



**S.C. UAMT s.a.**

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**Management report  
of the Board of Directors  
for the financial year  
2020**

**Class, type, no. and the main characteristics of the securities issued by the company: 39,481,911 dematerialized shares with a nominal value of 0.45 lei / share  
The organized market on which the respective values are traded: Bucharest Stock Exchange**

## **CAP.1. OVERVIEW**

### **1.1. FULFILLMENT OF THE LEGAL CONDITIONS OF OPERATION**

SC UAMT SA, a company established on the basis of GD 1224 / 23.11.1990, specializes in: Manufacture of other parts and accessories for motor vehicles and motor vehicles "CAEN code - 2932.

The company has its registered office in Oradea, 8 Uzinelor Street, and is registered at the Trade Register under no. J05 / 173/1991, having fiscal identification code RO 54620.

The main object of activity of the company is "production and sale of parts and subassemblies for means of transport, execution of installations, machinery, technological equipment, SDVs".

It is a publicly owned company, according to the terminology provided in Law 297/2004 on the capital market, being registered with the National Securities Commission according to the securities registration certificate no. 3191 / 04.12.2006.

From 1997 and during 2006, the company's shares were registered and traded on the RASDAQ stock market, with the symbol "UAM". The record of the shareholders was kept in 2010 by the Central Depository (former REGISCO) according to the contract no. 7778 / 01.03.2007. On 19.02.2007, the company was admitted to trading on a regulated market managed by S.C. Bucharest Stock Exchange S.A.

From the point of view of drawing up the financial statements, the company applies Order 2844/2016 issued by the Ministry of Public Finance for approving the Accounting Regulations compliant with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market. The audit of the financial statements for 2020 was performed by S.C. Leocont Expert S.R.L. based on the contract no. 6 of 01.12.2010 and subsequent additional documents.

During the financial year 2020 there were no events of the nature of the merger or reorganization of the company.

#### **1.1. THE LEADERSHIP OF THE COMPANY**

During 2020, the company was managed by a five-member Board of Directors

- Doina Olimpia STANCIU - Chairman of the Board of Directors
- Ioan STANCIU - member of the Board of Directors
- Horia Adrian STANCIU - member of the Board of Directors
- Bogdan Ciprian STANCIU - member of the Board of Directors
- Simona FURTOS - member of the Board of Directors

The executive management of the company was ensured by a management team, a team that during 2020 had the following composition:

- Ioan STANCIU - General Manager,
- Bogdan Ciprian STANCIU - Deputy General Manager,

In 2020, a constant concern of the Board of Directors was to optimize the decision-making process at the executive management level and to improve communication in order to apply the measures and decisions of the Board of Directors with increased efficiency and effectiveness in order to maximize the results obtained and minimize the effects of economic crisis. .

The Board of Directors followed the implementation of the proposed activity program for 2020, the execution of the monthly and quarterly revenue and expenditure budget and the approved investment and repair program.

In 2020, the Board of Directors met in board meetings and issued measures on the management of the company. The measures and decisions taken concerned all the activities carried out in the company, respectively the production and commercial, investment and repair activity, human resources, the economic-financial activity and the internal audit and control.

All the efforts of the Board of Directors and the executive management were oriented towards fulfilling the company's mission to ensure quality services, developing the technical-material base, rehabilitation and modernization of the existing one, through a coherent and consistent investment program, under real protection. of the environment.

The forecasting and organizing effort of the Board of Directors materialized in future development programs of the company, computerization programs, programs for promotion and recruitment of staff and increase product quality, procedures for procedures for the main activities of the company and reconsideration of its organizational structure .

We specify that the company is not aware that the persons presented have been involved in litigation or administrative proceedings in the last 5 years or have had restrictions on holding management positions in the company.

## **1.2. SHARE CAPITAL AND SHAREHOLDER STRUCTURE; ACTIONS**

### 1.2.1 Share capital and shareholding structure

The subscribed and paid-in capital on 31.12.2020 is 17,766,860 lei representing 39,481,911 shares with a nominal value of 0.45 lei / share.

The synthetic shareholding structure as of 31.12.2020, compared to that of 31.12.2019 is as follows:

<b>Aționari</b>	<b>Număr acțiuni</b>	<b>Valoare (lei)</b>	<b>Procente</b>
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TOTAL conform Depozitarului Central la 31.12.2019, din care:	39,481,911	17,766,860	100%
1 Persoane juridice	4,850,450	2,182,703	12.29%
2 Persoane fizice române și străine	34,631,461	15,584,157	87.71%

TOTAL conform Depozitarului Central la 31.12.2020, din care:	39.481.911	17,766,860	100%
1 Stanciu Ioan	25,823,588	11,620,615	65.40%
1 Persoane fizice	8,692,642	3,911,689	22.01%
2 Persoane juridice	4,965,681	2,234,556	12.58%

At the end of 2020, the directors held together a number of 26,373,223 shares (66,7982% of the share capital) as follows:

<b>Nume, prenume</b>	<b>Nr.acțiuni deținute</b>	<b>Nr.acțiuni deținute</b>
Doina Olimpia Stanciu	500	0.00%
Ioan Stanciu	25,823,588	65.41%
Horia Stanciu	244,015	0.62%
Bogdan Stanciu	305,120	0.77%
Simona Furtos	0	0.00%

All the company's shares are registered, ordinary, dematerialized and indivisible.

The shares of S.C. UAMT S.A. have been traded since May 31, 2007 on the Bucharest Stock Exchange market. Lately, the company's policy has been to reinvest the profit obtained, the company needing capital resources in order to achieve the investment objectives, thus not distributing dividends. According to the A.G.A. Decisions, no dividends were distributed for the precedents, the net profit being distributed as its own source of financing for supporting and completing the modernization process of the company.

Since its establishment until now, there has been no decision on the acquisition of own shares.

The company did not issue bonds or other debt securities in 2020, nor before this year, so it has no obligations to the holders of such securities.

## 1.2.2 Corporate governance code statement

SC UAMT SA has the shares listed on BVB Bucharest. As a result, the company applies all the legal provisions in force regarding corporate governance, the updated Law 31/1990, OMFP 2844/2016 for the approval of the Accounting Regulations according to the International Accounting Reporting Standards, CNVM Regulation no. 1/2006 on reporting, BVB regulations, etc. All these documents are public.

The company is in the process of implementing the corporate governance code and largely applies its general provisions.

The management of SC UAMT SA certifies that there are no situations in which the company has deviated from the provisions of the corporate governance code that applies to it.

The company manages the accounting in accordance with the legislation in force and has an integrated computer system that stores all transactions. There are specially designated and qualified persons who are responsible for preparing financial statements in compliance with the legal accounting policies adopted by the company. The financial statements are audited by the Head of the Financial Accounting Department, the General Manager and, where appropriate, approved by the Board of Directors. The company has a contract with an authorized financial auditor, according to the legal requirements. It verifies the financial reports in all the situations provided by the legislation in force.

The General Assembly has the attributions provided by Law 31/1990 with the afferent modifications and by the constitutive act of the company in force at the date of the respective General Assembly.

In carrying out its activity and in reporting to the supervisory institutions of the regulated market, SC UAMT SA does not deviate from the corporate governance code.

Within the company there is implemented an internal control system, for the main activities being established working procedures. The attributions that the internal control exercises in the company, but not limited to them, are:

- examining the legality, regularity and conformity of operations, identifying errors, waste, faulty and fraudulent management and on these bases, proposing measures and solutions for recovering damages and sanctioning those guilty, as appropriate;
- supervising the functioning of the decision substantiation systems, planning, programming, organization, coordination, monitoring and control of the fulfillment of the decisions;

- evaluating the efficiency and effectiveness with which the existing management and execution systems at the company level use the financial, human and material resources to fulfill the objectives and obtain the established results;
- identifying the weaknesses of the management and control systems, as well as the risks associated with such systems, programs / projects or operations and proposing measures to correct them and reduce the risks. Internal control is provided at all levels by the executive management of the company.

This Report as well as the Financial Statements related to the financial year can be found on the Company's website [www.uamt.ro](http://www.uamt.ro).

## **CAP. 2. ANALYSIS OF THE ACTIVITY OF THE COMPANY**

### **2.1. ANALYSIS OF THE ACTIVITY OF THE COMPANY**

#### *a) Description of the basic activity of the company;*

S.C.UAMT S.A. has as object of activity "production and sale of parts and subassemblies for means of transport, castings of non-ferrous alloys, execution of installations, machinery, technological equipment, SDVs".

#### *b) Description of acquisitions and / or disposals of assets:*

The acquisitions and disposals of assets made by the company during the economic-financial year 2020 are presented as follows:

Tangible fixed assets:

31 decembrie 2020	Terenuri	Construcții	Instalații tehnice și mașini	Alte instalații , utilaje și mobilier	Imobilizăr i corporale în curs	Avansuri	TOTAL
Sold inițial	13,736,42 5	18,096,84 2	49,134,39 1	176,545	5,822,229	0	86,966,43 2
Intrări	0	1,073,250	426,167	13,850	2,946,268	2,350,31 2	6,809,847
Ieșiri	0	557,320	92,086	30,156	1,389,845	99,803	2,169,210
Sold final	13,736,42 5	18,612,77 2	49,468,47 2	160,239	7,378,652	2,250,50 9	91,607,06 9

#### Ajustări

31 decembrie 2020	Terenuri	Construcții	Instalații tehnice și mașini	Alte instalații , utilaje și mobilier	Imobilizăr i corporale în curs	Avansuri	TOTAL
Sold inițial	0	3,229,532	14,677,79 5	86,700	0	0	17,994,02 7
Ajustari de valoare reprezentând amortizare și deprecieri	0	1,570,923	8,082,623	25,717	0	0	9,679,263
Ajustări de valoare afereente mijloacelor fixe ieșite	0	481,059	92,086	30,156	0	0	603,301
Sold final	0	4,319,396	22,668,33 2	82,261	0	0	27,069,98 9

Valoarea netă a mijloacelor fixe la 31.12.2020	13,736,42 5	14,293,37 6	26,800,14 0	77,978	7,378,652	2,250,50 9	64,537,08 0
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## Intangible assets:

<b>Cost</b>	<b>2020</b>	<b>2019</b>
Sold inițial	4,528,316	4,463,412
Intrări	72,691	3,284,225
Ieșiri	264,606	3,219,321
Sold final	4,336,401	4,528,316

<b>Ajustări de valoare</b>	<b>2020</b>	<b>2019</b>
Sold inițial	1,110,797	871,998
Ajustări de valoare reprezentând amortizare și deprecieri	689,481	238,799
Ajustări de valoare aferente ieșiri imob. necorporale	264,606	0
Sold final	1,535,672	1,110,797
Valoarea netă a imobilizărilor necorporale	2,800,729	3,417,519

## Financial assets:

During 2020, the transfer of ownership over the social parts of the company to the share capital of SC AMT Investments was registered. As the transfer of shares only takes effect from the moment of its registration in the Trade Register, being a transfer of shares to a third party, respectively not to another existing partner, it did not take effect until after a period of 30 days. from the publication in the Official Gazette of Romania part IV of the Decision of the General Assembly of Associates approving the transfer of shares, conditioned by the non-submission of an opposition by the shareholders or any persons prejudiced by the shareholders' decision on the transfer of shares. In compliance with the legislation in force, respectively art. 202 and 203 of the Companies Law no. 31/1990 and art. 5 of Law 26/1990 on the trade register, the Decision was published in the Official Gazette of Romania part IV no. 1184 of 27.03.2020, and the effective mention of the mention in the Trade Register was made on 04.05.2020, after the legal deadline for formulating the opposition by the social creditors or by the persons prejudiced by this operation.

Due to the specific situation occurred as a result of the COVID 19 pandemic (general cessation of activity due to the establishment of the state of emergency, subsequent alert, cessation and subsequent significant temporary decrease of the main client's activity, general temporary regression of industrial activity in the specific branch of activity , measures taken to reduce the medical impact on the health of employees, reducing the activity of consultants in charge of these issues), significant documents could not be submitted to the relevant department of the company until the second half



of the year, when it was completed the reflection in the financial statements of the transfer in question.

The sale of the participation was made through direct negotiation, to a natural person. The negotiated amount was 250,000 euros, collected in full.

At 31.12.2020, the financial assets are as follows:

Cost	2020	2019
Sold inițial	4,500,000	4,500,000
Intrări	0	0
Ieșiri	4,500,000	0
Sold final	0	4,500,000

At this moment, the Company does not have participations in other entities.

*c) Description of the main results of the evaluation of the company's activity.*

#### **1.1.1. Elements of general evaluation:**

Indicatori	2020	2019
Cifra de afaceri	82,242,835	152,004,527
Export	489,987	1,258,818
% din total cifra de afaceri		
- export	0.60%	0.83%
- intern	99.40%	99.17%
Profit net	-13,374,891	1,653,294

#### **1.1.2. Evaluation of the technical level of the company:**

Description of the main products made and / or services provided specifying:

*a) the main markets for each product or service and distribution methods;*

In Romania, for a series of products from the current manufacturing range, the company "UAMT" SA is the main supplier of domestic car manufacturers. However, it is worth noting that there is a tendency to intensify competition in the field of activity of the company, which requires the company a decisive action to counteract this phenomenon through an active policy of refurbishment and modernization of products.

This is possible with the help of convenient sources of financing, respectively from non-reimbursable loans from the European Union or from the Government of Romania.

The main products of the company are:

- Stamped marks;
- Parts protected against corrosion by electrochemical coating or painting by the cataphoresis process;
- Car component;
- SDVs;
- Car spare parts.
- Injected parts

The company's sales market is divided into three main segments:

- industrial customers:
- car installers:
- customers for car parts:
- service and trading companies;
- customers for SDVs

*a) the influence of each category in the incomes and expenses of the commercial company;*

	2020	2019
Venituri din producția vândută	79,153,768	146,712,255
Venituri din vânzarea mărfurilor	3,089,067	5,292,273
Alte venituri, inclusiv variația stocurilor	2,945,053	6,833,912
Total venituri din exploatare	85,187,888	158,838,440
Consumuri materiale	59,024,142	108,647,546
Costul mărfurilor vândute	2,767,892	3,998,723
Cheltuieli de personal	17,478,019	27,128,242
Cheltuieli privind amortizările	10,368,745	10,032,438
Alte cheltuieli	4,869,112	6,471,671
Total cheltuieli de exploatare	94,507,910	156,278,620

*b) new products envisaged for which a substantial volume of assets will be affected in the next financial year as well as the stage of development of these products*

The capacity analysis of SC UAMT SA highlights the need for investments in modern equipment, SDVs and assembly equipment to support the growth in the expected cadence but also to anticipate the possible "jumps" in demand dictated by the market. In addition to the increase in manufacturing volumes for Dacia models and other new models launched so far, for our company the launch of new models in production also creates the opportunity to diversify the UAMT product range.

### 1.1.3. Evaluation of the technical-material supply activity (indigenous sources, import sources)

In 2020, the supply activity was carried out on the basis of firm orders with suppliers from Romania, within the U.E. and from outside the U.E.

The main suppliers of raw materials and materials of the company according to the share in the volume of supply costs for 2020 are presented in the table below.

<b>Furnizor</b>	<b>Pondere în planul de aprovizionare pe 2020 [%]</b>	<b>Pondere în planul de aprovizionare pe 2019 [%]</b>
Furnizori din România	59%	71%
Furnizori din Uniunea Europeana	30%	22%

Stocks of raw materials and materials are at the minimum required. Due to the systematic supply, no gaps are created in the stock of raw materials and materials.

The supply of raw materials is mainly made directly from direct suppliers or distributors, thus managing to negotiate advantageous prices for the company. Prices are well correlated in relation to quality.

### 1.1.4. Evaluation of sales activity

*a) Description of the evolution of sales sequentially on the internal and / or external market and of the medium and long term sales perspectives:*

In 2020, sales of products decreased compared to 2019. The sales activity was affected both by the pandemic situation (COVID 19), which imposed a resettlement of the entire activity, and by the evolution of the specific market on which the company operates. (new trends and technologies in car construction).

The main market for the company's products is the car market, representing 99% of total sales during 2020.

Export deliveries are largely intra-Community deliveries.

In the medium and long term the company's marketing policy is to maintain traditional customers and enter new market segments.

*b) Description of the competitive situation in the field of activity of the company, the market share of the products or services of the company and the main competitors*

The general practice on the car manufacturers market is to approve several companies supplying parts and subassemblies.

Thus, following the process, very important and quite long, of approval, the notion of competition becomes irrelevant, the approved companies remaining on the market as long as they manage to meet the quality and price requirements of the car installer, during the life of the vehicle.

The competition was manifested, especially, in the selection stage of suppliers approved by the main customer of UAMT, Dacia-RENAULT, because the products for equipping Dacia vehicles are complex and require high costs for assimilation in manufacturing, validation and ensuring the necessary manufacturing capacities. Once this stage was overcome, competition was substantially reduced, a possible change of suppliers being made by the installers only in exceptional cases (bankruptcy, serious quality problems, major innovative jumps, significant price jumps, etc.).

Also, once the company has been nominated as a Tier 1 supplier by Renault, it also has a privileged position on the spare parts market, both in terms of consumer protection legislation and in terms of product promotion.

In this market segment, however, we are constantly in competition with multinationals in the field of car components.

*c) Description of any significant dependence of the company on a single customer or on a group of customers whose loss would have a negative impact on the company's revenue;*

The Board of Directors continues to reduce its dependence on the Dacia - Renault customer. In the future, this dependence will decrease even more, as the Company becomes an approved supplier (or principal, or rank 1, or nominated, depending on the car manufacturer whose approved supplier it becomes) of other major car manufacturers.

#### **1.1.5. Evaluating the aspects related to the employees / staff of the company**

*a) Specifying the number and level of training of the company's employees as well as the degree of unionization of the labor force;*

The forecasts for 2021 lead to the conclusion that the company will continue its activity but will have to reduce the average number of employees to about 250 - 280 people, determined by the decrease in production volume.

The degree of unionization of the labor force is about 40%.

The general qualification of the staff is high, being generally satisfied the needs of the company and permanently improved through practical actions on operations and products.

The current organizational structure is of the pyramid type, the competencies and responsibilities granted at different levels being specified by the "Organization and Functioning Regulations" and the "Job Descriptions".

At the end of 2020, compared to 2019, the structure of employees by types of activity is as follows:

	Nr. Efectiv de personal	
	2020	2019
Total personal producție	227	328
Personal TESA	55	93
Total personal	282	421

From the data presented above it results that the number of employees in 2020 decreased compared to the previous year.

*b) The description of the relations between the manager and the employees as well as of any conflicting elements that characterize these relations;*

The relations between the management and the employees are normal, without the manifestation of the collective actions contesting the programs and the managerial achievements.

*c) The impact of the Covid-19 pandemic on employees and society*

*- The impact of the COVID-19 pandemic on employees*

Regarding the directly productive personnel, the Company took measures in order to ensure the safety distance at the work stations. Wherever necessary, individual work areas were explicitly marked.

Regarding the indirect productive personnel (administrative sectors, TESA, etc.), the measure of sending them to work at home was taken, correlated with the closure or diminution of the school activity of the minor members of their families.

