

**THE SEMESTERLY REPORT ACCORDING TO
REGULATION OF THE ASF NO. 5/2018**

Report date: 30.06.2024

SC ARTEGO S.A TG-JIU

Registered office: Ciocarlau Street no. 38, Tg-Jiu

Phone number: 0253/226066, fax: 0253/226066

Unique registration code at the Trade Registry Office: 2157428

Order number at the Trade Register: J 18/1120/1991

Subscribed and paid-up capital: 20,286,865 lei

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

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

Name of indicators	<u>31.12.2023</u>	<u>30.06.2024</u>
ASSETS		
Fixed assets	34.566.695	35.899.706
<i>Tangible assets</i>	28.360.559	30.272.919
<i>Intangible assets</i>	6.206.136	5.626.787
<i>Financial assets</i>		
Current assets	97.257.465	86.873.630
<i>Stocks</i>	56.340.312	53.196.221
<i>Commercial receivables</i>	39.821.727	30.525.960
<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>	779.573	2.875.802
<i>Prepayments</i>	301.456	261.250
TOTAL ASSETS	131.824.160	122.773.336
OWN CAPITAL AND LIABILITIES		
Own capitals		
<i>Subscribed and paid-up share capital</i>	20.286.865	20.286.865
<i>Other equity items</i>	595.582	573.897
<i>Reserves from reevaluation</i>	26.984.335	26.964.419
<i>Legal reserves</i>	4.057.373	4.057.373
<i>Other reserves</i>	32.978.990	34.473.513
<i>Own actions</i>		
<i>Social Capital Adjustment</i>	89.052.449	89.052.449
<i>Reported result (without IAS 29)</i>	7.318.359	7.338.275
<i>Reported result (with IAS 29)</i>	-89.052.449	-89.052.449
<i>Current profit</i>	8.746.511	346.360
<i>Profit Distribution</i>	-1.959.762	
Total own capitals	99.008.253	94.040.702
Long-term debt		
<i>Investment grants</i>	2.171.186	2.124.494
<i>Other long-term debts</i>	8.063	8.262
<i>Long-term provisions</i>		
Total long-term debts	2.179.249	2.132.756
Current debts		
<i>Investment grants</i>	70.389	116.730
<i>Commercial and other debts</i>	8.397.677	7.539.832
<i>Short-term loans</i>	11.185.713	9.486.557
<i>Tax and current tax liabilities</i>	10.982.879	9.456.759
<i>Short-term provisions</i>		
Total current debts	30.636.658	26.599.878
Total debts	32.815.907	28.732.634
TOTAL PASSIVE	131.824.160	122.773.336

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

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

Elements	30 june2023	30 june 2024
1. State budget	893.669	408.255
- tax on profit	568.038	84.478
- tax on dividends	-	-
- tax on salaries	247.953	247.693
- the insurance contribution for work	77.678	76.084
- VAT on payment	-	-
2. . Special fund budgets	370.219	398.080
- CASS	343.361	376.574
- average fund	716	633
- solidarity fund for people with disabilities	26.142	20.873
3. Social security budgets	880.005	851.766
- CAS	880.005	851.766
4. Other taxes, fees, payments	-	-

1.b. PROFIT AND LOSS ACCOUNT at 30 june 2024

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Crt. No.	NAME OF INDICATORS	30.06.2023	30.06.2024
1.	Net turnover of which	86.111.058	71.001.198
	Revenues from the sold production	84.791.015	69.862.625
	Revenues from the sale of goods	1.409.899	1.249.504
	Commercial discounts granted	(89.856)	(110.931)
2.	Revenues from stored production	10.151.639	6.536.769
3.	Revenues from the production of fixed assets	30.019	118.708
4.	Revenues from fixed assets intended for sale	-	-
5.	Revenues from operating grants	49.932	-
6.	Other revenues from exploitation	4.609.032	776.625
I.	REVENUES FROM EXPLOITATION	100.951.680	78.433.300
7.	Expenditures on goods	1.235.854	1.089.421
8.	Material expenditures	59.427.080	46.772.889
9.	Expenditures on works and services performed by third parties	3.475.459	3.541.194
10.	Expenses with taxes and fees	668.696	736.824
11.	Staff costs	25.129.795	23.509.411
12.	Other expenses with exploitation	1.319.676	416.606
13.	Expenses with depreciation and provisions	1.871.231	1.778.841
II.	EXPENSES FOR EXPLOITATION	93.127.791	77.845.186
A.	RESULT FROM EXPLOITATION		
	- PROFIT	7.823.889	588.114
	- LOSS		

III.	FINANCIAL REVENUES	589.065	53.077
IV.	FINANCIAL EXPENSES	1.045.823	232.038
B.	FINANCIAL RESULT	(456.758)	(178.961)
V.	EXCEPTIONAL REVENUES		
VI.	EXCEPTIONAL EXPENSES		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL REVENUES	101.540.745	78.486.377
VIII	TOTAL EXPENSES	94.173.614	78.077.224
D.	GROSS RESULT		
	- PROFIT	7.367.131	409.153
	- LOSS		
	TAX	827.415	84.478
E	REVENUES FROM BENEFIT FROM PROFIT	44.107	21.685
F.	NET RESULT		
	- PROFIT	6.583.823	346.360
	- LOSS		
G.	Number of shares	8.114.746	8.114.746
H.	Output per share	0,811	0,043

The economic, financial and market activity of SC ARTEGO SA

The situation generated by the armed conflict in Ukraine led to the establishment by the international community of economic sanctions and financial restrictions regarding economic relations with the Russian Federation and Belarus. As such, there were effects regarding the import and export of products from and to Ukraine, the Russian Federation and Belarus, our society being affected both directly and indirectly by this situation.

An important consequence, in addition to the delay and/or impossibility of supplying raw materials from the above-mentioned countries, is the uncontrolled increase in natural gas and electricity prices, which leads to major difficulties in the production and sale of manufactured products.

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 with which we work, through delays in the supply of raw materials, in the production, delivery and transport of products.

The lack of the possibility of making coherent and correct predictions led to the maintenance of the volatility of the Romanian business climate, the main commercial organizations in the steel, oil, energy fields continuing to emphasize cost reduction and implicitly the development of procurement activities characterized by the pursuit of obtaining purchase prices the lowest.

Under these conditions, the stages involved in the renegotiation of commercial contracts with some companies in the mentioned fields were difficult and lasted much longer than the initial 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 2024 related to the economic operators in the mining and energy fields, the postponement of the initiation of the public procurement procedures, the reduction of the funds allocated to these acquisitions, all these led to the reduction of the possibility of obtaining a large volume of orders and level of sales that would have been the result of winning the auctions.

