



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

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SC UAMT S.A. Oradea

Individual and consolidated financial statements  
as of December 31, 2019

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

**S.C. UAMT S.A. Oradea**  
*Individual and consolidated financial statements as of December 31, 2019*  
*according to the order no. 2844/2016, with the subsequent modifications, presented in lei*  
*(RON)*

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**Individual financial statements**

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*(RON)*

**INDIVIDUAL SITUATION OF THE FINANCIAL POSITION**

|  | Nota     | 12/31/2019         | 12/31/2018         |
|--|----------|--------------------|--------------------|
| <b>Active</b>                                      |          |                    |                    |
| <b>Active necurente</b>                            |          |                    |                    |
| Imobilizări corporale                              | 1        | 68,972,404         | 73,607,775         |
| Alte imobilizări necorporal                        | 2        | 3,417,519          | 3,591,414          |
| Investiții imobiliare                              | 3        | 0                  | 1,180,654          |
| Alte active (biologice, financiare, etc)           |          | 4,500,000          | 4,500,000          |
| Drepturi de utilizare a activelor luate in leasing |          | 614,721            | 0                  |
| <b>Total active necurente</b>                      |          | <b>77,504,644</b>  | <b>82,879,843</b>  |
| <b>Active curente</b>                              |          |                    |                    |
| Stocuri  | 4        | 29,717,734         | 33,057,456         |
| Creanțe comerciale                                 | 5        | 35,742,466         | 46,745,708         |
| Cheltuieli in avans                                |          | 1,214,445          | 0                  |
| Alte creanțe din care:                             | 6        | 3,233,125          | 3,359,158          |
| Creante privind impozitul pe profit curent         | 6        | 0                  | 420,141            |
| Numerar și echivalent în numerar                   | 7        | 10,908,581         | 9,720,198          |
| <b>Total active curente</b>                        |          | <b>80,816,351</b>  | <b>92,882,520</b>  |
| <b>Venituri în avans (subvenții)</b>               | <b>8</b> | <b>2,531,202</b>   | <b>3,670,212</b>   |
| <b>Total active</b>                                |          | <b>155,789,793</b> | <b>172,092,151</b> |
| <b>Capitaluri proprii și datorii</b>               |          |                    |                    |
| <b>Capitaluri proprii</b>                          |          |                    |                    |
| Capital social                                     | 9        | 17,766,860         | 17,766,860         |
| Rezerve  | 12       | 42,617,844         | 39,168,662         |
| Rezultat reportat                                  | 10       | 7,012,362          | 6,037,477          |
| Rezultatul exercițiului                            | 11       | 1,653,294          | 1,977,555          |
| Repartizarea profitului                            |          | 1,471,627          | 0                  |
| Alte rezerve și acțiuni proprii                    | 12       | 34,659,853         | 35,634,739         |
| <b>Total capitaluri proprii</b>                    |          | <b>102,238,586</b> | <b>100,585,293</b> |
| <b>Datorii necurente</b>                           |          |                    |                    |
| Împrumuturi primite pe termen lung                 | 13       | 14,817,821         | 19,404,405         |
| Alte datorii pe termen lung                        | 14       | 0                  | 0                  |
| Datorii de impozit amanat                          | 22       | 0                  | 0                  |
| Alte datorii necurente                             |          | 123,732            | 0                  |
| <b>Total datorii necurente</b>                     |          | <b>14,941,553</b>  | <b>19,404,405</b>  |
| <b>Datorii curente</b>                             |          |                    |                    |
| Datorii comerciale                                 | 15       | 10,594,450         | 24,688,545         |
| Împrumuturi pe termen scurt                        | 16       | 24,939,000         | 24,982,895         |
| Provizioane pe termen scurt                        | 17       | 0                  | 0                  |
| Taxe curente                                       | 17       | <b>2,085,978</b>   | <b>1,574,997</b>   |
| Alte datorii curente                               | 18       | 990,226            | 856,016            |
| <b>Total datorii curente</b>                       |          | <b>38,609,654</b>  | <b>52,102,453</b>  |
| <b>Total datorii</b>                               |          | <b>53,551,207</b>  | <b>71,506,858</b>  |
| <b>Total pasive</b>                                |          | <b>155,789,793</b> | <b>172,092,151</b> |

Director general,

Șef Depart.Financiar Contabil

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*(RON)*

Ioan Stanciu

Mircea BONTA

**CONSOLIDATED SITUATION OF THE FINANCIAL POSITION**

|  | Nota     | 12/31/2019         | 12/31/2018         |
|--|----------|--------------------|--------------------|
| <b>Active</b>                                      |          |                    |                    |
| <b>Active necurente</b>                            |          |                    |                    |
| Imobilizări corporale                              | 1        | 71,224,154         | 75,604,627         |
| Alte imobilizări necorporal                        | 2        | 3,417,519          | 3,591,414          |
| Investiții imobiliare                              | 3        | 0                  | 1,180,654          |
| Alte active (biologice, financiare, etc)           |          | 0                  | 0                  |
| Drepturi de utilizare a activelor luate in leasing |          | 614,721            | 0                  |
| <b>Total active necurente</b>                      |          | <b>74,641,673</b>  | <b>80,376,695</b>  |
| <b>Active curente</b>                              |          |                    |                    |
| Stocuri  | 4        | 29,991,801         | 33,173,825         |
| Creanțe comerciale                                 | 5        | 35,750,686         | 46,780,738         |
| Cheltuieli in avans                                |          | 1,214,445          | 0                  |
| Alte creanțe, din care                             | 6        | 3,236,300          | 3,359,102          |
| Creante privind impozitul pe profit curent         | 6        | 0                  | 418,301            |
| Numerar și echivalent în numerar                   | 7        | 13,368,332         | 12,719,496         |
| <b>Total active curente</b>                        |          | <b>83,561,564</b>  | <b>96,033,161</b>  |
| <b>Venituri în avans (subvenții)</b>               | <b>8</b> | <b>2,531,202</b>   | <b>3,670,212</b>   |
| <b>Total active</b>                                |          | <b>155,672,035</b> | <b>172,739,644</b> |
| <b>Capitaluri proprii și datorii</b>               |          |                    |                    |
| <b>Capitaluri proprii</b>                          |          |                    |                    |
| Capital social                                     | 9        | 17,766,860         | 17,766,860         |
| Capital interes minoritar                          | 9        | 45,000             | 45,000             |
| Rezerve  | 12       | 42,621,438         | 39,172,256         |
| Rezultat reportat                                  | 10       | 7,113,710          | 6,095,883          |
| Rezultatul exercițiului                            | 11       | 1,844,503          | 2,020,496          |
| Repartizarea profitului                            |          | 1,471,627          | 0                  |
| Alte rezerve și acțiuni proprii                    | 12       | 34,659,853         | 35,634,739         |
| <b>Total capitaluri proprii</b>                    |          | <b>102,579,737</b> | <b>100,735,234</b> |
| <b>Datorii necurente</b>                           |          |                    |                    |
| Împrumuturi primite pe termen lung                 | 13       | 14,817,821         | 19,404,405         |
| Alte datorii pe termen lung                        | 14       | 0                  | 0                  |
| Datorii de impozit amanat                          | 22       | 0                  | 0                  |
| Alte datorii necurente                             |          | 123,732            | 0                  |
| <b>Total datorii necurente</b>                     |          | <b>14,941,553</b>  | <b>19,404,405</b>  |
| <b>Datorii curente</b>                             |          |                    |                    |
| Datorii comerciale                                 | 15       | 10,603,433         | 24,688,987         |
| Împrumuturi pe termen scurt                        | 16       | 24,939,000         | 24,982,895         |
| Provizioane pe termen scurt                        | 17       | 0                  | 0                  |
| Taxe curente                                       | 17       | 1,375,806          | 1,413,645          |
| Alte datorii curente                               | 18       | 1,232,506          | 1,514,478          |
| <b>Total datorii curente</b>                       |          | <b>38,150,745</b>  | <b>52,600,005</b>  |
| <b>Total datorii</b>                               |          | <b>53,092,298</b>  | <b>72,004,410</b>  |
| <b>Total pasive</b>                                |          | <b>155,672,035</b> | <b>172,739,644</b> |

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Director general,  
Ioan STANCIU

Şef Depart.Financiar Contabil  
Mircea BONTA

**INDIVIDUAL SITUATION OF PROFIT OR LOSS AND OTHER  
ELEMENTS OF THE GLOBAL RESULT**

|  | Nota | 12/31/2019         | 12/31/2018         |
|--|------|--------------------|--------------------|
| Venituri din producția vândută   | 19   | 146,712,254        | 164,237,328        |
| Venituri din vânzarea mărfurilor   | 19   | 5,292,273          | 5,822,659          |
| Alte venituri, inclusiv variația stocurilor                                    | 19   | 6,833,913          | 337,946            |
|  |      | <b>158,838,440</b> | <b>170,397,933</b> |
| Consumuri de materii prime și materiale  | 20   | <b>108,647,546</b> | <b>119,503,243</b> |
| Costul mărfurilor vândute  | 20   | 3,998,723          | 5,303,554          |
| Cheltuieli de personal   | 20   | 27,128,242         | 29,103,572         |
| Cheltuieli privind amortizările  | 20   | 10,032,438         | 8,650,243          |
| Alte cheltuieli  | 20   | <b>6,471,671</b>   | <b>4,931,556</b>   |
|  |      | <b>156,278,620</b> | <b>167,492,168</b> |
| <b>Rezultatul operațional</b>  |      | <b>2,559,820</b>   | <b>2,905,765</b>   |
| Venituri financiare  | 21   | 226,903            | 531,269            |
| Cheltuieli financiare  | 21   | 943,521            | 909,943            |
| <b>Profit înainte de impozitare</b>  |      | <b>1,843,202</b>   | <b>2,527,091</b>   |
| Impozit pe profit  | 22   | 189,908            | 583,706            |
| Cheltuială cu impozitul pe profit amânat                                       |      | 0                  | 0                  |
| Venituri din impozitul pe profit amânat  |      | 0                  | 34,170             |
| <b>Profit net aferent perioadei și rezultat global total aferent perioadei</b> |      | <b>1,653,294</b>   | <b>1,977,555</b>   |
| Rezultatul pe acțiune  |      |                    |                    |
| Rezultatul pe acțiune de bază (lei/acțiune)                                    | 23   | <b>0.042</b>       | <b>0.050</b>       |

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**CONSOLIDATED SITUATION OF PROFIT OR LOSS AND OTHER  
ELEMENTS OF THE GLOBAL RESULT**

|  | Nota | 12/31/2019         | 12/31/2018         |
|--|------|--------------------|--------------------|
| Venituri din producția vândută   | 19   | 147,072,796        | 164,572,434        |
| Venituri din vânzarea mărfurilor   | 19   | 5,292,273          | 5,822,659          |
| Alte venituri, inclusiv variația stocurilor  | 19   | 7,030,148          | 350,468            |
|  |      | <b>159,395,217</b> | <b>170,745,561</b> |
| Consumuri de materii prime și materiale  | 20   | 108,848,555        | 119,720,281        |
| Costul mărfurilor vândute  | 20   | 3,998,723          | 5,303,554          |
| Cheltuieli de personal   | 20   | 27,149,710         | 29,103,854         |
| Cheltuieli privind amortizările  | 20   | 10,124,057         | 8,744,714          |
| Alte cheltuieli  | 20   | 6,512,074          | 4,880,218          |
|  |      | <b>156,633,119</b> | <b>167,752,621</b> |
| <b>Rezultatul operațional</b>  |      | <b>2,762,098</b>   | <b>2,992,940</b>   |
| Venituri financiare  | 21   | 226,907            | 531,270            |
| Cheltuieli financiare  | 21   | 943,522            | 909,949            |
| <b>Profit înainte de impozitare</b>  |      | <b>2,045,483</b>   | <b>2,614,261</b>   |
| Impozit pe profit  | 22   | 200,980            | 593,765            |
| Cheltuială cu impozitul pe profit amânat   |      | 0                  | 0                  |
| Venituri din impozitul pe profit amânat  |      | 0                  | 34,170             |
| <b>Profit net aferent perioadei și rezultat global total aferent perioadei din care:</b> |      | <b>1,844,503</b>   | <b>2,020,496</b>   |
| <b>profit net societatea mama</b>  |      | <b>1,653,294</b>   | <b>1,977,555</b>   |
| <b>profit net interes minoritar</b>  |      | <b>191,209</b>     | <b>42,941</b>      |
| Rezultatul pe acțiune  |      |                    |                    |
| Rezultatul pe acțiune de bază (lei/acțiune)  | 23   | <b>0.047</b>       | <b>0.051</b>       |