Also, whenever possible, staff were encouraged to take legal rest leave.

The entry of delegates of other companies, clients or suppliers was strictly regulated, so that the contact with its own staff is reduced to the minimum necessary. For this purpose, mandatory routes have been established.

The security service was equipped with contactless manual thermometers, the access of any person in the Company being allowed only after checking the body temperature.

The entire staff is permanently equipped with protective masks and gloves, which are also offered to all delegates of other companies.

Devices for the distribution of disinfectants - biocides were placed on the entire territory of the Company.

The Company's staff present in the activity was permanently trained on individual protection measures.

*- The impact of the COVID-19 pandemic on society*

By taking these measures, the Company managed to avoid infecting staff at work, the few cases occurring in the case of employees having a cause in individual activity outside the Company.

The measures taken, justified in order to ensure the continuity and maintenance of a proper state of health among its own staff, had as a temporary impact some dysfunctions that appeared in the current administrative activity.

The efforts of the Board of Directors were directed towards ensuring the continuity of the manufacturing activity.

The temporary dysfunctions shown were added to the general regression of the economic activity, especially in the profile industry in which the Company operates.

**1.1.6. Assessing the aspects related to the impact of the issuer's core business on the environment**

UAMT SA holds the integrated environmental permit and the updated water management permit.

The basic activities of the society have an insignificant impact on the environmental factors air, water, soil. The determinations performed show that there are no exceedances of the limit values provided by the legislation in force for any of the measured pollutants, both for emissions into water and for emissions of pollutants into the atmosphere. By modernizing the wastewater treatment plant, all specific pollutants fall within the limits provided by law. Given that the free surface inside the unit is mostly

concreted, including in the case of industrial landfills, no significant changes in soil structure and quality can occur.

According to those presented, it results that the impact produced by the activities of UAMT does not constitute a significant pollution.

This does not apply to existing or expected litigation in breach of environmental legislation.

As of this date, the Annual Environmental Report for APM Bihor for 2020 is being prepared and submitted by the legal deadline of 30.03.2021.

#### **1.1.7. Evaluation of research and development activity**

SC UAMT SA will continue in 2020 the research-development policy, as a premise for consolidating and improving this activity with direct implications on the development possibilities of the company (portfolio of clients and products, turnover).

#### **1.1.8. Evaluation of the company's activity regarding risk management**

*Description of the company's policies and objectives on risk management.*

The results for 2020 are relatively good in terms of turnover, due to the measures taken through cost management policies, from which we list:

- o continuous development and promotion of products that lead to increased customer satisfaction in conditions of economic profitability
- o reduction and optimization of utility consumption
- o efficient human resource management in correlation with production capacities at the lowest achievable cost
- o rhythmic supply and minimum storage of raw materials and consumables
- o streamlining cash flows through measures to track the maturity of receivables and payables
- o committing the expenses in correlation with the moment of realizing the income in close accordance with the assurance of the availabilities
- o hiring maintenance and repair work at affordable prices

### **1.1.9. Perspective elements regarding the activity of the company**

#### **a) Presentation and analysis of trends, elements, events or uncertainties that affect or could affect the liquidity of the company compared to the same period of the previous year.**

We consider that in 2021 we do not have the possibility to maintain revenues at least at the level of 2020. However, given the general increase in commodity prices and the inherent wage increases, we estimate a net profit due to actions and measures taken or ongoing implementation:

- the introduction of new products in manufacturing, from several car manufacturers, which require time to optimize the production process;
- increase in prices for raw materials, utilities and other services provided by third parties
- substantial increase in staff costs;
- maintaining at the current level or a modest increase in the selling prices of finished products and services provided by the company (at a slower pace than the growth rate of costs).
- continuing the policy of technical updating of the company by replacing the morally and technically obsolete equipment.
- implementation of new technologies, in order to diversify production and especially to increase the quality of own products.
- Continuing the policy of updating the staff level to the volume and structure of production

Forecasts for the future in this field are largely influenced by the policy and objectives expressed by car manufacturers who are customers of the company, the constant reduction of manufacturing costs for cars in their manufacturing ranges, but also by the current trend of electrification of individual car transport.

The economic and financial situation of the company this year did not have a satisfactory trend.

The objectives to be achieved through the company's business plan for 2021 are:

- continuing the structural adjustment according to the real dimensions and the evolutions of the current markets of the company;
- continuing the structural and technological updating of the company in order to align it with the requirements imposed by car installers;
- intensifying efforts to identify and penetrate new foreign market segments and new products from other fields of activity;



- further upgrading the company by accessing new government funds for investments;
- emphasizing the preparation of human resources at the level of current requirements;
- continuing the activity of diversifying the portfolio of major clients.

During 2020, the company continued at a lower level the investment policy based on the approved modernization project.

The company will continue the process of modernization and adaptation to the new conditions in 2021.

## **2. The tangible assets of the company**

### *2.1. Specifying the location and characteristics of the main production capacities owned by the company*

The company is located in northwestern Romania in the city of Oradea, 8 km from the Romanian-Hungarian border, in the immediate vicinity of the European road E60, having the means for supply and delivery both by rail and by car.

The company is based in Oradea, str. Uzinelor, no. 8, and is registered at the Bihor Trade Register, under number J 05/173/1991.

The value of the company's share capital, updated to date, is 17,766,860 lei.

The technical endowment of the company places it in the field of units with a fine mechanics profile. The company uses the following categories of technological processes:

- mechanical machining by cutting (turning, milling, drilling, flat and round grinding) on classic and specialized machines with program control (CNC)
- cold pressing processing;
- injection of plastic parts (polyethylene, polyacetals, polyamides, including reinforced with fiberglass, etc. weighing up to 1.2 kg);
- painting through the cataphoresis process;
- electrochemical coatings (galvanizing, nickel plating);
- welding of metals (electric, autogenous, spot welding, CO2 protective welding, with or without manipulating robots);
- heat treatments;

- EDM processing (with solid electrode and wire);
- product assembly;

The company also has a high-performance SDV Execution Section that generally provides all the necessary stamps, molds, devices and verifiers necessary for its own production as well as the execution of orders, in this field, for other companies.

## **2.2. Description and analysis of the degree of wear of the company's properties.**

The existing average degree of wear is a normal degree in the profile industrial activity. The level of modernity of the equipment corresponds to the technical requirements of production.

The company's accounting policy for revalued tangible assets was the alternative accounting treatment, namely the presentation in the financial statements of fixed assets at revalued value, less accumulated depreciation.

## **2.3. *Specifying the potential issues related to the property right over the tangible assets of the company.***

There are no disputes over property rights over the company's tangible or commercial assets.

## **CAP.3. SECURITIES MARKET ISSUED BY THE COMPANY**

### **3.1. *Specifying the markets in Romania and in other countries where the securities issued by the company are traded.***

The company's shares are tradable on the Bucharest Stock Exchange.

The company issued only one type of securities, namely dematerialized shares with a nominal value of 2.50 lei. Following the application of the provisions of Law 55 / '95 on accelerating the privatization process and the fact that the company registered an oversubscription in the mass privatization process, the effect of the law split the nominal value of all shares from 0.25 lei to 0.10 lei per share.

The increase of the share capital carried out during 1999 following the action of revaluation of the patrimony and approved by the GMS led to the increase of the nominal value of the company's shares from 0.10 to 0.45 lei / share.

During 2001, the company made a public offer to increase the share capital, in which a number of 2,518,322 shares were finally issued, fully subscribed by the majority shareholder.

During 2010, as a result of the merger by absorption between SC UAMT SA, the absorbing company and the absorbed companies: FICAMT SA, CPD SRL, FRIGAMT SRL, the share capital increase was made in which a number of 14,396,464 shares were issued. actions.

**3.2.. Description of the company 's dividend policy. Specifying the dividends due / paid / accumulated in the last 3 years and, if applicable, the reasons for the possible reduction of dividends during the previous 3 years.**

In recent years, the company has not granted dividends to its shareholders, the profit obtained being distributed to other reserves.

Lately, the issuer's policy has been to reinvest the profit obtained, the company needing capital resources in order to carry out investments, thus not distributing dividends.

For the year 2020 by the A.G.O.A Decision, the net loss is proposed to be covered from the results of the following financial years.

As the provision of capital resources in the medium and long term is a major coordinate of the issuer's strategy, it will maintain its policy of reinvesting profit in the future after covering the net loss.

**3.3. Description of any activities of the company acquiring its own shares.**

It's not necessary

**3.4. If the company has subsidiaries, specify the number and nominal value of the shares issued by the parent company owned by the subsidiaries.**

It's not necessary

**3.5. If the company has issued bonds and / or other debt securities, the presentation of the way in which the company pays its obligations to the holders of such securities.**

It's not necessary

## CAP. 4. COMPANY MANAGEMENT

În prezent administrarea societății “UAMT” SA Oradea se execută în ordine ierarhică prin:

1. General Assembly of Shareholders;
2. The Board of Directors consisting of 5 people;
3. General Manager;

**4.1. Presentation of the list of directors of the company and the following information for each administrator:**

a) CV (name, surname, age, qualification, professional experience, position and seniority in office) of each administrator is presented on the company's website [www.uamt.ro/comunicate](http://www.uamt.ro/comunicate)

b) any agreement, understanding or family relationship between that administrator and another person by virtue of which that person has been appointed administrator;

It's not necessary

c) the participation of the administrators in the capital of the commercial company is presented as follows:

<b>Nume, prenume</b>	<b>Nr.acțiuni deținute</b>	<b>Nr.acțiuni deținute</b>
Doina Olimpia Stanciu	500	0.00%
Ioan Stanciu	25,823,588	65.41%
Horia Stanciu	244,015	0.62%
Bogdan Stanciu	305,120	0.77%
Simona Furtos	0	0.00%

d) the list of persons affiliated to the company.

It's not necessary.

**4.2. Presentation of the list of members of the executive management of the company. For each, the presentation of the following information:**

The executive management of the company was ensured by a management team, a team that had the following composition:

- Ioan STANCIU - General Manager,
- Bogdan Ciprian STANCIU - Deputy General Manager,

The CV of each of the members of the executive management is presented on the company's website [www.uamt.ro/comunicate](http://www.uamt.ro/comunicate)

*a) the term for which the person is part of the executive management*

The executives of the executive management are employees of the company for an indefinite period

*b) any agreement, understanding or family relationship between that person and another person by virtue of which that person has been appointed as a member of the executive management;*

It's not necessary

*c) the participation of the respective person in the capital of the company.*

It's not necessary

**4.3.** *For all persons presented in 4.1. and 4.2. litigations or administrative procedures in which they have been involved, in the last 5 years, regarding their activity within the issuer, as well as those regarding the capacity of the respective person to fulfill their attributions within the issuer.*

It's not necessary

## **CAP.5. FINANCIAL-ACCOUNTING SITUATION**

Presentation of the current economic and financial situation compared to the previous year:

**SITUAȚIA POZIȚIEI FINANCIARE**  
**La: 31.12.2020**

	Nota	31.12.2020	01.01.2020
<b>Active</b>			
<b>Active necurente</b>			
Imobilizări corporale	1	64,537,080	68,972,404
Alte imobilizări necorporal	2	2,800,729	3,417,519
Investiții imobiliare	3	0	0
Alte active (biologice, financiare, etc)		0	4,500,000
Drepturi de utilizare a activelor luate in leasing		216,433	614,721
<b>Total active necurente</b>		<b>67,554,242</b>	<b>77,504,644</b>
<b>Active curente</b>			
Stocuri	4	26,015,792	29,717,734
Creanțe comerciale	5	17,370,698	35,742,466
Cheltuieli în avans		0	1,214,445
Alte creanțe din care:	6	3,076,820	3,233,125
Creante privind impozitul pe profit curent	6	0	0
Numerar și echivalent în numerar	7	13,694,682	10,908,581
<b>Total active curente</b>		<b>60,157,992</b>	<b>80,816,351</b>
<b>Venituri în avans (subvenții)</b>	<b>8</b>	<b>1,397,029</b>	<b>2,531,202</b>
<b>Total active</b>		<b>126,315,205</b>	<b>155,789,793</b>
<b>Capitaluri proprii și datorii</b>			
<b>Capitaluri proprii</b>			
Capital social	9	17,766,860	17,766,860
Rezerve	12	42,799,511	42,617,844
Rezultat reportat	10	8,023,717	7,012,362
Rezultatul exercițiului	11	-13,374,891	1,653,294
Repartizarea profitului		0	1,471,627
Alte rezerve și acțiuni proprii	12	33,648,498	34,659,853
Impozit pe profit amanat		6,162,758	0
<b>Total capitaluri proprii</b>		<b>82,700,937</b>	<b>102,238,586</b>
<b>Datorii necurente</b>			
Împrumuturi primite pe termen lung	13	12,913,399	14,817,821
Alte datorii pe termen lung	14	0	0
Datorii de impozit amanat	22	0	0
Alte datorii necurente		377,751	123,732
<b>Total datorii necurente</b>		<b>13,291,150</b>	<b>14,941,553</b>
<b>Datorii curente</b>			
Datorii comerciale	15	8,038,147	11,133,482
Împrumuturi pe termen scurt	16	14,999,991	24,939,000
Provizioane pe termen scurt	17	0	0
Taxe curente	17	802,786	1,546,946
Alte datorii curente	18	319,436	990,226
Impozit pe profit amanat		6,162,758	0
<b>Total datorii curente</b>		<b>30,323,118</b>	<b>38,609,654</b>
<b>Total datorii</b>		<b>43,614,268</b>	<b>53,551,207</b>
<b>Total pasive</b>		<b>126,315,205</b>	<b>155,789,793</b>

The subscribed share capital amounting to 17,766,860 lei did not undergo changes during 2020

During the year, no legal reserve was established, reaching the maximum level allowed by law.

➤ Assets at gross value:

<b>Cost</b>							
31 decembrie 2020	Terenuri	Construcții	Instalații tehnice și mașini	Alte instalații , utilaje și mobilier	Imobilizări corporale în curs	Avansuri	TOTAL
Sold inițial	13,736,45 2	18,096,84 2	49,134,39 1	176,545	5,822,229	0	86,966,43 2
Intrări	0	1,073,250	426,167	13,850	2,946,268	2,350,31 2	6,809,847
Ieșiri	0	557,320	92,086	30,156	1,389,845	99,803	2,169,210
Sold final	13,736,45 2	18,612,77 2	49,468,47 2	160,239	7,378,652	2,250,50 9	91,607,06 9

<b>Ajustări</b>							
31 decembrie 2020	Terenuri	Construcții	Instalații tehnice și mașini	Alte instalații , utilaje și mobilier	Imobilizări corporale în curs	Avansuri	TOTAL
Sold inițial	0	3,229,532	14,677,79 5	86,700	0	0	17,994,02 7
Ajustari de valoare reprezentând amortizare și depreciari	0	1,570,923	8,082,623	25,717	0	0	9,679,263
Ajustări de valoare aferente mijloacelor fixe ieșite	0	481,059	92,086	30,156	0	0	603,301
Sold final	0	4,319,396	22,668,33 2	82,261	0	0	27,069,98 9

Valoarea netă a mijloacelor fixe la 31.12.2020	13,736,45 2	14,293,37 6	26,800,14 0	77,978	7,378,652	2,250,50 9	64,537,08 0
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. The gross book value is recovered by the straight-line method, according to the legal norms in force.

The evolution of economic means in dynamics, the deviations from one period to another, the structure, the equilibrium relations and the proportionality between the

different categories of assets were analyzed with the help of the indices based on the data from the following table.

The data contained in the table were extracted from the statement of financial position.

<b>Stocuri</b>	<b>2020</b>	<b>2019</b>
Materii prime și materiale	15,026,446	18,534,968
Producția în curs de execuție	3,603,036	6,235,690
Alte materiale	31,440	42,998
Produse finite	7,354,870	4,904,079
Valoarea stocurilor	26,015,792	29,717,735

<b>Creanțe comerciale</b>	<b>2020</b>	<b>2019</b>
Clienți	17,938,753	34,778,416
Avansuri	224,231	964,050
Valoarea creanțelor comerciale	18,162,984	35,742,466
Ajustări pentru deprecierea creanțelor	792,286	0
Ajustare constituită în an	0	0
Ajustare revărsată în an	0	0
Valoarea ajustări	792,286	0
Valoarea netă a creanțelor comerciale	17,370,698	35,742,466

The financial sources to cover the economic means are presented in the table below:

#### **Capitaluri proprii și datorii**

##### **Capitaluri proprii**

Capital social	9	17,766,860	17,766,860
Rezerve	12	42,799,511	42,617,844
Rezultat reportat	10	8,023,717	7,012,362
Rezultatul exercițiului	11	-13,374,891	1,653,294
Repartizarea profitului		0	1,471,627
Alte rezerve și acțiuni proprii	12	33,648,498	34,659,853
Impozit pe profit amanat		6,162,758	0

<b>Total capitaluri proprii</b>		<b>82,700,937</b>	<b>102,238,586</b>
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##### **Datorii necurente**

Împrumuturi primite pe termen lung	13	12,913,399	14,817,821
Alte datorii pe termen lung	14	0	0
Datorii de impozit amanat	22	0	0
Alte datorii necurente		377,751	123,732

<b>Total datorii necurente</b>		<b>13,291,150</b>	<b>14,941,553</b>
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##### **Datorii curente**

Datorii comerciale	15	8,038,147	11,133,482
Împrumuturi pe termen scurt	16	14,999,991	24,939,000
Provizioane pe termen scurt	17	0	0
Taxe curente	17	802,786	1,546,946
Alte datorii curente	18	319,436	990,226
Impozit pe profit amanat		6,162,758	0

<b>Total datorii curente</b>		<b>30,323,118</b>	<b>38,609,654</b>
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<b>Total datorii</b>		<b>43,614,268</b>	<b>53,551,207</b>
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- a) profit and loss account: net sales; gross income; cost and expense items with a share of at least 20% in net sales or gross revenue; risk provisions and for various expenses; reference to any sale or stop of a segment of activity carried out in the last year or to be carried out in the following year; declared and paid dividends;

**SITUAȚIA PROFITULUI SAU A PIERDERII ȘI ALTE  
ELEMENTE ALE REZULTATULUI GLOBAL**

**La: 31.12.2020**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Venituri din producția vândută	79,153,768	146,712,254
Venituri din vânzarea mărfurilor	3,089,067	5,292,273
Alte venituri, inclusiv variația stocurilor	2,945,053	6,833,913
	<b>85,187,888</b>	<b>158,838,440</b>
Consumuri de materii prime și materiale	59,024,142	108,647,546
Costul mărfurilor vândute	2,767,892	3,998,723
Cheltuieli de personal	17,478,020	27,128,242
Cheltuieli privind amortizările	10,368,745	10,032,438
Alte cheltuieli	4,869,111	6,471,671
	<b>94,507,910</b>	<b>156,278,620</b>
<b>Rezultatul operațional</b>	<b>-9,320,022</b>	<b>2,559,820</b>
Venituri financiare	1,278,740	226,903
Cheltuieli financiare	5,333,609	943,521
<b>Profit înainte de impozitare</b>	<b>-13,374,891</b>	<b>1,843,202</b>
Impozit pe profit	0	189,908
Cheltuială cu impozitul pe profit amânat	0	0
Venituri din impozitul pe profit amânat	0	0
<b>Profit net aferent perioadei și rezultat global total aferent perioadei</b>	<b>-13,374,891</b>	<b>1,653,294</b>
Rezultatul pe acțiune		
Rezultatul pe acțiune de bază (lei/acțiune)	<b>-0.339</b>	<b>0.042</b>

Unlike the previous periods, although the turnover achieved with the Dacia - Pitesti client has a significant weight, this weight decreases further as the Board of Directors' efforts to expand the large client portfolio are realized.

