

First Quarter Report 2023

Report date: 15.05.2023

Issuer Name: ARTEGO S,A.

Headquarters: Tg. Jiu, Ciocirlau street no. 38, Gorj County.

Registration no.at ORC: J18/1120/1991

VAT: RO215748

Capital : 20.286.865 lei

Trading market: BVB Market

This report shows:

1. the financial statements as of 31 March 2023, prepared according to IFRS, namely:

- Situation of the financial position
- Overall result

2. explanatory notes;

3. Statement of changes in equity at 31.03.2023

4. Statement of cash flows at 31.03.2023

5. the economic and financial indicators mentioned in Annex 13 of ASF Regulation no. 5/2018;

We mention that the financial information as of 31 March 2023 was not audited.

Individual Financial Statements

FINANCIAL POSITION SITUATION ON 31.12.2022 and 31.03.2023

(Amounts are expressed in RON unless otherwise stated)

Name of indicators	<u>31/12/2022</u>	<u>31/03/2023</u>
ASSETS		
Fixed assets	38,205,805	37,457,414
<i>Tangible assets</i>	30,939,410	30,561,469
<i>Intangible assets</i>	7,266,395	6,895,945
<i>Financial asse</i>		
Current assets	98,697,503	103,748,703
<i>Stocks</i>	56,550,742	60,250,312
<i>Commercial receivables</i>	40,995,672	42,628,208
<i>Financial assets of which</i>	14,397	14,397
<i>available for sale</i>	14,397	14,397
<i>Cash and cash equivalent</i> s	820,842	526,944
<i>Prepayments</i>	315,850	328,842
TOTAL ASSETS	136,903,308	141,206,117
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>	661,421	650,315
<i>Reserves from reevaluation</i>	27,950,677	27,850,242
<i>Legal reserves</i>	4,057,373	4,057,373
<i>Other reserves</i>	26,893,424	26,893,424
<i>Own actions</i>		
<i>Social Capital Adjustment</i>	89,052,449	89,052,449
<i>Reported result(without IAS 29)</i>	2,207,048	13,632,796
<i>Reported result(with IAS 29)</i>	-89,052,449	-89,052,449
<i>Current profit</i>	12,315,948	3,135,408
<i>Profit Distribution</i>	-842,092	
Total own capitals	93,530,664	96,506,423
Long-term debt		
<i>Investment grants</i>	701	-
<i>Other long-term debts</i>	7,827	7,914
<i>Long-term provisions</i>		
Total long-term debt	8,528	7,914
Current debts		
<i>Investment grants</i>	8,223	6,779
<i>Commercial and other debts</i>	10,015,927	13,483,106
<i>Short-term loans</i>	23,873,084	22,363,958
<i>Tax and current tax liabilities</i>	9,466,882	8,837,937
<i>Short-term provisions</i>		

Total current debts	43,364,116	44,691,780
Total debts	43,372,644	44,699,694
TOTAL OWN CAPITALS AND DEBTS	136,903,308	141,206,117

**SITUATION OF THE GLOBAL RESULT
at 31 march 2023**

Crt No.	NAME OF INDICATORS	31.03.2022	31.03.2023
1.	Net turnover of which	43.683.713	45.129.259
	Revenues from the sold production	43.214.461	44.534.420
	Revenues from the sale of goods	522.813	624.140
	Commercial discounts granted	53.561	29.301
2.	Revenues from stored production	13.489.031	7.217.371
3.	Revenues from the production of fixed assets	626.702	24.522
4.	Revenues from fixed assets intended for sale	-	-
5.	Other revenues from exploitation	151.523	49.932
6.	Other operating revenues	210.306	947.072
I.	OPERATING INCOME	58.161.275	53.368.156
7.	Expenditure on goods	500.912	578.339
8.	Material expenses	37.491.886	32.748.507
9.	Expenses with works and services performed by third parties	1.719.116	1.640.293
10.	Expenses with taxes and fees	305.354	328.977
11.	Staff costs	12.209.621	12.891.490
12.	Other operating expenses	106.172	715.656
13.	Depreciation and amortization expenses	1.046.110	945.826
II.	OPERATING EXPENDITURE	53.379.171	49.849.088
A.	RESULT FROM EXPLOITATION		
	- PROFIT	4.782.104	3.519.068

