



S.C. UAMT s.a.

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**Management Report
of the Board of Directors
2019**

CAP.1. GENERAL PRESENTATION

1.1. FUNCTIONING OF THE LEGAL CONDITIONS OF OPERATION

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

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

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

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

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

From the point of view of preparing the financial statements, the company applies Order 2844/2016 issued by the Ministry of Public Finance for the approval of the accounting regulations in accordance with the International Financial Reporting Standards, applicable to commercial companies whose securities are admitted to trading on a regulated market. The audit activity of the financial statements of the year

2019 was carried out by S.C. Leocont Expert S.R.L. based on the contract no. 6 of 01.12.2010 and subsequent additions.

During the financial year 2019 there were no events of the nature of the merger or reorganization of the company.

1.1. THE MANAGEMENT OF THE COMPANY

During 2019, the company was managed by a Board of Directors consisting of five members

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

The executive management of the company was ensured by a management team, a team that during the year 2019 had the following composition:

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

In 2019, a constant concern of the Board of Directors was the optimization of the decision-making process at the level of the executive management and the improvement of the communication in order to apply the measures and the decisions of the Board of Directors with greater efficiency and efficiency in order to maximize the results obtained in the activity and minimize the effects of the economic crisis. .

The Board of Directors has pursued the implementation of the proposed activity program for 2019, the implementation of the monthly and quarterly revenue and expenditure budget and the approved investment and repair program.

In 2019, the Board of Directors met in council meetings and issued measures regarding the management of the company. The measures and decisions taken concerned all the activities carried out in the company, respectively the production and commercial activity, investment and repairs, human resources, the economic-financial activity and internal audit and control.

All the efforts of the Board of Directors and of the executive management were oriented towards fulfilling the company's mission of providing quality services, developing the technical-material basis, rehabilitating and modernizing the existing one, through a coherent and consistent investment program, under real protection conditions. of the environment.

The forecasting and organizational effort of the Board of Directors has resulted in future development programs of the company, computerization programs, programs for promoting and recruiting staff and increasing the quality of products, procedures systems for the main activities of the company and reconsidering its organizational structure. .

We mention that the company is not aware that the persons presented have been involved in litigation or administrative procedures during the last 5 years or have had restrictions regarding the occupation of management positions within the company.

1.1. SOCIAL CAPITAL AND SHAREHOLDER STRUCTURE; SHARES

1.2.1 Share capital and shareholding structure

The capital subscribed and paid on 31.12.2019 is 17,766,860 lei representing 39,481,911 shares at nominal value 0.45 lei / share.

The synthetic structure of the shareholding as of 31.12.2019, as compared to that of 31.12.2018, is presented as follows:

| Aționari | | Număr acțiuni | Valoare (lei) | Procente |
|--|---------------------|----------------------|----------------------|-----------------|
| TOTAL conform Depozitarului Central la 31.12.2018, 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, 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% |

At the end of 2019, the directors held together a number of 26,373,223 shares (66.7982% of the share capital).

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

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

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

The company has not issued bonds or other debt securities in 2018, nor before this year, so it has no obligations to holders of such securities.

1.2.2 Statement regarding the corporate governance code

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

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

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

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

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

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

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

- examining the legality, regularity and conformity of the operations, identifying the errors, waste, defective and fraudulent management and on these bases, proposing measures and solutions for the recovery of damages and the sanction of the guilty, as the case may be;
- supervision of the functioning of the systems of decision-making, planning, programming, organizing, coordinating, monitoring and controlling the execution of the decisions;
- evaluation of the efficiency and effectiveness with which the management and execution systems existing at the company level use the financial, human and material resources to meet the objectives and achieve the established results;

- identifying the weaknesses of the management and control systems, as well as the risks associated with such systems, programs / projects or operations, and proposing measures to correct them and reduce the risks. Internal control is ensured at all levels by the executive management of the company.

The present Report as well as the financial statements related to the financial year can be found on the Company's website www.uamt.ro.

CAP. 2. ANALYSIS OF THE ACTIVITY OF THE COMMERCIAL COMPANY

2.1. ANALYSIS OF THE ACTIVITY OF THE TRADING COMPANY

a) Description of the basic activity of the trading company

“ S.C.UAMT S.A. Its object of activity is "the production and marketing of parts and subassemblies for means of transport, castings from non-ferrous alloys, the execution of installations, machinery, technological equipment, tools.

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

The acquisitions and disposals of assets made by the company during the financial year 2019 are presented as follows:

Tangibles:

| Cost | | | | | | | |
|-------------------|------------|-------------|------------------------------|--------------------------------------|-------------------------------|-----------|------------|
| 31 decembrie 2019 | Terenuri | Construcții | Instalații tehnice și mașini | Alte instalații, utilaje și mobilier | Imobilizări corporale în curs | Avansuri | TOTAL |
| Sold inițial | 13,894,897 | 18,074,521 | 32,275,336 | 147,777 | 15,652,259 | 1,888,307 | 81,933,097 |
| Intrări | 0 | 22,321 | 17,007,969 | 34,848 | 4,624,192 | 419,542 | 22,108,872 |
| leșiri | 158,472 | 0 | 148,914 | 6,080 | 14,454,222 | 2,307,849 | 17,075,537 |
| Sold final | 13,736,425 | 18,096,842 | 49,134,391 | 176,545 | 5,822,229 | 0 | 86,966,432 |

Ajustări

| 31 decembrie 2019 | Terenuri | Construcții | Instalații tehnice și mașini | Alte instalații, utilaje și mobilier | Imobilizări corporale în curs | Avansuri | TOTAL |
|---|----------|-------------|------------------------------|--------------------------------------|-------------------------------|----------|------------|
| Sold inițial | 0 | 1,616,172 | 6,655,240 | 53,910 | 0 | 0 | 8,325,322 |
| Ajustari de valoare reprezentând amortizare și deprecieri | 0 | 1,613,360 | 8,128,669 | 33,973 | 0 | 0 | 9,776,002 |
| Ajustări de valoare aferente mijloacelor fixe ieșite | 0 | 0 | 106,114 | 1,183 | 0 | 0 | 107,297 |
| Sold final | 0 | 3,229,532 | 14,677,795 | 86,700 | 0 | 0 | 17,994,027 |

| | | | | | | | |
|--|------------|------------|------------|--------|-----------|---|------------|
| Valoarea netă a mijloacelor fixe la 31.12.2019 | 13,736,425 | 14,867,310 | 34,456,596 | 89,845 | 5,822,229 | 0 | 68,972,405 |
|--|------------|------------|------------|--------|-----------|---|------------|

Intangibles:

| Cost | 2019 | 2018 |
|--------------|-------------|-------------|
| 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 |

| Ajustări de valoare | 2019 | 2018 |
|---|-------------|-------------|
| 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 |

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

1.1.1. General assessment elements:

| Indicatori | 2019 | 2018 |
|------------------------------|-------------|-------------|
| Cifra de afaceri | 152,004,527 | 170,059,988 |
| Export | 1,258,818 | 4,687,530 |
| % din total cifra de afaceri | | |
| - export | 0.83% | 2.76% |
| - intern | 99.17% | 97.24% |
| Profit net | 1,653,294 | 1.977.555 |

1.1.2. Evaluation of the technical level of the company

Description of the main products and / or services provided with the specification:

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

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

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

The main products of the company are:

- Stamped landmarks;
- Highlights protected against corrosion by electrochemical coating or dyeing by cataphoresis;
- Car components;
- SDV;
- Car spare parts.
- Injected landmarks

The market of the company is divided into three main segments:

- industrial customers:
- car builders:
- customers for car spare parts:
- service and marketing companies;
- customers for tools

a) the influence of each category in the revenues and expenses of the trading company;

| | 2019 | 2018 |
|---|-------------|-------------|
| Venituri din producția vândută | 146,712,255 | 164,237,328 |
| Venituri din vânzarea mărfurilor | 5,292,273 | 5,822,659 |
| Alte venituri, inclusiv variația stocurilor | 6,833,912 | 337,946 |
| Total venituri din exploatare | 158,838,440 | 170,397,933 |
| 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 |

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

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

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

In 2019, the supply activity was based on firm orders with suppliers from Romania, within the EU. and outside the U.E.