At the same time, the unfair competition encountered in some tenders led either to the increase in the duration of awarding contracts, with the time needed to resolve disputes, or to the loss of tenders, given that the contracting authorities still opted for the "lowest price" award criterion ", the one that led to the passing of quality criteria aspects to a secondary

plan. This aspect of the price level as the sole awarding criterion produces both the favoring of the presence on the market of some products of a dubious quality level, as well as the reduction of the company's market share in the related niches. On the other hand, in the field of electricity distribution, for the purchase of specific products, a series of criteria can be found in the award documents in addition to the legal conditions fulfilled, regarding the component of the 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 methods of making the imposed payments, ultimately representing barriers that lead to the impossibility of participation and finally to the decrease of the sales potential to these organizations.

In another vein, the turbulence of the economic environment adversely affects the possibilities of making payments by customers, there are long delays in the payment terms corresponding to the deliveries made, which leads to the negative impact of cash flows and the possibilities 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 from July 2024 at the macro-economic level (the increase in natural gas prices, the evolution of fuel prices, the evolution of the leu/euro exchange rate, the development and /or the end of the privatization processes in the fields of rail and air transport, the expected organizational developments in the energy field, the insolvency status of some organizations in the energy and petrochemical fields) will have an impact on the dynamics of acquisitions, investments, modernizations, and maintenance.

Therefore, taking into account all these aspects, if the general evolution of the Romanian economy knows a relative stability, it is possible to maintain, in the short and medium term, 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 honoring of debts to employees, the state and suppliers. At the same time, action will be taken to identify all possibilities for reducing as much as possible the difference between income and expenses and for an appropriate reaction to the influence of all these factors that have the potential to impact the evolution of the market and the performance of SC ARTEGO SA.

We mention the fact that the financial statements drawn up on 06.30.2024 have not been audited/reviewed.

**STATEMENT OF CASH FLOWS
on June 30, 2024**

- lei -

INDICATORS LEI (RON))	ACHIEVED AN 2023	ACHIEVED 30.06.2024
A. LIQUIDITY AT THE BEGINNING OF THE PERIOD	820.842	779.573
In accounts	796.516	719.803
Cash	8.899	28.457
Other Values	10.224	10.211
Treasury advances	-	-
Values to receive	5.203	21.102
REVENUE FROM OPERATING ACTIVITIES	230.549.876	100.556.470

Customer encashments	180.461.771	75.293.807
Other encashments	50.088.105	25.262.663
PAYMENT FOR THE EXPLOITATION ACTIVITY	239.329.988	95.303.586
Provider payments	122.045.093	48.663.350
Payments for staff	44.781.332	20.539.655
Payments on taxes and fees	23.023.395	12.898.206
Tax / Advantage	1.807.437	464.084
Interest payments	888.600	115.460
Other payments	46.784.131	12.622.831
CASH FLOW FROM OPERATING ACTIVITY	-8.780.112	5.252.884
INCOME FROM THE INVESTMENT ACTIVITY	10.045.398	599.778
Proceeds from the sale of land, fixed assets and intangible assets	10.045.398	599.778
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	1.306.555	3.756.433
Payments for the acquisition of land, fixed assets and intangible assets	1.306.555	3.756.433
Receipts for the acquisition of equity instruments and receivables of other enterprises	-	-
Advances and loans made to other parties	-	-
CASH FLOW FROM INVESTMENT ACTIVITY	8.738.843	-3.156.655
RECEIPTS FROM THE FINANCING ACTIVITY	-	-
PAYMENTS FOR FINANCING ACTIVITY	-	-
CASH FLOW FROM FINANCING ACTIVITY	-	-
CASH FLOW - TOTAL	-41.269	2.096.229
B. CASH FLOWS AT THE END OF THE PERIOD	779.573	2.875.802
In accounts	719.803	2.808.640
Cash	28.457	23.837

Other Values	10.211	6.765
Treasury advances	-	-
Values to receive	21.102	36.560

2. ANALYSIS OF THE ACTIVITY OF THE COMMERCIAL COMPANY

2.1. Liquidity indicators

- % -

Crt. No.	Name of indicators	Calculation formula	30.06.2023	30.06.2024
1.	Current patrimonial liquidity	[Active circ/DTS]	2,41	3,27
2.	Active liquidity (fast)	[Active circ.-Stocks]/DTS	86,74%	126,18
3.	Rotational speed of immobilized assets	Turnover/Fixed Assets	2,37	1,98
4.	Turnover speed of Total assets	Turnover/ Total Assets	0,65	0,58
5.	Interest Coverage Indicator	Profit before payment of interest and profit tax/Expenses. With Interest	15,00	4,54
6.	Return on Capital Employed	Profit before the payment of interest and profit tax/Employed Capital	0,085	0,006
7.	Gross Margin from Sales	Gross Profit from Sales/Turnover	9,09%	0,83%

2.2 2.2 Capital Expenditures

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

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

Operating

income

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Elements	30 june 2023	30 june 2024
Production sold	84.791.015	69.862.625
Income from sale of goods	1.409.899	1.249.504
Commercial discounts granted	(89.856)	(110.931)
Revenues related to the costs of product stocks	10.151.639	6.536.769
Income from the production of fixed assets	30.019	118.708
Income from fixed assets intended for	-	-

sale		
Income from operating subsidiaries	49.932	-
Other operating revenues	4.609.032	776.625
Total operating income	100.951.680	78.433.300

In the following period, in the short and medium term, taking into account the difficulty of predictability of the evolution of the Romanian economy, but at the same time counting on its possible stability, it can be estimated for S.C. ARTEGO SA. a constant trend of the existing situation, as well as productive activity and sales level

3. CHANGES AFFECTING THE SHARE CAPITAL AND ADMINISTRATION OF THE COMMERCIAL COMPANY

3.1. During the analyzed period of time, there were no recorded 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. During the analyzed time period, there were no changes regarding the rights of the holders of securities issued by the commercial company. The shareholding structure on June 30, 2024 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	85,8785%
Other legal entities	2,50	35.659	89.147,50	0,4394%
Other individuals	2,50	1.110.265	2.775.662,50	13,6821%
THE ROMANIAN STATE THROUGH THE AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS	2,50	2	5,00	0,0000%
TOTAL	2,50	8.114.746	20.286.865,00	100,000%

CASH FLOW STATEMENT AS OF June 30, 2024

INDICATORS LEI (RON)	ACHIEVED AN 2023	ACHIEVED 30.06.2024
A. LIQUIDITY AT THE BEGINNING OF THE PERIOD	820.842	779.573
In accounts	796.516	719.803
Cash	8.899	28.457
Other Values	10.224	10.213
Treasury advances	-	-
Values to receive	5.203	21.102

