

REPORT
ACCORDING TO ASF REGULATION NO.5/2018

Date of the report: 30.09.2020

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: 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>30.09.2020</u>
ASSETS		
Fixed assets	44.934.421	42.631.799
<i>Tangible assets</i>	32.738.526	31.692.140
<i>Intangible assets</i>	12.195.895	10.939.659
<i>Financial assets</i>		
Current assets	93.388.239	85.905.440
<i>Stocks</i>	46.274.992	51.772.090
<i>Commercial receivables</i>	45.770.456	31.680.227
<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	2.156.510
<i>Prepayments</i>	335.616	282.216
TOTAL ASSETS	138.322.660	128.537.239
OWN CAPITAL AND LIABILITIES		
Own capitals		
<i>Subscribed and paid-up share capital</i>	22.390.413	22.390.413
<i>Other equity items</i>	822.943	781.165
<i>Reserves from reevaluation</i>	28.926.418	28.612.934
<i>Legal reserves</i>	4.478.083	4.478.083
<i>Other reserves</i>	19.354.308	24.618.917
<i>Social Capital Adjustment</i>	89.052.449	89.052.449
<i>Own actions</i>	0	0
<i>Retained earnings (without IAS 29)</i>	1.523.099	1.826.024
<i>Retained earnings (with IAS 29)</i>	-89.052.449	-89.052.449
<i>Current profit</i>	12.149.812	7.655.812
<i>Profit Distribution</i>	-662.997	0
<i>Total equity</i>	88.982.079	90.363.348
Long-term debt		
<i>Investment grants</i>	13.816	5.636
<i>Other long-term debts</i>	7.708	7.743
<i>Long-term provisions</i>		
Total long-term debts	21.524	13.379
Current debts		
<i>Investment grants</i>	68.490	11.814
<i>Commercial and other debts</i>	9.349.779	6.992.873
<i>Short-term loans</i>	31.286.160	24.298.486
<i>Tax and current tax liabilities</i>	8.614.628	6.857.339
<i>Short-term provisions</i>		
Total current liabilities	49.319.057	38.160.512
Total debts	49.340.581	38.173.891
TOTAL PASSIVE	138.322.660	128.537.239

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.2019	30 sept. 2020
1. State budget	781.460	801.641
- tax on profit	430.316	536.353
- tax on dividends	-	-
- tax on salaries	266.632	200.280
- the insurance contribution for work	84.512	65.008
- VAT on payment	-	-
2. Special fund budgets	419.932	343.068
- CASS	374.585	288.009
- average fund	65	8.563
- solidarity fund for people with disabilities	45.282	46.496
3. Bugetele asigurărilor sociale	953.044	732.687
- CAS	953.044	732.867
- 0,5% unemployment	-	-
- 0,75% unemployment	-	-
- 0,214% accidents fund	-	-
4. Other taxes, fees, payments	-	-

1.b. PROFIT AND LOSS ACCOUNT

at 30 september 2020

- lei-

Crt. No.	NAME OF INDICATORS	30.09.2019	30.09.2020
1.	Net turnover of which	122.876.930	91.238.138
	Revenues from the sold production	120.315.371	89.672.467
	Revenues from the sale of goods	2.729.059	1.747.504
	Commercial discounts granted	167.500	181.833
2.	Revenues from stored production	16.893.661	12.237.930
3.	Revenues from the production of fixed assets	189.171	281.260
4.	Revenues from fixed assets intended for sale	251.939	886.762
5.	Revenues from operating grants	-	6.666.008
6.	Other revenues from exploitation	885.771	782.304
I.	OPERATING INCOME	141.097.472	112.092.402
7.	Expenditure on goods	2.382.070	1.600.826
8.	Material expenses	84.389.271	60.921.856
9.	Expenditure on works and services performed by third parties	4.479.582	3.277.937
10.	Expenses with taxes and fees	1.139.961	1.082.916

11.	Staff costs	33.656.900	31.587.345
12.	Other operating expenses	848.242	659.704
13.	Expenses with depreciation and provisions	3.666.176	3.279.410
14.	Value adjustments for current assets	-	-
II.	EXPENSES FOR EXPLOITATION	130.562.202	102.409.994
A.	RESULT FROM EXPLOITATION		
	- PROFIT	10.535.270	9.682.408
	- LOSS		
III.	FINANCIAL REVENUES	512.325	297.679
IV.	FINANCIAL EXPENSES	2.145.072	1.248.097
B.	FINANCIAL RESULT	(1.632.747)	(950.418)
V.	EXCEPTIONAL REVENUES		
VI.	EXCEPTIONAL EXPENSES		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL REVENUES	141.609.797	112.390.081
VIII.	TOTAL EXPENSES	132.707.274	103.658.091
D.	GROSS RESULT		
	- PROFIT	8.902.523	8.731.990
	- LOSS		
	TAX	1.266.041	1.117.956
E.	REVENUES FROM BENEFIT FROM PROFIT	42.458	41.778
F.	NET RESULT		
	- PROFIT	7.678.940	7.655.812
	- LOSS		
G.	Number of shares	8.956.165	8.956.165
H.	Output per share	0,857	0,855

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. 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.

