

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

**Report date: 30.09.2024**

**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 Buchare**

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

Name of indicators	<u>31.12.2023</u>	<u>30.09.2024</u>
<b>ASSETS</b>		
<b>Fixed assets</b>	<b>34.566.695</b>	<b>35.992.136</b>
<i>Tangible assets</i>	28.360.559	30.673.361
<i>Intangible assets</i>	6.203.136	5.318.775
<i>Financial assets</i>		
<b>Current assets</b>	<b>97.257.465</b>	<b>83.617.554</b>
<i>Stocks</i>	56.340.312	53.574.137
<i>Commercial receivables</i>	39.821.727	28.773.312
<i>Financial assets of which available for sale</i>	14.397	14.397
<i>Cash and cash equivalents</i>	14.397	14.397
<i>Prepayments</i>	779.573	965.472
<i>Prepayments</i>	301.456	290.236
<b>TOTAL ASSETS</b>	<b>131.824.160</b>	<b>119.609.690</b>
<b>OWN CAPITAL AND LIABILITIES</b>		
<b>Own capitals</b>		
<i>Subscribed and paid-up share capital</i>	20.286.865	20.286.865
<i>Other equity items</i>	595.582	563.055
<i>Reserves from reevaluation</i>	26.984.335	26.908.427
<i>Legal reserves</i>	4.057.373	4.057.373
<i>Other reserves</i>	32.978.990	34.473.513
<i>Social Capital Adjustment</i>	89.052.449	89.052.449
<i>Own actions</i>	-	-
<i>Retained earnings (without IAS 29)</i>	7.318.359	7.394.268
<i>Retained earnings (with IAS 29)</i>	-89.052.449	-89.052.449
<i>Current profit</i>	8.746.511	893.972
<i>Profit Distribution</i>	-1.959.762	
<b>Total equity</b>	<b>99.008.253</b>	<b>94.577.473</b>
<b>Long-term debt</b>		
<i>Investment grants</i>	2.171.186	2.101.148
<i>Other long-term debts</i>	8.063	8.465
<i>Long-term provisions</i>		
<b>Total long-term debts</b>	<b>2.179.249</b>	<b>2.109.613</b>
<b>Current debts</b>		
<i>Investment grants</i>	70.389	140.076
<i>Commercial and other debts</i>	8.397.677	8.476.659
<i>Short-term loans</i>	11.185.713	5.133.589
<i>Tax and current tax liabilities</i>	10.982.879	9.172.280
<i>Short-term provisions</i>		
<b>Total current liabilities</b>	<b>30.636.658</b>	<b>22.922.604</b>
<b>Total debts</b>	<b>32.815.907</b>	<b>25.032.217</b>
<b>TOTAL PASSIVE</b>	<b>131.824.160</b>	<b>119.609.690</b>

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

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

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

Elements	30 sept.2023	30 sept. 2024
<b>1. State budget</b>	<b>1.095.158</b>	<b>312.078</b>
- tax on profit	638.861	-
- tax on dividends	-	-
- tax on salaries	293.297	237.449
- the insurance contribution for work	89.699	74.629
- VAT on payment	73.301	-
<b>2. Special fund budgets</b>	<b>422.238</b>	<b>397.449</b>
- CASS	397.635	367.350
- average fund	243	5.650
- solidarity fund for people with disabilities	24.360	24.449
<b>3. Social insurance budgets</b>	<b>1.009.776</b>	<b>835.152</b>
- CAS	1.009.776	835.152
- 0,5% unemployment	-	-
- 0,75% unemployment	-	-
- 0,214% accidents fund	-	-
<b>4 Other taxes, fees, payments</b>	<b>-</b>	<b>-</b>

### 1.b. PROFIT AND LOSS ACCOUNT at 30 september 2024

- lei-

Crt. No.	NAME OF INDICATORS	30.09.2023	30.09.2024
1.	Net turnover of which	125.409.863	107.932.973
	Revenues from the sold production	123.621.157	106.264.535
	Revenues from the sale of goods	2.073.300	1.818.115
	Commercial discounts granted	284.594	149.677
2.	Revenues from stored production	10.769.294	5.533.946
3.	Revenues from the production of fixed assets	84.793	101.701
4.	Revenues from fixed assets intended for sale	-	-
5.	Revenues from operating grants	49.932	-
6.	Other revenues from exploitation	9.685.294	1.000.028
I.	<b>OPERATING INCOME</b>	<b>145.999.176</b>	<b>114.568.648</b>
7.	Expenditure on goods	1.795.530	1.589.535
8.	Material expenses	83.244.469	67.442.851
9.	Expenditure on works and services performed by third parties	5.085.214	5.371.712