The main suppliers of raw materials and materials of the company according to the share in the volume of supply expenses for 2019 are presented in the table below.

| Furnizor | Pondere în planul de aprovizionare pe 2019 [%] | Pondere în planul de aprovizionare pe 2018 [%] |
|---------------------------------|---|---|
| Furnizori din România | 71% | 70% |
| Furnizori din Uniunea Europeana | 22% | 23% |

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

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

1.1.4. Evaluation of the sales activity

a) Description of the evolution of the sequential sales on the internal and / or external market and of the medium and long term sales prospects:

The main market for the company's products is the auto market, representing 99% of the total sales during 2016.

Export deliveries are mostly intra-Community deliveries.

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

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

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

Thus, as a result of the process, very important and quite long, of agreeableness, the notion of competition becomes irrelevant, the accredited companies staying on the market as long as they manage to satisfy the quality and price requirements of the car manufacturer, during the life of the car. vehicle.

The competition was manifested, in particular, in the selection phase of the suppliers approved by the main customer of the UAMT, Dacia-RENAULT, because the products for equipping Dacia vehicles are complex and require high costs for assimilating into manufacturing, validating and ensuring the necessary manufacturing capacities. This phase, once exceeded, the competition has reduced substantially, an eventual change of suppliers being made by the installers only in exceptional cases (bankruptcy, serious quality problems, major innovative leaps, significant price jumps, etc.).

Also, once the company has been nominated as a rank 1 supplier by Renault, it holds a privileged position in the spare parts market, both in terms of legislative provisions for consumer protection and in terms of product promotion.

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

c) The description of any significant dependence of the trading company on a single customer or on a group of customers whose loss would have a negative impact on the company's revenues;

The dependence on the Dacia - Renault customer was greatly diminished during 2019, and in the future, this dependency will diminish further, as the Company becomes an approved (or principal, or rank 1, or nominated) supplier, depending on the car manufacturer whose authorized supplier becomes) of other major car manufacturers.

.1.5. Evaluation of aspects related to the employees / staff of the company

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

The forecasts for 2020 lead to the conclusion that during this period the company will have to carry out its activity with an average number of employees of about 350 - 400 people determined by the volume of production.

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

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

The current organizational structure is of a pyramid type, the competences and responsibilities granted at different levels being specified by the "Regulation of Organization and Functioning" and "Job Datasheets".

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

| | Nr. efectiv de personal | |
|--------------------------|-------------------------|------|
| | 2019 | 2018 |
| Total personal producție | 318 | 411 |
| Personal TESA | 81 | 74 |
| Total personal | 399 | 485 |

It is clear from the data presented above that the number of employees in 2019 decreased compared to the previous year.

b) Description of the relations between the manager and the employees as well as of any conflictual elements that characterize these reports;

The relations between the management and the employees are normal, without manifesting the collective actions to challenge the programs and the managerial achievements.

1.1.6. Evaluation of the issues related to the impact of the issuer's basic activity on the environment

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

The basic activities of the company have an insignificant impact on the environmental factors air, water, soil. The determinations made show that there are no exceedances of the limit values stipulated by the legislation in force for any of the measured pollutants, both for emissions in water and for emissions of pollutants in the atmosphere. By modernizing the wastewater pre-treatment station all the specific pollutants fall within the limits provided by the legislation. Since the free surface inside the unit is mostly concrete, even in the case of industrial waste deposits, no significant changes can be made in the structure and quality of the soil.

According to the presented ones, it turns out that the impact produced by the activities of UAMT does not constitute significant pollution.

It is not the case of existing or expected litigation regarding the violation of the legislation regarding the protection of the environment.

The annual environmental report for Bihor APM for the year 2019 is being elaborated and submitted by the legal deadline of 30.03.2020.

1.1.7. Evaluation of the research and development activity

SC UAMT SA will continue in 2019 the research and development policy, as a prerequisite for consolidating and improving this activity with direct implications on the development possibilities of the company (portfolio of customers and products, turnover).

1.1.8. Evaluation of the activity of the trading company on risk management

Description of the policies and objectives of the company regarding the risk management.

The results for 2019 are relatively good compared to the turnover, due to the

measures taken through the cost management policies, of which we list:

- o continuous development and promotion of products that lead to increased customer satisfaction in terms of economic profitability
- o reducing and optimizing utility consumption
- o efficient human resource management in correlation with production capacities at the lowest achievable cost
- o rhythmic supply and minimal storage of raw materials and consumables
- o streamlining of cash flows through measures to track the maturity of receivables and debts
- o committing the expenses in correlation with the moment when the income is realized in close accordance with the availability assurance
- o hiring maintenance and repair works at affordable prices

1.1.9. Perspective elements regarding the activity of the company

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

- We consider that in 2020 we do not have the possibility of maintaining the revenues at least at the level of 2019. However, given the general increase of prices for raw materials as well as of the inherent wage increases, we estimate a net profit lower than that achieved in 2019, mainly due to:

- - introduction of new products in manufacturing, from several car manufacturers, which requires time to optimize the production process;
- - rising prices for raw materials, utilities and other services provided by third parties
- - substantial increase in personnel expenses;
- - maintaining at present or at a modest increase in the prices of sales of the finished products and services provided by the company (at a lower rate than the rate of increase of costs).

- - continuation of the policy of technical updating of the company by replacing the outdated moral and technical equipment.
- - the implementation of new technologies, in order to diversify the production and especially the qualitative growth of its own products

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

The economic and financial situation of the company this year has had a satisfactory trend.

The objectives to be achieved through the company's business plan for 2019 are:

- • the continuation of the structural adjustment according to the real dimensions and the evolutions of the current markets of the company;
- • continuing the structural and technological updating of the company for its alignment with the requirements imposed by the car manufacturers;
- • intensifying efforts to identify and penetrate new external market segments and new products from other fields of activity;
- • continuing the re-technologicalization of the company by accessing new government funds for investments;
- • focus on preparing human resources at the level of current requirements;
- • continuing the activity of diversifying the portfolio of major clients.

b) Presentation and analysis of the effects of capital expenditures, current or anticipated on the financial situation of the trading company compared to the same period of last year.

During 2019 the company continued the investment policy based on the approved modernization project.

The company will continue the modernization process in 2020, reinvesting the profit proposed for distribution to other journals, respectively to its own financing sources.

