant influence, but not control over financial and operational policies.

The company does not have associated companies.

(b) Transactions in foreign currency

The operations denominated in foreign currency are recorded in RON at the official exchange rate at the settlement date of the transactions. The monetary assets and liabilities recorded in foreign currency at the balance sheet date are translated into the functional currency at the exchange rate on that day. The interests or losses from their settlement and from 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 income and loss statement.

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. The market risk is the risk that causes changes in market prices as well as currency exchange and interest rate that will affect the company's revenues.

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

Interest rate risk

The company's operating cash flows are affected by interest of the rate fluctuations, mainly due to the borrowing in foreign currency contacted by the financing banks.

The cash risk of the interest rate is the risk that the interest, and hence the expense, fluctuates.

Currency risk

The company may be exposed to the exchange rate fluctuations through cash and cash equivalents, trade receivables or trade payables denominated in foreign currency.

The currency used on the domestic market is the Romanian leu. The company is exposed to foreign currency cash and cash equivalents, purchases and borrowings 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. The foreign currency loans are subsequently denominated in RON, at the exchange rate of the banking day of each month, communicated by the National Bank of Romania. The resulting differences are included in the income and loss statement

The credit risk

The credit risk is the risk that the company will incur a financial loss as a result of non-fulfillment of the contractual obligations by a client or a counterparty to a financial instrument, and this risk arises mainly from trade receivables and cash and cash equivalents.

On 31 march 2021, the company holds cash and cash equivalents in the amount of 2.074.665 lei. The cash and cash equivalents are held at banks including: BRD, Unicredit Tiriac, Intesa, ING Bank, GARANTI, CREDIT EUROPE Bank.

The liquidity risk

The liquidity risk is the risk that the company encounters difficulties in meeting the obligations associated with financial liabilities that are settled in cash or by the transfer of another financial asset.

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

The fair value of financial instruments

The fair value is the amount at which the financial instrument may change in ordinary transactions other than those determined by liquidation or forced sale. The fair values are obtained from quoted market prices or cash flow models as appropriate. On 31 march 2021, the cash and other cash, the customers and the assimilated accounts, the trade payables and other payables are approaching their real value due to their short maturity. The management considers that the estimated value of these instruments is close to their carrying amount.

The capital risk management

The objectives of the company when managing the capital are to maintain the company's ability to continue operating in order to obtain benefits for shareholders and other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital

Accounting for the effect of hyperinflation

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

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

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

Thus, the amounts expressed in the current measurement unit at 31 December 2003 are treated as the basis for the carrying amounts reported in these separate financial statements and are not valued, replacement cost, or any other measurement of the current value of the assets or prices at which the transactions would happen at this time.

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

Tangible assets

The tangible assets are assets that: are held by an entity for use in the production of goods or the provision of services to be leased to third parties or to be used for administrative purposes and are used for a period longer than one year .

Purchase costs include purchase price, import taxes and other taxes (except those that the legal entity can recover from the tax authorities), transport, handling and other expenses that can be directly attributable to the acquisition of those goods.

The valuation of property, plant and equipment at the balance sheet date is carried at cost, less depreciation and accumulated impairment adjustments, or revalued, being the fair value at the revaluation date, less any cumulative subsequent depreciation and any accumulated impairment losses.

Damping times are as follows:

Buildings and construction 40-60 years

Equipments	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-cash asset with no material support and held for use in the production or supply of goods or services to be leased to third parties or for administrative purposes.

An intangible asset fulfills the criterion of being identifiable when:

- is separable, it may be segregated or divided by the entity and sold, transferred, authorized, leased or exchanged either individually or together with an appropriate contract, identifiable asset or identifiable debt, or deriving from contractual or other legal rights, whether those rights are transferable or severable by the entity or other rights and obligations.

The intangible assets acquired by the company are stated at cost less cumulative depreciation and provision for depreciation of intangible assets. The amortization is recognized in the income statement on a straight-line basis over the estimated useful lives of intangible assets.

Receivables

The commercial receivables are initially recorded at the invoiced amount and subsequently those in foreign currency are valued at the exchange rate communicated by the National Bank of Romania on the last banking day of the month. A depreciation provision is made when there is a clear evidence that the receivables will not be collected at the set time

Stocks

The stocks are made up of:

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

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

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

Money availability

The cash and cash equivalents include house, current accounts, bank deposits, meal vouchers, stamps and checks and promissory notes received by the company.

The revaluation reserves

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

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

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

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

Starting from 1 May 2009, the statutory reserves from the revaluation of fixed assets, including land, after 1 January 2004, which are deducted in the calculation of taxable profit through tax amortization or disposal costs and /or tax at the same time as the deduction of tax depreciation, respectively at the time of decrease of these fixed assets.

