

**REPORT**  
**ACCORDING TO ASF REGULATION NO.5/2018**

**Date of the report: 30.09.2021**

**S.C. ARTEGO S.A. TG-JIU**

**Headquarter: Ciocarlau Street, no. 38, Tg-Jiu**

**Phone: 0253/226066, fax: 0253/226066**

**Unique registration code at the Trade Registry Office:2157428**

**Registration no. at ORC: J 18/1120/1991**

**Subscribed and paid-up share capital: 20.286.865 lei**

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

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

Name of indicators	<u>31.12.2020</u>	<u>30.09.2021</u>
<b>ASSETS</b>		
<b>Fixed assets</b>	<b>41.680.492</b>	<b>39.457.790</b>
<i>Tangible assets</i>	31.180.619	30.256.085
<i>Intangible assets</i>	10.499.873	9.201.705
<i>Financial assets</i>		
<b>Current assets</b>	<b>83.361.272</b>	<b>84.699.158</b>
<i>Stocks</i>	47.606.147	46.573.468
<i>Commercial receivables</i>	33.617.206	35.481.972
<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	2.358.759
<i>Prepayments</i>	324.186	270.562
<b>TOTAL ASSETS</b>	<b>125.041.764</b>	<b>124.156.948</b>
<b>OWN CAPITAL AND LIABILITIES</b>		
<b>Own capitals</b>		
<i>Subscribed and paid-up share capital</i>	22.390.413	20.286.865
<i>Other equity items</i>	767.251	725.623
<i>Reserves from reevaluation</i>	28.570.141	28.506.571
<i>Legal reserves</i>	4.478.083	4.478.083
<i>Other reserves</i>	25.000.607	24.836.836
<i>Social Capital Adjustment</i>	89.052.449	89.052.449
<i>Own actions</i>	-6.529.411	0
<i>Retained earnings (without IAS 29)</i>	1.372.906	-3.242.680
<i>Retained earnings (with IAS 29)</i>	-89.052.449	-89.052.449
<i>Current profit</i>	10.531.639	8.046.627
<i>Profit Distribution</i>	-381.690	0
<i>Total equity</i>	<b>86.199.939</b>	<b>83.637.925</b>
<b>Long-term debt</b>		
<i>Investment grants</i>	9.610	11.347
<i>Other long-term debts</i>	7.743	7.777
<i>Long-term provisions</i>		
<b>Total long-term debts</b>	<b>17.353</b>	<b>19.124</b>
<b>Current debts</b>		
<i>Investment grants</i>	12.494	10.615
<i>Commercial and other debts</i>	7.960.850	12.062.116
<i>Short-term loans</i>	23.159.579	20.544.777
<i>Tax and current tax liabilities</i>	7.691.549	7.882.391
<i>Short-term provisions</i>		
<b>Total current liabilities</b>	<b>38.824.472</b>	<b>40.499.899</b>
<b>Total debts</b>	<b>38.841.825</b>	<b>40.519.023</b>
<b>TOTAL PASSIVE</b>	<b>125.041.764</b>	<b>124.156.948</b>

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

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

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

Elements	30 sept.2020	30 sept. 2021
<b>1. State budget</b>	<b>801.641</b>	<b>1.163.068</b>
- tax on profit	536.353	844.745
- tax on dividends	-	-
- tax on salaries	200.280	244.136
- the insurance contribution for work	65.008	74.187
- VAT on payment	-	-
<b>2. Special fund budgets</b>	<b>343.068</b>	<b>375.802</b>
- CASS	288.009	327.886
- average fund	8.563	8.471
- solidarity fund for people with disabilities	46.496	39.445
<b>3. Social security budgets</b>	<b>732.687</b>	<b>844.228</b>
- CAS	732.867	844.228
- 0,5% unemployment	-	-
- 0,75% unemployment	-	-
- 0,214% accidents fund	-	-
<b>4. Other taxes, fees, payments</b>	-	-

### 1.b. . PROFIT AND LOSS ACCOUNT

at 30 september 2021

- lei-

Crt. No.	NAME OF INDICATORS	30.09.2020	30.09.2021
1.	Net turnover of which	91.238.138	121.764.409
	Revenues from the sold production	89.672.467	120.008.141
	Revenues from the sale of goods	1.747.504	1.902.279
	Commercial discounts granted	181.833	146.011
2.	Revenues from stored production	12.237.930	9.341.923
3.	Revenues from the production of fixed assets	281.260	523.283
4.	Revenues from fixed assets intended for sale	886.762	113.634
5.	Revenues from operating grants	6.666.008	1.986.148
6.	Other revenues from exploitation	782.304	701.504
I.	OPERATING INCOME	112.092.402	134.430.901
7.	Expenditure on goods	1.600.826	1.806.629
8.	Material expenses	60.921.856	76.013.630
9.	Expenditure on works and services performed by third parties	3.277.937	5.019.130
10.	Expenses with taxes and fees	1.082.916	1.081.601
11.	Staff costs	31.587.345	36.915.091
12.	Other operating expenses	659.704	672.297
13.	Expenses with depreciation and provisions	3.279.410	3.160.006
14.	Value adjustments for current assets	-	-

II.	EXPENSES FOR EXPLOITATION	102.409.994	124.668.384
A.	RESULT FROM EXPLOITATION		
	- PROFIT	9.682.408	9.762.517
	- LOSS		
III.	FINANCIAL REVENUES	297.679	363.283
IV.	FINANCIAL EXPENSES	1.248.097	725.917
B.	FINANCIAL RESULT	(950.418)	(362.634)
V.	EXCEPTIONAL REVENUES		
VI.	EXCEPTIONAL EXPENSES		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL REVENUES	112.390.081	134.794.184
VIII	TOTAL EXPENSES	103.658.091	125.394.301
D.	GROSS RESULT		
	- PROFIT	8.731.990	9.399.883
	- LOSS		
	TAX	1.117.956	1.394.884
E	REVENUES FROM BENEFIT FROM PROFIT	41.778	41.628
F.	NET RESULT		
	- PROFIT	7.655.812	8.046.627
	- LOSS		
G.	Number of shares	8.956.165	8.114.746
H.	Output per share	0,855	0.992

