

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

Report date: 30.06.2025

S.C. ARTEGO S.A TG-JIU

Head office: Strada Ciocarlau no.38, Tg-Jiu

Telephone number: 0253/226066, fax: 0253/226066

Unique registration code at the Trade Register Office: 2157428

Order number at the Trade Register: J 1991001120187

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

Regulated market on which the issued securities are traded: BVB Bucharest

ECONOMIC AND FINANCIAL SITUATION

1.a. ANALYSIS BASED ON BALANCE SHEET ELEMENTS

Name of indicators	<u>31.12.2024</u>	<u>30.06.2025</u>
ASSETS		
Fixed assets	35.621.382	34.387.330
<i>Tangible assets</i>	30.396.260	29.561.060
<i>Intangible assets</i>	5.225.122	4.826.270
<i>Financial assets</i>		
Current assets	78.547.610	84.454.919
<i>Stocks</i>	51.902.595	49.473.676
<i>Commercial receivables</i>	19.119.474	21.455.119
<i>Financial assets of which</i>	14.397	14.397
<i>available for sale</i>	14.397	14.397
<i>Cash and cash equivalents</i>	7.309.228	13.336.218
<i>Prepayments</i>	201.916	175.509
TOTAL ASSETS	114.168.992	118.842.249
OWN CAPITAL AND LIABILITIES		
Own capitals		
<i>Subscribed and paid-up share capital</i>	20.286.865	20.286.865
<i>Other equity items</i>	555.214	533.571

<i>Reserves from reevaluation</i>	26.898.248	26.879.550
<i>Legal reserves</i>	4.057.373	4.057.373
<i>Other reserves</i>	35.620.669	33.892.038
<i>Own actions</i>	-	-
<i>Social Capital Adjustment</i>	89.052.449	89.052.449
<i>Reported result (without IAS 29)</i>	4.793.307	3.569.968
<i>Reported result (with IAS 29)</i>	-89.052.449	-89.052.449
<i>Current profit</i>	1.332.223	-1.065.819
<i>Profit Distribution</i>	-1.147.156	-
<i>Total own capitals</i>	92.396.743	88.153.546
<i>Long-term debt</i>		
<i>Investment grants</i>	2.052.075	1.982.123
<i>Other long-term debts</i>	8.465	8.661
<i>Long-term provisions</i>	-	-
<i>Total long-term debts</i>	2.060.540	1.990.784
<i>Current debts</i>		
<i>Investment grants</i>	139.904	139.904
<i>Commercial and other debts</i>	9.775.857	11.093.039
<i>Short-term loans</i>	-	5.264.213
<i>Tax and current tax liabilities</i>	9.795.948	12.200.763
<i>Short-term provisions</i>	-	-
<i>Total current debts</i>	19.711.709	28.697.919
<i>Total debts</i>	21.772.249	30.688.703
<i>TOTAL PASSIVE</i>	114.168.992	118.842.249

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

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

Elements	30 june2024	30 june 2025
1. State budget	408.255	294.565
- tax on profit	84.478	-
- tax on dividends	-	-
- tax on salaries	247.693	226.178
- the insurance contribution for work	76.084	68.387
- VAT on payment	-	-
2. Special fund budgets	398.080	364.969
- CASS	376.574	341.675
- average fund	633	6.668
- solidarity fund for people with disabilities	20.873	16.626
3. Social security budgets	851.766	771.262
- CAS	851.766	771.262
4. Other taxes, fees, payments	-	-

11.b. PROFIT AND LOSS ACCOUNT

at 30 june 2025

- lei-

Nr. Crt.	NAME OF INDICATORS	30.06.2024	30.06.2025
1.	Net turnover of which	71.001.198	67.469.779

	Revenues from the sold production	69.862.625	66.788.402
	Revenues from the sale of goods	1.249.504	761.674
	Commercial discounts granted	(110.931)	(80.297)
2.	Revenues from stored production	6.536.769	2.266.425
3.	Revenues from the production of fixed assets	118.708	218.979
4.	Revenues from fixed assets intended for sale	-	-
5.	Revenues from operating grants	-	-
6.	Other revenues from exploitation	776.625	380.275
I.	REVENUES FROM EXPLOITATION	78.433.300	70.335.458
7.	Expenditures on goods	1.089.421	657.713
8.	Material expenditures	46.772.889	44.027.002
9.	Expenditures on works and services performed by third parties	3.541.194	3.033.678
10.	Expenses with taxes and fees	736.824	684.592
11.	Staff costs	23.509.411	21.440.364
12.	Other expenses with exploitation	416.606	222.986
13.	Expenses with depreciation and provisions	1.778.841	1.815.391
II.	EXPENSES FOR EXPLOITATION	77.845.186	71.881.726
A.	RESULT FROM EXPLOITATION		
	- PROFIT	588.114	-
	- LOSS	-	1.546.268
III.	FINANCIAL REVENUES	53.077	703.292

IV.	FINANCIAL EXPENSES	232.038	244.486
B.	FINANCIAL RESULT	(178.961)	458.806
V.	EXCEPTIONAL REVENUES	-	-
VI.	EXCEPTIONAL EXPENSES	-	-
C.	EXCEPTIONAL RESULT (LOSS)	-	-
VII.	TOTAL REVENUES	78.486.377	71.038.750
VIII	TOTAL EXPENSES	78.077.224	72.126.212
D.	GROSS RESULT		
	- PROFIT	409.153	-
	- LOSS		1.087.462
	TAX	84.478	-
E	REVENUES FROM BENEFIT FROM PROFIT	21.685	21.643
F.	NET RESULT		
	- PROFIT	346.360	-
	- LOSS		1.065.819
G.	Number of shares	8.114.746	8.114.746
H.	Output per share	0,043	-

Economic, financial and market activity of SC ARTEGO SA

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

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

For our Company, the effects of the economic crisis can be felt most easily through a depreciation of the national currency in relation to the currencies with which we work, through delays in the supply of raw materials, in the production, delivery and transport of products.