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### INDIVIDUAL SITUATION OF MODIFICATION OF OWN CAPITALS

| Denumirea elementului                           | Capital social    | Rezerve din reevaluare | Actiuni proprii  | Alte rezerve      | Rezultat reportat | Rezultat curent  | Repartizarea profitului | Total              |
|---|-------------------|------------------------|------------------|-------------------|-------------------|------------------|-------------------------|--------------------|
| <b>Sold la 1 ianuarie 2019</b>                  | <b>17,766,860</b> | <b>36,950,105</b>      | <b>1,315,366</b> | <b>39,168,662</b> | <b>6,037,477</b>  | <b>1,977,555</b> | <b>0</b>                | <b>100,585,293</b> |
| <b>Profit sau pierdere</b>                      | <b>0</b>          | <b>-974,886</b>        | <b>0</b>         | <b>3,449,182</b>  | <b>974,886</b>    | <b>-324,261</b>  | <b>-1,471,627</b>       | <b>1,653,294</b>   |
| - transfer rezultat reportat                    | 0                 | 0                      | 0                | 0                 | 3,449,182         | -3,449,182       | 0                       | 0                  |
| - transfer surplus din reevaluare realizat      | 0                 | -974,886               | 0                | 0                 | 974,886           | 0                | 0                       | 0                  |
| - rezultatul exercitiului curent                | 0                 | 0                      | 0                | 0                 | 0                 | 1,653,294        | -1,471,627              | <b>181,667</b>     |
| - repartizarea profitului la alte rezerve       | 0                 | 0                      | 0                | 0                 | 0                 | 1,471,627        | 0                       | <b>1,471,627</b>   |
| - repartizare rezultat reportat la alte rezerve | 0                 | 0                      | 0                | 3,449,182         | -3,449,182        | 0                | 0                       | 0                  |
| - repartizare impozit pe profit la alte rezerve | 0                 | 0                      | 0                | 0                 | 0                 | 0                | 0                       | 0                  |
| - rezultat reportat provenit din erori          | 0                 | 0                      | 0                | 0                 | 0                 | 0                | 0                       | 0                  |
| - actiuni proprii                               | 0                 | 0                      | 0                | 0                 | 0                 | 0                | 0                       | 0                  |
| <b>Alte elemente ale rezultatului global</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>           |
| - surplus din reevaluare                        | 0                 | 0                      | 0                | 0                 | 0                 | 0                | 0                       | 0                  |
| <b>Tranzactii cu proprietarii</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>           |
| - dividende acordate                            | 0                 | 0                      | 0                | 0                 | 0                 | 0                | 0                       | 0                  |
| <b>Sold la 31 decembrie</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>102,238,586</b> |

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(RON)*

|      |  |  |  |  |  |  |  |
|------|--|--|--|--|--|--|--|
| 2019 |  |  |  |  |  |  |  |
|------|--|--|--|--|--|--|--|

Director general,  
Ioan STANCIU

Şef Depart.Financiar Contabil  
Mircea BONTA

### CONSOLIDATED SITUATION OF MODIFICATION OF OWN CAPITALS

| Denumirea elementului                           | Capital social | Rezerve din reevaluare | Actiuni proprii | Alte rezerve | Rezultat reportat | Rezultat curent | Repartizarea profitului | Total       |
|---|----------------|------------------------|-----------------|--------------|-------------------|-----------------|-------------------------|-------------|
| <b>Sold la 1 ianuarie 2019</b>                  | 17,811,860     | 36,950,105             | 1,315,366       | 39,172,256   | 6,095,883         | 2,020,496       | 0                       | 100,735,234 |
| Profit sau pierdere                             | 0              | -974,886               | 0               | 3,449,182    | 974,886           | -133,052        | -1,471,627              | 1,844,503   |
| - transfer rezultat reportat                    | 0              | 0                      | 0               | 0            | 3,449,182         | -3,449,182      | 0                       | 0           |
| - transfer surplus din reevaluare realizat      | 0              | -974,886               | 0               | 0            | 974,886           | 0               | 0                       | 0           |
| - rezultatul exercitiului curent                | 0              | 0                      | 0               | 0            | 0                 | 1,844,503       | -1,471,627              | 372,876     |
| - repartizare profitului la alte rezerve        | 0              | 0                      | 0               | 0            | 0                 | 1,471,627       | 0                       | 1,471,627   |
| - repartizare rezultat reportat la alte rezerve | 0              | 0                      | 0               | 3,449,182    | -3,449,182        | 0               | 0                       | 0           |
| - repartizare imp pe pr la alte rezerve         | 0              | 0                      | 0               | 0            | 0                 | 0               | 0                       | 0           |
| - rezultat reportat prov din erori              | 0              | 0                      | 0               | 0            | 0                 | 0               | 0                       | 0           |
| -actiuni proprii                                | 0              | 0                      | 0               | 0            | 0                 | 0               | 0                       | 0           |
| - capital interes minoritar                     | 0              | 0                      | 0               | 0            | 0                 | 0               | 0                       | 0           |
| <b>Alte elemente ale rezultatului global</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>    |
| - surplus din reevaluare                        | 0              | 0                      | 0               | 0            | 0                 | 0               | 0                       | 0           |
| <b>Tranzactii cu proprietarii</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>    |
| - dividende acordate                            | 0              | 0                      | 0               | 0            | 0                 | 0               | 0                       | 0           |



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according to the order no. 2844/2016, with the subsequent modifications, presented in lei  
(RON)*

|                                 |            |            |           |            |           |           |           |             |
|---------------------------------|------------|------------|-----------|------------|-----------|-----------|-----------|-------------|
| Sold la 31<br>decembrie<br>2019 | 17,811,860 | 35,975,219 | 1,315,366 | 42,621,438 | 7,070,769 | 1,887,444 | 1,471,627 | 102,579,737 |
|---------------------------------|------------|------------|-----------|------------|-----------|-----------|-----------|-------------|

Director general,  
Ioan STANCIU

Şef Depart. Financiar Contabil  
Mircea BONTA

### INDIVIDUAL SITUATION OF CASH FLOWS

| Fluxuri de numerar din activitatea de exploatare                                   | 2019        | 2018        |
|--|-------------|-------------|
| Profitul net inainte de impozitare   | 1,653,294   | 1,977,555   |
| <i>Ajustari privind veniturile si cheltuielile calculate (nemonetare), pentru:</i> |             |             |
| - Ajustari cu deprecierea imobiliarilor (amortizari si provizioane)                | 10,032,438  | 8,650,243   |
| - Ajustari cu deprecierea riscurilor si cheltuielilor (provizioane)                | 0           | 0           |
| - Alte venituri nemonetare   | 825,440     | 1,004,985   |
| - Alte cheltuieli nemonetare   | 822         | 1,789       |
| - Cheltuieli privind impozitele amanate  | 0           | 0           |
| - Venituri privind impozitele amanate  | 0           | -34,170     |
| <i>Ajustari privind veniturile si cheltuielile nelegate de exploatare, pentru:</i> |             |             |
| - Venituri financiare (dobanzi , dif curs si alte venituri fin.)                   | -226,903    | -531,269    |
| - Cheltuieli financiare (dobanzi si dif curs )                                     | 943,521     | 909,943     |
| - Cheltuieli (calculate) si venituri din vanzarea imobiliarilor                    | 229,006     | 112,744     |
| - Venituri (calculate) din subventii pentru investitii                             | 1,139,010   | 1,194,214   |
| Profit din exploatare inainte de modificarile capitalului circulant                | 14,596,628  | 13,286,034  |
| - Scadere / (Crestere) variatia stocurilor   | 3,339,722   | -5,092,944  |
| - Scadere / (Crestere) variatia creantelor   | 9,914,830   | -2,172,060  |
| - Crestere / (Scadere) variatia datoriilor   | -17,880,948 | 634,515     |
| Numerar generat din exploatare   | -9,970,232  | -6,655,545  |
| - Dobanzi platite  | -262,754    | -231,661    |
| - Dobanzi incasate   | 98          | 2           |
| - Cheltuieli financiare (dif. curs)  | -672,830    | -678,282    |
| - Venituri financiare (dif curs)   | 225,689     | 528,172     |
| - Impozitul pe profit platit   | 0           | 1,304,241   |
| Numerarul net provenit din activitati de exploatare                                | 9,260,435   | 4,969,535   |
|  |             |             |
| Fluxuri de numerar din activitati de investitii                                    |             |             |
| - Plati privind achizitii de imobilizari   | -4,095,103  | -14,314,564 |
| - Incasari din vanzarea de imobilizari   | 1,117,861   | 148,716     |
| Fluxuri net de numerar din activitati de investitii                                | -2,977,242  | -14,165,848 |
|  |             |             |
| Fluxuri de numerar din activitati de finantare                                     |             |             |
| - Incasari din imprumuturi   | 25,235,603  | 39,244,864  |
| - Plati privind rambursarea imprumuturilor   | -30,330,413 | -29,652,639 |
| - Incasari din subventii pentru investitii _Fonduri Europene                       | 0           | 0           |
| - Variatia datoriilor legate de operatii de finantare                              | 0           | 0           |
| Fluxuri de numerar din activitati de finantare                                     | -5,094,810  | 9,592,225   |

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|   |            |           |
|---|------------|-----------|
| Cresterea / (Descresterea) neta a numerarului           | 1,188,383  | 395,912   |
| Numerar și echivalent de numerar la inceputul perioadei | 9,720,198  | 9,324,286 |
| Numerar și echivalent de numerar la sfarsitul perioadei | 10,908,581 | 9,720,198 |

Director general,  
Ioan STANCIU

Șef Depart.Financiar Contabil  
Mircea BONTA

### CONSOLIDATED SITUATION OF CASH FLOWS

| Fluxuri de numerar din activitatea de exploatare                                   | 2019        | 2018        |
|--|-------------|-------------|
| Profitul net inainte de impozitare   | 1,844,503   | 2,020,496   |
| <i>Ajustari privind veniturile si cheltuielile calculate (nemonetare), pentru:</i> |             |             |
| - Ajustari cu deprecierea imobilizarilor (amortizari si provizioane)               | 10,124,057  | 8,744,714   |
| - Ajustari cu deprecierea riscurilor si cheltuielilor (provizioane)                | 0           | 0           |
| - Alte venituri nemonetare   | 825,440     | 1,004,985   |
| - Alte cheltuieli nemonetare   | 822         | 1,789       |
| - Cheltuieli privind impozitele amanate  | 0           | 0           |
| - Venituri privind impozitele amanate  | 0           | -34,170     |
| <i>Ajustari privind veniturile si cheltuielile nelegate de exploatare, pentru:</i> |             |             |
| - Venituri financiare (dobanzi , dif curs si alte venituri fin.)                   | -226,907    | -531,271    |
| - Cheltuieli financiare (dobanzi si dif curs )                                     | 943,522     | 909,949     |
| - Cheltuieli (calculate) si venituri din vanzarea imobilizarilor                   | 207,857     | 112,744     |
| - Venituri (calculate) din subventii pentru investitii                             | 1,139,010   | 1,194,214   |
| Profit din exploatare inainte de modificarile capitalului circulant                | 14,858,304  | 13,423,450  |
| - Scadere / (Crestere) variatia stocurilor   | 3,182,024   | -5,068,934  |
| - Scadere / (Crestere) variatia creantelor   | 9,938,409   | -2,052,738  |
| - Crestere / (Scadere) variatia datoriilor   | -18,538,682 | 130,084     |
| Numerar generat din exploatare   | -9,440,055  | -6,431,862  |
| - Dobanzi platite  | -262,754    | -231,661    |
| - Dobanzi incasate   | 98          | 2           |
| - Cheltuieli financiare (dif. curs)  | -672,831    | -678,288    |
| - Venituri financiare (dif curs)   | 225,693     | 528,174     |
| - Impozitul pe profit platit   | 12,023      | 1,313,702   |
| - Profit repartizat la rezerve   | 2,650       | 2,650       |
| Numerarul net provenit din activitati de exploatare                                | 8,720,888   | 4,739,037   |
|  |             |             |
| Fluxuri de numerar din activitati de investitii                                    |             |             |
| - Plati privind achizitii de imobilizari   | -4,095,103  | -14,314,564 |
| - Incasari din vanzarea de imobilizari   | 1,117,861   | 148,716     |
| Fluxuri net de numerar din activitati de investitii                                | -2,977,242  | -14,165,848 |
|  |             |             |
| Fluxuri de numerar din activitati de finantare                                     |             |             |
| - Incasari din imprumuturi   | 25,235,603  | 39,244,864  |
| - Plati privind rambursarea imprumuturilor   | -30,330,413 | -29,652,639 |
| - Incasari din subventii pentru investitii _Fonduri Europene                       | 0           | 0           |
| - Variatia datoriilor legate de operatii de finantare                              | 0           | 0           |
| Fluxuri de numerar din activitati de finantare                                     | -5,094,810  | 9,592,225   |

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|   |            |            |
|---|------------|------------|
| Cresterea / (Descresterea) neta a numerarului           | 648,836    | 165,414    |
| Numerar și echivalent de numerar la inceputul perioadei | 12,719,496 | 12,554,082 |
| Numerar și echivalent de numerar la sfarsitul perioadei | 13,368,332 | 12,719,496 |

Director general,  
Ioan STANCIU

Şef Depart.Financiar Contabil  
Mircea BONTA

### **POLICIES AND PRESENTATION NOTES RELATING TO FINANCIAL STATEMENTS on December 31, 2019**

#### A. OVERVIEW

##### The 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 for motor vehicles" code CAEN - 2932.

It was constituted by transforming the "Subsembling and Parts Company for Transportation" Oradea into a joint stock company in accordance with the provisions of Law no. 15/1990. The activity of the company actually started in 1951 when the company "BERNATH ANDREI" focused on the production of consumer articles for the population was founded in Oradea. From 1954 the unit specializes in the manufacture of components for means of transport. In 1968 the components for the DACIA 1300 car were massively assimilated, the unit changing its name into the "Transport Equipment Accessories Company" registering in 1969 and the "UAMT" mark of the unit. With over 22 years experience in the field on 23.11.1990, the reorganization of the unit in 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, Str. Uzinelor no.8, registered with the Trade Register under no. J05 / 173/1991, fiscal identification code RO 54620

##### Entity entered into consolidation

For the financial year of 2019, SC AMT INVESTMENT SRL was included in the consolidation, having the following identification data:

Company name: SC AMT INVESTMENT SRL  
Registered office: Com. Sacadat no.428B, Bihor County  
Unique registration code: 27799024  
Registration of the Trade Register: J5 / 1583/2010  
Share capital: 4,545,000 lei

SC AMT INVESTMENT SRL shares are not traded on the regulated market of securities.  
The company is managed by Mr. Ioan Stanciu as administrator with full powers and unlimited term of office.