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

*During this period one of the priorities of our Company is the health of our employees. In accordance with the Emergency Ordinance no. 132/2020 with subsequent amendments and completions, the Company reduced the working time of employees by 50%, respectively 80% of the duration provided in the individual employment contract and requested from AJOFM Gorj the allowances provided by this ordinance. in the amount of 218,233 lei for February 2021, the amount of 443,461 lei for April 2021 and the amount of 1,324,454 lei for May 2021. The company collected from AJOFM Gorj all the requested amounts, respectively 1,986,148 lei.*

*The epidemic caused by coronavirus is a major shock to the European and world economy. The spread of the coronavirus epidemic is causing turmoil in financial markets, with significant effects on the world economy expected as a result of measures taken to manage the global crisis.*

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

*The lack of the possibility to make coherent and correct predictions led to maintaining the volatility of the Romanian business climate, the main commercial organizations in the steel, oil and energy fields continuing to focus on reducing costs and implicitly carrying out procurement activities characterized by pursuing procurement prices. the lowest.*

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

*In other words, the turbulence of the economic environment adversely affects the ability to make payments by customers, with long delays in the collection of money for deliveries, which leads to a negative impact on cash flows and the possibility of making payments to suppliers on time.*

*For the next period, the evolution on the market will be influenced by the impact, on which the measures that will be taken at macro-economic level (increase of natural gas prices, evolution of fuel price, evolution of the leu / euro exchange rate, development and / or*

completion of privatization in the fields of railway and air transport, the expected organizational evolutions in the energy field, the insolvency status of some organizations in the energy and petrochemical fields) will have it on the dynamics of acquisitions, investments, modernizations, maintenance.

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

**We mention the fact that the financial statements prepared on 30.09.2021 were not audited / revised.**

### SITUATION OF TREASURY FLOWS AT 30 SEPTEMBER 2021

- lei -

INDICATORS LEI (RON)	ACCOMPLI SHED 2020	ACCOMPLI SHED 30.09.2021
<b>A. LIQUIDITY AT THE BEGINNING OF THE PERIOD</b>	<b>992.778</b>	<b>1.799.336</b>
In accounts	514.213	1.537.545
Cash	4.534	2.865
Other Values	474.031	258.576
Treasury advances	-	-
Values to receive	-	350
<b>Encashments from the exploitation activity</b>	<b>191.048.048</b>	<b>151.849.777</b>
Customer encashments	154.895.352	120.441.253
Other encashments	36.152.696	31.408.524
<b>PAYMENTS FOR OPERATING ACTIVITY</b>	<b>189.812.095</b>	<b>151.128.523</b>
Provider payments	83.989.135	77.031.820
Payments for staff	39.997.148	32.673.591
Payments on taxes and fees	22.185.417	17.291.033
Tax / Advantage	1.877.724	885.806
Interest payments	1.112.054	423.306
Other payments	40.650.617	22.822.967

<b>CASH FLOW FROM OPERATING ACTIVITY</b>	<b>1.235.953</b>	<b>721.254</b>
INCOME FROM INVESTMENT ACTIVITY	746.970	446.807
Proceeds from the sale of land, fixed assets and intangible assets	746.970	446.807
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>1.176.365</b>	<b>608.638</b>
Payments for the acquisition of land, fixed assets and intangible assets	1.176.365	608.638
Receipts for the acquisition of equity and debt instruments of other enterprises	-	-
Advances and loans made to other parties	-	-
<b>CASH FLOW FROM INVESTMENT ACTIVITY</b>	<b>-429.395</b>	<b>-161.831</b>
RECEIPTS FROM THE FINANCING ACTIVITY	-	-
PAYMENTS FOR FINANCING ACTIVITY	-	-
<b>CASH FLOW FROM FINANCING ACTIVITY</b>	<b>-</b>	<b>-</b>
<b>CASH FLOW - TOTAL</b>	<b>806.558</b>	<b>559.423</b>
<b>B. CASH FLOWS AT THE END OF THE PERIOD</b>	<b>1.799.336</b>	<b>2.358.759</b>
In accounts	1.537.545	2.088.320
Cash	2.865	593
Other Values	258.576	251.023
Treasury advances	-	18.390
Values to receive	350	433

## 2. ANALYSIS OF THE ACTIVITY OF THE COMMERCIAL COMPANY

### 2.1. Liquidity indicators

- % -

Crt. No..	Naming of the indicators	Calculation formula	30.09.2020	30.09.2021
1.	Current patrimonial liquidity	[Active circ / DTS]	2,24	2,09
2.	Active liquidity (fast)	[Active circ.-Stocks] / DTS	88,73%	93,49%
3.	Rotation rate of fixed assets	Turnover / Fixed Assets	2,14	3,09

4.	Rotation speed of Total assets	Turnover / Total Assets	0,71	0,98
5.	Interest Coverage Indicator	Profit before interest payment and profit tax / Chelt.	10,78	23,21
6.	Return on Employee Capital	Profit before interest payments and profit tax / Employee Capital	0,106	0,117
7.	Gross Sales Margin	Gross Profit from Sales / Turnover	10,61%	8,02%

## **2.2 Capital expenditures**

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

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

### **Operating income**

- lei-

Elements	30 september 2020	30 september 2021
Production sold	89.672.467	120.008.141
Income from sale of goods	1.747.504	1.902.279
Commercial discounts granted	181.833	146.011
Revenues related to the costs of product stocks	12.237.930	9.341.923
Income from the production of fixed assets	281.260	523.283
Income from fixed assets intended for sale	886.762	113.634
Income from operating subsidies	6.666.008	1.986.148
Other operating revenues	782.304	701.504
<b>Total operating income</b>	<b>112.092.402</b>	<b>134.430.901</b>

*In the next period, in the short and medium term, taking into account the difficulty of predicting the evolution of the Romanian economy, but also relying on a possible stability, it can be estimated for S.C. ARTEGO SA. a constant tendency of the existing situation, as well as productive activity and level of sales.*

## **3. CHANGES AFFECTING SHARE CAPITAL AND COMMERCIAL COMPANY ADMINISTRATION**

- 3.1.** *During the analyzed period of time, there were no cases in which the company could no fulfill its obligations to third parties, even if in some situations the payments were made late.*
- 3.2.** *During the analyzed period of time, there were no changes regarding the rights of the holders of securities issued by the company. Thus, the shareholding structure as of September 30, 2021 is as follows*