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

Under these conditions, the stages involved in renegotiating commercial contracts with some companies in the aforementioned sectors were difficult and lasted much longer than the initially estimated time, which left its mark on the decrease in the volume of orders for specific products and implicitly on the level of sales.

The late approval of the budgets for 2025 related to economic operators in the mining and energy sectors, the postponement of the launch of public procurement procedures, the reduction of funds allocated to these procurements, all of these led to the reduction of the possibility of obtaining a large volume of orders and level of sales that would have been the result of winning tenders.

At the same time, the unfair competition encountered in some tenders led either to an increase in the duration of the award of contracts, with the time needed to resolve the complaints, or to the loss of the tenders, given that the contracting authorities continued to opt for the award criterion "the lowest price", which led to the relegation of quality criteria to a secondary level. This aspect of the price level as the sole award criterion produces both the favoring of the presence on the market of products of a dubious quality level, and the diminution of the company's market share in the related niches. On the other hand, in the field of electricity distribution, for the acquisition of specific products, a series of additional criteria to the legal conditions met may be found in the award documentation, relating to the component of the eligibility and/or qualification documents (environment, occupational health and safety, etc.), the specific and differentiated technical conditions of the products, the required delivery terms, the methods of making the imposed payments, ultimately representing barriers that lead to the impossibility of participation and ultimately to the decrease in the sales potential to these organizations.

In another vein, the turbulences of the economic environment also adversely affect the possibilities of making payments by customers, with long delays in the terms of collecting money corresponding to the deliveries made, which leads to the negative impact on cash flows and the possibilities of making payments to suppliers on time.

For the next period, the market evolution will be influenced by the impact that the measures that will be taken starting with July 2025 at the macroeconomic level (increase in natural gas prices, evolution of fuel prices, evolution of the leu/euro exchange rate, the development and/or completion of privatization processes in the fields of rail and air transport, expected organizational developments in the energy field, the insolvency status of some organizations in the energy and petrochemical fields) will have on the dynamics of acquisitions, investments, modernizations, maintenance. Therefore, taking into account all these aspects, if the general evolution of the Romanian economy will experience relative stability, it is possible to maintain, in the short and medium term, the existing situation, in terms of sales levels and productive activity, while continuing, on the other hand, 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 available reductions as far as possible to differentiate

We note that the financial statements prepared on 30.06.2025 were not audited/reviewed.

CASH FLOW STATEMENT
as of 30 june 2025

- lei -

INDICATORS LEI (RON))	ACHIEVED AN 2024	ACHIEVED AN 30.06.2025
A. LIQUIDITY AT THE BEGINNING OF THE PERIOD	779.573	7.309.228
In accounts	719.803	7.244.640
Cash	28.457	6.317
Other Values	10.211	6.135
Treasury advances	-	-
Values to receive	21.102	52.136
REVENUE FROM OPERATING ACTIVITIES	189.128.013	101.690.964
Customer encashments	157.452.550	68.592.116
Other encashments	31.675.463	33.098.848
PAYMENT FOR THE EXPLOITATION ACTIVITY	178.309.443	95.724.122
Provider payments	97.611.933	48.176.277
Payments for staff	41.323.370	18.767.782
Payments on taxes and fees	22.391.517	9.791.209
Tax / Advantage	548.562	102.958

Interest payments	253.767	44.014
Other payments	16.180.294	18.841.882
CASH FLOW FROM OPERATING ACTIVITY	10.818.570	5.966.842
INCOME FROM THE INVESTMENT ACTIVITY	951.405	157.376
Proceeds from the sale of land, fixed assets and intangible assets	951.405	157.376
Proceeds from the sale of equity instruments and receivables of other enterprises	-	-
Receipts from the repayment of advances and loans to other parties	-	-
PAYMENTS FROM THE INVESTMENT ACTIVITY	5.240.320	97.228
Payments for the acquisition of land, fixed assets and intangible assets	5.240.320	97.228
Receipts for the acquisition of equity instruments and receivables of other enterprises	-	-
Advances and loans made to other parties	-	-
CASH FLOW FROM INVESTMENT ACTIVITY	-4.288.915	60.148
RECEIPTS FROM THE FINANCING ACTIVITY	-	-
PAYMENTS FOR FINANCING ACTIVITY	-	-
CASH FLOW FROM FINANCING ACTIVITY	-	-
CASH FLOW - TOTAL	6.529.655	6.026.990
B. CASH FLOWS AT THE END OF THE PERIOD	7.309.228	13.336.218
In accounts	7.244.640	607.461
Cash	6.317	3.556
Other Values	6.135	12.550.754

Treasury advances	-	7.000
Values to receive	52.136	167.447

2. ANALYSIS OF THE ACTIVITY OF THE COMMERCIAL COMPANY

2.1. *Liquidity indicators*

- % -

Nr. Crt.	Name of indicators	Calculation formula	30.06.2024	30.06.2025
1.	Current patrimonial liquidity	[Active circ./DTS]	3,27	2,95
2.	Active liquidity (fast)	[Active circ.-Stocks]/DTS	126,18	121,88
3.	Rotational speed of immobilized assets	Turnover/Fixed Assets	1,98	1,96
4.	Turnover speed of Total assets	Turnover/ Total Assets	0,58	0,57
5.	Interest Coverage Indicator	Profit before payment of interest and profit tax/Expenses. With Interest	4,54	1
6.	Return on Capital Employed	Profit before the payment of interest and profit tax/Employed Capital	0,006	-
7.	Gross Margin from Sales	Gross Profit from Sales/Turnover	0,83%	-

2.2 . Capital Expenditures

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

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

Operating income

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Elements	30 june 2024	30 june 2025
Production sold	69.862.625	66.788.402
Income from sale of goods	1.249.504	761.674
Commercial discounts granted	(110.931)	(80.297)
Revenues related to the costs of product stocks	6.536.769	2.266.425
Income from the production of fixed assets	118.708	218.979
Income from fixed assets intended for sale	-	-
Income from operating subsidies	-	-
Other operating revenues	776.625	380.275
Total operating income	78.433.300	70.335.458

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, there were no cases recorded in which the company was unable to honor its obligations to third parties, even if in some situations payments were made late..

