

**REPORT FOR SEMESTER I 2020,  
ACCORDING TO A.S.F. REGULATION NO.5/2018**

**Date of the report: 14.08.2020**

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

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

**Telephone: 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: 22.390.413 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>31.12.2019</u>	<u>30.06.2020</u>
<b>ASSETS</b>		
<b>Fixed assets</b>	<b>44.934.421</b>	<b>43.571.629</b>
<i>Tangible assets</i>	32.738.526	32.183.941
<i>Intangible assets</i>	12.195.895	11.387.688
<i>Financial assets</i>		
<b>Current assets</b>	<b>93.388.239</b>	<b>94.290.465</b>
<i>Stocks</i>	46.274.992	55.263.738
<i>Commercial receivables</i>	45.770.456	36.297.071
<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>	992.778	2.436.988
<i>Prepayments</i>	335.616	278.271
<b>TOTAL ASSETS</b>	<b>138.322.660</b>	<b>137.862.094</b>
<b>OWN CAPITAL AND LIABILITIES</b>		
<b>Own capitals</b>		
<i>Subscribed and paid-up share capital</i>	22.390.413	22.390.413
<i>Other equity items</i>	822.943	795.091
<i>Reserves from reevaluation</i>	28.926.418	28.914.188
<i>Legal reserves</i>	4.478.083	4.478.083
<i>Other reserves</i>	19.354.308	24.618.917
<i>Own actions</i>	0	0
<i>Social Capital Adjustment</i>	89.052.449	89.052.449
<i>Reported result ( without IAS 29)</i>	1.523.099	1.524.770
<i>Reported result (with IAS 29)</i>	-89.052.449	-89.052.449
<i>Current profit</i>	12.149.812	3.761.209
<i>Profit Distribution</i>	-662.997	-
<b>Total own capitals</b>	<b>88.982.079</b>	<b>86.482.671</b>
<b>Long-term debt</b>		
<i>Investment grants</i>	13.816	15.935
<i>Other long-term debts</i>	7.708	7.725
<i>Long-term provisions</i>		
<b>Total long-term debts</b>	<b>21.524</b>	<b>23.660</b>
<b>Current debts</b>		
<i>Investment grants</i>	68.490	13.320
<i>Commercial and other debts</i>	9.349.779	10.038.876
<i>Short-term loans</i>	31.286.160	27.358.627
<i>Tax and current tax liabilities</i>	8.614.628	13.944.940
<i>Short-term provisions</i>		
<b>Total current debts</b>	<b>49.319.057</b>	<b>51.355.763</b>
<b>Total debts</b>	<b>49.340.581</b>	<b>51.379.423</b>

<b>TOTAL PASSIVE</b>	<b>138.322.660</b>	<b>137.862.094</b>
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The decrease in the net value of tangible assets is due to the depreciation of the existing fixed assets.

A detailed comparative situation of the company's debts is presented in the following way:

Elements	30 june 2019	30 june 2020
<b>1. State budget</b>	<b>660.571</b>	<b>1.038.444</b>
- tax on profit	359.615	398.034
- tax on dividends	-	-
- tax on salaries	227.464	364.342
- the insurance contribution for work	73.492	89.831
- VAT on payment	-	186.237
<b>2. Special fund budgets</b>	<b>374.878</b>	<b>584.359</b>
- CASS	324.385	527.332
- average fund	6.647	7.922
- solidarity fund for people with disabilities	43.846	49.105
<b>3. Social security budgets</b>	<b>834.636</b>	<b>1.325.903</b>
- CAS	834.636	1.325.903
<b>4. Other taxes, fees, payments</b>	<b>454.989</b>	<b>-</b>

### 1.b. PROFIT AND LOSS ACCOUNT at 30 june 2020

- lei-

Crt. No.	NAME OF INDICATORS	30.06.2019	30.06.2020
1.	Net turnover of which	81.973.015	57.234.839
	Revenues from the sold production	80.330.624	56.287.704
	Revenues from the sale of goods	1.761.853	1.085.215
	Commercial discounts granted	(119.462)	(138.080)
2.	Revenues from stored production	13.184.913	9.040.457
3.	Revenues from the production of fixed assets	86.367	229.478
4.	Revenues from fixed assets intended for sale	93.811	-
5.	Revenues from operating grants	-	4.063.196
6.	Other revenues from exploitation	794.379	289.146
I.	REVENUES FROM EXPLOITATION	96.132.485	70.857.116
7.	Expenditures on goods	1.542.661	1.022.676
8.	Material expenditures	58.275.371	38.525.824
9.	Expenditures on works and services performed by third parties	3.185.569	2.148.388
10.	Expenses with taxes and fees	757.181	685.393
11.	Staff costs	22.301.181	20.911.364
12.	Other expenses with exploitation	650.819	377.328
13.	Expenses with depreciation and provisions	2.478.769	2.206.078
II.	EXPENSES FOR EXPLOITATION	89.191.551	65.877.051

A.	RESULT FROM EXPLOITATION		
	- PROFIT	6.940.934	4.980.065
	- LOSS		
III.	FINANCIAL REVENUES	414.978	208.406
IV.	FINANCIAL EXPENSES	1.428.026	873.511
B.	FINANCIAL RESULT	(1.013.048)	(665.105)
V.	EXCEPTIONAL REVENUES		
VI.	EXCEPTIONAL EXPENSES		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL REVENUES	96.547.463	71.065.522
VIII	TOTAL EXPENSES	90.619.577	66.750.562
D.	GROSS RESULT		
	- PROFIT	5.927.886	4.314.960
	- LOSS		
	TAX	835.725	581.603
E	REVENUES FROM BENEFIT FROM PROFIT	28.307	27.852
F.	NET RESULT		
	- PROFIT	5.120.468	3.761.209
	- LOSS		
G.	Number of shares	8.956.165	8.956.165
H.	Output per share	0,572	0,420

#### *Economic, financial and market activity of SC ARTEGO SA*

*During this period, one of the priorities of our Company is the health of our employees. Between 01.04.2020-31.05.2020 the company was in technical unemployment supported by AJOFM. The adequate restart of the activity represented a great challenge for the period immediately following the exit from the state of emergency, in the idea of diminishing the risks related to COVID-19..*

*n accordance with the Emergency Ordinance no. 32/2020 on amending and supplementing the Government Emergency Ordinance no. 30/2020 for amending and supplementing some normative acts, as well as for establishing measures in the field of social protection in the context of the epidemiological situation caused by the spread of coronavirus SARS-CoV-2 and for establishing additional social protection measures The company received from the Gorj County Agency for Employment amounts representing technical unemployment as follows: in May for employment contracts suspended in April 2020 the amount of 1,812,111 lei for 781 employees, in June for the employment contracts suspended in May 2020 the amount of 1,287,782 lei for 755 employees.*

*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 the financial markets, with significant effects on the world economy expected as a result of measures taken to manages 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.