Shareholders	Nominal value per share	Number of shares held	Total value	% of share capital
<b>PAS ARTEGO EMPLOYEES ASSOCIATION</b>	2,50	6.968.820	17.422.050,00	85,8785%
<b>Shareholders of legal entities</b>	2,50	36.612	91.530,00	0,4512%
<b>Individual shareholders</b>	2,50	1.109.312	2.773.280,00	13,6703%
<b>ROMANIAN STATE BY THE AUTHORITY FOR THE ADMINISTRATION OF THE ASSETS OF THE STATE OF BUCHAREST</b>	2,50	2	5	0,0000%
<b>TOTAL</b>	<b>2,50</b>	<b>8.114.746</b>	<b>20.286.865,00</b>	<b>100,000%</b>

#### 4. . SIGNIFICANT TRANSACTIONS

*It's not necessary*

#### ECONOMIC-FINANCIAL INDICATORS

Name of the indicator	Calculation method	Result
1. Current liquidity indicator	Current assets / current liabilities	124.156.948/40.499.899=3.06
2. The degree of indebtedness indicator	Borrowed capital / equity x 100 Borrowed capital / committed capital x 100	No loans are contracted in one year
3. Flow rotation speed - customers	Average customer balance / turnover x 270	22.814.583/121.764.409*270=50.57
4. Rotation speed of fixed assets	Turnover / fixed assets	121.764.409/39.457.790=3.08

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

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

Borrowed capital = loans over 1 year

Employee capital = borrowed capital + equity

3. Express the effectiveness of the company in collecting its receivables, respectively the number of days until the date on which the debtors pay their debts to the company.

4. . Express the effectiveness of the management of fixed assets, by examining the turnover generated by a certain amount of fixed assets.



## STATEMENT OF CASH FLOWS AS OF SEPTEMBER 30, 2021

Indicator LEI (RON)	ACHIEVED IN 2020	ACHIEVED IN 30.09.2021
<b>A. CASH FLOWS AT THE BEGINNING OF THE PERIOD</b>	<b>992.778</b>	<b>1.799.336</b>
In the accounts	514.213	1.537.545
Home	4.534	2.865
Other values	474.031	258.576
Advances on treasury	-	-
Values receivable	-	350
<b>REVENUE FROM OPERATING ACTIVITIES</b>	<b>191.048.048</b>	<b>151.849.777</b>
Customer receipts	154.895.352	120.441.253
Other receipts	36.152.696	31.408.524
<b>PAYMENTS FOR OPERATING ACTIVITY</b>	<b>189.812.095</b>	<b>151.128.523</b>
Supplier payments	83.989.135	77.031.820
Payments for staff payments	39.997.148	32.673.591
Payments in taxes and fees	22.185.417	17.291.033
Tax profit	1.877.724	885.806
Interest payments	1.112.054	423.306
Other payments	40.650.617	22.822.967
<b>CASH FLOW FROM OPERATING ACTIVITY</b>	<b>1.235.953</b>	<b>721.254</b>
<b>INCOME FROM INVESTMENT ACTIVITY</b>	746.970	446.807
Proceeds from the sale of land, fixed assets and intangible assets	746.970	446.807
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>	1.176.365	608.638
Payments for the acquisition of land, fixed assets and intangible assets	1.176.365	608.638
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>-429.395</b>	<b>-161.831</b>
<b>RECEIPTS FROM THE FINANCING ACTIVITY</b>	-	-
<b>PAYMENTS FOR FINANCING ACTIVITY</b>	-	-
<b>CASH FLOW FROM FINANCING ACTIVITY</b>	-	-
<b>CASH FLOW - TOTAL</b>	<b>806.558</b>	<b>559.423</b>
<b>B. CASH FLOWS AT THE END OF THE PERIOD</b>	<b>1.799.336</b>	<b>2.358.759</b>
In the accounts	1.537.545	2.088.320
Home	2.865	593
Other values	258.576	251.023
Cash advances	-	18.390
Values receivable	350	433

**SITUATION OF THE GLOBAL RESULT**  
at 30 september 2021

- lei-

Crt. No.	NAME OF INDICATORS	30.09.2020	30.09.2021
1.	Net turnover of which	91.238.138	121.764.409
	Revenues from the sold production	89.672.467	120.008.141
	Revenues from the sale of goods	1.747.504	1.902.279
	Commercial discounts granted	181.833	146.011
2.	Income from stored production	12.237.930	9.341.923
3.	Income from the production of fixed assets	281.260	523.283
4.	Income from fixed assets for sale	886.762	113.634
5.	Income from operating subsidies	6.666.008	1.986.148
6.	Other operating revenues	782.304	701.504
<b>I.</b>	<b>OPERATING INCOME</b>	<b>112.092.402</b>	<b>134.430.901</b>
7.	Expenditure on goods	1.600.826	1.806.629
8.	Material expenses	60.921.856	76.013.630
9.	Expenses with works and services performed by third parties	3.277.937	5.019.130
10.	Expenses with taxes and fees	1.082.916	1.081.601
11.	Staff costs	31.587.345	36.915.091
12.	Other operating expenses	659.704	672.297
13.	Depreciation and amortization expenses	3.279.410	3.160.006
14.	Value adjustments on current assets	-	-
<b>II.</b>	<b>OPERATING EXPENDITURE</b>	<b>102.409.994</b>	<b>124.668.384</b>
<b>A.</b>	<b>OPERATING RESULT</b>		
	- PROFIT	9.682.408	9.762.517
	- LOSS		
<b>III.</b>	<b>FINANCIAL REVENUE</b>	<b>297.679</b>	<b>363.283</b>
<b>IV.</b>	<b>FINANCIAL EXPENSES</b>	<b>1.248.097</b>	<b>725.917</b>
<b>B.</b>	<b>FINANCIAL RESULT</b>	<b>-950.418</b>	<b>-362.634</b>
<b>V.</b>	<b>EXCEPTIONAL INCOME</b>		
<b>VI.</b>	<b>EXCEPTIONAL EXPENDITURE</b>		
<b>C.</b>	<b>EXCEPTIONAL RESULT (LOSS)</b>		
<b>VII.</b>	<b>TOTAL INCOME</b>	<b>112.390.081</b>	<b>134.794.184</b>
<b>VIII</b>	<b>TOTAL EXPENSES</b>	<b>103.658.091</b>	<b>125.394.301</b>
<b>D.</b>	<b>GROSS RESULT</b>		
	- PROFIT	8.731.990	9.399.883
	- LOSS		
	TAX	1.117.956	1.394.884
<b>E</b>	<b>DEFERRED PROFIT TAX REVENUE</b>	<b>41.778</b>	<b>41.628</b>
<b>F.</b>	<b>NET RESULT</b>		
	- PROFIT	7.655.812	8.046.627
	- LOSS		
<b>G.</b>	<b>Number of shares</b>	<b>8.956.165</b>	<b>8.114.746</b>
<b>H.</b>	<b>Earnings per share</b>	<b>0,855</b>	<b>0,992</b>

