

REPORT FOR TRIMESTER
REGULATION A.S.F. NR.5 / 2018

Date of report: 30.09.2019

S. C. ARTEGO S.A. TG JIU

Registered office: 38 Ciocarlau Street, Tg-Jiu

Phone no .: 0253/226066, fax: 0253/226066

Unique registration code at the Trade Register Office: 2157428

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

Social subscription Capital paid up: 22,390,413 lei

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

SITUATION OF THE FINANCIAL POSITION AT 31.12.2018 and 30.09.2019
(Amounts are expressed in RON unless otherwise stated)

Denumirea indicatorilor	31.12.2018	30.09.2019
Name of indicators		
ASSETS	47.883.466	45.276.384
<i>Tangible assets</i>	34.442.009	32.633.276
<i>Intangible assets</i>	13.441.457	12.643.108
<i>Financial assets</i>		
Current assets	92.846.575	96.780.487
<i>Stocks</i>	47.380.857	54.567.444
<i>Commercial receivables</i>	40.017.842	39.349.633
<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>	5.129.059	2.570.079
<i>Prepayments</i>	304.420	278.934
TOTAL ASSETS	140.730.041	142.056.871
CAPITALURI PROPRII SI DATORII		
Equity		
<i>Subscribed and paid-up share capital</i>	22.390.413	22.390.413
<i>Other equity items</i>	879.516	837.058
<i>Reserves from reevaluation</i>	28.939.325	28.927.963
<i>Legal reserves</i>	4.974.689	4.478.083
<i>Other reservations</i>	14.386.153	18.691.311
<i>Social Capital Adjustment</i>	89.052.449	89.052.449
<i>Own actions</i>	0	0
<i>Retained earnings (without IAS 29)</i>	1.510.192	1.521.555
<i>Retained earnings (with IAS 29)</i>	-89.052.449	-89.052.449
<i>Current profit</i>	9.465.069	7.678.940
<i>Profit Distribution</i>		
Total equity	82.545.357	84.525.323
Long-term debt		
<i>Investment grants</i>	62.025	4855
<i>Other long-term debts</i>	7.673	7.708
<i>Long-term provisions</i>		
Total long-term debts	69.698	12.563
Current debts		
<i>Investment grants</i>	256.144	89.949
<i>Commercial and other debts</i>	9.530.128	9.512.130
<i>Short-term loans</i>	41.949.052	41.339.732
<i>Tax and current tax liabilities</i>	6.379.662	6.577.174
<i>Short-term provisions</i>	58.114.986	57.518.985
Total debts	58.184.684	57.531.548
TOTAL OWN CAPITALS AND DEBTS	140.730.041	142.056.871

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

The effects of the difficult situation and of the financial blockade in which the economy is located keep the company in the impossibility of diminishing the debts and implicitly of the debts that it has to collect, respectively to pay.

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

Elemente	30 sept.2018	30 sept. 2019
1. State budget	762.233	781.460
- tax on profit	443.984	430.316
- tax on dividends	-	-
- tax on salaries	240.906	266.632
- the insurance contribution for work	77.343	84.512
- VAT on payment	-	-
2. Special fund budgets	381.539	419.932
- CASS	341.629	374.585
- average fund	29	65
- solidarity fund for people with disabilities	39.881	45.282
3. Social security budgets	868.700	953.044
- CAS	868.700	953.044
- 0,5% unemployment	-	-
- 0,75% unemployment	-	-
- 0,214% accidents fund	-	-
4. Other taxes, fees, payments	-	-

1.b. PROFIT AND LOSS ACCOUNT

at 30 september 2019

- lei-

Crt. No.	NAME OF INDICATORS	30.09.2018	30.09.2019
1.	Net turnover of which	114.965.277	122.876.930
	Revenues from the sold production	112.421.020	120.315.371
	Revenues from the sale of goods	2.797.142	2.729.059
	Commercial discounts granted	252.885	167.500
2.	Revenues from stored production	9.829.213	16.893.661
3.	Revenues from the production of fixed assets	706.006	189.171
4.	Revenues from fixed assets intended for sale	1.072.953	251.939
5.	Revenues from operating grants	-	-
6.	Other revenues from exploitation	1.007.758	885.771
I.	OPERATING INCOME	127.581.207	141.097.472
7.	Expenditure on goods	2.488.303	2.382.070
8.	Material expenses	76.551.405	84.157.222
9.	Expenditure on works and services performed by	4.512.776	4.711.631

	third parties		
10.	Expenses with taxes and fees	1.209.566	1.139.961
11.	Staff costs	30.485.051	33.656.900
12.	Other operating expenses	658.105	848.242
13.	Expenses with depreciation and provisions	3.639.983	3.666.176
14.	Value adjustments for current assets	-	-
II.	EXPENSES FOR EXPLOITATION	119.545.189	130.562.202
A.	RESULT FROM EXPLOITATION		
	- PROFIT	8.036.018	10.535.270
	- LOSS		
III.	FINANCIAL REVENUES	329.731	512.325
IV.	FINANCIAL EXPENSES	1.899.679	2.145.072
B.	FINANCIAL RESULT	(1.569.948)	(1.632.747)
V.	EXCEPTIONAL REVENUES		
VI.	EXCEPTIONAL EXPENSES		
C.	EXCEPTIONAL RESULT (LOSS)		
VII.	TOTAL REVENUES	127.910.938	141.609.797
VIII	TOTAL EXPENSES	121.444.868	132.707.274
D.	GROSS RESULT		
	- PROFIT	6.466.070	8.902.523
	- LOSS		
	TAX	956.079	1.266.041
E	REVENUES FROM BENEFIT FROM PROFIT	42.893	42.458
F.	NET RESULT		
	- PROFIT	5.552.884	7.678.940
	- LOSS		
G.	Number of shares	8.956.165	8.956.165
H.	Output per share	0,620	0,857