REVENUE FROM OPERATING ACTIVITIES	230.549.876	100.556.470
Customer encashments	180.461.771	75.293.807
Other encashments	50.088.105	25.262.663
PAYMENT FOR THE EXPLOITATION ACTIVITY	239.329.988	95.303.586
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Interest payments	888.600	115.460
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CASH FLOW FROM OPERATING ACTIVITY	-8.780.112	5.252.884
INCOME FROM THE INVESTMENT ACTIVITY	10.045.398	599.778
Proceeds from the sale of land, fixed assets and intangible assets	10.045.398	599.778
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	1.306.555	3.756.433
Payments for the acquisition of land, fixed assets and intangible assets	1.306.555	3.756.443
Receipts for the acquisition of equity instruments and receivables of other enterprises	-	-
Advances and loans made to other parties	-	-
CASH FLOW FROM INVESTMENT ACTIVITY	8.738.843	-3.156.655
RECEIPTS FROM THE FINANCING ACTIVITY	-	-
PAYMENTS FOR FINANCING ACTIVITY	-	-
CASH FLOW FROM FINANCING ACTIVITY	-	-
CASH FLOW - TOTAL	-41.269	2.096.229
B. CASH FLOWS AT THE END OF THE PERIOD	779.573	2.875.803
In accounts	719.803	2.808.640

Cash	28.457	23.837
Other Values	10.211	6.765
Treasury advances	-	-
Receivables	21.102	36.560

Individual Financial Statements

SITUATION OF THE FINANCIAL POSITION AT 31.12.2023 and 30.06.2024

(Amounts are expressed in RON unless otherwise stated)

Name of indicators	31/12/2023	30/06/2024
ASSETS		
Fixed assets	34,566,695	35,899,706
<i>Tangible assets</i>	28,360,559	30,272,919
<i>Intangible assets</i>	6,206,136	5,626,787
<i>Financial assets</i>		
Current assets	97,257,465	86,873,630
<i>Stocks</i>	56,340,312	53,196,221
<i>Commercial receivables</i>	39,821,727	30,525,960
<i>Financial assets of which available for sale</i>	14,397	14,397
<i>Cash and cash equivalents</i>	779,573	2,875,802
<i>Prepayments</i>	301,456	261,250
TOTAL ASSETS	131,824,160	122,773,336
OWN CAPITAL AND LIABILITIES		
Own capitals		
<i>Subscribed and paid-up share capital</i>	20,286,865	20,286,865
<i>Other equity items</i>	595,582	573,897
<i>Reserves from reevaluation</i>	26,984,335	26,964,419
<i>Legal reserves</i>	4,057,373	4,057,373
<i>Other reserves</i>	32,978,990	34,473,513
<i>Own actions</i>	-	-
<i>Social Capital Adjustment</i>	89,052,449	89,052,449
<i>Reported result (without IAS 29)</i>	7,318,359	7,338,275
<i>Reported result (with IAS 29)</i>	-89,052,449	-89,052,449
<i>Current profit</i>	8,746,511	346,360
<i>Profit Distribution</i>	-1,959,762	
Total own capitals	99,008,253	94,040,702
Long-term debt		
<i>Subsidies for investments</i>	2,171,186	2,124,494
<i>Other long-term liabilities</i>	8,063	8,262
<i>Long term provisions</i>		
Total long-term debt	2,179,249	2,132,756
Current liabilities		

<i>Subsidies for investments</i>	70,389	116,730
<i>Commercial and other debts</i>	8,397,677	7,539,832
<i>Short term loans</i>	11,185,713	9,486,557
<i>Debts from taxes and current charges</i>	10,982,879	9,456,759
<i>Short-term provisions</i>		
Total current liabilities	30,636,658	26,599,878
Total debts	32,815,907	28,732,634
TOTAL EQUITY AND LIABILITIES	131,824,160	122,773,336

SITUATION OF THE GLOBAL RESULT

at 30 june 2024

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Crt. No.	NAME OF INDICATORS	30.06.2023	30.06.2024
1.	Net turnover of which	86.111.058	71.001.198
	Revenues from the sold production	84.791.015	69.862.625
	Revenues from the sale of goods	1.409.899	1.249.504
	Commercial discounts granted	89.856	110.931
2.	Revenues from stored production	10.151.639	6.536.769
3.	Revenues from the production of fixed assets	30.019	118.708
4.	Revenues from fixed assets intended for sale	-	-
5	Revenues from operating grants	49.932	-
6.	Other revenues from exploitation	4.609.032	776.625
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7.	Expenditures on goods	1.235.854	1.089.421
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12.	Other expenses with exploitation	1.319.676	416.606
13.	Expenses with depreciation and provisions	1.871.231	1.778.841
II.	EXPENSES FOR EXPLOITATION	93.127.791	77.845.186
A.	RESULT FROM EXPLOITATION		
	- PROFIT	7.823.889	588.114
	- LOSS		
III.	FINANCIAL REVENUES	589.065	53.077
IV.	FINANCIAL EXPENSES	1.045.823	232.038
B.	FINANCIAL RESULT	(456.758)	(178.961)
V.	EXCEPTIONAL REVENUES		
VI.	EXCEPTIONAL EXPENSES		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL REVENUES	101.540.745	78.486.377
VIII.	TOTAL EXPENSES	94.173.614	78.077.224
D.	GROSS RESULT		
	- PROFIT	7.367.131	409.153
	- LOSS		

	TAX	827.415	84.478
E	REVENUES FROM BENEFIT FROM PROFIT	44.107	21.685
F.	NET RESULT		
	- PROFIT	6.583.823	346.360
	- LOSS		
G.	Number of shares	8.114.746	8.114.746
H.	Output per share	0,811	0,043

Individual Financial Statements
The statement of changes in equity for the year ended at 31 DECEMBER 2023 and 30 june 2024

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

	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
S Balance on January 1, 2023	20,286,865	89,052,449	12,315,948	4,057,373	27,950,677	26,893,424	2,207,048	-89,052,449	0	661,421	0	-842,092	93,530,664
Overall result of the period													
The profit of the exercise			8,746,511										8,746,511
Other elements of the overall result of which:													
Surplus from the revaluation of tangible assets													
The reduction of the reserve from the revaluation of deferred tax registration										-65,839			-1,032,181
Total other elements of the overall result										-65,839			-1,032,181
Total global result of the period			8,746,511							-65,839			7,714,330
Other items													
Resumption of the revaluation reserve to the carried forward result							966,342						966,342
Increasing the legal reserve													
Other elements			-12,315,948			6,085,566	11,201,228					-1,117,670	3,853,176
Total other elements			-12,315,948			6,085,566	12,167,570					-1,117,670	4,819,518
Transactions with shareholders recognized directly in equity													
Distribution of dividends							-7,056,259						-7,056,259
Total transactions with the owners							-7,056,259				0		-7,056,259
Balance on DECEMBER 31, 2023	20,286,865	89,052,449	8,746,511	4,057,373	26,984,335	32,978,990	7,318,359	-89,052,449	0	595,582	0	-1,959,762	99,008,253

SC ARTEGO SA TG-JIU, (the Company) was founded in 1991 and 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 based in Ciocarlau Street no. 38 Tg-Jiu municipality, Gorj county.