The late approval of the budgets for 2020 related to the economic operators in the mining and energy fields, the postponement of the initiation of public procurement procedures, the decrease of the funds allocated to these acquisitions, all this led to the decrease of the possibility of obtaining a large volume of orders. would have been the result of winning auctions.

At the same time, the unfair competition encountered in some tenders led either to the increase of the duration of awarding contracts, with the time necessary to resolve appeals, or to the loss of tenders, given that the contracting authorities continued to opt for the award criterion "lowest price ", Which led to the passing of the aspects of quality criteria on a background. This aspect of the price level as the only award criterion produces both the favoring of the presence on the market of some products of a doubtful quality level, and the diminution of the company's market share on the afferent niches. On the other hand, in the field of electricity distribution, for the purchase of specific products can be found in the award documents a series of additional criteria to the legal conditions met, regarding the composition of eligibility and / or qualification documents (environment, health and occupational safety). , etc.), the specific and differentiated technical conditions of the products, the required delivery terms, the imposed payment methods, finally representing barriers that lead to the impossibility of participation and finally to the decrease of sales potential to these organizations.

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 starting with July 2020 at macroeconomic level (increase of natural gas prices, evolution of fuel price, evolution of the leu / euro exchange rate, development and / or the conclusion of the privatization processes 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 30.06.2020 were not audited / reviewed.**

## STATEMENT OF CASH FLOWS

on June 30, 2020

- lei -

INDICATORS LEI (RON)	REALIZAT AN 2019	REALIZAT 30.06.2020
<b>A. LIQUIDITY AT THE BEGINNING OF THE PERIOD</b>	<b>5.129.059</b>	<b>992.778</b>
In accounts	5.007.972	514.213
Cash	9.741	4.534
Other Values	111.346	474.031
Treasury advances	-	-
Values to receive	-	-

Encashments from the exploitation activity	<b>244.988.856</b>	<b>100.732.356</b>
Customer encashments	192.278.306	72.813.622
Other encashments	52.710.550	27.918.734
<b>PAYMENT FOR THE EXPLOITATION ACTIVITY</b>	<b>247.974.366</b>	<b>98.530.483</b>
Provider payments	128.113.581	48.019.216
Payments for staff	42.448.630	16.118.903
Payments on taxes and fees	20.887.947	11.185.253
Tax / Advantage	1.937.789	943.337
Interest payments	1.925.598	649.541
Other payments	52.660.821	21.614.233
<b>CASH FLOW FROM THE EXPLOITATION ACTIVITY</b>	<b>-2.985.510</b>	<b>2.201.873</b>
<b>PROCEEDS FROM THE INVESTMENTS ACTIVITY</b>	780.678	55.344
Proceeds from the sale of land, fixed assets and intangible assets	780.678	55.344
Proceeds from the sale of equity instruments and receivables from other enterprises	-	-
Proceeds from repayment of advances and loans to other parties	-	-
<b>PAYMENT FROM THE INVESTMENTS ACTIVITY</b>	1.931.449	813.007
Payments for the acquisition of land, fixed assets and intangible assets	1.931.449	813.007
Proceeds for the acquisition of equity instruments and receivables of other enterprises	-	-
Advances and loans made to other parties	-	-
<b>CASH FLOW FROM THE INVESTMENT ACTIVITY</b>	<b>-1.150.771</b>	<b>-757.663</b>
<b>PROCEEDS FROM THE FINANCING ACTIVITY</b>	-	-

PAYMENTS FOR THE FINANCING ACTIVITY	-	-
<b>CASH FLOW FROM THE FINANCING ACTIVITY</b>	-	-
<b>CASH FLOW - TOTAL</b>	<b>-4.136.281</b>	<b>1.444.210</b>
<b>B. LIQUIDITIES AT THE END OF THE PERIOD</b>	<b>992.778</b>	<b>2.436.988</b>
In accounts	514.213	2.173.600
Cash	4.534	6.627
Other Values	474.031	233.789
Treasury advances	-	22.972
Values to receive	-	-

## 2. ANALYSIS OF THE SOCIETY'S ACTIVITY

### 2.1. *Liquidity indicators*

- % -

<b>Crt. No.</b>	<b>Name of indicators</b>	<b>Calculation formula</b>	<b>30.06.2019</b>	<b>30.06.2020</b>
1.	Current patrimonial liquidity	[Current assets /DTS]	1,51	1,83
2.	Active (fast) liquidity	[Current assets.-Stocks]/DTS	69,05%	75,47%
3.	Speed of rotation fixed assets	Turnover /Intangible assets	1,77	1,31
4.	Speed of rotation of total assets	Turnover / total assets	0,54	0,42
5.	Interest rate cover indicator	Profit before payment of interest and profit tax / Expenses with interests	7,09	7,64
6.	Profitability of the Committed capital	Profit before interest and profit tax / Committed capital	0,0842	0,0574
7.	Gross margin from sales	Gross profit from sales / Turnover	8,47%	8,70%

## 2.2 Capital expenditures

Due to the economic situation, both at the company level and at macroeconomic level, the investments in the analyzed period stagnated, the cash outflow being destined for the payment of the debts accumulated in the previous period.

2.3. The structure of earnings from basic activity is presented below:

### Revenues from exploitation

-lei-		
Elements	30 june2019	30 june 2020
Sold production	80.330.624	56.287.704
Revenues from sale of goods	1.761.853	1.085.215
Granted commercial discounts	(119.462)	(138.080)
Revenues related to the cost of product stocks	13.184.913	9.040.457
Revenues from the production of fixed assets	86.367	229.478
Revenues from fixed assets for sale	93.811	-
Revenues from exploitation grants	-	4.063.196
Other revenues from exploitation	794.379	289.146
<b>Total revenues from exploitation</b>	<b>96.132.485</b>	<b>70.857.116</b>

In the next period, in the short and medium term, considering the difficulty of predicting the evolution of the Romanian economy, but also counting on its possible stability, it can be estimated for S.C. ARTEGO SA. a constant trend of the existing situation as a productive activity and sales level.