# Statement

In accordance with the provisions of art.223, point B, para. (1), letter c) of Regulation no.5 / 2018 regarding issuers and operations with securities, we declare , to our knowledge, the financial statements as of september 30, 2021 provide a fair and realistic picture of the assets, obligations, financial position and profit and loss account. Also, The report of the Board of Directors prepared in accordance with the provisions of annex no.14 presents the company information correctly and completely.

Signature,

President,

Ing. Viorel David

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# Notes to the financial statements

## *For the financial year ended at 30 september 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 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 September 30, 2021 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 accounting records of the Company are maintained in lei, in accordance with the Romanian Accounting Regulations ("RCR"). These accounts have been restated to reflect the differences between the accounts under RCR and those under IFRS. Accordingly, the accounts under RCR have been adjusted, if necessary, to harmonize these separate financial statements in all material respects. , with IFRS.

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

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

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**(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 information 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 exchange rate fluctuations", is LEI or RON. The separate financial statements are presented in lei, 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 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 values of the estimates.

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

### **(a) Subsidiaries and associated entities**

Subsidiaries are entities under the control of the Company. Control exists when the Company has the power to direct, directly or indirectly, the financial and operational policies of an entity in order to obtain benefits from its activity. 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**

The operations expressed in foreign currency are registered in lei at the official exchange rate from the settlement date of the transactions. Monetary assets and liabilities recorded 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 assets and liabilities Monetary currencies denominated in foreign currency are recognized in the income 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 currency risk), credit risk and liquidity risk. The Company's management focuses on the unpredictability of the financial market and seeks to minimize the potential adverse effects of the Company's financial performance. Market risk is the risk that 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 non-existence 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 operational cash flows are affected by changes in interest rates, mainly due to foreign currency loans contracted by 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 from purchases 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 lei, 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 income statement.

### **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.

As of September 30, 2021, the Company holds cash and cash equivalents in the amount of 2,358,759 lei. Cash and cash equivalents are held at banks we list: Unicredit Tiriac, Intesa, ING Bank, Credit Europe, Garanti, BRD.

### **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 financing through adequate credit facilities. The Company's liquidity policy is to maintain sufficient liquid resources to meet its obligations as they fall due.

### **Fair value of financial instruments**

Fair value is the value at which financial instruments can be exchanged in ordinary transactions, other than those determined by liquidation or forced sale. Fair values are obtained from quoted market prices or cash flow models as appropriate. As of September 30, 2021, 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 from the date of acquisition or contribution).

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

The continuous decrease 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 1, 2004. 29, were adopted in the preparation of the separate financial statements until December 31, 2003.

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

For the purpose of preparing the separate financial statements as of December 31, 2012, the Company adjusted the share capital (non-monetary item) to be expressed in the current unit of measurement as of December 31, 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 person may recover from the tax authorities), transport, handling and other expenses that may be directly attributable to the purchase of the goods.

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

Depreciation 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 that has no material support and is 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 meets the criterion of being identifiable when:

- 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 the provision for impairment of intangible assets. Depreciation is recognized in the income statement based on the straight-line method over the estimated life of the intangible assets.

### **Receivables**

Trade receivables are initially recorded at the invoiced value and later those in foreign currency are valued at the exchange rate communicated by the National Bank of Romania on the last banking day of the month. at the set deadline.

### **Inventories**

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

These materials are recorded as inventories at the time of purchase and are passed on to expenses at the time of consumption.

Inventories are measured at the lower of cost and net realizable value. The cost of stocks is determined based on the FIFO method and includes the expense incurred in 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 amount, which is its fair value at the date of revaluation less any subsequent amortization and any accumulated impairment losses. Revaluations must be made with sufficient regularity to ensure that the carrying amount does not differ materially from what would have been determined 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 impaired as a result of a revaluation, that impairment is recognized in profit or loss. However, the decrease must be debited directly from equity in the item "Revaluation reserves" 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 amortization of the revalued property, plant and equipment and when the asset is recognizable.

Starting with May 1, 2009, the 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 disposed assets, are taxes simultaneously with the deduction of the fiscal depreciation, respectively at the moment of the decrease from the management of these fixed assets.

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 to the share capital under the conditions provided by the legislation in force, only after their approval in the General Meeting of Shareholders and their registration at the Trade 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. Subsequent to initial recognition, loans are recorded at amortized cost, any difference between cost and repayment amount being recognized in profit or loss 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 income statement unless they are recognized directly in equity or in other comprehensive income.

#### **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 adjustments to related income tax obligations. previous years.

#### **Deferred tax**

Deferred tax is recognized for temporary differences that occur 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 consequence 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 related tax benefit.

## **Employee Benefits**

### *Short-term employee benefits*

Short-term benefit obligations are measured without being discounted 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 the costs of loans because it does not have long-term loans.

Interest income and interest expense are recognized in the income statement at the time of their 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 conditions associated with the grants, and then recognized in profit or loss as other income over the life of the Company. the asset to which it refers. 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, that is, an outflow of resources representing economic benefits to be necessary for the settlement of the obligation; when a correct estimate can be made regarding the amount of the obligation.

## **Earnings 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 remaining ordinary shares for 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 in circulation during the year.

Dilution is a reduction in earnings per share or an increase in earnings 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 the 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 different from those of other segments.

The company operates in a single location in Romania. The Company's management considers the operations in their entirety 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 segments and to evaluate its performance, and for which separate financial information is available.

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

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

*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 significant effect on the Company's financial statements.

*New standards that are not yet applicable as of September 30, 2021*

International Accounting Standard (SIC) 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 income statement..