According to the statute, the Company's main field of activity has 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. The basis of the preparation

(a) Declaration of conformity

The separate financial statements were 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 additions.

The company applies the International Financial Reporting Standards as approved by the European Union when preparing the separate financial statements concluded on June 30, 2023 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 SIRF, this order being applicable to commercial companies whose securities are admitted to trading on a regulated market.

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

(b) Presentation of financial statements

Separate financial statements are presented in accordance with the requirements of IAS 1 "Presentation of financial statements".

(c) The bases of evaluation

The separate financial statements are drawn up at historical cost, with the exception of certain classes of tangible assets that are revalued.

The share capital is adjusted according to the International Accounting Standard ("SIC") 29 ("Financial reporting in hyperinflationary economies") until December 31, 2003.

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

(d) Functional and presentation currency

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

(e) Use of estimates and judgments

The preparation of financial statements in accordance with IFRS adopted by the European Union requires the management's use of estimates, judgments and assumptions that affect the application of accounting policies as well as the reported value of assets, liabilities, income and expenses. The estimates and assumptions associated with these estimates are based on historical experience as well as other factors considered reasonable in the context of these estimates. The results of these estimates form the basis of

judgments regarding the accounting values of assets and liabilities that cannot be obtained from other sources of information. The obtained results may differ from the estimated values.

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

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

3. Significant accounting policies

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

(a) Subsidiaries and associated entities

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

The company does not own any associated companies.

(b) Transactions in foreign currency

Operations denominated in foreign currency are recorded in lei at the official exchange rate from the date of settlement of transactions. Monetary assets and liabilities recorded in foreign currency at the date of drawing up the accounting balance are converted into the functional currency at the exchange rate of the respective day. Gains or losses from their settlement and from the conversion using the exchange rate at the end of the month or at the end of the financial year of monetary assets and liabilities denominated in foreign currency are recognized in the profit and loss account.

c) Financial Instruments

Financial risk management

The company is exposed to the following risks arising from financial instruments: market risk (interest rate risk and currency risk), credit risk and liquidity risk. The Company's management focuses on the unpredictability of the financial market and seeks to minimize the potential adverse effects of the Company's financial performance. Market risk is the risk that produces changes in market prices, as well as the currency exchange and the interest rate that will affect the Company's income.

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

Interest rate risk

The operational cash flows of the Company are affected by interest rate variations, mainly due to the foreign currency loans contacted from 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 can be exposed to exchange rate fluctuations through cash and cash equivalents, receivables or commercial debts expressed in foreign currency.

The currency used on the domestic market is the Romanian leu. The company is exposed to currency risk for cash and cash equivalents from purchases and loans made in a currency other than the one used on the domestic market. The currencies that expose the Company to this risk are, mainly, EUR, USD and GBP. Foreign currency loans are subsequently expressed in lei, at the exchange rate of the last banking day of each month, communicated by the National Bank of Romania. The resulting differences are included in the profit and loss account.

Credit risk

Credit risk is the risk that the Company will suffer a financial loss as a result of non-fulfillment of contractual obligations by a customer or counterparty to a financial instrument, and this risk results mainly from trade receivables and cash and cash equivalents.

On June 30, 2024, the Company holds cash and cash equivalents in the amount of 2,875,802 lei. Cash and cash equivalents are held at the following banks: Unicredit, Intesa, ING Bank, Credit Europe, BRD.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in fulfilling the obligations associated with financial debts that are settled in cash or through the transfer of another financial asset.

A prudent liquidity risk management policy involves maintaining sufficient cash and cash equivalents, the availability of financing through appropriate credit facilities. The Company's policy regarding liquidity is to maintain sufficient liquid resources to be able to honor obligations as they reach maturity.

Fair value of financial instruments

The fair value is the value at which the financial instrument can be exchanged in ordinary transactions, other than those determined by liquidation or forced sale. Fair values are obtained from quoted market prices or cash flow models as appropriate. On June 30, 2024, cash and other assets, customers and assimilated accounts, trade debts as well as other debts are approaching their real value due to their short maturity. The management considers that the estimated value of these instruments is close to their accounting value.

Capital risk management

The Company's objectives when managing capital are to preserve the Company's ability to continue its activity in order to obtain benefits for shareholders and other interested parties and to maintain an optimal capital structure in order to reduce the cost of capital.

Accounting for the effect of hyperinflation

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

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

The continuous decrease in the inflation rate and other factors related to the characteristics of 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 starting with January 1, 2004. Therefore, the IAS provisions 29, were adopted in the preparation of the separate financial statements until December 31, 2003.

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

In order to prepare the separate financial statements on December 31, 2012, the Company adjusted the share capital (non-monetary element) to be expressed in the current unit of measure on December 31, 2003.

Tangible assets

Tangible fixed assets represent assets that: are owned by an entity to be used 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 during a period of more than one year .

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

The valuation of tangible fixed assets at the balance sheet date is carried out at cost, less amortization and accumulated depreciation adjustments, or at the revalued value, this being the fair value at the revaluation date, less any subsequent accumulated depreciation and any subsequent accumulated depreciation losses.

The amortization periods are as follows:

Buildings and constructions 40-60 years

Equipment 15-40 years

Means of transport 5-8 years

Furniture and office equipment 3-5 years

Intangible assets

An intangible asset is an identifiable, non-monetary asset without material support and held for use in the production or provision of goods or services, to be leased to third parties or for administrative purposes.

An intangible asset meets the criterion of being identifiable when:

- is separable, i.e. it can be separated or divided from the entity and sold, transferred, licensed, leased or exchanged, either individually or together with a corresponding contract, an identifiable asset or an identifiable liability or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Intangible assets purchased by the Company are presented at cost less accumulated depreciation and the provision for depreciation of intangible assets. Depreciation is recognized in the profit and loss account based on the straight-line method over the estimated life of the intangible assets.

Receivables

Commercial receivables are initially recorded at the invoiced value and later those in foreign currency are valued at the exchange rate communicated by the National Bank of Romania from the last banking day of the month. An impairment provision is established when there is clear evidence that the receivables will not be collected at the set deadline.