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

The lack of the possibility of making coherent and correct predictions has led to maintaining the volatility of the Romanian business climate, the main commercial organizations in the steel, oil and energy fields, continuing to focus on reducing costs and implicitly on the acquisition activities characterized by pursuing acquisition prices. the lowest.

In these circumstances, the stages assumed by the renegotiation of commercial contracts with some companies in the mentioned fields were difficult and lasted much longer than the initially estimated time, which marked the decrease of the volume of orders for the specific products and implicitly on the level of sales.

In other news, the turbulence of the economic environment adversely influences the possibilities of payments made by customers, with large delays in the payment deadlines corresponding to the delivered deliveries, which leads to the negative affect of the cash and cash flows. the possibilities of making payments to suppliers on time.

For the next period, the evolution on the market will be influenced by the impact, on which the measures that will be taken at macro-economic level (increase of prices for natural gas, evolution of the price of fuels, evolution of the leu / euro rate, development and / or conclusion of the processes of privatization in the fields of rail, air transport, the expected organizational evolutions in the energy field, the insolvency status of some organizations in the energy and petrochemical fields) will have on the dynamics of acquisitions, investments, modernization, maintenance.

Therefore, taking into account all these aspects, if the general evolution of the Romanian economy will know a relative stability, it is possible to maintain, in the short and medium term, the existing situation, in terms of the level of sales and the productive activity, continuing on the other hand to make efforts to ensure some cash flows that allow the honoring of debts to employees, state and suppliers. At the same time, action will be taken to identify all the availability of mitigating as much as possible the difference between revenues and expenses and for a corresponding reaction to the influence of all these factors that have potential impact on the way of evolution on the market and the performance of SC ARTEGO SA.

We mention that the financial statements prepared on 30.09.2019 have not been audited / revised.

SITUATION OF TREASURY FLOWS

at 30 september 2019

- lei -

INDICATORS LEI (RON))	ACCOMPLI SHED 2018	ACCOMPLI SHED 30.09.2019
A. LIQUIDITY AT THE BEGINNING OF THE PERIOD	6.294.132	5.129.059
In accounts	6.061.228	5.007.972
Cash	1.656	9.741
Other Values	231.248	111.346
Treasury advances	-	-
Values to receive	-	-
PAYMENT FOR THE EXPLOITATION ACTIVITY	222.743.086	164.250.866
Provider payments	172.580.505	136.963.020
Other payments	50.162.581	27.287.846
PAYMENTS FOR THE EXPLOITATION ACTIVITY	222.393.902	166.491.734

Provider payments	121.591.831	94.339.080
Payments for staff	37.848.788	30.042.873
Payments on taxes and fees	20.176.381	15.907.416
Tax profit	1.344.067	1.507.473
Interest payments	1.738.353	1.543.975
Other payments	39.694.482	23.150.917
CASH FLOW FROM THE EXPLOITATION ACTIVITY	349.184	-2.240.868
PROCEEDS FROM THE INVESTMENTS ACTIVITY	1.788.886	732.343
Proceeds from the sale of land, fixed assets and intangible assets	1.788.886	732.343
Proceeds from the sale of equity instruments and receivables from other enterprises	-	-
Proceeds from repayment of advances and loans to other parties	-	-
PAYMENT FROM THE INVESTMENTS ACTIVITY	3.303.143	1.050.455
Payments for the acquisition of land, fixed assets and intangible assets	3.303.143	1.050.455
Proceeds for the acquisition of equity instruments and receivables of other enterprises	-	-
Advances and loans made to other parties	-	-
CASH FLOW FROM THE INVESTMENT ACTIVITY	-1.514.257	-318.112
PROCEEDS FROM THE FINANCING ACTIVITY	-	-
PAYMENTS FOR THE FINANCING ACTIVITY	-	-
CASH FLOW FROM THE FINANCING ACTIVITY	-	-
CASH FLOW - TOTAL	-1.165.073	-2.558.980
B. LIQUIDITIES AT THE END OF THE PERIOD	5.129.059	2.570.079
In accounts	5.007.972	2.476.874
Cash	9.741	22.490
Other Values	111.346	54.442
Treasury advances	-	16.273
Values to receive	-	-

2. ANALYSIS OF THE SOCIETY'S ACTIVITY

2.1. Liquidity indicators

- % -

Crt. No.	Name of indicators	Calculation formula	30.09.2018	30.09.2019
1.	Current patrimonial liquidity	[Current assets /DTS]	1,61	1,68
2.	Active (fast) liquidity	[Current assets.- Stocks]/DTS	69%	73,02%
3.	Speed of rotation fixed assets	Turnover /Intangible assets	2,42	2,71
4.	Speed of rotation of total assets	Turnover / total assets	0,88	0,86
5.	Interest rate cover indicator	Profit before payment of interest and profit tax / Expenses with interests	6,17	6,77
6.	Profitability of the Committed capital	Profit before interest and profit tax / Committed capital	0,098	0,124
7.	Gross margin from sales	Gross profit from sales / Turnover	6,99%	8,57%

2.2 Capital expenditures

Due to the economic situation, both at the company level and at macroeconomic level, the investments in the analyzed period stagnated, the cash outflow being destined for the payment of the debts accumulated in the previous period.