	- LOSS		
III.	FINANCIAL REVENUES	27.932	304.342
IV.	FINANCIAL EXPENSES	321.762	439.731
B.	FINANCIAL RESULT	-293.830	-135.389
V.	EXCEPTIONAL REVENUES		
VI.	EXCEPTIONAL EXPENSES		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL REVENUES	58.189.207	53.672.498
VIII	TOTAL EXPENSES	53.700.933	50.288.819
D.	GROSS RESULT		
	- PROFIT	4.488.274	3.383.679
	- LOSS		
	TAX	701.137	259.377
E	REVENUES FROM BENEFIT FROM PROFIT	12.713	11.106
F.	NET RESULT		
	- PROFIT	3.799.850	3.135.408
	- LOSS		
G.	Number of shares	8.114.746	8.114.746
H.	Output per share	0,468	0,386

Notes to the financial statements

For the financial year ended 31 March 2023

1. The reporting entity

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

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

According to the statute, the main activity of the company has the CAEN code 2219 - "Manufacture of other rubber products".

The record of the shares and the shareholders is kept under the conditions of the law by the Central Depository.

2. Basics of drawing up

(a) Declaration of conformity

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

The Company applies International Financial Reporting Standards as approved by the European Union at the preparation of the separate financial statements ended 31 March 2018, in accordance with OMF no. 881/2012. This order states that starting with the 2012 financial year, the annual financial statements will be drawn up in accordance with the IFRS, this order being applicable to the companies whose securities are admitted to trading on a regulated market.

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

(b) Presentation of the financial statements

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

(c) The basics of evaluation

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

The share capital is adjusted according to the International Accounting Standard ("SIC") 29 ("Financial Reporting in Hyperinflationary Economies") until 31 December 2003.

The management believes that the Company will operate in the predictable future and, in the long run, the application of the business continuity principle in the preparation of the financial statements is considered appropriate. The separate financial statements are presented in accordance with the requirements of IAS 1 "Presentation of Financial Statements". The Company has adopted a liquidity-based presentation in the balance sheet and a presentation of income and expenses by nature in the profit and loss account, considering that these disclosures provide informations that is more credible and relevant than those that would be presented.

(d) Functional and presentation currency

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

(e) Using estimates and judgments

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

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

The judgments made by management in the application of IFRS have a material effect on the financial statements and estimates that involve a significant risk.

3. Significant accounting policies

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

(a) Branches and associated entities

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

The company does not have associated companies.

(b) Transactions in foreign currency

The operations denominated in foreign currency are recorded in RON at the official exchange rate at the settlement date of the transactions. The monetary assets and liabilities recorded in foreign currency at the balance sheet date are translated into the functional currency at the exchange rate on that day. The interests or losses from their settlement and from 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 income and loss statement.

c) Financial Instruments

Financial risk management

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

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

Interest rate risk

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

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

Currency risk

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

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

The credit risk

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

On March 31, 2023, the Company has cash and cash equivalents in the amount of 526,944 lei. Cash and cash equivalents are held at the following banks: BRD, Unicredit Tiriac, Intesa, ING Bank, CREDIT EUROPE Bank.

The liquidity risk

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

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

The fair value of financial instruments

The fair value is the value at which the financial instrument can change in ordinary transactions, other than those determined by liquidation or forced sale. Fair values are obtained from quoted market prices or cash flow models as appropriate. On March 31, 2023, cash and other assets, customers and assimilated accounts, trade debts and other debts are approaching their real value due to their short maturity. The management considers that the estimated value of these instruments is close to their accounting value.

The capital risk management

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

Accounting for the effect of hyperinflation

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

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

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

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

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

Tangible assets

Tangible fixed assets represent assets that: are owned by an entity to be used in the production of goods or the provision of services, to be leased to third parties or to be used for administrative purposes, and are used during a period of more than one year .

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

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

Damping times are as follows:

Buildings and construction	40-60 years
Equipments	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-cash asset with no material support and held for use in the production or supply of goods or services to be leased to third parties or for administrative purposes.