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

The reserves made are taxed in the future in the event of a change in the destination of the reserves in any form, in the event of liquidation, merger, including its use to cover the accounting losses, except for the transfer after 1 May 2009, of the reserves for the evaluations made after 1 January 2004 , which are taxed at the same time as deducting tax depreciation.

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 with the Trade Registry Office.

Dividends

The dividends are recognized as a liability in the period in which their allocation is approved.

Suppliers and assimilated accounts

The debts to suppliers and other debts include the value of the invoices issued by suppliers of manufactured finished products, executed works and services.

Loans

The loans are initially recognized at fair value, net of transaction costs. Subsequent to initial recognition, the loans are recorded at amortized cost, any difference between cost and reimbursement being recognized in the income statement over the period of the loan.

Profit tax

The profit tax expense comprises current tax and deferred tax. The current and deferred tax is recognized in the income statement unless it is recognized directly in equity or other comprehensive income.

Current tax

The current tax is the tax that is expected to be paid or received for the taxable income or deductible loss incurred in previous years using tax rates adopted or largely adopted at the reporting date and any adjustment to the related tax liability payable of previous years.

Deffered tax

The deferred tax is recognized for the temporary differences that occur between the carrying amount of assets and liabilities used for the purpose of financial reporting and the tax base used for the tax calculation.

The deferred tax assessment reflects the tax consequences that arise from the way the company expects to recover or settle the value of its assets and liabilities at the end of the reporting period. The deferred tax assets are reviewed at each reporting date and are diminished to the extent that they are which is no longer possible to achieve the related tax benefit.

Benefits of the employees

Benefits of short-term employees

The obligations on short-term benefits are assessed without being updated and are recognized as expenses as services are rendered. A provision is recognized at the amount that is expected 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 constructive obligation to pay that amount for past service provided by employees, and this obligation can be estimated at fair value. The benefits of short-term employees are mainly payroll.

In the normal course of business, the company makes payments on behalf of its employees to the pension fund. All the company's employees are members of the Romanian State Pension Plan.

Funding costs

The company does not capitalize the cost of the loans because it does not have long-term loans. The interest income and interest expense are recognized in the income statement when they are paid.

Subsidies

The subsidies are initially recognized as prepaid earnings at fair value when there is reasonable assurance that they will be received and the company will comply with the grant-related conditions and then are recognized in the income statement as other income over the life of the asset to which it refers. The subsidies are related to assets. The non-reimbursable funds are recognized as assets when there is reasonable assurance that they will be received and the related conditions will be met.

Provisions

A provision is recognized at that time and only when the following conditions are met: the company has a current (legal and implicit) obligation as a result of a past event, it is probable (more likely than unlikely) that an outflow of resources representing economic benefits to be required to settle the obligation, when a fair estimate of the amount of the obligation can be made.

Output per share

In accordance with IAS 33 "Earnings per share", the earnings per share is calculated by dividing the profit or loss attributable to the company's shareholders to the weighted average of the outstanding ordinary shares of the period.

The weighted average of shares in circulation during the exercise is 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 in circulation during the exercise.

The dilution is a reduction in earnings per share or an increase in share losses resulting from the convertibility of convertible instruments, options or warrants are exercised or ordinary shares are issued subject to certain specified conditions. The diluted earnings per share object is consistent with that of the basic share result, namely, to evaluate the interest of each ordinary share in the performance of an entity.

Contingents

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

A contingent asset is not recognized in the accompanying financial statements but is presented when an economic benefit is probable.

Reporting on segments

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

The company carries out its operations in a single location in Romania. The company's management considers all of their operations as "one segment".

Operating segments are examined in a consistent manner by the entity's principal operational decision-maker for making decisions about segment allocation and performance appraisal, and for which distinct financial information is available.

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

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

New standards and interpretations as approved by the European Union

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

New standards not yet applicable on 31 March 2021

International Accounting Standard (SIC) 19 (2011) Employee Benefits (effective 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 earnings and losses in the income statement.

Stocks

On 31 March 2021, compared to 31 Dec. 2020 stocks are presented as follows:

Elements	31 dec 2020	31 march 2021
1. Raw materials and	33.340.830	30.066.919

consumables		
2. Fixed assets held for sale	149.495	149.495
3. Production under execution	59.651	120.796
4. Finished goods and commodities	13.414.931	14.278.308
5. Advances	641.240	315.884
TOTAL	47.606.147	44.931.402

Clients and assimilated accounts

On 31 March 2021, compared to 31 December 2020, the clients and assimilated accounts are shown as follows:

Elements	31 dec. 2020	31 march 2021
1. Commercial receivables	31.456.896	31.099.431
2. Paid advances	780.614	719.918
3. Other debts	1.379.696	2.162.466
TOTAL	33.617.206	33.981.815

Between January 1, 2021 and March 31, 2021, the company registered exports as follows:

EURO

ENGLAND	1.347.200,13
AUSTRIA	119.128,45
AZERBAIJAN	9.746,30
BOSNIA	3.059,70
BULGARIA	47.190,83
EGYPT	46.830,56
FINLAND	93.164,44
FRANCE	698.053,21
GERMANY	1.605.722,60

GREECE	28.351,65
ITALY	62.160,92
LITHUANIA	925,20
NETHERLANDS	385.758,34
POLAND	30.039,12
bondage	45.550,16
SLOVAKIA	11.934,71
SPAIN	942.238,02
UKRAINE	27.412,31
HUNGARY	60.621,46
TOTAL	5.565.088,11

Financial assets of which available for sale

As of March 31, 2021, compared to December 31, 2020, the short-term investments are as follows:

Elements	31 dec. 2020	31 march 2021
Short-term investments	14.397	14.397
TOTAL	14.397	14.397

The balance on March 31, 2021 in the amount of 14,397 lei is represented by the value of the shares acquired in the previous years from IFB Invest Tg-Jiu, which in the meantime has been dissolved.

The share of financial assets intended for sale in the company's capitals is insignificant.

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

Prepayments

As of March 31, 2021, compared to December 31, 2020, the expenses incurred in advance are as follows:

Elements	31 dec. 2020	31 march 2021
Prepayments	324.186	293.131

TOTAL	324.186	293.131	
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The balance as of March 31, 2021 in the amount of 293,131 lei, represents expenses incurred in advance for: insurance in favor of banks for loans, car loans, professional training courses, rents paid in advance for renting various equipment.

Cash and cash equivalents

As of March 31, 2021, compared to December 31, 2020, cash and cash equivalents are as follows:

Elements	31 dec. 2020	31 march 2021
Current accounts at banks and deposits	1.537.545	1.782.465
Her house	2.865	9.271
Currency house		
Other cash equivalents	258.926	282.929
TOTAL	1.799.336	2.074.665

Social capital

As of March 31, 2021, the share capital includes the effects of the restatements registered in the previous years according to the application of “SIC” 29 ”Financial reporting in hyperinflationary economies. The reconciliation of the share capital is presented as follows:

Share capital (nominal value)	22.390.413
Differences related to restatement according to SIC 29	89.052.449
Balance of share capital (restated)	<u>111.442.862</u>

At the end of the reporting period, the fully subscribed and paid-in share capital of the Company in the amount of 22,390,413 lei is divided into 8,956,165 ordinary shares with a nominal value of 2.5 lei per share and corresponds to that registered at the Trade Register Office.

The shareholding structure as of March 31, 2021 is as follows:

Shareholders	Nominal value per share	Number of shares held	Total amount	% of share capital
PAS ARTEGO EMPLOYEES ASSOCIATION	2,50	6.968.820	17.422.050,00	77,8103%
Shareholders persons	2,50	1.109.084	2.772.710,00	12,3835%
Other legal entities	2,50	878.259	2.195.648,00	9,8062%
ROMANIAN STATE THROUGH THE AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS	2,50	2	5,00	0,0000%
TOTAL	2,50	8.956.165	22.390.413,00	100,000%

According to the EGMS decision of 16.04.2019, SC ARTEGOA SA repurchased in 2020 a shoulder of 841,419 own shares in order to cancel them and reduce the share capital from 22,390,412.50 lei to 20,286,865 lei. By EGMS decision no. 2 / 29.03.2021, the mentioned share capital reduction was approved.

Legal reserves

The legal reserve is in the amount of 4,478,083 lei as of March 31, 2021. The company transferred to the legal reserve 5% of the annual accounting profit (Law 571/2003) the cumulated balance reaching 20% of the paid-in share capital.

Revaluation reserves

The revaluation reserve is in the amount of 28,512,216 lei as of March 31, 2021.

Other reservations

As of March 31, 2021, compared to December 31, 2020, other reserves register the following levels:

Elements	31 dec. 2020	31 march 2021
Other Reservations	25.000.607	29.262.699
Total	25.000.607	29.262.699

Other elements of equity

As of March 31, 2021, the amount of 753,375 lei is represented by the deferred tax related to the revaluations in the balance made after January 1, 2004, less the deferred tax related to the amortization of the revaluation registered on costs in the first 3 months of 2021.

Investment grants

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

Elements	31 dec. 2020	31 march 2021
1. Investment grants	22.104	30.863
Total	22.104	30.863

Short-term loans

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

the bank	31.12.2020		31.03.2021	
	approved	use	approved	use
GARANTI lei	922.000	922.000	922.000	922.000
GARANTI(SGB) lei	2.078.000	394.445	2.078.000	32.881
UNICREDIT lei	28.300.000	5.305.000	18.000.000	2.216.080
UNICREDIT(SGB)lei	2.200.000	1.842.411	2.200.000	991.632
INTESA lei	11.000.000	9.356.872	11.000.000	6.470.448
ING BANK EUR	400.000	340.237	400.000	389.318
CREDIT EUROPE lei	8.900.000	5.918.957	8.900.000	3.228.437

Long-term loans

The company has not contracted long-term loans with banking units or other financial institutions.