Stocks

The stocks are made up of:

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

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

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

Cash availability

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

Reserves from revaluation

After recognition as assets, an element of tangible fixed assets whose fair value can be reliably assessed is accounted for at a revalued value, this being its fair value on the revaluation date minus any subsequently accumulated depreciation and any accumulated impairment losses. Revaluations must be done with sufficient regularity to ensure that the accounting value does not differ significantly from what would have been determined by using the fair value at the balance sheet date.

If the accounting value of an asset is increased as a result of a revaluation, this increase must be recorded directly in the equity in the "Reserves from revaluation" element. However, the increase is recognized in profit or loss to the extent that it compensates for a decrease from the revaluation of the same asset previously recognized in profit or loss.

If the accounting value of an asset is reduced as a result of a revaluation, this reduction is recognized in profit or loss. However, the reduction must be debited directly from equity in the element "Reserves from revaluation" to the extent that there is a credit balance in the revaluation surplus for this asset.

The surplus from the revaluation included in the equity related to an item of tangible assets is transferred directly to the retained earnings according to the depreciation of the revalued tangible assets and when the asset is recognisable.

Starting with May 1, 2009, the statutory reserves from the revaluation of fixed assets, including land, carried out after January 1, 2004, which are deducted when calculating the taxable profit by means of fiscal depreciation or expenses regarding assets transferred and/or scrapped, are taxed concurrently with the deduction of the fiscal depreciation, respectively at the time of the decrease from management of these fixed assets.

The statutory reserves from the revaluation of fixed assets, including land, carried out until December 31, 2003 plus the portion of the revaluation carried out after January 1, 2004 related to the period until April 30, 2009, will not be taxed at the time of the transfer to the reserves representing the realized surplus from 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 case of liquidation, merger, including its use to cover accounting losses, with the exception of the transfer after May 1, 2009, of reserves related to assessments made after January 1, 2004, which are taxed simultaneously with the deduction of tax depreciation.

Social capital

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

Dividends

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

Suppliers and assimilated accounts

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

Loans

Loans are initially recognized at fair value, without transaction costs. After the initial recognition, loans are recorded at amortized costs, any difference between cost and repayment value being recognized in the profit and loss account for the period of the loan.

Profit tax

Income tax expense includes current tax and deferred tax. Current tax and deferred tax are recognized in the profit and loss account, except for the case where they are recognized directly in equity or other elements of the overall result.

Current tax

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

Deferred tax

The deferred tax is recognized for the temporary differences that appear between the accounting value of the assets and liabilities used for the purpose of financial reporting and the fiscal base used for the tax calculation.

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

Employee Benefits

Short-term employee benefits

Obligations regarding short-term benefits are evaluated without being discounted and are recognized as expenses as the services are rendered. A provision is recognized at the estimated amount to be paid for short-term benefits in the form of premiums or employee profit sharing, only if the Company has a present, legal or implied obligation to pay this amount for past services rendered by employees, and this obligation can be estimated at fair value. Short-term employee benefits are mainly represented by salaries.

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

Financing costs

The company does not capitalize the costs of the loans because it has no contracted long-term loans.

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

Grants

Subsidies are initially recognized as income recorded in advance at fair value when there is a reasonable assurance that they will be received, and the Company will comply with the conditions associated with the subsidies, and then they are recognized in the profit and loss account as other income during the life of the the asset to which it refers. Subsidies are related to assets. Non-refundable funds are recognized as assets when there is a reasonable assurance that they will be received and that the related conditions will be met.

Provisions

A provision is recognized when, and only when, the following conditions are met: The Company has a current obligation (legal and implied) as a result of a past event, it is probable (that is, more likely than improbable) that an outflow of resources representing economic benefits to be necessary for the settlement of the obligation, when a correct estimate can be made regarding the amount of the obligation.

The result per action

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

The weighted average of the shares in circulation during the exercise represents the number of shares from 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.

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

Quotas

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

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

Segment reporting

A segment is a distinct component of the Company that provides certain products or services (activity segment) or provides products or services in a certain geographic 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 management of the Company considers the operations in their entirety as "a single segment".

The operational segments are examined in a consistent manner by the main operational decision-making factor of the entity in order to make decisions regarding the allocation of resources to the segments and the evaluation of its performance, and for which distinct financial information is available.

An entity must report revenues from external customers for each product and service or for similar products or services, unless the necessary information is not available and the cost of their preparation would be excessive, in which case this fact must be presented. Revenue values reported must take into account the financial information used to prepare the entity's financial statements.

The implications of the new International Financial Reporting Standards (SIRF EU)

The new standards and interpretations as approved by the European Union

A series of new standards, amendments to standards and interpretations are applicable to the annual periods starting after January 1, 2012 and were not applied in the preparation of these separate financial statements. None of the new standards is expected to have a significant effect on the financial statements of the Company.

The new standards that are not yet applicable on June 30, 2024

International Accounting Standard (SIC) 19 (2011) Employee benefits (effective for periods beginning on or after January 1, 2013).

This amendment is not relevant for the financial statements of the company, since the current policy of the Company is to immediately recognize gains and losses in the profit and loss account.

FIXED ASSETS on June 30, 2024

- lei -

The name of the immobilization element	gross amount	Value adjustments (depreciation and adjustments for depreciation or loss of value)de valoare)
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	Balance at 1st January 2024	GROWTH	Assignments, transfers and other discounts	Balance at 30th of June 2024	Balance at 1st January 2024	Adjustments recorded during the exercise	Discounts or reruns	Balance at 30th of June 2024
0	1	2	3	4=1+2-3	5	6	7	8=5+6-7
A. FIXED ASSETS								
I. INTANGIBLE ASSETS	-	-	-	-	-	-	-	-
1. Establishment expenses								
2. Development expenses	4.112.519	-	-	4.112.519	4.112.519	-	-	4.112.519
3. Concessions, patents, licenses and other assets	28.839.094	64.513	-	28.903.607	22.632.958	643.862	-	23.276.820
4. Goodwill		-	-				-	
5. Advances and intangible assets in progress		-	-				-	
TOTAL:	32.951.613	64.513	-	33.016.126	26.745.477	643.862	-	27.389.339
TANGIBLE ASSETS								
1. Lands	11.857.343	-	5.525	11.851.818	133.421	-	-	133.421
2. Constructions	42.543.658	-	150.203	42.393.455	33.087.857	469.284	35.657	33.521.484
3. Technological equipment	45.420.171	185.830	69.780	45.536.221	40.542.624	371.144	69.779	40.843.989
4. Measurement, control and adjustment devices and installations	2.274.603	45.613	55.492	2.264.724	2.070.530	44.885	55.492	2.059.923
5. Means of transport	7.197.880	5.394	69.061	7.134.213	5.864.110	224.557	69.061	6.019.606
6. Furniture, equipment, office equipment and other assets	694.245	28.939	3.633	719.551	494.780	25.111	3.633	516.258
7. Advances and tangible assets in progress	565.981	3.091.178	189.541	3.467.618				
TOTAL:	110.553.881	3.356.954	543.235	113.367.600	82.193.322	1.134.981	233.622	83.094.681
I. FINANCIAL ASSETS								
1. Participation titles held in the companies within the group								
2. Claims on companies within the group								
3. Securities in the form of participating interests								
4. Receivables from participation interests								
5. Titles held as fixed assets								
6. Other claims								
7. Own actions								
TOTAL:								
FIXED ASSETS - TOTAL	143.505.494	3.421.467	543.235	146.383.726	108.938.799	1.778.843	233.622	110.484.020