An intangible asset fulfills the criterion of being identifiable when:

- is separable, it may be segregated or divided by the entity and sold, transferred, authorized, leased or exchanged either individually or together with an appropriate contract, identifiable asset or identifiable debt, or deriving from contractual or other legal rights, whether those rights are transferable or severable by the entity or other rights and obligations.

The intangible assets acquired by the company are stated at cost less cumulative depreciation and provision for depreciation of intangible assets. The amortization is recognized in the income statement on a straight-line basis over the estimated useful lives of intangible assets.

Receivables

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

Stocks

The stocks are made up of:

- raw materials, materials, spare parts and other consumables to be used in the course of the company's core business.

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

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

Money availability

The cash and cash equivalents include house, current accounts, bank deposits, meal vouchers, stamps and checks and promissory notes received by the company.

The revaluation reserves

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

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

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

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

Starting from 1 May 2009, the statutory reserves from the revaluation of fixed assets, including land, after 1 January 2004, which are deducted in the calculation of taxable profit through tax amortization or disposal costs and /or tax at the same time as the deduction of tax depreciation, respectively at the time of decrease of these fixed assets.

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

The reserves made are taxed in the future in the event of a change in the destination of the reserves in any form, in the event of liquidation, merger, including its use to cover the accounting losses, except for the transfer after 1 May 2009, of the reserves for the evaluations made after 1 January 2004 , which are taxed at the same time as deducting tax depreciation.

Social capital

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

Dividends

The dividends are recognized as a liability in the period in which their allocation is approved.

Suppliers and assimilated accounts

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

Loans

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

Profit tax

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

Current tax

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

Deferred tax

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

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

Employee Benefits

Short-term employee benefits

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

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

Financing costs

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

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

Grants

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

Provisions

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

The result per action

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

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

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

Quotas

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

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

Segment reporting

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

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

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

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

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

The new standards and interpretations as approved by the European Union

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

The new standards that are not yet applicable on March 31, 2023

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

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

Stocks

On March 31, 2023, compared to December 31, 2022, the stocks are presented as follows:

Elements	31 dec 2022	31 march 2023
1. Raw materials and consumables	35.065.254	34.355.933
2. Fixed assets held for sale	50.289	50.289
3. Production under execution	89.834	156.923
4. Finished goods and commodities	20.947.189	24.185.971
5. Advances	398.176	1.501.196
TOTAL	56.550.742	60.250.312

Clients and assimilated accounts

On March 31, 2023, compared to December 31, 2022, customers and assimilated accounts are presented as follows:

Elements	31 dec. 2022	31 march 2023
1. Commercial receivables	36.615.972	38.624.171
2. Paid advances	641.527	510.506
3. Other debts	3.738.173	3.493.531
TOTAL	40.995.672	42.628.208

In the period January 1, 2023-March 31, 2023, the Company recorded exports as follows:

EURO

ENGLAND	561.348,33
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AUSTRIA	129.664,70
BOSNIA	3996,72
BULGARIA	5.535,75
FINLAND	257.787,19
FRANCE	190.836,39
GERMANY	1.547.744,57
ITALY	48.238,81
NETHERLANDS	365.988,38
POLAND	280.096,00
bondage	58.080,47
SPAIN	1.725.893,07
SWEDEN	412.169,74
UKRAINE	81.363,75
HUNGARY	40.647,26
TOTAL	5.709.391,13

Financial assets of which are available for sale

On March 31, 2023, compared to December 31, 2022, short-term investments are presented as follows:

Elements	31 dec. 2022	31 march 2023
Short-term investments	14.397	14.397
TOTAL	14.397	14.397

The balance on March 31, 2023 in the amount of 14,397 lei is represented by the value of the shares purchased in previous years from IFB Invest Tg-Jiu, which has since dissolved.

The share of financial assets intended for sale in the capital of the company is insignificant.

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

Prepayments

On March 31, 2023, compared to December 31, 2022, the expenses made in advance are presented as follows:

Elements	31 dec. 2022	31 march 2023
Prepayments	315.850	328.842
TOTAL	315.850	328.842

The balance on March 31, 2023, in the amount of 328,842 lei, represents expenses made in advance for: insurance in favor of the banks for the loans granted, car repairs, professional training courses, rents paid in advance for the rental of various machines.