Earnings per share

As of March 31, 2021 compared to March 31, 2020, the result per share is:

	31 march 2020	31 march 2021
Profit of the period	907.378	2.756.066
Number of ordinary shares at		
the beginning and end of the period	8.956.165	8.956.165
Basic result and diluted per action		
(lei / share)	0,101	0,308

Other taxes and obligations for social insurance

Elements	31 march 2021
1. The state budget	785.794
- TAX	419.592
- dividend tax	-

- income tax from salaries	281.241
--insurance contribution for the work	84.961
-VAT payable	-
2. Special funds budgets	433.089
- CASS	375.702
- medium background	12.422
- solidarity fund for people with disabilities	44.965
3. Social security budgets	962.263
- CAS	962.263
4. Other taxes, fees, payments	-

Operating income

Elements	31 march 2020	31 march 2021
Production sold	34.850.692	38.185.055
Income from sale of goods	731.737	712.770
Commercial discounts granted	77.635	47.529
Revenues related to the costs of product stocks	4.395.632	4.254.283
Income from the production of fixed assets	223.105	334.508
Income from fixed assets intended for sale	-	-
Income from operating subsidies	-	218.233
Other operating revenues	156.807	340.781
Total operating income	40.280.338	43.998.101

Operating expenses

Elements	31 march 2020	31 march 2021
Expenditures on raw materials and consumables	21.779.993	22.962.885
Other material expenses	286.576	410.948
Other external expenses (energy and water)	1.820.428	1.791.864
Expenditure on goods	711.614	675.641
Trade discounts received	505	-
Staff costs of which:	11.054.789	11.552.753
-Salaries and allowances	10.676.249	11.148.090
-Insurance and social protection	378.540	404.663
Property, plant and equipment adjustments of which:	1.094.964	1.037.509
-Costs	1.094.964	1.037.509
-Income	-	-
Current asset adjustments of which:	-	-
-Costs	-	-
-Income	-	-
Other operating expenses of which	2.109.275	2.334.470
Expenditures on external services	1.439.293	1.800.954
Expenses with other taxes and fees	398.099	389.108
Expenditure related to assets	2.619	111
fixed assets for sale	269.264	144.297
Total Operating Expenses	38.857.134	40.766.070

Operating result

Elements	31 march 2020	31 march 2021
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Operating profit (Profit)	1.423.204	3.232.031
Total operating profit	1.423.204	3.232.031

Net financial result

Elements	31 march 2020	31 march 2021
Income from exchange rate differences	157.212	183.731
Interest income	1.596	418
other incomes	442	-
Total Financial Income	159.250	184.149
Interest charges	349.226	146.823
Other financial expenses	156.207	107.575
Total Financial Expenses	505.433	254.398
Net financial result (Loss)	(346.183)	(70.249)

Fiscal legislative framework

The legislative-fiscal framework in Romania and its implementation in practice changes frequently and is subject to different interpretations by various control bodies. 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

The company as of March 31, 2021 has mortgaged the following assets in favor of the financing banks to which it has employed credit lines as follows:

INTESA SANPAOLO BANK

- MORTGAGE REAL ESTATE SITUATION –

CADASTRAL NO	REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION
1315/2/1/1/1/4 CF 41172	- land area of 11.243 sqm + self-metrology platform made up of: 1. storage - 254,62 mp (C15); 2. toilet -6,30 mp (C16); 3. loaded extinguisher station - 56,97 mp (C17); 4. workshop - 619,46 mp (C28); 5. metrology laboratory - 134,59 mp (C29); 6. drinking water station - 99,73 mp (C30); 7. drinking water basin - 146,17 mp (C31); 8. metal storage - 106,87 mp (C60); 9. storage -146,17 mp (C70); 10. auto workshop - 359,24 mp (C73);
1315/2/1/1/1/7 CF 40067	- land area of 18.910 mp + constructions: 1. locker room -199,59 mp (C54); 2. silo raw material - 195,60 mp (C55); 3. mixtures and annexes workshop - 437,91 mp (C58); 4. hot water station and condensate recirculation - 48,88 mp (C57); 5. monobloc hall -10.808,88 mp (C56/2/1); 5. storage - 2.225,98 mp (C69).
1315/2/1/1/1/9 CF 41169	land area of 4.114 mp + constructions: 1. finished warehouse - 657,25 mp (C56/4).
1315/2/1/1/1/10 CF 41170	- land area of 1.575 mp + constructions: 1. Administrative group gate 3 - 123,44 mp (C63).
1315/2/1/1/1/11 CF 41165	- land area of 22.150 mp + constructions: 1. monobloc hall - 4.739,39 mp (C56/3); 2. storage -95,55 mp (C61); 3. rolling bridge - 811,12 mp (C62).