3.2 During the analyzed period, there were no changes regarding the rights of the holders of securities issued by the company. The shareholding structure as of June 30, 2025 is as follows:

Shareholders	Nominal value per share	Number of shares held	Total value	% of the social capital
ASSOCIATION OF THE EMPLOYEES PAS ARTEGO	2,50	6.968.820	17.422.050,00	85,8784%
Other legal entities	2,50	35.649	89.122,50	0,4393%
Other individuals	2,50	1.110.275	2.775.687,50	13,6823%
THE ROMANIAN STATE THROUGH THE AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS	2,50	2	5,00	0,0000%
TOTAL	2,50	8.114.746	20.286.865,00	100,000%

CASH FLOW STATEMENT AS OF 30 June 2025

INDICATORS	ACHIEVED AN 2024	ACHIEVED 30.06.2025
LEI (RON)		

A. LIQUIDITY AT THE BEGINNING OF THE PERIOD	779.573	7.309.228
In accounts	719.803	7.244.640
Cash	28.457	6.317
Other Values	10.211	6.135
Treasury advances	-	-
Values to receive	21.102	52.136
REVENUE FROM OPERATING ACTIVITIES	189.128.013	101.690.964
Customer encashments	157.452.550	68.592.116
Other encashments	31.675.463	33.098.848
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Payments on taxes and fees	22.391.517	9.791.209
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Interest payments	253.767	44.014
Other payments	16.180.294	18.841.882
CASH FLOW FROM OPERATING ACTIVITY	10.818.570	5.966.842
INCOME FROM THE INVESTMENT ACTIVITY	951.405	157.376
Proceeds from the sale of land, fixed assets and intangible assets	951.405	157.376
Proceeds from the sale of equity instruments and receivables of other enterprises	-	-
Receipts from the repayment of advances and loans to other	-	-

parties		
PAYMENTS FROM THE INVESTMENT ACTIVITY	5.240.320	97.228
Payments for the acquisition of land, fixed assets and intangible assets	5.240.320	97.228
Receipts for the acquisition of equity instruments and receivables of other enterprises	-	-
Advances and loans made to other parties	-	-
CASH FLOW FROM INVESTMENT ACTIVITY	-4.288.915	60.148
RECEIPTS FROM THE FINANCING ACTIVITY	-	-
PAYMENTS FOR FINANCING ACTIVITY	-	-
CASH FLOW FROM FINANCING ACTIVITY	-	-
CASH FLOW - TOTAL	6.529.655	6.026.990
B. CASH FLOWS AT THE END OF THE PERIOD	7.309.228	13.336.218
In accounts	7.244.640	607.461
Cash	6.317	3.556
Other Values	6.135	12.550.754
Treasury advances	-	7.000
Receivables	52.136	167.447

Individual Financial Statements

SITUATION OF THE FINANCIAL POSITION AT 31.12.2024 and 30.06.2025

(Amounts are expressed in RON unless otherwise stated)

Name of indicators	<u>31/12/2024</u>	<u>30/06/2025</u>
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ASSETS		
Fixed assets		
	35,621,382	34,387,330
<i>Tangible assets</i>	30,396,260	29,561,060
<i>Intangible assets</i>	5,225,122	4,826,270
<i>Financial assets</i>		
Current assets	78,547,610	84,454,919
<i>Stocks</i>	51,902,595	49,473,676
<i>Commercial receivables</i>	19,119,474	21,455,119
<i>Financial assets of which available for sale</i>	14,397	14,397
	14,397	14,397
<i>Cash and cash equivalents</i>	7,309,228	13,336,218
<i>Prepayments</i>	201,916	175,509
TOTAL ASSETS	114,168,992	118,842,249
OWN CAPITAL AND LIABILITIES		
Own capitals		
<i>Subscribed and paid-up share capital</i>	20,286,865	20,286,865
<i>Other equity items</i>	555,214	533,571
<i>Reserves from reevaluation</i>	26,898,248	26,879,550
<i>Legal reserves</i>	4,057,373	4,057,373
<i>Other reserves</i>	35,620,669	33,892,038
<i>Own actions</i>	-	-
<i>Social Capital Adjustment</i>	89,052,449	89,052,449
<i>Reported result (without IAS 29)</i>	4,793,307	3,569,968
<i>Reported result (with IAS 29)</i>	-89,052,449	-89,052,449
<i>Current profit</i>	1,332,223	-1,065,819
<i>Profit Distribution</i>	-1,147,156	-
Total own capitals	92,396,743	88,153,546
Long-term debt		
<i>Subsidies for investments</i>	2,052,075	1,982,123
<i>Other long-term liabilities</i>	8,465	8,661
<i>Long term provisions</i>		
Total long-term debt	2,060,540	1,990,784

Current liabilities		
<i>Subsidies for investments</i>	139,904	139,904
<i>Commercial and other debts</i>	9,775,857	11,093,039
<i>Short term loans</i>		5,264,213
<i>Debts from taxes and current charges</i>	9,795,948	12,200,763
<i>Short-term provisions</i>		
Total current liabilities	19,711,709	28,697,919
Total debts	21,772,249	30,688,703
TOTAL EQUITY AND LIABILITIES	114,168,992	118,842,249

SITUATION OF THE GLOBAL RESULT

at 30 june 2025

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Crt. No.	NAME OF INDICATORS	30.06.2024	30.06.2025
1.	Net turnover of which	71.001.198	67.469.779
	Revenues from the sold production	69.862.625	66.788.402
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4.	Revenues from fixed assets intended for sale	-	-
5.	Revenues from operating grants	-	-
6.	Other revenues from exploitation	776.625	380.275
I.	REVENUES FROM EXPLOITATION	78.433.300	70.335.458
7.	Expenditures on goods	1.089.421	657.713