In accordance with the Emergency Ordinance no. 32/2020 on amending and supplementing GEO 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 determined by the spread of SARS-CoV coronavirus -2 and for establishing additional social protection measures The company received from the County Agency for Employment Gorj 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.

Due to the fact that the employees had their individual employment contracts suspended during the state of emergency in accordance with the provisions of art. 52 paragraph 1 letter c of Law no. 53/2003 - Labor Code, republished, with the amendments and completions of art. XI of

the Government Emergency Ordinance no. 30/2020, approved with modifications and completions by Law no. 59/2020, with the subsequent completions, the Company benefited for a period of three months, respectively June 2020-August 2020, from the settlement of a part of the salaries, supported from the unemployment insurance budget, representing 41.5% of the corresponding gross basic salary employed, but not more than 41.5% of the average gross salary provided by the Law on the state social insurance budget for 2020 no. 6/2020, with subsequent amendments. The amount collected by the Company according to GEO no. 92 / 2020 was 2,899,155 lei.

During 01.09.2020-30.09.2020, the company reduced the working time of employees by 50% of the duration provided in the individual employment contract according to GEO no. 132/2020. During the reduction of working time, the employees affected by the measure benefited from a allowance of 75% of the difference between the gross basic salary provided in the individual employment contract and the gross basic salary related to the hours actually worked as a result of the reduction of working time, in addition to the due salary rights, calculated at the actual time worked. The amount requested from AJOFM for the indemnity provided by this ordinance was 666,960 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 through a depreciation of the national currency in relation to the currencies we work with, through 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, it will act 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 30.09.2020 were not audited / reviewed

SITUATION OF TREASURY FLOWS AT 30 SEPTEMBER 2020

- lei -

INDICATORS LEI (RON)	ACCOMPLISHED 2019	ACCOMPLISHED 30.09.2020
A. LIQUIDITY AT THE BEGINNING OF THE PERIOD	5.129.059	992.778
<i>In accounts</i>	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	244.988.856	156.764.938
Customer encashments	192.278.306	116.916.386
Other encashments	52.710.550	39.848.552
PAYMENTS FOR OPERATING ACTIVITY	247.974.366	154.712.345
Provider payments	128.113.581	70.829.139
Payments for staff	42.448.630	28.301.257
Payments on taxes and fees	20.887.947	17.289.235
Tax / Advantage	1.937.789	1.341.371
Interest payments	1.925.598	892.723
Other payments	52.660.821	36.058.620
CASH FLOW FROM OPERATING ACTIVITY	-2.985.510	2.052.593
INCOME FROM INVESTMENT ACTIVITY	780.678	55.409
Proceeds from the sale of land, fixed assets and intangible assets	780.678	55.409
Proceeds from the sale of equity instruments and receivables of other enterprises	-	-
Receipts from the repayment of advances and loans to other parties	-	-
PAYMENTS FROM THE INVESTMENT ACTIVITY	1.931.449	944.270
Payments for the acquisition of land, fixed assets and intangible assets	1.931.449	944.270
Receipts for the acquisition of equity and debt instruments of other enterprises	-	-
Advances and loans made to other parties	-	-
CASH FLOW FROM INVESTMENT ACTIVITY	-1.150.771	-888.861
RECEIPTS FROM THE FINANCING ACTIVITY	-	-
PAYMENTS FOR FINANCING ACTIVITY	-	-
CASH FLOW FROM FINANCING ACTIVITY	-	-
CASH FLOW - TOTAL	-4.136.281	1.163.732
B. CASH FLOWS AT THE END OF THE PERIOD	992.778	2.156.510

In accounts	514.213	1.882.965
Cash	4.534	15.406
Other Values	474.031	240.502
Treasury advances	-	17.637
Values to receive	-	

2. ANALYSIS OF THE ACTIVITY OF THE COMMERCIAL COMPANY

2.1. Liquidity indicators

- % -

Crt. No..	Naming of the indicators	Calculation formula	30.09.2019	30.09.2020
1.	Current patrimonial liquidity	[Active circ / DTS]	1,68	2,24
2.	Active liquidity (fast)	[Active circ.-Stocks] / DTS	73,02%	88,73%
3.	Rotation rate of fixed assets	Turnover / Fixed Assets	2,71	2,14
4.	Rotation speed of Total assets	Turnover / Total Assets	0,86	0,71
5.	Interest Coverage Indicator	Profit before interest payment and profit tax / Chelt.	6,77	10,78
6.	Return on Employee Capital	Profit before interest payments and profit tax / Employee Capital	0,124	0,106
7.	Gross Sales Margin	Gross Profit from Sales / Turnover	8,57%	10,61%

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 2019	30 september 2020
Production sold	120.315.371	89.672.467
Income from sale of goods	2.729.059	1.747.504
Commercial discounts granted	167.500	181.833
Revenues related to the costs of product stocks	16.893.661	12.237.930
Income from the production of fixed assets	189.171	281.260

Income from fixed assets intended for sale	251.939	886.762
Income from operating subsidiaries	-	6.666.008
Other operating revenues	885.771	782.304
Total operating income	141.097.472	112.092.402

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.