10.	Expenses with taxes and fees	981.326	1.094.310
11.	Staff costs	37.176.788	34.456.169
12.	Other operating expenses	2.290.417	648.305
13.	Expenses with depreciation and provisions	2.797.008	2.651.884
14.	OPERATING INCOME	-	-
II.	EXPENSES FOR EXPLOITATION	133.370.752	113.254.766
A.	RESULT FROM EXPLOITATION		
	- PROFIT	12.628.424	1.313.882
	- LOSS		
III.	FINANCIAL REVENUES	843.642	71.571
IV.	FINANCIAL EXPENSES	1.542.891	439.530
B.	FINANCIAL RESULT	(699.249)	(367.959)
V.	EXCEPTIONAL REVENUES		
VI.	EXCEPTIONAL EXPENSES		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL REVENUES	146.842.818	114.640.219
VIII.	TOTAL EXPENSES	134.913.643	113.694.296
D.	GROSS RESULT		
	- PROFIT	11.929.175	945.923
	- LOSS		
	TAX	1.466.276	84.478
E.	REVENUES FROM BENEFIT FROM PROFIT	54.973	32.527
F.	NET RESULT		
	- PROFIT	10.517.872	893.972
	- LOSS		
G.	Number of shares	8.114.746	8.114.746
H.	Output per share	1,296	0,11

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

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

*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 transportation of products.*

*The lack of the possibility of making coherent and correct predictions has 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.

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 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 completion of the processes of privatization in the fields of railway 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 acquisitions, investments, modernizations, 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 30.09.2024 were not audited/reviewed.**

#### SITUATION OF TREASURY FLOWS AT 30 SEPTEMBER 2024

- lei -

<b>INDICATORS LEI (RON)</b>	<b>ACCOMPLISHED 2023</b>	<b>ACCOMPLISHED 30.09.2024</b>
<b>A. LIQUIDITY AT THE BEGINNING OF THE PERIOD</b>	<b>820.842</b>	<b>779.573</b>
In accounts	796.516	719.803
House	8.899	28.457
Other values	10.224	10.211
Cash advances	-	-
Receivables	5.203	21.102
<b>PROCEEDS FROM OPERATING ACTIVITY</b>	<b>230.549.876</b>	<b>141.644.739</b>
Customer collections	180.461.771	114.947.253
Other receipts	50.088.105	26.697.486
<b>PAYMENTS FOR OPERATING ACTIVITY</b>	<b>239.329.988</b>	<b>137.156.672</b>
Pay suppliers	122.045.093	75.279.292
Pay for staff pay	44.781.332	30.258.811
Payments regarding taxes and duties	23.023.395	17.528.216
Tax profit	1.807.437	548.562
Interest payments	888.600	204.441

Other payments	46.784.131	13.337.350
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>-8.780.112</b>	<b>4.488.067</b>
<b>PROCEEDS FROM INVESTMENT ACTIVITY</b>	10.045.398	716.322
Proceeds from the sale of land, fixed assets and intangible assets	10.045.398	716.322
Proceeds from the sale of equity and debt instruments of other companies	-	-
Proceeds from repayment of advances and loans to other parties	-	-
<b>PAYMENTS FROM THE INVESTMENT ACTIVITY</b>	1.306.555	5.018.490
Payments for the acquisition of land, fixed assets and intangible assets	1.306.555	5.018.490
Receipts for the acquisition of equity and debt instruments of other companies	-	-
Advances and loans made to other parties	-	-
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>8.738.843</b>	<b>-4.302.168</b>
<b>PROCEEDS FROM THE FINANCING ACTIVITY</b>	-	-
<b>PAYMENTS FOR THE FINANCING ACTIVITY</b>	-	-
<b>CASH FLOW FROM FINANCING ACTIVITY</b>	-	-
<b>CASH FLOW - TOTAL</b>	<b>-41.269</b>	<b>185.899</b>
<b>B. LIQUIDITIES AT THE END OF THE PERIOD</b>	<b>779.573</b>	<b>965.472</b>
In accounts	719.803	906.370
House	28.457	1.939
Other values	10.211	12.018
Cash advances	-	-
Receivables	21.102	45.145

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

### 2.1. Liquidity indicators

- % -

Crt. No..	Naming of the indicators	Calculation formula	30.09.2023	30.09.2024
1.	Current patrimonial liquidity	[Active circ/DTS]	3,30	3,66
2.	Active liquidity (fast)	[Active circ.-Stocuri]/DTS	122,82%	130,59%
3.	Rotation rate of fixed assets	Turnover / Fixed Assets	3,60	3,00
4.	Rotation speed of Total assets	Turnover / Total Assets	1,01	0,90
5.	Interest Coverage Indicator	Profit before interest payment and profit tax /	16,40	5,63

		Chelt.		
6.	Return on Employee Capital	Profit before interest payments and profit tax / Employee Capital	0,131	0,012
7.	Gross Sales Margin	Gross Profit from Sales / Turnover	10,07%	1,21%

## 2.2 Capital expenditure

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 the income from the basic activity is presented in the following:

## Operating income

- lei-

Elements	30 september 2023	30 september 2024
Production sold	123.621.157	106.264.535
Income from sale of goods	2.073.300	1.818.115
Commercial discounts granted	284.594	149.677
Revenues related to the costs of product stocks	10.769.294	5.533.946
Income from the production of fixed assets	84.793	101.701
Income from fixed assets intended for sale	-	-
Income from operating subsidies	49.932	-
Other operating revenues	9.685.294	1.000.028
<b>Total operating income</b>	<b>145.999.176</b>	<b>114.568.648</b>