2. The tangible assets of the company

2.1. Specification of the location and characteristics of the main production capacities owned by the company.

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

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

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

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

- mechanical machining by cutting (turning, milling, drilling, flat and round grinding) on classic and specialized machines with program control (CNC)
- cold press processing;
- injection of plastic parts (polyethylene, polyacetals, polyamides, including reinforced with fiberglass, etc. weighing up to 1.2 kg);
- dyeing through the cataphoresis process;
- electrochemical coatings (zinc, nickel);
- welding of metals (electrical, 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 company also has a high performance tools section which generally provides all the necessary documents, molds, devices and verifiers necessary for its own production as well as the execution of orders, in this field, for other companies.

2.2. Description and analysis of the degree of wear of the properties of the company

The existing average degree of wear is a normal degree in the industrial activity of the profile. The modernity level of the machines is in accordance with the technical requirements of production.

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

2.3. Mention of the potential problems related to the property right on the tangible assets of the trading company.

There are no litigations on issues related to the right of ownership over the tangible assets of the company or commercial nature.

CAP.3. THE SECURITY MARKET ISSUED BY THE TRADE COMPANY

3.1. Specification of markets in Romania and other countries on which securities issued by the trading company are negotiated.

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

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

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

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

In 2017 the company became the majority shareholder of SC AMT INVESTMENT SRL, with the 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.

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

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

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

In the last period, the policy of the issuer was to reinvest the obtained profit, the company needing capital resources in order to carry out investments, thus not dividing.

For the year 2019 by the A.G.O.A Decision, the net profit is proposed to be distributed as its own source of financing to support the investment program of the company.

As providing medium and long-term capital resources is a major coordinator of the issuer's strategy, it will maintain its policy of reinvesting profits in the future.

During the year 2019 the update of the synthetic situation of the shareholders was registered, resulting from the dissolution of the shareholder "PAS-UAMT" Association and the distribution of the social shares to the associates, resulting in the following structure of the company's shareholders:

- STANCIU loan: 25,823,588 shares, representing 65,4061% of the share capital
- individuals: 8,922,459 shares, representing 22,4061% of the share capital
- legal persons: 4,733,864 shares, representing 11,9950% of the share capital

3.3. Description of any activities of the company to purchase its own shares.

It's not necessary

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

In 2017 the company became the majority shareholder of SC AMT INVESTMENT SRL, with the 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.

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

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

It's not necessary

CAP.4. THE MANAGEMENT OF THE TRADE COMPANY

Currently, the management of the company "UAMT" SA Oradea is executed in hierarchical order by:

1. The General Meeting of Shareholders;
2. The Board of Directors consists of 5 persons;
3. Director General;

4.1. Presentation of the list of the administrators of the company and of the following information for each director:

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

b) any agreement, understanding or family connection between the respective administrator and another person due to whom the respective person was appointed administrator;

It's not necessary

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

| Nume, prenume | Nr.actiuni deținute | % de participare la capitalul social |
|-----------------------|----------------------------|---|
| Doina Olimpia Stanciu | 500 | 0.0013% |
| Ioan Stanciu | 25.823.588 | 65.4061% |
| Horia Stanciu | 244,015 | 0.6180% |
| Bogdan Stanciu | 305,120 | 0.7728% |
| Simona Furtos | 0 | 0.0000% |

d) the list of persons and legals affiliated to the company.

The affiliated legal entity is SC AMT INVESTMENTS SRL, with 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

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

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

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

- Ioan STANCIU - General Manager,

- Bogdan Ciprian STANCIU - Deputy General Manager,

The CV of each of the members of the executive management is presented on the company's website www.uamt.ro/comunicate

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

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

b) any agreement, understanding or family connection between the respective person and another person due to whom the person was appointed as a member of the executive management;

It's not necessary

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

It's not necessary

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

It's not necessary

CAP5. FINANCIAL-ACCOUNTING SITUATION

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

FINANCIAL POSITION SITUATION **The: 31.12.2019**

| | Nota | 12/31/2019 | 12/31/2018 |
|-------------------------|-------------|-------------------|-------------------|
| Active | | | |
| Active necurente | | | |

| | | | |
|--|----------|--------------------|--------------------|
| 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 |
| Total active necurente | | 77,504,644 | 82,879,843 |
| Active curente | | | |
| 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 |
| Total active curente | | 80,816,351 | 92,882,520 |
| Venituri în avans (subvenții) | 8 | 2,531,202 | 3,670,212 |
| Total active | | 155,789,793 | 172,092,151 |
| Capitaluri proprii și datorii | | | |
| Capitaluri proprii | | | |
| 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 |
| Total capitaluri proprii | | 102,238,586 | 100,585,293 |
| Datorii necurente | | | |
| 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 |
| Total datorii necurente | | 14,941,553 | 19,404,405 |
| Datorii curente | | | |
| 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 | 2,085,978 | 1,574,997 |
| Alte datorii curente | 18 | 990,226 | 856,016 |
| Total datorii curente | | 38,609,654 | 52,102,453 |
| Total datorii | | 53,551,207 | 71,506,858 |
| Total pasive | | 155,789,793 | 172,092,151 |

The subscribed share capital amounting to 17,766,860 lei did not change during the year 2019.

During the year, the legal reserve was not established, having reached the maximum level allowed by law, and the net non-distributed profit for the year 2019 will be distributed to other sources of development.

Assets at gross value:

| Cost | | | | | | | |
|-------------------|------------|-------------|------------------------------|--------------------------------------|-------------------------------|-----------|------------|
| 31 decembrie 2019 | Terenuri | Construcții | Instalații tehnice și mașini | Alte instalații, utilaje și mobilier | Imobilizări corporale în curs | Avansuri | TOTAL |
| Sold inițial | 13,894,897 | 18,074,521 | 32,275,336 | 147,777 | 15,652,259 | 1,888,307 | 81,933,097 |
| Intrări | 0 | 22,321 | 17,007,969 | 34,848 | 4,624,192 | 419,542 | 22,108,872 |
| Ieșiri | 158,472 | 0 | 148,914 | 6,080 | 14,454,222 | 2,307,849 | 17,075,537 |
| Sold final | 13,736,425 | 18,096,842 | 49,134,391 | 176,545 | 5,822,229 | 0 | 86,966,432 |

| Ajustări | | | | | | | |
|---|----------|-------------|------------------------------|--------------------------------------|-------------------------------|----------|------------|
| 31 decembrie 2019 | Terenuri | Construcții | Instalații tehnice și mașini | Alte instalații, utilaje și mobilier | Imobilizări corporale în curs | Avansuri | TOTAL |
| Sold inițial | 0 | 1,616,172 | 6,655,240 | 53,910 | 0 | 0 | 8,325,322 |
| Ajustari de valoare reprezentând amortizare și depreciere | 0 | 1,613,360 | 8,128,669 | 33,973 | 0 | 0 | 9,776,002 |
| Ajustări de valoare aferente mijloacelor fixe ieșite | 0 | 0 | 106,114 | 1,183 | 0 | 0 | 107,297 |
| Sold final | 0 | 3,229,532 | 14,677,795 | 86,700 | 0 | 0 | 17,994,027 |

| | | | | | | | |
|--|------------|------------|------------|--------|-----------|---|------------|
| Valoarea netă a mijloacelor fixe la 31.12.2019 | 13,736,425 | 14,867,310 | 34,456,596 | 89,845 | 5,822,229 | 0 | 68,972,405 |
|--|------------|------------|------------|--------|-----------|---|------------|

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

The gross book value is recovered by the method of linear depreciation, according to the legal norms in force.