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The shareholding held by SC UAMT SA Oradea is 99% and the participation held by non-controlling interests is 1%.

### Description of the activity SC UAMT SA

The activity object of SC UAMT SA is provided in art. 6 of the Articles of Incorporation 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 for motor vehicles".

The activity of the company is focused on the production and commercialization of the parts and subassemblies for means of transport, the castings from non-ferrous alloys, the injected parts from plastic masses, the vulcanized rubber parts.

The company is located in the northwest of Romania in the city of Oradea at 8 km from the border, in the immediate vicinity of the European road E60, having means for supply and delivery on both rail and car.

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

- mechanical machining by cutting (turning, milling, drilling, flat and round grinding) on classic and CNC machines;
- cold press processing;
- injection of parts from plastic masses (polyethylene, polyacetals, polyamides, including reinforced with glass fibers, etc.) with a weight of up to 1.2 kg;
- dyeing through the cataphoresis process;
- electrochemical coatings (zinc, nickel, chromium, black chromium, etc.);
- welding of metals (electric, autogenous, spot welding, welding in CO2 protective atmosphere, with or without manipulating robots);
- heat treatments;
- Electro-erosion processing (with massive electrode and wire);
- assembly of products;

- The main products of the company are:
- stamped marks;
- marks protected against corrosion by electrochemical coating;
- car components;
- SDV;
- car spare parts.

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

**S.C. UAMT S.A. Oradea**  
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## **1. Declaration of conformity**

The individual and consolidated financial statements have been prepared in accordance with:

- o International Financial Reporting Standards (IFRS), adopted by the European Union;
- o Law 82 of 1991, of the accounting republished and updated;
- o Order 10 of 2019 for the approval of the Accounting Regulations conforming to the International Financial Reporting Standards, applicable to the companies whose securities are admitted to trading on a regulated market, with the subsequent modifications and completions.

The annual financial statements as at 31.12.2019 are in accordance with the reporting regulations on entities whose securities are admitted to trading on a regulated market applying the Accounting Regulations in accordance with the International Financial Reporting Standards, set out in point 1.1 of Annex 3 to the Minister's Order Public Finance no.470 / 2018, regarding the main issues related to the preparation and submission of the annual financial statements and the annual accounting reports of the economic operators at the territorial units of the Ministry of Public Finance.

The accounting records of the company are maintained in lei, in accordance with the Romanian Accounting Regulations (RAS). Correspondingly, the accounts in the form of RAS are adjusted, if necessary, to harmonize the individual financial statements in the significant aspects with the International Financial Reporting Standards adopted by the European Union (IFRS).

The individual financial statements were authorized for issuance and publication by the Board of Directors meeting on 02.03.2020.

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

The individual financial statements are presented in accordance with the requirements of IAS 1 - "Presentation of the financial statements". The company adopted a liquidity presentation in

the framework of the financial position statement and a presentation of the income and expenses by functions within the profit or loss situation, considering that these presentation methods provide information that is credible and more relevant than those that would have been presented based on other methods allowed by IAS 1.

The individual financial statements prepared on 31.12.2019 include:

1. The financial position statement
2. Statement of profit or loss and other elements of the overall result
3. Statement of changes in equity
4. Statement of cash flows
5. Additional data regarding the individual financial statements presented in the Explanatory Notes

### **2.1 The basis of consolidation**

## **S.C. UAMT S.A. Oradea**

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The consolidated financial statements include the financial statements of the parent company SC UAMT SA Oradea and those of the company entered into the consolidation (subsidiary) SC AMT INVESTMENT SRL as an entity controlled by the parent company.

For the preparation of the consolidated financial statements, the method of global integration was used.

### **3. Functional currency**

The management of the company considers that the functional currency, as defined by IAS 21 - "The effects of the exchange rate change", is the Romanian leu (lei), which is the currency of the main economic environment in which the company carries out its activity and best reflects the effect. of transactions and events on the entity. The individual financial statements are presented in lei, rounded to the nearest leu, a currency that the company management has chosen as the presentation currency.

The accounting of the operations carried out in foreign currency is kept both in national currency and in foreign currency. Currency is understood to be a currency other than the leu.

### **4. Basics of evaluation**

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

- The valuation of assets and liabilities was carried out as follows:
- Inventories are valued at the lower of cost and net realizable value.
- Property, plant and equipment are initially valued:
  - at the cost of purchase, for those purchased for free;
  - at the contribution value, for those received as contribution in kind at the constitution / increase of the share capital;
  - at the fair value from the date of acquisition, for those received free of charge.
- For the subsequent recognition, the revaluation model was adopted at the company level.
- Intangible assets were initially valued at cost. After recognition, the intangible assets are accounted for using the cost-based model, that is, 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 a financial debt that is not at fair value through profit or loss, the transaction costs that can be directly attributed to the acquisition or issuance.

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

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 or historical cost.

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## **5. Use of estimates and judgments**

The preparation of the individual financial statements according to the International Financial Reporting Standards adopted by the European Union ("IFRS") implies the use by the management of some estimates, judgments and assumptions that affect the application of the accounting policies as well as the reported value of assets, liabilities, revenues and expenses. . The judgments and assumptions associated with these estimates are based on historical experience and other factors considered reasonable in the context of these estimates. The results of these estimates form the basis of judgments regarding the book values 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 when the estimate is revised, if the revision affects only that period, or in the period when the estimate is revised and future periods if the revision affects both the current and future periods. Changing the estimates, by its nature is not related to previous periods and does not represent the correction of an error.

Except for the presentation of the effect of the modification of 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 period.

## **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 based on the assumption that the company will continue its activity in the foreseeable future. In order to evaluate the applicability of this hypothesis, the management analyzes the forecasts regarding the future cash inflows.

If a standard or an interpretation is specifically applied to a transaction, other event or condition, the accounting policies applied to that element are considered chosen, by applying the standard or interpretation, taking into account any implementation guidance issued by the IASB for the standard or interpretation in question.

Accounting policies are applied consistently for transactions, events and others

similar conditions, except where a standard or an interpretation imposes or allows the classification of categories, for which policies other than the previous ones may apply.

The significant errors of the previous periods found regarding the recognition, evaluation, presentation or description of the elements of the financial statements must be corrected retroactively in the first set of situations that are authorized for issuance, by:

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

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

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The reference currency

The elements included in the individual financial statements are evaluated in the national currency, the Romanian leu (RON), the currency that most accurately 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

Currency transactions are recorded in accounting, both in currencies and in lei (RON).

The conversion of transactions from a foreign currency into Romanian lei (RON) is made on the basis of the exchange rate, in force at the date when the transactions take place.

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

Gains and losses from exchange rate differences arising from the settlement of transactions carried out in other currencies and from the conversion of monetary assets and liabilities expressed in foreign currency are recognized in the profit and loss account in the financial result, unless they are recorded. , according to the specific legislation, in equity as instruments for hedging against the risks of 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 rate differences. Conversion differences related to non-monetary items, such as equity securities, are reported as follows:

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

The exchange rates of the main foreign currencies were:

| Valuta               | 31 decembrie 2019 | 31 decembrie 2018 |
|----------------------|-------------------|-------------------|
| Euro (EUR)           | 4,7793            | 4.6639            |
| Dolar american (USD) | 4.2608            | 7.0736            |

**b). Cash and cash equivalents**

Cash and cash equivalents are presented in the balance sheet at cost. In order to prepare the cash flow statement, the cash and cash equivalents include the house, bank accounts, including deposits with maturity of 3 months or less, cash in transit, and facilities to be discovered. In the balance sheet, the overdraft facilities are recognized as current liabilities in short-term loans.

**c). Financial assets and liabilities**

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



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- ☒ accounts receivable and commercial debts;
- ☒ tickets to be received and payable;
- ☒ availabilities in lei and in foreign currency;
- ☒ short term bank loans;

The company classified the financial instruments held according to the prescription made by IAS 39, in the category: loans and receivables

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

According to International Accounting Standard IAS 39 - "Financial Instruments: Recognition and Evaluation", the company's receivables represent the financial assets created by the company by supplying 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 held for trading.

The commercial debts derive from transactions with natural or legal persons (purchase of goods, works or services), in which the company has to make a payment or a consideration in a period of time up to a maximum of 3 months.

International Accounting Standard IAS 1 - "Presentation of Financial Statements" classifies a debt as 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 debts must be classified as current, regardless of their maturity.

Trade receivables and liabilities 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. These should only be recognized when the company becomes part of a contract and, as a result, has the legal right to receive cash or, respectively, has the legal obligation to pay.

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

Interest payable and receivable are recorded as financial expenses or income. The transactions of sale and purchase of foreign currency are recorded in accounting at the rate used by the bank at which the auction is conducted, without these generating differences in exchange rate in accounting.

### **d). Property and equipment**

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

Tangible fixed assets recognized as assets are initially valued at cost by the company. Property, plant and equipment are initially valued at the cost of acquisition (for those purchased on an onerous basis), at the carrying amount (for those received as a contribution in kind upon the

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creation / increase of share capital), respectively at the fair value from the date of acquisition (for those received). free of charge).

The cost of an item of property, plant and equipment consists of the purchase price, including non-recoverable taxes, after deducting any commercial price reductions and any costs that can be directly attributed to bringing the asset to the location and under the condition that it can be used in the desired management purpose, such as: expenses with employees that result directly from the construction or acquisition of the asset, the costs of setting up the site, the initial costs of delivery and handling, the costs of installation and assembly, professional fees.

According to IFRS 1, if an entity uses the fair value as an assumed cost for an item of tangible assets, a real estate investment or an intangible asset in the opening position of the financial position, the first financial statements of the entity prepared in accordance with International Financial Reporting Standards must to present for each element of the opening statement of the financial position in accordance with the International Financial Reporting Standards:

- the aggregate value of those fair values; and
- aggregate adjustment of accounting values reported in accordance with previous accounting principles

The value of the tangible and intangible assets of the company as of December 31, 2018 and December 31, 2019 is detailed in note 1 and 2.

For the subsequent recognition, the revaluation model was adopted at the company level. The value of the revalued asset being its fair value at the date of the revaluation minus any subsequent accumulated depreciation and any accumulated impairment losses. The revaluations should be done with sufficient regularity to ensure that the carrying amount does not differ significantly from what would have been determined by using the fair value at the balance sheet date. The revaluations are performed by ANEVAR certified independent evaluators. The revalued value (in addition) replaces the purchase cost. The additional differences from the revaluation are reflected in accounting for other elements of the overall result and accumulated in the equity as a revaluation surplus (unless the increase compensates for a decrease from the revaluation prior to the same asset previously recognized in profit or loss, in which case the increase is recognized directly in profit or loss). The differences minus from the revaluation are recognized in profit or loss (unless the decrease compensates for a previous increase in the revaluation, accumulated in equity as a revaluation surplus, in which case the reduction is recognized in other elements of the overall result, reducing the surplus from revaluation).

The revaluation surplus included in equity for an item of property, plant and equipment is transferred directly to the deferred income when the asset is recognizable. This involves the transfer of the entire surplus when the asset is withdrawn or transferred. Transfers from the revaluation surplus to the deferred result are not carried out by profit or loss and are subject to any restrictions in case of distribution to shareholders.

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 commitment accounting, appropriately influencing the profit and loss account of the period.

The amounts paid or payable, generated by the operations that lead to an increase in the value and / or the life, by modernizing the property, plant and equipment owned, respectively those operations that lead to a significant improvement of the technical parameters, to an increase of

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the potential of generating some economic benefits by them, they are capitalized (correspondingly increase the book value of the respective fixed assets).