8.	Material expenditures	46.772.889	44.027.002
9.	Expenditures on works and services performed by third parties	3.541.194	3.033.678
10.	Expenses with taxes and fees	736.824	684.592
11.	Staff costs	23.509.411	21.440.364
12.	Other expenses with exploitation	416.606	222.986
13.	Expenses with depreciation and provisions	1.778.841	1.815.391
II.	EXPENSES FOR EXPLOITATION	77.845.186	71.881.726
A.	RESULT FROM EXPLOITATION	-	-
	- PROFIT	588.114	-
	- LOSS	-	1.546.268
III.	FINANCIAL REVENUES	53.077	703.292
IV.	FINANCIAL EXPENSES	232.038	244.486
B.	FINANCIAL RESULT	(178.961)	458.806
V.	EXCEPTIONAL REVENUES	-	-
VI.	EXCEPTIONAL EXPENSES	-	-
C.	EXCEPTIONAL RESULT (LOSS)	-	-
VII.	TOTAL REVENUES	78.486.377	71.038.750
VIII	TOTAL EXPENSES	78.077.224	72.126.212
D.	GROSS RESULT	-	-
	- PROFIT	409.153	-
	- LOSS	-	1.087.462
	TAX	84.478	-

E	REVENUES FROM BENEFIT FROM PROFIT	21.685	21.643
F.	NET RESULT	-	-
	- PROFIT	346.360	-
	- LOSS	-	1.065.819
G.	Number of shares	8.114.746	8.114.746
H.	Output per share	0,043	-

							5,292,226						
Total transactions with owners							-				0		-5,292,226
							5,292,226						
Balance as of DECEMBER 31, 2024	20,286,865	89,052,449	1,332,223	4,057,373	26,898,248	35,620,669	4,793,307	-89,052,449	0	555,214	0	-1,147,156	92,396,743
Sold 01.01.2025	20,286,865	89,052,449	1,332,223	4,057,373	26,898,248	35,620,669	4,793,307	-89,052,449	0	555,214	0	-1,147,156	92,396,743
Overall result for the period													
Profit for the year			1,065,819										-1,065,819
Other elements of the overall result of which:													
Surplus from the revaluation of tangible assets													
Decrease in the reserve from revaluation of deferred tax registration						-18,698					-21,643		-40,341
Total other comprehensive income						-18,698					-21,643		-40,341
Total comprehensive income for the period			1,065,819			-18,698					-21,643		-1,106,160
Other elements													
Reversal of the revaluation reserve to retained earnings							18,698						18,698
Increase in legal reserve													
Other elements			1,332,223			-1,728,631	1,913,698					1,147,156	0
Total other items			1,332,223			-1,728,631	1,932,396					1,147,156	18,698
Transactions with shareholders recognized directly in equity													0
Dividend distribution							3,155,735						-3,155,735
Total transactions with owners							3,155,735						-3,155,735
Balance as of June 30, 2025	20,286,865	89,052,449	1,065,819	4,057,373	26,879,550	33,892,038	3,569,968	-89,052,449	0	533,571	0	0	88,153,546

Notes to the financial statements

For the financial year ended 30 June 2025

1. Reporting entity

SC ARTEGO SA TG-JIU, (the Company) was established 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 headquartered in Strada Ciocarlau no. 38, Tg-Jiu Municipality, Gorj County.

According to the statute, the main field of activity of the Company has the CAEN code 2212 "Manufacture of other rubber products".

The records of shares and shareholders are kept in accordance with the law by the Central Depository.

2. Basics of preparation

(a) Declaration of conformity

The separate financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") adopted by the European Union and in accordance with the provisions of OMFP 2844/2016 with subsequent amendments and supplements.

The Company applies the International Financial Reporting Standards as approved by the European Union in preparing the separate financial statements closed on June 30, 2025 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 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 under RCR and those under IFRS. Accordingly, the accounts under RCR have been adjusted, where necessary, to bring these separate financial statements into line, in all material respects, 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 prepared at historical cost, except for certain classes of tangible assets that are revalued.

The share capital is adjusted in accordance with International Accounting Standard ("SIC") 29 ("Financial Reporting in Hyperinflationary Economies") until December 31, 2003.

The management believes that the Company will operate in the foreseeable future and, consequently, the application of the going concern principle in the preparation of the financial statements is considered appropriate. The separate financial statements are presented in accordance with the requirements of IAS 1 "Presentation of Financial Statements". The Company has adopted a 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 methods of presentation provide information that is credible and more relevant than those that would otherwise be presented.

(d) Functional and presentation currency

The Company's management considers that the functional currency, as defined by IAS 21 "The Effects of Changes in Foreign Exchange Rates", is LEI or RON. The separate financial statements are presented in RON, rounded to the nearest RON, the currency that the Company's management has chosen as the presentation currency.

(e) Use of estimates and judgments

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

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.

Judgments made by management in applying IFRS have a significant effect on the financial statements, as well as estimates that involve significant risk.

3. Significant accounting policies

The accounting policies set out below have been applied consistently 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 govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. Associates are those entities in which the Company can exercise significant influence, but not control, over the financial and operating policies.

The company does not own any associated companies.

(b)Foreign currency transactions

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

c) Financial Instruments

Financial risk management

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

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

Interest rate risk

The Company's operating cash flows are affected by interest rate fluctuations, mainly due to foreign currency loans obtained from financing banks.

The cash risk determined by the interest rate is the risk that interest, and therefore the expense with it, will fluctuate.

Currency risk

The Company may be exposed to currency exchange rate fluctuations through 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 on cash and cash equivalents from purchases 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 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 incur a financial loss as a result of a customer or counterparty to a financial instrument failing to meet its contractual obligations, and this risk arises mainly from trade receivables and cash and cash equivalents.