2.3. The structure of earnings from basic activity is presented below::

Revenues from exploitation

- lei-

Elements	30 september 2018	30 september 2019
Sold production	112.421.020	120.315.371
Revenues from sale of goods	2.797.142	2.729.059
Granted commercial discounts	252.885	167.500
Revenues related to the cost of product stocks	9.829.213	16.893.661
Revenues from the production of fixed assets	706.006	189.171
Revenues from fixed assets for sale	1.072.953	251.939
Revenues from exploitation grants	-	-

Other revenues from exploitation	1.007.758	885.771
Total revenues from exploitation	127.581.207	141.097.472

In the next period, in the short and medium term, considering the difficulty of predicting the evolution of the Romanian economy, but also counting on its possible stability, it can be estimated for S.C. ARTEGO SA. a constant trend of the existing situation as a productive activity and sales level.

3. CHANGES AFFECTING SOCIAL CAPITAL AND COMMERCIAL BUSINESS ADMINISTRATION

3.1. During the analyzed period, there were no cases in which the company could not honor its obligations to third parties, even if in some situations the payments were made late..

3.2. During the analyzed period there were changes regarding the rights of the owners of securities issued by the commercial company. Thus, the shareholding structure on 30 September 2019 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	77,8103%
Individual shareholders	2,50	854.252	2.135.630,00	9,5382%
Other legal entities	2,50	1.133.091	2.832.728,00	12,6515%
THE ROMANIAN STATE THROUGH THE AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS	2,50	2	5	0,0000%
TOTAL	2,50	8.956.165	22.390.413,00	100,000%

4. SIGNIFICANT TRANSACTIONS

It's not necessary.

SITUATION OF THE GLOBAL RESULT at 30 september 2019

- lei-

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		30.09.2018	30.09.2019
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	Revenues from the sold production	112.421.020	120.315.371
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	- LOSS		
G.	Number of shares	8.956.165	8.956.165
H.	Output per share	0,620	0,857

ECONOMIC AND FINANCIAL INDICATORS

Indicator	Calculation method	Result
1. Current liquidity indicator	Current assets / current liabilities	$142.056.871/57.518.985=2.47$
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 270	$27.545.286/122.876.930*270= 59.4$
4. Speed of rotation of fixed assets	Turnover / Fixed Assets	$122.876.930/45.276.384 =2.71$

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

According to the stipulations of art..223, item B, paragraph (1), letter c) of the Regulation No. 5/2018 on issuers and securities transactions we declare that, to our knowledge, the financial statements at 30 September 2018 offers a true and fair view of the assets, liabilities, financial position and profit and loss account. Also, the Report of the Board of Directors, prepared in accordance with the stipulations of Annex no. 14, presents fairly and completely the information about the company.

Signature,

General Manager,

Viorel David

Economic Manager,

Ec. Mihai Jianu

Notes to the financial statements

For the financial year ended at 30 september 2019

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 OMF 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 30 september 2019, 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

The credit risk is the risk that the company will incur a financial loss as a result of non-fulfillment of the contractual obligations by a client or a counterparty to a financial instrument, and this risk arises mainly from trade receivables and cash and cash equivalents.

On 30 september 2019, the company holds cash and cash equivalents in the amount of 2.570.079 lei. The cash and cash equivalents are held at banks including: Unicredit Tiriac, Intesa, ING Bank, Credit Europe, Garanti, BRD.

The liquidity risk

The liquidity risk is the risk that the company encounters difficulties in meeting the obligations associated with financial liabilities that are settled in cash or by the transfer of another financial asset.

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

The fair value of financial instruments

The fair value is the amount at which the financial instrument may change in ordinary transactions other than those determined by liquidation or forced sale. The fair values are obtained from quoted market prices or cash flow models as appropriate. On 30 September 2019, the cash and other cash, the customers and the assimilated accounts, the trade payables and other payables are approaching their real value due to their short maturity. The management considers that the estimated value of these instruments is close to their carrying amount.

The capital risk management

The objectives of the company when managing the capital are to maintain the company's ability to continue operating 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 shall be presented in the current measurement unit at the balance sheet date (non-monetary items are restated using a general price index from the acquisition date or contribution). According to IAS 29, an economy is considered to be hyperinflationary if, in addition to other factors, the cumulative inflation rate over a three year period exceeds 100%.

The continued decrease in inflation rate and other factors related to 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 beginning on 1 January 2004, thus IAS 29 was adopted in the preparation of the separate financial statements until 31 December 2003.