**Active Imobilizate la 30 septembrie 2021**

- lei -

Name of the asset	Gross amount				Value adjustments (Depreciation and amortization for depreciation or loss)			
	Sold there 1 January 2021	increases	Releases, transfers and other discounts	Balance at 30 september 2021	Balance at 1 january 2021	Adjustments recorded during the exercise	Discounts or repeats	Balance at 30 september 2020
0	1	2	3	4=1+2-3	5	6	7	8=5+6-7
A. FIXED ASSETS								
I INTANGIBLE ASSETS								
1. Establishment costs	-	-	--	-	-	-	-	-
2. . Development costs	4.112.519	-	-	4.112.519	4.112.519	-	-	4.112.519
3. Concessions, patents, licenses and other assets	28.336.785	36.722	-	28.373.507	17.836.912	1.334.890	-	19.171.802
4. Commercial fund	-		-		-	-	-	-
5. Advances and intangible assets in progress	-		-		-	-	-	-
<b>TOTAL:</b>	<b>32.449.304</b>	<b>36.722</b>	<b>-</b>	<b>32.486.026</b>	<b>21.949.431</b>	<b>1.334.890</b>	<b>-</b>	<b>23.284.321</b>
II. TANGIBLE ASSETS								
1. Lands	12.779.181	-	1.998	12.777.183	133.421		-	133.421
2. Constructions	43.614.185	-	5.902	43.608.283	30.775.648	878.723	2.516	31.651.855
3. Technological equipments	44.768.262	617.603	365.138	45.020.727	41.197.578	488.083	364.555	41.321.106
4. Measuring, control and regulating machines and installations	2.255.825	35.222	33.626	2.257.421	2.049.169	59.601	31.890	2.076.880
5. Transport means	7.119.808	226.503	120.771	7.225.540	5.571.317	379.257	120.771	5.829.803
6. Furniture, equipment, office and other tangible assets	666.482	68.611	154.268	580.825	464.316	19.454	24.269	459.501
7. Advances and tangible assets in progress	168.325	521.029	430.682	258.672	-	-	-	-
<b>TOTAL:</b>	<b>111.372.068</b>	<b>1.468.968</b>	<b>1.112.385</b>	<b>111.728.651</b>	<b>80.191.449</b>	<b>1.825.118</b>	<b>544.001</b>	<b>81.472.566</b>
II. FINANCIAL ASSETS								
1 Holdings held by the group companies	-							
2. Receivables on the group companies	-				-			
3. Securities in the form of participation interests	-				-			
4. Interest debts	-				-			
5. Titles held as fixed assets	-				-			
6. Other debts	-				-			
7. Own actions	-				-			
<b>TOTAL:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FIXED ASSETS – TOTAL</b>	<b>143.821.372</b>	<b>1.505.690</b>	<b>1.112.385</b>	<b>144.214.677</b>	<b>102.140.880</b>	<b>3.160.008</b>	<b>544.001</b>	<b>104.756.887</b>

## Stocks

As of September 30, 2021, compared to December 31, 2020, the stocks are as follows:

<b>Elements</b>	<b>31 dec 2020</b>	<b>30 sept. 2021</b>
<b>1. Raw materials and consumables</b>	33.340.830	31.861.461
<b>2. Fixed assets held for sale</b>	149.495	50.289
<b>3. Production in progress</b>	59.651	78.819
<b>4. Finished products and goods</b>	13.414.931	12.821.227
<b>5. Advances</b>	641.240	1.761.672
<b>TOTAL</b>	<b>47.606.147</b>	<b>46.573.468</b>

## Clients and assimilated accounts

As of September 30, 2021, compared to December 31, 2020, the clients and assimilated accounts are as follows:

<b>Elements</b>	<b>31 dec. 2020</b>	<b>30 sept. 2021</b>
<b>1. Trade receivables</b>	31.456.896	33.974.215
<b>2. Advances paid</b>	780.614	98.591
<b>3. Other receivables</b>	1.379.696	1.409.166
<b>TOTAL</b>	<b>33.617.206</b>	<b>35.481.972</b>

During 01.01.2021-30.09.2021 the company registered exports as follows:

<b>EURO</b>	
ENGLAND	3.751.425,84
AUSTRIA	229.836,04
AZERBAIJAN	25.958,30
BELGIUM	145.900,02
BOSNIA	5.585,51
BULGARIA	170.834,95
CZECH REPUBLIC	3.956,48
EGYPT	46.830,56
ESTONIA	2.274,84
FINLAND	192.375,12
FRANCE	1.858.093,36
GERMANY	4.556.170,04
GREECE	39.068,39
ITALY	402.121,21
LITHUANIA	1.769,20
NETHERLANDS	1.396.009,22
POLAND	48.273,53
RUSSIA	770,00
bondage	124.245,05
SLOVAKIA	300.733,28
SPAIN	2.669.811,26
UKRAINE	65.926,10
HUNGAR	131.385,87
<b>TOTAL</b>	<b>16.169.354,17</b>

### **Financial assets of which available for sale**

As of September 30, 2021, compared to December 31, 2020, short-term investments are as follows:

<b>Elements</b>	<b>31 dec. 2020</b>	<b>30 sept. 2021</b>
<b>Short-term investments</b>	14.397	14.397
<b>TOTAL</b>	<b>14.397</b>	<b>14.397</b>

The balance on September 30, 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 September 30, 2021, compared to December 31, 2020, the expenses incurred in advance are as follows:

<b>Elements</b>	<b>31 dec. 2020</b>	<b>30 sept. 2021</b>
<b>Prepayments</b>	324.186	270.562
<b>TOTAL</b>	<b>324.186</b>	<b>270.562</b>

The balance on September 30, 2021 in the amount of 270,562 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**

Of September 30, 2021, compared to December 31, 2020, cash and cash equivalents are as follows:

<b>Elements</b>	<b>31 dec. 2020</b>	<b>30 sept. 2021</b>
Current accounts at banks and deposits	1.537.545	2.088.320
Her house	2.865	593
Currency house		
Other cash equivalents	258.926	269.846



TOTAL	1.799.336	2.358.759
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***Social capital***

As of September 30, 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) 20,286,865

Differences related to restatement according to SIC 29 89,052,449

Balance of share capital (restated) **109,339,314**

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

The shareholding structure as of September 30, 2021 is as follows:

<b>Shareholders</b>	<b>Nominal value per share</b>	<b>Number of shares held</b>	<b>Total value</b>	<b>% of the social capital</b>
<b><i>ASSOCIATION OF THE EMPLOYEES PAS ARTEGO</i></b>	2,50	6.968.820	17.422.050,00	85,8785%
<b><i>Other legal entities</i></b>	2,50	36.612	91.530,00	0,4512%
<b><i>Other individuals</i></b>	2,50	1.109.312	2.773.280,00	13,6703%
<b><i>THE ROMANIAN STATE THROUGH THE AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS</i></b>	2,50	2	5,00	0.000%
<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 amount to 4,478,083 lei as of September 30, 2021.