UNICREDIT BANK

SITUATION OF REAL ESTATE PROPERTIES

CADASTRAL NO	REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION
1315/2/1/1/2 CF 40066 RANG I	- land area of 20.616 mp + constructions: 1. transport bands hall (C56/1).

3003 CF 41266	-land area of 15.446 mp with Jiu Capture Station consisting of: pump room, dosing tower, water settling basins 1 and 2, water treatment plants, filters + annexes, thermal power station, gate cabin, located in Tg Jiu, Vădeni district.
1315/1 CF 41260	-land area of 2.262,39 mp with administrative office P + 4, located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/5 CF 41270 1315/2/1/1/6 CF 41263	-land area of 996 mp with bread workshop (C11/2) -land area of 1.063 mp with milk workshop (C11/1), located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/2 CF 40061	-land area of 13.589 mp with regenerated rubber section (C6);
1315/2/1/3 CF 41264	-land area of 6.361 mp with hall molds and annexes (C9), located in Tg Jiu, Ciocârlău street, no. 38.

UNICREDIT BANK

<i>CADASTRAL NO</i>	<i>MORTGAGED PROPERTY (LAND + CONSTRUCTIONS) - DESCRIPTION</i>
1315/2/1/1/1/2 CF40066 RANG II	- land with an area of 20,616 sqm + constructions: 1.transport hall (C56 / 1).

1315/2/1/1/1/2 CF 44426	-land area of 14.478 mp + constructions: 1.toilet - 4,13 mp C3 2.storage - 81,27 mp C38 3. industrial hall - 119,85 mp (C39); 4.storage - 484,78 mp (C65); 5. storage - 111,31 mp (C66); 6. storage - 360,73 mp (C67); 7- storage - 44,72 mp (C68).
1315/2/1/1/1/6 CF 47076	-land area of 6.843 mp + constructions: 1.workshop - 651,14 mp (C18) 2. workshop - 626,59 mp (C19) 3. school lab -384,47 mp (C20) 4.toilet - 12,93 mp (C21) 5.basin -88,76 mp (C22) 6.basin - 26,3 mp (C23) 7.storage (C58) 8. auto workshop - 359,245 mp (C73)

CREDIT EUROPE BANK

SITUATION OF REAL ESTATE PROPERTIES

CADASTRAL NO	MORTGAGED PROPERTY (LAND + CONSTRUCTIONS) - DESCRIPTION (RANGES I AND II MORTGAGES)
1315/2/1/1/3 CF 39568	- land area of 1.271 mp with administrative group consisting of two buildings (C1 with ground surface built by 161,32mp and C2 With ground surface built by 151,81mp), located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/4 CF 37455	- land area of 6.705 mp with Oxygen factory (C1), located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/7 CF 39567	- land area of 1.859 mp with tailoring section (C1)+gate group, with ground surface built by 667,87mp located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/9 CF 39579	- land area of 5047 mp with reconditioned drums section (C59), located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/10 CF 39564	- land area of 3.744 mp , located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/1/8 CF 39562	- land area of 9.538 mp with construction C1-Industrial hall- Section of gaskets with ground surface of 6.429,15 mp , located in Tg Jiu, Ciocârlău street, no. 38.

<p>1315/2/1/1/1/3 CF 47078</p>	<p>- land area of 9.280 mp + constructions:</p> <ol style="list-style-type: none"> 1. demineralization station (C1) 2. demineralization station annexes (C2) 3. demineralization station basin (C3) 4. locker room (C4) 5. heating plant (C5) 6. compressor station storage (C6)
<p>1315/2/1/1/1/5 CF 41246</p>	<p>-land area of 17.758 mp + constructions:</p> <ol style="list-style-type: none"> 1. basin (C1) 2. pump house (C2) 3. basin (C3) 4. heating plant (C4) 5. industrial construction (C5) 6. trafo post (C6) 7. recirculated water basin (C7) 8. cooling tower (C8)_ 9. pump station (C9) 10. cooling tower (C10) 11. industrial and public construction (C11) 12. industrial and public construction (C12) 13. industrial and public construction (C13) 14. industrial and public construction (C14) 15. industrial and public construction (C15) 16. chlorination Station (C16) 17. metal storage (C18)

ING BANK

SITUATION OF REAL ESTATE PROPERTIES

<p>CADASTRAL NO</p>	<p><i>MORTGAGED PROPERTY (LAND + CONSTRUCTIONS) - DESCRIPTION</i></p>
<p>1315/1/1/1/12 CF 47071</p>	<p>-land area of 3611 mp with a construction of 16,67 mp (weighing cabin)</p>
<p>1315/2/1/1/8 CF 39574</p>	<p>- land area of 531 with a construction of 215,14 mp (commercial space)</p>
<p>4327 CF 47079</p>	<p>- land area of 1000 mp</p>