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

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

3.2. No changes were made to the rights of the holders of securities issued by the company during the analyzed period. Thus, on 30 June 2020 the structure of the shareholders is as follows:

Shareholders	Nominal value per share	Number of shares held	Total value	% of the social capital
<b>ASSOCIATION OF THE EMPLOYEES PAS ARTEGO</b>	2,50	6.968.820	17.422.050,00	77,8103%
<b>Individual shareholders</b>	2,50	854.252	2.135.630,00	9,5382%
<b>Other legal entities</b>	2,50	1.133.091	2.832.728,00	12,6515%
<b>THE ROMANIAN STATE THROUGH THE AUTHORITY FOR THE</b>	2,50	2	5,00	0,0000%



<b>ADMINISTRATION OF STATE ASSETS</b>				
<b>TOTAL</b>	<b>2,50</b>	<b>8.956.165</b>	<b>22.390.413,00</b>	<b>100,000%</b>

## SC ARTEGO SA Tg-Jiu

### Individual Financial Statements

#### SITUATION OF THE FINANCIAL POSITION AT 31.12.2019 and 30.06.2020

(Amounts are expressed in RON unless otherwise stated)

Name of indicators	<u>31/12/2019</u>	<u>30/06/2020</u>
<b>ASSETS</b>		
<b>Fixed assets</b>	<b>44,934,421</b>	<b>43,571,629</b>
<i>Tangible assets</i>	32,738,526	32,183,941
<i>Intangible assets</i>	12,195,895	11,387,688
<i>Financial assets</i>		
<b>Current assets</b>	<b>93,388,239</b>	<b>94,290,465</b>
<i>Stocks</i>	46,274,992	55,263,738
<i>Commercial receivables</i>	45,770,456	36,297,071
<i>Financial assets of which available for sale</i>	14,397	14,397
<i>Cash and cash equivalents</i>	992,778	2,436,988
<i>Prepayments</i>	335,616	278,271
<b>TOTAL ASSETS</b>	<b>138,322,660</b>	<b>137,862,094</b>
<b>OWN CAPITAL AND LIABILITIES</b>		
<b>Own capitals</b>		
<i>Subscribed and paid-up share capital</i>	22,390,413	22,390,413
<i>Other equity items</i>	822,943	795,091
<i>Reserves from reevaluation</i>	28,926,418	28,914,188
<i>Legal reserves</i>	4,478,083	4,478,083
<i>Other reserves</i>	19,354,308	24,618,917
<i>Own actions</i>	0	0
<i>Social Capital Adjustment</i>	89,052,449	89,052,449
<i>Reported result ( without IAS 29)</i>	1,523,099	1,524,770
<i>Reported result (with IAS 29)</i>	-89,052,449	-89,052,449
<i>Current profit</i>	12,149,812	3,761,209
<i>Profit Distribution</i>	-662,997	
<b>Total own capitals</b>	<b>88,982,079</b>	<b>86,482,671</b>
<b>Long-term debt</b>		

<i>Investment grants</i>	13,816	15,935
<i>Other long-term debts</i>	7,708	7,725
<i>Long-term provisions</i>		
<b>Total long-term debts</b>	<b>21,524</b>	<b>23,660</b>
<b>Current debts</b>		
<i>Investment grants</i>		
<i>Commercial and other debts</i>	68,490	13,320
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<i>Short-term provisions</i>	8,614,628	13,944,940
<b>Total current debts</b>		
<b>Current debts</b>	<b>49,319,057</b>	<b>51,355,763</b>
<b>Total debts</b>	<b>49,340,581</b>	<b>51,379,423</b>
<b>TOTAL OWN CAPITALS AND DEBTS</b>	<b>138,322,660</b>	<b>137,862,094</b>

**SITUATION OF THE GLOBAL RESULT  
at 30 june 2020**

- lei-

<b>Nr. Crt.</b>	<b>DENUMIRE INDICATORI</b>	<b>30.06.2019</b>	<b>30.06.2020</b>
1.	Net turnover of which	81.973.015	57.234.839
	Revenues from the sold production	80.330.624	56.287.704
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2.	Revenues from stored production	13.184.913	9.040.457
3.	Revenues from the production of fixed assets	86.367	229.478
4.	Revenues from fixed assets intended for sale	93.811	-
5	Revenues from operating grants	-	4.063.196
6.	Other revenues from exploitation	794.379	289.146
I.	<b>REVENUES FROM EXPLOITATION</b>	<b>96.132.485</b>	<b>70.857.116</b>
7.	Expenditures on goods	1.542.661	1.022.676
8.	Material expenditures	58.275.371	38.525.824
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11.	Staff costs	22.301.181	20.911.364
12.	Other expenses with exploitation	650.819	377.328
13.	Expenses with depreciation and provisions	2.478.769	2.206.078
II.	<b>EXPENSES FOR EXPLOITATION</b>	<b>89.191.551</b>	<b>65.877.051</b>
A.	<b>RESULT FROM EXPLOITATION</b>		
	- PROFIT	6.940.934	4.980.065
	- LOSS		

III.	FINANCIAL REVENUES	414.978	208.406
IV.	FINANCIAL EXPENSES	1.428.026	873.511
B.	FINANCIAL RESULT	(1.013.048)	(665.105)
V.	EXCEPTIONAL REVENUES		
VI.	EXCEPTIONAL EXPENSES		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL REVENUES	96.547.463	71.065.522
VIII	TOTAL EXPENSES	90.619.577	66.750.562
D.	GROSS RESULT		
	- PROFIT	5.927.886	4.314.960
	- LOSS		
	TAX	835.725	581.603
E	REVENUES FROM BENEFIT FROM PROFIT	28.307	27.852
F.	NET RESULT		
	- PROFIT	5.120.468	3.761.209
	- LOSS		
G.	Number of shares	8.956.165	8.956.165
H.	Output per share	0,572	0,420

## Individual Financial Statements

The statement of changes in equity for the year ended at 31 DECEMBER 2019 and 30 june 2020

