

SC ARTEGO SA

Explanatory notes prepared

on December 31, 2023 and December 31, 2024

(*all amounts are in RON, unless otherwise specified*)

Notes to the financial statements

For the financial year ended December 31st , 2024

1. The reporting entity

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

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

According to the statute, the main field of activity of the Company has the CAEN code 2219 “Manufacture of other rubber products”.

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

2. Basics of drawing up

(a) Declaration of conformity

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) adopted by the European Union and in accordance with the provisions of OMFP 2844/2016 as subsequently amended and supplemented.

The company applies the International Financial Reporting Standards as approved by the European Union when preparing the separate financial statements concluded on December 31, 2024 in accordance with OMF no. 881/2012. This order specifies that starting with the financial year 2012, the annual financial statements will be prepared in accordance with IFRS, this order being applicable to companies whose securities are admitted to trading on a regulated market.

The Company's accounting records are kept in RON, in accordance with the Romanian Accounting Regulations (“RCR”). These accounts have been restated to reflect the differences between the RCR and IFRS accounts. Accordingly, the RCR accounts have been adjusted, if necessary, to harmonize these separate financial statements in all material respects. , with IFRS.

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(b) Presentation of financial statements

Separate financial statements are presented in accordance with the requirements of IAS 1 “Presentation of Financial Statements”.

(c) Basis of evaluation

The separate financial statements are prepared at historical cost, except for certain classes of property, plant and equipment that are revalued.

The share capital is adjusted according to the International Accounting Standard (“SIC”) 29 (“Financial Reporting in Hyperinflationary Economies”) until 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 income statement, considering that these methods of presentation provide information that is credible and more relevant than that which 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 fluctuations", is RON or RON. The separate financial statements are presented in RON, rounded to the nearest leu, the currency that the Company's management has chosen as the presentation currency.

(e) Use of estimates and judgments

The preparation of the financial statements in accordance with IFRS adopted by the European Union involves the use by management of estimates, judgments and assumptions that affect the application of accounting policies and the reported value of assets, liabilities, income and expenses. The estimates and assumptions associated with these estimates are based on historical experience as well as other factors considered reasonable in the context of these estimates. The results of these estimates form the basis of judgments regarding the carrying amounts of assets and liabilities that cannot be obtained from other sources of information. The results obtained may differ from the estimated values.

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

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

3. Significant accounting policies

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

(a) Subsidiaries and associates

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

The company does not own associates.

(b) Foreign currency transactions

Transactions denominated in foreign currency are recorded in RON at the official exchange rate from the settlement date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the exchange rate on that day. Gains or losses on their settlement and conversion using the exchange rate at the end of the month or at the end of the financial year of monetary assets and liabilities denominated in foreign currency are recognized in the profit and loss account.

The exchange rates of the main foreign currencies were:

| Currency | 31 dec.2020 | 31 dec.2021 | 31dec.2022 | 31.12.2023 | 31.12.2024 |
|----------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| Euro (EUR) | 4,8694 | 4,9481 | 4,9474 | 4,9746 | 4,9741 |
| Dollar (USD) | 3,9660 | 4,3707 | 4,6346 | 4,4958 | 4,9951 |
| Pound sterling (GBP) | 5,4201 | 5,8994 | 5,5878 | 5,7225 | 4,7768 |

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c) Financial Instruments

Financial risk management

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

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

Interest rate risk

The Company's operating cash flows are affected by changes in interest rates, mainly due to foreign currency loans contracted at the financing banks. The cash risk determined by the interest rate is the risk that the interest, and ,therefore the expense with it, will fluctuate.

Currency risk

The company may be exposed to exchange rate fluctuations in cash and cash equivalents , receivables or trade payables denominated in foreign currency. The currency used on the domestic market is the Romanian leu. The company is exposed to currency risk in cash and cash equivalents, acquisitions and loans made in a currency other than that used on the domestic market. The currencies that expose the Company to this risk are mainly EUR , USD, and GBP. Foreign currency loans are subsequently expressed in RON, at the exchange rate on the last banking day of each month, communicated by the National Bank of Romania. The resulting differences are included in the profit and loss account.

Credit risk

Credit risk is the risk that the Company will incur a financial loss due to the breach of contractual obligations by a client or a counterparty to a financial instrument, and this risk results mainly from trade receivables and cash and cash equivalents.

At December 31st, 2024, the company holds cash and cash equivalents in the amount of 7.309.228 RON. Cash and cash equivalents are held by the banks,from which we list: Unicredit Tiriac, BRD, Intesa, ING Bank, Credit Europe,Raiffeisen.

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Liquidity risk

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

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

Fair value of financial instruments

Fair value is the amount at which financial instruments can be exchanged in ordinary transactions, other than those determined by liquidation or forced sale. Fair values are derived from quoted market prices or cash flow patterns as appropriate. As at December 31st , 2024 , cash and other cash, customers and similar accounts, trade payables and other payables are approaching their actual value due to their short maturity. Management considers that the estimated value of these instruments is close to their carrying amount.

Capital risk management

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

Accounting for the effect of hyperinflation

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

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

The continuous decrease of the inflation rate and other factors related to the characteristics of the Romanian economic environment indicate that the economy whose functional currency was adopted by the Company has ceased to be hyperinflationary, with effect on financial periods starting with January 1st, 2004. Therefore, the provisions of IAS 29, were adopted in the preparation of the separate financial statements until December 31st, 2003.

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

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For the purpose of preparing the separate financial statements as of December 31st, 2012, the Company adjusted the share capital (non-monetary item) to be expressed in the current unit of measurement as of December 31st, 2003.

Tangible fixed assets

Property, plant and equipment are assets that: are held by an entity for use in the production of goods or services, leased to third parties or used for administrative purposes, and are used for a period of more than one year. .

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

Valuation of fixed assets at the balance sheet date is made at cost, less accumulated depreciation and amortization, or at revalued amount, which is the fair value at the date of revaluation, less any subsequent accumulated depreciation and any subsequent accumulated impairment losses.

Amortization periods are as follows:

| | |
|--------------------------------|-------------|
| Buildings and constructions | 40-60 years |
| Equipment | 15-40 years |
| Means of transport | 5-8 years |
| Office furniture and equipment | 3-5 years |

Intangible assets

An intangible asset is an identifiable , non-monetary asset with no material support and held for use in the production or supply of goods or services, for leasing to third parties or for administrative purposes.