#### ***amortization***

Amortization expenses for each period are recognized in profit or loss only if they are not included in the carrying amount of another asset. The depreciation is calculated at the carrying amount (acquisition cost or revalued value) using the linear depreciation method, over the estimated useful life of the assets and is included monthly on the company's expenses.

The depreciation of an asset begins when it is available for use, that is, when it is in the location and condition necessary to function in the desired management manner. The depreciation of an asset ceases at the earliest 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 at the date when the asset is derecognised. Therefore, depreciation does not cease when the asset is not used or is depreciated, unless it is fully depreciated. However, according to usage-based depreciation methods, depreciation expense can be "zero" when there is no production. Each part of an item of property, plant and equipment at a significant cost to the total cost of the item must be amortized separately. The residual value and the useful life of an asset must be reviewed at least at the end of each financial year. If the expectations differ from other previous estimates, the change (s) must be accounted for as an accounting 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 method of linear depreciation, allocating costs related to the residual value in accordance with the related life.

The lifespan related to tangible fixed assets currently existing is:

- Construction 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 must verify that there are indications of impairment of assets. If such indications are identified, the entity must estimate the recoverable amount of the asset. If the carrying amount of an asset is impaired as a result of a revaluation, this decrease must be recognized in profit or loss. However, the reduction must be recognized in other comprehensive income to the extent that the revaluation surplus presents a credit balance for that asset. The reduction recognized in other elements of the overall result reduces the amount accumulated in the equity as a revaluation surplus.

#### ***derecognition***

The carrying amount of an item of property, plant and equipment should be derecognised:  
- upon surrender; or

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

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

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

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

In order to recognize an asset as an intangible asset, the entity must demonstrate that the item meets the following:

a) the definition of an intangible asset, respectively:

- is separable, that is, it can be separated or divided by the entity and sold, transferred, authorized, rented or exchanged, either individually or together with a corresponding contract, asset or 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 probable that the future economic benefits expected to be attributed to the fixed assets will rest with the entity;

- the cost of an asset can be reliably evaluated

An intangible asset must be initially valued at cost.

The cost of an intangible asset acquired separately consists of:

a) its purchase price, including import duties and non-refundable purchase fees, after deduction of commercial 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 symbolic consideration, through a government grant, the entity initially recognizes the asset at par value plus any expenses, directly attributable to the preparation of the asset for the intended use.

Intangible assets, in accordance with generally accepted regulations, cannot be acquired through exchanges of assets, these being treated as separate deliveries.

#### ***amortization***

The expense related to the acquisition of manufacturing patents, registered trademarks and licenses is capitalized and amortized on the basis of the linear method over their lifetime, which may not exceed 5 years.

The average depreciation period of the 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 for increasing value or both, and not for use in the production or supply of goods or services or for administrative purposes or to be sold during the normal course of business.

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Certain properties include a part that is held for rent or for the purpose of increasing value and another part that is held for the purpose of producing goods, providing services or for administrative purposes. If these parts can be sold separately (or rented separately under a financial lease), then they are accounted for separately. If the parties cannot be sold separately, the property is treated as a real estate investment 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:

- it is probable that a future economic benefit associated with the element will enter the entity;
- the cost of the asset can be reliably determined.

### **evaluation**

An investment property is initially valued at cost, including trading costs. The cost of a purchased real estate investment consists of its purchase price plus any directly attributable expenses (for example, professional fees for providing legal services, property transfer fees and other trading costs). The cost-based model is specified in IAS 16 - "Property, plant and equipment" and provides that a real estate investment will be valued after the initial assessment at amortized cost less any accumulated impairment loss.

The value of the real estate investments of the company at December 31, 2018 and December 31, 2019 is detailed in note 3.

### **Further evaluation**

The accounting policy of the company regarding the subsequent evaluation 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 evaluated in accordance with the provisions of IFRS 5 - "Fixed assets held for sale and discontinued activities"

### **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 real estate investment valued at fair value to tangible assets, the implicit cost of the asset for the purpose of its subsequent accounting will be its fair value from the date of the change of use.

### **depreciation**

The same accounting policies apply as for tangible assets.

### **derecognition**

The carrying amount of a real estate investment is derecognised at the disposal or when the investment is definitively withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses resulting from the sale or sale of a real estate investment are recognized in the profit or loss account when it is sold or sold.

## **g). Prezentarea contractelor de leasing financiar**

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Financial leasing at the beginning of the period is recognized in the statement of financial position as an asset and liabilities equal to the fair value of the asset under leasing or the present value of the minimum leasing payments, if the latter is lower, each is determined at the beginning of the lease. The financial leasing gives rise to depreciation expenses related to depreciable assets, pecum and financial expenses, in each accounting period. The depreciation policy used for the 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 obtain the property right until the end of the lease term, the asset must be fully repaid over the shortest period between the lease term and its useful life.

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 the contracts and all relevant facts and circumstances when applying this standard. The Company consistently applies this standard for contracts with similar characteristics and under similar circumstances.

Thus, the company will recognize the rights of use and a lease debt in the balance sheet and in the profit and loss account, where the amortization of the use rights and the interest applied to the lease debt must appear. This means that instead of a lease payment in accordance with IAS17, the cost of the lease agreements will be recognized from now on in accordance with IFRS16 through linear amortization and interest.

#### **h). Subsidies on assets**

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, either by deducting the subsidy to obtain the book value of the asset. Two methods of presenting subsidies (or a corresponding portion of subsidies) regarding assets in financial statements are considered as acceptable alternatives.

The method used by SC UAMT SA, implies the deduction of the subsidy from the calculation of the book value of the asset. Each part of the subsidy is recognized in the profit or loss account throughout the life cycle of the depreciable asset as a deduction of the depreciation expense.

#### **i). Inventories**

Inventories are valued at the minimum value between cost and net realizable value, in accordance with IAS 2 - "Stocks".

Inventory cost includes all acquisition costs, conversion costs, as well as other costs incurred to bring the stock into and out of place. 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 determining the cost of the stock of realized products, the normal levels of consumption of materials, consumables, labor and the efficient use of production capacities are taken into account. These levels are reviewed periodically and adjusted according to current conditions.

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

**j). Impairment 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 the existence of impairment indices. If such indications exist, the recoverable amount of the respective 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 cash-generating unit is the maximum between the use value and its fair value less costs to sell that asset or unit. To determine the value of use, future cash flows are updated using a pre-tax discount rate that reflects current market conditions and risks specific to that asset.

Impairment losses recognized in prior periods are evaluated at each reporting date to determine whether they have decreased or no longer exist. Impairment loss is resumed if there has been a change in the estimates used to determine the recovery value. Impairment loss is resumed only if the carrying amount of the asset does not exceed the accounting value that would have been calculated, net of depreciation and depreciation, if the impairment loss had not been recognized.

**k). dividends**

Dividends related to ordinary shares are recognized as a liability to shareholders in the financial statements during the period when they are approved by the shareholders of the company. The profit available for distribution is the profit of the year recorded in the financial statements prepared in accordance with the International Financial Reporting Standards. The company's own shares, acquired in accordance with the provisions of Articles 103 ^ 1 and 104 of Law 31/1990, do not give the right to dividends during 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 time placement or value.

Provisions are recognized when the company has a legal or implicit present obligation as a result of past events and when it is probable that a consumption of resources will be necessary to extinguish the obligation. Also, a reliable estimate of the amount of this obligation must 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 carried out if the company fulfills its obligations and the amount recognized as reimbursement will not exceed the provision;

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b) recognize the amount repaid 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 subtracted.

Provisions are re-analyzed at the end of the reporting period and adjusted to reflect the best current estimate. If the outflow of resources that incorporate economic benefits is no longer probable, the provision should be canceled.

Provisions are not recognized for the costs that are incurred to carry out the activity in the future.

The company records provisions for onerous contracts in situations where the estimated benefits to be obtained from a contract are lower than the inevitable expenses associated with fulfilling the 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 for settlement of the obligation and when a credible estimate can be made regarding the value of the obligation.

### **m) Revenue**

The revenues recorded by the company are accounted for by their nature (operating, financial). When the result of a transaction involving the provision of services cannot be estimated reliably, the income must be recognized only within the limit of the recognized expenses that can be recovered.

The revenues from the provision of services are recorded in accounting as they are performed. The provision of services includes the execution of works and any other operations that cannot be considered as deliveries of goods. The recognition also requires that there is 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 evaluated.

The proceeds from the sale of the goods are recognized when the significant risks and rewards of ownership have been transferred to the buyer,

the company no longer manages the assets and no longer has effective control over them. Revenue and expenditure relating to the same transaction are recognized simultaneously.

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

The 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 increases in equity. Therefore, they are excluded from income. Similarly, in the case of a mandate contract, the gross income of economic benefits includes the amounts collected in the name of the principal and which do not result in increases in the equity of the entity. The sums collected on behalf of the principal do not represent income. Instead, revenues are represented by the value of commissions.

Interest income and expenses 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



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period or for shorter periods if the transaction costs are linked to this period, when it is established that the company will get such income. When the unpaid interest was accrued prior to the purchase of an interest bearing investment, subsequent interest payments are distributed between the pre-acquisition and post-acquisition periods; only the post-acquisition part is recognized as income.

The revenues from financial assets, are recognized in the financial statements of the company on the date on which the company right to receive these revenues is established.

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

The income realized from the sale / transfer of the owned shares will be recognized on the date when the ownership right over them is transferred from the seller to the buyer, using the accounting of the settlement date.

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

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

#### *Short-term benefits*

The obligations with short-term benefits granted to the employees are not updated and are recognized in the overall result situation 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 the amounts expected to be paid by way of short-term cash premiums or employee participation schemes for profit, provided that the company currently has a legal or implied obligation to pay those amounts as a result of the past services provided by the employees and whether the obligation can be reliably estimated.

#### *Determined contribution plans*

The company makes payments on behalf of its 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 profit or loss account of the period when they are made.

The company has no additional obligations.

#### *Long-term employee benefits*

The net obligation of the company regarding the benefits related to the long-term services is represented by the value of the future benefits that the employees have gained in exchange for the services provided by them during the current period and in previous periods.

The company is not engaged in any independent pension system or other post-retirement benefits system and has no other obligations in this regard. The company has no obligation to grant employees benefits at the time of retirement.

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

Transactions in foreign currency are recorded in the functional currency (leu), by converting the amount in foreign currency at the official exchange rate communicated by the National Bank of Romania, valid at the date of the transaction. The monetary items expressed in foreign currency are converted using the closing exchange rate.

Price differences arising on the settlement of monetary items or conversion of monetary items at different rates from those at which they were converted to initial recognition (during the period) or in previous financial statements are recognized as a loss or gain in the profit or loss account. loss in the period in which they occur.

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

The income tax for the year includes the current tax and the deferred tax.

The income tax is recognized in the statement of comprehensive income or in other elements of

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

The current tax is the tax payable related to the profit realized during the current period, determined on the basis of the percentages applied at the reporting date and of all the adjustments related to the previous periods. For the financial year ended December 31, 2019, the corporate income tax rate was 16% (December 31, 2018: 16%).

Deferred tax is determined by the company using the balance sheet method for those temporary differences that appear between the fiscal basis for calculating the tax for assets and liabilities and their accounting value, 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 that are not business combinations and which neither affect the accounting nor the fiscal profit and differences arising from investments in subsidiaries, provided that they are not resumed in the near future.
- The deferred tax is calculated on the basis of the tax rates that are expected to be applicable to the temporary differences upon their resumption, based on the legislation in force at the reporting date. Receivables and debts with deferred tax are offset only if there is a legal right to offset current debts and debts with tax and if they are related to the tax corrected by the same tax authority for the same entity subject to taxation or for different tax authorities but wishing to settle the claims. and current tax liabilities using a net basis or the related assets and liabilities will be realized simultaneously.

The deferred tax claim is recognized by the company only insofar as it is probable that future profits may be used to cover the tax loss. The claim 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.

### **r). Earnings per share**

The company presents the result per basic share for ordinary shares. The result per basic share is determined by dividing the profit or loss attributable to the ordinary shareholders of the

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company to the weighted average number of ordinary shares related to the reporting period.

#### **s). Segment reporting**

A segment is a distinct component of the company that provides certain products or services (segment of activity) or provides products and services in a certain geographical environment (geographic segment) and which is subject to risks and benefits different from those of the other segments. As of December 31, 2019, the company did not identify significant reportable activity or geographical segments, the export volume in the turnover being presented in the annual report.

#### **t). Determination of fair value**

Certain accounting policies of the Company 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 information based on the methods described below. When appropriate, additional information regarding the assumptions used to determine the fair value is presented in the notes specific to the respective asset or debt. Fair value is the price that would have been received as a result of the sale of an asset or the price it would have paid to transfer a debt through a normal transaction between market participants at the valuation date, regardless of whether this price is observable or estimated using a technique. direct evaluation. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability that market participants would consider in determining the price of the asset or liability at the valuation date.