Thus, the amounts expressed in the current measurement unit at 31 December 2003 are treated as the basis for the carrying amounts reported in these separate financial statements and are not valued, replacement cost, or any other measurement of the current value of the assets or prices at which the transactions would happen at this time.

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

Tangible assets

The tangible assets are assets that: are held by an entity for use 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 for a period longer than one year .

Purchase costs include purchase price, import taxes and other taxes (except those that the legal entity can recover from the tax authorities), transport, handling and other expenses that can be directly attributable to the acquisition of those goods.

The valuation of property, plant and equipment at the balance sheet date is carried at cost, less depreciation and accumulated impairment adjustments, or revalued, being the fair value at the revaluation date, less any cumulative subsequent depreciation and any accumulated impairment losses.

Damping times are as follows:

Buildings and constructions	40-60	ani
Equipments	15-40	ani
Means of transport	5-8	ani
Office furniture and equipment	3-5	ani

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

The commercial receivables are initially recorded at the invoiced amount 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 made when there is a clear evidence that the receivables will not be collected at the set time.

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

The debts to suppliers and other debts include the value of the invoices issued by suppliers of manufactured finished products, executed works and services.

Loans

The loans are initially recognized at fair value, net of transaction costs. Subsequent to initial recognition, the loans are recorded at amortized cost, any difference between cost and reimbursement being recognized in the income statement over the period of the loan.

Profit tax

The profit tax expense comprises current tax and deferred tax. The current and deferred tax is recognized in the income statement unless it is recognized directly in equity or other comprehensive income.

Current tax

The current tax is the tax that is expected to be paid or received for the taxable income or deductible loss incurred in previous years using tax rates adopted or largely adopted at the reporting date and any adjustment to the related tax liability payable of previous years.

Deffered tax

The deferred tax is recognized for the temporary differences that occur between the carrying amount of assets and liabilities used for the purpose of financial reporting and the tax base used for the tax calculation.

The deferred tax assessment reflects the tax consequences that arise from the way the company expects to recover or settle the value of its assets and liabilities at the end of the reporting period. The deferred tax assets are reviewed at each reporting date and are diminished to the extent that they are which is no longer possible to achieve the related tax benefit.

Benefits of the employees

Benefits of short-term employees

The obligations on short-term benefits are assessed without being updated and are recognized as expenses as services are rendered. A provision is recognized at the amount that is expected to be paid for short-term benefits in the form of bonuses or employee participation in profit only if the Company has a present, legal or constructive obligation to pay that amount for past service provided by employees , and this obligation can be estimated at fair value. The benefits of short-term employees are mainly payroll.

In the normal course of business, the company makes payments on behalf of its employees to the pension fund. All the company's employees are members of the Romanian State Pension Plan.

Funding costs

The company does not capitalize the cost of the loans because it does not have long-term loans.

The interest income and interest expense are recognized in the income statement when they are paid.

Subsidies

The subsidies are initially recognized as prepaid earnings at fair value when there is reasonable assurance that they will be received and the company will comply with the grant-related conditions and then are recognized in the income statement as other income over the life of the asset to which it refers. The subsidies are related to assets. The non-reimbursable funds are recognized as assets when there is reasonable assurance that they will be received and the related conditions will be met.

Provisions

A provision is recognized at that time and only when the following conditions are met: the company has a current (legal and implicit) obligation as a result of a past event, it is probable (more likely than unlikely) that an outflow of resources representing economic benefits to be required to settle the obligation, when a fair estimate of the amount of the obligation can be made.

Output per share

In accordance with IAS 33 "Earnings per share", the earnings per share is calculated by dividing the profit or loss attributable to the company's shareholders to the weighted average of the outstanding ordinary shares of the period.

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

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

Contingents

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

A contingent asset is not recognized in the accompanying financial statements but is presented when an economic benefit is probable.

Reporting on segments

A segment is a distinct component of the company that provides certain products or services (segment of activity) or provides products or services in a particular geographical 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 company's management considers all of their operations as "one segment".

Operating segments are examined in a consistent manner by the entity's principal operational decision-maker for making decisions about segment allocation and performance appraisal, and for which distinct financial information is available.

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

Implications of the new International Financial Reporting Standards (SIRF 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 on or after 1 January 2012 and have not been applied in the preparation of these separate financial statements. None of the new standards expects to have a material effect on the company's financial statements.

New standards not yet applicable on 30 September 2019

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 earnings and losses in the income statement.

- lei -

Name of the fixed asset	Gross value				Value adjustments (Depreciation and amortization for depreciation or loss)			
	Balance at 1 january 2019	Increas es	Releases, transfers and other discounts	Balance at 1 january 2019	Increase s	Adjustments recorded during the exercise	Balance at 1 january 2019	Increases
0	1	2	3	4=1+2-3	5	6	7	8=5+6-7
A. FIXED ASSETS								
I. INTANGIBLE ASSETS								
1. Establishment costs	-	-	--	-	-	-	-	-
2. Development costs	4.112.519	-	-	4.112.519	4.112.519	-	-	4.112.519
3. Concessions, patents, licenses and other assets	27.710.737	538.117	-	28.248.854	14.269.280	1.336.466	-	15.605.746
4. Commercial fund	-	-	-	-	-	-	-	-
5. Advances and intangible assets in progress	-	-	-	-	-	-	-	-
TOTAL:	31.823.256	538.117	-	32.361.373	18.381.799	1.336.466	-	19.718.265
II. TANGIBLE ASSETS								
1. Lands	12.946.749	-	8.197	12.938.552	120.096	10.008	-	130.104
2. Constructions	43.808.089	-	75.226	43.732.863	28.519.782	892.528	20.284	29.392.026
3. Technological equipments	43.528.168	689.405	66.161	44.151.412	39.502.576	992.395	66.161	40.428.810