An intangible asset meets the criteria to be identifiable when:

- it is separable, ie it can be separated or divided by the entity and sold, transferred, authorized, leased or exchanged, either individually or together with a corresponding contract, an identifiable asset or an identifiable liability; or arises from contractual or other legal rights, whether those rights are transferable or separable from the entity or other rights and obligations

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Intangible assets acquired by the Company are presented at cost, less accumulated depreciation and provision for impairment of intangible assets. Depreciation is recognized in profit or loss account on a straight-line basis over the estimated useful lives of intangible assets.

Receivables

Receivables are initially recorded at the invoiced value and subsequently those in foreign currency are valued at the exchange rate communicated by the National Bank of Romania on the last banking day of the month, at the set deadline. A provision for impairment is established when there is clear evidence that the receivables will not be collected on time.

Inventories

Stocks consist of:

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

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

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

Cash availability

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

Revaluation reserves

After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably is recognized at revalued value, which is its fair value at the date of revaluation less any subsequent amortization and any accumulated impairment losses. It is done with sufficient regularity to ensure that the carrying amount does not differ materially from that which would have been determined by using fair value at the balance sheet date.

If the carrying amount of an asset is increased as a result of a revaluation, this increase must be recorded directly in equity in the "Revaluation reserves" item. However, the increase is recognized in profit or loss to the extent that it offsets a decrease in the revaluation of the same asset previously recognized in profit or loss.

If the carrying amount of an asset is diminished as a result of a revaluation, that reduction is recognized in profit or loss. However, the decrease must be debited directly from equity in the "Revaluation reserves" item to the extent that there is a credit balance in the revaluation surplus for this asset.

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

As of May 1, 2009, statutory reserves from the revaluation of fixed assets, including land, made after January 1, 2004, which are deducted from the calculation of taxable profit through tax depreciation or expenses on assigned and / or discarded assets, are taxed at the same time as the deduction of the fiscal depreciation, respectively at the moment of the decrease from the inventory of these fixed assets.

The statutory reserves from the revaluation of fixed assets, including land, made until December 31, 2003 plus the portion of the revaluation made after January 1, 2004 for the period up to April 30, 2009, will not be taxed at the time of transfer to reserves representing the surplus from revaluation reserves.

The realized reserves are taxed in the future, in case of modification of the destination of the reserves in any form, in case of liquidation, merger, including its use to cover accounting losses, except for the transfer after May 1, 2009, of reserves related to valuations made after January 1, 2004 , which are taxed at the same time as the tax depreciation deduction.

Social capital

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

Dividends

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

Suppliers and similar accounts

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

Loans

Loans are initially recognized at fair value, excluding trading costs. After initial recognition, loans are recorded at amortized cost, any difference between cost and repayment amount being recognized in profit or loss account during the period of the loan.

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Income tax

Income tax expense includes current tax and deferred tax. Current tax and deferred tax are recognized in the profit and loss account unless they are recognized directly in equity or in other elements of global result.

Current tax

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

Deferred tax

Deferred tax is recognized for temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the tax base used to calculate the tax.

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

Employee Benefits

Short-term employee benefits

Short-term benefit obligations are measured without being updated and are recognized as an expense as the services are provided. A provision is recognized at the estimated amount to be paid for short-term benefits in the form of bonuses or employee participation in profit, only if the Company has a present, legal or implied obligation to pay this amount for past services provided by employees. , and this obligation can be estimated at fair value. The benefits of short-term employees are mainly represented by salaries.

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

Financing costs

The company does not capitalize on borrowing costs because it does not have long-term loans.

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

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Grants

Grants are initially recognized as income recorded in advance at fair value when there is reasonable assurance that they will be received and the Company will comply with the terms of the grants, and are then recognized in profit or loss account as other income over the life of the asset to which it relates. Grants are related to assets. Non-reimbursable funds are recognized as assets when there is a reasonable assurance that they will be received and that the related conditions will be met..

Provisions

A provision is recognized when, and only when, the following conditions are met: The Company has a current obligation (legal and implied) as a result of a past event, it is probable (i.e., more likely than not) that an outflow of resources economic benefits are necessary for the settlement of the obligation, when a correct estimate can be made regarding the amount of the obligation.

The result per share

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

The weighted average number of shares outstanding during the year represents the number of shares at the beginning of the period, adjusted by the number of shares issued, multiplied by the number of months in which the shares were outstanding during the year.

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

Quotas

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

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

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Segment reporting

A segment is a distinct component of the Company that provides certain products or services (business segment) or provides products or services in a particular geographic environment (geographic segment) and that is subject to risks and benefits other than those of other segments.

The company carries out its operations in a single location in Romania. The Company's management considers the operations as a whole as "a single segment".

Operational segments are consistently examined by the entity's principal operational decision-maker in order to make decisions about the allocation of resources by segment and to evaluate its performance, and for which separate financial information is available.

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

The deliveries made by the Company during 2024, internally ,amounted to 49.665.335 RON, of which the main clients are:

| | |
|---------------------------------|----------------|
| Complexul Energetic Oltenia | 18.518.976 lei |
| Apenin Tg Jiu | 3.142.258 lei |
| CET Govora | 3.119.327 lei |
| Holcim Romania Bucuresti | 2.188.342 lei |
| CNCFR Bucuresti | 1.372.101 lei |
| DVM Prest Craiova | 1.082.555 lei |
| Elastimpex Tg Jiu | 588.475 lei |
| Cerulex Craiova | 572.071 lei |
| Arte Rubber Distribution Tg Jiu | 507.549 lei |
| Comar Trust Albota | 441.204 lei |
| Kaufland Bucuresti | 429.212 lei |
| Romcim Bucuresti | 400.203 lei |

Between January 1st, 2024 and December 31st, 2024, the Company recorded exports as follows:

| | | |
|----------------------------|-----------------------------------|------------|
| Total Livrari la Export | 20.346.915 EURO (101.217.678 RON) | din care : |
| Outside the European Union | 3.485.643 EURO | |

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Inside the European Union 16.861.272 EURO

The main products manufactured by the Company are : /

Conveyor Belts with Textile Insert for General Use;
Antistatic and Flame Resistant Conveyor belts with Textile Inserts;
Antistatic and Flame Resistant Textile Insert Conveyor Belts for Underground;
General Purpose Metal Insert Conveyor Belts ;
Antistatic and Flame Resistant Metal Insert Conveyor Belts ;
Reconditioning Used Drums;
Technical Sheets and Carpets;
Car accessories;
Profiled Gaskets;
Lined linings;
Elastic Couplings;
O-rings, etc.