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 changes regarding the rights of the holders of securities issued by the commercial company. Thus, the shareholding structure on September 30, 2022 is as follows::

Shareholders	Nominal value per share	Number of shares held	Total value	% of share capital
<b>PAS ARTEGO EMPLOYEES ASSOCIATION</b>	2,50	6.968.820	17.422.050,00	85,8785%
<i>Shareholders of legal entities</i>	2,50	35.659	89.147,50	0,4394%
<i>Individual shareholders</i>	2,50	1.110.265	2.775.662,50	13,6821%
<b>ROMANIAN STATE BY THE AUTHORITY FOR THE ADMINISTRATION OF THE ASSETS OF THE STATE OF BUCHAREST</b>	2,50	2	5	0,0000%
<b>TOTAL</b>	<b>2,50</b>	<b>8.114.746</b>	<b>20.286.865,00</b>	<b>100,000%</b>

#### 4 SIGNIFICANT TRANSACTIONS

*It's not necessary*

#### SC ARTEGO SA Tg-Jiu

Individual Financial Situations

#### SITUATION OF THE FINANCIAL POSITION ON 31.12.2023 and 30.09.2024

*(Amounts are expressed in RON, unless otherwise specified)*

The name of the indicators	<u>31/12/2023</u>	<u>30/09/2024</u>
Active		
Fixed Assets	<b>34,566,695</b>	<b>35,992,136</b>
Tangible assets	28,360,559	30,673,361
Intangible assets	6,206,136	5,318,775
Financial Assets		
<b>Current Assets</b>	<b>97,257,465</b>	<b>83,617,554</b>
Stocks	56,340,312	53,574,137
Trade Receivables	39,821,727	28,773,312
Financial assets of which available for sale	14,397	14,397
Cash and cash equivalents	779,573	965,472
Expenses in advance	301,456	290,236
<b>TOTAL ASSETS</b>	<b>131,824,160</b>	<b>119,609,690</b>
<b>EQUITY AND LIABILITIES</b>		

<b>Own capitals</b>		
Subscribed and paid-up capital	20,286,865	20,286,865
Other elements of equity	595,582	563,055
Reserves from revaluations	26,984,335	26,908,427
Legal reserves	4,057,373	4,057,373
Other reservations	32,978,990	34,473,513
Social Capital Adjustment	89,052,449	89,052,449
Own actions	-	-
Retained earnings (without IAS 29)	7,318,359	7,394,268
Retained earnings (with IAS 29)	-89,052,449	-89,052,449
Current year profit	8,746,511	893,972
Profit sharing	-1,959,762	
<b>Total equity</b>	<b>99,008,253</b>	<b>94,577,473</b>
<b>Long-term debt</b>		
Subsidies for investments	2,171,186	2,101,148
Other long-term liabilities	8,063	8,465
Long term provisions		
<b>Total long-term debt</b>	<b>2,179,249</b>	<b>2,109,613</b>
<b>Current liabilities</b>		
Subsidies for investments	70,389	140,076
Commercial and other debts	8,397,677	8,476,659
Short term loans	11,185,713	5,133,589
Debts from taxes and current charges	10,982,879	9,172,280
Short-term provisions		
<b>Total current liabilities</b>	<b>30,636,658</b>	<b>22,922,604</b>
<b>Total debts</b>	<b>32,815,907</b>	<b>25,032,217</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>131,824,160</b>	<b>119,609,690</b>

## ECONOMIC-FINANCIAL INDICATORS

Name of the indicator	Calculation method	Result
1. Current liquidity indicator	Current assets / current liabilities	119.609.690/22.922.604=5.22
2. The degree of indebtedness indicator	Borrowed capital / equity x 100 Borrowed capital / committed capital x 100	No loans are contracted in one year
3. Flow rotation speed - customers	Average customer balance / turnover x 270	26.065.817/107932.973*270=65.20
4. Rotation speed of fixed assets	Turnover / fixed assets	107.932.973/35.992.136 = 3,00

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

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

Borrowed capital = loans over 1 year

Employee capital = borrowed capital + equity

3. Express the effectiveness of the company in collecting its receivables, respectively the number of days until the date on which the debtors pay their debts to the company.
4. Express the effectiveness of the management of fixed assets, by examining the turnover generated by a certain amount of fixed assets.