The Board of Directors will continue this action, in order to reduce the risks assumed by the existence of a single major client.

Annexes:

- Declaration of compliance with the Corporate Governance Code of the B.V.B.
- Non-financial statement

Oradea, at: 19.03.2021

Chairman of the Board of Directors  
Doina Olimpia Stanciu

## **NON-FINANCIAL STATEMENT**

### **CORPORATE SOCIAL RESPONSIBILITY**

Corporate social responsibility (CSR) is an essential pillar of society's development, as it supports development, innovation and sustainability for both society and stakeholders.

As a participant in the industry, the main mission of the company is to provide the best products, companies and institutions, to support the development of their projects. We are also aware that we live in an ecosystem and, in this regard, we strive to generate a long-term positive impact on the community and the environment.

Therefore, the company is willing to play a role in the evolution of Romanian society as a whole, carrying out its activity with the highest respect for the values and principles of the Universal Declaration of Human Rights and additional commitments and the Fundamental Conventions of the International Labor Organization (IOM);

### **ETHICS AND GOVERNANCE, RESPECT FOR HUMAN RIGHTS**

The company is committed to maintaining and improving the systems and processes that enable it to ensure respect for human rights in its human resources operations and management, in its supply chain and in its products and services.

The company's commitments to human rights are guided by the following conventions, standards and initiatives:

- Universal Declaration of Human Rights, International Covenant on Civil and Political Rights and International Covenant on Economic, Social and Cultural Rights;
- The fundamental conventions of the International Labor Organization (ILO), which aim, in particular, at the elimination of forced labor and child labor, discrimination at work, as well as freedom of association and the effective recognition of the right to collective bargaining;
- The guiding principles of the United Nations on business and human rights;

The company is determined to act with integrity and in accordance with the laws applicable in all its activities. Several policies developed at the group level include provisions that directly or indirectly support human rights.

Society is committed to respecting human rights. This also applies to the policies and processes developed by society in connection with its obligations to combat money laundering, terrorist financing and corruption.

## **CODE OF CONDUCT AND ANTI-CORRUPTION**

The company has established its strategic objective to protect its corporate image and to ensure that each employee acts with integrity in daily activities. Much effort has been made in terms of culture and behavior.

The code of conduct represents the cornerstone of professional ethics within the company. It promotes respect for human rights and the environment, the prevention of conflicts of interest and corruption, the fight against money laundering and terrorist financing, respect for market integrity, data protection, appropriate behavior in terms of gifts and invitations and responsible supply.

The code of conduct is applicable to all employees, regardless of their degree of responsibility, and to all managers.

## **RESPONSIBLE EMPLOYER**

The success of an organization is determined by the performance of its people.

Through the human resources policy, the Company carries out the recruitment, selection, employment and retention of the best professionals on the labor market, which meet the mandatory criteria for staffing and which ensure the necessary human resources to carry out the activity in good conditions, in order to achieve products and services that meet customers' quality requirements and in accordance with the required quality

The human resources strategy is an integrated part of the business strategy and aims, through the management of human resources: organization, recruitment, selection, annual training and development plans, annual staff evaluations, professional performance and personal development of each employee.

We strive to ensure a trained and motivated workforce that contributes, through the continuous improvement of individual and team performance, to the achievement of the Company's objectives. Every member of the team is important and can create added value, which is why we always try to have the right person, in the right place.

Through the organizational culture, the Company promotes the true values: quality, seriousness, performance, values that are implemented in the efforts to

continuously improve the processes, activities, quality of products and services offered to customers.

The Company's responsibility towards the employees means ensuring a safe and healthy work environment, offering opportunities for professional and personal development, achieving a permanent dialogue through which to monitor the degree of satisfaction and their expectations.

Each employee has the responsibility to maintain a safe and healthy workplace for all employees, following the regulations and practices of occupational safety and health, reporting accidents, injuries, equipment, and reporting unsafe practices and conditions.

The main strategic directions for occupational health and safety management that the Company aims and is committed to achieving are: prevention and continuous reduction of the risks of occupational injuries and illnesses, creating the necessary conditions for continuous improvement of occupational health and safety performance and involvement of all achieving the proposed objectives.

The company pursues a permanent qualification, training, instruction and professional development of the staff.

In 2020, the industry continued to undergo profound changes, including customer and stakeholder expectations, the emergence of new technologies, and the regulatory framework that transforms the business and skills needed to work. For the company, this opportunity involves the development of employees. Their ability to adapt their skills and ways of working is essential for business sustainability.

The company's corporate culture is based on the values it promotes to provide the best customer service (team spirit, innovation, responsibility and commitment), the behavior and skills it inspires and the behavior to be followed by those who work in these zone.

## **HUMAN RIGHTS, DIVERSITY, NON-DISCRIMINATION POLICY, GENDER EQUALITY**

The general policy of the society is to treat everyone, man or woman, with equal respect, giving everyone equal opportunities to be recruited, promoted, rewarded, trained and based only on personal qualities.

Diversity is an important component of the bank's strategy and is based on an efficient performance management system that ensures the capitalization of employees' attributes from the perspective of competencies.

When hiring and fixing individual rights, the company ensures equal opportunities and treatment for all employees without discrimination, direct or indirect, depending on the criteria of race, color, national origin, ethnicity, religion, social origin, age or trade union activity, sex , sexual orientation, genetic characteristics, disability, family situation or responsibility or any other criteria that have as purpose or effect the non-granting, reduction or cancellation of the recognition, use or exercise of rights based on the collective labor agreement.

Decisions regarding salaries, benefits, training, work assignments, promotions, disciplinary measures or dismissal are based exclusively on employee performance, not on personal characteristics, race, origin, sex, religion, sexual orientation or political opinion. Adequate working conditions and respect for the dignity of employees - regarding the elaboration of the Collective Labor Agreement and the internal regulatory documents of the bank, the purpose is to ensure adequate working conditions for the activity and in terms of social protection, health and safety at work and respect for dignity and conscience of employees .

The following are recognized for all employees:

- the right to collective bargaining;
- the right to the protection of personal data;
- the right to protection against illegal dismissal;
- the right to protection against all forms of harassment;
- other rights provided by the legislation in force

## **CLIMATE CHANGE**

In the face of climate change and ecological change, maintaining ecological balance is becoming a real challenge. The company has specific internal procedures and tools for waste management and ensures that they are followed. Development programs aim to reduce energy consumption, aiming to constantly reduce CO2 emissions from their own activities.

The basic activities of the company have a minor impact on environmental factors (air, water, soil), and the determinations performed show that there are no exceedances of the limit values provided by the legislation in force for any of the measured pollutants.

The company does not have data on the current and foreseeable impact of its operations on the environment and cannot estimate the influence on health and safety. However, the existence of the integrated Environmental Authorization, updated, assures

us on the observance of the legal conditions of operation and management of the above aspects at the company level.

Society cannot estimate the impact of climate change on the use of goods produced by society. Due to the nature of the profile industry in which the company operates, this impact must be studied at the level of the entire industry

Oradea, at: 19.03.2021

Chairman of the Board of Directors  
Doina Olimpia Stanciu

**Statement of compliance of SC UAMT SA with the new Corporate Governance Code of BVB  
on 31.12.2020**

The provisions of the BVB Governance Code	Comply	Does not comply or partially complies	Reason for non-compliance
<b>A. RESPONSIBILITIES OF THE BOARD</b>			
A.1.. All companies must have internal Board regulations that include the terms of reference / responsibilities of the Board and the key management functions of the company, and that apply, inter alia, the General Principles of Section A.		X	The terms of reference / responsibilities of the Board and key management positions are contained in the articles of association of the company, updated in 2019.
A.2. Provisions for the management of conflicts of interest should be included in the Council Regulation. In any case, the members of the Council must notify the Council of any conflicts of interest which have arisen or may arise and refrain from participating in discussions (including by non-attendance, unless non-attendance would prevent a quorum) to vote on a decision on the matter giving rise to the conflict of interests.		X	Provisions regarding the management of the conflict of interests will be included in the Regulation (Declaration) of Corporate Governance that will be elaborated by the Board of Directors.
A.3. The Board of Directors or the Supervisory Board must be composed of at least five members.	X		



<p>A.4. The majority of the members of the Board of Directors must not hold executive office. At least one member of the Board of Directors or the Supervisory Board must be independent in the case of Standard Class companies. In the case of Premium Companies, no less than two non-executive members of the Board of Directors or the Supervisory Board must be independent. Each independent member of the Board of Directors or the Supervisory Board, as the case may be, must submit a statement at the time of his nomination for election or re-election, as well as when any change of its status, indicating the elements on the basis of which it is considered independent in terms of its character and judgment and according to the following criteria:</p> <p>A.4.1. is not the General Manager / CEO of the company or a company controlled by it and has not held such a position in the last five (5) years;</p> <p>A.4.2. is not an employee of the company or a company controlled by it and has not held such a position for the last five (5) years;</p> <p>A.4.3. does not receive and has not received additional remuneration or other benefits from the company or a company controlled by it, other than those corresponding to the capacity of non-executive director; A.4.4. is not or was not the employee or does not have or did not have during the previous year a contractual relationship with a significant shareholder of the company, a shareholder who controls over 10% of the voting rights, or with a company controlled by him;</p> <p>A.4.5. does not have and did not have in the previous year a business or professional relationship with the company or with a company controlled by it, either directly or as a client, partner, shareholder, member of the Board / Director, general manager / executive director or an employee of a company if, by its substantial nature, such a report is likely to affect its objectivity;</p> <p>A.4.6. is not and has not been in the last three years the external or internal auditor or employee partner or associate of the current external financial auditor or the internal auditor of the company or a company controlled by it;</p> <p>A.4.7. is not a general manager / executive director of another company where another general manager / executive director of the company is a non-executive director;</p> <p>A.4.8. he has not been a non-executive director of the company for more than twelve years;</p> <p>A.4.9. has no family ties with a person in the situations mentioned in points A.4.1. and A.4.4</p>	X		
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A.5. Other relatively permanent professional commitments and obligations of a member of the Board, including executive and non-executive positions on the Board of non-profit corporations and institutions, must be disclosed to potential shareholders and investors before the nomination and during his term of office.		X	The professional biographies of the Board members were not made public on the company's website or at BVB. This requirement will be met with the reconfiguration of the company's website.
A.6. Any member of the Board shall submit to the Board information on any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This obligation refers to any report that may affect the member's position on matters decided by the Board.		X	No such information to the Council was considered necessary.
A.7. The company must appoint a secretary of the Board responsible for supporting the work of the Board.	X		
A.8. The corporate governance statement will inform whether an evaluation of the Board under the chairmanship of the Chair or the nomination committee has taken place and, if so, will summarize the key measures and changes resulting from it. The company must have a policy / guidance on the evaluation of the Committee including the purpose, criteria and frequency of the evaluation process.		X	The Corporate Governance Statement is being prepared and will include such a policy
A.9. The corporate governance statement must contain information on the number of meetings of the Board and committees in the last year, the participation of directors (in person and in absentia) and a report by the Board and committees on their activities.		X	It will be correlated with the fulfillment of the requirement from the previous point.
A.10. The corporate governance statement should include information on the exact number of independent members of the Board of Directors or the Supervisory Board.		X	It will be correlated with the fulfillment of the requirement from the previous point.
A.11. The Board of Premium Companies must set up a nomination committee of non-executive members, which will lead the procedure for nominating new members to the Board and make recommendations to the Board. The majority of the members of the nomination committee must be independent		X	It will be correlated with the fulfillment of the requirement from the previous point.
<b>B. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM</b>			
B.1. The Board must set up an audit committee in which at least one member must be an independent non-executive director. A majority of the members, including the chair, must have demonstrated that they are adequately qualified for the functions and responsibilities of the committee. At least one member of the audit committee must have proven and appropriate audit or accounting experience. In the case of Premium Companies, the audit committee must consist of at least three members and a majority of the members of the audit committee must be independent.		X	It is being set up.
B.2. The chairman of the audit committee must be an independent non-executive member.		X	It will be correlated with the fulfillment of the requirement from the previous point.

B.3. Within its responsibilities, the audit committee must carry out an annual evaluation of the internal control system.		X	It will be correlated with the fulfillment of the requirement from the previous point.
B.4. The evaluation must take into account the effectiveness and comprehensiveness of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Board's audit committee, the promptness and effectiveness with which executive management addresses the deficiencies or weaknesses identified and the submission of relevant reports to the Council.		X	It will be correlated with the fulfillment of the requirement from the previous point.
B.5. The audit committee must assess conflicts of interest in relation to the transactions of the company and its subsidiaries with related parties.		X	It will be correlated with the fulfillment of the requirement from the previous point.
B.6. The audit committee must evaluate the effectiveness of the internal control system and the risk management system.		X	It will be correlated with the fulfillment of the requirement from the previous point. There are references in the Annual Report of the administrators regarding this aspect
B.7. The Audit Committee should monitor the application of generally accepted legal and internal auditing standards. The audit committee must receive and evaluate the reports of the internal audit team.		X	It will be correlated with the fulfillment of the requirement from the previous point. There are references in the Annual Report of the administrators regarding this aspect
B.8. Whenever the Code mentions reports or analyzes initiated by the Audit Committee, they must be followed by periodic (at least annually) or ad-hoc reports to be submitted subsequently to the Board.		X	It will be correlated with the fulfillment of the requirement from the previous point.
B.9. No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements entered into by the company with shareholders and their affiliates.	X		
B.10. The Board must adopt a policy to ensure that any transaction of the company with any of the companies with which it has close relationships whose value is equal to or greater than 5% of the company's net assets (according to the latest financial report) is approved. by the Council following a binding opinion of the Board's audit committee and correctly disclosed to shareholders and potential investors, insofar as these transactions fall into the category of events that are subject to reporting requirements.		X	Consideration will be given to the adoption by the Council of such a policy. And its inclusion in its own corporate governance regulations
B.11. Internal audits must be performed by a structurally separate division (internal audit department) within the company or by hiring an independent third party entity.		X	The internal audit of the company will be performed by an independent third party on the basis of a service contract or through a structurally separate internal department.
B.12. In order to ensure the performance of the main functions of the internal audit department, it must report functionally to the Board through the audit committee. For administrative purposes and as part of the management's obligations to monitor and reduce risks, he must report directly to the general manager.		X	The internal auditor will report functionally to the Board of Directors and the Audit Committee, and administratively to the General Manager.

<b>C. REMUNERATION POLICY</b>			
C.1. The company must publish the remuneration policy on its website and include in the annual report a statement on the implementation of the remuneration policy during the annual period under review. The remuneration policy must be formulated in such a way as to enable shareholders to understand the principles and arguments underlying the remuneration of the members of the Board and the Chief Executive Officer, as well as the members of the Management Board in the dual system. It should describe how to conduct the process and make remuneration decisions, detail the components of executive management remuneration (such as salaries, annual bonuses, long-term incentives related to the value of shares, benefits in kind, pensions and others) and describe the purpose, principles and assumptions underlying each component (including the general performance criteria for any form of variable remuneration). In addition, the remuneration policy must specify the duration of the Executive Director's contract and the period of notice provided for in the contract, as well as any compensation for dismissal without just cause. Any essential change in the remuneration policy must be published in good time on the company's website.		X	Conform Actului constitutiv al societatii, remunerarea membrilor Consiliului de According to the Articles of Association of the company, the remuneration of the members of the Board of Directors is an attribution of the General Meeting of Shareholders. After elaboration and approval, the Remuneration Policy will be published on the site together with the reconfiguration of the company's website.
<b>D. ADDING VALUE THROUGH INVESTOR RELATIONS</b>			
D.1: The company must organize an Investor Relations service - made known to the general public through the responsible person / persons or as an organizational unit. In addition to the information required by law, the company must include on its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest to investors, including:	X		
D.1.1. The main corporate regulations: the articles of incorporation, the procedures regarding the general meetings of shareholders;	X		
D.1.2. Professional CVs of members of the company's governing bodies, other professional commitments of members of the Board, including executive and non-executive positions on boards of directors of companies or non-profit institutions;		X	The requirement will be implemented with the reconfiguration of the company's website.
D.1.3. Current and periodic reports (quarterly, half-yearly and annual) - at least those provided for in point D.8 - including current reports with detailed information on non-compliance with this Code;	X		

D.1.4. Information on general meetings of shareholders: agenda and information materials; the procedure for electing the members of the Council; the arguments in support of the candidates' proposals for election to the Council, together with their professional CVs; shareholders' questions on the company's agenda items and answers, including decisions taken;	X		
D.1.5. Information about corporate events, such as the payment of dividends and other distributions to shareholders, or other events that lead to the acquisition or limitation of a shareholder's rights, including deadlines and principles applied to these transactions. That information will be published within a timeframe for investors to make investment decisions;	X		
D.1.6. The name and contact details of a person who will be able to provide relevant information upon request;		X	The requirement will be implemented with the reconfiguration of the company's website.
D.1.7. Company presentations (eg, investor presentations, quarterly earnings presentations, etc.), financial statements (quarterly, half-yearly, annual), audit reports and annual reports.	X		
D.2. The company will have a policy on the annual distribution of dividends or other benefits to shareholders, proposed by the General Manager or the Management Board and adopted by the Board, in the form of a set of guidelines that the company intends to follow regarding the distribution of net profit. The principles of the annual distribution policy to shareholders will be published on the company's website.		X	The distribution of dividends is established by decision of the General Meeting of Shareholders according to the provisions of the Articles of Association of the company. The publication on the company's website of the policy regarding the annual distribution of dividends will be made after its elaboration and approval by the internal management bodies.
D.3. The company will adopt a policy regarding the forecasts, whether they are made public or not. The forecasts refer to quantified conclusions of studies aimed at establishing the global impact of a number of factors over a future period (so-called assumptions): by its nature, this projection has a high level of uncertainty, the actual results may differ significantly from the forecasts originally presented. The forecast policy will establish the frequency, the period considered and the content of the forecasts. If published, forecasts can only be included in annual, half-yearly or quarterly reports. The forecast policy will be published on the company's website.		X	The publication on the company's website of the policy in connection with the forecasts will be made after its elaboration and approval by the internal management bodies.
D.4. The rules of general meetings of shareholders must not limit the participation of shareholders in general meetings and the exercise of their rights. The changes to the rules will take effect at the earliest, starting with the next shareholders' meeting.	X		
D.5. External auditors will be present at the general meeting of shareholders when their reports are presented at these meetings.	X		
D.6 The Board will present to the annual general meeting of shareholders a brief assessment of the internal control and significant risk management systems, as well as opinions on issues subject to the decision of the general meeting.	X		

D.7. Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting at the prior invitation of the Board. Accredited journalists may also attend the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	X		
D.8. The quarterly and half-yearly financial reports will include information in both Romanian and English on key factors influencing changes in sales, operating profit, net profit and other relevant financial indicators, both quarterly and from one year to another.	X		
D.9. A company will hold at least two meetings / teleconferences with analysts and investors each year. The information presented on these occasions will be published in the investor relations section of the company's website at the date of the meetings / teleconferences.		X	A policy in this regard will be developed by the Council if deemed appropriate
D.10. sports, educational or scientific activities and considers that their impact on the innovative nature and competitiveness of society are part of its mission and development strategy, it will publish the policy on the activity in this area		X	A policy in this regard will be developed by the Council if deemed appropriate

Chairman of the Board of Directors

Doina Olimpia Stanciu



## **S.C. UAMT s.a.**

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### STATEMENT

The undersigned STANCIU Ioan as General Manager and BONTA Mircea Gabriel as Head of Financial Accounting Department at SC UAMT SA, declare the following:

- The individual annual financial statements for 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), applicable to companies whose securities are admitted to trading on a regulated market, approved by OMFP no. 2844/2016.
- The accounting policies used in preparing the individual financial statements are in accordance with the applicable accounting regulations;
- The individual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") provide a true and fair view of the financial position, financial performance and other information relating to the business;
- The company carries out its activity in conditions of continuity;
- We are not aware, at the date of this statement, about other information, events, circumstances that would significantly alter the above statements.