4. Measuring, control and regulating machines and installations	2.211.795	113.836	29.329	2.296.302	1.944.401	89.922	27.161	2.007.162
5. Transport means	6.235.350	196.582	4.097	6.427.835	4.956.250	329.243	4.097	5.281.396
6. Furniture, equipment, office and other tangible assets	594.264	27.580	186	621.658	421.005	15.614	186	436.433
7. Advances and tangible assets in progress	581.704	188.458	629.577	140.585	-	-	-	-
TOTAL:	109.906.119	1.215.861	812.773	110.309.207	75.464.110	2.329.710	117.889	77.675.931
III. FINANCIAL ASSETS								
1. Holdings held by the group companies	-				-			
2. Receivables on the group companies	-				-			
3. Securities in the form of participation interests	-				-			
4. Interest debts	-				-			
5. Titles held as fixed assets	-				-			
6. Other debts	-				-			
7. Own actions	-				-			
TOTAL:	-				-			
FIXED ASSETS – TOTAL	141.729.375	1.753.978	812.773	142.670.580	93.845.909	3.666.176	117.889	97.394.196

Stocks

On 30 september 2019, compared to 30 december 2018 stocks are presented as follows:

:

Elements	31 dec 2018	30 sept. 2019
1. Raw materials and consumables	34.377.035	35.397.605
2. Fixed assets held for sale	1.972.183	1.749.463
3. Production under execution	20.226	100.058
4. Finished goods and commodities	9.745.041	16.037.120
5. Advances	1.266.372	1.283.198
TOTAL	47.380.857	54.567.444

Clients and assimilated accounts

On 30 september 2019, compared to 30 december 2018, the clients and assimilated accounts are shown as follows:

Elements	31 dec. 2018	30 sept. 2019
1. Commercial receivables	35.395.225	29.797.337
2. Paid advances	748.516	1.314.311
3. Other debts	3.874.101	8.237.985
TOTAL	40.017.842	39.349.633

In the period 01.01.2019-30.09.2019 the company recorded exports as follows:

EURO

ANGLIA	2.161.144,20
AUSTRIA	27.597,83
BELGIA	173.576,82
BULGARIA	246.459,07
BOSNIA	1.909,22
CEHIA	5.493,76
EAU	34.769,68
EGIPT	33.477,72
ESTONIA	10.582,60
FINLANDA	602.221,68
FRANTA	1.691.700,54
GERMANIA	4.752.312,78
GRECIA	26.261,46
ITALIA	191.893,88
LITUANIA	10.447,63
MACEDONIA	4.488,90
MOLDOVA	18.646,54

NORVEGIA	5.495,00
OLANDA	1.196.514,39
POLONIA	38.851,63
SERBIA	172.271,57
SLOVACIA	28.403,82
SLOVENIA	7.758,68
SPANIA	3.139.537,67
TURCIA	26.136,98
UCRAINA	40.716,52
UNGARIA	163.616,75
TOTAL	14.812.287,32

Financial assets available for sale

On 30 september 2019, as compared to 30 december 2018, short-term investments are as follows:

:

Elements	31 dec. 2018	30 sept. 2019
Short-term investments	14.397	14.397
TOTAL	14.397	14.397

The balance on 30 september 2018 in the amount of 14.397 lei is the equivalent of the shares acquired in previous years from IFB Invest Tg-Jiu, which in the meantime dissolved.

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

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

Prepayments

On 30 september2019, compared to 30 december 2018 prepayments are as follows:

Elements	31 dec. 2018	30 sept. 2019
Prepayments	304.420	278.934
TOTAL	304.420	278.934

The balance on 30 september 2019 in the amount of 278.934 lei, represents the expenses made in advance for: insurance in favor of the banks for the granted credits, automobile diagrams, vocational training courses, rents paid in advance for renting various equipments.

Cash and cash equivalents

On 30 september 2019, as compared to 30 december 20178 cash and cash equivalents are presented in this way:

:

Elements	31 dec. 2018	30 sept. 2019
Current accounts at banks and deposits	5.007.972	2.476.874
Cash - lei	9.741	22.490
Cash - foreign currency		
Other equivalents in cash	111.346	70.715
TOTAL	5.129.059	2.570.079

Social capital

On 30 september 2019, the share capital includes the effects of the restatements recorded in previous years, according to the application of the "SIC" 29 "Financial Reporting in Hyperinflationary Economies. Reconciliation of social capital is as follows:

Social capital (nominal value)	22.390.413
Differences related to the retratation according to SIC 29	89.052.449

The balance of social capital (restated)

111.442.862

At the end of each reporting period, the subscribed and paid-up share capital of the company in the amount of 22.390.413 lei is divided into 8.956.165 ordinary shares with a nominal value of 2,5 lei per share and corresponds to the one registered with the Trade Registry Office.