## SITUATION OF THE GLOBAL RESULT at 30 september 2024

- lei-

Crt. No.	NAME OF INDICATORS	30.09.2023	30.09.2024
1.	Net turnover of which	125.409.863	107.932.973
	Income from the sold production	123.621.157	106.264.535
	Revenues from the sale of goods	2.073.300	1.818.115
	Commercial discounts granted	284.594	149.677
2.	Income from stored production	10.769.294	5.533.946
3.	Income from the production of fixed assets	84.793	101.701
4.	Income from fixed assets intended for sale	-	-
5.	Income from operating subsidies	49.932	-
6.	Other operating income	9.685.294	1.000.028
I.	<b>OPERATING INCOME</b>	<b>145.999.176</b>	<b>114.568.648</b>
7.	Expenditure on goods	1.795.530	1.589.535
8.	Material expenses	83.244.469	67.442.851
9.	Expenses for works and services performed by third parties	5.085.214	5.371.712

10.	Expenses with taxes and fees	981.326	1.094.310
11.	Personnel expenses	37.176.788	34.456.169
12.	Other operating expenses	2.290.417	648.305
13.	Expenses with depreciation and provisions	2.797.008	2.651.884
14.	Value adjustments regarding current assets	-	-
II.	OPERATING EXPENSES	133.370.752	113.254.766
A.	RESULT FROM EXPLOITATION		
	- PROFIT	12.628.424	1.313.882
	- LOSS		
III.	FINANCIAL INCOME	843.642	71.571
IV.	FINANCIAL EXPENSES	1.542.891	439.530
B.	FINANCIAL RESULT	-699.249	-367.959
V.	EXCEPTIONAL INCOME		
VI.	EXCEPTIONAL EXPENSES		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL REVENUES	146.842.818	114.640.219
VIII	TOTAL EXPENSES	134.913.643	113.694.296
D.	GROSS RESULT		
	- PROFIT	11.929.175	945.923
	- LOSS		
	PROFIT TAX	1.466.276	84.478
E	INCOME FROM DEFERRED PROFIT TAX	54.973	32.527
F.	NET RESULT		
	- PROFIT	10.517.872	893.972
	- LOSS		
G.	Number of shares	8.114.746	8.114.746
H.	The result per action	1,296	0,11

# Statement

In accordance with the provisions of art. 223, point B, paragraph (1), letter c) of Regulation no. 5/2018 regarding issuers and transactions with securities, we declare that, to the best of our knowledge, the financial statements as of September 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.

# Notes to the financial statements

## *For the financial year ended at 30 september 2024*

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

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 main field of activity of the Company has CAEN code 2219 "Manufacture of other rubber products".

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

### **2. Basics of drawing up**

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

The separate financial statements 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 September 30, 2024 in accordance with OMF no. 881/2012.

This order specifies 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**

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

#### **(c) Basis of assessment**

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 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 leu, 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 expressed in foreign currency are recorded in lei at the official exchange rate from the date of settlement of the transactions. The monetary assets and liabilities recorded in foreign currency on the date of preparation of the accounting balance are transformed into the functional currency at the exchange rate of the respective day. The 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 the assets and liabilities monetary items 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 in order 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 September 30, 2024, the Company holds cash and cash equivalents in the amount of 965,472 lei. Cash and cash equivalents are held at the following banks: Unicredit Tiriac, 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 implies the maintenance of sufficient cash and cash equivalents, the availability of financing through appropriate credit facilities. The Company's liquidity policy is to maintain sufficient liquid resources to be able to honor obligations as they come due.

### **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 September 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, so 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.

For the purpose of drawing up the separate financial statements on December 31, 2012, the Company adjusted the share capital (non-monetary element) to be expressed in the current measurement unit 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 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 the following:

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 process 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, that is, it can be separated or divided from the entity and sold, transferred, authorized, leased or exchanged, either individually or together with a corresponding contract, an identifiable asset or an identifiable liability; or arises from contractual or other legal rights, 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**

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 item of tangible fixed assets whose fair value can be reliably assessed is accounted for at a revalued value, this being its fair value at the date of the revaluation minus any subsequently accumulated depreciation and any accumulated impairment losses. The 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 equity in the element "Reserves from revaluation". 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 decrease 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 in the calculation of taxable profit by means of fiscal depreciation or expenses regarding assets sold and/or scrapped, are taxed simultaneously with the deduction of the fiscal depreciation, respectively at the time of deducting from the 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 realized 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 the changes to the share capital under the conditions provided by the legislation in force, only after their approval in the General Meeting of Shareholders and their registration at the Trade 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 the invoices issued by the 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 the cost and the 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. 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-reimbursable funds are recognized as assets when there is a reasonable assurance that they will be received and that the related conditions will be met.

### **Provisions**

A provision is recognized when, and only when, the following conditions are met: The Company has a current obligation (legal and implied) as a result of a past event, it is probable (that is, 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. Values of revenues 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 annual periods starting after January 1, 2012 and were not applied in the preparation of these separate financial statements. None of the new standards are expected to have a significant effect on the Company's financial statements.