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

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	Social capital	Share capital adjustments	Profit or Loss	Legal reserve	Revaluation reserve	Other reservations	Reported result	Result IAS29	Losses related to equity instruments	Other elements of equity	Own actions	Distribution of profit	TOTAL
<b>Balance on January 1, 2020</b>	22,390,413	89,052,449	9,465,069	4,974,689	28,939,325	14,386,153	1,510,192	-	0	879,516	0	0	82,545,357
<b>Overall result of the period</b>													
Profit for the year			12,149,812										12,149,812
<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					-12,907					-56,573			-69,480
<b>Total other elements of the overall result</b>					<b>-12,907</b>					<b>-56,573</b>			<b>-69,480</b>
<b>Total overall result for the period</b>			<b>12,149,812</b>		<b>-12,907</b>					<b>-56,573</b>			<b>12,080,332</b>
<b>Other items</b>													
Resumption of the revaluation reserve at the carried forward result							12,907						12,907
Increasing the legal reserve				-496,606									-496,606
Other items			-9,465,069			4,968,155	5,656,517					-662,997	496,606
<b>Total other items</b>			<b>-9,465,069</b>	<b>-496,606</b>		<b>4,968,155</b>	<b>5,669,424</b>					<b>-662,997</b>	<b>12,907</b>
<b>Transactions with shareholders recognized directly in equity</b>													
Dividend distribution							-5,656,517						-5,656,517
<b>Total transactions with owners</b>							<b>-5,656,517</b>						<b>-5,656,517</b>

Balance on DECEMBER 31, 2019	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
Sold 01.01.2020	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
<b>Overall result of the period</b>														
Profit for the year			3,761,209											3,761,209
<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					-12,230						-27,852			-40,082
<b>Total other elements of the overall result</b>					<b>-12,230</b>						<b>-27,852</b>			<b>-40,082</b>
<b>Total overall result for the period</b>			<b>3,761,209</b>		<b>-12,230</b>						<b>-27,852</b>			<b>3,721,127</b>
<b>Other items</b>														
Resumption of the revaluation reserve at the carried forward result							12,230							12,230
Increasing the legal reserve														
Other items			-	12,149,812		5,264,609	6,211,647						662,997	-10,559
<b>Total other items</b>			<b>-</b>	<b>12,149,812</b>		<b>5,264,609</b>	<b>6,223,877</b>						<b>662,997</b>	<b>1,671</b>
<b>Transactions with shareholders recognized directly in equity</b>														0
Dividend distribution							-6,222,206							-6,222,206
<b>Total transactions with owners</b>							<b>-6,222,206</b>							<b>-6,222,206</b>
Balance as of June 30, 2020	22,390,413	89,052,449	3,761,209	4,478,083	28,914,188	24,618,917	1,524,770	-	89,052,449	0	795,091	0	0	86,482,671

## SITUATION OF TREASURY FLOWS AT 30 june 2020

INDICATORS LEI (RON)	accomplished year 2019	accomplished 30.06.2020
<b>ACASH FLOWS AT THE BEGINNING OF THE PERIOD</b>	<b>5.129.059</b>	<b>992.778</b>
In accounts	5.007.972	514.213
Cash	9.741	4.534
Other Values	111.346	474.031
Treasury advances	-	-
Values to receive	-	-
<b>Encashments from the exploitation activity</b>	<b>244.988.856</b>	<b>100.732.356</b>
Customer encashments	192.278.306	72.813.622
Other encashments	52.710.550	27.918.734
<b>PAYMENT FOR THE EXPLOITATION ACTIVITY</b>	<b>247.974.366</b>	<b>98.530.483</b>
Provider payments	128.113.581	48.019.216
Payments for staff	42.448.630	16.118.903
Payments on taxes and fees	20.887.947	11.185.253
Tax / Advantage	1.937.789	943.337
Interest payments	1.925.598	649.541
Other payments	52.660.821	21.614.233
<b>CASH FLOW FROM THE EXPLOITATION ACTIVITY</b>	<b>-2.985.510</b>	<b>2.201.873</b>
<b>PROCEEDS FROM THE INVESTMENTS ACTIVITY</b>	<b>780.678</b>	<b>55.344</b>
Proceeds from the sale of land, fixed assets and intangible assets	780.678	55.344
Proceeds from the sale of equity instruments and receivables from other enterprises	-	-
Proceeds from repayment of advances and loans to other parties	-	-
<b>PAYMENT FROM THE INVESTMENTS ACTIVITY</b>	<b>1.931.449</b>	<b>813.007</b>

Payments for the acquisition of land, fixed assets and intangible assets	1.931.449	813.007
Proceeds for the acquisition of equity instruments and receivables of other enterprises	-	-
Advances and loans made to other parties	-	-
<b>CASH FLOW FROM THE INVESTMENT ACTIVITY</b>	<b>-1.150.771</b>	<b>-757.663</b>
PROCEEDS FROM THE FINANCING ACTIVITY	-	-
PAYMENTS FOR THE FINANCING ACTIVITY	-	-
<b>CASH FLOW FROM THE FINANCING ACTIVITY</b>	<b>-</b>	<b>-</b>
<b>CASH FLOW - TOTAL</b>	<b>-4.136.281</b>	<b>1.444.210</b>
<b>B. LIQUIDITIES AT THE END OF THE PERIOD</b>	<b>992.778</b>	<b>2.436.988</b>
In accounts	514.213	2.173.600
Cash	4.534	6.627
Other Values	474.031	233.789
Treasury advances	-	22.972
Values to receive	-	-

## Notes to the financial statements

*For the financial year ended 30 June 2020*

### **1. The reporting entity**

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

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

According to the statute, the main field of activity of the Company has the cone CAEN 2219 "Manufacture of other rubber products".

The record of shares and shareholders is kept in accordance with the law by the Central Depository.2 Basics of drawing up.

#### **(a) Declaration of conformity**

The separate financial statements have been prepared in accordance with 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 30 June 2020, 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 ) Subsidiaries and associates**

Filialele sunt entitati aflate sub controlul Societatii. Controlul exista atunci cand Societatea are puterea de a conduce , in mod direct sau indirect, politicile financiare si operationale ale unei entitati pentru a obtine beneficii din activitatea acesteia. Entitatile asociate sunt acele societati in care Societatea poate exercita o influenta semnificativa , dar nu si control asupra politicilor financiare si operationale. Societatea nu detine societati asociate.

### **(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 operational cash flows are affected by interest rate fluctuations, 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 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 30 June 2020, the company holds cash and cash equivalents in the amount of 2.436.988 lei. The cash and cash equivalents are held at banks including: Unicredit, Intesa, ING Bank, Credit Europe, Garanti, BRD.

### **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 30 June 2020, 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

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 SIC 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 30 June 2020*

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.