As of June 30, 2025, the Company holds cash and cash equivalents in the amount of 13,336,218 lei. Cash and cash equivalents are held with the following banks: Unicredit, ING Bank, BRD.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its obligations associated with financial liabilities 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 financing through adequate credit facilities. The Company's liquidity policy is to maintain sufficient liquid resources to be able to honor obligations as they fall due.

Fair value of financial instruments

Fair value is the amount at which a financial instrument can be exchanged in an orderly transaction, other than in a liquidation or forced sale. Fair values are obtained from quoted market prices or cash flow models, as appropriate. As of June 30, 2025, cash and cash equivalents, trade payables and other payables approximate their fair value due to their short maturity. Management believes that the estimated value of these instruments approximates their carrying value.

Capital risk management

The Company's objectives when managing capital are to preserve the Company's ability to continue as a going concern in order to obtain benefits for shareholders and other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital.

Accounting for the effect of hyperinflation

In accordance with IAS 29 and IAS 21, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy must be presented in the measuring unit current at the balance sheet date (non-monetary items are restated using a general price index at the date of acquisition 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 continued decline in the inflation rate and other factors related to the characteristics of the economic environment in Romania indicate that the economy whose functional currency was adopted by the Company has ceased to be hyperinflationary, with effect on the financial periods starting with January 1, 2004. Therefore, the provisions of IAS 29 have been adopted in the preparation of the separate financial statements up to December 31, 2003.

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

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

Tangible assets

Tangible fixed assets are assets that: are held by an entity for use in the production of goods or services, for rental to third parties or 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 for those that the legal entity can recover from the tax authorities), transport, handling and other expenses that can be directly attributed to the acquisition of the respective goods.

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

The amortization periods are as follows:

Buildings and constructions	40-60 years
Equipment	15-40 years
Transportation	5-8 years
Office furniture and equipment	3-5 years

Intangible assets

An intangible asset is an identifiable, non-monetary asset without a physical substance that is held for use in the production or supply of goods or services, for rental to third parties or for administrative purposes.

An intangible asset meets the criterion of being identifiable when:

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

Intangible assets acquired by the Company are presented at cost less accumulated amortization and the provision for impairment of intangible assets. Amortization is recognized in the income statement based on the straight-line method over the estimated useful life of the intangible assets.

Receivables

Trade 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. A depreciation provision is established when there is clear evidence that the receivables will not be collected on the established deadline.

Stocks

Inventories consist of:

- raw materials, supplies, spare parts and other consumables to be used in the Company's core business.

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

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

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 carried at a revalued amount, which is its fair value at the date of the revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations must be made with sufficient regularity to ensure that the carrying amount does not differ materially from what would have been determined using fair value at the balance sheet date.

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

The revaluation surplus included in equity related to a tangible fixed asset item is transferred directly to retained earnings as the revalued tangible fixed asset is depreciated and when the asset is recognized.

Starting with May 1, 2009, statutory reserves from the revaluation of fixed assets, including land, made after January 1, 2004, which are deducted in the calculation of taxable profit through tax depreciation or expenses related to assets sold and/or scrapped, are taxed concurrently with the deduction of tax depreciation, respectively, at the time of the disposal 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 relating to the period up to April 30, 2009, will not be taxed at the time of transfer to reserves representing the surplus realized from the 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 event of liquidation, merger, including its use to cover accounting losses, with the exception of the transfer after May 1, 2009, of reserves related to evaluations carried out after January 1, 2004, which are taxed simultaneously with the deduction of fiscal depreciation.

Share capital

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

Dividends

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

Suppliers and similar accounts

Trade and other payables include the value of invoices issued by suppliers for finished products manufactured, works performed and services provided.

Loans

Borrowings are initially recognized at fair value, net of transaction costs. Subsequent to initial recognition, loans are recorded at amortized cost, with any difference between cost and redemption value being recognized in the profit and loss account over the period of the loan.

Income tax

Income tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognized in the income statement except when they are recognized directly in equity or other comprehensive income.

Current tax

Current tax represents the tax expected to be paid or received on taxable income or deductible loss realized in previous years, using tax rates enacted or substantially enacted at the reporting date, as well as any adjustment regarding income tax obligations relating to previous years.

Deferred tax

Deferred tax is recognized for temporary differences arising between the carrying amount of assets and liabilities used for financial reporting purposes and the tax base used for tax purposes. The measurement 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 assets are reviewed at each reporting date and are reduced to the extent that it is no longer possible to realize the related tax benefit.

Employee Benefits

Short-term employee benefits

Short-term benefit obligations are measured without discounting 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 bonuses or employee profit sharing, only if the Company has a present, legal or constructive obligation to pay this amount in return for past service rendered by the 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 of the Company's employees are members of the Romanian State pension plan.

Financing costs

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

Interest income and interest expenses are recognized in the profit and loss account when paid.

Grants

Grants are initially recognized as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grants, and are then recognized in the income statement as other income over the life of the asset to which they relate. Grants are related to assets. Non-reimbursable funds are recognized as assets when there is 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 present obligation (legal and constructive) as a result of a past event, it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Earnings per share

In accordance with SIC33 "Earnings per Share", earnings per share are calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The weighted average number of shares outstanding during the period is the number of shares at the beginning of the period, adjusted by the number of shares issued, multiplied by the number of months the shares have been outstanding during the period.

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 upon the satisfaction of certain specified conditions. The purpose of diluted earnings per share is consistent with that of basic earnings per share, namely, to assess the interest of each ordinary share in the performance of an entity.

Quotas

Contingent liabilities are not recognized in the accompanying financial statements. They are disclosed when an outflow of resources embodying economic benefits becomes possible rather than probable.