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

The new standards and interpretations as approved by the European Union

A number of new standards, amendments to standards and interpretations are applicable to annual periods beginning after January 1, 2012 and have not been applied in the preparation of these separate financial statements. None of the new standards is expected to have a material effect on the Company's financial statements.

New standards not yet applicable as of December 31, 2024

International Accounting Standard (IAS) 19 (2011) Employee benefits (in force for periods beginning on or after 1 January 2013).

This amendment is not relevant to the Company's financial statements, as the Company's current policy is to immediately recognize gains and losses in the profit and loss account.

The Company does not apply IFRS 10 Consolidated Financial Statements, IFRS 11 Common Liabilities or IFRS 12 Presentation of Interest in Other Entities.

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Fixed assets 2024

NOTE 1

- RON -

| Name of the asset | Gross Amount | | | | Value adjustments (depreciation and amortization or impairment) | | | |
|--|-----------------------------------|------------------|--|---------------------------------|--|--|-------------------------|---------------------------------|
| | Balance at 1st January 2024 | Increments | Assignments, transfers and other reductions | Balance at 31st Dec. 2024 | Balance at 1st January 2024 | Adjustments recorded during the year | Discounts or resumes | Balance at 31st Dec. 2024 |
| 0 | 1 | 2 | 3 | 4=1+2-3 | 5 | 6 | 7 | 8=5+6-7 |
| A. FIXED ASSETS | | | | | | | | |
| I. INTANGIBLE ASSETS | - | - | - | - | - | - | - | - |
| 1. Formation expenses | | | | | | | | |
| 2. Development costs | 4.112.519 | - | - | 4.112.519 | 4.112.519 | - | - | 4.112.519 |
| 3. Concessions, patents, licenses and other fixed assets | 28.839.094 | 267.674 | 11.600 | 29.095.168 | 22.632.958 | 1.248.688 | 11.600 | 23.870.046 |
| 4. Commercial fund | - | - | - | - | - | - | - | - |
| 5. Advances and intangible assets in progress | - | - | - | - | - | - | - | - |
| TOTAL: | 32.951.613 | 267.674 | 11.600 | 33.207.687 | 26.745.477 | 1.248.688 | 11.600 | 27.982.565 |
| II. TANGIBLE FIXED ASSETS | | | | | | | | |
| 1. Land | 11.857.343 | | 32.941 | 11.824.402 | 133.421 | | - | 133.421 |
| 2. Constructions | 42.543.658 | 47.647 | 163.367 | 42.427.938 | 33.087.857 | 936.389 | 43.054 | 33.981.192 |
| 3. Technological equipment | 45.420.171 | 4.350.715 | 168.396 | 49.602.490 | 40.542.623 | 821.968 | 168.396 | 41.196.195 |
| 4. Measuring, controlling and regulating apparatus and installations | 2.274.603 | 85.849 | 143.878 | 2.216.574 | 2.070.530 | 90.402 | 143.878 | 2.017.054 |
| 5. Means of transport | 7.197.880 | 50.962 | 294.136 | 6.954.706 | 5.864.111 | 403.838 | 294.136 | 5.973.813 |
| 6. Furniture, appliances, office supplies and other assets | 694.245 | 67.019 | 62.512 | 698.752 | 494.780 | 52.643 | 59.276 | 488.147 |
| 7. Advances and tangible fixed assets in progress | 565.981 | 4.323.943 | 4.429.704 | 461.220 | - | | | |
| TOTAL: | 110.553.881 | 8.926.135 | 5.293.934 | 114.186.082 | 82.193.322 | 2.305.240 | 708.740 | 83.789.822 |
| III. FINANCIAL ASSETS | | | | | | | | |
| 1. Equity securities held in group companies | - | - | - | - | - | - | - | - |
| 2. Claims on group companies | - | - | - | - | - | - | - | - |
| 3. Securities in the form of participation interests | - | - | - | - | - | - | - | - |
| 4. Receivables from participation interests | - | - | - | - | - | - | - | - |
| 5. Securities held as fixed assets | - | - | - | - | - | - | - | - |
| 6. Other receivables | - | - | - | - | - | - | - | - |
| 7. Owned actions | - | - | - | - | - | - | - | - |
| TOTAL: | - | - | - | - | - | - | - | - |

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| | | | | | | | | |
|-----------------------------|--------------------|------------------|------------------|--------------------|--------------------|------------------|----------------|--------------------|
| FIXED ASSETS - TOTAL | 143.505.494 | 9.193.809 | 5.305.534 | 147.393.769 | 108.938.799 | 3.553.928 | 720.340 | 111.772.387 |
|-----------------------------|--------------------|------------------|------------------|--------------------|--------------------|------------------|----------------|--------------------|

The fixed assets from the company's patrimony are depreciated using the straight-line method. The last revaluation was performed at the end of 2012 by the authorized valuator ANEVAR, which modified the gross book value of the asset, after revaluation, using the proportional treatment of the accumulated depreciation. On December 31, 2024, the buildings were evaluated to determine the taxable amount.