The shareholding structure on 30 september 2019 is as follows:

Shareholders	Nominal value per share	Number of shares held	Total value	% of the social capital
<i>ASSOCIATION OF THE EMPLOYEES PAS ARTEGO</i>	2,50	6.968.820	17.422.050,00	77,8103%
<i>Other legal entities</i>	2,50	854.252	2.135.630,00	9,5382%
<i>Other individuals</i>	2,50	1.133.091	2.832.728,00	12,6515%
<i>THE ROMANIAN STATE THROUGH THE AUTHORITY FOR THE ADMINISTRATION OF STATE ASSETS</i>	2,50	2	5,00	0.000%
TOTAL	2,50	8.956.165	22.390.413,00	100,000%

Legal reserves

The legal reserves amount to 4.478.083 lei at 30 september 2019.

Revaluation reserves

The revaluation reserve is in the amount of 28.927.963 lei la 30 september 2019.

Other reserves

On 30 september 2019, compared to 31 december 2018, other reserves recorded the following levels:

Elements	31 dec. 2018	30 sept. 2019
Other reserves	14.386.153	18.691.311
Total	14.386.153	18.691.311

Other elements of own capital

On 30 september 2019, the amount of 837.058 lei, is the deferred tax related to revaluations in the balance after 1 January 2004, decreased by deferred tax related to revaluation amortization recorded on cost in the first 9 months of 2019.

Investment grants

Advance earnings are represented by the receipts received for non-reimbursable investments for the project carried out in the previous years through the Economic Competitiveness Growth axis and record the following descending levels up to the full depreciation of the commissioned objectives as follows:

Elements	31 dec. 2018	30 sept. 2019
1. Investment grants	318.169	94.804
Total	318.169	94.804

Short-term loans

The company has credit lines at UNICREDIT ,INTESA, ING BANK,CREDIT EUROPE and GARANTI BANK as follows

Bank	30.09.2018		30.09.2019	
	Approved	Used	Approved	Used
UNICREDIT lei	28.300.000	22.300.000	28.300.000	24.800.000
INTESA lei	11.000.000	7.008.647	11.000.000	7.508.611
ING BANK lei	1.400.000	51.742	1.400.000	655.605
GARANTI lei	1.000.000	1.000.000	1.000.000	1.000.000
CREDIT EUROPE lei	8.900.000	5.208.366	8.900.000	7.375.516

Long-term loans

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

Output per share

On 30 september 2019 as compared to 30 september 2018, the earnings per share is:

:

	30 september 2018	30 september 2019
Profit of the period	5.552.884	7.678.940
Number of ordinary shares at the beginning and the end of the period	8.956.165	8.956.165
The base and diluted earnings per share (lei/share)	0,620	0,857

Other taxes and obligations for social insurance

Elements	30 september 2018	30 september 2019
1. State budget	762.233	781.460
- tax on profit	443.984	430.316
- tax on dividends	-	-
- tax on salaries	240.906	266.632
- the insurance contribution for the work	77.343	84.512
- VAT on payment	-	-
2. Special fund budgets	381.539	419.932
- CASS	341.629	374.585
- average fund	29	65
- solidarity fund for people with disabilities	39.881	45.282
3. Social security budgets	868.700	953.044
- CAS	868.700	953.044
- 0,5% unemployment	-	-
- 0,75% unemployment	-	-
- 0,214% accidents fund	-	-
4. Other taxes, fees, payments	-	-

-

Revenues from exploitation

Elements	30 september 2018	30 september 2019
Sold production	112.421.020	120.315.371
Revenues from sale of goods	2.797.142	2.729.059
Commercial discounts granted	252.885	167.500
Revenues related to the cost of product stocks	9.829.213	16.893.661
Revenues from the production of	706.006	189.171

fixed assets		
Revenues from fixed assets for sale	1.072.953	251.939
Revenues from operating grants	-	-
Other revenues from exploitation	1.007.758	885.771
Total revenues from exploitation	127.581.207	141.097.472

Expenses from exploitation

Elements	30 september 2018	30 september 2019
Expenses on raw materials and consumables	71.973.462	78.665.763
Other material expenses	524.573	653.391
Other external costs (energy and water)	4.054.407	4.838.901
Expenditure on goods	2.488.303	2.382.070
Trade discounts received	1.037	833
Expenses with the staff of which:	30.485.051	33.656.900
- Salaries and allowances	29.063.560	32.163.438
- Insurance and social protection	1.421.491	1.493.462
Adjustment of tangible assets of which:	3.639.983	3.666.176
-Expenses	3.639.983	3.666.176
-Revenues	-	-
Current active adjustments of which:	-	-
-Expenses	-	-
-Revenues	-	-
Other operating expenses of which	6.380.447	6.699.834
-Expenses on external benefits	3.634.235	4.479.582

-Expenses with other taxes and fees	1.209.566	1.139.961
-Expenses on assets immobilized for sale	878.541	232.049
-Other expenses	658.105	848.242
Total expenses for exploitation	119.545.189	130.562.202

Rezultat din exploatare

Elements	30 september 2018	30 september 2019
Result from exploitation (Profit)	8.036.018	10.535.270
Total Profit from exploitation	8.036.018	10.535.270

Rezultat financiar net

Elements	30 september 2018	30 september 2019
Revenues from exchange rate fluctuations	320.390	509.499
Interest revenues	9.668	1.769
Other financial revenues	(327)	1.057
Total financial revenues	329.731	512.325
Interest expenses	1.249.819	1.543.974
Other financial expenses	649.860	601.098
Total financial expenses	1.899.679	2.145.072
Net financial result (Loss)	(1.569.948)	(1.632.747)

Fiscal legislative framework

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

Guarantees

The Company, on 30 september 2019 mortgages the following assets in favor of the financing banks to which it has committed credit lines as follows:

INTESA SANPAOLO BANK

- SITUATION OF REAL ESTATE PROPERTIES -

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: 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 CF41165	-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).