### **Fixed assets at 30 June 2020**

Name of the asset	Valoarea brută				Ajustări de valoare (amortizări și ajustări pentru depreciere sau pierdere de valoare)			
	Sold there 1st January 2020	increases	Assignments, transfers and other reductions	Sold there 30th of June 2020	Sold there 1st January 2020	Adjustments recorded during the year	Discounts or resumes	Sold there 30th of June 2020
	0	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	28.247.300	80.946	-	28.328.246	16.051.405	889.153	-	16.940.558
4. Commercial fund	-	-	-	-	-	-	-	-
5. Advances and intangible assets in progress	-	-	-	-	-	-	-	-
TOTAL:	32.359.819	80.946	-	32.440.765	20.163.924	889.153	-	21.053.077
II. TANGIBLE ASSETS								
1. Lands	12.937.919	-	-	12.937.919	133.421	-	-	133.421
2. Constructions	43.791.404	14.141	-	43.805.545	29.688.104	589.434	-	30.277.538
3. Technological equipments	44.624.496	10.695	33.411	44.601.780	40.659.533	424.515	33.411	41.050.637
4. Measuring, control and regulating machines and installations	2.260.067	19.928	14.889	2.265.106	1.984.328	51.491	14.889	2.020.930

- lei -

5. Transport means	6.558.059	532.548	125.018	6.965.589	5.329.055	239.147	125.018	5.443.184
6. Furniture, equipment, office and other tangible assets	658.403	3.686	-	662.089	440.836	12.336	-	453.172
7. Advances and tangible assets in progress	143.455	225.603	44.263	324.795	-	-	-	-
<b>TOTAL:</b>	<b>110.973.803</b>	<b>806.601</b>	<b>217.581</b>	<b>111.562.823</b>	<b>78.235.277</b>	<b>1.316.923</b>	<b>173.318</b>	<b>79.378.882</b>
<b>III. FINANCIAL ASSETS</b>								
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>143.333.622</b>	<b>887.547</b>	<b>217.581</b>	<b>144.003.588</b>	<b>98.399.201</b>	<b>2.206.076</b>	<b>173.318</b>	<b>100.431.959</b>

### Stocks

On 30 June 2020, compared to 30 June 2019 stocks are presented as follows:

Elements	30 june 2019	30 june 2020
<b>1. Raw materials and consumables</b>	38.315.006	40.347.835
<b>2. Fixed assets held for sale</b>	1.885.658	1.749.463
<b>3. Production under execution</b>	71.672	21.499
<b>4. Finished goods and commodities</b>	16.137.327	12.255.829
<b>5. Advances</b>	722.874	889.112
<b>TOTAL</b>	<b>57.132.537</b>	<b>55.263.738</b>

### Clients and assimilated accounts

On 30 June 2020 compared to 30 June 2019, the clients and assimilated accounts are shown as follows:

Elements	30 june 2019	30 june 2020
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<b>1. Commercial receivables</b>	30.810.116	32.823.839
<b>2. Paid advances</b>	1.994.548	638.549
<b>3. Other debts</b>	8.518.880	2.834.683
<b>TOTAL</b>	<b>41.323.544</b>	<b>36.297.071</b>

In period 01.01.2020-30.06.2020 the company recorded exports as follows:

<b>EURO</b>	
ENGLAND	1.380.174,33
AUSTRIA	49.202,16
BELGIUM	62.389,84
BULGARIA	44.958,80
CZECH REPUBLIC	675,32
EGYPT	33.565,39
ESTONIA	2.531,62
FINLAND	135.155,66
FRANCE	610.852,53
GERMANY	1.972.547,24
GREECE	10.096,66
ITALY	155.778,02
LITHUANIA	1.673,75
NETHERLANDS	659.668,88
POLAND	28.140,40
SERBIA	83.263,14
SLOVAKIA	15.423,52
SPAIN	1.172.333,32
HUNGARY	52.191,86
UCRANIA	9.210,19
<b>TOTAL</b>	<b>6.479.832,83</b>

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

As of June 30, 2020, compared to June 30, 2019, short-term investments are as follows:

<b>Elements</b>	<b>30 june 2019</b>	<b>30 june 2020</b>
<b>Short-term investments</b>	14.397	14.397
<b>TOTAL</b>	<b>14.397</b>	<b>14.397</b>

The balance on 30 june 2020 in the amount of 14.397 lei is the equivalent of the shares acquired in previous years from IFB Invest Tg-Jiu, which in the meantime dissolved.

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

The company does not hold interests in other companies. In this respect, the company has not received dividends from other companies.

### **Prepayments**

On 30 June 2020, compared to 30 June 2019, prepayments are as follows:

<b>Elements</b>	<b>30 June 2019</b>	<b>30 June 2020</b>
<b>Prepayments</b>	245.119	278.271
<b>TOTAL</b>	245.119	278.271

The balance on 30 June 2020 in the amount of 278.271 lei, represents the expenses made in advance for: insurance in favor of the banks for the granted credits, automobile diagrams, vocational training courses, rents paid in advance for renting various equipments.

## Cash and cash equivalents

On 30 June 2020, as compared to 30 June 2019 cash and cash equivalents are presented in this way:

Elements	30 june 2019	30 june 2020
Current accounts at banks and deposits	6.097.232	2.173.600
Cash - lei	9.766	6.627
Cash - foreign currency		
Other equivalents in cash	456.256	256.761
<b>TOTAL</b>	<b>6.563.254</b>	<b>2.436.988</b>

## *Capitalul Social*

### *Social capital*

On 30 June 2020 the share capital includes the effects of the restatements recorded in previous years, according to the application of the "SIC" 29 "Financial Reporting in Hyperinflationary Economies. Reconciliation of social capital is as follows:

Social capital (nominal value)	22.390.413
Differences related to the retratation according to SIC 29	89.052.449
The balance of social capital (restated)	<b><u>111.442.862</u></b>

At the end of each reporting period, the subscribed and paid-up 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 the one registered with the Trade Registry Office.

The shareholding structure on 30 June 2020 is as follows:

Shareholders	Nominal value per share	Number of shares held	Total value	% of the social capital
<b>ASOCIATIA SALARIATILOR PAS ARTEGO</b>	2,50	6.968.820	17.422.050,00	77,8103%
<i>Alte persoane</i>	2,50	854.252	2.135.630,00	9,5382%

<i>juridice</i>				
<b>Alte persoane fizice</b>	2,50	1.133.091	2.832.728,00	12,6515%
<b>STATUL ROMAN PRIN AUTORITATEA PT. ADMINISTRAREA ACTIVELOR STATULUI</b>	2,50	2	5,00	0,0000%
<b>TOTAL</b>	<b>2,50</b>	<b>8.956.165</b>	<b>22.390.413,00</b>	<b>100,000%</b>

### *Legal reserves*

The legal reserves amount to 4.478.083 lei at 30 june 2020.