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 not 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, 2020 is as follows:

Shareholders	Nominal value per share	Number of shares held	Total value	% of share capital
PAS ARTEGO EMPLOYEES ASSOCIATION	2,50	6.968.820	17.422.050,00	77,8103%
Shareholders of legal entities	2,50	859.141	2.147.853,00	9,5928%
Individual shareholders	2,50	1.128.202	2.820.505,00	12,5969%
ROMANIAN STATE BY THE AUTHORITY FOR THE ADMINISTRATION OF THE ASSETS OF THE STATE OF BUCHAREST	2,50	2	5	0,0000%
TOTAL	2,50	8.956.165	22.390.413,00	100,000%

4. SIGNIFICANT TRANSACTIONS

It's not necessary.

ECONOMIC AND FINANCIAL INDICATORS

Indicator	Calculation method	Result
1. Current liquidity indicator	Current assets / current liabilities	$128.537.239/38.160.512=3.37$
2. Indicator of indebtedness	Borrowed capital / own capital x 100 Borrowed Capital / Employed Capital x 100	No loans are contracted in one year
3. Speed of client-to-customer flows	Average customer balance / turnover x 270	$23.411.362/91.238.138*270=69.28$
4. Speed of rotation of fixed assets	Turnover / Fixed Assets	$91.238.138/42.631.799=2.14$

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

Singnatrure

Presidente
Ing. Viorel David

Economic manager
Ec. Mihai Jianu

SITUATION OF THE GLOBAL RESULT
at 30 september 2020

- lei-

Crt. No.	NAME OF INDICATORS	30.09.2019	30.09.2020
1.	Net turnover of which	122.876.930	91.238.138
	Revenues from the sold production	120.315.371	89.672.467
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14.	Value adjustments for current assets	-	-
II.	EXPENSES FOR EXPLOITATION	130.562.202	102.409.994
A.	RESULT FROM EXPLOITATION		
	- PROFIT	10.535.270	9.682.408
	- LOSS		
III.	FINANCIAL REVENUES	512.325	297.679
IV.	FINANCIAL EXPENSES	2.145.072	1.248.097
B.	FINANCIAL RESULT	-1.632.747	-950.418
V.	EXCEPTIONAL REVENUES		
VI.	EXCEPTIONAL EXPENSES		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL REVENUES	141.609.797	112.390.081
VIII.	TOTAL EXPENSES	132.707.274	103.658.091
D.	GROSS RESULT		
	- PROFIT	8.902.523	8.731.990
	- LOSS		
	TAX	1.266.041	1.117.956
E.	REVENUES FROM BENEFIT FROM PROFIT	42.458	41.778
F.	NET RESULT		
	- PROFIT	7.678.940	7.655.812
	- LOSS		
G.	NET RESULT	8.956.165	8.956.165
H.	- PROFIT	0,857	0,855

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, 2020 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

Economic manager,

Ec. Mihai Jianu

Notes to the financial statements

For the financial year ended at 30 september 2020

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 OMF 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 september 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) Branches and associated entities

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

The company does not have associated companies.

(b) Transactions in foreign currency

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 foreign exchange risk), credit risk and liquidity risk. The company's management focuses on the unpredictability of the financial market and seeks to minimize the potential adverse effects of the company's financial performance. The market risk is the risk that causes changes in market prices as well as currency exchange and interest rate that will affect the company's revenues.

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

Interest rate risk

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

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

Currency risk

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

The currency used on the domestic market is the Romanian leu. The company is exposed to foreign currency cash and cash equivalents, purchases and borrowings made in a currency other than that used on the domestic market. The currencies that expose the company to this risk are mainly EUR, USD, and GBP. The foreign currency loans are subsequently denominated in RON, at the exchange rate of the banking day of each month, communicated by the National Bank of Romania. The resulting differences are included in the income and loss statement.

Credit risk

Credit risk is the risk that the Company will incur a financial loss as a result of 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, 2020, the Company holds cash and cash equivalents in the amount of 2,156,510 lei.. Cash and cash equivalents are held at banks of which we list: Unicredit Tiriac, Intesa, ING Bank, Credit Europe, Garanti, BRD.

The liquidity risk

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

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

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 september 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 must be presented in the current unit of measurement at the balance sheet date. 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 costs, 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 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	ani
Equipments	15-40	ani
Means of transport	5-8	ani
Office furniture and equipment	3-5	ani

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.