UNICREDIT TIRIAC BANK
- SITUATION OF REAL ESTATE PROPERTIES -

<i>CADASTRAL NO.</i>	<i>REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION</i>
1315/2/1/1/2 CF 40066	-land area of 20.616 mp + constructions: 1.transport bands hall (C56/1).
3003 CF 41266	-land area of 15.446 mp with Jiu Capture Station consisting of: pump room, dosing tower, water settling basins 1 and 2, water treatment plants, filters + annexes, thermal power station, gate cabin, located in Tg Jiu, Vădeni district.
1315/1 CF 41260	-land area of 2.262,39 mp with administrative office P + 4, located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/1/5 CF 41270 1315/2/1/1/6 CF 41263	-land area of 996 mp with bread workshop (C11/2) -land area of 1.063 mp with milk workshop (C11/1), located in Tg Jiu, Ciocârlău street, no. 38.
1315/2/1/2 CF 40061	-land area of 13.589 mp with regenerated rubber section (C6);
1315/2/1/3 CF 41264	-land area of 6.361 mp with hall molds and annexes (C9), located in Tg Jiu, Ciocârlău street, no. 38.

UNICREDIT TIRIAC BANK

<i>CADASTRAL NO.</i>	<i>REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION</i>
1315/2/1/1/1/1 CF 47077	-land area of 15.736 mp + constructions: 1. fuel pump station - 114,76 mp (C2); 2. solvent pump station - 37,18 mp (C4); 3. foaming station - 88,30 mp(C5).
1315/2/1/1/1/2 CF 44426	-land area of 14.478 mp + constructions: 1.toilet - 4,13 mp C3 2.storage - 81,27 mp C38 3. industrial hall - 119,85 mp (C39); 4.storage - 484,78 mp (C65); 5. storage - 111,31 mp (C66); 6. storage - 360,73 mp (C67); 7- storage - 44,72 mp (C68).
1315/2/1/1/1/6 CF 47076	-land area of 6.843 mp + constructions: 1.workshop - 651,14 mp (C18) 2. workshop - 626,59 mp (C19) 3. school lab -384,47 mp (C20) 4.toilet - 12,93 mp (C21) 5.basin -88,76 mp (C22) 6.basin - 26,3 mp (C23) 7.storage (C58) 8. auto workshop - 359,245 mp (C73)

CREDIT EUROPE BANK

- SITUATION OF REAL ESTATE PROPERTIES -

<i>CADASTRAL NO</i>	<i>REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION (REAL ESTATE RANK I AND II)</i>
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: <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> 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)

- SITUATION OF REAL ESTATE PROPERTIES -

CADASTRAL NO..	REAL ESTATE PROPERTY (LAND + CONSTRUCTION) - DESCRIPTION
1315/1/1/1/12 CF 47071	-land area of 3611 mp with a construction of 16,67 mp (weighing cabin)
1315/2/1/1/8 CF 39574	- land area of 531 with a construction of 215,14 mp (commercial space)
4327 CF 47079	- land area of 1000 mp
4296 CF 47074	- land area of 4760 mp with a construction of 12,42 mp (deep well)
3201 CF 39572	- land area of 10073,17 mp
37200 CF 37200	- land area of 1395 mp
37202 CF 37202	- land area of 9632 mp

Situation of disputes in progress

S.C. ARTEGO S.A. – complainant

File no.	Defendant society	Object	Request/ The requested amount	Stage file / Notifications	Stage of file
1	3319/95/2010	Vectra Impex Targu-Jiu	Insolvency procedure	- admission to the debtor's creditor' s mass with the amount of 300.000 lei	- ongoing; we were admitted to the credentials table with the sum of 300.000 lei from which we recovered the amount of 38.645 lei during the judicial reorganization; continue the bankruptcy procedure
2	8207/62/2011	CET Brasov	Insolvency procedure	- admission to the debtor's creditor' s mass with the amount of 46.887,93 lei	- ongoing; we were admitted to the credentials table with the sum of 46.887,93 lei ; continue the bankruptcy procedure
3	60833/3/2011	Munplast Bucharest	Insolvency procedure	- admission to the debtor's creditor' s mass with the amount	- ongoing; we were admitted to the credentials table with the sum of 19.457,81 lei, from which we recovered the