Stocks

On June 30,2024 compared to June 30, 2023 , the stocks are presented as follows:

Elements	30 june 2023	30 june 2024
1. Raw materials and consumables	37.048.745	28.956.523
2. Fixed assets held for sale	50.289	50.289
3. Production in progress	-	44.305
4. Finished products and goods	23.950.100	22.570.727

5. Overtures	407.859	1.574.377
TOTAL	61.456.993	53.196.221

Customers and assimilated accounts

On June 30, 2024, compared to June 30, 2023, customers and assimilated accounts are presented as follows:

Elements	30 june 2023	30 june 2024
1. Trade receivables	26.286.560	24.160.270
2. Advances paid	3.152.371	1.348.868
3. Other claims	4.127.721	5.016.822
TOTAL	33.566.652	30.525.960

In the period 01.01.2024 -30.06.2024 the Company recorded exports as follows:

EURO

ENGLAND	1.326.662,74
AUSTRIA	439.664,29
BELGIUM	114.421,50
BOSNIA	13.265,00
EGYPT	12.900,00
ESTONIA	5.720,37
FINLAND	209.645,95
FRANCE	17.470,00
GERMANY	3.103.122,74
ITALY	207.254,52
LATVIA	4.878,18
NETHERLANDS	716.426,70
POLAND	163.424,45
bondage	390.767,13
SLOVAKIA	21.449,20
SPAIN	2.734.623,41
SWEDEN	1.139.488,89
TUNISIA	11.500,00
UKRAINE	53.217,20
HUNGARY	54.360,34
TOTAL	10.740.262,61

Financial assets of which are available for sale

On June 30, 2024, compared to June 30, 2023, short-term investments are presented as follows:

Elements	30 june 2023	30 june 2024
Short-term investments	14.397	14.397
TOTAL	14.397	14.397

The balance on June 30, 2024 in the amount of 14,397 lei is represented by the value of the shares purchased in previous years from IFB Invest Tg-Jiu, which has since dissolved. The share of financial assets intended for sale in the capital of the company is insignificant.

The company does not hold interests in other companies. In this sense, the Company did not receive dividends from other companies.

Expenses in advance

On June 30, 2024, compared to June 30, 2023, the expenses in advance are presented as follows::

Elements	30 june 2023	30 june 2024
Cheltuieli in avans	280.337	261.250
TOTAL	280.337	261.250

The balance on June 30, 2024, in the amount of 261,250 lei, represents expenses made in advance for: insurance in favor of banks for the loans granted, car repairs, professional training courses, rents paid in advance for the rental of various machines, etc..

Cash and cash equivalents

On June 30, 2024, compared to June 30, 2023, cash and cash equivalents are presented as follows:

Elements	30 june 2023	30 june 2024
Current accounts at banks and deposits	891.029	2.808.640
House of lions	9.977	23.837
House in foreign currency		
Other cash equivalents	43.870	43.325
TOTAL	944.876	2.875.802

Social Capital

On June 30, 2024, the share capital includes the effects of restatements recorded in previous years according to the application of "SIC" 29"Financial reporting in hyperinflationary economies. . The reconciliation of the social capital is presented as follows:

Share capital (nominal value)	20,286,865
Differences related to restatement according to SIC	29 89.052.449
The balance of the share capital (withdrawn)	<u>109,339,314</u>

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

The shareholding structure on June 30, 2024 is as follows:

Shareholders	Nominal value per share	Number of shares held	Total amount	% of the share capital
PAS ARTEGO EMPLOYEE ASSOCIATION	2,50	6.968.820	17.422.050,00	85,8785%
Other legal entities	2,50	35.659	89.147,50	0,4394%
Other natural persons	2,50	1.110.265	2.775.662,50	13,6821%
THE ROMAN STATE THROUGH THE AUTHORITY OF PT. ADMINISTRATION OF STATE ASSETS	2,50	2	5,00	0,0000%
TOTAL	2,50	8.114.746	20.286.865,00	100,000%

Legal reserves

The legal reserves amount to 4,057,373 lei as of June 30, 2024.

Reserves from revaluation

The revaluation reserve is in the amount of 26,964,419 lei as of June 30, 2024..

Alte rezerve

On June 30, 2024, compared to June 30, 2023, other reserves register the following levels:

Elements	30 june 2023	30 june 2024
Other Reserves	31.019.228	34.473.513
Total	31.019.228	34.473.513

Other elements of equity

On June 30, 2024, the amount of 573,897 lei represents the deferred tax related to revaluations in the balance carried out after January 1, 2004, reduced by the deferred tax related to the amortization of the revaluation recorded on costs in the first semester of 2024.

Subsidies for investments

The revenues registered in advance are represented by the subsidies to be received by signing a non-refundable financing contract with the Ministry of Energy.

Elements	30 june 2023	30 june 2024
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1. Subsidies for investments	4.634	2.241.224
Total	4.634	2.241.224

Short term loans

The company has open credit lines with INTESA, ING BANK and CREDIT EUROPE as follows::

Bank	30.06.2023		Bank	30.06.2024	
	Approved	Use		Approved	Use
INTESA EUR	2.222.222	1.618.602	INTESA EUR	2.222.222	-
ING BANK EUR	4.250.000	2.415.069	ING BANK EUR	4.250.000	1.906.041
ING BANK (SGB) lei	5.000.000	3.401.554	ING BANK (SGB) LEI	5.000.000	791.852
CREDIT EUROPE lei	13.900.000	1.028.082	CREDIT EUROPE lei	-	-

Long term loans

The company has no long-term loans contracted with banks or other financial institutions.