Provisions for risks and expenses

NOTE 2

-RON-

| Provision name | Balance at January 1st,2024 | Transfers | | Balance at December 31,2024 |
|--|--------------------------------|----------------|------------------|--------------------------------|
| | | in the account | from the account | |
| 0 | 1 | 2 | 3 | 4=1+2-3 |
| Provisions for Depreciation of receivables - customers | 1.811.458 | 2.097.317 | - | 3.908.775 |
| Provisions for Depreciation of receivables - miscellaneous debtors | | - | - | - |

NOTE 3

Distribution of profit on 31.12.2024

- RON -

| Profit destination | The amount |
|--|------------|
| Net profit to be distributed: | |
| -reinvested profit | |
| - coverage of the accounting loss resulting from corrections | |
| - legal reserve | |
| - dividends | |
| - other reserves | |
| - NON-SHARED PROFIT | - |

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Analysis of the operating result

NOTE NO. 4

RON

| Indicator | Previous year – 2023 | Current year – 2024 |
|--|----------------------|---------------------|
| 0 | 1 | 2 |
| 1. Net turnover | 162.994.877 | 144.842.306 |
| 2. The cost of goods sold and services rendered (3 + 4 + 5 + 6), of which: | 154.689.991 | 138.408.968 |
| 3. Expenses of the basic activity | 87.495.270 | 80.174.161 |
| 4. Expenditure on auxiliary activities | 27.827.561 | 22.882.072 |
| 5. Indirect production costs | 36.374.017 | 32.622.990 |
| 6. Expenditure on sold goods and packaging | 2.993.143 | 2.729.745 |
| 7. Gross turnover (1-2) | 8.304.886 | 6.433.338 |
| 8. Sales expenses | 3.515.131 | 3.639.745 |
| 9. General administrative expenses | 2.781.021 | 2.525.543 |
| 10. Other operating income | 23.147.167 | 12.920.378 |
| 11. Expenditure related to other operating income | 14.638.226 | 11.238.127 |
| 12. Total operating income (1 + 10) | 186.142.044 | 157.762.684 |
| 13. Total operating expenses (2 + 8 + 9 + 11) | 175.624.369 | 155.812.383 |
| 14. Operating profit (12-13) | 10.517.675 | 1.950.301 |

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Statement of receivables and payables

NOTE 5

- RON -

| Receivables | Balance at December 31, 2024 (col. 2 + 3) | Liquidity term | |
|----------------------------|---|-------------------|-------------|
| | | under 1 year | over 1 year |
| 0 | 1 | 2 | 3 |
| Total from which: | 19.119.474 | 19.119.474 | - |
| Suppliers - debtors | 16.974 | 16.974 | - |
| Customers | 17.384.230 | 17.384.230 | - |
| Other receivables | 1.718.270 | 1.718.270 | - |

-RON-

| Payables | Balance at December 31, 2024 (col. 2 + 3 + 4) | Due date | | |
|---|--|-------------------|--------------|--------------|
| | | under 1 year | 1-5 years | over 5 years |
| 0 | 1 | 2 | 3 | 4 |
| Total from which: | 19.580.270 | 19.571.805 | 8.465 | - |
| 1 . The state budget | 609.151 | 609.151 | - | - |
| - tax | 102.958 | 102.958 | - | - |
| - tax on dividends | 77.848 | 77.848 | - | - |
| - income tax from salaries | 325.600 | 325.600 | - | - |
| - VAT payable | - | - | - | - |
| - 2.25% insurance contribution for The Work | 102.745 | 102.745 | - | - |
| 2.Special funds budget | 25.900 | 25.900 | - | -- |
| - environment fund | 6.123 | 6.123 | - | - |
| - solidarity fund for people with disabilities | 19.777 | 19.777 | - | - |
| 3. Social security budgets | 1.636.592 | 1.636.592 | - | - |
| - CAS | 1.148.878 | 1.148.878 | - | - |
| - CASS | 487.714 | 487.714 | -- | - |
| 4. Other taxes, fees, payments | - | - | - | - |
| 5. Other loans and similar liabilities - leasing | - | - | - | - |

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| | | | | |
|---|------------------|------------------|--------------|---|
| 6. Interest on other loans and similar liabilities - leasing | - | - | - | - |
| 7. Staff – due salaries | 983.794 | 983.794 | - | - |
| 8. Staff - sick leave | - | - | - | - |
| 9. Uncollected personnel rights | - | - | - | - |
| 10. Deductions from salaries due to third parties | 52.654 | 52.654 | - | - |
| 11. Referall handlers guarantees | 8.465 | - | 8.465 | |
| 12. VAT not required | 28.912 | 28.912 | | |
| 13. Various creditors | 253.473 | 253.473 | - | - |
| 14. Dividends | 6.201.210 | 6.201.210 | - | - |
| 15. Credits | - | - | - | - |
| 16 Suppliers | 9.433.146 | 9.433.146 | - | - |
| 17. Creditor customers | 342.711 | 342.711 | - | - |
| 18. Payable interest | 4.262 | 4.262 | - | - |
| 19. Long-term loans | - | - | - | - |

Inventories

At 31st December , 2024 , compared to December 31, 2023, the stocks are as follows:

| Elements | 31 dec 2023 | 31 dec 2024 |
|---|--------------------|--------------------|
| 1. Raw materials and consumables | 35.711.144 | 29.616.696 |
| 2. Fixed assets held for sale | 50.289 | 50.289 |
| 3. Production in progress | - | - |
| 4. Finished products and goods | 20.367.579 | 22.057.442 |
| 5. Advances | 211.300 | 178.168 |
| TOTAL | 56.340.312 | 51.902.595 |

The output valuation method used by the Company is the FIFO method.

The company has stocks pledged on account of debts. Inventories are reflected in the company's records at their acquisition cost, which includes the purchase price, import duties and other irrecoverable taxes, transportation, handling and other costs that can be directly attributed.

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Clients and similar accounts

At 31st December , 2024, compared to December 31, 2023, customers and similar accounts are as follows:

| Elements | 31 dec 2023 | 31 dec 2024 |
|-----------------------------|--------------------|--------------------|
| 1. Trade receivables | 26.856.924 | 17.578.910 |
| 2. Advances paid | 8.975.105 | 16.974 |
| 3. Other receivables | 3.989.698 | 1.523.590 |
| TOTAL | 39.821.727 | 19.119.474 |

The deliveries made by the Company during 2024, internally, amounted to 49.665.335 RON , of which the main clients are:

| | |
|---------------------------------|----------------|
| Complexul Energetic Oltenia | 18.518.976 lei |
| Apenin Tg Jiu | 3.142.258 lei |
| CET Govora | 3.119.327 lei |
| Holcim Romania Bucuresti | 2.188.342 lei |
| CNCFR Bucuresti | 1.372.101 lei |
| DVM Prest Craiova | 1.082.555 lei |
| Elastimpex Tg Jiu | 588.475 lei |
| Cerulex Craiova | 572.071 lei |
| Arte Rubber Distribution Tg Jiu | 507.549 lei |
| Comar Trust Albota | 441.204 lei |
| Kaufland Bucuresti | 429.212 lei |
| Romcim Bucuresti | 400.203 lei |