General Director  
STANCIU Ioan

Head of Financial -Accounting Dept.  
BONTA Mircea Gabriel



**S.C. UAMT s.a.**

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S.C. UAMT S.A. Oradea

Individual financial statements  
on 31 December 2020

Prepared in accordance with the Standards  
International Financial Reporting Adopted  
by the European Union according to the Order  
Of the Ministry of Finance no. 2844/2016 with  
subsequent changes



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## STATEMENT OF FINANCIAL POSITION

	Nota	31.12.2020	01.01.2020
Tangibles	1	64,537,080	68,972,404
Other intangibles	2	2,800,729	3,417,519
Real estate investments	3	0	0
Other assets (biological, financial, etc.)		0	4,500,000
Rights to use leased assets		216,433	614,721
<b>Total non-current assets</b>		<b>67,554,242</b>	<b>77,504,644</b>
Inventories	4	26,015,792	29,717,734
Trade receivables	5	17,370,698	35,742,466
Prepayments		0	1,214,445
Other receivables of which:	6	3,076,820	3,233,125
Current income tax receivables	6	0	0
Cash and cash equivalents	7	13,694,682	10,908,581
<b>Total current assets</b>		<b>60,157,992</b>	<b>80,816,351</b>
<b>Advance income (grants)</b>	<b>8</b>	<b>1,397,029</b>	<b>2,531,202</b>
<b>Total assets</b>		<b>126,315,205</b>	<b>155,789,793</b>
joint stock	9	17,766,860	17,766,860
reserves	12	42,799,511	42,617,844
Reported result	10	8,023,717	7,012,362
The result of the exercise	11	-13,374,891	1,653,294
Distribution of profit		0	1,471,627
Other reserves and own shares	12	33,648,498	34,659,853
Deferred income tax		6,162,758	0
<b>Total equity</b>		<b>82,700,937</b>	<b>102,238,586</b>
Long term loans	13	12,913,399	14,817,821
Other long term debts	14	0	0
Deferred tax liabilities	22	0	0
Other non-current debts		377,751	123,732
<b>Total non-current debts</b>		<b>13,291,150</b>	<b>14,941,553</b>
Trade payables	15	8,038,147	11,133,482
Short term loans	16	14,999,991	24,939,000
Short-term provisions	17	0	0
Current taxes	17	802,786	1,546,946
Other current debts	18	319,436	990,226
Deferred income tax		6,162,758	0
<b>Total current debts</b>		<b>30,323,118</b>	<b>38,609,654</b>
<b>Total debt</b>		<b>43,614,268</b>	<b>53,551,207</b>
<b>Total liabilities</b>		<b>126,315,205</b>	<b>155,789,793</b>

General Director,  
Ioan Stanciu

Head of Fin.ACC.Dept.  
Mircea BONTA

**GLOBAL STATEMENT OF PROFIT OR LOSS AND OTHERS  
ELEMENTS OF THE OVERALL RESULT**

	<b>31.12.2020</b>	<b>31.12.2019</b>
Income from sold production	79,153,768	146,712,254
Income from sale of goods	3,089,067	5,292,273
Other income, including change in inventories	2,945,053	6,833,913
	<b>85,187,888</b>	<b>158,838,440</b>
Consumption of raw materials and materials	59,024,142	108,647,546
The cost of goods sold	2,767,892	3,998,723
Staff expenditure	17,478,020	27,128,242
Depreciation and amortization	10,368,745	10,032,438
Other expenses	4,869,111	6,471,671
	<b>94,507,910</b>	<b>156,278,620</b>
<b>Operational result</b>	<b>-9,320,022</b>	<b>2,559,820</b>
Financial income	1,278,740	226,903
Financial expenses	5,333,609	943,521
<b>Profit before tax</b>	<b>-13,374,891</b>	<b>1,843,202</b>
Profit tax	0	189,908
Deferred income tax expense	0	0
Deferred income tax revenue	0	0
<b>Net profit for the period and result overall total for the period</b>	<b>-13,374,891</b>	<b>1,653,294</b>
Result per share		
Basic earnings per share (lei / share)	<b>-0.339</b>	<b>0.042</b>

General Director,  
Ioan STANCIU

Head of Fin.ACC.Dept.  
Mircea BONTA

**STATEMENT OF CHANGE OF OWN CAPITALS**

<b>Element</b>	<b>Joint stock</b>	<b>Revaluation reserves</b>	<b>Own actions</b>	<b>Other reserves</b>	<b>Reported result</b>	<b>Current result</b>	<b>Distribution of profit</b>	<b>Deferred income tax</b>	<b>Total</b>
<b>Sold la 01.01. 2020</b>	<b>17,766,860</b>	<b>35,975,219</b>	<b>1,315,366</b>	<b>42,617,844</b>	<b>7,012,362</b>	<b>1,653,294</b>	<b>1,471,627</b>	<b>0</b>	<b>102,238,586</b>
<b>Profit or loss</b>	<b>0</b>	<b>-1,011,355</b>	<b>0</b>	<b>181,667</b>	<b>1,011,355</b>	<b>15,028,185</b>	<b>1,471,627</b>	<b>6,162,758</b>	<b>-13,374,891</b>
Transfer of Reported result	0	0	0	0	181,667	-181,667	0	0	0
Surplus transfer from reevaluation	0	-1,011,355	0	0	1,011,355	0	0	0	0
The result of current axercise	0	0	0	0	0	-13,374,891	0	0	-13,374,891
profit distribution to other reserves	0	0	0	0	0	-1,471,627	1,471,627	0	0
distribution of reported result to other reserves	0	0	0	181,667	-181,667	0	0	0	0
distribution of profit tax to other reserves	0	0	0	0	0	0	0	0	0
reported results from errors	0	0	0	0	0	0	0	0	0
own actions	0	0	0	0	0	0	0	0	0
<b>Other elements of the overall result</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,162,758</b>	<b>6,162,758</b>
deferred income tax	0	0	0	0	0	0	0	6,162,758	6,162,758
surplus from reevaluation	0	0	0	0	0	0	0	0	0
<b>Transactions with the owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
agreed dividends	0	0	0	0	0	0	0	0	0
<b>Sold la 31.12. 2020</b>	<b>17,766,860</b>	<b>34,963,864</b>	<b>1,315,366</b>	<b>42,799,511</b>	<b>8,023,717</b>	<b>13,374,891</b>	<b>0</b>	<b>6,162,758</b>	<b>82,700,937</b>

General Director,  
Ioan STANCIU

Head of Fin.ACC.Dept.  
Mircea BONTA

## STATEMENT OF CASH FLOW

Cash flow from operating activities	2020	2019
Net profit before tax	-13,374,891	1,653,294
<i>Adjustments regarding calculated income and expenses (non-monetary), for:</i>		
- Adjustments with depreciation of fixed assets (depreciation and provisions)	10,368,745	10,032,438
- Impairment adjustments for risks and expenses (provisions)	792,286	0
- Other non-monetary income	138,573	825,440
- Other non-monetary expenses	1,028,061	822
- Deferred tax expenses	0	0
- Deferred tax revenue	0	0
<i>Adjustments regarding non-operating income and expenses, for:</i>		
- Financial income (interest, exchange rate and other fin income)	-81,440	-226,903
- Financial expenses (interest and exchange rate + other fine expenses)	5,333,609	943,521
- Expenses (calculated) and income from the sale of fixed assets	-76,260	229,006
- Income (calculated) from investment grants	1,134,173	1,139,010
Operating profit before changes in working capital	5,262,856	14,596,628
- Decrease / (Increase) stock change	3,701,942	3,339,722
- Decrease / (Increase) variation of receivables	19,742,518	9,914,830
- Increase / (Decrease) the variation of debts	-9,420,713	-17,880,948
Cash generated from operation	-19,286,603	-9,970,232
- Interest paid	-180,328	-262,754
- Interest received	0	98
- Financial expenses (diff. exchange rate)	-631,920	-672,830
- Financial income (diff. exchange rate)	81,419	225,689
- Impozitul pe profit platit	61,041	0
Net cash from operating activities	18,494,733	9,260,435
Cash flows from investment activities		
- Payments for acquisitions of fixed assets	-5,062,504	-4,095,103
- Proceeds from the sale of fixed assets	1,197,300	1,117,861
Fluxuri net de numerar din activitati de investitii	-3,865,204	-2,977,242
Cash flows from financing activities		
- Receptions from loans	15,438,409	25,235,603
- Loan repayments	-27,044,866	-30,330,413
- Receptions from investment grants European Funds	0	0
- Variation of debts related to financing operations	-236,974	0
Cash flow from financing activities	-11,843,431	-5,094,810
Net increase / (decrease) in cash	2,786,098	1,188,383
Cash and cash equivalents at the beginning of the period	10,908,581	9,720,198
Cash and cash equivalents at the end of the period	13,694,679	10,908,581

General Director,  
Ioan STANCIU

Head of Fin.ACC.Dept.  
Mircea BONTA

**POLICIES AND PRESENTATION NOTES RELATED TO THE FINANCIAL  
STATEMENTS  
on December 31, 2020**

**A. GENERAL PRESENTATION**

Reporting entity

*SC UAMT S.A., a company established on the basis of GD 1224 / 23.11.1990, specializes in: "Manufacture of other parts and accessories for motor vehicles and motor vehicles" CAEN code - 2932.*

*It was constituted by the transformation of the "Enterprise of Subassemblies and Parts for Means of Transport" Oradea into a joint stock company in accordance with the provisions of Law no. 15/1990. The company's activity actually started in 1951 when the company "BERNATH ANDREI" was founded in Oradea, focused on the production of consumer goods for the population. Since 1954 the unit specializes in the manufacture of components for means of transport. In 1968, the massive assimilation of the components for the DACIA 1300 car took place, the unit changing its name to "Enterprise of Accessories for Means of Transport", registering in 1969 the "UAMT" brand of the unit. With an experience of over 22 years in the field on November 23, 1990, the reorganization of the unit into a joint stock company under the name of S.C. "UAMT" S.A. Oradea based on Law no. 15/1990.*

*SC UAMT S.A., has its registered office in Oradea, 8 Uzinelor Street, registered at the Trade Register under no. J05 / 173/1991, fiscal identification code RO 54620*

Description of the activity of SC UAMT SA

The object of activity of SC UAMT SA is provided in art. 6 of the Articles of Association of the company. According to the CAEN classification, the main activity is - CAEN code 2932 "Manufacture of other parts and accessories for motor vehicles and motor vehicles".

The company's activity is focused on the production and sale of parts and subassemblies for means of transport, castings of non-ferrous alloys, injected parts made of plastic, vulcanized rubber parts. The company is located in northwestern Romania in the city of Oradea, 8 km from the border, in the immediate vicinity of the European road E60, having the means for supply and delivery both by rail and by car.

The technical endowment of the company places it in the field of units with a fine mechanics profile. In society, the following categories of technological processes are used in particular:

- mechanical machining by cutting (turning, milling, drilling, flat and round grinding) on classic and CNC machines;
- cold pressing processing;
  
- injection of plastic parts (polyethylene, polyacetals, polyamides, including reinforced with fiberglass, etc.) weighing up to 1.2 kg;
- painting through the process of cataphoresis;
- electrochemical coatings (galvanizing, nickel plating, chrome plating, black chrome plating, etc.);
- welding of metals (electric, autogenous, spot welding, welding in CO2 protective atmosphere, with or without manipulating robots);
- heat treatments;
- EDM processing (with solid electrode and wire);
- product assembly;

The main products of the company are:

- stamped parts;
- parts protected against corrosion by electrochemical coating;
- car components;
- SDVs;
- car spare parts.

## **B. ACCOUNTING PRINCIPLES AND POLICIES**

### **1. ACCOUNTING PRINCIPLES AND POLICE**

The individual financial statements have been prepared in accordance with:

- o International Financial Reporting Standards (IFRS), adopted by the European Union;
- o Law 82 of 1991, on accounting republished and updated;
- o Order 58 of 2021 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, with subsequent amendments and completions.

The annual financial statements as at 31.12.2020 comply with the reporting regulations regarding the entities whose securities are admitted to trading on a regulated market that apply the Accounting Regulations compliant with the International Financial Reporting Standards, provided in point 1.1 of Annex 3 to the Minister's Order Of Public Finance no. 470/2018, regarding the main aspects related to the preparation and submission of annual financial statements and annual accounting reports of economic operators to the territorial units of the Ministry of Public Finance. The company's accounting records are maintained in lei, in accordance with the Romanian Accounting Regulations (RAS). Accordingly, the RAS coform accounts are adjusted, if necessary, to harmonize the individual financial statements in material matters with the International Financial Reporting Standards adopted by the European Union (IFRS). The financial statements were authorized for issuance and publication by the Board of Directors meeting on 19.03.2021.

### **2. Presentation of individual and consolidated annual financial statements**

The individual 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

1. in the statement of financial position and a presentation of income and expense by function in the statement of profit or loss, considering that these methods of presentation provide information that is credible and more relevant than that which would have been presented under other methods permitted by IAS 1.
2. The individual financial statements prepared on 31.12.2020 include:
  3. 1. Statement of financial position
  4. 2. Profit or loss statement and other comprehensive income
  5. 3. Statement of changes in equity
  6. 4. Statement of cash flows
  7. 5. Additional data on the individual financial statements presented in the Explanatory Notes

### 3. Functional currency

The individual financial statements are prepared using the cost principle. The fair value principle is applied, except for assets or liabilities for which fair value cannot be established reliably.

The valuation of assets and liabilities was performed as follows:

- Inventories are valued at the lower of cost and net realizable value.
- Tangible fixed assets are initially assessed:
  - o at the acquisition cost, for those purchased for a fee;
  - o at the contribution value, for those received as contribution in kind at the constitution / increase of the share capital;
  - o at the fair value from the date of acquisition, for those received free of charge.

For the subsequent recognition, at the level of the company, the revaluation model was adopted.

Intangible assets were initially valued at cost. After recognition, intangible assets are accounted for on a cost-based basis, ie at their cost less any accumulated depreciation and any accumulated impairment losses.

Cash and cash equivalents are presented in the balance sheet at cost.

Financial assets and financial liabilities are initially recognized at their fair value plus, in the case of a financial asset or financial liability that is not at fair value through profit or loss, transaction costs that can be directly attributed to the acquisition or issue.

After initial recognition, financial assets are recognized at fair value through a reserve account (fair value reserves) in equity without any deduction of transaction costs except for loans and receivables that are measured at amortized cost using the method. effective interest.

After initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Other financial assets and liabilities, as well as non-financial assets and liabilities are presented at amortized cost, revalued value or historical cost.

### 5. Use of estimates and judgments

The preparation of individual financial statements in accordance with International Financial Reporting Standards adopted by the European Union ("IFRS") involves the use by management of estimates, judgments and assumptions that affect the application of accounting policies and the reported value of assets, liabilities, income and expenses. . The judgments and assumptions associated with these estimates are based on historical experience as well as other factors considered reasonable in the context of these estimates. The results of these estimates form the basis for judgments about the carrying amounts of assets and liabilities that cannot be obtained from other sources of information.

The estimates and assumptions underlying them are reviewed periodically. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period in which the estimate is revised and future periods if the revision affects both the current period and future periods. The modification of the estimates, by its nature, is not related to the previous periods and does not represent the correction of an error. Except for the presentation of the effect of the change in the estimate shown above, if such a change gives rise to changes in assets and liabilities or capital, the effect of the change will be presented by adjusting the assets, liabilities or equity during the change.

### 6. Significant accounting policies

The accounting policies have been applied consistently over all periods presented in the individual financial statements prepared by the company. The individual financial statements are prepared on the assumption that the company will continue to operate in the foreseeable future. To assess the applicability of this assumption, management analyzes forecasts of future cash inflows.



If a standard or interpretation is specifically applied to a transaction, other event or condition, the accounting policies applied to that item shall be deemed to have been chosen by application of that standard or interpretation, taking into account any implementing guidance issued by the IASB. for the standard or interpretation in question.

Accounting policies are consistently applied to transactions, events and more similar conditions, unless a standard or interpretation requires or permits the classification of categories, for which different policies may apply.

Significant errors in prior periods recognized in the recognition, measurement, presentation or description of the elements of the financial statements must be corrected retroactively in the first set of statements that are authorized for issuance, by:

- restating the comparative values of the previous period or periods in which the error occurred; or
- restatement of the initial balances of assets, liabilities and equity, for the most distant period presented, if the error occurred before the most distant previous period presented.

#### **a). Convert to foreign currency**

##### Reference currency

The elements included in the individual financial statements are valued in the national currency, the Romanian leu (RON), the currency that most faithfully reflects the economic substance of the events. The individual financial statements are presented in Romanian lei (RON), this being the reference currency of S.C. UAMT S.A.

##### Transactions and balances

Foreign currency transactions are recorded in accounting, both in foreign currency and in lei (RON).

The conversion of transactions from a foreign currency into Romanian lei (RON) is performed based on the exchange rate, in force on the date on which the transactions take place.

The cash, receivables and liabilities registered in a currency other than the Romanian leu, existing in the balance at the end of a financial year, are valued at the exchange rate communicated by B.N.R. for the last banking day of the year.

Gains and losses on exchange differences resulting from the settlement of transactions in other currencies and the conversion of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement in the financial result, unless they are recorded. , according to the specific legislation, in the own capitals as hedging instruments against the risks of the cash flows.

Conversion differences related to debt securities and other monetary financial assets measured at fair value are included in gains or losses on exchange differences. Conversion differences for non-monetary items, such as equity securities, are reported as follows:

- a) As part of the gain or loss on the fair value adjustment, in the case of equity securities held for trading;
- b) Included in the revaluation reserve within equity in the case of available-for-sale securities.