Cash and cash equivalents

On March 31, 2023, compared to December 31, 2022, cash and cash equivalents are presented as follows:

Elements	31 dec. 2022	31 march 2023
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Current accounts at banks and deposits	796.516	496.746
Her house	8.899	5.900
Currency house		
Other cash equivalents	15.427	24.298
TOTAL	820.842	526.944

Social capital

On March 31, 2022, the share capital includes the effects of restatements recorded in previous years according to the application of "SIC" 29"Financial reporting in hyperinflationary economies. The reconciliation of the social capital is presented as follows:

Share capital (nominal value)	20.286.865
Differences related to restatement according to SIC 29	89.052.449
Share capital balance (withdrawn)	<u>109.339.314</u>

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

The shareholding structure on March 31, 2023 is as follows:

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

Shareholders persons	2,50	1.110.210	2.775.525,00	13,6814%%
Other legal entities	2,50	35.714,00	89.285,00	0,4401%
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 reserve is in the amount of 4,057,373 lei as of March 31, 2023. The company transferred 5% of the annual accounting profit (Law 571/2003) to the legal reserve, the accumulated balance reaching 20% of the paid-up share capital.

Revaluation reserves

The revaluation reserve is in the amount of 27,850,242 lei on March 31, 2023.

Alte rezerve

On March 31, 2023, compared to December 31, 2022, other reserves register the following levels:

Elements	31 dec. 2022	31 march 2023
Other Reservations	26.893.424	26.893.424
Total	26.893.424	26.893.424

Other elements of equity

On March 31, 2023, the amount of 650,315 lei represents the deferred tax related to the revaluations in the balance carried out after January 1, 2004, reduced by the deferred tax related to the amortization of the revaluation recorded on costs in the first 3 months of 2023.

Subsidies for investments

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

Elements	31 dec. 2022	31 march 2023
1. Subsidies for investments	8.924	6.779
Total	8.924	6.779

Short term loans

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

the bank	31.12.2022		31.03.2023	
	approved	use	approved	use
ING BANK(SGB)lei	5.000.000	3.930.603	5.000.000	3.334.571
ING BANK EUR	4.250.000	2.782.354	4.250.000	3.459.287
INTESA EUR	2.222.222	2.043.026	2.222.222	942.402
CREDIT EUROPE lei	13.900.000	-	13.900.000	579.562

Long term loans

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

The result per action

On March 31, 2023 compared to March 31, 2022, the result per share is:

	31 march 2022	31 march 2022
Profit for the period	3.799.850	3.135.408
The number of ordinary shares at the beginning and end of the period	8.114.746	8.114.746
Basic and diluted result per share (lei/share)	0,468	0,386

Other taxes and obligations for social security

Elements	31 march 2023
1. The state budget	1.020.604
- tax	600.538
- tax on dividends	-
- income tax from salaries	322.043
-insurance contribution for the work	97.483

- VAT payable	-
2. Special funds budgets	465.190
CASS	431.501
average background	1.605
disability fund for people with disabilities	32.084
3. Social security budgets	1.095.879
- CAS	1.095.879
4. Other taxes, fees, payments	-

Operating income

Elements	31 march 2022	31 march 2023
Production sold	43.214.461	44.534.420
Income from sale of goods	522.813	624.140
Commercial discounts granted	53.561	29.301
Revenues related to the costs of product stocks	13.489.031	7.217.371
Income from the production of fixed assets	626.702	24.522
Income from fixed assets for sale	-	-
Income from operating grants	151.523	49.932
Other operating revenues	210.306	947.072

Total operating income	58.161.275	53.368.156
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Operating expenses

Elements	31 march 2022	31 march 2023
Expenses with raw materials and consumables	31.271.443	25.875.434
Other material expenses	223.324	234.861
Other external expenses (energy, water and natural gas)	5.998.093	6.638.194
Expenditure on goods	500.912	578.339
Trade discounts received	1.130	144
Personnel expenses of which:	12.209.621	12.891.490
-Salaries and allowances	11.706.607	12.360.755
- Insurance and social protection	503.014	530.735
Tangible immobilization adjustments of which:	1.046.110	945.826
-Costs	1.046.110	945.826
-Income	-	-
Current asset adjustments of which:	-	-
-Costs	261.355	-