*The new standards that are not yet applicable on September 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 as of September 30, 2024**

- lei -

The name of the immobilization element	Gross value				Value adjustments (depreciation and adjustments for depreciation or loss of value)			
	Balance at January 1st 2024	GROWTH	Assignments, transfers and other discounts	Balance at September 30 2024	Balance at January 1st 2024	Adjustments recorded during the exercise	Discounts or reruns	Balance at September 30 2024
0	1	2	3	4=1+2-3	5	6	7	8=5+6-7
A. FIXED ASSETS								
A. 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	951.874	-	23.584.832
4. Goodwill	-	-	-	-	-	-	-	-
5. Advances and intangible assets in progress	-	-	-	-	-	-	-	-
<b>TOTAL:</b>	<b>32.951.613</b>	<b>64.513</b>	<b>-</b>	<b>33.016.126</b>	<b>26.745.477</b>	<b>951.874</b>	<b>-</b>	<b>27.697.351</b>
I. TANGIBLE ASSETS								
1. Lands	11.857.343	-	32.309	11.825.034	133.421	-	-	133.421
2. Constructions	42.543.658	-	150.203	42.393.455	33.087.857	702.707	35.657	33.754.907
3. Technological equipment	45.420.171	4.187.892	105.491	49.502.572	40.542.624	576.498	105.492	41.013.630
4. Measurement, control and adjustment devices and installations	2.274.603	79.966	81.816	2.272.753	2.070.530	67.512	81.816	2.056.226
5. Means of transport	7.197.880	5.394	195.570	7.007.704	5.864.110	314.783	195.569	5.983.324
6. Furniture, equipment, office equipment and other assets	694.245	64.245	3.633	754.857	494.780	38.511	3.633	529.658
7. Advances and tangible assets in progress	565.981	4.011.121	4.188.950	388.152	-	-	-	-
<b>TOTAL:</b>	<b>110.553.881</b>	<b>8.348.618</b>	<b>4.757.972</b>	<b>114.144.527</b>	<b>82.193.322</b>	<b>1.700.011</b>	<b>422.167</b>	<b>83.471.166</b>
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 shares		-	-	-				

<b>TOTAL:</b>		-	-	-	-			
<b>FIXED ASSETS – TOTAL</b>	<b>143.505.494</b>	<b>8.413.131</b>	<b>4.757.972</b>	<b>147.160.653</b>	<b>108.938.799</b>	<b>2.651.885</b>	<b>422.167</b>	<b>111.168.517</b>

### Stocks

On September 30, 2024 compared to December 31, 2023, the stocks are presented as follows:

<b>Elements</b>	<b>31 dec 2023</b>	<b>30 sept. 2024</b>
<b>1. Raw materials and consumables</b>	35.711.144	32.325.438
<b>2. Fixed assets held for sale</b>	50.289	50.289
<b>3. Production in progress</b>	-	-
<b>4. Finished products and goods</b>	20.367.579	19.553.415
<b>5. Advances</b>	211.300	1.644.995
<b>TOTAL</b>	<b>56.340.312</b>	<b>53.574.137</b>

### Customers and assimilated accounts

On September 30, 2024, compared to December 31, 2023, the customers and assimilated accounts are presented as follows:

<b>Elements</b>	<b>31 dec. 2023</b>	<b>30 sept. 2024</b>
<b>1. Commercial debts</b>	26.856.924	22.958.740
<b>2. Advances paid</b>	8.975.105	1.032.912
<b>3. Other claims</b>	3.989.698	4.781.660
<b>TOTAL</b>	<b>39.821.727</b>	<b>28.773.312</b>

In the period 01.01.2024-30.09.2024 the Company recorded exports as follows:

#### **EURO**

ENGLAND	1.950.671,52
AUSTRIA	500.848,29
BELGIUM	129.764,80
BOSNIA	15.491,84
CZECH REPUBLIC	2.652,00
EGYPT	12.900,00
ESTONIA	5.720,37

FINLAND	316.352,03
FRANCE	17.470,00
GERMANY	4.535.596,46
ITALY	260.435,18
LATVIA	4.878,18
NETHERLANDS	1.028.161,80
POLAND	758.976,09
bondage	471.062,83
SLOVAKIA	51.449,20
SPAIN	3.997.539,89
SWEDEN	1.755.694,12
TUNISIA	11.500,00
UKRAINE	61.447,47
HUNGARY	54.360,34
<b>TOTAL</b>	<b>15.942.972,41</b>

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

On September 30, 2024, compared to December 31, 2023, short-term investments are presented as follows:

<b>Elements</b>	<b>31 dec. 2023</b>	<b>30 sept. 2024</b>
<b>Short term investments</b>	14.397	14.397
<b>TOTAL</b>	<b>14.397</b>	<b>14.397</b>

The balance on September 30, 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 has no interests in other companies. In this sense, the company has not received dividends from other companies.

#### **Expenses in advance**

On September 30, 2024, compared to December 31, 2023, the expenses made in advance are presented as follows:

<b>Elements</b>	<b>31 dec. 2023</b>	<b>30 sept. 2024</b>
<b>Expenses in advance</b>	301.456	290.236
<b>TOTAL</b>	<b>301.456</b>	<b>290.236</b>



<b>TOTAL</b>	<b>2,50</b>	<b>8.114.746</b>	<b>20.286.865,00</b>	<b>100,000%</b>
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### *Legal reserves*

The legal reserves amount to 4,057,373 lei on September 30, 2024.

### *Reserves from revaluation*

The revaluation reserve is in the amount of 26,908,427 lei as of September 30, 2024.