The evolution of the economic means in dynamics, the deviations from one period to another, the structure, the balance ratios and the proportionality between the different categories of assets were analyzed using the indices based on the data in the following table.

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

Stocks year 2019

| Stocuri | 2019 | 2018 |
|-------------------------------|-------------|-------------|
| 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 |

Trade receivables for the year 2019

| Creanțe comerciale | 2019 | 2018 |
|--|-------------|-------------|
| 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 |

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

| Capitaluri proprii și datorii | 2019 | 2018 |
|--------------------------------------|--------------------|--------------------|
| Capitaluri proprii | | |
| Capital social | 17,766,860 | 17,766,860 |
| Rezerve | 42,617,844 | 39,168,662 |
| Rezultat reportat | 7,012,362 | 6,037,477 |
| Rezultatul exercițiului | 1,653,294 | 1.977.555 |
| Repartizarea profitului | 1,471,627 | 0 |
| Alte rezerve și acțiuni proprii | 34,659,853 | 35,634,739 |
| Total capitaluri proprii | 102,238,586 | 100.585.293 |
| Datorii necurente | | |
| Împrumuturi primite pe termen lung | 14,817,821 | 19,404,405 |
| Alte datorii pe termen lung | 0 | 0 |
| Datorii de impozit amanat | 0 | 0 |
| Alte datorii necurente | 123,732 | 0 |
| Total datorii necurente | 14,941,553 | 19,404,405 |
| Datorii curente | | |
| Datorii comerciale | 10,594,450 | 24,688,545 |
| Împrumuturi pe termen scurt | 24,939,000 | 24,982,895 |
| Provizioane pe termen scurt | 0 | 0 |
| Taxe curente | 2,085,978 | 1,574,997 |
| Alte datorii curente | 990,226 | 856,016 |
| Total datorii curente | 38,609,656 | 52,102,453 |
| Total datorii | 53,551,209 | 71,506,858 |

- a) a) profit and loss account: net sales; gross income; cost and expense items with a weight of at least 20% in net sales or gross income; risk provisions and for various expenses; reference to any sale or stoppage of a segment of activity carried out in the last year or to be carried out in the following year; dividends declared and paid;

**THE PROFIT OR LOSS SITUATION AND OTHER
ELEMENTS OF THE GLOBAL RESULT
On: 31.12.2018**

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 |
| | | 158,838,440 | 170,397,933 |
| Consumuri de materii prime și materiale | 20 | 108,647,546 | 119,503,243 |
| 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 | 6,471,671 | 4,931,556 |
| | | 156,278,620 | 167,492,168 |
| Rezultatul operațional | | 2,559,820 | 2,905,765 |
| Venituri financiare | 21 | 226,903 | 531,269 |
| Cheltuieli financiare | 21 | 943,521 | 909,943 |
| Profit înainte de impozitare | | 1,843,202 | 2,527,091 |
| 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 |
| Profit net aferent perioadei și rezultat global total aferent perioadei | | 1,653,294 | 1,977,555 |
| Rezultatul pe acțiune | | | |
| Rezultatul pe acțiune de bază (lei/acțiune) | 23 | 0.042 | 0.050 |

Unlike the previous periods, although the turnover realized with the client Dacia - Pitesti has a significant weight, this weight has diminished greatly as the efforts of the Board of Directors to expand the portfolio of large clients.

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

CAP5. NON-FINANCIAL STATEMENT

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

ETHICS AND GOVERNANCE, RESPECT FOR HUMAN RIGHTS

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

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

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

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

The company is committed to respecting human rights. This is also true for the policies and processes developed by the company in relation to its obligations to combat money laundering, terrorist financing and corruption.

CODE OF CONDUCT AND FIGHT AGAINST CORRUPTION

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

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

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

RESPONSIBLE EMPLOYER

In 2019, the profile industry continues to undergo profound changes, including customer and stakeholder expectations, the emergence of new technologies and the regulatory framework that transforms the business and skills needed to work. For society, this opportunity involves the development of employees. Their ability to adapt their skills and working methods is essential for business sustainability.

The corporate culture of the company is based on the values it promotes to provide the best services to the clients (team spirit, innovation, responsibility and commitment), the behavior and skills that inspire them and the behavior that must be followed by those who work in these areas.

HUMAN RIGHTS, DIVERSITY, DISCRIMINATION POLICY, GENDER EQUALITY

The general policy of the company is to treat everyone, male or female, with the same respect, giving everyone equal opportunities to be recruited, promoted, rewarded, trained and based solely on their personal qualities.

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

When hiring and fixing individual rights, the company ensures equal opportunities and treatment for all employees without discrimination, directly or indirectly, depending on the criteria of race, color, national origin, ethnicity, religion, social origin, age or union activity, sex , sexual orientation, genetic characteristics, disability, family situation or responsibility or any other criteria whose purpose or effect is not to grant, reduce or cancel the recognition, use or exercise of rights under the collective labor agreement.

Decisions related to salaries, benefits, training, work missions, promotions, disciplinary measures or dismissals are based exclusively on employee performance, not on personal characteristics, race, origin, sex, religion, sexual orientation or political opinions. Suitable working conditions and respecting the dignity of the employees - regarding the elaboration of the collective labor agreement and the internal regulatory documents of the bank, the purpose is to ensure the adequate working conditions for the activity and in terms of social protection, health and safety at the workplace as well as respecting the dignity and conscience of the employees .

The following are recognized for all employees:

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

CLIMATE CHANGE

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

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

The company does not have data on the current and predictable impact of its operations on the environment and cannot estimate the influence on health and safety. However, the existence of the Integrated Environmental Authorization, updated, assures us on compliance with the legal conditions of operation and management of the above aspects at the company level.

The company cannot estimate the impact on climate change that the use of the goods produced by the company has. By the nature of the industry profile in which the company operates, this impact must be studied at the level of the entire industry.

6. Attachments

- 6.1. Annual financial statements for the year ended 31.12.2019;
- 6.2. Report of the Financial Auditor on the execution of the financial year 2019;
- 6.3. Revenue and expenditure budget for 2020