-Income	261.355	-
Other operating expenses of which	2.130.798	2.685.088
Expenditure on external services	1.719.116	1.640.293
Expenses with other taxes and fees	305.354	328.977
Expenses related to assets	156	162
assets intended for sale	106.172	715.656
Total Operating Expenses	53.379.171	49.849.088

Result from exploitation

Elements	31 march 2022	31 march 2023
Operating result (Profit)	4.782.104	3.519.068
Total Operating Profit	4.782.104	3.519.068

Net financial result

Elements	31 march 2022	31 march 2022
Income from exchange rate differences	27.906	304.308
Interest income	26	34
other incomes	-	-
Total Financial Income	27.932	304.342
Interest charges	287.815	208.988

Other financial expenses	33.947	230.743
Total Financial Expenses	321.762	439.731
Net financial result (Loss)	(293.830)	(135.389)

The fiscal legislative framework

The legislative-fiscal framework in Romania and its implementation in practice changes frequently and is subject to different interpretations by various control bodies. The declarations regarding the profit tax are subject to revision and corrections by the fiscal authorities, generally for a period of five years after the date of their completion. The management considers that it has adequately recorded the fiscal obligations from the attached financial statements, however, the risk persists that the fiscal authorities will adopt different positions regarding the interpretation of these issues. Their impact could not be determined at this time.

GUARANTEES

As of March 31, 2023, the company has mortgaged the following assets in favor of the financing banks with which it has committed lines of credit as follows:

INTESA SANPAOLO BANK **- MORTGAGE REAL ESTATE SITUATION**

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

1315/2/1/1/1/7 CF 40067	- land area of 18.910 mp + constructions: 1. locker room -199,59 mp (C54); 2. silo raw material - 195,60 mp (C55); 3. mixtures and annexes workshop - 437,91 mp (C58); 4. hot water station and condensate recirculation - 48,88 mp (C57); 5. monobloc hall -10.808,88 mp (C56/2/1); 5. storage - 2.225,98 mp (C69).
1315/2/1/1/1/9 CF 41169	land area of 4.114 mp + constructions: 1. finished warehouse - 657,25 mp (C56/4).
1315/2/1/1/1/10 CF 41170	- land area of 1.575 mp + constructions: 1. Administrative group gate 3 - 123,44 mp (C63).
1315/2/1/1/1/11 CF 41165	- land area of 22.150 mp + constructions: 1. monobloc hall - 4.739,39 mp (C56/3); 2. storage -95,55 mp (C61); 3. rolling bridge - 811,12 mp (C62).

CREDIT EUROPE BANK

SITUATION OF REAL ESTATE PROPERTIES

CADASTRAL NO	MORTGAGED PROPERTY (LAND + CONSTRUCTIONS) - DESCRIPTION (RANGES I AND II MORTGAGES)
1315/2/1/1/3 CF 39568	land area of 1.271 mp with administrative group consisting of two buildings (C1 with ground surface built by 161,32mp and C2 With ground surface built by 151,81mp), located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/4 CF 37455	- land area of 6.705 mp with Oxygen factory (C1), located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/7 CF 39567	- land area of 1.859 mp with tailoring section (C1)+gate group, with ground surface built by 667,87mp located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/9 CF 39579	- land area of 5047 mp with reconditioned drums section (C59), located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/10 CF 39564	- land area of 3.744 mp , located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/1/8 CF 39562	- land area of 9.538 mp with construction C1-Industrial hall- Section of gaskets with ground surface of 6.429,15 mp , located in Tg Jiu, Ciocârlău street, no. 38.