### *Other reservations*

On September 30, 2024, compared to December 31, 2023, other reserves register the following levels:

<b>Elements</b>	<b>31 dec. 2023</b>	<b>30 sept. 2024</b>
<b>Other Reserves</b>	32.978.990	34.473.513
<b>Total</b>	<b>32.978.990</b>	<b>34.473.513</b>

### Other elements of equity

On September 30, 2024, the amount of 563,055 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 9 months of 2024.

### Subsidies for investments

The revenues recorded in advance are represented by the subsidies for investments:

<b>Elements</b>	<b>31 dec. 2023</b>	<b>30 sept. 2024</b>
<b>1. Subsidies for investments</b>	2.241.575	2.241.224
<b>Total</b>	<b>2.241.575</b>	<b>2.241.224</b>

### Short term loans

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

<b>Bank</b>	<b>30.09.2023</b>		<b>30.09.2024</b>	
	<b>Approved</b>	<b>Used</b>	<b>Approved</b>	<b>Used</b>
INTESA EUR	2.222.222	2.169.305	2.222.222	145.385
ING BANK EUR	4.250.000	7.783.466	4.250.000	4.988.204

CREDIT EUROPE lei	13.900.000	-	-	-
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***Long term loans***

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

**The result per action**

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

	30 september 2023	30 september 2024
<b>Profit for the period</b>	<b>10.517.872</b>	<b>893.972</b>
The number of ordinary shares at the beginning and end of the period	8.114.746	8.114.746
<b>Basic and diluted result per share (lei/share)</b>	<b>1,296</b>	<b>0,11</b>

**Other taxes and obligations for social security**

Elements	30 september 2023	30 september 2024
<b>1. State budget</b>	<b>1.095.158</b>	<b>312.078</b>
- tax on profit	638.861	-
- tax on dividends	-	-
- tax on salaries	293.297	237.449
- the insurance contribution for the work	89.699	74.629
- VAT on payment	73.301	-
<b>2. Special fund budgets</b>	<b>422.238</b>	<b>397.449</b>
- CASS	397.635	367.350
- average fund	243	5.650
- solidarity fund for people with disabilities	24.360	24.449
<b>33. Social security budgets</b>	<b>1.009.776</b>	<b>835.152</b>
- CAS	1.009.776	835.152

- 0,5% unemployment	-	-
- 0,75% unemployment	-	-
- 0,214% accidents fund	-	-
<b>4 Other taxes, fees, payments</b>	-	-

### **Operating income**

<b>Elements</b>	<b>30 september 2023</b>	<b>30 september 2024</b>
The product sold	123.621.157	106.264.535
Revenues from the sale of goods	2.073.300	1.818.115
Commercial discounts granted	284.594	149.677
Revenues related to product inventory costs	10.769.294	5.533.946
Income from the production of fixed assets	84.793	101.701
Income from fixed assets intended for sale	-	-
Income from operating subsidiaries	49.932	-
Other operating income	9.685.294	1.000.028
<b>Total operating income</b>	<b>145.999.176</b>	<b>114.568.648</b>

### **Operating expenses**

<b>Elements</b>	<b>30 september 2023</b>	<b>30 september 2024</b>
Expenses with raw materials and consumables	67.619.256	57.153.753
Other material expenses	668.949	616.336
Other external expenses (gas, energy and water)	14.958.334	9.679.324
Expenditure on goods	1.795.530	1.589.535
Trade discounts received	2.304	6.733
Personnel expenses of which:	37.176.788	34.456.169
-Salaries and allowances	35.758.076	33.404.566
- Insurance and social protection	1.418.712	1.051.603
Tangible immobilization adjustments from:	2.797.008	2.651.884
-Expenses	2.797.008	2.651.884

-Income	-	-
Current asset adjustments of which:	-	-
-Expenses	-	-
-Income	-	-
Other operating expenses of which:	8.357.191	7.114.498
-Expenses regarding external services	5.085.214	5.371.712
- Expenses with other taxes and fees	981.326	1.094.310
-Expenses related to assets	234	171
assets intended for sale	2.290.417	648.305
<b>Total Operating Expenses</b>	<b>133.370.752</b>	<b>113.254.766</b>

### **Result from exploitation**

<b>Elements</b>	<b>30 september 2023</b>	<b>30 september 2024</b>
Operating result (Profit)	12.628.424	1.313.882
<b>Total Operating Profit</b>	<b>12.628.424</b>	<b>1.313.882</b>

### **Net financial result**

<b>Elements</b>	<b>30 september 2023</b>	<b>30 september 2024</b>
Income from exchange rate differences	843.567	70.897
Interest income	75	39
Other financial income	-	635
<b>Total Financial Income</b>	<b>843.642</b>	<b>71.571</b>
Interest expense	774.814	204.441
Other financial expenses	768.077	235.089
<b>Total Financial Expenses</b>	<b>1.542.891</b>	<b>439.530</b>
<b>Net financial result (Loss)</b>	<b>(699.249)</b>	<b>(367.959)</b>