Oradea, on: 20.03.2020

Chairman of the Board of Directors
Doina Olimpia Stanciu

Statement of compliance of SC UAMT SA with the new Corporate Governance Code of BVB
at 31.12.2019

| The provisions of the BSE Code of Conduct | Respect | Not respecting or partially respecting | Reason for nonconformity |
|---|---------|--|--|
| A. RESPONSIBILITIES OF THE BORD | | | |
| All companies must have an internal Council regulation that includes the terms of reference / responsibilities of the Council and the key management functions of the company and which applies inter alia the General Principles of Section A. | | X | The terms of reference / responsibilities of the Council and key management functions are contained in the company's constitution, updated in 2018. |
| A.2. Provisions for managing conflicts of interest should be included in the Council Regulation. In any case, Council members must notify the Council of any conflicts of interest that have arisen or may arise and refrain from attending the discussion (including through non-attendance, unless failure to attend would hamper the formation of the quorum) and to the vote for the adoption of a ruling on the issue giving rise to the conflict of interest concerned. | | X | Provisions on conflict management will be included in the Corporate Governance Regulation (Statement) that will be developed by the Board of Directors |
| A.3.The Board of Directors or the Supervisory Board must be composed of at least five members. | X | | |
| A.4. Majority of Board members should not have executive functions. At least one member of the Board of Directors or the Supervisory Board must be independent of Standard Category companies. In the case of Premium Category companies, not less than two non-executive members of the Board of Directors or the Supervisory Board must be independent. Each independent member of the Board of Directors or | X | | |

| | | | |
|--|---|---|--|
| <p>the Supervisory Board, as the case may be, must file a statement at the time of its nomination for election or re-election, as well as when any change of its status occurs, indicating the elements on the basis of which it is considered is independent in terms of character and judgment, and according to the following criteria:</p> <p>A.4.1. is not the Chief Executive Officer / Chief Executive Officer of the company or a company controlled by it and has not held such a position for the past five (5) years;</p> <p>A.4.2. is not an employee of the company or a company controlled by it and has not held such a position for the past five (5) years;</p> <p>A.4.3. does not receive or receive any additional remuneration or other benefits from the company or a company controlled by it other than those in the capacity of non-executive administrator; A.4.4. is not or has not been, or has not, had or did not have a contractual relationship with a significant shareholder of the company, a shareholder controlling more than 10% of the voting rights, or a company controlled by it, during the previous year;</p> <p>A.4.5. does not have and did not have a business or professional report with the company or a company controlled by it, either directly or as a client, partner, shareholder, member of the Board / Administrator, general manager / executive director or an employee of a company if, by virtue of its substantial nature, this report may affect its objectivity;</p> <p>A.4.6. is not and has not been for the past three years the external or internal auditor or partner or associate employee of the current external financial auditor or the internal auditor of the company or a company controlled by it; A.4.7. is not the general manager / executive director of another company where another general manager / executive director of the company is non-executive;</p> <p>A.4.8. has not been a non-executive manager of the company for more than twelve years; A.4.9. has no family connections</p> | | | |
| <p>A.5. Other relatively permanent commitments and obligations of a member of the Board, including executive and non-executive positions in the Board of Non-Profit Societies and Institutions, must be disclosed to potential shareholders and investors prior to nomination and during their term of office.</p> | | X | <p>The professional biographies of Council members have not been made public on the company's website or on the BVB. This requirement will be met with the reconfiguration of the company's website.</p> |
| <p>A.6. Any member of the Council shall report to the Council on any report with a shareholder holding directly or indirectly shares representing more than 5% of all voting rights. This obligation refers to any report that may affect the member's position on matters decided by the Council.</p> | | X | <p>It was not considered necessary to inform the Council.</p> |
| <p>The company must designate a Council secretary responsible for supporting the work of the Council.</p> | X | | |
| <p>A.8. The Corporate Governance Statement will inform whether an evaluation of the Council has taken place under the chairmanship of the President or the nomination committee and, if so, will summarize the key measures and the resulting changes. The company must have a policy / guidance on the Committee's assessment of the purpose, criteria and</p> | | X | <p>The Corporate Governance Statement is in the pipeline and will include such a policy</p> |

| | | | |
|---|--|---|--|
| frequency of the evaluation process. | | | |
| A.9. The corporate governance statement should contain information on the number of Council and committee meetings over the past year, the administrators' participation (in person and in absentia), and a report by the Council and committees on their activities. | | X | It will correlate with the requirement in the previous paragraph. |
| A.10. The corporate governance statement should include information on the exact number of independent members of the Board of Directors or the Supervisory Board. | | X | It will correlate with the requirement in the previous paragraph. |
| A.11. The Board of Premium Companies must set up a nomination committee consisting of non-executive members to lead the nomination process of new members in the Council and make recommendations to the Council. Most members of the nomination committee must be independent | | X | It will correlate with the requirement in the previous paragraph. |
| B. RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL | | | |
| B.1. The Council should set up an audit committee in which at least one member should be a non-executive non-executive. Most members, including the Chairperson, must have proven that they have appropriate qualifications relevant to the functions and responsibilities of the Committee. At least one member of the audit committee must have proven and appropriate audit or accounting experience. In the case of Premium Category companies, the audit committee must be composed of at least three members and the majority of the members of the audit committee must be independent | | X | It is being formed. |
| The chair of the audit committee shall be an independent non-executive member. | | X | It will correlate with the requirement in the previous paragraph. |
| Within its responsibilities, the audit committee must carry out an annual assessment of the internal control system. | | X | . It will correlate with the requirement in the previous paragraph. |
| B.4. The assessment should take into account the effectiveness and scope of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Council's audit committee, the promptness and effectiveness with which executive management addresses the deficiencies or weaknesses identified in the audit internal and the submission of relevant reports to the Council. | | X | . It will correlate with the requirement in the previous paragraph. |
| B.5. The audit committee should assess the conflicts of interest in relation to the transactions of the company and its subsidiaries with affiliated parties | | X | It will correlate with the requirement in the previous paragraph. |
| The audit committee should assess the effectiveness of the internal control system and risk management system. | | X | Se va corela cu indeplinirea cerintei de la pct.precedent. Sunt referiri in Raportul anual al administratorilor privitoare la acest aspect |
| B.7. The Audit Committee should monitor the application of generally accepted legal standards and internal audit standards. The Audit | | X | It will correlate with the requirement in |

| | | | |
|---|---|---|--|
| Committee should receive and evaluate internal audit team reports. | | | the previous paragraph. There are references in the Directors' Annual Report on this issue |
| B.8. Whenever the Code mentions reports or analyzes initiated by the Audit Committee, they must be followed by regular reports (at least annually) or ad hoc reports to be submitted to the Council. | | X | . It will correlate with the requirement in the previous paragraph. |
| B.9 No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements entered into by the company with shareholders and their affiliates. | X | | |
| . B.10. The Council must adopt a policy to ensure that any company transaction with any of the companies with which it has close relationships with a value equal to or greater than 5% of the company's net assets (according to the latest financial report) is approved by the Council following a binding opinion of the Board's Audit Committee and properly disclosed to shareholders and potential investors, to the extent that such transactions fall within the category of events subject to reporting requirements | | X | Consideration will be given to the adoption by the Council of such a policy. And include it in its corporate governance rules |
| Internal audits should be performed by a separate structural division (internal audit department) within the company or by hiring an independent third party. | | X | The internal audit of the company is carried out by an independent third party entity on the basis of a service contract |
| B.12. In order to ensure the main functions of the internal audit department, it must report functionally to the Council via the audit committee. For administrative purposes and within the management's responsibility to monitor and reduce risks, it must report directly to the Director General. | | X | The internal auditor will report functionally to the Board of Directors and the Audit Committee, and to the Director General. |
| C. REMUNERATION POLICY | | | |
| C.1. The company must publish the remuneration policy on its website and include a statement on the implementation of the remuneration policy in the annual report during the annual period under review. The remuneration policy should be formulated in such a way as to enable shareholders to understand the principles and arguments underpinning the remuneration of the members of the Board and of the Director General as well as the directors in the dualist system. It should describe how to manage the process and make decisions on remuneration, detail the components of executive remuneration (such as salaries, annual bonuses, long-term incentives related to shareholder value, benefits in kind, pensions, etc.) and describe the purpose, principles and assumptions underlying each component (including the general performance criteria for any form of variable remuneration). In addition, the remuneration policy must specify the duration of the contract of the executive director and the period of notice stipulated in | | X | According to the Company's Constitutive Act, the remuneration of the members of the Board of Directors is an attribution to the General Meeting of Shareholders. After elaboration and approval The remuneration policy will be published on the site once the company's website |