The result per action

On June 30, 2024 compared to June 30, 2023, the result per share is:

	30 june 2023	30 june 2024
Profit for the period	6.583.823	346.360
The number of ordinary shares at the beginning and end of the period	8.114.746	8.114.746
Basic and diluted result per share (lei/share)	0,811	0,043

Other taxes and social security obligations

Elements	30 june 2023	30 june 2024
1. The state budget	893.669	408.225
- tax	568.038	84.478
- tax on dividends	-	-
- income tax from wages	247.953	247.693
- the insurance contribution for the work	77.678	76.084
- Payment VAT	-	-
- increases	-	-
- penalties	-	-
2. The budgets of special funds	370.219	398.080
- CASS	343.361	376.574
medium background	716	633
- solidarity fund for people with disabilities	26.142	20.873
-majorari	-	-
-penalties	-	-
3. . Social insurance budgets	880.005	851.766
- CAS	880.005	851.766
- increases	-	-
- penalties	-	-
4. Other taxes, fees, payments	-	-

Venituri din exploatare

Elements	30 june 2023	30 june 2024
The product sold	84.791.015	69.862.625
Revenues from the sale of goods	1.409.899	1.249.504
Commercial discounts granted	(89.856)	(110.931)
Revenues related to the costs of the stock of products	10.151.639	6.536.769
Income from the production of fixed assets	30.019	118.708
Income from fixed assets intended for sale	-	-
Income from operating subsidies	49.932	-
Other operating income	4.609.032	776.625
Total operating income	100.951.680	78.433.300

Operating expenses

Elements	30 june 2023	30 june 2024
Expenses with raw materials and consumables	47.648.328	39.163.592
Other material expenses	444.716	411.743
Other external expenses (energy, gas and water)	11.334.271	7.201.998
Expenditure on goods	1.235.854	1.089.421
Trade discounts received	235	4.444
Personnel expenses of which:	25.129.795	23.509.411
-Salaries and allowances	23.991.810	22.700.570
- Insurance and social protection	1.137.985	808.841
Tangible immobilization adjustments from:	1.871.231	1.778.841
-Expenses	1.871.231	1.778.841
-Income	-	-
Current asset adjustments of which:	-	-
-Expenses	-	-
-Income	-	-
Other operating expenses of which	5.463.831	4.694.624
Expenditure on external services	3.475.459	3.541.194
Expenses with other taxes and fees	668.696	736.824
Expenses related to assets	198	114
assets intended for sale	1.319.478	416.492
Total Operating Expenses	93.127.791	77.845.186

Result from exploitation

Elements	30 june 2023	30 june 2024
Operating result (Profit)	7.823.889	588.114
Total Operating Profit	7.823.889	588.114

Net financial result

Elements	30 june 2023	30 june 2024
Income from exchange rate differences	589.005	52.415
Interest income	60	27
Other financial income	-	635
Total Financial Income	589.065	53.077
Interest expense	526.089	115.460
Other financial expenses	519.734	116.578
Total Financial Expenses	1.045.823	232.038
Net financial result (Loss)	(456.758)	(178.961)

The 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 revision and corrections by the fiscal authorities, generally for a period of five years after the date of their completion. The management considers that it has adequately recorded the fiscal obligations from the attached financial statements, however, the risk persists that the fiscal authorities will adopt different positions regarding the interpretation of these issues. Their impact could not be determined at this time.

GUARANTEES

On June 30, 2024, the company has mortgaged the following assets in favor of the financing banks with which it has committed lines of credit as follows

INTESA SANPAOLO BANK SITUATION OF REAL ESTATE PROPERTIES

<i>CADASTRAL NO</i>	<i>REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION</i>
1315/2/1/1/1/4 <i>CF 41172</i>	-- land area of 11.243 sqm + self-metrology platform made up of: 1. storage - 254,62 mp (C15); 2. toilet -6,30 mp (C16); 3. loaded extinguisher station - 56,97 mp (C17); 4. workshop - 619,46 mp (C28); 5. metrology laboratory - 134,59 mp (C29); 6. drinking water station - 99,73 mp (C30); 7. drinking water basin - 146,17 mp (C31); 8. metal storage - 106,87 mp (C60); 9. storage -146,17 mp (C70); 10. auto workshop - 359,24 mp (C73);
1315/2/1/1/1/7 <i>CF 40067</i>	- 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 <i>CF 41169</i>	-land area of 4.114 mp + constructions: 1. finished warehouse - 657,25 mp (C56/4).
1315/2/1/1/1/10 <i>CF 41170</i>	-land area of 1.575 mp + constructions: 1. Administrative group gate 3 - 123,44 mp (C63).
1315/2/1/1/1/11 <i>CF 41165</i>	-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).

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<i>CADASTRAL NO</i>	<i>MORTGAGED PROPERTY (LAND + BUILDINGS) – DESCRIPTION</i>
1315/2/1/1/8 <i>CF 39574</i>	Urban land with an area of 531 sqm together with the built construction with an area of 215.14 sqm (commercial space)
4327 <i>CF 47079</i>	Urban land with an area of 1000 sq m

4296 <i>CF 47074</i>	Intra-urban land with an area of 4760 sqm together with the built construction with an area of 12.42 sqm (deep well)
1315/2/1/1/2 <i>CF 40066</i>	-land with an area of 20,616 sq m + buildings: 1. transport lane hall (C56/1).
1315/2/1/1/5 <i>CF 41270</i> 1315/2/1/1/6 <i>CF 41263</i>	- land with an area of 996 sqm together with a bread workshop (C11/2) -land with an area of 1,063 sqm together with a milk workshop (C11/1), located in Tg Jiu, Ciocârlau str., no. 38.
68884 <i>CF 68884</i>	- inner-city land with an area of 13,234 sq m + constructions: 1. warehouse – 81 sqm C1 2. industrial hall - 120 (C2); 3. warehouse - 485 sqm (C3); 4. warehouse - 111 sqm (C4); 5. warehouse - 361 sqm (C5); 6. warehouse - 45 sqm (C6).
1315/2/1/1/1/6 <i>CF 47076</i>	- inner-city land with an area of 6,843 sq m + constructions: 1. workshop - 651 sqm (C1) 2. workshop - 627 sqm (C2) 3. school laboratory -384 sqm (C3) 4. bathroom - 13 sqm (C4) 5. pool - 89 sqm (C5) 6. pool - 26 sqm (C6) 8. car workshop - 219 sqm (C8)
1315/2/1/1/9 <i>CF 39579</i>	- urban land in the surface. of 5047 sq m together with the renovated tamburi section (C59), located in Tg Jiu, Ciocârlau str., no. 38.