### **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**

As of September 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

<b>CADASTRAL NO</b>	<b>MORTGAGED PROPERTY (LAND + BUILDINGS) - DESCRIPTION</b>
<b>1315/2/1/1/1/4 CF 41172</b>	<ul style="list-style-type: none"> <li>-1. storage - 254,62 mp (C15);</li> <li>2. toilet -6,30 mp (C16);</li> <li>3. loaded extinguisher station - 56,97 mp (C17);</li> <li>4. workshop - 619,46 mp (C28);</li> <li>5. metrology laboratory - 134,59 mp (C29);</li> <li>6. drinking water station - 99,73 mp (C30);</li> <li>7. drinking water basin - 146,17 mp (C31);</li> <li>8. metal storage - 106,87 mp (C60);</li> <li>9. storage -146,17 mp (C70);</li> <li>10. auto workshop - 359,24 mp (C73);</li> </ul>
<b>1315/2/1/1/1/7 CF 40067</b>	<p><b>land area of 18.910 mp + constructions:</b></p> <ul style="list-style-type: none"> <li>1. cloakroom -199.59 sqm (C54);</li> <li>2. raw material silo - 195.60 sq m (C55);</li> <li>3. mixing workshop and annexes - 437.91 sqm (C58);</li> <li>4. hot water and condensate recirculation station - 48.88 sq m (C57);</li> <li>5. monobloc hall -10,808.88 sqm (C56/2/1);</li> <li>5. warehouse - 2,225.98 sqm (C69).</li> </ul>
<b>1315/2/1/1/1/9 CF 41169</b>	<p><b>-land area of 4.114 mp + constructions:</b></p> <ul style="list-style-type: none"> <li>1. finished warehouse - 657,25 mp (C56/4).</li> </ul>
<b>1315/2/1/1/1/10 CF 41170</b>	<p><b>-land area of 1.575 mp + constructions:</b></p> <ul style="list-style-type: none"> <li>1. Administrative group gate 3 - 123,44 mp (C63).</li> </ul>
<b>1315/2/1/1/1/11 CF41165</b>	<p><b>-land area of 22.150 mp + constructions:</b></p> <ul style="list-style-type: none"> <li>1. monobloc hall - 4.739,39 mp (C56/3);</li> <li>2. storage -95,55 mp (C61);</li> <li>3. rolling bridge - 811,12 mp (C62).</li> </ul>

### **ING BANK**

### - MORTGAGED REAL ESTATE SITUATION -

<b>NR. CADASTRAL</b>	<b>MORTGAGED PROPERTY (LAND + BUILDINGS) - DESCRIPTION</b>
1315/2/1/1/8 CF 39574	- urban land with an area of 531 sqm together with the built construction with an area of 215.14 sqm (commercial space)
4327 CF 47079	-land within the city with an area of 1000 square meters
4296 CF 47074	- urban land with an area of 4,760 sqm together with the built construction with an area of 12.42 sqm (deep well)
3201 CF 39572	- urban land with an area of 10,073.17 square meters
1315/2/1/1/2 CF 40066	-land with an area of 20,616 sq m + buildings: 1. transport lane hall (C56/1).
1315/2/1/1/5 CF 41270	- land with an area of 996 sqm together with a bread workshop (C11/2)
1315/2/1/1/6 CF 41263	-land with an area of 1,063 sqm together with a milk workshop (C11/1), located in Tg Jiu, str. Ciocârlau, no. 38.
68884 CF68884	- 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 CF 47076	- 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 CF39579	- intra-urban land with an area of 5047 sqm together with the tamburi reconditioned section (C59), located in TgJiu, str. Ciocalau, no. 38

### The situation of ongoing litigation

### ARTEGO S.A. – complainant

<b>File no.</b>	<b>Defendant society</b>	<b>Object</b>	<b>Request/ The requested amount</b>	<b>Stage file / Notifications</b>	<b>Stage of file</b>
1	8207/62/2011	CET Brasov	Insolvency procedure	- admission to the credit table of the debtor with the amount of 46,887.93	- ongoing; we were admitted to the credal table with the amount of 46,887.93 lei; continue the bankruptcy procedure