				of 19.457,81 lei	amount of 5.000 lei during the judicial reorganization; continue the bankruptcy procedure
4	4163/95/2012	Gastrom Group Targu -Jiu	Insolvency procedure	- admission to the debtor's creditor's mass with the amount of 52.777,37 lei	- ongoing; we were admitted to the credentials table with the sum of 52.777,37 lei; continue the bankruptcy procedure
5	887/90/2013	Oltchim Ramnicu-Valcea	Insolvency procedure	- admission to the debtor's creditor's mass with the amount of 19.946,68 lei	- ongoing; we were admitted to the credentials table with the sum of 19.946,68 lei; continue the bankruptcy procedure
6	9089/101/2013	Autonomous Regime for Nuclear Activities Severin	Insolvency procedure	- admission to the debtor's creditor's mass with the amount of 1.439.815,78 lei	- ongoing; we were admitted to the credentials table with the sum of 1.439.815,78 lei; continue the bankruptcy procedure
7	2570/63/2014	Energy Services Oltenia Craiova	Insolvency procedure	- admission to the debtor's creditor's mass with the amount of 2.486,37 lei	- ongoing; we were admitted to the credentials table with the sum of 2.486,37 lei; continue the reorganization procedure
8	28428/3/2014	CFR IRLU S.A. Maintenance and Repair of Locomotives and Machinery Bucharest	Insolvency procedure	- admission to the debtor's creditor's mass with the amount of 41.524,48 lei	- ongoing; we were admitted to the credentials table with the sum of 41.524,48 lei, from which we recovered the amount of 5.120 lei ; continue the reorganization procedure
9	528/95/2015	Succes Nic Com Targu - Jiu	Insolvency procedure	- admission to the debtor's creditor's mass with the amount of 34.155,80 lei	- ongoing; we were admitted to the credentials table with the sum of 34.155,80 lei; continue the bankruptcy procedure
10	2575/85/2015	Ambient Sibiu	Insolvency procedure	- admission to the debtor's creditor's mass with the amount of 1.240 lei	- ongoing; we were admitted to the credentials table with the sum of 1.240 lei; continue the bankruptcy procedure

11	3520/95/2015	Ignifug Prest Targu-Jiu	Insolvency procedure	- admission to the debtor's creditor's mass with the amount of 4.783,92 lei	- ongoing; we were admitted to the credentials table with the sum of 4.783,92 lei; continue the bankruptcy procedure
12	1396/90/2016	CET Govora Rm. Valcea	Insolvency procedure	- admission to the debtor's creditor's mass with the amount of 1.665.256,19 lei	- ongoing; we were admitted to the credentials table with the sum of 1.665.256,19 lei; continue the bankruptcy procedure
13	5114/95/2016	Installations for Mining Utilities	Insolvency procedure	- admission to the debtor's creditor's mass with the amount of 41.307,71 lei	- ongoing; we were admitted to the credentials table with the sum of 41.307,71 lei; continue the bankruptcy procedure
14	1248/95/2018	The Roads and Bridges Enterprise	Insolvency procedure	- admission to the debtor's creditor's mass with the amount of 2.783,39 lei	- ongoing; we were admitted to the credentials table with the sum of 2.783,39 lei; continue the bankruptcy procedure
15	7603/2/2016	National Agency for Fiscal Administration - General Directorate for the Administration of Large Contributors Bucharest	Cancelling administrative act	Cancelling administrative fiscal act	- appeal against the Sentence delivered by the Bucharest Court of Appeal; the case is pending at the High Court of Cassation and Justice; deadline - 21.11.2019
16	21659/3/2016	National Agency for Fiscal Administration - General Directorate for the Administration of Large Contributors Bucharest	Tax administrative act contest	- to pay the amount of 1.256.342 lei	appeal against the Sentence delivered by the Bucharest Court of Appeal; the case is pending at the High Court of Cassation and Justice: deadline - 18.09.2020

S.C. ARTEGO S.A. – parata

Nr. crt	Nr. Dosar	Societate reclamanta	Obiect	Solicitare/ Suma solicitata	Stadiu dosar/ Observatii
1	6274/95/2017	Sports Club Pandurii Tg-Jiu	Claims	Appeal against Civil Judgment no. 91/2018 by which the Gorj Court rejected the request for a legal appeal against S. ARTEGO	- solved-the court admitted the appeal of the applicant, changes the sentence in the sense that it partly admits the action. It obliges the defendant to pay the claimant compensation according to variant 1 of the accounting expert report prepared by the accounting expert Barhoată Ana; - with right of appeal

Affiliated Parties

The company has no affiliated parties.

Subsequent events

After the reporting of 30 september 2018, there were no events whose effects were significant and influenced by the current financial statements

Information on employees and members of the management, management and supervisory bodies

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

Being a joint stock company, it is headed by the General Assembly of Shareholders and administered by a Board of Directors consisting of 5 members, of which 1 executive member and 4 non-executive members, who are not part of the management of other companies.

Other informations

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

SC ARTEGO S.A. is a wholly private equity company, the majority shareholder being the "PAS ARTEGO" Employees Association, which owns 77,8103 % of the share capital.

The determination of the profit tax took into account the provisions of Law 227/2015 with subsequent amendments and GD 1/2016 for the approval of the Methodological Norms for the application of Law 227/2015 regarding the tax code from which:

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

Director General,
Ing. Viorel David

Director Economic,
Ec. Mihai Jianu