### *Revaluation reserves*

The revaluation reserve is in the amount of 28.914.188 lei at 30 june 2020.

### *Other reserves*

On 30 June 2020, compared to 30 June 2019, other reserves recorded the following levels:

<b>Elements</b>	<b>30 june 2019</b>	<b>30 june 2020</b>
<b>Other reserves</b>	18.691.311	24.618.917
<b>Total</b>	<b>18.691.311</b>	<b>24.618.917</b>

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

On 30 June 2020, the amount of 795.091 lei, is the deferred tax related to revaluations in the balance after 1 January 2004, decreased by deferred tax related to revaluation amortization recorded on cost in the first semester of 2020.

### **Grants for investments**

The income recorded in advance is represented by the subsidies received for investments as reimbursable for the project carried out in previous years through the axis of Increasing the Economic Competitiveness and records the following decreasing levels until the full depreciation of the objectives put into operation, as follows:

Element	30 june 2019	30 june 2020
<b>1. Investment subsidies</b>	149.801	29.255
<b>Total</b>	<b>149.801</b>	<b>29.255</b>

### **Short-term loans**

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

Bank	30.06.2019		Bank	30.06.2020	
	Approved	Used		Approved	Used
UNICREDIT lei	28.300.000	28.037.585	UNICREDIT lei	28.300.000	5.363.855
UNICREDIT (SGB) lei	2.200.000	2.129.246	UNICREDIT (SGB) lei	2.200.000	1.567.485
INTESA lei	11.000.000	10.512.643	INTESA lei	11.000.000	10.371.225
ING BANK lei	1.400.000	1.392.801	ING BANK EUR	400.000	399.548
CREDIT EUROPE lei	8.900.000	8.592.217	CREDIT EUROPE lei	8.900.000	8.769.654
GARANTI lei	1.000.000	1.000.000	GARANTI lei	922.000	922.000
GARANTI (SGB) lei	2.000.000	1.319.850	GARANTI (SGB) lei	2.078.000	1.413.302

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

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

### **Output per share**

On 30 June 2020, as compared to 30 June 9 the earnings per share is:

	30 june 2019	30 june 2020
<b>Profit of the period</b>	<b>5.120.468</b>	<b>3.761.209</b>
Number of ordinary shares at beginning and end periods	8.956.165	8.956.165
<b>Basic and diluted result per action (lei/action)</b>	<b>0, 572</b>	<b>0,420</b>

**Other taxes and obligations for social insurance**

Elements	30 iunie 2019	30 iunie 2020
1. State budget	<b>660.571</b>	<b>1.038.444</b>
- tax on profit	359.615	398.034
- tax on dividends	-	-
- tax on salaries	227.464	364.342
- the insurance contribution for the work	73.492	89.831
- VAT on payment	-	186.237
- increases	-	-
- penalties	-	-
<b>2. Special fund budgets</b>	<b>374.878</b>	<b>584.359</b>
- CASS	324.385	527.332
medium background	6.647	7.922
- solidarity fund for people with disabilities	43.846	49.105
-majorari	-	-
-penalties	-	-
<b>3. Social security budgets</b>	<b>834.636</b>	<b>1.325.903</b>
- CAS	834.636	1.325.903
-majorari	-	-
-penalties	-	-



<b>4. Other taxes, fees, payments</b>	<b>454.989</b>	<b>-</b>
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#### Operating income

<b>Element</b>	<b>30 iunie 2019</b>	<b>30 iunie 2020</b>
Production sold	80.330.624	56.287.704
Income from sale of goods	1.761.853	1.085.215
Commercial discounts granted	(119.462)	(138.080)
Revenues related to the costs of product stocks	13.184.913	9.040.457
Income from the production of fixed assets	86.367	229.478
Income from fixed assets for sale	93.811	-
Income from operating subsidies	-	4.063.196
Other operating revenues	794.379	289.146
<b>Total operating income</b>	<b>96.132.485</b>	<b>70.857.116</b>

#### Operating expenses

<b>Elements</b>	<b>30 iunie 2019</b>	<b>30 iunie 2020</b>
Expenditures on raw materials and consumables	54.489.752	35.155.870
Other material expenses	467.401	423.612
Other external expenses (energy and water)	3.319.051	2.946.847
Expenditure on goods	1.542.661	1.022.676
Trade discounts received	833	505
Staff costs of which:	22.301.181	20.911.364
-Salaries and allowances	21.144.887	20.222.639
-Insurance and social protection	1.156.294	688.725
Property, plant and equipment adjustments:	2.478.769	2.206.078
-Costs	2.478.769	2.206.078
-Income	-	-
Current asset adjustments of which:	-	-

-Costs	-	-
-Income	-	-
Other operating expenses of which	4.593.569	3.211.109
Expenditures on external services	3.185.569	2.148.388
Expenses with other taxes and fees	757.181	685.393
Expenditure related to assets	92.906	5.238
fixed assets for sale	557.913	372.090
<b>Total Operating Expenses</b>	<b>89.191.551</b>	<b>65.877.051</b>

### Operating result

Elements	30 iunie 2019	30 iunie 2020
Perating profit (Profit)	6.940.934	4.980.065
Total operating profit	<b>6.940.934</b>	<b>4.980.065</b>

### Net financial result

Elements	30 iunie 2019	30 iunie 2020
Income from exchange rate differences	412.685	204.391
Interest income	1.452	2.781
Other incomes	841	1.234
<b>Total Financial Income</b>	<b>414.978</b>	<b>208.406</b>
Interest charges	973.521	649.541
Other financial expenses	454.505	223.970
<b>Total Financial Expenses</b>	<b>1.428.026</b>	<b>873.511</b>
<b>Net financial result (Loss)</b>	<b>(1.013.048)</b>	<b>(665.105)</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. Profit tax returns are subject to review and correction by the tax 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, there is a risk that the tax authorities will take different positions on the interpretation of these issues. Their impact could not be determined at this time.