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 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 recognition as assets, an item of property, plant and equipment whose fair value can be measured reliably is accounted for at revalued value, 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. Dacă valoarea contabilă a unui activ este majorată ca urmare a unei reevaluări, această majorare trebuie înregistrată direct în capitalurile proprii în elementul “Rezerve din reevaluare”. Cu toate acestea, majorarea este recunoscută în profit sau pierdere în măsura în care aceasta compensează o descreștere din reevaluarea aceluiași activ recunoscut anterior în profit sau pierdere.

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 “Revaluation reserves” item to the extent that there is a credit balance in the revaluation surplus for this asset.

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

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.

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

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.

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

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.

Financing costs

The company does not capitalize on borrowing costs because it has no long-term loans. Interest income and interest expenses are recognized in the income statement at the time of their payment.

Subsidies

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

Provisions

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

Output per share

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

The weighted average of shares in circulation during the exercise is the number of shares at the beginning of the period, adjusted by the number of shares issued, multiplied by the number of months in which the shares were in circulation during the exercise.

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

Contingents

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

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

Reporting on segments

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

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

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

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

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 September 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 september 2020

- lei -

Name of the asset	Gross amount				Value adjustments (Depreciation and amortization for depreciation or loss)			
	Sold there 1 January 2020	increases	Releases, transfers and other discounts	Balance at 30 september 2020	Balance at 1 january 2020	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	28.247.300	81.344	-	28.328.644	16.051.405	1.337.580	-	17.388.985
4. Commercial fund	-	-	-	-	-	-	-	-
5. Advances and intangible assets in progress	-	-	-	-	-	-	-	-
TOTAL:	32.359.819	81.344	-	32.441.163	20.163.924	1.337.580	-	21.501.504
I. TANGIBLE ASSETS								
1. Lands	12.937.919	-	43.775	12.894.144	133.421	-	-	133.421
2. Constructions	43.791.404	14.141	13.344	43.792.201	29.688.104	884.240	5.050	30.567.294
3. Technological equipments	44.624.496	22.769	116.056	44.531.209	40.659.533	593.764	116.056	41.137.241
4. Measuring, control and regulating machines and installations	2.260.067	23.278	33.441	2.249.904	1.984.328	75.485	33.442	2.026.371
5. Transport means	6.558.059	646.121	139.738	7.064.442	5.329.055	370.468	139.738	5.559.785
6. Furniture, equipment, office and other tangible assets	658.403	8.080	-	666.483	440.836	17.872	-	458.708
7. Advances and tangible assets in progress	143.455	277.385	44.263	376.577	-	-	-	-
TOTAL:	110.973.803	991.774	390.617	111.574.960	78.235.277	1.941.829	294.286	79.882.820
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	-	-	-	-	-	-	-	-
TOTAL:	-	-	-	-	-	-	-	-
FIXED ASSETS – TOTAL	143.333.622	1.073.118	390.617	144.016.123	98.399.201	3.279.409	294.286	101.384.324

Stocks

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

Elements	31 dec 2019	30 sept. 2020
1. Raw materials and consumables	35.155.370	37.863.110
2. Fixed assets held for sale	1.749.463	149.495
3. Production under execution	112.884	37.343
4. Finished goods and commodities	8.176.077	13.056.696
5. Advances	1.081.198	665.446
TOTAL	46.274.992	51.772.090

Clients and assimilated accounts

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

Elemente	31 dec. 2019	30 sept. 2020
1. Creanțe comerciale	44.245.073	27.675.248
2. Avansuri platite	650.495	630.479
3. Alte creanțe	874.888	3.374.500
TOTAL	45.770.456	31.680.227

In the period 01.01.2018-30.09.2018 the company recorded exports as follows:

EURO	
ENGLAND	2.082.896,19
AUSTRIA	129.836,88
BELARUS	3.883,88
BELGIUM	69.349,87
BULGARIA	86.242,27

CEHIA	4.066,24
EGYPT	33.565,39
ESTONIA	2.531,62
FINLAND	335.989,81
FRANCE	1.094.192,25
GERMANY	3.208.859,86
GREECE	58.398,88
ITALY	200.196,46
LITHUANIA	2.674,19
NETHERLANDS	1.057.598,35
NORWAY	5.375,00
POLAND	41.194,84
RUSSIA	6.703,87
SERBIA	218.464,47
SLOVAKIA	15.275,52
SPAIN	2.038.463,35
TURKEY	9.542,80
UKRAINE	9.962,29
HUNGARY	65.584,22
TOTAL	10.780.848,50

Financial assets available for sale

On 30 september 2020, as compared to 30 december 2019, short-term investments are as follows:

:

Elements	31 dec. 2019	30 sept. 2020
Short-term investments	14.397	14.397
TOTAL	14.397	14.397

The balance on September 30, 2020 in the amount of 14,397 lei is represented by the equivalent 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 does not hold interests in other companies. In this sense, the company has not received dividends from other companies.