| | | | |
|---|---|---|---|
| the contract, as well as possible compensation for unjustified revocation. Any major change in remuneration policy should be published in a timely manner on the company's website. | | | has been reconfigured. |
| D. ADDING VALUE BY RELATIONS WITH INVESTORS | | | |
| D.1 The Company must organize an Investor Relations Service - made public to the general public through the responsible person (s) or as an organizational unit. In addition to the information required by law, the company must include on its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest to investors, including: | X | | |
| The main corporate regulations: the constitutive act, the procedures regarding the general meetings of the shareholders; | X | | |
| The professional CVs of members of the company's governing bodies, other professional engagements of Council members, including executive and non-executive positions in boards of directors in companies or non-profit institutions; | | X | The requirement will be implemented with the reconfiguration of the company's website. |
| Current reports and periodic reports (quarterly, semester and annual) - at least those under D.8 - including current reports with detailed information on non-compliance with this Code; | X | | |
| D.1.4. Information on general shareholders' meetings: agenda and informative materials; the procedure for electing the members of the Council; the arguments that support candidates' proposals for election to the Council, together with their professional CVs; shareholders' questions about agenda items and company responses, including resolutions adopted; | X | | |
| D.1.5. Information on corporate events, such as the payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of the rights of a shareholder, including the deadlines and the principles applied to such operations. Such information will be published within a timeframe that will allow investors to make investment decisions; | X | | |
| The names and contact details of a person who will be able to provide relevant information upon request; | | X | The requirement will be implemented with the reconfiguration of the company's website. |
| Company presentations (e.g., investor presentations, quarterly results, etc.), financial statements (quarterly, semestrial, annual), audit reports, and annual reports. | X | | |
| D.2. The Company will have a policy on the annual distribution of dividends or other benefits to shareholders proposed by the Director General or the Directorate and adopted by the Council in the form of a set of guidelines that the company intends to follow regarding the distribution of net profit. The principles of the annual distribution policy to shareholders will be published on the company's website. | | X | The distribution of dividends is established by decision of the General Meeting of Shareholders in accordance with the provisions of the Company's Articles of Incorporation. The publication of the policy on annual distribution of |

| | | | |
|---|---|---|---|
| | | | dividends on the company's website will be made after its development and approval by the domestic governing bodies. |
| D.3. The company will adopt a policy regarding the forecasts, whether they are made public or not. The forecasts refer to quantified conclusions of studies aimed at determining the overall impact of a number of factors for a future period (so-called assumptions): by its nature, this projection has a high level of uncertainty, the actual outcomes may differ significantly from forecasts originally presented. The forecast policy will determine the frequency, timing and content of the forecasts. If published, forecasts can only be included in the annual, half-yearly or quarterly reports. The forecasting policy will be published on the company's website. | | X | The publication of the policy on the company's website will be made after its development and approval by the domestic governing bodies |
| D.4. The rules of general shareholders' meetings should not limit shareholders' participation in general meetings and the exercise of their rights. Changes to the rules will take effect at the earliest, starting with the next shareholders meeting. | X | | |
| External auditors will be present at the general shareholders' meeting when their reports are presented at these meetings. | X | | |
| D.6 The Board will brief the shareholders' annual general meeting on a brief assessment of the internal control and risk management systems as well as opinions on matters subject to the decision of the general meeting. | X | | |
| D.7. Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting upon a prior invitation from the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the President of the Council decides otherwise. | X | | |
| D.8. The quarterly and half-yearly financial reports will include both Romanian and English information on key factors that affect changes in sales, operating profit, net profit and other relevant financial ratios from quarter to quarter, as well as from one year to another. | X | | |
| D.9. A company will hold at least two meetings / teleconferences with analysts and investors each year. The information presented on these occasions will be published in the Investor Relations section of the company's website at the dates of the meetings / teleconferences. | | X | A policy in this regard will be developed by the Council if it is considered opportune |
| D.10. If a society supports different forms of artistic and cultural expression, sporting activities, educational or scientific activities and considers that their impact on the innovation and competitiveness of society is part of its development mission and strategy, it will publish policy on the activity in this area. | | X | A policy in this regard will be developed by the Council if it is considered opportune |



S.C. UAMT s.a.

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

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INDIVIDUAL SITUATION OF THE FINANCIAL POSITION

| | Nota | 12/31/2019 | 12/31/2018 |
|--|----------|--------------------|--------------------|
| <i>Active</i> | | | |
| Active necurente | | | |
| 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 |
| Total active necurente | | 77,504,644 | 82,879,843 |
| Active curente | | | |
| 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 |
| Total active curente | | 80,816,351 | 92,882,520 |
| Venituri în avans (subvenții) | 8 | 2,531,202 | 3,670,212 |
| Total active | | 155,789,793 | 172,092,151 |
| <i>Capitaluri proprii și datorii</i> | | | |
| Capitaluri proprii | | | |
| 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 |
| Total capitaluri proprii | | 102,238,586 | 100,585,293 |
| Datorii necurente | | | |
| 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 |
| Total datorii necurente | | 14,941,553 | 19,404,405 |

| | | | |
|------------------------------|----|--------------------|--------------------|
| Datorii curente | | | |
| 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 | 2,085,978 | 1,574,997 |
| Alte datorii curente | 18 | 990,226 | 856,016 |
| Total datorii curente | | 38,609,654 | 52,102,453 |
| Total datorii | | 53,551,207 | 71,506,858 |
| Total pasive | | 155,789,793 | 172,092,151 |

Director general,
Ioan Stanciu

Şef Depart.Financiar Contabil
Mircea BONTA

CONSOLIDATED SITUATION OF THE FINANCIAL POSITION

| | Nota | 12/31/2019 | 12/31/2018 |
|--|----------|--------------------|--------------------|
| <i>Active</i> | | | |
| Active necurente | | | |
| 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 |
| Total active necurente | | 74,641,673 | 80,376,695 |
| Active curente | | | |
| 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 |
| Total active curente | | 83,561,564 | 96,033,161 |
| Venituri în avans (subvenții) | 8 | 2,531,202 | 3,670,212 |
| Total active | | 155,672,035 | 172,739,644 |
| <i>Capitaluri proprii și datorii</i> | | | |
| Capitaluri proprii | | | |
| 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 |
| Total capitaluri proprii | | 102,579,737 | 100,735,234 |
| Datorii necurente | | | |
| 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 |
| Total datorii necurente | | 14,941,553 | 19,404,405 |
| Datorii curente | | | |
| 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 |
| Total datorii curente | | 38,150,745 | 52,600,005 |
| Total datorii | | 53,092,298 | 72,004,410 |
| Total pasive | | 155,672,035 | 172,739,644 |
| 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 |
| | | 158,838,440 | 170,397,933 |
| Consumuri de materii prime și materiale | 20 | 108,647,546 | 119,503,243 |
| 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 | 6,471,671 | 4,931,556 |
| | | 156,278,620 | 167,492,168 |
| Rezultatul operațional | | 2,559,820 | 2,905,765 |
| Venituri financiare | 21 | 226,903 | 531,269 |
| Cheltuieli financiare | 21 | 943,521 | 909,943 |
| Profit înainte de impozitare | | 1,843,202 | 2,527,091 |
| 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 |
| Profit net aferent perioadei și rezultat global total aferent perioadei | | 1,653,294 | 1,977,555 |

| | | | |
|---|----|--------------|--------------|
| Rezultatul pe acțiune | | | |
| Rezultatul pe acțiune de bază (lei/acțiune) | 23 | 0.042 | 0.050 |