The exchange rates of the main foreign currencies were:

Valuta	31 decembrie 2019	31 decembrie 2020
Euro (EUR)	4,7793	4.8694
Dolar american (USD)	4.2608	3.9660

#### **b). Cash and cash equivalents**

Cash and cash equivalents are presented in the balance sheet at cost. For the purpose of preparing cash flow statements, cash and cash equivalents include the house, bank accounts, including

deposits with a maturity of 3 months or less, cash in transit, and overdraft facilities. In the balance sheet, overdraft facilities are recognized as current liabilities under short-term loans.

### **c). Financial assets and liabilities**

*Non-derivative financial assets and liabilities held by the company:*

- ☑ *trade receivables and payables;*
- ☑ *promissory notes receivable and payable;*
- ☑ *cash and cash equivalents;*
- ☑ *short-term bank loans;*

*The company has classified the financial instruments held as prescribed by IAS 39, in the category: loans and receivables*

*Trade receivables represent assets of the enterprise resulting from transactions with legal or natural persons, relationships as a result of which the company has delivered a good, provided a service or performed a work and for which it must receive a value equivalent or consideration, in a period of up to 2 months.*

*According to International Accounting Standard IFRS 9 - "Financial Instruments: Recognition and Measurement", the company's receivables represent financial assets created by the company by providing goods or providing services directly to a debtor, other than those initiated with the intention of being sold immediately, or in the short term, which must be categorized as retained for trading.*

*Trade debts arise from transactions with natural or legal persons (purchase of goods, works or services), in which the company must make a payment or consideration within a period of up to a maximum of 3 months.*

*International Accounting Standard IAS 1 - "Presentation of Financial Statements" classifies a debt as a current debt when: (1) it is expected to be paid in the normal course of the operating cycle; or (2) is due within 12 months from the balance sheet date. Trade payables must be classified as current, regardless of their maturity.*

*Trade receivables and payables are presented in accordance with IAS 1 in the balance sheet structure. It is specified that tax assets and liabilities are not included in the category of financial instruments, they must be presented separately. They should be recognized only when the company becomes a party to a contract and, as a result, has the legal right to receive cash or, respectively, the legal obligation to pay.*

*At the end of each month, the receivables and liabilities in foreign currency are valued at the exchange rate of the foreign exchange market, communicated by the NBR from the last banking day of the month in question. The exchange rate differences recorded are recognized in the accounting for income or expenses from exchange rate differences, as the case may be.*

*Interest payable and interest receivable are recorded as expenses or financial income. The sale-purchase operations of foreign currency are registered in the accounting at the exchange rate used by the bank at which the auction is carried out, without these generating in exchange rate differences in accounting.*

### **d). Tangible fixed assets**

#### ***Recognition and evaluation***

Tangible fixed assets recognized as assets are initially measured at cost by the company. Tangible fixed assets are initially valued at acquisition cost (for those purchased for consideration), at the contribution value (for those received as in-kind contribution to the establishment / increase of the share capital), respectively at the fair value from the acquisition date (for those received free of charge).

The cost of an item of property, plant and equipment consists of the purchase price, including irrecoverable taxes, after deducting any price reductions of a commercial nature and any costs that may be directly attributable to bringing the asset to its location and in the condition necessary for it to be used. the desired management purpose, such as: employee expenses resulting directly from the construction or acquisition of the asset, site development costs, initial delivery and handling costs, installation and assembly costs, professional fees.

According to IFRS 1, if an entity uses fair value as an assumed cost for an item of property, plant and equipment, an investment property or an intangible asset in the opening of the financial position, the first financial statements of the entity prepared in accordance with International Financial Reporting Standards to present for each element of the opening position of the financial position in accordance with the International Financial Reporting Standards:

- the aggregate value of those fair values; and
- the aggregate adjustment of the book values reported according to the previous accounting principles

The value of the company 's tangible and intangible assets at December 31, 2019 and December 31, 2020 is detailed in notes 1 and 2.

For the subsequent recognition, at the level of the company, the revaluation model was adopted. The value of the revalued asset being its fair value at the date of revaluation minus any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations must be made with sufficient regularity to ensure that the carrying amount does not differ materially from what would have been determined using fair value at the balance sheet date. Re-evaluations are performed by ANEVAR certified independent evaluators. The revalued amount (in addition) replaces the acquisition cost. Additional revaluation differences are reflected in accounting for other comprehensive income and accumulated in equity as a revaluation surplus (unless the increase offsets a decrease in revaluation.

of the same asset previously recognized in profit or loss, in which case the increase is recognized directly in profit or loss). Impairment differences from revaluation are recognized in profit or loss (unless the decrease offsets a previous increase in revaluation, accumulated in equity as a revaluation surplus, in which case the reduction is recognized in other comprehensive income, less the surplus from revaluation).

The revaluation surplus included in equity related to an item of property, plant and equipment is transferred directly to retained earnings when the asset is recognizable. This involves the transfer of the entire surplus when the asset is withdrawn or disposed of. Transfers from the revaluation surplus to retained earnings are not made through profit or loss and are subject to any restrictions for distribution to shareholders, as appropriate.

The amounts paid or payable, generated by the daily repairs and maintenance of the tangible assets held are recorded on the company's expenses, according to the accrual accounting, appropriately influencing the profit and loss account for the period.

The amounts paid or payable, generated by the operations that lead to the increase of the value and / or the lifetime, by modernizing the tangible fixed assets held, respectively those operations that lead to a significant improvement of the technical parameters, to an increase of the potential to generate some benefits. economic by them, are capitalized (increase accordingly the book value of the respective asset).

### ***Amortization***

Depreciation expense for each period is recognized in profit or loss only if it is not included in the carrying amount of another asset. Depreciation is calculated at carrying amount (acquisition cost or revalued amount) using the straight-line method over the estimated useful lives of the assets and is included monthly in the company's expenses.

Depreciation of an asset begins when it is available for use, that is, when it is in the location and condition required to operate in the desired driving manner. Depreciation of an asset ceases at the earliest on the date when the asset is classified as held for sale (or included in a disposal group that is classified as held for sale), in accordance with IFRS - 5 "Long-term assets held for

sale sale "and on the date on which the asset is derecognised. Therefore, depreciation does not cease when the asset is not used or is taken out of use, unless it is fully depreciated. However, according to usage-based depreciation methods, depreciation costs can be "zero" when there is no production. Each part of an item of property, plant and equipment at a cost significant to the total cost of the item must be depreciated separately. The residual value and useful life of an asset must be reviewed at least at the end of each financial year. If expectations differ from other previous estimates, the change (s) must be accounted for as an accounting estimate change in accordance with IAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". The land is not depreciated, the depreciation of other tangible assets is calculated, using the straight-line depreciation method, allocating costs related to the residual value in accordance with the related life.

current life of tangible assets currently exists is:

- Constructions 40-60 years
- Technical installations and machines 8-15 years
- Means of transport 4-5 years
- Office equipment and furniture 2-16 years

### ***Depreciation***

An asset is impaired when its carrying amount exceeds its recoverable amount.

At each reporting date, the entity shall verify that there are indications of an impairment loss. If such indications are identified, the entity shall estimate the recoverable amount of the asset. If the carrying amount of an asset is impaired as a result of a revaluation, that impairment must be recognized in profit or loss. However, the reduction must be recognized in other comprehensive income to the extent that the revaluation surplus shows a credit balance for that asset. The reduction recognized in other comprehensive income decreases the amount accumulated in equity as a revaluation surplus.

### ***Derecognition***

The booking value of an item of property, plant and equipment must be derecognised:

- on assignment; or
- when no future economic benefit is expected from its use or disposal.

Gains or losses arising from the derecognition of an item of property, plant and equipment must be included in profit or loss when the item is derecognised. Earnings should not be classified as income.

### **e). Intangible assets**

#### ***Recunoaștere și evaluare***

To recognize an asset as an intangible asset, the entity must demonstrate that the item meets the following requirements:

a) the definition of an intangible asset respectively:

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

b) the recognition criteria, respectively:

- it is likely that the future economic benefits expected to be attributed to the asset will revert to the entity;

- the cost of an asset can be measured reliably

An intangible asset must be initially measured at cost.

The cost of an intangible asset acquired separately consists of:

- a) its purchase price, including import customs duties and non-refundable purchase taxes, after deduction of trade discounts and rebates; and
- b) any cost directly attributable to the preparation of the asset for the intended use.

For an intangible asset acquired free of charge, or for a token consideration, through a government grant, the entity initially recognizes the asset at face value plus any expenses directly attributable to preparing the asset for its intended use.

Intangible assets, according to generally accepted regulations, cannot be acquired through exchanges of assets, these being treated as separate deliveries.

### ***Amortization***

Expenditure related to the acquisition of manufacturing patents, trademarks and licenses is capitalized and amortized on a straight-line basis over their useful lives, which may not exceed 5 years.

The average amortization period of intangible assets is 3-5 years.

### **f). Real estate investments**

Real estate investments are real estate (land, buildings, or parts of a building) owned by the Company for the purpose of renting or adding value, or both, and not for use in the production or supply of goods or services or for administrative purposes or sold during the normal course of business.

Some properties include a part that is owned for rent or for the purpose of increasing value and another part that is owned for the purpose of producing goods, providing services or for administrative purposes. If these parts can be sold separately (or leased separately under a finance lease), then they are accounted for separately. If the parts cannot be sold separately, the property is treated as an investment property only if the part used for the purpose of producing goods, providing services or for administrative purposes is insignificant.

### ***Recognition***

A real estate investment is recognized as an asset if, and only if:

- a future economic benefit associated with the item is likely to enter the entity;
- the cost of the asset can be determined reliably.

### ***Evaluation***

A real estate investment is initially measured at cost, including transaction costs. The cost of a purchased real estate investment consists of its purchase price plus any directly attributable expenses (for example, professional fees for the provision of legal services, property transfer fees and other transaction costs). The cost-based model is specified in IAS 16 - "Property, plant and equipment" and requires a property, plant and equipment to be measured after initial measurement at amortized cost less any accumulated impairment loss.

### ***Subsequent evaluation***

The company's accounting policy regarding the subsequent valuation of real estate investments is the cost-based model applying the provisions of IAS 16 - "Property, plant and equipment". This policy is applied uniformly to all real estate investments. If they meet the conditions to be classified for sale will be valued in accordance with the provisions of IFRS 5 - "Fixed assets held for sale and discontinued operations"

### ***Transfers***

Transfers to or from real estate investments are made when and only when there is a change in the use of that asset. For the transfer of a property investment measured at fair value through property, plant and equipment, the default cost of the asset for the purpose of its subsequent recognition will be its fair value from the date of the change in use.

### **Depreciation**

The same accounting policies apply as for property, plant and equipment.

### **Derecognition**

The recording value of a real estate investment is derecognised upon disposal or when the investment is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses resulting from the scrapping or sale of a real estate investment are recognized in the income statement when it is scrapped or sold.

## **g). Presentation of financial leasing contracts**

Financial leasing at the beginning of the period is recognized in the statement of financial position as an asset and liabilities at a value equal to the fair value of the leased asset or the present value of the minimum lease payments, if the latter is lower, each is determined at the beginning of the leasing contract. Financial leasing gives rise to depreciation expenses related to depreciable assets, as well as financial expenses, in each accounting period. The depreciation policy used for depreciable assets in the leasing system must be consistent and in accordance with the provisions of IAS 16 AND IAS 38.

If there is no certainty that the lessee will acquire ownership by the end of the lease term, the asset must be fully depreciated over the shortest period between the term of the lease and its useful life.

The presentation of information at the end of the reporting period is made at the net book value for each asset class.

In applying IFRS 16 "Leasing", the company takes into account the terms and conditions of contracts and all relevant facts and circumstances when applying this standard. The company consistently applies this standard for contracts with similar characteristics and in similar circumstances.

Thus, the company will recognize the usage rights and a leasing debt in the balance sheet and in the profit and loss account, where the amortization of the usage rights and the interest applied to the leasing debt must appear. This means that instead of a lease payment in accordance with IAS17, the cost of leases will henceforth be recognized in accordance with IFRS16 through straight-line depreciation and interest.

## **h). Asset subsidies**

*Government grants on assets, including non-monetary grants at fair value, must be presented in the statement of financial position either by recording the grant as income.*

*deferred, or by deducting the grant to obtain the carrying amount of the asset. Two methods of presenting grants (or a share corresponding to grants) on assets in the financial statements are considered as acceptable alternatives.*

*The method used by SC UAMT SA, involves the deduction of the subsidy from the calculation of the book value of the asset. Part of the subsidy is recognized in the income statement over the life cycle of the depreciable asset as a deduction of depreciation expense.*

## **i). Inventories**

*Inventories are measured at the lower of cost and net realizable value in accordance with IAS 2 - "Inventories".*

*The cost of inventories includes all acquisition costs, conversion costs, and other costs incurred to bring inventories to their present state and location. It is determined based on the first in, first out (FIFO) method. The method used for the production activity is the standard cost method. When establishing the cost of the stock of products made, the normal levels of material consumption, consumables, labor and efficient use of production capacities are taken into account. These levels are periodically reviewed and adjusted to current conditions.*

*The net realizable value represents the estimated selling price during the normal course of business, less completion costs and selling expenses.*

#### **j). Depreciation of assets other than financial assets**

The carrying amount of non-financial assets of the company, other than deferred tax assets, is reviewed at each reporting date to identify impairment. If there are such indications, the recoverable amount of those assets is estimated.

An impairment loss is recognized when the carrying amount of the asset or its cash-generating unit exceeds the recoverable amount of the asset or cash-generating unit. A cash-generating unit is the smallest identifiable group that generates cash and that independently of other assets and other groups of assets has the ability to generate cash flows. Impairment losses are recognized in the statement of comprehensive income. The recoverable amount of an asset or a cash-generating unit is the maximum of its value in use and its fair value less costs to sell that asset or unit. To determine the value in use, future cash flows are discounted using a pre-tax discount rate that reflects current market conditions and the specific risks of the asset.

Impairment losses recognized in prior periods are measured at each reporting date to determine whether they have decreased or not. The impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Impairment losses are reversed only if the carrying amount of the asset does not exceed the carrying amount that would have been calculated, net of depreciation and amortization, if the impairment loss had not been recognized.

#### **k). Dividends**

*Dividends on ordinary shares are recognized as a liability to shareholders in the financial statements during the period in which they are approved by the company's shareholders. The profit available for distribution is the profit for the year recorded in the financial statements prepared in accordance with International Financial Reporting Standards. The company's own shares, acquired in accordance with the provisions of art. 103 ^ 1 and 104 of Law 31/1990, do not give the right to dividends during the period of their holding by the company and the right to vote will be suspended for the entire period of their holding by the company.*

#### **l). Provisions**

Provisions are uncertain debts in terms of placement over time or value.

Provisions are recognized when the company has a present legal or implicit obligation as a result of past events and when it is likely that a consumption of resources will be necessary to settle the obligation. A reliable estimate of the amount of this obligation must also be possible. If the company expects a partial or full reimbursement of the expenses required to settle a provision (eg through insurance contracts) it will have to:

- a) to recognize a reimbursement only if it is certain that it will be made if the company honors its obligations and the amount recognized as reimbursement will not exceed the provision;
- b) to recognize the amount reimbursed as a separate asset. In the statement of comprehensive income, the expense related to a provision may be presented after the recognized amount of the reimbursement has been deducted.

Provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate. If the outflow of resources incorporating economic benefits is no longer probable, the provision must be canceled.

No provisions are recognized for costs that are incurred for future business.

The company records provisions for onerous contracts in situations where the estimated benefits to be obtained from a contract are less than the unavoidable expenses associated with the performance of contractual obligations.

Provisions are recognized when the company has a legal or implicit obligation resulting from past events, when an outflow of resources incorporating economic benefits is required to settle the obligation and when a credible estimate of the value of the obligation can be made.

## **m) Income**

*The revenues recorded by the company are accounted for by their nature (operating, financial). When the outcome of a transaction involving the provision of services cannot be reliably estimated, revenue should be recognized only to the extent of recognized recoverable expenses. Revenues from the provision of services are recorded in the accounts as they are performed. The provision of services includes the execution of works and any other operations that cannot be considered deliveries of goods. Recognition also requires that there be a likelihood that the economic benefits associated with the transaction will be generated for the company, the final stage of the transaction at the end of the period and the costs incurred for the transaction as well as those for the completion of the transaction can be reliably assessed.*

*Revenue from the sale of the goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer,*

*the company no longer manages the goods and no longer has effective control over them.*

*Revenues and expenses related to the same transaction are recognized simultaneously.*

*Revenue must be measured at the fair value of the consideration received or receivable. If the transaction is of a financial nature, the fair value is determined by discounting all amounts receivable in the future, using an implicit interest rate, the difference from the carrying amount being from interest.*

*Amounts collected on behalf of third parties, such as sales taxes, taxes on goods and services, and value added taxes are not economic benefits generated for the entity and do not result in capital increases. Therefore, they are excluded from income. Similarly, in the case of a mandate contract, gross income from economic benefits includes amounts collected on behalf of the principal and which do not result in increases in the entity's equity. The amounts collected on behalf of the principal do not represent income. Instead, revenues are represented by the value of commissions. Interest income and expense are recognized using the effective interest method in proportion to the relevant time period, based on the principle and the effective rate for the maturity period or for shorter periods if the transaction costs are related to this period, when it is established that the company will get such income. When the unpaid interest was accrued before the acquisition of an interest-bearing investment, the subsequent interest receipts are distributed between the pre-acquisition and post-acquisition periods; only the post-acquisition part is recognized as income. Revenues from financial fixed assets are recognized in the company's financial statements on the date on which the company's right to receive these revenues is established.*

*Also as income from financial fixed assets is registered the nominal value of the shares that are received free of charge, as an effect of the direct incorporation of the profit related to the last period in the share capital of an entity in which participations are held.*

*Revenues from the sale / assignment of held participations will be recognized on the date when the ownership over them is transferred from the seller to the buyer, using the accounting of the settlement date.*

*Revenues from trading in equity securities are recognized at gross value (transaction value), and those resulting from transactions with short-term financial investments are shown on a net basis (difference between sale value and cost).*



## ***n). Employee benefits***

### *Short-term benefits*

*Obligations with short-term employee benefits are not discounted and are recognized in the statement of comprehensive income as the related service is provided. Short-term employee benefits include salaries, bonuses and social security contributions. Short-term employee benefits are recognized as an expense when the services are provided. The Company recognizes a provision for amounts expected to be paid as short-term cash premiums or employee profit-sharing schemes provided that the Company currently has a legal or implied obligation to pay those amounts as a result of past services provided by employees and whether that obligation can be reliably estimated*

### *Determined contribution plans*

*The company makes payments on behalf of its own employees to the pension system of the Romanian state, to the health insurance system and the unemployment fund, during the normal activity. All related contributions are recognized in the income statement in the period in which they are made.*

*The company has no additional obligations.*

### *Long-term employee benefits*

*The company's net liability in respect of long-term service benefits is the amount of future benefits that employees have earned in return for services rendered by them in the current and prior periods.*

*The company is not employed in any independent pension scheme or other post-retirement benefit scheme and has no other obligations in this regard. The company has no obligation to grant benefits to employees on the date of retirement.*