Prepayments

On 30 september2020, compared to 30 december 2019, prepayments are as follows:

Elements	31 dec. 2019	30 sept. 2020
Prepayments	335.616	282.216
TOTAL	335.616	282.216

The balance on 30 september 2020 in the amount of 282.216 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 september 2020, as compared to 30 december 2019 cash and cash equivalents are presented in this way:

Elements	31 dec. 2019	30 sept. 2020
Current accounts at banks and deposits	514.213	1.882.965
Cash - lei	4.534	15.406
Cash - foreign currency		
Other equivalents in cash	474.031	258.139
TOTAL	992.778	2.156.510

Social capital

As of September 30, 2020, the share capital includes the effects of restatements registered in previous years according to the application of "SIC" 29 "Financial reporting in hyperinflationary economies. The reconciliation of the share capital is presented 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)		<u>111.442.862</u>

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

The shareholding structure as of September 30, 2020 is as follows:

Shareholders	Nominal value per share	Number of shares held	Total value	% of the social capital
ASSOCIATION OF THE EMPLOYEES PAS ARTEGO	2,50	6.968.820	17.422.050,00	77,8103%
Other legal entities	2,50	859.141	2.147.853,00	9,5928%
Other individuals	2,50	1.128.202	2.820.505,00	12,5969%
THE ROMANIAN STATE THROUGH THE AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS	2,50	2	5,00	0.000%
TOTAL	2,50	8.956.165	22.390.413,00	100,000%

Legal reserves

The legal reserves amount to 4,478,083 lei as of September 30, 2020.

Revaluation reserves

The revaluation reserve is in the amount of 28.612.934 lei at 30 september 2020.

Other reserves

On 30 september 2020, compared to 31 december 2019, other reserves recorded the following levels:

Elements	31 dec. 2019	30 sept. 2020
Other reserves	19.354.308	24.618.917

Total	19.354.308	24.618.917
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Other elements of own capital

On 30 september 2020, the amount of 781.165 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 9 months of 2020.

Investment grants

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

Elements	31 dec. 2019	30 sept. 2020
1. Investment grants	82.306	17.450
Total	82.306	17.450

Short-term loans

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

Bank	30.09.2019		30.09.2020	
	Approved	Used	Approved	Used
UNICREDIT lei	28.300.000	24.800.000	28.300.000	3.604.299
UNICREDIT(SGB) lei	2.200.000	2.135.133	2.200.000	1.274.429
INTESA lei	11.000.000	7.508.611	11.000.000	10.678.722
ING BANK lei	1.400.000	655.605	-	-
ING BANK EUR	-	-	400.000	360.195
GARANTI lei	1.000.000	1.000.000	922.000	922.000
GARANTI(SGB)lei	2.000.000	395.360	2.078.000	1.420.211
CREDIT EUROPE lei	8.900.000	7.375.516	8.900.000	7.339.287

Long-term loans

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

Output per share

On 30 september 2020 as compared to 30 september 2019, the earnings per share is:

	<u>30 september 2019</u>	<u>30 september 2020</u>
Profit of the period	7.678.940	7.655.812
Number of ordinary shares at the beginning and the end of the period	8.956.165	8.956.165
The base and diluted earnings per share (lei/share)	0,857	0,855

Other taxes and obligations for social insurance

Elements	30 september 2019	30 september 2020
1. State budget	781.460	801.641
- tax on profit	430.316	536.353
- tax on dividends	-	-
- tax on salaries	266.632	200.280
- the insurance contribution for the work	84.512	65.008
- VAT on payment	-	-
2. Special fund budgets	419.932	343.068
- CASS	374.585	288.009
- average fund	65	8.563
- solidarity fund for people with disabilities	45.282	46.496

33. Social security budgets	953.044	732.687
- CAS	953.044	732.687
- 0,5% unemployment	-	-
- 0,75% unemployment	-	-
- 0,214% accidents fund	-	-
4 Other taxes, fees, payments	-	-

Revenues from exploitation

Elements	30 september 2019	30 september 2020
Sold production	120.315.371	89.672.467
Revenues from sale of goods	2.729.059	1.747.504
Commercial discounts granted	167.500	181.833
Revenues related to the cost of product stocks	16.893.661	12.237.930
Revenues from the production of fixed assets	189.171	281.260
Revenues from fixed assets for sale	251.939	886.762
Revenues from operating grants	-	6.666.008
Other revenues from exploitation	885.771	782.304
Total revenues from exploitation	141.097.472	112.092.402

Expenses from exploitation

Elements	30 september 2019	30 september 2020
Expenditures on raw materials and consumables	78.665.763	54.073.226
Other material expenses	653.391	590.399
Other external costs (energy and water)	4.838.901	4.608.980
Expenditure on goods	2.382.070	1.600.826
Trade discounts received	833	898
Staff costs of which:	33.656.900	31.587.345

- Salaries and allowances	32.163.438	30.571.445
- Insurance and social protection	1.493.462	1.015.900
Adjustment of tangible assets of which:	3.666.176	3.279.410
-Expenses	3.666.176	3.279.410
-Revenues	-	-
Current active adjustments of which:	-	-
-Expenses	-	-
-Revenues	-	-
Other operating expenses of which	6.699.834	6.670.706
-Expenses on external benefits	4.479.582	3.277.937
-Expenses with other taxes and fees	1.139.961	1.082.916
-Expenses on assets immobilized for sale	232.049	1.650.149
-Other expenses	848.242	659.704
Total expenses for exploitation	130.562.202	102.409.994