Between January 1st, 2024 and December 31st, 2024 , the Company recorded exports as follows:

Total Export deliveries 20.346.915 **EURO** (101.217.678 RON) din care :

Outside the European Union 3.485.643 EURO

Inside the European Union 16.861.272 EURO

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EURO

| | |
|---------------------|---------------|
| ANGLIA | 2.469.368,23 |
| AUSTRIA | 558.248,29 |
| BELGIA | 160.761,89 |
| BOSNIA &HERZEGOVINA | 21.556,08 |
| BULGARIA | 7.930,8 |
| CEHIA | 2.652,00 |
| EGIPT | 12.900,00 |
| ESTONIA | 5.720,37 |
| FINLANDA | 370.606,23 |
| FRANTA | 42.314,85 |
| GERMANIA | 5.916.642,65 |
| IRLANDA | 21.776,00 |
| ITALIA | 291.357,88 |
| LATVIA | 4.878,18 |
| OLANDA | 1.425.064,83 |
| POLONIA | 874.001,35 |
| SERBIA | 829.069,22 |
| SLOVACIA | 77.849,20 |
| SPANIA | 4.750.093,44 |
| SUEDIA | 2.264.111,00 |
| TUNISIA | 11.500,00 |
| UCRANIA | 141.249,47 |
| UNGARIA | 87.262,60 |
| TOTAL | 20.346.914,56 |

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Financial assets available for sale

At 31st December , 2024 , compared to December 31, 2023, short-term investments are as follows:

| Elements | 31 dec.2023 | 31 dec. 2024 |
|-------------------------------|--------------------|---------------------|
| Short-term investments | 14.397 | 14.397 |
| TOTAL | 14.397 | 14.397 |

The balance on December 31, 2024 in the amount of 14,397 RON is represented by the equivalent value of the shares acquired in the previous years from IFB Invest Tg-Jiu.

The share of short-term investments in the company's capital is insignificant.

The company has no interests in other companies. In this sense, the Company did not receive dividends from other companies.

Prepayments

At 31st December , 2024 , compared to December 31, 2023, the expenses incurred in advance are as follows:

| Elements | 31 dec. 2023 | 31 dec. 2024 |
|--------------------|---------------------|---------------------|
| Prepayments | 301.456 | 201.916 |
| TOTAL | 301.456 | 201.916 |

The balance on December 31, 2024 in the amount of 201.916 RON, represents expenses incurred in advance for: insurance in favor of banks for loans, car RoVignettes, professional training courses, rents paid in advance for renting various equipment.

Cash and cash equivalents

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At 31st December, 2024, compared to December 31, 2023, cash and cash equivalents are as follows:

| Elements | 31 dec 2023 | 31 dec 2024 |
|--|----------------|------------------|
| Current accounts with banks and deposits | 719.803 | 7.244.640 |
| Cash RON | 28.457 | 6.317 |
| Currency cash | | |
| Other cash equivalents | 31.313 | 58.271 |
| TOTAL | 779.573 | 7.309.228 |

Social capital

As of December 31, 2024 and December 31, 2023, the social 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 share capital is as follows:

| | |
|--|---------------------------|
| Social capital (nominal value) | 20.286.865 |
| Differences related to restatement according to SIC 29 | 89.052.449 |
| Balance of social capital (restated) | <u>109.339.314</u> |

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

The shareholding structure as of December 31, 2024 is as follows:

| Shareholders | Nominal value per share | Number of shares held | Total amount | % of share capital |
|---|-------------------------|-----------------------|---------------|--------------------|
| PAS ARTEGO EMPLOYEES ASSOCIATION | 2,50 | 6.968.820 | 17.422.050,00 | 85,8785% |

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(all amounts are in RON, unless otherwise specified)

| | | | | |
|--|-------------|------------------|----------------------|-----------------|
| Individuals _ | 2,50 | 1.110.265 | 2.775.662.50 | 13,6821% |
| Legal entities | 2,50 | 35.659 | 89.147.50 | 0,4394% |
| 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% |

Legal reserves

The legal reserves are in amount of 4.057.373RON at December 31, 2024. The company transferred to the legal reserve 5% of the annual accounting profit (Law 571/2003) the cumulative balance reaching 20% of the paid-in share capital.

Revaluation reserves

The revaluation reserve is in the amount of 26.898.248 RON on December 31,2024.

Other reserves

At 31st December , 2024 , compared to December 31, 2023, other reserves have the following levels:

| Elements | 31 dec.2023 | 31 dec.2024 |
|-----------------------|--------------------|--------------------|
| Other Reserves | 32.978.990 | 35.620.669 |
| Total | 32.978.990 | 35.620.669 |

Other equity items

As of December 31, 2024, the amount of 555.214 RON is represented by the deferred tax related to revaluations on balance made after January 1, 2004, diminished by deferred tax related to the amortization of the revaluation recorded on costs in the 12 months of 2024.

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Subventii pentru investitii

The income recorded in advance is represented by the subsidies received for investments as non-refundable for a project carried out with the Ministry of Energy and records the following decreasing levels until the full depreciation of the objective put into operation, as follows:

| Elements | 31 dec. 2023 | 31 dec.2024 |
|-----------------------------|---------------------|--------------------|
| 1. Investment grants | 2.241.575 | 2.191.979 |
| Total | 2.241.575 | 2.191.979 |

Short-term loans

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

| | 31.12.2023 | | | 31.12.2024 | |
|-------------------|-------------------|-------------|----------------------|-------------------|-------------|
| | Approved | Used | | Approved | Used |
| The bank | | | The bank | | |
| ING BANK(SGB)lei | 5.000.000 | 1.421.041 | ING BANK(SGB)RON | 5.000.000 | 1.059.404 |
| INTESA EUR | 2.222.222 | - | INTESA EUR | 500.000 | - |
| ING BANK EUR | 4.250.000 | 1.889.009 | ING BANK EUR | 4.250.000 | - |
| CREDIT EUROPE lei | 13.900.000 | 1.788.651 | CREDIT EUROPE RON | - | - |

Long-term loans

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

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The result per share

At December 31, 2024 compared to December 31 , 2023, the result per share is:

| | 31 dec. 2023 | 31 dec. 2024 |
|--|------------------|------------------|
| Profit for the period | 8.746.511 | 1.332.223 |
| Number of ordinary shares at beginning and end of the period | 8.114.746 | 8.114.746 |
| Basic and diluted result per action (RON / share) | 1,08 | 0,16 |

Dividends

According to the GMS Decision of 28.03.2024 the amount of 5.292.226 RON was distributed to dividends due to shareholders for 2022, returning a net dividend of 0.6 RON per share.