				lei	
2	60833/3/2011	Munplast Bucuresti	Insolvency procedure	- admission to the credit table of the debtor with the amount of 19,457.81 lei	<b>- ongoing;</b> we were admitted to the credal table with the amount of 19,457.81 lei, from which we recovered the amount of 5,000 lei; continue the bankruptcy procedure
3	4163/95/2012	Gastrom Group Targu -Jiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 52,777.37 lei	<b>- ongoing;</b> we were admitted to the credal table with the amount of 52,777.37 lei; continue the bankruptcy procedure
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	<b>- ongoing;</b> we were admitted to the credal table with the amount of 19,946.68 lei; continue the bankruptcy procedure
5	9089/101/2013	Regia Autonoma Pentru Activitati Nucleare Severin	Insolvency procedure	- admission to the credit table of the debtor with the amount of 1,439,815.78 lei	<b>- ongoing;</b> we were admitted to the credal table with the amount of 1,439,815.78 lei; continue the bankruptcy procedure
6	2570/63/2014	Servicii Energetice Oltenia Craiova	Insolvency procedure	- admission to the credit table of the debtor with the amount of 3,188.77 lei	<b>- ongoing;</b> we were admitted to the credal table with the amount of 2,486.37 lei; continue the bankruptcy procedure
7	528/95/2015	Succes Nic Com Targu - Jiu	Insolvency procedure	- admiterea la masa credala a debitoarei cu suma de 34.155,80 lei	<b>- ongoing;</b> - admission to the credit table of the debtor with the amount of 34,155.80 lei
8	2575/85/2015	Ambient Sibiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 1,240.00 lei	<b>- ongoing;</b> we were admitted to the credal table with the amount of 1,240.00 lei; continue the bankruptcy procedure
9	3520/95/2015	Ignifug Prest Targu-Jiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 4,783.92 lei	<b>- ongoing;</b> 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	<b>- ongoing;</b> 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	Installations Revision Utilities For Mining Targu-Jiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 41,307.71 lei	<b>- ongoing;</b> we were admitted to the credal table with the amount of 41,307.71 lei; continue the bankruptcy procedure
12	1248/95/2018	Roads and Bridges Enterprise Targu-Jiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 2,783.39 lei	<b>- ongoing;</b> 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	The Energy Complex Society Hunedoara	Insolvency procedure	- admission to the credit table of the debtor with the amount of 580,000.00 lei	<b>- ongoing;</b> we were admitted to the credal table with the amount of 580,000.00 lei; continue the insolvency procedure (extending the observation period)
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	<b>- ongoing;</b> - court term: - 06.12.2024
15	12171/299/2024	New NCR Reciclare Bucuresti	Low value request	Obliging the defendant to pay the sum of 3,716.00 lei	<b>- ongoing;</b> - by Civil Sentence no. 7114/2024, based on art. 75 para. 1 of Law 85/2024, the court ordered the termination of the case; the sentence can be appealed
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	<b>- ongoing;</b> - court term - 04.11.2024

### **ARTEGO S.A. – DEFENDANT**

File no.	Defendant society	Object	Request/ The requested amount	Stage file / Notifications	Stage of file
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	<b>- ongoing;</b> - Artego S.A. Company declared an appeal against Civil Decision no. 555/28.11.2023, pronounced by the

				(penalty interest)	Craiova Court of Appeal; Deadline for pronouncement: 01.10.2024
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	<b>- ongoing;</b> - 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	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	<b>- ongoing;</b> - court term -: 16.01.2025

### **Affiliated Parties**

The company has no affiliated parties.

### **Subsequent events**

After the preparation of the reports completed on September 30, 2024, there were no events whose effects were significant and would influence the data included 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.



												0	
<b>Totally other elements</b>			<b>12,315,948</b>			<b>6,085,566</b>	<b>12,167,570</b>					<b>1,117,670</b>	<b>4,819,518</b>
<b>Transactions with shareholders recognized directly in equity</b>													
Distribution of dividends							-7,056,259						-7,056,259
<b>Total transactions with the owners</b>							<b>-7,056,259</b>						<b>-7,056,259</b>
<b>Balance on 31 DECEMBER 2023</b>	<b>20,286,865</b>	<b>89,052,449</b>	<b>8,746,511</b>	<b>4,057,373</b>	<b>26,984,335</b>	<b>32,978,990</b>	<b>7,318,359</b>	<b>-89,052,449</b>	<b>0</b>	<b>595,582</b>	<b>0</b>	<b>1,959,762</b>	<b>99,008,253</b>
Sold 01.01.2024	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
<b>Overall result of the period</b>													
The profit of the exercise			893,972										893,972
<b>Other elements of the overall result of which:</b>													
Surplus from the revaluation of tangible assets													
The reduction of the reserve from the revaluation of deferred tax registration						-75,908				-32,527			-108,435
<b>Total other elements of the overall result</b>						<b>-75,908</b>				<b>-32,527</b>			<b>-108,435</b>
<b>Total global result of the period</b>			<b>893,972</b>			<b>-75,908</b>				<b>-32,527</b>			<b>785,537</b>
<b>Other elements</b>													
Resumption of the revaluation reserve to the carried forward result							75,909						75,909
Increasing the legal reserve													
<b>Other elements</b>			<b>-8,746,511</b>			<b>1,494,523</b>	<b>5,292,226</b>					<b>1,959,762</b>	
<b>Totally other elements</b>			<b>-8,746,511</b>			<b>1,494,523</b>	<b>5,368,135</b>					<b>1,959,762</b>	<b>75,909</b>
<b>Transactions with shareholders recognized directly in equity</b>													
Distribution of dividends							-5,292,226						-5,292,226
<b>Total transactions with the owners</b>							<b>-5,292,226</b>						<b>-5,292,226</b>
<b>Balance on 30 SEPTEMBER 2024</b>	<b>20,286,865</b>	<b>89,052,449</b>	<b>893,972</b>	<b>4,057,373</b>	<b>26,908,427</b>	<b>34,473,513</b>	<b>7,394,268</b>	<b>-89,052,449</b>	<b>0</b>	<b>563,055</b>	<b>0</b>	<b>0</b>	<b>94,577,473</b>