Rezultat din exploatare

Elements	30 september 2019	30 september 2020
Result from exploitation (Profit)	10.535.270	9.682.408
Total Profit from exploitation	10.535.270	9.682.408

Rezultat financiar net

Elements	30 september 2019	30 september 2020
Revenues from exchange rate fluctuations	509.499	290.175
Interest revenues	1.769	3.887
Other financial revenues	1.057	3.617
Total financial revenues	512.325	297.679
Interest charges	1.543.974	892.723
Other financial expenses	601.098	355.374
Total financial expenses	2.145.072	1.248.097

Net financial result (Loss)	(1.632.747)	(950.418)
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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 -

CADASTRAL NO	REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION
1315/2/1/1/1/4 CF 41172	<p>- land area of 11.243 sqm + self-metrology platform made up of:</p> <ol style="list-style-type: none"> 1. storage - 254,62 mp (C15); 2. toilet -6,30 mp (C16); 3. loaded extinguisher station - 56,97 mp (C17); 4. workshop - 619,46 mp (C28); 5. metrology laboratory - 134,59 mp (C29); 6. drinking water station - 99,73 mp (C30); 7. drinking water basin - 146,17 mp (C31); 8. metal storage - 106,87 mp (C60); 9. storage -146,17 mp (C70); 10. auto workshop - 359,24 mp (C73);

1315/2/1/1/1/7 CF 40067	- land area of 18.910 mp + constructions: 1. locker room -199,59 mp (C54); 2. silo raw material - 195,60 mp (C55); 3. mixtures and annexes workshop - 437,91 mp (C58); 4. hot water station and condensate recirculation - 48,88 mp (C57); 5. monobloc hall -10.808,88 mp (C56/2/1); 5. storage - 2.225,98 mp (C69).
1315/2/1/1/1/9 CF 41169	-land area of 4.114 mp + constructions: 1. finished warehouse - 657,25 mp (C56/4).
1315/2/1/1/1/10 CF 41170	-land area of 1.575 mp + constructions: 1. Administrative group gate 3 - 123,44 mp (C63).
1315/2/1/1/1/11 CF41165	-land area of 22.150 mp + constructions: 1. monobloc hall - 4.739,39 mp (C56/3); 2. storage -95,55 mp (C61); 3. rolling bridge - 811,12 mp (C62).

UNICREDIT TIRIAC BANK
- SITUATION OF REAL ESTATE PROPERTIES -

CADASTRAL NO.	REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION
1315/2/1/1/2 CF 40066 RANG I	- land area of 20.616 mp + constructions: 1. transport bands hall (C56/1).
3003 CF 41266	-land area of 15.446 mp with Jiu Capture Station consisting of: pump room, dosing tower, water settling basins 1 and 2, water treatment plants, filters + annexes, thermal power station, gate cabin, located in Tg Jiu, Vădeni district.
1315/1 CF 41260	-land area of 2.262,39 mp with administrative office P + 4, located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/5 CF 41270 1315/2/1/1/6 CF 41263	land area of 996 mp with bread workshop (C11/2) -land area of 1.063 mp with milk workshop (C11/1), located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/2 CF 40061	land area of 13.589 mp with regenerated rubber section (C6);
1315/2/1/3 CF 41264	-land area of 6.361 mp with hall molds and annexes (C9), located in Tg Jiu, Ciocârlău street, no. 38.

UNICREDIT TIRIAC BANK

CADASTRAL NO.	REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION
1315/2/1/1/2 CF 40066 RANG II	-: -land with an area of 20,616 sqm + constructions: 1.transport hall (C56 / 1).
1315/2/1/1/1/2 CF 44426	-land area of 14.478 mp + constructions: 1.toilet - 4,13 mp C3 2.storage - 81,27 mp C38 3. industrial hall - 119,85 mp (C39); 4.storage - 484,78 mp (C65); 5. storage - 111,31 mp (C66); 6. storage - 360,73 mp (C67); 7- storage - 44,72 mp (C68).
1315/2/1/1/1/6 CF 47076	-land area of 6.843 mp + constructions: 1.workshop - 651,14 mp (C18) 2. workshop - 626,59 mp (C19) 3. school lab -384,47 mp (C20) 4.toilet - 12,93 mp (C21) 5.basin -88,76 mp (C22) 6.basin - 26,3 mp (C23) 7.storage (C58) 8. auto workshop - 359,245 mp (C73)