1315/2/1/1/1/3 CF 47078	- land area of 9.280 mp + constructions: 1. demineralization station (C1) 2. demineralization station annexes (C2) 3. demineralization station basin (C3) 4. locker room (C4) 5. heating plant (C5) 6. compressor station storage (C6)
1315/2/1/1/1/5 CF 41246	- -land area of 17.758 mp + constructions: 1. basin (C1) 2. pump house (C2) 3. basin (C3) 4. heating plant (C4) 5. industrial construction (C5) 6. trafo post (C6) 7. recirculated water basin (C7) 8. cooling tower (C8)_ 9. pump station (C9) 10. cooling tower (C10) 11. industrial and public construction (C11) 12. industrial and public construction (C12) 13. industrial and public construction (C13) 14. industrial and public construction (C14) 15. industrial and public construction (C15) 16. chlorination Station (C16) 17. metal storage (C18)

ING BANK

SITUATION OF REAL ESTATE PROPERTIES

CADASTRAL NO	MORTGAGED PROPERTY (LAND + CONSTRUCTIONS) - DESCRIPTION
1315/1/1/1/12 CF47071	- inner-city land with an area of 3611 sqm together with the built construction with an area of 16.67 sqm (scale cabin)
1315/2/1/1/8 CF 39574	- urban land with an area of 531 sqm together with the built construction with an area of 215.14 sqm (commercial space)
4327 CF 47079	-land within the city with an area of 1000 square meters
4296 CF 47074	- urban land with an area of 4,760 sqm together with the built construction with an area of 12.42 sqm (deep well)
3201	- urban land with an area of 10,073.17 sq m

CF39572	
37200 CF 37200	- inner city land with an area of 1395 sq m
37202 CF 37202	- urban land with an area of 9632 sq m
1315/2/1/1/2 CF 40066 RANG I	-land with an area of 20,616 sq m + buildings: 1. transport lane hall (C56/1).
3003 CF 41266	-land with an area of 15,446 sqm together with the Jiu Catchment Station composed of: pump room, dosing tower, water settling basins 1 and 2, water treatment facilities, filters + annexes, thermal plant, gate cabin, located in Tg Jiu, Cartier you see
1315/2/1/1/5 CF 41270 1315/2/1/1/6 CF 41263	- land with an area of 996 sqm together with a bread workshop (C11/2) -land with an area of 1,063 sqm together with a milk workshop (C11/1), located in Tg Jiu, Ciocârlau str., no. 38.
1315/2/1/1/1/2 CF 44426	- inner-city land with an area of 14,478 sq m + constructions: 1. bathroom - 4.13 sqm C3 2. warehouse - 81.27 sq m C38 3. industrial hall - 119.85 sqm (C39); 4. warehouse - 484.78 sqm (C65); 5. warehouse - 111.31 sqm (C66); 6. warehouse - 360.73 sqm (C67); 7-storehouse - 44.72 sqm (C68).
1315/2/1/1/1/6 CF 47076	- inner-city land with an area of 6,843 sq m + constructions: 1. workshop - 651.14 sqm (C18) 2. workshop - 626.59 sqm (C19) 3. school laboratory -384.47 sqm (C20) 4. bathroom - 12.93 sqm (C21)

5. pool -88.76 sq m (C22)
6. pool - 26.3 sqm (C23)
7. warehouse (C58)
8. car workshop - 359,245 sq m (C73)

The status of ongoing litigation

ARTEGO S.A. – complainant

1	8207/62/2011	CET Brasov	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 46,887.93 lei	- ongoing; I was admitted to the credit table with the amount of 46,887.93 lei; continue bankruptcy proceedings
2	60833/3/2011	Munplast Bucuresti	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 19,457.81 lei	- ongoing; we were admitted to the credal table with the amount of 19,457.81 lei, from which we recovered the amount of 5,000 lei; continue the bankruptcy procedure.
3	4163/95/2012	Gastrom Group Targu -Jiu	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 52,777.37 lei	- ongoing; I was admitted to the credit table with the amount of 52,777.37 lei; continue bankruptcy proceedings
4	887/90/2013	Oltchim Ramnicu-Valcea	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 19,946.68 lei	- ongoing; I was admitted to the credit table with the amount of 19,946.68 lei; continue bankruptcy proceedings