## ***o). Gains and losses on exchange rate differences***

*Foreign currency transactions are recorded in the functional currency (leu), by converting the amount into foreign currency at the official exchange rate communicated by the National Bank of Romania, valid on the date of the transaction. Monetary items denominated in foreign currency are translated using the closing exchange rate.*

*Exchange differences arising on the settlement of monetary items or the conversion of monetary items at exchange rates different from those at which they were translated at initial recognition (during the period) or in previous financial statements are recognized as a loss or gain in the income statement; loss in the period in which they occur.*

## ***p). Profit tax***

*The profit tax for the year includes current tax and deferred tax.*

*Income tax is recognized in the statement of comprehensive income or other comprehensive income*

*the overall result when the tax is related to the capital elements.*

*Current tax is the tax payable on the profit realized in the current period, determined based on the percentages applied at the reporting date and all adjustments related to previous periods.*

*For the financial year ended December 31, 2020, the corporate tax rate was 16% (December 31, 2019: 16%).*

*Deferred tax is determined by the company using the balance sheet method for those temporary*

*differences that occur between the tax base for calculating the tax on assets and liabilities and their carrying amount, used for reporting in the individual financial statements.*

*Deferred tax is not recognized for the following temporary differences:*

- initial recognition of goodwill,*
- the initial recognition of assets and liabilities arising from transactions which are not business combinations and which do not affect either accounting or taxable profits and differences arising from investments in subsidiaries, provided that they are not resumed in the near future.*

*Deferred tax is calculated on the basis of the tax rates that are expected to be applicable to temporary differences when they are resumed, based on the legislation in force at the reporting date. Deferred tax receivables and liabilities are offset only if there is a legal right to offset current tax liabilities and receivables and if they relate to the tax adjusted by the same tax authority for the same taxable entity or for different tax authorities but wishing to settle claims. and current tax liabilities using a net basis or the related assets and liabilities will be realized simultaneously.*

*The deferred tax asset is recognized by the company only to the extent that it is probable that future profits may be made to cover the tax loss. The receivable is revised at the end of each financial year and is diminished to the extent that the related tax benefit is unlikely to be realized.*

#### **q). Earnings per share**

*The company presents the basic earnings per share for ordinary shares. The result per basic share is determined by dividing the profit or loss attributable to ordinary shareholders of the company to the weighted average number of ordinary shares related to the reporting period.*

#### **r). Segment reporting**

*A segment is a distinct component of a company that provides certain products or services (business segment) or provides products and services in a particular geographic environment (geographic segment) and that is subject to different risks and benefits than other segments. As of December 31, 2020, the company did not identify significant reportable business or geographical segments, the volume of exports in turnover being presented in the annual report.*

#### **s). Presentation of financial statements**

*This set of financial statements is prepared in accordance with International Financial Reporting Standards. The Company has adopted reporting in accordance with International Financial Reporting Standards as of December 31, 2012.*

*The accounting policies have been applied consistently to all financial years presented, unless otherwise specified. For the preparation of the individual financial statements, the accrual accounting principle and the business continuity principle were applied.*

*The company declares that it has prepared annual financial statements for the financial year ended December 31, 2020 in accordance with International Financial Reporting Standards as approved by the European Union, applicable to companies whose securities are admitted to trading on a regulated market, Order Deputy Prime Minister, Minister of Public Finance no. 2844/2016, with subsequent amendments and completions.*

*The individual financial statements are presented in accordance with IAS 1 “Presentation of Financial Statements”. The company has adopted a presentation based on liquidity in the statement of financial position and a presentation of income and expenses according to their nature in the statement of comprehensive income, considering that these presentation methods provide information that is more relevant than other methods that would have been permitted by IAS 1.*

#### **t). Determining the fair value**

*IFRS 13 “Fair value measurement” replaces the fair value measurement requirements included in individual IFRS standards with a single framework for determining it. IFRS 13 describes how fair value is to be determined when it is required or permitted by IFRS.*

*The standard does not introduce new requirements for valuing assets and liabilities at fair value, nor does it eliminate the exceptions that are presented in certain standards. IFRS 13 contains an expanded framework that provides disclosure requirements in addition to existing ones that allow users of financial statements to measure the methods and information used to determine fair value.*

*All assets and liabilities that are measured at fair value in the financial statements or information that is measured at fair value are presented in the fair value hierarchy, as described below, based on the lowest level of significant information. taken into account when establishing the fair value:*

- Tier 1 - Market prices (unadjusted) available directly in the active markets for assets or liabilities identical to those assessed*
- Level 2 - Valuation techniques for which the lowest significant level of information available for fair value measurement is directly or indirectly observable*
- Level 3 - Valuation techniques for which the lowest significant level of information available for fair value measurement is not observable*

*For assets and liabilities that are recognized in the financial statements on a recurring basis at the end of each reporting period, the entity determines whether there are situations in which certain assets or liabilities are moved between levels defined by the fair value hierarchy (based on the low level of information that is significant for fair value measurement*

*Certain company accounting policies and disclosure requirements require the determination of fair value for both financial and non-financial assets and liabilities. Fair values were determined for the purpose of evaluating and / or presenting the information based on the methods described below. Where applicable, additional information on the assumptions used in determining fair values is presented in the notes specific to the asset or liability.*

*o Commercial and other receivables*

*The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted using a market-specific financing rate at the date of the financial reporting. This value is determined for information purposes.*

*o Interest-bearing loans*

*The fair value of these items is estimated as the present value of future cash flows representing principal and interest, discounted using a market-specific financing rate at the date of the financial reporting. This value is determined for information purposes.*

*o Tangible fixed assets*

*The fair value of these items was determined following the revaluation performed by an independent appraiser, a member of ANEVAR, using the land comparison method and the method of updating financial flows for buildings and constructions.*

#### **u). Adopt new and revised international financial reporting standards**

*The Company does not apply any IFRS or new IFRS provisions issued and not in force at the date of the financial statements. The Company cannot estimate the impact of the application of these provisions on the financial statements and intends to apply these provisions once they enter into force.*

*The company anticipates that the adoption of these new standards and amendments to existing standards will not have a significant impact on the financial statements during the initial application period.*

*New accounting standards applicable in the financial year 2020*

*Amendments to the references to the conceptual framework in IFRS standards* The revised conceptual framework for financial reporting is used to develop new standards and interpretations. The definitions of assets and liabilities have been changed, as well as the guidelines on valuation and derecognition, presentation and presentation of information. This did not result in any technical changes to the current standards. The changes only updated the conceptual framework references in the existing standards. The conceptual framework itself was not the subject of the approval procedure.

*Amendments to IAS 8 - Definition of Material* Amendments to IAS 8 clarify the definition of “material”. In addition to further explanations, the definition of “material” in the conceptual framework, as well as all standards, has been aligned with the central definition anchored in IAS 1. Entities may continue to use hedge accounting and designate new hedging relationships despite the expected replacement of various interest rate benchmarks.

*Amendments to IFRS 3, Business Combinations - Definition of a business* Amendments relate to the definition of a business and include clearer guidelines for distinguishing between a business and a group of assets when IFRS 3 applies. As amended, the definition of a business includes have both inputs and at least one background process that together are able to create results. Production is considered to be only the sale of goods and the provision of services, as well as the generation of capital and other income. Alternatively, there is an option to apply a concentration test to assess whether an acquired set of activities and assets is not a business.

*New accounting standards adopted by the EU but coming into effect only in future periods*

*The following standards, changes to standards and interpretations have already been approved by the EU. However, they will only enter into force in future periods, for financial years beginning on or after the approved date:*

*Amendments to IFRS 4, Insurance Contracts - Postponement to the effective date of IFRS 9 (June 25, 2020): January 1, 2023*

*Amendment to IFRS 16:*

*- Rental concessions related to COVID-19 (28 May 2020): 1 June 2020*

*- Reference interest rate reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 (27 August 2020): 1 January 2021*

## **v) Presentation of financial statements**

*This set of financial statements is prepared in accordance with International Financial Reporting Standards. The Company has adopted reporting in accordance with International Financial Reporting Standards as of December 31, 2012.*

*The accounting policies have been applied consistently to all financial years presented, unless otherwise specified.*

*For the preparation of the individual financial statements, the accrual accounting principle and the business continuity principle were applied.*

*The company declares that it has prepared annual financial statements for the financial year ended December 31, 2020 in accordance with the International Financial Reporting Standards as approved by the European Union, applicable to companies whose securities are admitted to trading on a regulated market, Order Deputy Prime Minister, Minister of Public Finance no. 2844/2016, with subsequent amendments and completions.*

*The individual and consolidated financial statements are presented in accordance with IAS 1 “Presentation of Financial Statements”. The company has adopted a presentation based on*

*liquidity in the statement of financial position and a presentation of income and expenses according to their nature in the statement of comprehensive income, considering that these presentation methods provide information that is more relevant than other methods that would have been permitted by IAS 1.*

## **C. PRESENTATION NOTES**

All the Notes to this set of Financial Statements must be read and interpreted in conjunction with those presented in the previous Financial Statements.

### **1. TANGIBLE FIXED ASSETS**

*Property, plant and equipment are recognized in accordance with IAS 16 (revised 2003) using the alternative treatment permitted by this standard. The values used in the opening IFRS balance sheet for property, plant and equipment represent fair values at the date of transition to IFRS “as its presumed cost at that date” IFRS1 BC41.*

*The constructions were evaluated on December 31, 2017 by the cost method and the comparison method by eng. ANDOR Mircea - member of ANEVAR, and in the accounting records the fair value of fixed assets was recorded by eliminating the accumulated depreciation.*

*The company considers necessary a new evaluation on 31.12.2021, which should reflect the influences that appeared as a result of the new socio-economic conditions, whose stabilization is estimated to take place during the financial year 2021.*

*Borrowing costs (interest and fees related to these loans contracted) that are directly attributable to the acquisition, construction or production of an asset are included in the cost of that asset.*

*Depreciation is linear, depreciation periods are set between 4–60 years. Tangible fixed assets out of the patrimony through sale, scrapping or other ways of exit, are reflected in the profit and loss account at the net book value.*

*The revaluation difference related to them is considered realized only when selling or disposing of the fixed assets and is transferred to account 1175 "The carried forward result representing the surplus realized from revaluation reserves"*

*No adjustments were made for depreciation of fixed assets.*

*In the current economic context, the company analyzed the internal and external sources of information in order to apply the provisions of IAS 36 - “Impairment of Assets” and therefore considered that it is not necessary to register an adjustment for impairment of assets of technical installations and means of transport.*

*The company proceeded to the revaluation of fixed assets on 31.12.2017, the revaluation result being included in the present financial statements.*

**Statement of property plant and equipment:**

➤ Tangible fixed assets at net value in 2020:

**Cost**

31 decembrie 2020	Terenuri	Construcții	Instalații tehnice și mașini	Alte instalații, utilaje și mobilier	Imobilizări corporale în curs	Avansuri	TOTAL
Sold inițial	13,736,425	18,096,842	49,134,391	176,545	5,822,229	0	86,966,432
Intrări	0	1,073,250	426,167	13,850	2,946,268	2,350,312	6,809,847
Ieșiri	0	557,320	92,086	30,156	1,389,845	99,803	2,169,210
Sold final	13,736,425	18,612,772	49,468,472	160,239	7,378,652	2,250,509	91,607,069

**Ajustări**

31 decembrie 2020	Terenuri	Construcții	Instalații tehnice și mașini	Alte instalații, utilaje și mobilier	Imobilizări corporale în curs	Avansuri	TOTAL
Sold inițial	0	3,229,532	14,677,795	86,700	0	0	17,994,027
Ajustari de valoare reprezentând amortizare și deprecieri	0	1,570,923	8,082,623	25,717	0	0	9,679,263
Ajustări de valoare aferente mijloacelor fixe ieșite	0	481,059	92,086	30,156	0	0	603,301
Sold final	0	4,319,396	22,668,332	82,261	0	0	27,069,989

Valoarea netă a mijloacelor fixe la 31.12.2020	13,736,425	14,293,376	26,800,140	77,978	7,378,652	2,250,509	64,537,080
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## 2. INTANGIBLE AND FINANCIAL FIXED ASSETS

### 2.1 INTANGIBLE ASSETS

At December 31, 2020, the net intangible assets are as follows:

<b>Cost</b>	<b>2020</b>	<b>2019</b>
Sold inițial	4,528,316	4,463,412
Intrări	72,691	3,284,225
Ieșiri	264,606	3,219,321
Sold final	4,336,401	4,528,316

<b>Ajustări de valoare</b>	<b>2020</b>	<b>2019</b>
Sold inițial	1,110,797	871,998
Ajustări de valoare reprezentând amortizare și deprecieri	689,481	238,799
Ajustări de valoare aferente ieșiri imob. necorporale	264,606	0
Sold final	1,535,672	1,110,797
Valoarea netă a imobilizărilor necorporale	2,800,729	3,417,519

*Intangible assets are initially recognized at cost in accordance with IAS 38 - "Intangible assets" (revised). This group includes software licenses and design licenses recorded at historical cost subject to amortization by the straight-line method over a period of 3 to 5 years.*

### 2.2. FINANCIAL ASSETS

During 2020, the company registered the transfer of ownership over the shares of the company to the share capital of SC AMT Investments SRL., Considering that this participation did not achieve its purpose to serve the interests of UAMT.

Being a transmission to a third party, not to an existing partner, it took effect after a period of 30 days from the publication in the Official Gazette of Romania part IV of the Decision of the General Assembly of Associates approving the transfer by the social partners, subject to the non-submission of an opposition by the social creditors or any persons prejudiced by the decision of the partners regarding the transfer of the social parts.

Due to the specific situation arising from the COVID 19 pandemic (cessation of activity due to the establishment of the state of emergency followed by the state of alert, significant reduction of general economic activity in the industry, medical damage to its staff), the documents were sent to the department during the second semester of 2020, the date on which the corresponding registrations were made.

The transfer was made through direct negotiation, to a natural person. The negotiated amount was 250,000 euros, collected in full.

At 31.12.2020, the financial assets are as follows:

<b>Cost</b>	<b>2020</b>	<b>2019</b>
Sold inițial	4,500,000	4,500,000
Intrări	0	0
Ieșiri	4,500,000	0
Sold final	0	4,500,000

### 3. REAL ESTATE INVESTMENTS

In accordance with IAS 40, the situation at December 31, 2020 for real estate investments is as follows:

<b>Cost</b>	<b>2020</b>	<b>2019</b>
Sold inițial	0	1,297,626
Intrări	0	0
Diferențe din rezerve reev.	0	0
Modificări ale valorii juste	0	0
Iesiri	0	1,297,626
Sold final	0	0

Starting with 2019, the company no longer holds assets representing real estate investments. The asset representing the real estate investment was sold during 2019.

### 4. INVENTORIES

Inventories are recognized in the financial statements in accordance with IAS 2 - "Inventories" (as revised in 2003) applicable for annual periods beginning on or after 1 January 2005. They consist of:

a) Raw materials and consumables - the entries of raw materials and consumables are made at acquisition cost, being highlighted quantitatively-value, and the FIFO method is used for consumption.

The criteria that were the basis for determining the slow-moving and non-moving stocks are those related to the date of the last exit from the company's warehouse and to the possibilities of capitalizing on them.

The organization of inventory accounting is performed by the method of permanent inventory. No adjustments were made for impairment losses.

b) Other materials-inventory objects - are highlighted at acquisition cost, and the exit from the managements for the inventory objects in use is made at the historical book value.

In management, supply is made according to the need of consumption, and the storage period is short. Inventory items put into use are recognized in full on expenses, on distinct management locations depending on their usefulness. Their management records are kept extra-accounting.

c) Finished products - represent the value of the stock manufactured within the company and intended for sale.

The stocks of finished products and the production in progress are highlighted at standard cost.

Their accounting is performed by the permanent inventory method.

d) Goods - represents an insignificant part of the stocks that are transferred from raw materials to goods at the time of their sale, being highlighted at the purchase price plus the commercial additions established by the decision of the executive management.

The organization of inventory accounting is performed by the method of permanent inventory. The exit method used is the FIFO method.



The situation of the stocks in the structure is presented as follows:

<b>Stocuri</b>	<b>2020</b>	<b>2019</b>
Materii prime și materiale	15,026,446	18,534,968
Producția în curs de execuție	3,603,036	6,235,690
Alte materiale	31,440	42,998
Produse finite	7,354,870	4,904,079
Valoarea stocurilor	26,015,792	29,717,735

## 5. TRADE RECEIVABLES

The commercial receivables of the company are composed of the customers' balance through which the company capitalizes its finished products on the internal market and on the external market. The value of receivables on the domestic market is reflected in the historical price. They are registered according to their age and type. Receivables are presented in the financial statements according to their nature at the probable amount receivable.

As of December 31, 2020, the company has registered adjustments for trade receivables representing customer balances that are unlikely to be collected by the company.

Receivables from customers will be interpreted by reducing customer receivables by adjusting the amount for impairment of receivables.

Depending on the liquidity term, the book value of receivables is as follows:

<b>Creanțe comerciale</b>	<b>2020</b>	<b>2019</b>
Clienți	17,938,753	34,778,416
Avansuri	224,231	964,050
Valoarea creanțelor comerciale	18,162,984	35,742,466
Ajustări pentru deprecierea creanțelor	792,286	0
Ajustare constituită în an	0	0
Ajustare revărsată în an	0	0
Valoarea ajustări	792,286	0
Valoarea netă a creanțelor comerciale	17,370,698	35,742,466

The seniority structure of the clients at the reporting date was:

<b>Analiza vechimii</b>	<b>2020</b>	<b>2019</b>
Creanțe nescadente	13,848,212	32,974,603
Creanțe restante ajustate:		
până la 3 luni	0	0
între 3 și 6 luni	357,144	9,621
între 6 și 12 luni	1,175,637	49,001
peste 12 luni	1,765,474	1,745,191
TOTAL	17,146,467	34,778,416

## 6. OTHER RECEIVABLES

Other receivables represent the amounts receivable by the company from settlements with staff, various debtors and subsidies receivable.

<b>Alte creanțe</b>	<b>2020</b>	<b>2019</b>
Alte creanțe în legătură cu personalul	1,110	0
TVA neexigibil	11,530	29,303
Debitori diverși	586,678	55,057
Alte creanțe - subvenții de încasat	2,129,497	2,129,497
Alte creanțe	37,008	774,580
Alte creanțe sociale	310,997	244,688
Valoarea netă a altor creanțe	3,076,820	3,233,125

## 7. CASH AND CASH EQUIVALENTS

Accounts in lei and in foreign currency are remunerated at an interest rate set by each bank. The company does not have time deposits.

## 8. SUBSIDIES

On December 31, 2020, the position of investment subsidies includes the equipment purchased through the program "POS - Increasing economic competitiveness" carried out by MECMA in the period 2012-2013 for the project "Endowment with high-tech equipment", a project funded by the European Regional Development Fund.

The method used by the company, involves deducting the subsidy from the calculation of the book value of the asset. Part of the grant is recognized in the income statement over the life cycle of the depreciable asset as a deduction for depreciation expense.