A contingent asset is not recognized in the accompanying financial statements, but is disclosed 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 particular geographical environment (geographical segment) and that is subject to risks and rewards that are different from those of other segments.

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

Operating segments are examined in a consistent manner by the entity's chief operating decision maker in order to make decisions regarding the allocation of resources by segments and the evaluation of its performance, and for which separate 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 preparing them would be excessive, in which case this fact must be presented. The reported revenue values must take into account the financial information used to prepare the entity's financial statements.

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

New standards and interpretations as approved by the European Union

A number of new standards, amendments to standards and interpretations are applicable to annual periods beginning after 1 January 2012 and have not been 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.

New standards not yet applicable at 30 June 2025

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

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

FIXED ASSETS as of June 30, 2025

Name of the immobilization element	Gross value				Value adjustments (depreciation and adjustments for depreciation or loss of value)			
	Balance as of January 1 2025	GROWTH	Assignments, transfers and other reductions	Balance as of June 30 2025	Balance as of January 1 2025	Adjustments recorded during the year	Discounts or reruns	Balance as of June 30 2025
0	1	2	3	4=1+2-3	5	6	7	8=5+6-7
I. A. FIXED ASSETS								
II. INTANGIBLE ASSETS	-	-	-	-	-	-	-	-
1. Formation expenses								
2. Development expenses	4.112.519	-	-	4.112.519	4.112.519	-	-	4.112.519
3. Concessions, patents, licenses and other fixed assets	29.095.168	200.898	-	29.296.066	23.870.046	599.750	-	24.469.796
4. Goodwill	-	-	-	-	-	-	-	-
5. Advances and intangible assets in progress	-	-	-	-	-	-	-	-
TOTAL:	33.207.687	200.898	-	33.408.585	27.982.565	599.750	-	28.582.315
III. TANGIBLE ASSETS								
1. Lands	11.824.402	-	25.195	11.799.207	133.421	-	-	133.421
2. Constructions	42.427.938	-	-	42.427.938	33.981.192	466.898	-	34.448.090
3. Technological equipment	49.602.490	269.018	68.559	49.802.949	41.196.195	497.564	68.558	41.625.201
4. Measuring, control and regulation devices	2.216.574	88.620	45.882	2.259.312	2.017.054	44.759	45.882	2.015.931

and installations								
5. Means of transport	6.954.706	114.471	2.262	7.066.915	5.973.813	179.835	2.262	6.151.386
6. Furniture, equipment, office equipment and other tangible assets	698.752	25.206	-	723.958	488.147	26.585	-	514.732
7. Advances and tangible assets in progress	461.220	216.863	308.541	369.542	-	-	-	-
TOTAL:	114.186.082	714.178	450.439	114.449.821	83.789.822	1.215.641	116.702	84.888.761
III. FINANCIAL ASSETS								
1. Shares held in companies within the group	-	-	-	-	-	-	-	-
2. Receivables on companies within the group	-	-	-	-	-	-	-	-
3. Securities in the form of participating interests	-	-	-	-	-	-	-	-
4. Receivables from participation interests	-	-	-	-	-	-	-	-
5. Securities held as fixed assets	-	-	-	-	-	-	-	-
6. Other receivables	-	-	-	-	-	-	-	-
7. Own actions	-	-	-	-	-	-	-	-
TOTAL:	-	-	-	-	-	-	-	-
FIXED ASSETS – TOTAL	147.393.769	915.076	450.439	147.858.406	111.772.387	1.815.391	116.702	113.471.076

Stocks

On June 30, 2025 compared to June 30, 2024, the inventories are presented as follows:

Elements	30 june 2024	30 june 2025
1. Raw materials and consumables	28.956.523	28.286.596

2. Fixed assets held for sale	50.289	50.289
3. Production in progress	44.305	-
4. Finished products and goods	22.570.727	21.028.505
5. Advances	1.574.377	108.286
TOTAL	53.196.221	49.473.676

Customers and similar accounts

As of June 30, 2025, compared to June 30, 2024, customers and similar accounts are presented as follows:

Elements	30 june 2024	30 june 2025
1.Creanțe comerciale	24.160.270	18.777.903
2.Avansuri platite	1.348.868	4.477
3. Alte creanțe	5.016.822	2.672.739
TOTAL	30.525.960	21.455.119

During the period 01.01.2025-30.06.2025 the Company recorded exports as follows:

EURO

ENGLAND	1.238.168,63
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BELGIUM	137.465,06
BOSNIA	11.116,84
BULGARIA	10.292,25
CZECH REPUBLIC	4.512,00
EGYPT	12.900,00
ESTONIA	3.780,00
FINLAND	160.598,21
FRANCE	20.637,54
GERMANY	3.458.777,71
ITALY	200.931,36
MACEDONIA	1.337,04
NETHERLANDS	900.201,53
POLAND	192.962,94
SERBIA	167.367,38
SLOVAKIA	45.265,40
SPAIN	2.731.613,55
SWEDEN	576.757,76

UKRAINE	33.343,20
HUNGARY	59.094,50
TOTAL	9.967.122,90

Financial assets of which available for sale

La 30 iunie 2025, comparativ cu 30 iunie 2024 investitiile pe termen scurt se prezinta astfel:

Elements	30 june 2024	30 june 2025
Short-term investments	14.397	14.397
TOTAL	14.397	14.397

The balance of short-term investments as of June 30, 2025 in the amount of 14,397 lei represents the shares purchased in previous years from IFB Invest Tg-Jiu, which has since been dissolved.

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

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

Advance expenses

As of June 30, 2025, compared to June 30, 2024, the advance expenses are presented as follows:

Elements	30 june 2024	30 june 2025
Advance expenses	261.250	175.509

TOTAL	261.250	175.509
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The balance as of June 30, 2025, in the amount of 175,709 lei, represents expenses incurred in advance for: insurance in favor of banks for loans granted, car vignettes, professional training courses, rent paid in advance for the rental of various equipment, etc.