5	9089/101/2013	Regia Autonoma Pentru Activitati Nucleare Severin	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 1,439,815.78 lei	- ongoing; was admitted to the credit table with the amount of 1,439,815.78 lei; continue bankruptcy proceedings
6	2570/63/2014	Servicii Energetice Oltenia Craiova	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 3,188.77 lei	- ongoing; I was admitted to the credit table with the amount of 2,486.37 lei; continue bankruptcy proceedings
7	528/95/2015	Succes Nic Com Targu - Jiu	Insolvency procedure	- the admission to the creditor's table of the debtor with the amount of 34,155.80 lei	- ongoing; we were admitted to the credit table with the amount of 34,155.80 lei; the procedure of judicial reorganization continues
8	2575/85/2015	Ambient Sibiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 1,240.00 lei	- ongoing; we were admitted to the credal table with the amount of 1,240.00 lei; continue the bankruptcy procedure
9	3520/95/2015	Ignifug Prest Targu-Jiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 4,783.92 lei	- ongoing; we were admitted to the credal table with the amount of 4,783.92 lei; continue the bankruptcy procedure
10	1396/90/2016	CET Govora	Insolvency procedure	- admission to the credit table of the debtor with the	- ongoing; we were admitted to the credal table with the amount of

				amount of 1,665,256.19 lei	1,665,256.19 lei; continue the judicial reorganization procedure
11	5114/95/2016	Instalatii Revizii Utilitati Pentru Minerit Targu-Jiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 41,307.71 lei	- ongoing ; we were admitted to the credal table with the amount of 41,307.71 lei; continue the bankruptcy procedure
12	1248/95/2018	Intreprinderea de Drumuri si Poduri Targu-Jiu	Insolvency procedure	- admission to the credit table of the debtor with the amount of 2,783.39 lei	- ongoing ; we were admitted to the credal table with the amount of 2,783.39 lei from which I recovered the amount of 1,391.39 lei; continue the bankruptcy procedure
13	5075/97/2016	Societatea Complexul Energetic Hunedoara	Insolvency procedure	- admission to the credit table of the debtor with the amount of 580.000,00 lei	- ongoing ; we were admitted to the credal table with the amount of 580,000.00 lei; continue the insolvency procedure (extending the observation periode)
14	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.	- ongoing ; - court term – 21.04.2023

ARTEGO S.A. – defendant

Nr. crt.	File no.	Defendant society	Object	Request/ The requested amount	Stage file / Notifications
1	1214/54/2020	ANAF – DGSC București ANAF – AJFP Valcea	Fiscal administrative act contestation - appeal against Sentence 286/2021 pronounced by the Craiova Court of Appeal	Cancellation of Sentence no. 286/2021 pronounced by the Craiova Court of Appeal and rejection of the appeal	- ongoing ; - the court admitted the summons request; the sentence was appealed trial term – 21.09.2023
2	5201/95/2021	Asociația Club Sportiv Pandurii – Lignitul Tg-Jiu, in insolvență	claims	Obliging the defendant to pay the sum of 864,956.30 lei (penalty interest)	- ongoing ; - court term – 11.04.2023
3	3775/318/2022	Pandurii Sports Club Association – Tg- Jiu Lignite, in insolvency	claims	Obliging the defendant to pay court costs from File no. 6274/95/2017	- ongoing ; - - court term - 11.05. 2023
4	2482/95/2022	Pandurii Sports Club Association – Tg- Jiu Lignite, in insolvency	claims	Jointly obliging the defendants (Societatea Complexul Energetic Oltenia S.A., Societatea Artego S.A., Gorj County Council, Targu- Jiu Local Council, Union of the Oltenia Mining Trade Unions) to pay the sum of 11,100.00 lei representing the annual contribution for the years 2018 - 2021	- ongoing ; - court term - 05.04. 2023

Affiliated parties

The company has no affiliated parties

Subsequent events

After the preparation of the reports completed on March 31, 2023, there were no events whose effects were significant and would influence the data contained in the current financial statements.