In addition, for financial reporting purposes, fair value assessments are classified at Level 1.2 or 3, depending on the degree to which the information required to determine the fair value the importance of this information for the Company is also observable, as follows:

- Level 1 information - prices quoted (unadjusted), on active markets, for assets and liabilities identical to those that the Company evaluates;
- Level 2 information - information, other than quoted prices included in level 1, which are observable for the asset or liability evaluated, directly or indirectly; and
- Level 3 information - information not observable for the asset or liability

Fair values were determined for the purpose of evaluating and / or presenting information based on the methods described below. When appropriate, additional information regarding the assumptions used in determining fair values is presented in the notes specific to the respective asset or debt.

##### **o Trade and other receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, updated using a market-specific financing rate at the time of financial reporting. This value is determined for informational purposes. (level 3)

##### **o Interest-bearing loans**

The fair value of these items is estimated as the present value of future cash flows representing principal and interest, updated using a market-specific financing rate at the time of financial reporting. This value is determined for information purposes. (level 3)

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o Property, plant and equipment

The fair value of these elements was established following the reassessment carried out by an independent evaluator, ANEVAR member, using the comparison method for land and the method of updating the financial flows for buildings and constructions. (level 2)

**u). New standards and interpretations**

The Company does not apply any IFRS or new 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 upon their entry into force.

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

**1. New standards, amendments to existing standards** and new interpretations issued by the International Accounting Standards Board ("IASB") and adopted by the European Union ("EU") that are applicable to the company entered into force in the year current:

- IFRS 16 "Leasing" - adopted by the EU on October 31, 2017 (applicable for annual periods beginning on or after January 1, 2019);
- Amendments to IFRS 9 "Financial Instruments" - Negative Offset Prepayment Features - adopted by the EU on March 22, 2018 (applicable for annual periods beginning on or after January 1, 2019);
- Amendments to IAS 19 "Employee benefits" - Modification, reduction or settlement of the plan - adopted by the EU on March 13, 2019 (applicable for annual periods beginning on or after January 1, 2019);
- Amendments to IAS 28 "Investments in associates and joint ventures" - Long-term interests in associates and joint ventures - adopted by the EU on February 8, 2019 (applicable for annual periods beginning on or after January 1, 2019);
- Amendments to various standards as a result of "Improvements to IFRS (2015-2017 Cycle)" resulting from the annual IFRS Improvement Project (IFRS 3, IFRS 11, IAS 12 and IAS 23) with the main purpose of eliminating inconsistencies and clarify certain formulations - adopted by the EU on March 14, 2019 (applicable for annual periods beginning on or after January 1, 2019)
- IFRIC 23 "Uncertainties regarding the treatment of income tax" - adopted by the EU on October 23, 2018 (applicable for annual periods starting on or after January 1, 2019).

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The accounting policies of the company are updated regularly to comply with the applicable provisions of the standards in force. The adoption of these new standards, amendments to existing standards and new interpretations had no significant impact on the company's financial statements.

**2. Standards and interpretations** issued by the IASB and adopted by the EU, but not in force At the time of the authorization of these annual financial statements, the following amendments to the existing standards issued by the IASB and adopted by the EU are not yet in force:

- Amendments to IAS 1 "Presentation of financial statements" and IAS 8 "Accounting policies, changes in accounting estimates and errors" - definition of materiality (applicable for annual periods starting on or after 1 January 2020);
- Amendments to the References to the Conceptual Framework in IFRS standards (applicable for annual periods beginning on or after January 1, 2020). The company anticipates that none of these will have a significant impact on its annual financial statements in the year in which they will be applied for the first time. The company will apply these standards from the effective date of their application.

**3. Standards and interpretations issued** by the IASB but not yet adopted by the EU At the time of the authorization of these annual financial statements, IFRS as adopted by the EU does not differ significantly from the regulations adopted by the IASB, with the exception of the following standards and amendments to the existing standards applicable to the company, the application of which has not been approved until the reporting date of these financial statements:

- Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosure Information" - Reform of the interest rate benchmark (applicable for annual periods beginning on or after January 1 2020);
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in associates and joint ventures" - Sale or contribution of assets between an investor and his associate or joint venture and other amendments (effective date has been deferred for an indefinite period until the end of the research project regarding the method of equivalence).

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

This set of financial statements is prepared in accordance with International Financial Reporting Standards. The company adopted the reporting according to International Financial Reporting Standards as of December 31, 2012.

Accounting policies have been consistently applied to all financial years presented, unless otherwise specified.

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

The company declares that it has prepared annual financial statements for the financial year ended December 31, 2019 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, to the Order. Deputy Prime Minister, Minister of Public Finance no. 2844/2016, as subsequently amended and supplemented.

The individual and consolidated financial statements are presented in accordance with IAS 1 "Presentation of the financial statements". The company adopted a presentation based on liquidity in the statement of financial position and a presentation of revenues 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. IAS 1 permit.

#### **C. PRESENTATION NOTES**

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

##### **1. TANGIBLES**

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 IFRS opening balance sheet for tangible assets represent fair values at the date of transition to IFRS "as its assumed cost at that date" IFRS1 BC41.

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

Borrowing costs (interest and commissions related to these contracted loans) that are directly attributable to the purchase, construction or production of an asset are included in the cost of that asset. The depreciation is linear, the depreciation periods are set between 4-60 years. Tangible fixed assets deriving from the assets through sale, disposal or other means of exit, are reflected in the profit and loss account at the net book value.

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

No adjustments were made for the 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 as a result

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considered that it is not necessary to record an adjustment regarding the depreciation of the assets of the technical installations and means of transport.

The company proceeded to reassess the fixed assets at 31.12.2017, the result of the revaluation found included in the present financial statements.

### Individual situation of tangible assets:

➤ Tangible fixed assets at net value in 2019:

| <b>Cost</b>          |                |                |                                    |  |                                     |               |                |
|----------------------|----------------|----------------|------------------------------------|--|-------------------------------------|---------------|----------------|
| 31 decembrie<br>2019 | Terenuri       | Construcții    | Instalații<br>tehnice și<br>mașini | Alte<br>instalații,<br>utilaje<br>și<br>mobilier | Imobilizări<br>corporale<br>în curs | Avansuri      | TOTAL          |
| Sold inițial         | 13,894,89<br>7 | 18,074,52<br>1 | 32,275,33<br>6                     | 147,777  | 15,652,25<br>9                      | 1,888,30<br>7 | 81,933,09<br>7 |
| Intrări              | 0              | 22,321         | 17,007,96<br>9                     | 34,848   | 4,624,192                           | 419,542       | 22,108,87<br>2 |
| Ieșiri               | 158,472        | 0              | 148,914                            | 6,080  | 14,454,22<br>2                      | 2,307,84<br>9 | 17,075,53<br>7 |
| Sold final           | 13,736,42<br>5 | 18,096,84<br>2 | 49,134,39<br>1                     | 176,545  | 5,822,229                           | 0             | 86,966,43<br>2 |

| <b>Ajustări</b>   |          |             |                                    |  |                                     |          |                |
|---|----------|-------------|------------------------------------|--|-------------------------------------|----------|----------------|
| 31 decembrie<br>2019  | Terenuri | Construcții | Instalații<br>tehnice și<br>mașini | Alte<br>instalații,<br>utilaje<br>și<br>mobilier | Imobilizări<br>corporale<br>în curs | Avansuri | TOTAL          |
| Sold inițial  | 0        | 1,616,172   | 6,655,240                          | 53,910   | 0                                   | 0        | 8,325,322      |
| Ajustari de<br>valoare<br>reprezentând<br>amortizare și<br>deprecieri | 0        | 1,613,360   | 8,128,669                          | 33,973   | 0                                   | 0        | 9,776,002      |
| Ajustări de<br>valoare aferente<br>mijloacelor fixe<br>ieșite         | 0        | 0           | 106,114                            | 1,183  | 0                                   | 0        | 107,297        |
| Sold final  | 0        | 3,229,532   | 14,677,79<br>5                     | 86,700   | 0                                   | 0        | 17,994,02<br>7 |

|  |                |                |                |        |           |   |                |
|--|----------------|----------------|----------------|--------|-----------|---|----------------|
| Valoarea netă a<br>mijloacelor fixe la<br>31.12.2019 | 13,736,42<br>5 | 14,867,31<br>0 | 34,456,59<br>6 | 89,845 | 5,822,229 | 0 | 68,972,40<br>5 |
|--|----------------|----------------|----------------|--------|-----------|---|----------------|

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|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|

### Consolidated statement of tangible assets:

| Cost                 |            |             |                                    |  |                                     |           |            |
|----------------------|------------|-------------|------------------------------------|--|-------------------------------------|-----------|------------|
| 31 decembrie<br>2019 | Terenuri   | Construcții | Instalații<br>tehnice și<br>mașini | Alte<br>instalații,<br>utilaje<br>și<br>mobilier | Imobilizări<br>corporale<br>în curs | Avansuri  | TOTAL      |
| Sold inițial         | 13,916,159 | 18,662,531  | 32,592,354                         | 154,876  | 16,926,247                          | 1,888,306 | 84,140,473 |
| Intrări              | 158,472    | 22,321      | 17,013,870                         | 34,848   | 4,647,864                           | 419,542   | 22,296,917 |
| Ieșiri               | 0          | 0           | 148,914                            | 6,080  | 14,454,222                          | 2,307,848 | 16,917,064 |
| Sold final           | 14,074,631 | 18,684,852  | 49,457,310                         | 183,644  | 7,119,889                           | 0         | 89,520,326 |

| Ajustări  |          |             |                                    |  |                                     |          |            |
|---|----------|-------------|------------------------------------|--|-------------------------------------|----------|------------|
| 31 decembrie<br>2019  | Terenuri | Construcții | Instalații<br>tehnice și<br>mașini | Alte<br>instalații,<br>utilaje<br>și<br>mobilier | Imobilizări<br>corporale<br>în curs | Avansuri | TOTAL      |
| Sold inițial  | 0        | 1,692,260   | 6,785,661                          | 57,925   | 0                                   | 0        | 8,535,846  |
| Ajustari de<br>valoare<br>reprezentând<br>amortizare și<br>deprecieri | 0        | 1,649,616   | 8,182,660                          | 35,346   | 0                                   | 0        | 9,867,622  |
| Ajustări de<br>valoare aferente<br>mijloacelor fixe<br>ieșite         | 0        | 0           | 106,114                            | 1,182  | 0                                   | 0        | 107,296    |
| Sold final  | 0        | 3,341,876   | 14,862,207                         | 92,089   | 0                                   | 0        | 18,296,172 |

|   |            |            |            |        |           |   |            |
|---|------------|------------|------------|--------|-----------|---|------------|
| Valoarea netă a<br>mijloacelor fixe la<br>31-Dec-19 | 14,074,631 | 15,342,976 | 34,595,103 | 91,555 | 7,119,889 | 0 | 71,224,154 |
|---|------------|------------|------------|--------|-----------|---|------------|



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**2. INTANGIBLE ASSETS**

At December 31, 2019, net intangible assets are presented as follows:

***The individual situation***

| <b>Cost</b>  | <b>2019</b> | <b>2018</b> |
|--------------|-------------|-------------|
| Sold inițial | 4,463,412   | 2,216,883   |
| Intrări      | 3,284,225   | 2,248,079   |
| Ieșiri       | 3,219,321   | 1,550       |
| Sold final   | 4,528,316   | 4,463,412   |

| <b>Ajustări de valoare</b>                                | <b>2019</b> | <b>2018</b> |
|---|-------------|-------------|
| Sold inițial  | 871,998     | 693,322     |
| Ajustări de valoare reprezentând amortizare și deprecieri | 238,799     | 180,226     |
| Ajustări de valoare aferente ieșiri imob. necorporale     | 0           | 1,550       |
| Sold final  | 1,110,797   | 871,998     |
| Valoarea netă a imobilizărilor necorporale                | 3,417,519   | 3,591,414   |

***Consolidated situation***

| <b>Cost</b>  | <b>2019</b> | <b>2018</b> |
|--------------|-------------|-------------|
| Sold inițial | 4,463,412   | 2,216,883   |
| Intrări      | 3,284,225   | 2,248,079   |
| Ieșiri       | 3,219,321   | 1,550       |
| Sold final   | 4,528,316   | 4,463,412   |

| <b>Ajustări de valoare</b>                                | <b>2019</b> | <b>2018</b> |
|---|-------------|-------------|
| Sold inițial  | 871,998     | 693,322     |
| Ajustări de valoare reprezentând amortizare și deprecieri | 238,799     | 180,226     |
| Ajustări de valoare aferente ieșiri imob. necorporale     | 0           | 1,550       |
| Sold final  | 1,110,797   | 871,998     |
| Valoarea netă a imobilizărilor necorporale                | 3,417,519   | 3,591,414   |

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Intangible fixed assets are initially recognized at cost in accordance with IAS 38 - "Intangible fixed assets" (revised). This group includes licenses for computer programs and design licenses registered at historical cost subject to amortization by the linear method for a period of 3 to 5 years.