4296 CF 47074	- land area of 4760 mp with a construction of 12,42 mp (deep well)
3201 CF 39572	- land area of 10073,17 mp
37200 CF 37200	- land area of 1395 mp
37202 CF 37202	- land area of 9632 mp

Situation of disputes in progress

S.C. ARTEGO S.A. – complainant

crt. No	File no.	Complainant society	Object	Request/ The requested amount	File stage/ Observations
1	3319/95/2010*	Vectra Impex Targu-Jiu	Insolvency procedure	- admission to the debtor's creditor' s mass with the amount of 300.000 lei	- ongoing; we were admitted to the credentials table with the sum of 300.000 lei from which we recovered the amount of 38.645 lei during the judicial reorganization; continue the bankruptcy procedure
2	8207/62/2011	CET Brasov	Insolvency procedure	- the admission to the credit table of the debtor with the amount of 46,887.93 lei	- ongoing; we were admitted to the credit table with the amount of 46,887.93 lei; continue the bankruptcy proceedings
3	60833/3/2011	Munplast Bucuresti	Insolvency procedure	- admission to the debtor's creditor' s mass with the amount of 19.457,81 lei	- ongoing; I was admitted to the credit table with the amount of 19,457.81 lei, from which I recovered the amount of 5,000 lei; continue the bankruptcy proceedings

4	4163/95/2012	Gastrom Group Targu -Jiu	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 52,777.37 lei	- ongoing; we were admitted to the credit table with the amount of 52,777.37 lei; continue the bankruptcy procedure (capitalization of assets and recovery of receivables)
5	887/90/2013	Oltchim Ramnicu-Valcea	Insolvency procedure	- the admission to the credit table of the debtor with the amount of 19,946.68 lei	- ongoing; we were admitted to the credit table with the amount of 19,946.68 lei; continue the general bankruptcy procedure
6	9089/101/2013	Autonomous Registry for Nuclear Activities Severin	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 1,439,815.78 lei	- ongoing; we were admitted to the credit table with the amount of 1,439,815.78 lei; continue the bankruptcy proceedings
7	2570/63/2014	Energy Services Oltenia Craiova	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 3,188.77 lei	- ongoing; we were admitted to the credit table with the amount of 2,486.37 lei; continue the bankruptcy proceedings
8	528/95/2015	Succes Nic Com Targu - Jiu	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 34,155.80 lei	- ongoing; we were admitted to the credit table with the amount of 34,155.80 lei; the procedure of judicial reorganization continues
9	2575/85/2015	Ambient Sibiu	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 1,240.00 lei	- ongoing; we were admitted to the credit table with the amount of 1,240.00 lei; the debtor entered the bankruptcy procedure

10	3520/95/2015	Ignifug Prest Targu-Jiu	Insolvency procedure	- the admission to the credit table of the debtor with the amount of 4,783.92 lei	- ongoing; we were admitted to the credit table with the amount of 4,783.92 lei; continue the bankruptcy proceedings
11	1396/90/2016	CET Govora	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 1,665,256.19 lei	- ongoing; we were admitted to the credit table with the amount of 1,665,256.19 lei; the procedure of judicial reorganization continues
12	5114/95/2016	Installations for Mining Utilities	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 41,307.71 lei	- ongoing; we were admitted to the credit table with the amount of 41,307.71 lei; continue the bankruptcy proceedings (capitalization of goods and recovery of receivables)
13	1248/95/2018	Roads and Bridges Enterprise Targu Jiu	Insolvency procedure	- the admission to the credit table of the debtor with the amount of 2,783.39 lei	- ongoing; we were admitted to the credit table with the amount of 2,783.39 lei from which I recovered the amount of 1,391.39 lei; the debtor entered the bankruptcy procedure
14	5075/97/2016	Energy Complex Company Hunedoara	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 580,000.00 lei	- ongoing; we were admitted to the credit table with the amount of 580,000.00 lei; continue the insolvency proceedings (observation period)
15	1214/54/2020	ANAF – DGSC Bucuresti ANAF – AJFP Valcea	Contestation of fiscal administrative act	Obligation of the defendants to pay the amount of 19,778,066 lei	- ongoing; the court granted a trial term on 20.04.2021 for performing the expertise