<b>SUBVENȚII</b>	<b>2020</b>	<b>2019</b>
Sold inițial	2,531,202	3,670,212
Recunoscute în contul de profit sau pierdere	1,134,173	1,139,010
Sold final	1,397,029	2,531,202

## 9. JOINT STOCK

All shares are ordinary, have been subscribed and are paid in full on 31 December 2020.

All shares have the same voting right and have a nominal value of 0.45 lei / share. The number of shares authorized to be issued is equal to the number of shares issued. The Company's securities (shares) are listed and traded on the second category of the Bucharest Stock Exchange. All shares have the same voting rights. During 2019 and 2018 there were no changes in the number of shares issued.

<b>Aționari</b>	<b>Număr acțiuni</b>	<b>Valoare (lei)</b>	<b>Procente</b>
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TOTAL conform Depozitarului Central la 31.12.2019, din care:		39,481,911	17,766,860	100%
1	Persoane juridice	4,850,450	2,182,703	12.29%
2	Persoane fizice române și străine	34,631,461	15,584,157	87.71%

TOTAL conform Depozitarului Central la 31.12.2020, din care:		13,658,323	17,766,860	100%
1	Stanciu Ioan	25,823,588	11,620,615	65.40%
1	Persoane fizice	8,692,642	3,911,689	22.01%
2	Persoane juridice	4,965,681	2,234,556	12.58%

## 10. REPORTED RESULT

The carried forward result comes from the application of the provisions of IAS 29 on equity (share capital, legal reserves and other reserves), from the effect of applying for the first time the International Financial Reporting Standards less IAS 29 and from the surplus from revaluation differences transferred to the carried forward result .

	2020	2019
Sold initial, la 01.01.2020	7,012,362	6,037,477
Intrări	1,011,355	974,885
Ieșiri	-	-
Sold final, la 31.12.2020	8,023,717	7,012,362

## 11. CURRENT RESULT

In the current result of the exercise are recognized all the elements of incomes and expenses from the reported period.

	2020	2019
Sold inițial	1,653,294	1,977,555
Intrări rezultat curent	-13,374,891	1,653,294
Ieșiri repartizarea profitului	1,653,294	1,977,555
Sold final	-13,374,891	1,653,294
Valoarea profit net de repartizat	-13,374,891	1,653,294

## 12. OTHER RESERVES

For the subsequent recognition of property, plant and equipment, the company has adopted the revaluation model (IAS 16 § 29). The value of the asset based on the revaluation model in accordance with (IAS 16 § 31) is its fair value at the revaluation date less any subsequent accumulated depreciation and any accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from what would have been determined using fair value at the balance sheet date. The value of the revaluation reserve at December 31, 2019 is presented in accordance with IAS 1. 91 lit. without the related tax effects. At the reporting date, the company holds its own shares amounting to 1,315,366 lei.

According to the legal requirements, the company set up legal reserves in the amount of 5% of the profit registered according to RAS up to the level of 20% of the share capital. The value of the legal reserve as of December 31, 2020 is 3,553,372 lei. Revaluation reserves and legal reserves are subject to restrictions on distribution to shareholders.

Other reserves include the amounts distributed from the profits made during the financial reporting periods to other sources of financing for investments according to the company's long-term development strategy.

	Rezerve din reevaluare	Rezerve legale	Alte rezerve	TOTAL
<b>2019</b>				
Sold inițial	36,950,105	3,553,372	35,615,290	76,118,767
Intrări	0	0	3,449,182	3,449,182
Ieșiri	974,886	0	0	974,886
Sold final	35,975,219	3,553,372	39,064,472	78,593,063

<b>2020</b>				
Sold inițial	35,975,219	3,553,372	39,064,472	78,593,063
Intrări	0	0	181,667	181,667
Ieșiri	1,011,354	0	0	1,011,354
Sold final	34,963,865	3,553,372	39,246,139	77,763,376

### 13. LONG TERM LOANS

At the level of 2020, the company had approved 2 loans for investments amounting to 5,240,000 euros, intended for the purchase of machinery and equipment in order to update and develop the technological level of the company, from which 4,801,703 euros were accessed.

The loans were secured by mortgage on the fixed assets purchased from the loan and as collateral on the accounts opened with the financing banks. No real estate guarantees were granted.

Investment loans are recognized at the level of the amounts obtained. Borrowing costs (interest and fees on these loans) that are directly attributable to the acquisition are included in the cost of that asset.

Installment repayments will impact the following financial periods as follows:

Denumire	Nr. Contract	Valoare eur	Valoare folosita pana la 31.12.2020	Scadent in 2021	Scadent pana la 1 an (2022)	NR.Crt.	Scadent intre 1 si 5 ani	Total
Credit investitii BRD	3561 / 11.06.2018	2,712,602	2,716,602	558,228	558,228	1	1,600,146	<b>2,712,602</b>
Credit investitii Unicredit	617 / 08.11.2016	2,089,101	2,089,101	529,140	529,140	2	1,030,821	<b>2,089,101</b>

### 14. OTHER LONG-TERM DEBT

The company also holds other loans in the form of assimilated debts, respectively two leasing contracts representing cars at the acquisition value as follows:

NR.Crt.	Denumire	Nr. Contract	Valoare eur (valoare finantata)	Scadent pana la 1 an (2021)	Scadent intre 1 si 5 ani
1	BRD SOGELEASE ASSET RENTAL	991/13.08.2019	61,454	20,040	0
2	BRD SOGELEASE ASSET RENTAL	5037/16.05.2019	56,562	11.163	0

## 15. COMMERCIAL DEBTS

Trade liabilities refer to the obligations of the company towards third parties, natural or legal persons, resulting from the acquisition of goods, fixed assets or the use of services.

<b>Datorii comerciale</b>	<b>2020</b>	<b>2019</b>
Furnizori	7,523,293	9,566,443
Furnizori de imobilizări	253,229	78,248
Furnizori facturi nesosite	83,926	1,073,491
Avansuri incasate in contul comenzilor	555,450	539,033
Valoarea datoriilor comerciale	8,415,898	11,257,215

## 16. SHORT TERM LOANS

On 31.12.2020, the parent company has a short-term loan, in the form of a multi-product credit line intended to finance the current activity in the amount of 15,000,000 lei.

## 17. CURRENT TAX

The structure of current taxes on the balance at the date of financial reporting is as follows:

<b>Impozite și taxe curente</b>	<b>2020</b>	<b>2019</b>
Asigurări sociale	449,662	716,247
Ajutor somaj	0	0
Impozit pe profit	0	61,041
TVA de plată	271,001	640,578
TVA neexigibil	0	0
Impozite aferente salariilor	82,123	129,080
Sold final la 31.12.	802,786	1,546,946

Tax debts represent amounts owed by the company to the state budget, debts for which the state does not offer another consideration or a value. At the reporting date, the company has no outstanding debts to the state budget.

## 18. OTHER CURRENT DEBT

<b>Alte datorii curente</b>	<b>2020</b>	<b>2019</b>
Datorii salariale	319,436	498,492
Garanții personal	0	0
Creditori diverși	0	491,734
Sold final la 31.12.2020	319,436	990,226

## 19. OPERATING REVENUE

Revenues represent the gross inflow of economic benefits generated within the normal activity of the company and are as follows:

	2020	2019
Venituri din producția vândută	79,153,768	146,712,254
Venituri din vânzarea mărfurilor	3,089,067	5,292,273
Alte venituri, inclusiv variația stocurilor	2,945,053	6,833,913
Total venituri din exploatare	85,187,888	158,838,440

## 20. OPERATING EXPENDITURE

	2020	2019
Consumuri materiale	59,403,039	108,647,546
Costul mărfurilor vândute	276,892	3,998,723
Cheltuieli de personal	17,478,020	27,128,242
Cheltuieli privind amortizările	10,368,745	10,032,438
Alte cheltuieli	6,981,214	6,471,671
Total cheltuieli de exploatare	94,507,910	156,278,620

## 21. FINANCIAL REVENUE AND EXPENDITURE

	2020	2019
Venituri financiare	1,278,741	226,903
Cheltuieli financiare	5,333,609	943,521

## 22. PROFIT TAX

The company calculates the profit tax according to the Romanian fiscal legislation. In calculating the profit for the financial year 2020, the company complied with the general accounting principles and valuation rules that must be taken into account.

The reconciliation between the result for the year and the fiscal result, as presented in the income tax return, is as follows:

	Perioada 01.01.2020-31.12.2020	VALORI
1	VENITURI TOTALE, din care:	86,466,628
1.1	TOTAL VENITURI IMPOZABILE	86,466,628
2	CHELTUIELI TOTALE, din care:	99,841,519
	REZERVA LEGALĂ	0
3	PROFIT BRUT CONTABIL(1-2)	-13,374,891
5	IMPOZIT PE PROFIT (cota de 16%)	0

### Deferred income tax

Pentru asigurarea comparabilitatii cu suma aferenta exercitiului financiar precedent, in tabel se prezinta si suma aferenta exercitiului financiar 2019. The significant components of the deferred

income tax debt included in the financial statements as of December 31, 2020, at a rate of 16% are the following:

In order to ensure comparability with the amount related to the previous financial year, the table also shows the amount related to the financial year 2019.

	2020	2019
Beneficiile angajaților	0	0
Impozit amânat - datorie	6,162,758	6,276,575

Profit tax recognized in the statement of profit or loss for the period:

Impozit curent	2020	2019
Cheluiala cu impozitul curent aferentă anului	0	189,908
Impozit amânat	6,162,758	6,276,575
Cheltuiala cu impozitul amânat recunoscută în cursul anului	0	0
Venitul din impozitul amânat recunoscut în cursul anului	0	0

## 23. RESULT PER SHARE

Earnings per share are calculated by dividing the profit attributable to the owners of the company by the weighted average number of ordinary shares outstanding during the period in accordance with IAS 33 - "Earnings per share". There are no tools for net assets or stock options that could dilute the basic earnings per share.

Rezultatul pe acțiune	2020	2019
Profitul net/pierdere atribuibil proprietarilor societății	-13,374,891	1,653,294
Numar mediu ponderat de acțiuni ordinare	39,481,911	39,481,911
Profit/pierdere pe baza de acțiune	-0.339	0.042

## 24. EMPLOYEE INFORMATION

At the end of 2020, compared to 2019, the structure of employees by types of activity is as follows:

	Nr. efectiv de personal	
	2020	2019
Total personal producție	227	328
Personal TESA	55	93
Total personal	282	421

From the data presented above it results that the number of employees in 2020 decreased compared to the previous year. At company level, in labor relations concerning elements of a trade union nature, the interests of the staff are represented by the employees' representatives.

The company has not assumed obligations for pension plans, other than those provided by Law no. 263/2011, regarding the unitary public pension system.

The expenses with the employee benefits and the indemnities granted to the Board of Directors and management (directors with a mandate contract), broken down by gross salaries and social contributions were:

<b>Elemente</b>	<b>2020</b>	<b>2019</b>
Cheltuieli cu salariile și indemnizațiile	16,240,082	24,975,330
Cheltuieli cu tichetele de masă și de vacanță	864,195	1,523,650
Cheltuieli privind asig. și protecția socială	373,743	629,262
Total cheltuieli beneficii :	17,478,020	27,128,242

During the analyzed period, the company registered on the company's expenses the amount of 1,878,729 lei, representing the salary rights due to the members of the Board of Directors and management, who concluded mandate contracts.

The company has no contractual obligations regarding the payment of pensions to the former members of the Board of Directors, management and supervision, having no accrued commitments of this nature.

The company has not granted and does not grant loans or cash advances, except for advances of a salary nature and those to cover delegation expenses, for employees, members of the Board of Directors and management. The company has no accrued liabilities of this nature as of December 31, 2020.

## 25. MAIN ECONOMIC-FINANCIAL INDICATORS

<b>Denumirea indicatorului</b>	<b>Mod de calcul</b>	<b>Valori</b>	<b>Rezultat</b>
1. Indicatorul lichidității curente	Active curente	60,157,992	2.49
	/Datorii curente	24,160,360	
2. Indicatorul gradului de îndatorare	Capital împrumutat	13,865,610	14.51
	/Capital propriu x 100	95,551,141	
2. Indicatorul gradului de îndatorare	Capital împrumutat	12,913,399	12.68
	/Capital angajat x100	101,863,695	
3. Viteza de rotație a debitelor – clienți	Sold mediu clienți	26,358,584	117 (nr. de zile)
	/Cifra de afaceri x 365	82,242,835	
4. Viteza de rotație a activelor imobilizate	Cifra de afaceri	82,242,835	1.22 (nr. de ori)
	/ Active imobilizate	67,554,242	

General liquidity is super-unitary, around 2, thus ensuring a reasonable capacity to pay short-term obligations. The degree of indebtedness (total debts / total assets) expresses the extent to which the company finances its assets through borrowed funds (loans).

## 27. SIGNIFICANT RISKS MANAGEMENT

The company is exposed to the following risks from the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk



These notes provide information on the company's exposure to each of the risks mentioned above, the company's objectives for risk assessment and management and the procedures used for capital management.

The policies of the Risk Management Company are defined so as to ensure the identification and the analysis of the risks faced by the company, the establishment of adequate limits and controls, as well as the monitoring of the risks and the observance of the established limits. Financial assets, which may put the company at risk of collection, are mainly trade receivables and cash. The company has put in place a number of policies to ensure that the sale of products is made to customers with appropriate revenue. The amount of receivables net of impairment adjustments is the maximum amount exposed to collection risk. The seniority situation of receivables is presented in note 5, Trade receivables.

#### **a. Credit risk**

Risk management policies and systems are regularly reviewed to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, wants to develop an orderly and constructive control environment, in which all employees understand their roles and obligations. The auditor performs standard missions to review controls and risk management procedures, the results of which are presented to the Board of Directors.

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

The company has a significant concentration of credit risk. The company applies specific policies to ensure that the sale of products and services is carried out in such a way that the commercial credit granted is appropriate and continuously monitors the seniority of receivables.

Exposure to credit risk

The carrying amount of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	<b>2020</b>	<b>2019</b>
Creanțe comerciale	17,146,467	34,778,416
Alte creanțe	3,301,051	4,197,175
Numerar și echivalente de numerar	13,694,682	10,908,581
Total	34,142,200	49,884,172

The maximum exposure to credit risk related to loans and receivables at the reporting date by geographic region was:

	<b>2020</b>	<b>2019</b>
Piața internă	16,202,064	33,815,216
Alte regiuni	944,403	963,200
- zona UE	832,515	808,197
- zona non UE	111,888	155,003
Total	17,146,467	34,778,416

It is worth mentioning that although the share seems to belong to the internal market, this fact is given by the specifics of the profile industry. In fact, the products are delivered to national distribution centers of large car manufacturers, located in Romania, which then distribute them to their own production locations outside Romania.

In this market, the connection with traditional customers who know and promote the company's

products is maintained.

The company has established a credit policy according to which each new customer is analyzed individually in terms of creditworthiness and in some cases references provided by banks are required before firm sales contracts are concluded.

In order to monitor the credit risk related to the clients, they are grouped according to the characteristics of the credit risk, taking into account their classification as legal or natural persons, internal or external clients, seniority, maturity and the existence of previous financial difficulties. Customers classified as having a high risk are monitored, and future sales will be based on advance payments or using various banking instruments to guarantee receipts.

## **b. 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. The company's approach to liquidity risk is to ensure, to the extent possible, that it has sufficient liquidity at all times to meet its debts when they become due, both under normal and difficult conditions, without to bear significant losses or endanger the company's reputation.

In general, the company ensures that it has sufficient cash to cover the expected operating expenses, including the payment of financial obligations.

The company continuously monitors liquidity risk by periodically preparing liquidity flow forecasts. In order to cover its liquidity risk, which could arise if the cash resources cannot cover the need for financing, the company has contracted credit lines in lei and in foreign currency.

## **c. Market risk**

The Romanian economy is in continuous development, there is a lot of uncertainty regarding the possible orientation of the policy and economic development in the future. The company's management cannot predict the changes that will take place in Romania and their effects on the financial situation, on the company's operating results and cash flows

### **Exchange rate risk**

The company is exposed to exchange rate risk through its sales, purchases, cash and loans which are denominated in currencies other than the company's functional currency, however the currency in which most transactions are made is RON.

#### *Exposure to exchange rate risk*

The currencies that expose the company to this risk are mainly EUR. The resulting differences are included in the Statement of comprehensive income and do not affect the cash flow until the debt is settled. As at December 31, 2020, the Company holds cash and cash equivalents, trade receivables and payables in foreign currency, other financial assets and liabilities, financial are denominated in lei.

The exchange rates of the national currency in relation to EUR and USD, calculated as an average of the exchange rates recorded during the reporting year and the previous year, as well as the exchange rates communicated by the National Bank of Romania on the last day of the year, were:

<b>Moneda</b>	<b>Curs mediu</b>		<b>Curs spot la data raportării</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
EUR	4.8371	4.7452	4.8694	4.7793
USD	4.2440	4.2379	3.9660	4.2608

#### *Sensitivity analysis*

The Company has not classified fixed interest rate financial assets or liabilities at fair value through profit or loss or available for sale. Therefore, a change in interest rates at the reporting date would not affect the statement of comprehensive income.

The cash flow sensitivity analysis for floating rate instruments shows that a 1% increase in interest rates at the reporting date would have resulted in a decrease in profit below the materiality threshold on 31 December 2020. This analysis assumes that all the other variables, in particular exchange rates, remain constant.

A 1% depreciation of interest rates on 31 December 2020 would have led to the same effect, but in the opposite direction, on the amounts presented above, considering that all other variables remain constant.

#### **d. Operational risk**

Operational risk is defined as the risk of loss or loss of estimated profits due to internal factors such as inadequate internal activities, the existence of an inadequate personnel structure or management systems, or due to external factors such as external factors. economic conditions, changes in the capital market and technological progress. This risk is inherent in all activities of the company.

The policies defined for the management of the operational risk have taken into account each type of events that can generate significant risks and the ways of their manifestation, in order to eliminate or diminish the losses of financial or reputational nature.

### **28. CAPITAL ADJUSTMENT**

In order to support the continuous development of the company and to achieve the investment objectives, the management policy regarding the capital adequacy focuses on maintaining a solid capital base. The structure of equity includes share capital, different types of reserves, retained earnings and own shares.

### **29. SEGMENT REPORTING**

The company has a single business segment according to IFRS requirements.

Information on products and services - The company does not provide information because it is not available and the cost of developing it would be excessive.

Information on geographical areas - The company does not provide information because it is not available and the cost of developing it would be excessive.

Information on the main clients - The company provides products and services mostly only on the Romanian territory.

Unlike previous periods, the turnover obtained in relation to other customers than the significant one is increasing.

Diversifying the client portfolio is a major concern of the Company.

### **30. EVENTS AFTER THE BALANCE SHEET**

Based on the information we have so far, the shareholding structure has not changed significantly until the date of issuance of these financial statements and no other significant events have occurred since the end of the financial year.

The net loss of 2020 will be recovered from the result of the following financial years, according to the legislation in force.

No dividends will be distributed

With the exception of the above, we have no knowledge of events subsequent to the balance sheet date that would lead to significant influences on the data presented in the individual financial statements prepared for the financial year 2020.