### 3. REAL ESTATE INVESTMENTS

In accordance with IAS 40, and the situation as of December 31, 2019 for real estate investments is as follows:

| Cost                         | 2019      | 2018      |
|------------------------------|-----------|-----------|
| Sold inițial                 | 1,297,626 | 1,297,626 |
| Intrări                      | 0         | 0         |
| Diferențe din rezerve reev.  | 0         | 0         |
| Modificări ale valorii juste | 0         | 0         |
| lesiri                       | 1,297,626 | 0         |
| Sold final                   | 0         | 1,297,626 |

All these real estate investments belong to the parent company. The company included in the consolidation has no real estate investments, so the consolidated situation is identical to the individual one.

The revenues from renting the space amounted to 28,488 lei in 2019, compared with 150,654 lei in 2018.

The asset representing the real estate investment was sold during 2019.

### 4. INVENTORIES

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

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

The criteria that were the basis for the determination of slow moving and non-moving stocks are those related to the date of the last exit from the company warehouse and to the possibilities of using them.

The organization of the stock accounting is carried out by the permanent inventory method. No adjustments were made for impairment.

**b) Other materials** - the inventory objects - are highlighted at the purchase cost, and the exit from the management for the inventory objects in use is made at the historical accounting value.

In management, supply is made according to the need of consumption, and the storage period is small. The inventory items used are fully recognized as expenses, per

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different management places depending on their usefulness. Their management records are kept out of account.

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

Finished product stocks and production in progress is highlighted at standard cost.

They are accounted for using the permanent inventory method.

**d) Commodities** - represents an insignificant part of the stocks that are transferred from commodities to commodities 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 the stock accounting is carried out by the permanent inventory method.

The exit method used is the FIFO method.

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

### *The individual situation*

| <b>Stocuri</b>                | <b>2019</b> | <b>2018</b> |
|-------------------------------|-------------|-------------|
| Materii prime și materiale    | 18,534,967  | 25,510,992  |
| Producția în curs de execuție | 6,235,690   | 4,029,527   |
| Alte materiale                | 42,998      | 27,579      |
| Produse finite                | 4,904,079   | 3,489,358   |
| Valoarea stocurilor           | 29,717,734  | 33,057,456  |

### *Consolidated situation*

| <b>Stocuri</b>                | <b>2019</b> | <b>2018</b> |
|-------------------------------|-------------|-------------|
| Materii prime și materiale    | 18,534,967  | 25,541,030  |
| Producția în curs de execuție | 6,235,690   | 4,047,584   |
| Alte materiale                | 42,998      | 27,579      |
| Produse finite                | 5,178,146   | 3,557,632   |
| Valoarea stocurilor           | 29,991,801  | 33,173,825  |

## 5. TRADE CLAIMS

The commercial receivables of the company are made up of the balance of customers through which the company capitalizes its finished products on the domestic and external market. The value of the receivables on the domestic market is reflected at historical prices. They are recorded according to their age and type. The receivables are presented in the financial statements according to their nature at the probable amount to be received. As of December

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31, 2019, the company has registered adjustments for trade receivables representing clients balance that is unlikely to be collected by the company. Depending on the liquidity term, the book value of the receivables is presented as follows:

***The individual situation***

| <b>Creanțe comerciale</b>              | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
| Clienți                                | 34,778,416  | 46,316,312  |
| Avansuri                               | 964,050     | 429,396     |
| Valoarea creanțelor comerciale         | 35,742,466  | 46,745,708  |
| Ajustări pentru deprecierea creanțelor | 0           | 0           |
| Ajustare constituită în an             | 0           | 0           |
| Ajustare revărsată în an               | 0           | 0           |
| Valoarea ajustări                      | 0           | 0           |
| Valoarea netă a creanțelor comerciale  | 35,742,466  | 46,745,708  |

***Consolidated situation***

| <b>Creanțe comerciale</b>              | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
| Clienți                                | 34,786,636  | 46,348,842  |
| Clienți incerți                        | 0           | 0           |
| Avansuri                               | 964,050     | 431,896     |
| Valoarea creanțelor comerciale         | 35,750,686  | 46,780,738  |
| Ajustări pentru deprecierea creanțelor | 0           | 0           |
| Ajustare constituită în an             | 0           | 0           |
| Ajustare revărsată în an               | 0           | 0           |
| Valoarea ajustări                      | 0           | 0           |
| Valoarea netă a creanțelor comerciale  | 35,750,686  | 46,780,738  |

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

***The individual situation***

| <b>Analiza vechimii</b>      | <b>2019</b> | <b>2018</b> |
|------------------------------|-------------|-------------|
| Creanțe nescadente           | 32,974,603  | 44,075,411  |
| Creanțe restante neajustate: |             |             |
| până la 3 luni               | 0           | 0           |
| între 3 și 6 luni            | 9,621       | 451,351     |
| între 6 și 12 luni           | 49,001      | 1,748,730   |

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|               |            |            |
|---------------|------------|------------|
| peste 12 luni | 1,745,191  | 40,820     |
| TOTAL         | 34,778,416 | 46,316,312 |

**Consolidated situation**

| <b>Analiza vechimii</b>      | <b>2019</b> | <b>2018</b> |
|------------------------------|-------------|-------------|
| Creanțe nescadente           | 32,982,823  | 44,075,411  |
| Creanțe restante neajustate: |             |             |
| până la 3 luni               | 0           | 32,530      |
| între 3 și 6 luni            | 9,621       | 451,351     |
| între 6 și 12 luni           | 49,001      | 1,748,730   |
| peste 12 luni                | 1,745,191   | 40,820      |
| TOTAL                        | 34,786,636  | 46,348,842  |

**6. OTHER RECEIVABLES**

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

**The individual situation**

| <b>Alte creanțe</b>                    | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
| Alte creanțe în legătură cu personalul | 0           | 0           |
| TVA neexigibil                         | 29,303      | 105,464     |
| Debitori diverși                       | 55,057      | 445,939     |
| Alte creanțe - subvenții de încasat    | 2,129,497   | 2,129,497   |
| Alte creanțe                           | 774,580     | 423,153     |
| Alte creanțe sociale                   | 244,688     | 255,105     |
| Valoarea netă a altor creanțe          | 3,233,125   | 3.359.158   |

**Consolidated situation**

| <b>Alte creanțe</b>                    | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
| Alte creanțe în legătură cu personalul | 0           | 0           |
| TVA neexigibil                         | 30,478      | 105,247     |
| Debitori diverși                       | 57,057      | 447,939     |

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|                                     |           |           |
|-------------------------------------|-----------|-----------|
| Alte creanțe - subvenții de încasat | 2,129,497 | 2,129,497 |
| Alte creanțe                        | 774,580   | 3,013     |
| Impozit pe profit                   | 0         | 418,301   |
| Alte creanțe sociale                | 244,688   | 255,105   |
| Valoarea netă a altor creanțe       | 3,236,300 | 3,359,102 |

### 7. CASH AND EQUIVALENTS IN CASH

Accounts in lei and in foreign currency are remunerated with an interest rate established by each bank. Neither the parent company nor the company included in the consolidation have established term deposits.

### 8. SUBSIDIES

At December 31, 2019, the investment subsidies item includes the equipment purchased through the "POS - Increasing economic competitiveness" program carried out by MECMA between 2012 and 2013 for the project "Equipment with high-tech equipment", project funded by the European Regional Development Fund.

The method used by the company involves the deduction of the subsidy from the calculation of the book value of the asset. The portion of the subsidy is recognized in the profit or loss account over the life cycle of the depreciable asset as a deduction from the depreciation expense.

| <b>SUBVENȚII</b>                             | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
| Sold inițial                                 | 3,670,212   | 4,864,426   |
| Recunoscute în contul de profit sau pierdere | 1,139,010   | 1,194,214   |
| Sold final                                   | 2,531,202   | 3,670,212   |

All these subsidies are related to the parent company, so the consolidated situation is identical to the individual one.

### 9. SOCIAL CAPITAL

All shares are ordinary, subscribed and fully paid as of December 31, 2019.

All the 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 that of the shares issued. The securities of the Company (the shares) are listed and traded on the second category of the Bucharest Stock Exchange. All shares have the same voting right. During the years 2019 and 2018 there were no changes in the number of shares issued.

| <b>Aționari</b> | <b>Număr</b> | <b>Valoare (lei)</b> | <b>Procente</b> |
|-----------------|--------------|----------------------|-----------------|
|-----------------|--------------|----------------------|-----------------|

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|   |                                   | acțiuni    |            |        |
|---|-----------------------------------|------------|------------|--------|
| TOTAL conform Depozitarului Central la 31.12.2018,<br>din care: |                                   | 39,481,911 | 17,766,860 | 100%   |
| 1.  | ASOCIAȚIA "PAS-UAMT"              | 14,081,168 | 6,336,526  | 35.67% |
| 2.  | Persoane juridice                 | 4,735,622  | 2,131,030  | 11.99% |
| 3.  | Persoane fizice române și străine | 20,665,121 | 9,299,304  | 52.34% |

| TOTAL conform Depozitarului Central la 31.12.2019,<br>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% |

### 10. REPORTED RESULT

The deferred result comes from the application of the provisions of IAS 29 on the equity (social 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 of differences in revaluation realized transferred to the reported result. .

#### *The individual situation*

|                             | 2019      | 2018      |
|-----------------------------|-----------|-----------|
| Sold initial, la 01.01.2019 | 6,037,477 | 5,008,540 |
| Intrări                     | 974,885   | 1,028,937 |
| Ieșiri                      | -         | -         |
| Sold final, la 31.12.2019   | 7,012,362 | 6,037,477 |

#### *Consolidated situation*

|                        | 2019      | 2018      |
|------------------------|-----------|-----------|
| Sold initial, la 01.01 | 6,098,533 | 5,056,057 |
| Intrări                | 1,015,177 | 1,042,476 |
| Ieșiri                 | 0         | 0         |
| Sold final, la 31.12   | 7,113,710 | 6,098,533 |

### 11. CURRENT RESULT

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In the current result of the year all the elements of income and expenses of the reported period are recognized.

***The individual situation***

|                                   | <b>2019</b> | <b>2018</b> |
|-----------------------------------|-------------|-------------|
| Sold inițial                      | 1,977,555   | 5,763,594   |
| Intrări rezultat curent           | 1,653,294   | 1,977,555   |
| leșiri repartizarea profitului    | 1,977,555   | 5,763,594   |
| Sold final                        | 1,653,294   | 1,977,555   |
| Valoarea profit net de repartizat | 1,653,294   | 1,977,555   |

***Consolidated situation***

|                                   | <b>2019</b> | <b>2018</b> |
|-----------------------------------|-------------|-------------|
| Sold inițial                      | 2,020,496   | 5,778,028   |
| Intrări rezultat curent           | 1,844,503   | 2,020,496   |
| leșiri repartizarea profitului    | 2,020,496   | 5,778,446   |
| Sold final                        | 1,844,503   | 2,020,496   |
| Valoarea profit net de repartizat | 1,844,503   | 2,020,496   |

## **12. OTHER RESERVES**

For the subsequent recognition of tangible assets, the company adopted the revaluation model (IAS 16 pt. 29). The value of the asset based on the revaluation model in accordance with (IAS 16 point 31) being its fair value at the date of the revaluation minus any subsequent accumulated depreciation and any accumulated impairment losses.

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



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According to the legal requirements, the company has constituted legal reserves in the amount of 5% of the profit registered according to the RAS up to the level of 20% of the share capital. The value of the legal reserve as of December 31, 2019 is 3,553,372 lei. The revaluation reserves and the legal reserves are subject to restrictions on distribution to shareholders. Other reserves include the amounts distributed from the profits realized during the financial reporting periods to other sources of financing for investments according to the long-term development strategy of the company.

### **The individual situation**

|              | <b>Rezerve din reevaluare</b> | <b>Rezerve legale</b> | <b>Alte rezerve</b> | <b>TOTAL</b> |
|--------------|-------------------------------|-----------------------|---------------------|--------------|
| <b>2018</b>  |                               |                       |                     |              |
| Sold inițial | 37,979,042                    | 3,553,372             | 29,851,696          | 71,384,110   |
| Intrări      | 0                             | 0                     | 5,763,594           | 5,763,594    |
| Ieșiri       | 1,028,937                     | 0                     | 0                   | 1,028,937    |
| Sold final   | 36,950,105                    | 3,553,372             | 35,615,290          | 76,118,767   |

|              |            |           |            |            |
|--------------|------------|-----------|------------|------------|
| <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 |

### **Consolidated situation**

|              | <b>Rezerve din reevaluare</b> | <b>Rezerve legale</b> | <b>Alte rezerve</b> | <b>TOTAL</b> |
|--------------|-------------------------------|-----------------------|---------------------|--------------|
| <b>2018</b>  |                               |                       |                     |              |
| Sold inițial | 37,979,042                    | 3,554,316             | 29,851,696          | 71,385,054   |
| Intrări      | 0                             | 0                     | 5,763,594           | 5,763,594    |
| Ieșiri       | 1,028,937                     | 0                     | 0                   | 1,028,937    |
| Sold final   | 36,950,105                    | 3,554,316             | 35,615,290          | 76,119,711   |

|              |            |           |            |            |
|--------------|------------|-----------|------------|------------|
| <b>2019</b>  |            |           |            |            |
| Sold inițial | 36,950,105 | 3,554,316 | 35,615,290 | 76,119,711 |
| Intrări      | 0          | 0         | 3,449,182  | 3,449,182  |
| Ieșiri       | 974,886    | 0         | 0          | 974,886    |
| Sold final   | 35,975,219 | 3,554,316 | 39,064,472 | 78,594,007 |

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### 13. LONG-TERM LOANS

At the level of 2019 the company had 2 credits for investments worth 5,240,000 euros, intended for the purchase of machinery and equipment for updating and developing 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 by pledge on the accounts opened at the financing banks. No real estate guarantees were granted.