16	2867/121/2020	Liberty Galati S.A.	Claims	Obligation of the defendant to pay the amount of 576,801.11 lei	- ongoing; after the date of filing the lawsuit, the debtor paid the amount of 306,380.19 lei; the court granted a term on 21.04.2021
17	9130/182/2020	Abres S.R.L. Baia Mare	payment ordinance	Obligation of the defendant to pay the amount of 52,197.79 lei;	- ongoing; after the date of filing the lawsuit, he paid the amount of 14,599.00 lei; the court granted a term on 10.05.2021
18	2709/241/2020	JPM Construct S.R.L. Costesti	Low value application	Obligation of the defendant to pay the amount of 1,665.99 lei;	- ongoing; after the date of filing the lawsuit, the debtor paid the entire requested debt; the court granted a term on 06.04.2021
19	16719/318/2019	Pandurii Tg-Jiu Sports Club	Opposition to enforcement	Cancellation of execution documents ordered in the execution file no. 1222/2019	- ongoing; The amount requested by forced execution - 4,967,715.64 lei; it was requested to suspend the execution until the judgment of the appeal; trial term - 24.05.2021

ARTEGO S.A. - defendant

Nr. crt.	File no.	Defendant society	Object	Request/ The requested amount	Stage file / Notifications
1	2983/95/2019	Energy Sports Club Association TG Jiu	claims	Obligation of the defendant to pay the amount of 235,000.00 lei	- ongoing; by concluding the hearing on 09.09.2020, the court admitted the exception of the prescription of the material right to action for the contributions related to 2014 and 2015, so that the amount on which the court is to rule on the merits of the case is 115,000 lei; instanta a acordat termen pe data de 21.04.2021 pentru efectuare expertiza

Affiliated Parties

The company has no affiliated parties.

Subsequent events

After the preparation of the reports concluded on March 31, 2021, no events took place whose effects would have been significant and would have influenced the data contained in the current financial statements. Informatii privind salariatii si membrii organelor de conducere, administrare si supraveghere

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

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

During 01.02.2021-28.02.2021, the company reduced the working time of the employees by 50% of the duration provided in the individual employment contract according to GEO no. 132/2020. During the reduction of working time, the employees affected by the measure received an indemnity of 75% of the difference between the gross basic salary provided in the individual employment contract and the gross basic salary related to the hours actually worked as a result of the reduction of working time, in addition to the due salary rights, calculated at the actual time worked. The amount requested from AJOFM for the indemnity provided by this ordinance for February 2021 was of 218,233 lei, the amount collected of 218,233 lei.

Other information

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

SC ARTEGO S.A. is a joint stock company being with wholly private capital, the majority shareholder being the Employees Association "PAS ARTEGO" which holds 77.8103% of the share capital. La determinarea impozitului pe profit s-a tinut cont de prevederile Legii 227/2015 cu modificarile ulterioare si HG 1/2016 pentru aprobarea Normelor Metodologice de aplicare a Legii 227/2015 privind codul fiscal din care:

- - delay increases due to non-payment of debts on time;

- 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 republished Law 31/1990.

SC ARTEGO SA TG-JIU

Individual Financial Statements

The statement of changes in equity for the year ended at 31 DECEMBER 2020 and 31 MARCH 2021

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

	Capital social	Ajustari capital social	Profit sau Pierdere	Rezerva legala	Rezerva din Reevaluare	Alte rezerve	Rezultat reportat	Rezultat IAS29	Pierderi legate de instrumentele de capitaluri proprii	Alte elemente ale capitaluri or proprii	Actiuni proprii	Repartizare a profitului	TOTAL
Balance on January 1, 2020	22,390,413	89,052,449	12,149,812	4,478,083	28,926,418	19,354,308	1,523,099	-89,052,449	0	822,943	0	-662,997	88,982,079
Overall result of the period													
Profit for the year			10,531,639										10,531,639
Other elements of the overall result of which:													
Surplus from revaluation of property, plant and equipment													
Decrease of the reserve from revaluation-registration of deferred tax					-356,277					-55,692			-411,969
Total other elements of the overall result					-356,277					-55,692			-411,969
Total overall result for the period			10,531,639		-356,277					-55,692			10,119,670
Other items													
Resumption of the revaluation reserve to the carried forward result							356,277						356,277
Increasing the legal reserve													
Other items			-12,149,812			5,646,299	5,715,736				-6,529,411	281,307	-7,035,881
Total other items			-12,149,812	0		5,646,299	6,072,013				-6,529,411	281,307	-6,679,604