### **Guarantees**

**As of June 30, 2020, the company has mortgaged the following assets in favor of the financing banks to which it has committed credit lines as follows:**

#### **INTESA SANPAOLO BANK**

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

<i><b>CADASTRAL NO</b></i>	<i><b>REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION</b></i>
<b>1315/2/1/1/1/4 CF 41172</b>	<p><b>- land area of 11.243 sqm + self-metrology platform made up of:</b></p> <ol style="list-style-type: none"> <li>1. storage - 254,62 mp (C15);</li> <li>2. toilet -6,30 mp (C16);</li> <li>3. loaded extinguisher station - 56,97 mp (C17);</li> <li>4. workshop - 619,46 mp (C28);</li> <li>5. metrology laboratory - 134,59 mp (C29);</li> <li>6. drinking water station - 99,73 mp (C30);</li> <li>7. drinking water basin - 146,17 mp (C31);</li> <li>8. metal storage - 106,87 mp (C60);</li> <li>9. storage -146,17 mp (C70);</li> <li>10. auto workshop - 359,24 mp (C73);</li> </ol>
<b>1315/2/1/1/1/7 CF 40067</b>	<p><b>- land area of 18.910 mp + constructions:</b></p> <ol style="list-style-type: none"> <li>1. locker room -199,59 mp (C54);</li> <li>2. silo raw material - 195,60 mp (C55);</li> <li>3. mixtures and annexes workshop - 437,91 mp (C58);</li> <li>4. hot water station and condensate recirculation - 48,88 mp (C57);</li> <li>5. monobloc hall -10.808,88 mp (C56/2/1);</li> <li>5. storage - 2.225,98 mp (C69).</li> </ol>
<b>1315/2/1/1/1/9 CF 41169</b>	<p><b>-land area of 4.114 mp + constructions:</b></p> <ol style="list-style-type: none"> <li>1. finished warehouse - 657,25 mp (C56/4).</li> </ol>
<b>1315/2/1/1/1/10 CF 41170</b>	<p><b>-land area of 1.575 mp + constructions:</b></p> <ol style="list-style-type: none"> <li>1. Administrative group gate 3 - 123,44 mp (C63).</li> </ol>
<b>1315/2/1/1/1/11 CF 41165</b>	<p><b>-land area of 22.150 mp + constructions:</b></p> <ol style="list-style-type: none"> <li>1. monobloc hall - 4.739,39 mp (C56/3);</li> <li>2. storage -95,55 mp (C61);</li> <li>3. rolling bridge - 811,12 mp (C62).</li> </ol>

**UNICREDIT TIRIAC BANK**

**SITUATION OF REAL ESTATE PROPERTIES**

<b>CADASTRAL NO.</b>	<b>IMOBIL IPOTECAT (TEREN + CONSTRUCȚII) - DESCRIERE</b>
1315/2/1/1/2 CF 40066	<b>-land area of 20.616 mp + constructions:</b> 1.transport bands hall (C56/1).
3003 CF 41266	<b>-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.</b>
1315/1 CF 41260	<b>-land area of 2.262,39 mp with administrative office P + 4, located in Tg Jiu, Ciocârlău street, no. 38.</b>
1315/2/1/1/5 CF 41270 1315/2/1/1/6 CF 41263	<b>-land area of 996 mp with bread workshop (C11/2)</b> <b>-land area of 1.063 mp with milk workshop (C11/1), located in Tg Jiu, Ciocârlău street, no. 38.</b>
1315/2/1/2 CF 40061	<b>-teren în suprafață de 13.589 mp împreună cu secție cauciuc regenerat (C6);</b>
1315/2/1/3 CF 41264	<b>land surface of 6,361 sqm together with the hall of molds and annexes (C9), located in Tg Jiu, str. Ciocârlău, no. 38.în</b>

**UNICREDIT TIRIAC BANK**

<b>CADASTRAL NO.</b>	<b>REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION</b>
<b>1315/2/1/1/1/1 CF 47077</b>	<b>-land area of 15.736 mp + constructions:</b> 1. fuel pump station - 114,76 mp (C2); 2. solvent pump station - 37,18 mp (C4); 3. foaming station - 88,30 mp(C5).
<b>1315/2/1/1/1/2 CF 44426</b>	<b>-land area of 14.478 mp + constructions:</b> 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).
<b>1315/2/1/1/1/6 CF 47076</b>	<b>-land area of 6.843 mp + constructions:</b> 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**

**- SITUAȚIE IMOBILE IPOTECATE -**

<b>CADASTRAL NO</b>	<b>REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION (REAL ESTATE RANK I AND II)</b>
<b>1315/2/1/1/3 CF 39568</b>	<b>- land area of 1.271 mp</b> 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.
<b>1315/2/1/1/4 CF 37455</b>	<b>-land area of 6.705 mp</b> with Oxygen factory (C1), located in Tg Jiu, Ciocârlău street, no. 38.
<b>1315/2/1/1/7 CF 39567</b>	<b>- land area of 1.859 mp</b> 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	- <b>land area of 5047 mp</b> with reconditioned drums section (C59), located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/10 CF 39564	- <b>land area of 3.744 mp</b> , located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/1/8 CF 39562	- <b>land area of 9.538 mp</b> with construction C1-Industrial hall- Section of gaskets with ground surface of 6.429,15 mp , located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/1/3 CF 47078	- <b>land area of 9.280 mp + constructions:</b> <b>1. demineralization station (C1)</b> <b>2. demineralization station annexes (C2)</b> <b>3. demineralization station basin (C3)</b> <b>4.locker room (C4)</b> <b>5. heating plant (C5)</b> <b>6.compressor station storage (C6)</b>
1315/2/1/1/1/5 CF 41246	- <b>land area of 17.758 mp + constructions:</b> <b>1.basin (C1)</b> <b>2. pump house (C2)</b> <b>3.basin (C3)</b> <b>4. heating plant (C4)</b> <b>5. industrial construction (C5)</b> <b>6. trafo post (C6)</b> <b>7. recirculated water basin (C7)</b> <b>8. cooling tower (C8)_</b> <b>9. pump station (C9)</b> <b>10. cooling tower (C10)</b> <b>11. industrial and public construction (C11)</b> <b>12. industrial and public construction (C12)</b> <b>13. industrial and public construction (C13)</b> <b>14. industrial and public construction (C14)</b> <b>15. industrial and public construction (C15)</b> <b>16. chlorination Station (C16)</b> <b>17.metal storage (C18)</b>