CREDIT EUROPE BANK

- SITUATION OF REAL ESTATE PROPERTIES -

CADASTRAL NO	REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION (REAL ESTATE RANK I AND II)
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1315/2/1/1/3 CF 39568	- land area of 1.271 mp with administrative group consisting of two buildings (C1 with ground surface built by 161,32mp and C2 With ground surface built by 151,81mp), located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/4 CF 37455	- land area of 6.705 mp with Oxygen factory (C1), located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/7 CF 39567	- land area of 1.859 mp with tailoring section (C1)+gate group, with ground surface built by 667,87mp located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/9 CF 39579	- land area of 5047 mp with reconditioned drums section (C59), located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/10 CF 39564	- land area of 3.744 mp , located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/1/8 CF 39562	- land area of 9.538 mp with construction C1-Industrial hall- Section of gaskets with ground surface of 6.429,15 mp , located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/1/3 CF 47078	- land area of 9.280 mp + constructions: <ol style="list-style-type: none"> 1. demineralization station (C1) 2. demineralization station annexes (C2) 3. demineralization station basin (C3) 4.locker room (C4) 5. heating plant (C5) 6.compressor station storage (C6)
1315/2/1/1/1/5 CF 41246	- land area of 17.758 mp + constructions: <ol style="list-style-type: none"> 1.basin (C1) 2. pump house (C2) 3.basin (C3) 4. heating plant (C4) 5. industrial construction (C5) 6. trafo post (C6) 7. recirculated water basin (C7) 8. cooling tower (C8)_ 9. pump station (C9) 10. cooling tower (C10) 11. industrial and public construction (C11) 12. industrial and public construction (C12) 13. industrial and public construction (C13) 14. industrial and public construction (C14) 15. industrial and public construction (C15) 16. chlorination Station (C16) 17.metal storage (C18)

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	- ongoing; I was admitted to the credit table with the amount of 300,000.00 lei, of which I recovered the amount of 38,645.00 lei ;The Court of Appeal quashed the judgment of the court of first instance on the closure of the proceedings and ordered the case to be remanded for retrialthe judicial liquidator appealed against this decision in annulment
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	- the admission to the credit table of the debtor with the amount of 19,457.81 lei	- ongoing; I was admitted to the credit table with the amount of 19,457.81 lei, from which I recovered the amount of 5,000 lei;; continue the bankruptcy proceedings
4	4163/95/2012	Gastrom Group Targu -Jiu	Insolvency procedure	- admission to the debtor's creditor' s mass with the amount of 52.777,3 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 of 19.946,68 lei	-ongoing we were admitted to the credentials table with the sum of 19.946,68 lei; continue the bankruptcy procedure
6	9089/101/2013	Autonomous Regime for Nuclear Activities 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	Energy Services Oltenia Craiova	Insolvency procedure	- admission to the debtor's creditor' s mass with the amount of 3.188,77 lei	- ongoing; we were admitted to the credentials table with the sum of 2.486,37 lei; continue the bankruptcy procedure
8	28428/3/2014	CFR IRLU S.A. Maintenance and Repair of Locomotives and Machinery Bucharest	Insolvency procedure	- admission to the debtor's creditor' s mass with the amount of 41.524,48 lei	- ongoing; we were admitted to the credit table with the amount of 41,524.48 lei, of which we recovered the amount of 5,120 lei, the court of first instance admitted the request to close the insolvency procedure against the sentence declared appeal DGAM

9	528/95/2015	Succes Nic Com Targu - Jiu	Insolvency procedure	- admission to the debtor's creditor' s mass with the amount of 34.155,80 lei	- ongoing; we were admitted to the credentials table with the sum of 34.155,80 lei ; the procedure of judicial reorganization continues
10	2575/85/2015	Ambient Sibiu	Insolvency procedure	- admission to the debtor's creditor' s mass with the amount of 1.240,00 lei	- ongoing; we were admitted to the credentials table with the sum of 1.240,00 lei; the procedure of judicial reorganization continues
11	3520/95/2015	Ignifug Prest Targu-Jiu	Insolvency procedure	- admission to the debtor's creditor' s mass with the amount of 4.783,92 lei	- ongoing; we were admitted to the credentials table with the sum of 4.783,92 lei; continue the bankruptcy proceedings
12	1396/90/2016	CET Govora	Insolvency procedure	- admission to the debtor's creditor' s mass with the amount of 1.665.256,19 lei	- ongoing; we were admitted to the credentials table with the sum of 1.665.256,19 lei; the procedure of judicial reorganization continues
13	5114/95/2016	Instalatii Revizii Utilitati Pentru Minerit Targu-Jiu	Insolvency procedure	- admission to the debtor's creditor' s mass with the amount of 41.307,71 lei	- ongoing; we were admitted to the credentials table with the sum of 41.307,71 lei; ; continue the bankruptcy proceedings
14	1248/95/2018	The Roads and Bridges Enterprise	Insolvency procedure	- admission to the debtor's creditor' s mass with the amount of 2.783,39 lei	- ongoing; we were admitted to the credentials table with the sum of 2.783,39 lei; the procedure of judicial reorganization continues ;
15	5075/97/2016	Energy Complex Company Hunedoara	Insolvency procedure	admission to the debtor's creditor' s mass with the amount of 580.000,00 lei	- ongoing; we were admitted to the credentials table with the sum of 580.000,00 lei;continue the insolvency proceedings
16	16719/318/2019	Pandurii Lignitul Sports Club	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	- the case is suspended based on art.413, 1, point 1 of the Code of Civil Procedure; deadline for verifying the existence of the reason for suspension - 23.11.2020