Director general,
Ioan STANCIU

Şef Depart.Financiar Contabil
Mircea BONTA

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 |
| | | 159,395,217 | 170,745,561 |
| 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 |
| | | 156,633,119 | 167,752,621 |
| Rezultatul operațional | | 2,762,098 | 2,992,940 |
| Venituri financiare | 21 | 226,907 | 531,270 |
| Cheltuieli financiare | 21 | 943,522 | 909,949 |
| Profit înainte de impozitare | | 2,045,483 | 2,614,261 |
| 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 |
| Profit net aferent perioadei și rezultat global total aferent perioadei din care: | | 1,844,503 | 2,020,496 |

| | | | | | | | | |
|--|-------------------|-------------------|------------------|-------------------|------------------|------------------|------------------|--------------------|
| Alte elemente ale rezultatului global | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| - surplus din reevaluare | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tranzactii cu proprietarii | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| - dividende acordate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sold la 31 decembrie 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 imobilizarilor (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 imobilizarilor | 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 |
| 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

Şef 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 |
| | | |
| 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.

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

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

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.

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

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:

- 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;
- 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:

☒ *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 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 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" 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
- 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.

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 parts 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 disposal 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

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. 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;

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 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.

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 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)

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).

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.

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 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:**

Cost

| 31 decembrie 2019 | Terenuri | Construcții | Instalații tehnice și mașini | Alte instalații, utilaje și mobilier | Imobilizări corporale în curs | Avansuri | TOTAL |
|-------------------|------------|-------------|------------------------------|--------------------------------------|-------------------------------|-----------|------------|
| Sold inițial | 13,894,897 | 18,074,521 | 32,275,336 | 147,777 | 15,652,259 | 1,888,307 | 81,933,097 |
| Intrări | 0 | 22,321 | 17,007,969 | 34,848 | 4,624,192 | 419,542 | 22,108,872 |
| Ieșiri | 158,472 | 0 | 148,914 | 6,080 | 14,454,222 | 2,307,849 | 17,075,537 |
| Sold final | 13,736,425 | 18,096,842 | 49,134,391 | 176,545 | 5,822,229 | 0 | 86,966,432 |

Ajustări

| 31 decembrie 2019 | Terenuri | Construcții | Instalații tehnice și mașini | Alte instalații, utilaje și mobilier | Imobilizări corporale în curs | Avansuri | TOTAL |
|---|----------|-------------|------------------------------|--------------------------------------|-------------------------------|----------|------------|
| Sold inițial | 0 | 1,616,172 | 6,655,240 | 53,910 | 0 | 0 | 8,325,322 |
| Ajustari de valoare reprezentând amortizare și depreciere | 0 | 1,613,360 | 8,128,669 | 33,973 | 0 | 0 | 9,776,002 |
| Ajustări de valoare aferente mijloacelor fixe ieșite | 0 | 0 | 106,114 | 1,183 | 0 | 0 | 107,297 |
| Sold final | 0 | 3,229,532 | 14,677,795 | 86,700 | 0 | 0 | 17,994,027 |

| | | | | | | | |
|--|------------|------------|------------|--------|-----------|---|------------|
| Valoarea netă a mijloacelor fixe la 31.12.2019 | 13,736,425 | 14,867,310 | 34,456,596 | 89,845 | 5,822,229 | 0 | 68,972,405 |
|--|------------|------------|------------|--------|-----------|---|------------|

Consolidated statement of tangible assets:

Cost

| 31 decembrie 2019 | Terenuri | Construcții | Instalații tehnice și mașini | Alte instalații, utilaje și mobilier | Imobilizări corporale 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 2019 | Terenuri | Construcții | Instalații tehnice și mașini | Alte instalații, utilaje și mobilier | Imobilizări corporale în curs | Avansuri | TOTAL |
|---|----------|-------------|------------------------------|--------------------------------------|-------------------------------|----------|------------|
| Sold inițial | 0 | 1,692,260 | 6,785,661 | 57,925 | 0 | 0 | 8,535,846 |
| Ajustari de valoare reprezentând amortizare și deprecieri | 0 | 1,649,616 | 8,182,660 | 35,346 | 0 | 0 | 9,867,622 |
| Ajustări de valoare aferente mijloacelor fixe 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 mijloacelor fixe la 31-Dec-19 | 14,074,631 | 15,342,976 | 34,595,103 | 91,555 | 7,119,889 | 0 | 71,224,154 |
|---|------------|------------|------------|--------|-----------|---|------------|

2. INTANGIBLE ASSETS

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

The individual situation

| Cost | 2019 | 2018 |
|--------------|-------------|-------------|
| 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 |

| Ajustări de valoare | 2019 | 2018 |
|---|-------------|-------------|
| 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

| Cost | 2019 | 2018 |
|--------------|-------------|-------------|
| 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 |

| Ajustări de valoare | 2019 | 2018 |
|---|-------------|-------------|
| 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 |

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 |
| Iesiri | 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 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

| Stocuri | 2019 | 2018 |
|-------------------------------|-------------|-------------|
| 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

| Stocuri | 2019 | 2018 |
|-------------------------------|-------------|-------------|
| 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 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

| Creanțe comerciale | 2019 | 2018 |
|--|-------------|-------------|
| 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

| Creanțe comerciale | 2019 | 2018 |
|---------------------------|-------------|-------------|
| 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

| Analiza vechimii | 2019 | 2018 |
|------------------------------|-------------|-------------|
| 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 |
| peste 12 luni | 1,745,191 | 40,820 |
| TOTAL | 34,778,416 | 46,316,312 |

Consolidated situation

| Analiza vechimii | 2019 | 2018 |
|------------------------------|-------------|-------------|
| 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

| Alte creanțe | 2019 | 2018 |
|---------------------|-------------|-------------|
|---------------------|-------------|-------------|

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

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

| SUBVENȚII | 2019 | 2018 |
|------------------|-------------|-------------|
|------------------|-------------|-------------|

| | | |
|--|-----------|-----------|
| 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.

| Aționari | | Număr acțiuni | Valoare (lei) | Procente |
|--|-----------------------------------|----------------------|----------------------|-----------------|
| TOTAL conform Depozitarului Central la 31.12.2018, 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, 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

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

The individual situation

| | 2019 | 2018 |
|-----------------------------------|-------------|-------------|
| Sold inițial | 1,977,555 | 5,763,594 |
| Intrări rezultat curent | 1,653,294 | 1,977,555 |
| Ieșiri 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

| | 2019 | 2018 |
|-----------------------------------|-------------|-------------|
| Sold inițial | 2,020,496 | 5,778,028 |
| Intrări rezultat curent | 1,844,503 | 2,020,496 |
| Ieșiri 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.