Other taxes and obligations for the state budget and social insurance

| Elements | 31 dec.2023 | 31 dec.2024 |
|----------------------------|------------------|----------------|
| 1. The state budget | 2.420.680 | 609.151 |
| - tax | 464.084 | 102.958 |
| - income tax from salaries | 323.967 | 325.600 |
| -dividend tax | 56.857 | 77.848 |
| - VAT payable | 1.474.984 | - |

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| | | |
|---------------------------------------|------------------|------------------|
| -2.25% CAM | 100.788 | 102.745 |
| 2. Special funds budgets | 31.948 | 25.900 |
| - environment fund | 24.767 | 19.777 |
| - solidarity fund for disabled people | 7.181 | 6.123 |
| 3. Social security budgets | 1.578.339 | 1.636.592 |
| - CAS | 1.130.961 | 1.148.878 |
| - CASS | 447.378 | 487.714 |
| 4. Other taxes, fees, payments | - | - |

Income tax

The current and deferred profit tax of the Company for the year 2024 and 2023 is determined at a statutory rate of 16%, being in force in the financial year 2024 and 2023 respectively.

Income tax expense for the year 2024 and 2023 is as follows:

| | 2023 | 2024 |
|---|-------------|-------------|
| Current profit tax | 994.872 | 187.436 |
| Deferred income tax | | |
| Total | 994.872 | 187.436 |
| <i>Reconciling the effective tax rate</i> | 2023 | 2024 |
| Profit before profit tax | 9.675.544 | 1.479.291 |
| Income tax at the statutory rate of 16% | 1.548.087 | 236.686 |
| The effect of non-deductible expenses | 178.645 | 193.485 |
| The effect of non-taxable income | | |

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| | | |
|-----------------------------|----------------|----------------|
| Taxable revaluation reserve | | |
| Legal reserve | | |
| Deferred tax reversal | | |
| Other effects | -731.860 | -242.735 |
| Total | 994.872 | 187.436 |

Operating income

| Elements | 31 dec. 2023 | 31 dec. 2024 |
|-------------------------------------|--------------------|--------------------|
| Sold production | 160.875.965 | 142.941.901 |
| Income from sale of goods | 2.814.174 | 2.445.657 |
| Commercial discounts granted | 695.262 | 545.252 |
| Revenue from stock of products cost | 12.530.099 | 10.982.605 |
| Income from fixed assets production | 334.336 | 424.279 |
| Income from fixed assets for sale | - | - |
| Income from operating grants | 49.932 | - |
| Other operating revenues | 10.232.800 | 1.513.494 |
| Total operating income | 186.142.044 | 157.762.684 |

In accordance with the provisions of IAS 18 Revenue, income must:

- be valued at the fair value of the consideration received or receivable;
- take into account the value of any commercial discounts and quantitative discounts allowed;
- the difference between the fair value and the nominal value of the consideration must be recognized as interest income;
- the exchange of goods and services, is not a transaction that generates income, and as such each transaction must be recognized separately;

- in most cases the transfer of risks and benefits coincides with the transfer of title or the transfer of assets to the buyer;

- if the entity retains significant risks related to the property, the transaction does not represent a sale and the income is not recognized;

- if an entity retains only an insignificant risk arising from the property right, then the respective transaction represents a sale, and the income is recognized;

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- when there is an uncertainty related to the collection of an amount that cannot be collected, it will be recognized as an expense rather than as an adjustment of the value of the initially recognized income;
- income and expenses related to the same transaction or other event are recognized simultaneously, this process being commonly referred to as the correlation of income with expenses .

Operating expenses

| Elements | 31 dec. 2023 | 31 dec. 2024 |
|--|---------------------|---------------------|
| Expenditures on raw materials and consumables | 88.518.242 | 79.855.429 |
| Other material expenses | 818.709 | 847.198 |
| Other external expenses (energy, water, natural gas) | 19.074.149 | 13.193.132 |
| Expenditure on goods | 2.426.142 | 2.130.738 |
| Trade discounts received | 4.933 | 9.818 |
| Staff costs of which: | 50.446.924 | 47.148.474 |
| -Salaries and allowances | 48.499.542 | 45.599.565 |
| -Insurance and social protection | 1.947.382 | 1.548.909 |
| Tangible assets adjusting including: | 3.720.036 | 3.553.929 |
| - Expenses | 3.720.036 | 3.553.929 |
| -Income | - | - |
| Current asset adjustments of which: | - | - |
| - Expenses | - | - |
| -Income | - | - |
| Other operating expenses of which: | 10.625.100 | 9.093.301 |
| Expenditure on external services | 6.749.337 | 6.821.338 |
| Expenses with other taxes and fees | 1.325.170 | 1.468.965 |
| Expenses on fixed assets for sale | 271 | 422 |
| Other expenses | 2.550.322 | 802.576 |
| Total Operating Expenses | 175.624.369 | 155.812.383 |

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Operating result

| Elements | 31 dec. 2023 | 31 dec. 2024 |
|-------------------------------|---------------------|---------------------|
| Operating profit (Profit) | 10.517.675 | 1.950.301 |
| Total operating profit | 10.517.675 | 1.950.301 |

Net financial result

| Elements | 31 dec. 2023 | 31 dec. 2024 |
|---------------------------------------|---------------------|---------------------|
| Income from exchange rate differences | 893.639 | 96.066 |
| Interest income | 89 | 53 |
| Other financial incomes | - | 635 |
| Total Financial Income | 893.728 | 96.754 |
| Interest charges | 888.600 | 253.767 |
| Other financial expenses | 847.259 | 313.997 |
| Total Financial Expenses | 1.735.859 | 567.764 |
| Net financial result (Loss) | -842.131 | -471.010 |

Provisions

During 2024, the Company had set up provisions for uncertain customers, having a balance in the amount of 3.908.775 RON ,as of December 31,2024.