The loans for investments are recognized at the level of the obtained amounts. Borrowing costs (interest and commissions related to these borrowed loans) that are directly attributable to the acquisition are included in the cost of that asset.

During 2019, the company did not capitalize interest because the purchases for which loans were accessed were put into operation.

Interest rate repayments and interest payments will impact the following financial periods as follows:

| NR.Crt. | Denumire                    | Nr. Contract      | Valoare eur | Valoare folosita pana la 31.12.2019 | Scadent in 2019 | Scadent pana la 1 an (2018) | Scadent intre 1 si 5 ani | Total            |
|---------|-----------------------------|-------------------|-------------|-------------------------------------|-----------------|-----------------------------|--------------------------|------------------|
| 1       | Credit investitii BRD       | 3561 / 11.06.2018 | 3,150,000   | 2,712,602                           | 539.476         | 539.476                     | 1.618.431                | <b>2.697.383</b> |
| 2       | Credit investitii Unicredit | 617 / 08.11.2016  | 2,090,000   | 2,089,101                           | 524.705         | 524.705                     | 480.980                  | <b>1.530.390</b> |

Both investment credits belong to the parent company, the company included in the consolidation not having such loans. The consolidated situation is identical to the individual one.

### 14. OTHER LONG TERM DEBTS

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

| NR.Crt. | Denumire       | Nr. Contract / oferta | Valoare eur (pret achizitie) | Scadent pana la 1 an (2020) | Scadent intre 1 si 5 ani |
|---------|----------------|-----------------------|------------------------------|-----------------------------|--------------------------|
| 1       | ALD Automotive | 005037/001/16.05.2019 | 56.562                       | 22.326                      | 11.163                   |

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|   |                |                       |        |        |        |
|---|----------------|-----------------------|--------|--------|--------|
| 2 | ALD Automotive | 009922/001/13.08.2019 | 61.454 | 26.720 | 20.040 |
|---|----------------|-----------------------|--------|--------|--------|

Both contracts belong to the parent company, the company included in the consolidation not having such debts. The consolidated situation is identical to the individual one.

### 15. COMMERCIAL LIABILITIES

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

#### *The individual situation*

| <b>Datorii comerciale</b>      | <b>2019</b> | <b>2018</b> |
|--------------------------------|-------------|-------------|
| Furnizori                      | 9,566,443   | 23,097,491  |
| Furnizori de imobilizări       | 78,248      | 494,637     |
| Furnizori facturi nesosite     | 1,073,491   | 1,096,417   |
| Valoarea datoriilor comerciale | 10,718,182  | 24,688,545  |

#### *Consolidated situation*

| <b>Datorii comerciale</b>      | <b>2019</b> | <b>2018</b> |
|--------------------------------|-------------|-------------|
| Furnizori                      | 9,575,426   | 23,097,934  |
| Furnizori de imobilizări       | 78,248      | 494,636     |
| Furnizori facturi nesosite     | 1,073,491   | 1,096,417   |
| Valoarea datoriilor comerciale | 10,727,165  | 24,688,987  |

### 16. SHORT-TERM LOANS

As of 31.12.2019, the parent company has a short-term loan, in the form of a multi-product credit line destined to finance the current activity in the amount of 25,000,000 lei.

The company included in the consolidation has no short-term loans.

### 17. CURRENT TAXES

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

***The individual situation***

| <b>Impozite și taxe curente</b>        | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
| Asigurări sociale                      | 716,246     | 956,532     |
| Ajutor somaj                           | 0           | 0           |
| Impozit pe profit                      | 61,041      | 0           |
| TVA de plată                           | 640,578     | 446,312     |
| TVA neexigibil                         | 0           | 0           |
| Impozite aferente salariilor           | 129,080     | 172,154     |
| Avansuri incasate in contul comenzilor | 539,033     | 0           |
| Sold final la 31.12.                   | 2,085,978   | 1,574,998   |

***Consolidated situation***

| <b>Impozite și taxe curente</b>        | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
| Asigurări sociale                      | 716,899     | 956,637     |
| Ajutor somaj                           | 0           | 0           |
| Impozit pe profit                      | 62,865      | 0           |
| TVA de plată                           | 466,848     | 284,836     |
| TVA neexigibil                         | 0           | 0           |
| Impozite aferente salariilor           | 129,194     | 172,172     |
| Avansuri incasate in contul comenzilor | 0           | 0           |
| Sold final la 31.12.                   | 1,375,806   | 1,413,645   |

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

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**18. OTHER CURRENT LIABILITIES*****The individual situation***

| <b>Alte datorii curente</b> | <b>2019</b> | <b>2018</b> |
|-----------------------------|-------------|-------------|
| Datorii salariale           | 498,492     | 840,472     |
| Garanții personal           | 0           | 0           |
| Creditori diverși           | 491,734     | 15,544      |
| Sold final la 31.12.        | 990,226     | 856,016     |

***Consolidated situation***

| <b>Alte datorii curente</b> | <b>2019</b> | <b>2018</b> |
|-----------------------------|-------------|-------------|
| Datorii salariale           | 1,038,548   | 840,633     |
| Garanții personal           | 0           | 0           |
| Creditori diverși           | 193,958     | 15,544      |
| Actionari - conturi curente | 0           | 658,301     |
| Sold final la 31.12.        | 1,232,506   | 1,514,478   |

**19. OPERATING REVENUE**

Revenue represents the gross inflow of economic benefits generated in the course of the normal activity of the company.

***The individual situation***

|   | <b>2019</b> | <b>2018</b> |
|---|-------------|-------------|
| Venituri din producția vândută              | 146,712,254 | 164,237,328 |
| Venituri din vânzarea mărfurilor            | 5,292,273   | 5,822,659   |
| Alte venituri, inclusiv variația stocurilor | 6,833,913   | 337,946     |
| Total venituri din exploatare               | 158,838,440 | 170,397,933 |

***Consolidated situation***

|                                | <b>2019</b> | <b>2018</b> |
|--------------------------------|-------------|-------------|
| Venituri din producția vândută | 147,072,796 | 164,572,434 |

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|   |             |             |
|---|-------------|-------------|
| Venituri din vânzarea mărfurilor            | 5,292,273   | 5,822,659   |
| Alte venituri, inclusiv variația stocurilor | 7,030,148   | 350,468     |
| Total venituri din exploatare               | 159,395,217 | 170,745,561 |

**20. CHELTUIELI PENTRU EXPLOATARE*****The individual situation***

|                                 | <b>2019</b> | <b>2018</b> |
|---------------------------------|-------------|-------------|
| Consumuri materiale             | 108,647,546 | 119,503,243 |
| Costul mărfurilor vândute       | 3,998,723   | 5,303,554   |
| Cheltuieli de personal          | 27,128,242  | 29,103,572  |
| Cheltuieli privind amortizările | 10,032,438  | 8,650,243   |
| Alte cheltuieli                 | 6,471,671   | 4,931,556   |
| Total cheltuieli de exploatare  | 156,278,620 | 167,492,168 |

***Consolidated situation***

|                                 | <b>2019</b> | <b>2018</b> |
|---------------------------------|-------------|-------------|
| Consumuri materiale             | 108,848,555 | 119,720,281 |
| Costul mărfurilor vândute       | 3,998,723   | 5,303,554   |
| Cheltuieli de personal          | 27,149,710  | 29,103,854  |
| Cheltuieli privind amortizările | 10,124,057  | 8,744,714   |
| Alte cheltuieli                 | 6,512,074   | 4,880,218   |
| Total cheltuieli de exploatare  | 156,633,119 | 167,752,621 |

**21. VENITURI ȘI CHELTUIELI FINANCIARE*****The individual situation***

|                       | <b>2019</b> | <b>2018</b> |
|-----------------------|-------------|-------------|
| Venituri financiare   | 226,903     | 531,269     |
| Cheltuieli financiare | 943,521     | 909,943     |

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**Consolidated situation**

|                       | 2019    | 2018    |
|-----------------------|---------|---------|
| Venituri financiare   | 226,907 | 531,270 |
| Cheltuieli financiare | 943,522 | 909,949 |

**22. PROFIT TAX**

Both the parent company and the company included in the consolidation calculate the profit tax according to the Romanian tax legislation. In calculating the profit for the financial year 2019 the company complied with the general accounting principles and the valuation rules to be considered.

The reconciliation between the result of the financial year and the fiscal result, as presented in the profit tax declaration, is presented as follows:

**The individual situation**

|     | Perioada 01.01.2019-31.12.2019  | VALORI      |
|-----|---------------------------------|-------------|
| 1   | VENITURI TOTALE, din care:      | 159,065,343 |
| 1.1 | TOTAL VENITURI IMPOZABILE       | 159,065,343 |
| 2   | CHELTUIELI TOTALE, din care:    | 157,222,141 |
|     | REZERVA LEGALĂ                  | 0           |
| 3   | PROFIT BRUT CONTABIL(1-2)       | 1,843,202   |
| 5   | IMPOZIT PE PROFIT (cota de 16%) | 189,908     |

**Consolidated situation**

|     | Perioada 01.01.2019-31.12.2019  | VALORI      |
|-----|---------------------------------|-------------|
| 1   | VENITURI TOTALE, din care:      | 159,622,124 |
| 1.1 | TOTAL VENITURI IMPOZABILE       | 159,622,124 |
| 2   | CHELTUIELI TOTALE, din care:    | 157,576,641 |
|     | REZERVA LEGALĂ                  | 0           |
| 3   | PROFIT BRUT CONTABIL(1-2)       | 2,045,483   |
| 5   | IMPOZIT PE PROFIT (cota de 16%) | 200,980     |

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**Deferred income tax**

The significant components of the deferred income tax debt included in the financial statements as of December 31, 2019, at a rate of 16% are the following:

|                          | <b>2019</b> | <b>2018</b> |
|--------------------------|-------------|-------------|
| Beneficiile angajaților  | 0           | 0           |
| Impozit amânat - datorie | 0           | 0           |
| <b>IMPOZIT AMÂNAT</b>    | <b>0</b>    | <b>0</b>    |

The deferred tax is related to the parent company, the company included in the consolidation having no deferred tax.

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

***The individual situation***

| <b>Impozit curent</b>                                       | <b>2019</b> | <b>2018</b> |
|---|-------------|-------------|
| Cheluiiala cu impozitul curent aferentă anului              | 189,908     | 583,706     |
| Impozit amânat  |             |             |
| Cheluiiala cu impozitul amânat recunoscută în cursul anului | 0           | 0           |
| Venitul din impozitul amânat recunoscut în cursul anului    | 0           | 34,170      |

***Consolidated situation***

| <b>Impozit curent</b>                                       | <b>2019</b> | <b>2018</b> |
|---|-------------|-------------|
| Cheluiiala cu impozitul curent aferentă anului              | 200,980     | 583,706     |
| Impozit amânat  | 0           | 0           |
| Cheluiiala cu impozitul amânat recunoscută în cursul anului | 0           | 0           |
| Venitul din impozitul amânat recunoscut în cursul anului    | 0           | 34,170      |



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**Distribution of the profit of the consolidated company**

The net profit of the entity entered into consolidation, in the amount of 191209 lei, is distributed in proportion of 99% to the parent company (189,297 lei) and 1% related to the minority interests (1,912 lei).

**23. RESULT PER SHARE**

The profit based on the share is calculated by dividing the profit attributable to the owners of the company by the weighted average of the 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 basic earnings per share.

***The individual situation***

| <b>Rezultatul pe acțiune</b>                      | <b>2019</b> | <b>2018</b> |
|---|-------------|-------------|
| Profitul net atribuibil proprietarilor societății | 1,653,294   | 1,977,555   |
| Numar mediu ponderat de acțiuni ordinare          | 39,481,911  | 39,481,911  |
| Profit pe baza de acțiune                         | 0.042       | 0.050       |

***Consolidated situation***

| <b>Rezultatul pe acțiune</b>                      | <b>2019</b> | <b>2018</b> |
|---|-------------|-------------|
| Profitul net atribuibil proprietarilor societății | 1,844,503   | 2,020,496   |
| Numar mediu ponderat de acțiuni ordinare          | 39,481,911  | 39,481,911  |
| Profit pe baza de acțiune                         | 0.047       | 0.051       |

During 2019 there were no reductions or issuances of ordinary shares of the reporting entity, which could dilute the basic profit per share.