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

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

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

Other information

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

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

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

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

Other elements of the overall result of which:													
Surplus from the revaluation of tangible assets													
The reduction of the reserve from the revaluation of deferred tax registration										-11,106			-111,541
Total other elements of the overall result										-11,106			-111,541
Total global result of the period			3,135,408							-11,106			3,023,867
Other elements													
Resumption of the revaluation reserve to the carried forward result									100,435				100,435
Increasing the legal reserve													
Other elements			-						11,325,313			842,092	-148,543
Totally other elements			12,315,948						11,425,748			842,092	-48,108
Transactions with shareholders recognized directly in equity													0
Distribution of dividends													
Total transactions with the owners													
BALANCE AS OF MARCH 31, 2023	20,286,865	89,052,449	3,135,408	4,057,373	27,850,242	26,893,424	13,632,796	-89,052,449	0	650,315		0	96,506,423

SITUATION OF TREASURY FLOWS AT 31 MARCH 2023

indicatorLEI (RON)	ACCOMPLISHED 2022	ACCOMPLISHED 31.03.2023
A.LIQUIDITY AT THE BEGINNING OF THE PERIOD	1.053.305	820.842
In accounts	996.941	796.516
Cash	24.174	8.899
Other Values	31.781	10.224
Treasury advances	-	-
Values to receive	409	5.203
<i>PROCEEDS FROM OPERATING ACTIVITY</i>	267.497.914	54.720.379
<i>Customer encashments</i>	217.115.772	45.181.451
<i>Other encashments</i>	50.382.142	9.538.928
<i>PAYMENT FOR THE EXPLOITATION ACTIVITY</i>	265.377.588	54.698.678
<i>Provider payments</i>	160.380.004	32.527.391
<i>Payments for staff</i>	40.954.161	11.320.975
<i>Payments on taxes and fees</i>	23.623.304	6.846.042
<i>Tax / Advantage</i>	2.018.879	-
<i>Interest payments</i>	1.427.635	208.988
<i>Other payments</i>	36.973.605	3.795.282
<i>CASH FLOW FROM OPERATING ACTIVITIES</i>	2.120.326	21.701
<i>PROCEEDS FROM THE INVESTMENTS ACTIVITY</i>	664.704	791.595
<i>Proceeds from the sale of land, fixed assets and intangible assets</i>	664.704	791.595
<i>Proceeds from the sale of equity instruments and receivables from other enterprises</i>	-	-
<i>Proceeds from repayment of advances and loans to other parties</i>	-	-
<i>PAYMENT FROM THE INVESTMENTS ACTIVITY</i>	3.017.493	1.107.194
<i>Payments for the acquisition of land, fixed assets and intangible assets</i>	3.017.493	1.107.914
<i>Proceeds for the acquisition of equity instruments and receivables of other enterprises</i>	-	-

<i>Advances and loans made to other parties</i>	-	-
<i>CASH FLOW FROM THE INVESTMENT ACTIVITY</i>	-2.352.789	-315.599
<i>PROCEEDS FROM THE FINANCING ACTIVITY</i>	-	-
<i>PAYMENTS FOR THE FINANCING ACTIVITY</i>	-	-
<i>CASH FLOW FROM THE FINANCING ACTIVITY</i>	-	-
<i>CASH FLOW - TOTAL</i>	-232.463	-293.898
<i>B. LIQUIDITIES AT THE END OF THE PERIOD</i>	820.842	526.944
<i>In accounts</i>	796.516	496.746
Cash	8.899	5.900
Other Values	10.224	2.521
Treasury advances	-	13.454
Values to receive	5.203	8.323

ECONOMIC AND FINANCIAL INDICATORS

Indicator	Calculation method	Result
1. Current liquidity indicator	Current assets / current liabilities	103748703/44685001=2.32
2. Indicator of indebtedness	Borrowed capital / own capital x 100 Borrowed Capital / Employed Capital x 100	No loans are contracted for over a year
3. Speed of client-to-customer flows	Average customer balance / turnover x 90	28683825/45129259*90=57.20
4. Speed of rotation of fixed assets	Turnover / Fixed Assets	45129259/37457414=1.20

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

Statement

In accordance with the provisions of art.223, point B, para. (1), letter c) of Regulation no.5 / 2018 regarding issuers and operations with securities we declare that, to our knowledge, the financial statements as of March 31, 2022 offer a correct and realistic picture of the assets, liabilities, financial position and profit and loss account. Also, the Report of the Board of Directors prepared in accordance with the provisions of annex no. 14 presents correctly and completely the information about the company.

General Manager,

Viorel David