17	6274/95/2017	Club Sportiv Pandurii Lignitul Targu-Jiu	Claims	Appeal against the Civil Decision no.698 / 18.09.2019 pronounced by the Craiova Court of Appeal	- ongoing; - the case is pending before the High Court of Cassation and Justice; - deadline: 25.11.2020 for solving the admission in principle
18	4361/299/2020	International Rail Transport and Railway Construction	Payment ordinance	Obligation of the defendant to pay the amount of 42,070.67 lei	- ongoing; I requested the defendant to pay the amount of 42,070.67 lei; the requested amount has been paid; file pending
19	2867/121/2020	Liberty Galati S.A.	Claims	Obligation of the defendant to pay the amount of 576,801.11 lei	- ongoing; no trial was given ;
20	9130/182/2020	Abres S.R.L. Baia Mare	Payment ordinance	Obligation of the defendant to pay the amount of 52.197,79 lei;	- ongoing; trial date: 14.12.2020

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- SITUATION OF REAL ESTATE PROPERTIES -

CADASTRAL NO..	REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION
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

S.C. ARTEGO S.A. – defendant

File no	Defendant society	Plaintiff company	Object	Request/ The requested amount	File status / Remarks
1	2983/95/2019	Energy Sports Club Association Tg-Jiu	Claims	Obligation of the defendant to pay the amount of 235.000,00 lei	- ongoing; trial date: 04.11.2020

Affiliated Parties

The company has no affiliated parties.

Subsequent events

Following the reporting as of September 30, 2020, there were no significant events that would have influenced the data contained in the current financial statements.

Information on employees and members of the management, management and supervisory bodies

S.C. 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 informations

SC ARTEGO S.A. was established in accordance with Law 31/1990, based on Government Decision no.1224 / 1990 and was registered at the Trade Registry Office under no. J18 / 1120/1991, with fiscal code RO2157428.

SC ARTEGO S.A. is a wholly private equity company, the majority shareholder being the "PAS ARTEGO" Employees Association, which owns 77,8103 % of the share capital.

The determination of the profit tax took into account the provisions of Law 227/2015 with subsequent amendments and GD 1/2016 for the approval of the Methodological Norms for the application of Law 227/2015 regarding the tax code from which:

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

Statement of changes in equity for the year ended 31.12.2019 and 30.09.2020

All amounts are expressed in lei

	Social capital	Social capital adjustments	Profit or Loss	Legal reserve	Revaluation reserve	Other reserves	Reported result	Result IAS29	Losses related to equity instruments	Other elements of own capital	Own actions	TOTAL
Balance on 1 January 2019	22.390.413	89.052.449	9.465.069	4.974.689	28.939.325	14.386.153	1.510.192	-89.052.449	0	879.516	0	82.545.357
Overall result of the period												
Profit for the year			12.149.812									12.149.812
Other elements of the overall result of which:												
Surplus from revaluation of property, plant and equipment												
Decrease of the reserve from revaluation-registration of deferred tax					-12.907					-56.573		-69.480
Total other elements of the overall result					-12.907					-56.573		-69.480
Total overall result for the period			12.146.812		-12.907					-56.573		12.080.332
Other items												
Resumption of the revaluation reserve to 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
Total other items			-9.465.069	-496.606		4.968.155	5.656.517				-	12.907

											662.997	
Transactions with shareholders recognized directly in equity												
Dividend distribution							-					-5.656.517
							5.656.517					
Total transactions with owners							-					-5.656.517
Balance on DECEMBER 31, 2019							5.656.517					
	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	662.997	496.606
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	662.997	496.606
Overall result of the period												
Profit for the year			7.655.812									7.655.812
Other elements of the overall result of which:												
Surplus from revaluation of property, plant and equipment												
Decrease of the reserve from revaluation-registration of deferred tax							-313.848			-41.778		-355.262
Total other elements of the overall result							-313.848			-41.778		-355.262
Total overall result for the period			7.655.812				-313.848			-41.778		7.300.550
Other items												
Resumption of the revaluation reserve to the carried forward result							313.484					313.484
Increasing the legal reserve												
Other items			-12.149.812			5.264.609	6.211.647				662.997	-10.559
Total other items			-12.149.812			5.264.609	6.525.131				662.997	302.925
Transactions with shareholders recognized directly in equity												
Dividend distribution							-					-6.222.206
							6.222.206					
Total transactions with owners							-					-6.222.206
							6.222.206					
Balance on 30 SEPTEMBER , 2020	22.309.413	89.052.449	7.655.812	4.478.083	28.612.934	24.618.917	1.826.024	-89.052.449	0	781.165	0	90.363.348