Cash and cash equivalents

As of June 30, 2025, compared to June 30, 2024, cash and cash equivalents are presented as follows:

Elements	30 june 2024	30 june 2025
Current bank accounts and deposits	2.808.640	607.461
Lion's house	23.837	3.556
House in foreign currency		
Other cash equivalents	43.325	12.725.201
TOTAL	2.875.802	13.336.218

Social Capital

As of June 30, 2025, the share capital includes the effects of restatements recorded in previous years in accordance with the application of "SIC" 29 "Financial Reporting in Hyperinflationary Economies. . The reconciliation of the share capital is presented as follows:

Share capital (nominal value)	20,286,865
Differences related to restatement according to SIC	29 89,052,449

Balance of share capital (restated)

109,339,314

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

The shareholding structure as of June 30, 2025 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	85,8784%
Other legal entities	2,50	35.649	89.122,50	0,4393%
Other individuals	2,50	1.110.275	2.775.687,50	13,6823%
THE ROMANIAN STATE THROUGH ITS 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

Legal reserves amount to 4,057,373 lei as of June 30, 2025.

Revaluation reserves

The revaluation reserve amounts to 26,879,550 lei as of June 30, 2025.

Other reserves

As of June 30, 2025, compared to June 30, 2024, other reserves record the following levels:

Elements	30 june 2024	30 june 2025
Other Reserves	34.473.513	33.892.038
Total	34.473.513	33.892.038

Other equity items

On June 30, 2025, the amount of 533,571 lei represents the deferred tax related to the revaluations in balance carried out after January 1, 2004, reduced by the deferred tax related to the amortization of the revaluation recorded on costs in the first semester of 2025.

Investment subsidies

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

Elements	30 june 2024	30 june 2025
1. Investment subsidies	2.241.224	2.122.027
Total	2.241.224	2.122.027

Short-term loans

The company has credit lines opened with INTESA and ING BANK as follows:

	30.06.2024			30.06.2025	
Bank	Approved	Used	Banca	Approved	USED
INTESA EUR	2.222.222	-	INTESA EUR		-
ING BANK EUR	4.250.000	1.906.041	ING BANK EUR	2.000.000	1.036.732
ING BANK (SGB) lei	5.000.000	791.852	ING BANK (SGB) LEI	5.000.000	1.517.232

Long-term loans

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

Earnings per share

On June 30, 2025 compared to June 30, 2024, the earnings per share are:

	30 june 2024	30 june 2025
Profit for the period	346.360	-1.065.819
Number of ordinary shares at the beginning		
and end of the period	8.114.746	8.114.746
Basic and diluted earnings per share		
(lei/share)	0,043	-

Other taxes and social security obligations

Elements	30 june2024	30 june 2025
1. State budget	408.225	294.565
- profit tax	84.478	-
- dividend tax	-	-
- salary income tax	247.693	226.178
- labor insurance contribution	76.084	68.387
- VAT payment	-	-
- surcharges	-	-
- penalties	-	-
2. Special Fund Budgets	398.080	364.969
- CASS	376.574	341.675
- medium background	633	6.668
- solidarity fund for people with disabilities	20.873	16.626
-increases	-	-
-penalties	-	-
3. Social security budgets	851.766	771.262
- CAS	851.766	771.262

-increases	-	-
-penalties	-	-
4. Other taxes, fees, payments	-	-

Operating income

Elements	30 june 2024	30 june 2025
Productia vanduta	69.862.625	66.788.402
Venituri din vanzarea marfurilor	1.249.504	761.674
Reduceri comerciale acordate	110.931	80.297
Venituri aferente costurilor stocurilor de produse	6.536.769	2.266.425
Venituri din productia de imobilizari	118.708	218.979
Venituri din activele imobilizate destinate vanzarii	-	-
Venituri din subventii de exploatare	-	-
Alte venituri din exploatare	776.625	380.275
Total operating income	78.433.300	70.335.458

Operating expenses

Elementes	30 june 2024	30 june 2025
Expenses on raw materials and consumables	39.163.592	37.457.735
Other material expenses	411.743	286.584
Other external expenses (energy, gas and water)	7.201.998	6.296.457
Expenses on goods	1.089.421	657.713
Trade discounts received	4.444	13.774
Personnel expenses of which:	23.509.411	21.440.364
-Salaries and allowances	22.700.570	20.719.413
-Insurance and social protection	808.841	720.951
Adjustments on tangible fixed assets of which:	1.778.841	1.815.391
-Expenses	1.778.841	1.815.391
-Revenues	-	-
Current asset adjustments of which:	-	-
-Expenses	-	-
-Revenues	-	-
Other operating expenses of which	4.694.624	3.941.256

Expenses related to external services	3.541.194	3.033.678
Expenses with other taxes and duties	736.824	684.592
Expenses related to fixed assets	114	114
held for sale	416.492	222.872
Total Operating Expenses	77.845.186	71.881.726

Operating profit/loss

Elements	30 june 2024	30 june 2025
Operating profit	588.114	-
Operating loss	-	1.546.268

Net financial result

Elements	30 june 2024	30 june 2025
Income from exchange rate differences	52.415	580.093
Interest income	27	122.985
Other financial income	635	214
Total Financial Income	53.077	703.292
Interest expenses	115.460	44.014
Other financial expenses	116.578	200.472

Total Financial Expenses	232.038	244.486
Net Financial Result (Loss)	178.961	-
Net Financial Result (Profit)	-	458.806

Fiscal legislative framework

The Romanian tax and legislative framework and its implementation in practice are subject to frequent changes and are subject to different interpretations by various regulatory authorities. Income 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 believes that it has adequately recorded the tax obligations in the accompanying financial statements; however, there is a risk that the tax authorities may adopt different positions on the interpretation of these issues. The impact of these could not be determined at this date.