Situation of disputes in progress

ARTEGO S.A. - complainant

File no.	No. Folder	Colpainant society	Object	Request/ The requested amount	File status/ Remarks
1	8207/62/2011	CET Brasov	Insolvency procedure	- admission to the credit table of the debtor with the amount of 46,887.93 lei	- ongoing; we were admitted to the credal table with the amount of 46,887.93 lei; continue the bankruptcy procedure
2	60833/3/2011	Munplast Bucharest	Insolvency procedure	- admission to the credit table of the debtor with the amount of 19,457.81 lei	- ongoing; am fost admisi la masa credala cu suma de 19.457,81 lei, din care am recuperat suma de 5.000 lei; continua procedura falimentului
3	4163/95/2012	Gastrom Group Targu - Jiu	Insolvency procedure	- admission to the credit table of the debtor with the	- ongoing; we were admitted to the credal table with the amount of 52,777.37 lei; continue the bankruptcy procedure

				amount of 52,777.37 lei	
4	887/90/2013	Oltchim Ramnicu-Valcea	Insolvency procedure	- admission to the credit table of the debtor with the amount of 19,946.68 lei	- ongoing; we were admitted to the credal table with the amount of 19,946.68 lei; continue the bankruptcy procedure
5	9089/101/2013	Autonomous Directorate for Severin Nuclear Activities	Insolvency procedure	- admission to the credit table of the debtor with the amount of 1,439,815.78 lei	- ongoing; we were admitted to the credal table with the amount of 1,439,815.78 lei; continue the bankruptcy procedure
6	2570/63/2014	Energy Services Oltenia Craiova	Insolvency procedure	- admission to the credit table of the debtor with the amount of 3,188.77 lei	- ongoing; we were admitted to the credal table with the amount of 2,486.37 lei; continue the bankruptcy procedure
7	528/95/2015	Good luck Nic Com Targu - Jiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 34,155.80 lei	- ongoing; we were admitted to the credal table with the amount of 34,155.80 lei; continue the judicial reorganization procedure
8	2575/85/2015	Ambient Sibiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 1,240.00 lei	- ongoing; we were admitted to the credal table with the amount of 1,240.00 lei; continue the bankruptcy procedure
9	3520/95/2015	Fire retardant Prest Targu-Jiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 4,783.92 lei	- ongoing; we were admitted to the credal table with the amount of 4,783.92 lei; continue the bankruptcy procedure
10	1396/90/2016	CET Govora	Insolvency procedure	- admission to the credit table of the debtor with the amount of 1,665,256.19 lei	- ongoing; we were admitted to the credal table with the amount of 1,665,256.19 lei; continue the judicial reorganization procedure
11	5114/95/2016	Instalatii Revizii Utilitati Pentru Minerit Targu-Jiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 41,307.71 lei	- ongoing; we were admitted to the credal table with the amount of 41,307.71 lei; continue the bankruptcy procedure
12	1248/95/2018	Intreprinderea de Drumuri si Poduri Targu-Jiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 2,783.39 lei	- ongoing; we were admitted to the credal table with the amount of 2,783.39 lei from which I recovered the amount of 1,391.39 lei; continue the bankruptcy procedure

13	5075/97/2016	Societatea Complexul Energetic Hunedoara	Insolvency procedure	- admission to the credit table of the debtor with the amount of 580,000.00 lei	- ongoing; we were admitted to the credal table with the amount of 580,000.00 lei; continue the insolvency procedure
14	8105//318/2022	Trașcă Cornelia	Real estate claim	Obliging the defendant to leave us in full ownership and quiet possession of a land with an area of 250 square meters.	- ongoing; - court term: - 11.10.2024
15	12171/299/2024	New NCR Reciclare Bucuresti	Low value request	Obliging the defendant to pay the sum of 3,716.00 lei	- ongoing; - court term: 05.09.2024
16	10007/3/2024	New NCR Reciclare Bucuresti	Insolvency procedure	- admission to the credit table of the debtor with the amount of 3,716.00 lei	- ongoing; - court term - 04.11.2024

ARTEGO S.A. – defendant

File no.	File no.	Defendant society	Object	Request/ The requested amount	Stage file / Notifications
1	5201/95/2021	Pandurii Sports Club Association – Tg-Jiu Lignite, in insolvency	claims	Obliging the defendant to pay the sum of 864,956.30 lei (penalty interest)	- ongoing; - Artego S.A. Company declared an appeal against Civil Decision no. 555/28.11.2023, pronounced by the Craiova Court of Appeal; deadline: 17.09.2024
2	3775/318/2022	Pandurii Sports Club Association – Tg-Jiu Lignite, in insolvency	claims	Obliging the defendant to pay court costs from File no. 6274/95/2017	- ongoing; - the complainant declared an appeal against Decision no. 124/2024 (through this decision, the plaintiff's appeal was rejected, declared invalid according to Civil Sentence no. 2765/2023; according to Civil Sentence no. 2765/2023, the defendants were obliged to pay the sum of 20,000 lei; Artego Company voluntarily paid the part came back from this amount, respectively 4,000 lei); deadline: 17.10.2024
3	3773/95/2023	Galetaru Dumitru	The obligation to do	Obligation of the Artego S.A. Company to make available to him the Register of Shareholders	- ongoing; - Artego S.A. Company declared an appeal against Decision no. 21/2024 by which we were obliged to make available to the plaintiff, at his expense, certified copies of the register of shareholders of the defendant company and according to the status of payments made to the account of the defendant's

					shares, from the establishment of the company until 19.03.2024; deadline: 17.09.2024
4	2341/95/2024	Cirstoiu Maria	The obligation to do	Obligation of the Artego S.A. Company to issue a certificate showing that between 01.04.2001 - 03.11.2005 he worked in the 2nd work group	- ongoing; - court term : 16.01.2025

Affiliated Parties

The company has no affiliated parties.

Subsequent events

After the preparation of the reports completed on June 30, 2024, there were no events whose effects were significant and would influence the data contained in the current financial statements.

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

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

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

Other information

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

SC ARTEGO S.A. is a joint-stock company with fully private capital, the majority shareholder being the "PAS ARTEGO" Employees' Association, which owns 85.8785% of the share capital.

When determining the profit tax, 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 225/2015 regarding the tax code were taken into account, of which:

- late fees due for non-payment of debts on time;
- 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;

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- late fees due for non-payment of debts on time;
- 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 to establish reserves according to Law 31/1990 republished.

Declaration

In accordance with the provisions of art. 223, point B, paragraph (1), letter c) of Regulation no. 5/2018 regarding issuers and operations with securities, we declare that, to the best of our knowledge, the financial statements as of June 30, 2024 provide a correct and true picture of the assets, liabilities, financial position and profit and loss account. Also, the Report of the Board of Directors drawn up in accordance with the provisions of annex no. 14 correctly and completely presents the information about the company.

General Manager,
Viorel David