**ING BANK**

**- SITUATIE IMOBILE IPOTECATE -**

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

<b>Nr. crt.</b>	<b>Defendant society</b>	<b>Object</b>	<b>Request/ The requested amount</b>	<b>Stage file / Notifications</b>	<b>File no.</b>
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	- admission to the debtor's creditor' s mass with the amount of 46.887,93 lei	- ongoing; we were admitted to the credentials table with the sum of 46.887,93 lei ; continue the bankruptcy procedure
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; we were admitted to the credentials table with the sum of 19.457,81 lei, from which we recovered the amount of 5.000 lei during the judicial reorganization; continue the bankruptcy procedure
4	4163/95/2012	Gastrom Group Targu -Jiu	Insolvency procedure	- admission to the debtor's creditor' s mass with the amount of 52.777,37 lei	- ongoing; we were admitted to the credentials table with the sum of 52.777,37 lei; continue the bankruptcy procedure
5	887/90/2013	Oltchim Ramnicu-Valcea	Insolvency procedure	- admission to the debtor's creditor' s mass with the amount	- ongoing; we were admitted to the credentials table with the sum of 19.946,68 lei; continue the bankruptcy

				of 19.946,68 lei	procedure
6	9089/101/2013	Regia Autonoma Pentru Activitati Nucleare Severin	Insolvency procedure	- admission to the debtor's creditor's mass with the amount of 1.439.815,78 lei	- ongoing; we were admitted to the credentials table with the sum of 1.439.815,78 lei; continue the bankruptcy procedure
7	2570/63/2014	Servicii Energetice Oltenia Craiova	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 3,188.77 lei	- being ; we were admitted to the credit table with the amount of 2,486.37 lei; continue the bankruptcy proceedings
8	28428/3/2014	CFR IRLU S.A. Intretinere si Reparatii Locomotive si Utilaje Bucuresti	Insolvency procedure	the admission to the credit table of the debtor with the amount of 41,524.48 lei	being ; I was admitted to the credit table with the amount of 41,524.48 lei, from which I recovered the amount of 5,120 lei; the procedure of judicial reorganization continues
9	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	- being ; we were admitted to the credit table with the amount of 34,155.80 lei; the procedure of judicial reorganization continues
10	2575/85/2015	Ambient Sibiu	Insolvency procedure	he admission to the creditor's table of the debtor with the amount of 1,240.00 lei	- being ; we were admitted to the credit table with the amount of 1,240.00 lei; the procedure of judicial reorganization continues
11	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	being ; we were admitted to the credit table with the amount of 4,783.92 lei; continue the bankruptcy proceedings
12	1396/90/2016	CET Govora	Insolvency procedure	- admiterea la masa credala a debitoarei cu suma de 1.665.256,19 lei	- the admission to the creditor's table of the debtor with the amount of 1,665,256.19 lei
13	5114/95/2016	Instalatii Revizii Utilitati Pentru Minerit Targu-Jiu	Insolvency procedure	- the admission to the credit table of the debtor with the amount of 41,307.71 lei	- in curs ; am fost admisi la masa credala cu suma de 41.307,71 lei; continua procedura falimentului



14	1248/95/2018	Intreprinderea de Drumuri si Poduri Targu-Jiu	Insolvency procedure	the admission to the creditor's table of the debtor with the amount of 2,783.39 lei	being ; I was admitted to the credit table with the amount of 2,783.39 lei; the procedure of judicial reorganization continues
15	5075/97/2016	Societatea Complexul Energetic Hunedoara	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 580,000.00 lei	being ; I was admitted to the credit table with the amount of 580,000.00 lei; continue the procedure
16	21659/3/2016	Agentia Nationala de Administrare Fiscala - Directia Generala de Administrare a Marilor Contribuabili Bucuresti	Contestation of fiscal administrative act	- obliging the defendant to pay the amount of 1,256,342 lei	- in progress - appeal against the Sentence pronounced by the Bucharest Tribunal; the case is pending before the High Court of Cassation and Justice
17	500/95/2020	Raduica Florin Adrian	Action in patrimonial responsibility	- obliging the defendant to pay the amount of 59,066.94 lei	- takes note of the waiver of the summons - with appeal within 30 days from the communication
18	18343/318/2019	Totalautoserv Runcu	Low value application	Obligation of the defendant to pay the amount of 4,157.86 lei	- admits the request; obliges the defendant to pay the plaintiff the amount of 4,157.86 lei - with appeal within 30 days from the communication -
19	16719/318/2019	andurii Lignitul Sports Club Targu Jiu	Opposition to enforcement	Cancellation of execution acts started based on the executory title - Civil Decision no. 698 / 18.09.2019 pronounced by the Craiova Court of Appeal	- file suspended based on art. 413, para. 1, point 1 Code of Civil Procedure (Concluded from 18.05.2020)
20	6274/95/2017	Pandurii Lignitul Sports Club Targu Jiu	claims	Appeal against the Civil Decision no.698 / 18.09.2019 pronounced by the Craiova Court of Appeal	- being; the case is pending before the High Court of Cassation and Justice in the filter procedure
21	3764/325/2020	.I.T.E. Dragsina construction	Low value application	Obligation of the defendant to pay the amount of 2,619.78 lei; we will receive a deadline	in progress - I requested the defendant to pay the amount of 2,619.78 lei; we will receive a deadline - -

22	436/299/2020	International Rail Transport and Railway Construction	payment ordinance	Obligation of the defendant to pay the amount of 42,070.67 lei;	- in progress - I requested the defendant to pay the amount of 42,070.67 lei; paid 15,000 lei after filing the lawsuit;
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#### SC ARTEGO S.A. – parade

File no.	Defendant society	Object	Request/ The requested amount	Stage file / Notifications	File no.
1	2983/95/2019	Energy Sports Club Association TG Jiu	claims	bligation of the defendant to pay the amount of 235,000.00 lei	-being; trial period: 15.07.2020

#### Affiliated parties

**The company has no affiliated parties.**

#### Subsequent events

After the preparation of the reports concluded on June 30, 2020, 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 5 members, of which 1 executive member and 4 non-executive members who are not part of the management of other companies.*

#### Other information

C 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 with wholly private capital, the majority shareholder being the Employees Association "PAS ARTEGO" which holds 77.8103% 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, from 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 the republished Law 31/1990.

# Statement

According to the stipulations of art..223, item B, paragraph (1), letter c) of the Regulation No. 5/2018 on issuers of financial instruments and market operations we declare that, to our knowledge, the financial statements at 30 June 2020 offers a true and fair view of the assets, liabilities, financial position and profit and loss account. Also, the Report of the Board of Directors, prepared in accordance with the stipulations of Annex no. 14, presents fairly and completely the information about the company.

Signature,

General Manager,  
eng. Viorel David