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### 24. EMPLOYMENT INFORMATION

At the end of 2019, compared to the year 2018, the structure of the employees by type of activity, is the following:

#### *The individual situation*

|                          | Nr. mediu efectiv de personal |      |
|--------------------------|-------------------------------|------|
|                          | 2019                          | 2018 |
| Total personal producție | 317                           | 411  |
| Personal TESA            | 81                            | 74   |
| Total personal           | 398                           | 485  |

#### *Consolidated situation*

|                          | Nr. efectiv de personal |      |
|--------------------------|-------------------------|------|
|                          | 2019                    | 2018 |
| Total personal producție | 317                     | 411  |
| Personal TESA            | 82                      | 75   |
| Total personal           | 399                     | 486  |

It is clear from the data presented above that the number of employees in 2019 decreased compared to the previous year. At the company level, in the labor relations regarding elements of a trade union nature, the employees' interests are represented by the employees' representatives.

The company has no obligations for pension plans, other than those provided by Law no.263 / 2011, regarding the unitary system of public pensions.

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

#### *The individual situation*

| Elemente                                      | 2019       | 2018       |
|---|------------|------------|
| Cheltuieli cu salariile și indemnizațiile     | 24,975,330 | 26,654,000 |
| Cheltuieli cu tichetele de masă și de vacanță | 1,523,650  | 1,676,595  |
| Cheltuieli privind asig. și protecția socială | 629,262    | 772,977    |
| Total cheltuieli beneficii :                  | 27,128,242 | 29,103,572 |

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**Consolidated situation**

| Elemente                                      | 2019       | 2018       |
|---|------------|------------|
| Cheltuieli cu salariile și indemnizațiile     | 24,996,330 | 26,654,276 |
| Cheltuieli cu tichetele de masă și de vacanță | 1,523,650  | 1,676,595  |
| Cheltuieli privind asig. și protecția socială | 629,730    | 772,983    |
| Total cheltuieli beneficii :                  | 27,149,710 | 29,103,854 |

The company recorded on the expenses of the company the amount of 3,762,058 lei, representing the salary rights due to the members of the Board of Directors and management, which have 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 not entered into commitments of this nature.

The company did not grant or grant loans or advances, except for salary advances and those for covering delegation expenses, for employees, members of the Board of Directors and management. The Company has not recorded commitments of this nature, as of December 31, 2019.

**25. PRINCIPALII INDICATORI ECONOMICO-FINANCIARI**

**The individual situation**

| Denumirea indicatorului                      | Mod de calcul           | Valori      | Rezultat      |
|--|-------------------------|-------------|---------------|
| 1. Indicatorul lichidității curente          | Active curente          | 80,816,351  | 2.09          |
|  | /Datorii curente        | 38,609,655  |               |
| 2. Indicatorul gradului de îndatorare        | Capital împrumutat      | 17,111,113  | 16.87         |
|  | /Capital propriu x 100  | 101,411,940 |               |
| 2. Indicatorul gradului de îndatorare        | Capital împrumutat      | 14,817,821  | 12.66         |
|  | /Capital angajat x100   | 117,056,407 |               |
| 3. Viteza de rotație a debitelor – clienți   | Sold mediu clienți      | 40,547,364  | 97            |
|  | /Cifra de afaceri x 365 | 152,004,527 | (nr. de zile) |
| 4. Viteza de rotație a activelor imobilizate | Cifra de afaceri        | 152,004,527 | 1.96          |
|  | / Active imobilizate    | 77,504,644  | (nr. de ori)  |

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**Consolidated situation**

| Denumirea indicatorului                      | Mod de calcul           | Valori      | Rezultat             |
|--|-------------------------|-------------|----------------------|
| 1. Indicatorul lichidității curente          | Active curente          | 83,561,564  | 2.19                 |
|  | /Datorii curente        | 38,150,745  |                      |
| 2. Indicatorul gradului de îndatorare        | Capital împrumutat      | 17,111,113  | 16.83                |
|  | /Capital propriu x 100  | 101,657,486 |                      |
| 2. Indicatorul gradului de îndatorare        | Capital împrumutat      | 14,817,821  | 12.62                |
|  | /Capital angajat x100   | 117,397,558 |                      |
| 3. Viteza de rotație a debitelor – clienți   | Sold mediu clienți      | 40,567,739  | 97<br>(nr. de zile)  |
|  | /Cifra de afaceri x 365 | 152,365,069 |                      |
| 4. Viteza de rotație a activelor imobilizate | Cifra de afaceri        | 152,365,069 | 2.04<br>(nr. de ori) |
|  | / Active imobilizate    | 74,641,673  |                      |

Lichiditatea generală este supraunitara, in jurul valorii de 2, asigurând astfel o capacitate rezonabila pentru plata obligațiilor scadente pe termen scurt. Gradul de îndatorare (datorii totale/total active) exprimă în ce măsură firma își finanțeaza activele prin fonduri împrumutate (credite).

## 26. TRANSACTIONS WITH AFFILIATED PARTIES

In 2018, the transactions between the parent company and the company included in the consolidation were limited to the refactoring of electricity in the amount of 6,609.37 lei and a sale of a decommissioned equipment in the amount of 7,500.00 lei. There were no other transactions.

As of 31.12.2018, there were no mutual debts or debts.

## 27. MANAGEMENT OF SIGNIFICANT RISKS

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

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

These notes present information regarding the exposure of the company to each of the risks mentioned above, the objectives of the company for risk assessment and management and the

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procedures used for managing capital.

The policies of the Risk Management Company are defined in such a way as to ensure the identification and

analyzing the risks faced by the company, setting the appropriate limits and controls, as well as monitoring the risks and observing the established limits. The financial assets, which can subject the company to the collection risk, are mainly the trade receivables and the cash availabilities. The company has implemented a series of policies that ensure that the sale of products is made to customers with a proper collection. The value of the net receivables from the impairment adjustments represents the maximum amount exposed to the collection risk. The seniority of the 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 company activities. The company, through its standards and procedures of training and management, wants to develop an orderly and constructive control environment, within which all employees understand their roles and obligations. The auditor performs standard missions for reviewing 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 as a result of the non-fulfillment of the contractual obligations by a client or a counterparty to a financial instrument, and this risk results mainly from the commercial debts and financial investments of the company.

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

*Exposure to credit risk*

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

***The individual situation***

|                                   | <b>2019</b> | <b>2018</b> |
|-----------------------------------|-------------|-------------|
| Creanțe comerciale                | 34,778,416  | 46,316,312  |
| Alte creanțe                      | 4,197,175   | 3,851,028   |
| Numerar și echivalente de numerar | 10,908,581  | 9,720,198   |
| Total                             | 49,884,172  | 59,887,538  |

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|                                   | <b>2019</b> | <b>2018</b> |
|-----------------------------------|-------------|-------------|
| Creanțe comerciale                | 34,786,636  | 46,348,842  |
| Alte creanțe                      | 4,200,350   | 3,790,998   |
| Numerar și echivalente de numerar | 13,368,332  | 12,719,496  |
| Total                             | 52,355,318  | 62,859,336  |

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

***The individual situation***

|               | <b>2019</b> | <b>2018</b> |
|---------------|-------------|-------------|
| Piața internă | 33,815,216  | 46,220,055  |
| Alte regiuni  | 963,200     | 96,257      |
| - zona UE     | 808,197     | 86,399      |
| - zona non UE | 155,003     | 9,858       |
| Total         | 34,778,416  | 46,316,312  |

***Consolidated situation***

|               | <b>2019</b> | <b>2018</b> |
|---------------|-------------|-------------|
| Piața internă | 33,823,436  | 46,252,585  |
| Alte regiuni  | 963,200     | 96,257      |
| - zona UE     | 808,197     | 86,399      |
| - zona non UE | 155,003     | 9,858       |
| Total         | 34,786,636  | 46,348,842  |

It is worth mentioning that although the weight seems to belong to the internal market, this fact is given by the specific industry profile. In fact, the products are delivered to national distribution centers of the major car manufacturers, located on the territory of Romania, which then distributes them to their own production locations outside Romania.

In this market, the contact with the traditional clients who know and promote the products of the company is maintained.

The company has established a credit policy according to which each new customer is

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individually analyzed in terms of creditworthiness and in some cases references are provided by banks before firm sales contracts are concluded.

In order to monitor the credit risk of 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 high risk are monitored, and future sales will be made on the basis of prepayments or using various bank guaranteeing instruments.

### **b. Liquidity risk**

The liquidity risk is the risk that the Company may have difficulties in fulfilling the obligations associated with the financial debts that are settled in cash. The company's approach to liquidity risk is to ensure, as far as possible, that it has at all times sufficient liquidity to meet the debts when they become due, both under normal conditions and under difficult conditions, without to bear significant losses or to endanger the reputation of the company.

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

The company continuously monitors the liquidity risk by periodically drafting liquidity forecasts. In order to cover the liquidity risk, which could arise if the money availability cannot cover the need for financing, the company has contracted lines of credit in lei and in foreign currency.

### **c. Market risk**

The Romanian economy is constantly developing, there is much uncertainty about the possible orientation of the policy and the economic development in the future. The management of the company cannot foresee the changes that will take place in Romania and their effects on the financial situation, on operating results and cash flows of the company.

### **Currency risk**

The company is exposed to the risk of foreign exchange through its sales, purchases, availability and loans which are denominated in currencies other than the functional currency of the company, however the currency in which most transactions are performed is RON.

#### *Exposure to currency 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 liquidation of the debt. As of December 31, 2019, the Company holds cash and cash equivalents, trade receivables and trade debt in foreign currency, the rest of the 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 courses recorded during the reporting year and of the previous year, as well as the exchange rates communicated by the National Bank of Romania on the last day of the year, were:

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| Moneda | Curs mediu |        | Curs spot la data raportării |        |
|--------|------------|--------|------------------------------|--------|
|        | 2019       | 2018   | 2019                         | 2018   |
| EUR    | 4.7452     | 4.5681 | 4.7793                       | 4.6639 |
| USD    | 4.2379     | 3.9416 | 4.2608                       | 4.0736 |

#### *Sensitivity analysis*

The Company has not classified assets or financial liabilities with a fixed interest rate 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 overall result situation.

From the sensitivity analysis of the cash flows for the variable interest rate instruments it follows that an increase of the interest rates by 1% at the reporting date would have resulted in a decrease of the profit below the significant threshold on December 31, 2019. This analysis assumes that all the other variables, in particular the exchange rates, remain constant.

A depreciation of interest rates by 1% at December 31, 2019 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 recording losses or of not realizing the estimated profits due to internal factors such as the inadequate performance of internal activities, the existence of an inadequate personnel structure or management systems or because of external factors such as economic conditions, changes in the capital market and technological progress. This risk is inherent in all the 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 manifesting them, to eliminate or diminish the losses of financial or reputational nature.

## **28. CAPITAL SUITABILITY**

In order to support the continuous development of the company and the achievement of the investment objectives, the management policy regarding capital adequacy is focused on maintaining a solid capital base. The structure of own capital includes social capital, different types of reserves, deferred income and own shares.

## **29. SEGMENT REPORTING**

The company has only one segment of activity according to IFRS requirements.



## **S.C. UAMT S.A. Oradea**

*Individual and consolidated financial statements as of December 31, 2019  
according to the order no. 2844/2016, with the subsequent modifications, presented in lei  
(RON)*

Information about products and services - The company does not present information because they are not available and the cost of their elaboration would be excessive.

Information about geographical areas - The company does not present information because they are not available and the cost of their elaboration would be excessive.

Information about the main clients - The company provides products and services to a large extent only in Romania.

Unlike previous periods, the turnover obtained in relation with other customers than the significant one is increasing. Diversification of the client portfolio is a major concern of the Company.

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

Based on the information we hold so far, except for the change of the shareholding structure during the year 2019 following the termination of the shareholder "PAS-UAMT" Association and the distribution of the shares to the associates, the shareholding structure has not changed significantly until the date of the present situations. and no other significant events occurred after the close of the financial year.

The net profit realized in 2019 will be distributed in order to ensure the further development of the Company.

Dividends will not be distributed

Except for the above, we have no knowledge about events subsequent to the balance sheet date that will lead to significant influences on the data presented in the individual financial statements prepared for the financial year 2019.

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

The Board of Directors proposes to the General Meeting of Shareholders, based on the provisions of OMFP 2844/2016, the distribution of the net profit realized in 2019 in the amount of RON 1,653,294, as follows:

☐ the amount of 1,653,294 lei to be distributed to other reserves - sources of financing

The individual annual financial statements were approved by the Board of Directors on 20.03.2020.

Director general  
Ioan STANCIU

Şef Depart.Financiar Contabil  
Mircea BONTA