GUARANTEES

The Company on June 30, 2025 has mortgaged the following assets in favor of the financing banks to which it has committed credit lines as follows:

ING BANK,

<i>CADASTRAL NO</i>	<i>MORTGAGED PROPERTY (LAND + BUILDINGS) – DESCRIPTION</i>
<p>1315/2/1/1/2</p> <p><i>CF 40066</i></p>	<p>- land with an area of 20,616 sqm + buildings:</p> <p>1. conveyor belt hall (C56/1).</p>

Status of ongoing litigation

ARTEGO S.A. - complainant

File no.	No. Folder	Colpaignant society	Object	Request/ The requested amount	File status/ Remarks
1	8207/62/2011	CET Brasov	Insolvency procedure	- admission to the credit table of the debtor with the amount of 46,887.93 lei	- ongoing; we were admitted to the credal table with the amount of 46,887.93 lei; continue the bankruptcy procedure
2	60833/3/2011	Munplast Bucuresti	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 19,457.81 lei	- ongoing; we were admitted to the bankruptcy estate with the amount of 19,457.81 lei, of which we recovered the amount of 5,000 lei; the bankruptcy procedure continues
3	4163/95/2012	Gastrom Group Targu -Jiu	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 52,777.37 lei	- ongoing; we were admitted to the bankruptcy estate with the amount of 52,777.37 lei; the bankruptcy procedure continues
4	887/90/2013	Oltchim Ramnicu-Valcea	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 19.946,68 lei	- ongoing; we were admitted to the bankruptcy estate with the amount of 19,946.68 lei; the bankruptcy procedure continues

5	9089/101/2013	Regia Autonoma Pentru Activitati Nucleare Severin	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 1,439,815.78 lei	- ongoing; we were admitted to the bankruptcy estate with the amount of 1,439,815.78 lei; the bankruptcy procedure continues
6	2570/63/2014	Servicii Energetice Oltenia Craiova	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 3,188.77 lei	- ongoing; we were admitted to the bankruptcy estate with the amount of 2,486.37 lei; the bankruptcy procedure continues
7	528/95/2015	Succes Nic Com Targu - Jiu	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 34,155.80 lei	- ongoing; we were admitted to the bankruptcy court with the amount of 34,155.80 lei; the judicial reorganization procedure continues
8	2575/85/2015	Ambient Sibiu	Insolvency procedure	- admission to the debtor's creditors' meeting with the amount of 1,240.00 lei	- ongoing; we were admitted to the bankruptcy estate with the amount of 1,240.00 lei; the bankruptcy procedure continues
9	3520/95/2015	Ignifug Prest Targu-Jiu	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 4,783.92 lei	- ongoing; we were admitted to the bankruptcy estate with the amount of 4,783.92 lei; the bankruptcy procedure continues

10	1396/90/2016	CET Govora	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 1,665,256.19 lei	- ongoing; we were admitted to the creditors' table with the amount of 1,665,256.19 lei; the judicial reorganization procedure continues
11	5114/95/2016	Mining Utilities Inspection Installations Targu-Jiu	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 41,307.71 lei	- ongoing; we were admitted to the bankruptcy estate with the amount of 41,307.71 lei; the bankruptcy procedure continues
12	1248/95/2018	Roads and Bridges Enterprise Targu-Jiu	Insolvency procedure	- admission to the debtor's creditors' table with the amount of 2,783.39 lei	- ongoing; we were admitted to the bankruptcy estate with the amount of 2,783.39 lei from which we recovered the amount of 1,391.39 lei; the bankruptcy procedure continues
13	5075/97/2016	Societatea Complexul Energetic Hunedoara	Insolvency procedure	- admission to the debtor's creditors' meeting with the amount of 580,000.00 lei	- ongoing; we were admitted to the creditors' table with the amount of 580,000.00 lei; the debtor entered bankruptcy proceedings
14	10007/3/2024	New NCR Reciclare Bucuresti	Insolvency procedure	- admission to the debtor's creditors' meeting with the amount of 3,716.00	- ongoing; the debtor entered general bankruptcy proceedings

				lei	
15	8105//318/2022	Trașcă Cornelia	Real estate claim	Obliging the defendant to leave us full ownership and quiet possession of a plot of land with an area of 250 square meters.	- ongoing; - trial date: - 09.09.2025
16	5807/318/2025	Wellhidromix Targu-Jiu	low value claim	Obliging the defendant to pay us the amount of 666.40 lei	- ongoing; - trial date: 14.10.2025
17	8272/318/2025	Institutia Primarului Municipiului Targu-Jiu	Minor offence complaint	Cancellation of the violation report (fine – 5,000 lei)	- ongoing; - a deadline will be given

Affiliated Parties

The company has no affiliated parties.

Subsequent events

After the preparation of the reports concluded on June 30, 2025, no events occurred whose effects were significant and influenced the data contained in the current financial statements.

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

S.C. 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

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

S.C. ARTEGO S.A. is a joint-stock company with entirely private capital, the majority shareholder being the Employees' Association "PAS ARTEGO" which holds 85.8784% of the share capital.

When determining the profit tax, the provisions of Law 227/2015 with subsequent amendments and Government Decision 1/2016 for the approval of the Methodological Norms for the application of Law 225/2015 regarding the fiscal code were taken into account, from which:

- late payment charges due for non-payment of debts on time;
- protocol expenses, which exceed the limits provided by the Fiscal Code;
- amounts exceeding the limits of expenses considered deductible;
- sponsorship expenses, according to Law 32/1994;

amounts used to establish reserves according to Law 31/1990 republished.

Declaration

In accordance with the provisions of art.223, point B, paragraph (1), letter c) of Regulation no.5/2018 on issuers and transactions in securities, we declare that, to the best of our knowledge, the financial statements as of June 30, 2025 provide a true and fair view of the assets, liabilities, financial position and profit and loss account. Also, the Board of Directors' Report prepared in accordance with the provisions of annex no.14 presents the information about the company in a correct and complete manner.

President,
David Viorel