### **Revaluation reserves**

The revaluation reserve is in the amount of 28,506,571 lei as of September 30, 2021.

### *Other reserves*

As of September 30, 2021, compared to December 31, 2020, other reserves register the following levels:

<b>Elements</b>	<b>31 dec. 2020</b>	<b>30 sept. 2021</b>
<i>Other reserves</i>	25.000.607	24.836.836
<b>Total</b>	<b>25.000.607</b>	<b>24.836.836</b>

### **Other elements of own capital**

As of September 30, 2021, the amount of 725,623 lei is represented by the deferred tax related to the revaluations in the balance made after January 1, 2004, decreased by the deferred tax related to the amortization of the revaluation registered on costs in the first 9 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 Growth and register the following decreasing levels until the full amortization of the put into operation objectives, as follows:

<b>Elements</b>	<b>31 dec. 2020</b>	<b>30 sept. 2021</b>
<b>1. Investment grants</b>	22.104	21.962
<b>Total</b>	<b>22.104</b>	<b>21.962</b>

### **Short-term loans**

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

	<b>30.09.2020</b>		<b>30.09.2021</b>	
<b>Bank</b>	<b>Approved</b>	<b>Used</b>	<b>Approved</b>	<b>Used</b>
UNICREDIT lei	28.300.000	3.604.299	-	-
UNICREDIT(SGB) lei	2.200.000	1.274.429	-	-
INTESA lei	11.000.000	10.678.722	11.000.000	7.477.611
ING BANK lei	-	-	9.000.000	4.026.586
ING BANK EUR	400.000	360.195	2.250.000	4.264.057
GARANTI lei	922.000	922.000	-	-
GARANTI(SGB)lei	2.078.000	1.420.211	-	-
CREDIT EUROPE lei	8.900.000	7.339.287	8.900.000	4.776.523

### ***Long-term loans***

The company does not have long-term loans with banks or other financial institutions

### **Earnings per share**

As of September 30, 2021 compared to September 30, 2020, the result per share is:

	<b>30 september 2020</b>	<b>30 september 2021</b>
<b>Profit of the period</b>	<b>7.655.812</b>	<b>8.046.627</b>
Number of ordinary shares at the beginning and end of the period	8.956.165	8.114.746
<b>The base and diluted earnings per share (lei/share)</b>	<b>0,855</b>	<b>0,992</b>

### Other taxes and obligations for social insurance

Elements	30 september 2020	30 september 2021
<b>1. State budget</b>	<b>801.641</b>	<b>1.163.068</b>
- tax on profit	536.353	844.745
- tax on dividends	-	-
- tax on salaries	200.280	244.136
- the insurance contribution for the work	65.008	74.187
- VAT on payment	-	-
<b>2. Special fund budgets</b>	<b>343.068</b>	<b>375.802</b>
- CASS	288.009	327.886
- average fund	8.563	8.471
- solidarity fund for people with disabilities	46.496	39.445
<b>3. Social security budgets</b>	<b>732.687</b>	<b>844.228</b>
- CAS	732.687	844.228
- 0,5% unemployment	-	-
- 0,75% unemployment	-	-
- 0,214% accidents fund	-	-
<b>4 .Other taxes, fees, payments</b>	<b>-</b>	<b>-</b>

### **Revenues from exploitation**

<b>Elements</b>	<b>30 september 2020</b>	<b>30 september 2021</b>
Sold production	89.672.467	120.008.141
Revenues from sale of goods	1.747.504	1.902.279
Commercial discounts granted	181.833	146.011
Revenues related to the cost of product stocks	12.237.930	9.341.923
Revenues from the production of fixed assets	281.260	523.283
Revenues from fixed assets for sale	886.762	113.634
Revenues from operating grants	6.666.008	1.986.148
Other revenues from exploitation	782.304	701.504
<b>Total revenues from exploitation</b>	<b>112.092.402</b>	<b>134.430.901</b>

### **Expenses from exploitation**

<b>Elements</b>	<b>30 september 2020</b>	<b>30 september 2021</b>
Expenditures on raw materials and consumables	54.073.226	69.873.429
Other material expenses	590.399	1.143.090
Other external costs (energy and water)	4.608.980	4.897.577
Expenditure on goods	1.600.826	1.806.629
Trade discounts received	898	85
Staff costs of which:	31.587.345	36.915.091
- Salaries and allowances	30.571.445	35.507.101
- Insurance and social protection	1.015.900	1.407.990
Adjustment of tangible assets of which:	3.279.410	3.160.006
-Expenses	3.279.410	3.160.006
-Revenues	-	-

Current active adjustments of which:	-	-
-Expenses	-	-
-Revenues	-	-
Other operating expenses of which	6.670.706	6.872.647
-Expenses on external benefits	3.277.937	5.019.130
-Expenses with other taxes and fees	1.082.916	1.081.601
-Expenses on assets immobilized for sale	1.650.149	99.619
-Other expenses	659.704	672.297
Expenditures on raw materials and consumables	<b>102.409.994</b>	<b>124.668.384</b>

### **Operating result**

Elements	30 september 2020	30 september 2021
Result from exploitation (Profit )	9.682.408	9.762.517
<b>Total Profit from exploitation</b>	<b>9.682.408</b>	<b>9.762.517</b>

### **Rezultat financiar net**

Elements	30 september 2020	30 september 2021
Revenues from exchange rate fluctuations	290.175	361.755
Interest revenues	3.887	788
Other financial revenues	3.617	740
<b>Total financial revenues</b>	<b>297.679</b>	<b>363.283</b>
Interest charges	892.723	423.306
Other financial expenses	355.374	302.611
<b>Total financial expenses</b>	<b>1.248.097</b>	<b>725.917</b>
<b>Net financial result (Loss )</b>	<b>(950.418)</b>	<b>(362.634)</b>

## **Fiscal legislative framework**

The legislative-fiscal framework in Romania and its implementation in practice changes frequently and is subject to different interpretations by various control bodies. The declarations regarding the profit tax are subject to the revision and corrections of the fiscal authorities, generally for a period of five years after 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 regarding the interpretation of these issues. Their impact could not be determined at this time.