### **31. PROPOSAL OF THE BOARD FOR THE DISTRIBUTION OF NET PROFIT**

The Board of Directors proposes to the General Meeting of Shareholders, based on the provisions of OMFP 2844/2016, the net loss in the amount of 13,374,891 lei to be covered from the results of future financial years.

The individual annual financial statements were approved by the Board of Directors on 19.03.2021

General Director  
Ioan STANCIU

Head of Fin.ACC.Dept.  
Mircea BONTA



**RAPORTUL AUDITORULUI INDEPENDENT**

**U.A.M.T. S.A.**

**31 DECEMBRIE 2020**

***Leocont Expert S.R.L.***  
Membru al Camerei Auditorilor  
Financiari din România (CAFR),  
având legitimația nr. 164

Auditor financiar – ***Leonica BOCHIȘ***  
Membru al Camerei Auditorilor  
Financiari din România (CAFR),  
având legitimația nr. 706

Număr de înregistrare 27 / 26 martie 2021

## RAPORTUL AUDITORULUI INDEPENDENT

*Către,*

*Consiliul de administrație și acționariatul U.A.M.T. S.A.*

### Raport cu privire la auditul situațiilor financiare

#### Opinie fără rezerve

1. Am auditat situațiile financiare individuale anexate ale societății U.A.M.T. S.A. ("Societate"), cu sediul social în Oradea, str. Uzinelor, nr. 8, județul Bihor, identificată prin codul unic de înregistrare fiscală RO 54620, care cuprind situația individuală a poziției financiare la data de 31 decembrie 2020, situația individuală a rezultatului global, situația individuală a modificărilor capitalului propriu, situația individuală a fluxurilor de trezorerie pentru exercițiul financiar încheiat la această dată, și notele la situațiile financiare, inclusiv un sumar al politicilor contabile semnificative.
2. Situațiile financiare individuale la 31 decembrie 2020 se identifică astfel:

➤ Total capitaluri proprii:	82.700.937 lei
➤ Pierderea netă a exercițiului financiar:	13.374.891 lei
3. În opinia noastră, situațiile financiare individuale anexate oferă o imagine fidelă a poziției financiare a Societății la data de 31 decembrie 2020, precum și a performanței financiare și a fluxurilor de trezorerie pentru exercițiul financiar încheiat la această dată, în conformitate cu Ordinul 2844/2016 emis de Ministerul Finanțelor Publice pentru aprobarea Reglementărilor contabile conforme cu Standardele Internaționale de Raportare Financiară, aplicabile societăților comerciale ale căror valori mobiliare sunt admise la tranzacționare pe o piață reglementată.

### Baza pentru opinie

4. Am desfășurat auditul nostru în conformitate cu Standardele Internaționale de Audit („ISA”), Regulamentul UE nr. 537 al Parlamentului și al Consiliului European (în cele ce urmează „Regulamentul”) și Legea nr. 162/2017 (în cele ce urmează „Legea”). Responsabilitățile noastre în baza acestor standarde sunt descrise detaliat în secțiunea „Responsabilitățile auditorului într-un audit al situațiilor financiare” din raportul nostru. Suntem independenți față de Societate, conform Codului Etic al Profesioniștilor Contabili emis de Consiliul pentru Standarde Internaționale de Etică pentru Contabili (codul IESBA), conform cerințelor etice care sunt relevante pentru auditul situațiilor financiare în România, inclusiv Regulamentul și Legea, și ne-am îndeplinit responsabilitățile etice conform acestor cerințe și conform Codului IESBA. Credem că probele de audit pe care le-am obținut sunt suficiente și adecvate pentru a furniza o bază pentru opinia noastră.

### Aspecte cheie de audit

5. Aspectele cheie de audit sunt acele aspecte care, în baza raționamentului nostru profesional, au avut cea mai mare importanță pentru auditul situațiilor financiare aferente perioadei curente. Aceste aspecte au fost abordate în contextul auditului situațiilor financiare în ansamblu și în formarea opiniei noastre asupra acestora și nu oferim o opinie separată cu privire la ele.

Aspectele cheie de audit	Modul de abordare în cadrul misiunii de audit
<p><b>Evaluarea veniturilor</b> (Nota 19 din Situațiile financiare)</p> <p>Am identificat recunoașterea veniturilor din exploatare ca aspect cheie de audit, deoarece veniturile reprezintă unul dintre indicatorii cheie de performanță ai societății, astfel existând un risc în legătură cu recunoașterea lor pentru îndeplinirea unor obiective sau așteptări</p>	<p>Procedurile noastre de audit pentru a evalua recunoașterea veniturilor din vânzări au inclus următoarele:</p> <ul style="list-style-type: none"> <li>➤ Testarea eficacității principalelor controale ale societății pentru a preveni fraude și erorile în recunoașterea veniturilor. Această procedură a inclus testarea controalelor pentru recunoașterea veniturilor pe baza livrărilor efectuate, prin</li> </ul>



Aspectele cheie de audit	Modul de abordare în cadrul misiunii de audit
<p>specifice. O posibilă denaturare semnificativă a veniturilor din exploatare prezentată în situația profitului sau a pierderii și alte elemente ale rezultatului global ca urmare a reducerii activității clienților principali, cum ar fi uzina Dacia-Renault din cauza restricțiilor cauzate de pandemia Covid-19, restrângerii activității clienților și datorită provocărilor din lanțul de aprovizionare datorate restricțiilor impuse de autoritățile majorității țărilor și dificultățile de a asigura aprovizionarea cu resurse materiale și piese.</p> <p>Venituri cuprind în principal veniturile din exploatare, respectiv aferente producerii și comercializării pieselor și subansamblelor pentru mijloace de transport, pieselor turnate din aliaje neferoase etc., atât clienților interni cât și externi. Venitul este recunoscut la livrarea bunurilor vândute în conformitate cu înțelegerile cu clienții.</p> <p>Veniturile din exploatare au scăzut cu circa 46%, la 85.187.888 lei în exercițiul financiar curent, de la 158.838.440 lei la 31.12.2019.</p>	<p>referire la un eșantion de tranzacții.</p> <ul style="list-style-type: none"> <li>➤ Inspectarea, pe baza de eșantion, pentru a evalua dacă criteriile de recunoaștere a veniturilor societății au fost în conformitate cu cerințele și standardele contabile în vigoare.</li> <li>➤ Evaluarea, pe bază de eșantion, a recunoașterii în perioada financiară corespunzătoare a veniturilor înregistrate aproape de sfârșitul exercițiului financiar, prin compararea tranzacțiilor selectate cu documentația relevantă, inclusiv avize de expediție.</li> <li>➤ Obținerea de confirmări ale soldurilor clienților la sfârșitul anului, pe baza de eșantion.</li> <li>➤ Examinarea Jurnalului de vânzări după încheierea exercițiului financiar pentru a identifica note de credit semnificative emise și inspectarea documentației relevante pentru a evalua dacă veniturile aferente au fost contabilizate în perioada financiară corespunzătoare.</li> </ul> <p>Exercițiul financiar 2020 a fost unul atipic, criza sanitară generată de pandemia Covid-19 a generat o criză economică care a afectat mediul de afaceri, societatea înregistrând la nivelul veniturilor din exploatare o scădere de 46% față de anul 2019.</p>

*d*



Aspectele cheie de audit	Modul de abordare în cadrul misiunii de audit
<p><b>Evaluarea stocurilor</b> (Nota 4 "Stocuri" la situațiile financiare) <i>Riscuri:</i> Aserțiunile conducerii cu privire la evaluarea stocurilor pot prezenta riscuri de denaturări semnificative care să se manifeste în sensul neaplicării prevederilor reglementărilor contabile aplicabile de evaluare a stocurilor, la data de raportare, la minimumul dintre cost și valoarea realizabilă netă.</p>	<p>Procedurile noastre de audit în ceea ce privește evaluarea stocurilor, am efectuat teste prin care am observat natura cheltuielilor realizate în costul producției realizate. Am testat deprecierea stocurilor estimată de către conducerea societății luând ca bază de referință valoarea realizabilă netă și am efectuat proceduri prin care am obținut o asigurare rezonabilă că nu există denaturări semnificative cu privire la aceste aserțiuni.</p>

#### Alte informații – Raportul Administratorilor

6. Administratorii sunt responsabili pentru întocmirea și prezentarea altor informații. Acele alte informații cuprind Raportul administratorilor, dar nu cuprind situațiile financiare și raportul auditorului cu privire la acestea.

Opinia noastră cu privire la situațiile financiare nu acoperă și aceste alte informații și, cu excepția cazului în care se menționează explicit în raportul nostru, nu exprimăm nici un fel de concluzie de asigurare cu privire la acestea.

În legătura cu auditul situațiilor financiare pentru exercițiul financiar încheiat la 31 decembrie 2020, responsabilitatea noastră este să citim acele alte informații și, în acest demers, să apreciem dacă acele alte informații sunt semnificativ inconsecvente cu situațiile financiare, sau cu cunoștințele pe care noi le-am obținut în timpul auditului, sau dacă ele par a fi denaturate semnificativ.

În ceea ce privește Raportul administratorilor, suntem datori să îl citim și să raportăm dacă acesta a fost întocmit, în toate aspectele semnificative, în conformitate cu Ordinul 2844/2016 emis de Ministerul Finanțelor Publice pentru aprobarea Reglementărilor contabile conforme



cu Standardele Internaționale de Raportare Financiară, capitolul III, punctele 15-19.

În baza exclusiv a activităților care trebuie desfășurate în cursul auditului situațiilor financiare, în opinia noastră:

- a. Informațiile prezentate în Raportul administratorilor pentru exercițiul financiar pentru care au fost întocmite situațiile financiare sunt în concordanță, în toate aspectele semnificative, cu situațiile financiare;
- b. Raportul administratorilor a fost întocmit, în toate aspectele semnificative, în conformitate cu Ordinului Ministrului Finanțelor Publice nr. 2844/2016 pentru aprobarea Reglementărilor contabile conforme cu Standardele Internaționale de Raportare Financiară, capitolul III, punctele 15-19.

În plus, în baza cunoștințelor și înțelegerii noastre cu privire la Societate și la mediul acesteia, dobândite în cursul auditului situațiilor financiare pentru exercițiul financiar încheiat la data de 31 decembrie 2020, ni se cere să raportăm dacă am identificat denaturări semnificative în Raportul administratorilor. Nu avem nimic de raportat cu privire la acest aspect.

### **Responsabilitățile conducerii și ale persoanelor responsabile cu guvernarea pentru situațiile financiare**

7. Conducerea Societății este responsabilă pentru întocmirea situațiilor financiare care să ofere o imagine fidelă în conformitate cu Ordinul 2844/2016 emis de Ministerul Finanțelor Publice pentru aprobarea Reglementărilor contabile conforme cu Standardele Internaționale de Raportare Financiară și pentru acel control intern pe care conducerea îl consideră necesar pentru a permite întocmirea de situații financiare lipsite de denaturări semnificative, cauzate fie de fraudă, fie de eroare.
8. În întocmirea situațiilor financiare, conducerea este responsabilă pentru evaluarea capacității Societății de a-și continua activitatea, pentru prezentarea, dacă este cazul, a aspectelor referitoare la continuitatea activității și pentru utilizarea contabilității pe baza continuității activității, cu excepția cazului în care conducerea fie intenționează să lichideze Societatea sau

să oprească operațiunile, fie nu are nici o altă alternativă realistă în afara acestora.

9. Persoanele responsabile cu guvernarea sunt responsabile pentru supravegherea procesului de raportare financiară al Societății.

### **Responsabilitățile auditorului într-un audit al situațiilor financiare**

10. Obiectivele noastre constau în obținerea unei asigurări rezonabile privind măsura în care situațiile financiare, în ansamblu, sunt lipsite de denaturări semnificative, cauzate fie de fraudă, fie de eroare, precum și în emiterea unui raport al auditorului care include opinia noastră. Asigurarea rezonabilă reprezintă un nivel ridicat de asigurare, dar nu este o garanție a faptului că un audit desfășurat în conformitate cu ISA va detecta întotdeauna o denaturare semnificativă, dacă aceasta există. Denaturările pot fi cauzate fie de fraudă, fie de eroare și sunt considerate semnificative dacă se poate preconiza, în mod rezonabil, că acestea, individual sau cumulativ, vor influența deciziile economice ale utilizatorilor, luate în baza acestor situații financiare.
11. Ca parte a unui audit în conformitate cu ISA, exercităm raționamentul profesional și menținem scepticismul profesional pe parcursul auditului. De asemenea:
- Identificăm și evaluăm riscurile de denaturare semnificativă a situațiilor financiare, cauzate fie de fraudă, fie de eroare, proiectăm și executăm proceduri de audit ca răspuns la respectivele riscuri și obținem probe de audit suficiente și adecvate pentru a furniza o bază pentru opinia noastră. Riscul de nedetectare a unei denaturări semnificative cauzate de fraudă este mai ridicat decât cel de nedetectare a unei denaturări semnificative cauzate de eroare, deoarece fraudă poate presupune înțelegeri secrete, fals, omisiuni intenționate, declarații false și evitarea controlului intern.
  - Înțelegem controlul intern relevant pentru audit, în vederea proiectării de proceduri de audit adecvate circumstanțelor, dar fără a avea scopul de a exprima o opinie asupra eficacității controlului intern al Societății.
  - Evaluăm gradul de adecvare a politicilor contabile utilizate și caracterul rezonabil al estimărilor contabile și al prezentărilor aferente de informații realizate de către conducere.



- Formulăm o concluzie cu privire la gradul de adecvare a utilizării de către conducere a contabilității pe baza continuității activității și determinăm, pe baza probelor de audit obținute, dacă există o incertitudine semnificativă cu privire la evenimente sau condiții care ar putea genera îndoieli semnificative privind capacitatea Societății de a-și continua activitatea. În cazul în care concluzionăm că există o incertitudine semnificativă, trebuie să atragem atenția în raportul auditorului asupra prezentărilor aferente din situațiile financiare sau, în cazul în care aceste prezentări sunt neadecvate, să ne modificăm opinia. Concluziile noastre se bazează pe probele de audit obținute până la data raportului auditorului. Cu toate acestea, evenimente sau condiții viitoare pot determina Societatea să nu își mai desfășoare activitatea în baza principiului continuității activității.
  - Evaluăm prezentarea, structura și conținutul situațiilor financiare, inclusiv al prezentărilor de informații, și măsura în care situațiile financiare reflectă tranzacțiile și evenimentele care stau la baza acestora într-o manieră care să rezulte într-o prezentare fidelă.
12. Comunicăm persoanelor responsabile cu governanța, printre alte aspecte, aria planificată și programarea în timp a auditului, precum și principalele constatări ale auditului, inclusiv orice deficiențe semnificative ale controlului intern, pe care le identificăm pe parcursul auditului.
13. De asemenea, furnizăm persoanelor responsabile cu governanța o declarație cu privire la conformitatea noastră cu cerințele etice privind independența și le comunicăm toate relațiile și alte aspecte care pot fi considerate, în mod rezonabil, că ar putea să ne afecteze independența și, unde este cazul, măsurile de siguranță aferente.
14. Dintre aspectele pe care le-am comunicat persoanelor însărcinate cu governanța, stabilim acele aspecte care au avut o mai mare importanță în cadrul auditului asupra situațiilor financiare din perioada curentă și, prin urmare, reprezintă aspecte cheie de audit. Descriem aceste aspecte în raportul nostru de audit, cu excepția cazului în care legislația sau reglementările împiedică prezentarea publică a aspectului respectiv sau a cazului în care, în circumstanțe extrem de rare, considerăm că un aspect nu ar trebui comunicat în raportul nostru deoarece se preconizează în mod rezonabil ca beneficiile interesului public să fie depășite de consecințele negative ale acestei comunicări.



**LEOCONT  
EXPERT**

Integritate. Profesionalism. Experiență



Membru al Camerei Auditorilor  
Financiari din România

Auditor financiar – **Leonica BOCHIȘ**

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### Raport cu privire la alte dispoziții legale și de reglementare

15. Am fost numiți de Adunarea Generală a Acționarilor din 2019 prin actul adițional nr. 3 din 09.12.2019 la contactul de prestări servicii nr. 6 din 01.12.2010, să audităm situațiile financiare ale U.A.M.T. S.A. pentru exercițiile financiare 2019, 2020, 2021. Durata totală neîntreruptă a angajamentului nostru este de 11 ani, acoperind exercițiile financiare încheiate la 31 Decembrie 2010 până la 31 Decembrie 2020.

Confirmăm că:

- Opinia noastră de audit este în concordanță cu raportul suplimentar prezentat Comitetului de Audit al Societății, pe care l-am emis în aceeași dată în care am emis și acest raport.
- În desfășurarea auditului nostru, ne-am păstrat independența față de entitatea auditată.
- Nu am furnizat pentru Societate serviciile non audit interzise, menționate la articolul 5 alineatul (1) din Regulamentul UE nr.537/2014.

*În numele,*

**Leocont Expert S.R.L.**

Membru al Camerei Auditorilor Financiari din România (CAFR),  
având legitimația nr. 164

Autoritatea pentru Supravegherea Publică a  
Activității de Audit Statutar (ASPAAS)  
Firma de Audit: Leocont Expert SRL  
Registrul Public Electronic: FA 164

Auditor financiar – **Leonica BOCHIȘ**

Membru al Camerei Auditorilor Financiari din România (CAFR),  
având legitimația nr. 706

Oradea, 26 martie 2021

Autoritatea pentru Supravegherea Publică a  
Activității de Audit Statutar (ASPAAS)  
Auditor financiar: Bochiș Leonica  
Registrul Public Electronic: AF 706



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## DRAFT BUDGET 2021

**EURO**

<b>I</b>	<b>TOTAL INCOME (1+2)</b>	<b>19,173,000</b>
<b>1)</b>	<b>OPERATING INCOME</b>	<b>19,107,000</b>
a	Production sold	17,820,000
b	Other operating revenues	1,287,000
<b>a+b</b>	<b>TURNOVER</b>	<b>19,107,000</b>
<b>2)</b>	<b>FINANCIAL REVENUE</b>	<b>66,000</b>
<b>II</b>	<b>TOTAL EXPENSES (1+2)</b>	<b>18,152,874</b>
<b>1)</b>	<b>OPERATING EXPENDITURE</b>	<b>18,044,568</b>
a	Raw Materials	9,536,670
b	Consumables	805,200
c	Energy and water	376,200
d	Other material expenses	702,798
	<b>TOTAL MATERIAL EXPENSES</b>	<b>11,420,868</b>
e	Expenses and services by third parties	720,000
f	Taxes, fees and assimilated payments	342,000
g	Staff	3,180,000
h	Other operating expenses	270,700
i	Amortization and depreciation	2,111,000
<b>2)</b>	<b>FINANCIAL EXPENSES</b>	<b>108,306</b>
<b>III</b>	<b>GROSS RESULT (I-II)</b>	<b>1,020,126</b>
a	Profit tax	163,220
<b>IV</b>	<b>NET RESULT (III-g)</b>	<b>856,906</b>
<b>V</b>	<b>Net profit rate on turnover</b>	<b>4.48%</b>

General DIRECTOR  
Ioan Stanciu

Head of Fin.Acc. Dept.  
Mircea Bonta