Fiscal legislative framework

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The legislative -fiscal framework in Romania and its implementation in practice changes frequently and is the subject of different interpretations by various control bodies. Profit tax returns are subject to review and correction by the tax authorities, generally for a period of five years from the date of their completion. Management considers that it has adequately recorded the tax liabilities in the accompanying financial statements, however, the risk persists that the tax authorities may take different positions on the interpretation of these issues. Their impact could not be determined at this time.

GUARANTEES

As of December 31, 2024, the company has mortgaged the following assets in favor of the financing banks to which it has committed credit lines as follows:

ING BANK

MORTGAGE REAL ESTATE SITUATION -

| NO. CADASTRAL | MORTGAGED PROPERTY (LAND + CONSTRUCTIONS) - DESCRIPTION |
|------------------------------------|---|
| 1315/2/1/1/8 CF 39574 | - urban land with an area of 531 sqm together with the built-up area with an area of 215.14 sqm (commercial space) |
| 4327 CF 47079 | - urban land with an area of 1000 sqm |
| 4296 CF 47074 | - urban land with an area of 4760 sqm together with the built-up area with an area of 12.42 sqm (deep well) |
| 1315/2/1/1/2 CF 40066 RANG I | -land with an area of 20,616 sqm + constructions: 1.Conveyor belts 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 diary workshop (C11 / 1), located in Tg Jiu, str. Ciocârlău, no. 38. |

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| | |
|--|--|
| <p>68884 CF 68884</p> | <p>-urban land with an area of 13,234 sq m + buildings: 1.warehouse - 81 sq m (C1) 3.industrial hall - 120 sq m (C2); 4.warehouse - 485 sq m (C3); 5.warehouse - 111 sq m (C4); 6.warehouse - 361 sq m (C5); 7-warehouse - 45 sq m (C6).</p> |
| <p>1315/2/1/1/1/6 CF 47076</p> | <p>- urban land with an area of 6,843 sqm + constructions: 1st workshop - 651.14 sqm (C18) 2nd workshop - 626.59 sqm (C19) 3. school laboratory -384.47 sqm (C20) 4. bathroom - 12.93 sqm (C21) 5.basin -88.76 mp (C22) 6.basin- 26.3 sqm (C23) 7. warehouse (C58) 8. car body workshop - 359,245 sqm (C73)</p> |
| <p>1315/2/1/1/9 CF39579</p> | <p>-urban land with an area of 5047 sqm together with the drum reconditioning section (C59), located in Tg Jiu, Ciocarlau Street, no. 38</p> |

Affiliated parties

The company has no affiliated parties .

The status of ongoing litigation

ARTEGO S.A. – plaintiff

| <p>Crt. No.</p> | <p>Folder No.</p> | <p>Defendand company</p> | <p>Object</p> | <p>Request/ The requested amount</p> | <p>File status / Remarks</p> |
|------------------------|--------------------------|---------------------------------|-------------------------------|---|---|
| <p>1</p> | <p>8207/62/2011</p> | <p>CET Brasov</p> | <p>Insolvency proceedings</p> | <p>- the admission to the creditor's table of the debtor with the amount of 46,887.93 RON</p> | <p>- in progress; We were admitted to the credit table with the amount of 46,887.93 RON; continue bankruptcy proceedings</p> |

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| | | | | | |
|---|---------------|---|------------------------|---|--|
| 2 | 60833/3/2011 | Munplast Bucuresti | Insolvency proceedings | - the admission to the creditor's table of the debtor with the amount of 19,457.81 RON | - in progress; We were admitted to the credit table with the amount of 19,457.81 RON, from which we recovered the amount of 5,000 RON; continue bankruptcy proceedings |
| 3 | 4163/95/2012 | Gastrom Group Targu -Jiu | Insolvency proceedings | - the admission to the creditor's table of the debtor with the amount of 52,777.37 she | - in progress; We were admitted to the credit table with the amount of 52,777.37 RON; continue bankruptcy proceedings |
| 4 | 887/90/2013 | Oltchim Ramnicu-Valcea | Insolvency proceedings | - the admission to the creditor's table of the debtor with the amount of 19,946.68 RON | - in progress; We were admitted to the credit table with the amount of 19,946.68 RON; continue bankruptcy proceedings |
| 5 | 9089/101/2013 | Regia Autonoma Pentru Activitati Nucleare Severin | Insolvency proceedings | - the admission to the creditor's table of the debtor with the amount of 1,439,815.78 RON | - in progress; We were admitted to the credit table with the amount of 1,439,815.78 RON; continue bankruptcy proceedings |
| 6 | 2570/63/2014 | Servicii Energetice Oltenia Craiova | Insolvency proceedings | - the admission to the creditor's table of the debtor with the amount of 3,188.77 RON | - in progress; We were admitted to the credit table with the amount of 2,486.37 RON; continue bankruptcy proceedings |
| 7 | 528/95/2015 | Succes Nic Com Targu - Jiu | Insolvency proceedings | - the admission to the creditor's table of the debtor with the amount of 34,155.80 RON | - in progress; we were admitted to the credit table with the amount of 34,155.80 RON; the procedure of judicial reorganization continues |
| 8 | 2575/85/2015 | Ambient Sibiu | Insolvency proceedings | - the admission to the creditor's table of the debtor with the amount of 1,240.00 RON | - in progress; We were admitted to the credit table with the amount of 1,240.00 RON; continue bankruptcy proceedings |
| 9 | 3520/95/2015 | Ignifug Prest Targu-Jiu | Insolvency proceedings | - the admission to the creditor's table of the debtor with the amount of 4,783.92 | - in progress; We were admitted to the credit table with the amount of 4,783.92 RON; continue bankruptcy proceedings |