## ***Guarantees***

The Company, on 30 september 2020 mortgages the following assets in favor of the financing banks to which it has committed credit lines as follows::

### **INTESA SANPAOLO BANK**

#### **- SITUATION OF REAL ESTATE PROPERTIES -**

<b>CADASTRAL NO</b>	<b>REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION</b>
<b>1315/2/1/1/1/4 CF 41172</b>	<b>- land area of 11.243 sqm + self-metrology platform made up of:</b> 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);
<b>1315/2/1/1/1/7 CF 40067</b>	<b>- land area of 18.910 mp + constructions:</b> 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).

1315/2/1/1/9 CF 41169	<b>-land area of 4.114 mp + constructions:</b> 1. finished warehouse - 657,25 mp (C56/4).
1315/2/1/1/10 CF 41170	<b>-land area of 1.575 mp + constructions:</b> 1. Administrative group gate 3 - 123,44 mp (C63).
1315/2/1/1/11 CF41165	<b>-land area of 22.150 mp + constructions:</b> 1. monobloc hall - 4.739,39 mp (C56/3); 2. storage -95,55 mp (C61); 3. rolling bridge - 811,12 mp (C62).

**CREDIT EUROPE BANK**

**- MORTGAGE REAL ESTATE SITUATION -**

<b>CADASTRAL NO</b>	<b>MORTGAGED PROPERTY (LAND + CONSTRUCTIONS) - DESCRIPTION (RANGES I AND II MORTGAGES)</b>
1315/2/1/1/3 CF 39568	- urban land on the surface. of 1,271 sqm together with an administrative group consisting of two buildings (C13 and C14), located in Tg Jiu, str. Ciocârlău, no. 38.
1315/2/1/1/4 CF 37455	- urban land on the surface. of 6,705.13 sqm together with oxygen factory (C12), located in Tg Jiu, str. Ciocârlău, no. 38.
1315/2/1/1/7 CF 39567	- urban land on the surface. of 1,859 sqm together with tailoring section (C8) located in Tg Jiu, str. Ciocârlău, no. 38.
1315/2/1/1/9 CF 39579	- urban land on the surface. of 5047 sqm together with the reconditioned drum section (C59), located in Tg Jiu, str. Ciocârlău, no. 38.
1315/2/1/1/10 CF 39564	- urban land on the surface. of 3,744 sqm, located in Tg Jiu, str. Ciocârlău, no. 38.
1315/2/1/1/1/8 CF 39562	- urban land on the surface. of 9,538 sqm together with the construction of C1-Industrial hall-Gaskets section (C56 / 2/2), 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.store compressor station (C6)



1315/2/1/1/1/5 CF 41246	<ul style="list-style-type: none"> <li>- urban land with an area of 17,758 sqm + constructions:</li> <li>1.basin (C1)</li> <li>2. pump house (C2)</li> <li>Basin 3 (C3)</li> <li>4. thermal power plant (C4)</li> <li>5.industrial construction (C5)</li> <li>6.post impact (C6)</li> <li>7. recirculated water basin (C7)</li> <li>8.turn cooling (C8) _</li> <li>9th pump station (C9)</li> <li>10. cooling tower (C10)</li> <li>11.industrial and urban construction (C11)</li> <li>12.industrial and urban construction (C12)</li> <li>13.industrial and urban construction (C13)</li> <li>14.industrial and urban construction (C14)</li> <li>15.industrial and urban construction (C15)</li> <li>16. chlorination station (C16)</li> <li>17.metal store (C18)</li> </ul>
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- MORTGAGED REAL ESTATE SITUATION -

<i>CADASTRAL NO</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	-land with an area of 20,616 sqm + constructions: 1. conveyor belt 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	-land with an area of 996 sqm together with bread workshop (C11 / 2)
1315/2/1/1/6 CF 41263	-land with an area of 1,063 sqm together with a milk 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. sanitary group - 4.13 sqm C3 2.store - 81.27 sqm C38 3. industrial hall - 119.85 (C39); 4th store - 484.78 sqm (C65); 5.store - 111.31 sqm (C66); 6.store - 360.73 sqm (C67); -store - 44.72 sqm (C68).
1315/2/1/1/1/6 CF 47076	- urban land with an area of 6,843 sqm + constructions: 1.st workshop - 651.14 sqm (C18) 2.nd workshop - 626.59 sqm (C19) 3. school laboratory -384.47 sqm (C20) 4.th bathroom - 12.93 sqm (C21) 5.basin -88.76 mp (C22) 6.bazin - 26.3 mp (C23) 7.store (C58) 8. car workshop - 359,245 sqm (C73)

### The status of ongoing litigation

#### **ARTEGO S.A. - plaintiff**

File no.	Defendant society	Object	Request/ The requested amount	Stage file / Notifications	Stage of file
1	3319/95/2010*	Vectra Impex Targu-Jiu	Insolvency procedure	- the admission to the credit table of the debtor with the amount of 300,000.00 lei	<b>- ongoing</b> we were admitted to the credit table with the amount of 300,000.00 lei, of which we recovered the amount of 38,645.00 lei; continue the bankruptcy proceedings
2	8207/62/2011	CET Brasov	Insolvency	- the admission to the	<b>- ongoing</b>

			procedure	credit table of the debtor with the amount of 46,887.93 lei	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	- the admission to the credit table of the debtor with the amount of 19,457.81 lei	<b>- ongoing</b> 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	<b>- ongoing</b> we were admitted to the credit table with the amount of 52,777.37 lei; continue the bankruptcy proceedings
5	887/90/2013	Oltchim Ramnicu-Valcea	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 19,946.68 lei	<b>- ongoing</b> 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 Direction for Severin Nuclear Activities	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 1,439,815.78 lei	<b>- ongoing</b> 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	<b>- ongoing</b> 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 credit table of the debtor with the amount of 34,155.80 lei	<b>- ongoing</b> 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	<b>- ongoing</b> we were admitted to the credit table with the amount of 1,240.00 lei; continue the bankruptcy proceedings