Transactions with shareholders recognized directly in equity													0
Dividend distribution							-6,222,206						-6,222,206
Total transactions with owners							-6,222,206						-6,222,206
Balance on DECEMBER 31, 2020	22,390,413	89,052,449	10,531,639	4,478,083	28,570,141	25,000,607	1,372,906	-89,052,449	0	767,251	-6,529,411	-381,690	86,199,939
Sold 01.01.2021	22,390,413	89,052,449	10,531,639	4,478,083	28,570,141	25,000,607	1,372,906	-89,052,449	0	767,251	-6,529,411	-381,690	86,199,939
Overall result of the period													
Profit for the year			2,756,066										2,756,066
Other elements of the overall result of which:													
Surplus from revaluation of property, plant and equipment													
Decrease of the reserve from revaluation-registration of deferred tax													
							-57,925						-71,801
Total other elements of the overall result							-57,925						-71,801
Total overall result for the period			2,756,066				-57,925					-13,876	2,684,265
Other items													
Resumption of the revaluation reserve to the carried forward result													
Increasing the legal reserve													
Other items													
Total other items			-10,531,639			4,262,092	5,887,857					381,690	0
Transactions with shareholders recognized directly in equity													0
Dividend distribution													
Total transactions with owners							-5,381,387						-5,381,387
SALARY ON MARCH 31, 2021	22,390,413	89,052,449	2,756,066	4,478,083	28,512,216	29,262,699	1,937,302	-89,052,449	0	753,375	-6,529,411	0	83,560,743

SITUATION OF TREASURY FLOWS AT 31 MARCH 2021

INDICATOR LEI (RON)	ACCOMPLISHED 2020	ACCOMPLISHED 31.03.2021
A.LIQUIDITY AT THE BEGINNING OF THE PERIOD	992.778	1.799.336
In accounts	514.213	1.537.545
Cash	4.534	2.865
Other Values	474.031	258.576
Treasury advances	-	-
Values to receive	-	350
<i>Encashments from the exploitation activity</i>	191.048.048	45.220.624
<i>Customer encashments</i>	154.895.352	40.827.552
<i>Other encashments</i>	36.152.696	4.393.072
PAYMENT FOR THE EXPLOITATION ACTIVITY	189.812.095	44.940.565
<i>Provider payments</i>	83.989.135	19.830.001
<i>Payments for staff</i>	39.997.148	10.005.672
<i>Payments on taxes and fees</i>	22.185.417	6.281.012
<i>Tax / Advantage</i>	1.877.724	335.667
<i>Interest payments</i>	1.112.054	146.822
<i>Other payments</i>	40.650.617	8.341.391
CASH FLOW FROM THE EXPLOITATION ACTIVITY	1.235.953	280.059
PROCEEDS FROM THE INVESTMENTS ACTIVITY	746.970	140.941
<i>Proceeds from the sale of land, fixed assets and intangible assets</i>	746.970	140.941
<i>Proceeds from the sale of equity instruments and receivables from other enterprises</i>	-	-
<i>Proceeds from repayment of advances and loans to other parties</i>	-	-
PAYMENT FROM THE INVESTMENTS ACTIVITY	1.176.365	145.671
<i>Payments for the acquisition of land, fixed assets and intangible assets</i>	1.176.365	145.671
<i>Proceeds for the acquisition of equity instruments and receivables of other enterprises</i>	-	-
<i>Advances and loans made to other parties</i>	-	-
CASH FLOW FROM THE INVESTMENT ACTIVITY	-429.395	-4.730

<i>PROCEEDS FROM THE FINANCING ACTIVITY</i>	-	-
<i>PAYMENTS FOR THE FINANCING ACTIVITY</i>	-	-
<i>CASH FLOW FROM THE FINANCING ACTIVITY</i>	-	-
<i>CASH FLOW - TOTAL</i>	806.558	275.329
<i>B. LIQUIDITIES AT THE END OF THE PERIOD</i>	1.799.336	2.074.665
<i>In accounts</i>	1.537.545	1.782.465
Cash	2.865	9.271
Other Values	258.576	245.391
Treasury advances	-	37.538
Values to receive	350	-

ECONOMIC AND FINANCIAL INDICATORS

Indicator	Calculation method	Result
1. Current liquidity indicator	Current assets / current liabilities	$81295410/38777577=2.09$
2. Indicator of indebtedness	Borrowed capital / own capital x 100 Borrowed Capital / Employed Capital x 100	No loans are contracted for over a year
3. Speed of client-to-customer flows	Average customer balance / turnover x 90	$21251500/38850296*90=49,23$
4. Speed of rotation of fixed assets	Turnover / Fixed Assets	$38850296/41067223=0.95$

1. Provides the guarantee of covering current debts from current assets.
2. Explain the effectiveness of credit risk management, indicating potential financing, liquidity issues, with influences in honoring the commitments assumed.
Borrowed capital = loans over 1 year
Employed capital = borrowed capital + equity
3. Expresses the effectiveness of the company in collecting its receivables, ie the number of days until the debtors pay their debts to the company.
4. Express the effectiveness of asset management by examining the turnover generated by a certain amount of fixed assets.

Statement

In accordance with the provisions of art.223, point B, para. (1), letter c) of Regulation no.5 / 2018 regarding issuers and operations with securities we declare that, to our knowledge, the financial statements as of March 31, 2021 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.

General Manager,

Viorel David