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| | | | | RON | |
|----|----------------|---|------------------------|---|--|
| 10 | 1396/90/2016 | CET Govora | Insolvency proceedings | - the admission to the creditor's table of the debtor with the amount of 1,665,256.19 RON | - in progress; We were admitted to the table with the amount of 1,665,256.19 RON; the procedure of judicial reorganization continues |
| 11 | 5114/95/2016 | Instalatii Revizii Utilitati Pentru Minerit Targu-Jiu | Insolvency proceedings | - the admission to the creditor's table of the debtor with the amount of 41,307.71 RON | - in progress; We were admitted to the table with the amount of 41,307.71 RON; continue bankruptcy proceedings |
| 12 | 1248/95/2018 | Intreprinderea de Drumuri si Poduri Targu-Jiu | Insolvency proceedings | - the admission to the creditor's table of the debtor with the amount of 2,783.39 RON | - in progress; We were admitted to the table with the amount of 2,783.39 RON, of which I recovered the amount of 1,391.39 RON; continue bankruptcy proceedings |
| 13 | 5075/97/2016 | Societatea Complexul Energetic Hunedoara | Insolvency proceedings | - the admission to the creditor's table of the debtor with the amount of 580,000.00 RON | - in progress; We were admitted to the creditor's table with the amount of 580,000.00 RON ; continue the insolvency proceedings |
| 14 | 10007/3/2024 | New NCR Reciclare Bucuresti | Insolvency proceedings | - the admission to the creditor's table of the debtor with the amount of 3.716,00 RON | - in progress; - court term -- 24.03.2025 |
| 15 | 8105//318/2022 | Trașcă Corneliu | Real estate claim | Obliging the defendant to leave us in full ownership and peaceful possession of a plot of land with an area of 250 square meters. | - in progress; - court term -- 14.03.2025 |

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| | | | | | |
|----|----------------|------------------------|-----------------|---|---|
| 16 | 21586/318/2024 | Wellhidromix Targu-Jiu | low value claim | Obliging the defendant to pay us the amount of 1000 RON | - in progress; a trial date will be set |
|----|----------------|------------------------|-----------------|---|---|

ARTEGO S.A. – defendant

| Crt. No. | File No. | Plaintiff | Object | Request/ The requested amount | File status / Observations |
|-----------------|-----------------|------------------|----------------------|--|---|
| 1 | 2341/95/2024 | Cirstoiu Maria | The obligation to do | Obligation of the Company Artego S.A. to issue a certificate stating that during the period 01.04.2001 - 03.11.2005 it worked under special working conditions | - in progress ; Court term : 16.01.2025 |

Subsequent events

Following the reporting on December 31, 2024, there were no significant events that would have affected the data contained in the current financial statements

SC ARTEGO SA

Explanatory notes prepared

on December 31, 2023 and December 31, 2024

(*all amounts are in RON, unless otherwise specified*) _____

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

SC ARTEGO SA operates, is managed and organized according to the provisions of Law 31/1990 republished regarding the commercial companies.

Being a joint stock company, it is led 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.

In 2024, the supervision of the company's management was performed by an audit firm.

The members of the Board of Directors were remunerated in 2024 as follows:

1. Executive member with a gross monthly compensation according to the Management Contract of 30,000 lei until 23.10.2024, respectively 35,000 lei starting with 24.10.2024.

2. A non-executive member with a gross monthly compensation of 13,000 lei until 23.10.2024, respectively 15,000 lei from 24.10.2024 and a non-executive member with a gross monthly compensation according to the Management Contract of 11,000 lei until 23.10.2024, respectively 13,000 lei from 24.10.2024.

SC ARTEGO SA Tg Jiu, at the end of 2024, had no contractual obligations regarding the payment of pensions to former directors and administrators.

During 2024, SC ARTEGO SA did not grant advances and loans to directors and administrators.

The average number of employees for 2024 was of 523 employees.

During 2024, SC ARTEGO SA paid salaries in the amount of 41.334.235 RON, and the expenses with insurance and social protection were in the amount of 1.548.909 RON.

SC ARTEGO SA Tg Jiu granted for its staff during the year 2024 meal vouchers in the total amount of 4.265.330 RON.

SC ARTEGO SA

Explanatory notes prepared

on December 31, 2023 and December 31, 2024

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ANALYSIS OF THE MAIN ECONOMIC-FINANCIAL INDICATORS IN 2024

Liquidity indicators

1. Current liquidity indicator

$$\frac{\text{Current assets}}{\text{current debts}} = \frac{78.345.694}{19.571.805} = 4,00$$

2. Immediate liquidity

$$\frac{\text{Current assets - Stocks}}{\text{current debts}} = \frac{78.345.694 - 51.902.595}{19.571.805} * 100 = \frac{26.443.099}{19.571.805} * 100 = 135.11\%$$

Activity indicators

1. Rotation speed of tangible assets

$$\frac{\text{Turnover}}{\text{Tangible assets}} = \frac{144.842.306}{35.621.382} = 4,07$$

2. Rotation speed of total assets

$$\frac{\text{Turnover}}{\text{Total assets}} = \frac{144.842.306}{114.168.992} = 1,27$$

Risk indicators

a) Interest coverage indicator

SC ARTEGO SA

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$$\frac{\text{Profit before interest and income tax}}{\text{interest expenses}} = \frac{1.773.426}{253.767} = 6,99$$

Profitability indicators

a) Return of employed capital

$$\frac{\text{Profit before interest and income tax}}{\text{Employed capital}} = \frac{1.773.426}{92.396.743} = 0,02$$

b) Gross sales margin

$$\frac{\text{Gross profit from sales}}{\text{Turnover}} \times 100 = \frac{1.950.301}{144.842.306} = 1,35\%$$

SC ARTEGO SA

Explanatory notes prepared

on December 31, 2023 and December 31, 2024

(*all amounts are in RON, unless otherwise specified*) _____

Other information

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

SC ARTEGO SA is a joint stock company with entirely private capital, the majority shareholder being the Employees Association “PAS ARTEGO” which on 31.12.2024 holds 85.8785% of the share capital.

When determining the profit tax , the provisions of Law 227/2015 with the subsequent amendments and GD 1/2016 for the approval of the Methodological Norms for the application of Law 227/2015 regarding the fiscal code are taken into account, of which:

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

General Manager,

Eng. Viorel David

Economic Department,