10	3520/95/2015	Ignifug Prest Targu-Jiu	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 4,783.92 lei	<b>- ongoing</b> 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	<b>- ongoing</b> I was 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 Revisions Utilities For Mining Targu Jiu	Insolvency procedure	- the admission to the credit table of the debtor with the amount of 41,307.71 lei	<b>- ongoing</b> I was admitted to the credit table with the amount of 41,307.71 lei; continue the bankruptcy proceedings
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	<b>- ongoing</b> I was admitted to the credit table with the amount of 2,783.39 lei from which I recovered the amount of 1,391.39 lei; continue the bankruptcy proceedings
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	<b>- ongoing</b> I was 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 București ANAF – AJFP Valcea	Contestation of fiscal administrative act	Obligation of the defendants to pay the amount of 19,778,066 lei	<b>- ongoing</b> the court postpones the pronouncement of the decision on 05.10.2021
16	2867/121/2020	Liberty Galați S.A.	claims	Obligation of the defendant to pay the amount of 576,801.11 lei	<b>- ongoing</b> after the date of filing the request for summons, the defendant paid the amount of 306,380.19 lei, so that the remaining amount in dispute is 270,420.92 lei; the court granted a trial date on 27.10.2021

## ARTEGO S.A. – parade

File no.	Defendant society	Object	Request/ The requested amount	Stage file / Notifications	Stage of file
1	16719/318/2019	Pandurii Lignitul Tg-Jiu Sports Club SPEJ LEX FORTIS Craiova	Opposition to enforcement	Appeal against the Decision no. 3248 / 06.07.2021 by which the executor's fee was reduced	<b>- ongoing</b> the court granted a trial term on 15.11.2021
2	2983/95/2019	Energy Sports Club Association TG Jiu	claims	Obligation of the defendant to pay the amount of 235,000.00 lei	<b>- ongoing</b> by concluding the hearing on 09.09.2020, the court admitted the exception of the prescription of the material right to action for the amount of 120,000 lei, so that the amount remaining in dispute is 115,000 lei; the court granted a deadline on 13.10.2021 for observing the response to the objections to the expertise report
3	5412/182/2021	Abres S.R.L. Baia Mare	payment ordinance	Request for annulment of the payment ordinance issued by the civil sentence no. 4013 / 10.05.2021	<b>- ongoing</b> after the date of filing the lawsuit, he paid the amount of 21,600 lei; - the court granted a new trial term: 22.11.2021

### Affiliated Parties

The company has no affiliated parties.

### Subsequent events

After the preparation of the reports concluded on September 30, 2021, there were no events whose effects would have been significant and would influence the data contained in the current financial statements.

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

*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.

**Other informations**

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 fully private capital, the majority shareholder being the “PAS ARTEGO” Employees Association which 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 were taken into account for the approval of the Methodological Norms for the application of Law 225/2015 regarding the fiscal code, of which:

- 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

Statement of changes in equity for the year ended December 31, 2020 and September 30, 2021

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

Individual Financial Statements

	Social capital	Share capital adjustments	Profit or Loss	Legal reserve	Revaluation reserve	Other reservations	Reported result	IAS29 result	Losses related to equity instruments	Other elements of equity	Own actions	Distribution of profit	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
<b>Other elements of the overall result of which:</b>													
Surplus from revaluation of property, plant and equipment													
Decrease of the reserve from revaluation-registration of deferred tax					-356,277					-55,692			-411,969
<b>Total other elements of the overall result</b>					<b>-356,277</b>					<b>-55,692</b>			<b>-411,969</b>
<b>Total overall result for the period</b>			<b>10,531,639</b>		<b>-356,277</b>					<b>-55,692</b>			<b>10,119,670</b>
<b>Other items</b>													
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
<b>Total other items</b>			<b>-12,149,812</b>			<b>5,646,299</b>	<b>6,072,013</b>				<b>-6,529,411</b>	<b>281,307</b>	<b>-6,679,604</b>
Transactions with shareholders recognized directly in equity													
Dividend distribution							-6,222,206						-6,222,206
<b>Total transactions with owners</b>							<b>-6,222,206</b>						<b>-6,222,206</b>
<b>Balance on DECEMBER 31, 2020</b>	<b>22,390,413</b>	<b>89,052,449</b>	<b>10,531,639</b>	<b>4,478,083</b>	<b>28,570,141</b>	<b>25,000,607</b>	<b>1,372,906</b>	<b>-89,052,449</b>	<b>0</b>	<b>767,251</b>	<b>-6,529,411</b>	<b>-381,690</b>	<b>86,199,939</b>

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	<b>86,199,939</b>
<b>Overall result of the period</b>													
Profit for the year			8,046,627										8,046,627
<b>Other elements of the overall result of which:</b>													
Surplus from revaluation of property, plant and equipment													
Decrease of the reserve from revaluation- registration of deferred tax					-63,570					-41,628			-105,198
<b>Total other elements of the overall result</b>					<b>-63,570</b>					<b>-41,628</b>			<b>-105,198</b>
<b>Total overall result for the period</b>			<b>8,046,627</b>		<b>-63,570</b>					<b>-41,628</b>			<b>7,941,429</b>
Other items													
Resumption of the revaluation reserve to the carried forward result							63,570						63,570
Increasing the legal reserve													
Other items			-10,531,639			-163,771	702,231		4,425,863			381,690	-5,185,626
<b>Total other items</b>			<b>-10,531,639</b>			<b>-163,771</b>	<b>765,801</b>		<b>4,425,863</b>			<b>381,690</b>	<b>-5,122,056</b>
<b>Transactions with shareholders recognized directly in equity</b>	-2,103,548								-4,425,863		6,529,411		0
Dividend distribution							-5,381,387						-5,381,387
<b>Total transactions with owners</b>	<b>-2,103,548</b>						<b>-5,381,387</b>		<b>-4,425,863</b>		<b>6,529,411</b>		<b>-5,381,387</b>
<b>Balance on SEPTEMBER 30, 2021</b>	<b>20,286,865</b>	<b>89,052,449</b>	<b>8,046,627</b>	<b>4,478,083</b>	<b>28,506,571</b>	<b>24,836,836</b>	<b>-3,242,680</b>	<b>-89,052,449</b>	<b>0</b>	<b>725,623</b>	<b>0</b>	<b>0</b>	<b>83,637,925</b>