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

| | Rezerve din reevaluare | Rezerve legale | Alte rezerve | TOTAL |
|--------------|------------------------|----------------|--------------|------------|
| 2018 | | | | |
| 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 |
| 2019 | | | | |
| 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

| | Rezerve din reevaluare | Rezerve legale | Alte rezerve | TOTAL |
|--|-------------------------------|-----------------------|---------------------|--------------|
|--|-------------------------------|-----------------------|---------------------|--------------|

2018

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

2019

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

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 | 2.697.383 |
| 2 | Credit investitii Unicredit | 617 / 08.11.2016 | 2,090,000 | 2,089,101 | 524.705 | 524.705 | 480.980 | 1.530.390 |

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 |
| 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

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

Consolidated situation

| Datorii comerciale | 2019 | 2018 |
|--------------------------------|-------------|-------------|
| 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

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

The individual situation

| Impozite și taxe curente | 2019 | 2018 |
|--|-------------|-------------|
| 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

| Impozite și taxe curente | 2019 | 2018 |
|---------------------------------|-------------|-------------|
| 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.

18. OTHER CURRENT LIABILITIES

The individual situation

| Alte datorii curente | 2019 | 2018 |
|-----------------------------|-------------|-------------|
| 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

| Alte datorii curente | 2019 | 2018 |
|-----------------------------|-------------|-------------|
| 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

| | 2019 | 2018 |
|---|-------------|-------------|
| 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

| | 2019 | 2018 |
|---|-------------|-------------|
| Venituri din producția vândută | 147,072,796 | 164,572,434 |
| 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

| | 2019 | 2018 |
|---------------------------------|-------------|-------------|
| 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

| | 2019 | 2018 |
|---------------------------------|-------------|-------------|
| 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

| | 2019 | 2018 |
|-----------------------|-------------|-------------|
| Venituri financiare | 226,903 | 531,269 |
| Cheltuieli financiare | 943,521 | 909,943 |

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 |

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:

| | 2019 | 2018 |
|--------------------------|-------------|-------------|
| Beneficiile angajaților | 0 | 0 |
| Impozit amânat - datorie | 0 | 0 |
| IMPOZIT AMÂNAT | 0 | 0 |

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

| Impozit curent | 2019 | 2018 |
|---|-------------|-------------|
| 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

| Impozit curent | 2019 | 2018 |
|---|-------------|-------------|
| 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 |

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

| Rezultatul pe acțiune | 2019 | 2018 |
|---|-------------|-------------|
| 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

| Rezultatul pe acțiune | 2019 | 2018 |
|---|-------------|-------------|
| 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.

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 |

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 x 100 | 117,056,407 | |
| 3. Viteza de rotație a debitelor – clienți | Sold mediu clienți | 40,547,364 | 97 (nr. de zile) |
| | /Cifra de afaceri x 365 | 152,004,527 | |
| 4. Viteza de rotație a activelor imobilizate | Cifra de afaceri | 152,004,527 | 1.96 (nr. de ori) |
| | / Active imobilizate | 77,504,644 | |

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 x 100 | 117,397,558 | |
| 3. Viteza de rotație a debitelor – clienți | Sold mediu clienți | 40,567,739 | 97 (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 (nr. de ori) |
| | / Active imobilizate | 74,641,673 | |

Lichiditatea generală este supraunitara, în jurul valorii de 2, asigurând astfel o capacitate rezonabilă pentru plata obligațiilor scadente pe termen scurt. Gradul de îndatorare (datorii totale/total active) exprimă în ce măsură firma își finanțează 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 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

| | 2019 | 2018 |
|-----------------------------------|-------------|-------------|
| 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 |

Consolidated situation

| | 2019 | 2018 |
|-----------------------------------|-------------|-------------|
| 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

| | 2019 | 2018 |
|---------------|-------------|-------------|
| 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

| | 2019 | 2018 |
|---------------|------------|------------|
| 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 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:

| 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.

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



S.C. UAMT s.a.

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STATEMENT

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

- Individual annual financial statements for year 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to companies whose securities are admitted to trading on a regulated market, approved by OMFP No. 2844/2016.
- The accounting policies used to prepare the individual financial statements are in accordance with the accounting regulations applied;
- Individual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") provide a true and fair view of the financial position, financial performance and other information relating to the business carried on;
 - The company carries out its activity in a continuum;
- We do not know, at the time of this statement, about other information, events, circumstances that significantly alter the above statements.

Director General
STANCIU Ioan

Sef Depart.Financiar Contabil
BONTA Mircea Gabriel

INDEPENDENT AUDITOR'S REPORT

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

31 DECEMBER 2019

**Leocont Expert S.R.L.
Member of the Chamber of
Financial Auditors of Romania (CAFR),
under no. 164**

**Financial Auditor – Leonica
BOCHIȘ Member of the Chamber
of Financial Auditors of Romania
(CAFR) under no. 706**

Registration no. 7 / 13.03.2020

INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors and Shareholders of U.A.M.T. S.A.

Audit Report on the Annual Financial Statements

Unqualified Opinion

1. We audited the individual financial statements of the company U.A.M.T. S.A. (Company), with headquarters in 8 Uzinelor street, Oradea, Bihor county, identified by the unique fiscal registration code RO 54620, which comprise the individual Balance Sheet as of 31 December 2019, the individual Profit and Loss Account, the individual Statement of Changes in Equity and the individual Cash Flow Statement for the year then ended, as well as a summary of significant accounting policies and explanatory notes.
2. The individual financial statements on 31 December 2019 are identified as follows:
Total equity:102.238.586 lei
Overall result for the period – net profit:1.653.294 lei
3. In our opinion, the accompanying separate financial statements provide a true and fair view of the Company's financial position as of 31 December 2019, as well as of the financial performance and cash flows for the year then ended, in accordance with Order 2844/2016 by the Ministry of Public Finance for the approval of accounting regulations in line with International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market.

Basis for our Opinion

4. We conducted our audit in accordance with the International Standards on Auditing ("ISA"), EU Regulation no. 537/2014 of the European Parliament and of the Council (hereinafter "the Regulation") and Law no. 162/2017 (hereinafter "the Law"). Our responsibilities under these standards are described in detail in the "Auditor's Responsibilities in an Audit of Financial Statements" section of our report. We are independent from the Company, according to the Ethics Code of Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), according to the ethical requirements that are relevant for the audit of financial statements in Romania, including the Regulation and the Law, and we have fulfilled our ethical responsibilities according to these requirements and according to the IESBA Code. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit issues

5. Key audit issues are those issues that, based on our professional judgment, have been of the highest importance for the audit of the current period's financial statements. These issues were addressed in the context of the audit of the financial statements as a whole and we do not provide a separate opinion on them.

The key issues taken into consideration were:

- a. Valuation of property, plant and equipment
(Note 1 to the Financial Statements)

Risks: Management assertions on the valuation of property, plant and equipment can present significant misstatements if the applicable accounting regulations for the measurement of property, plant and equipment, in accordance with IAS 16 – Property, Plant and Equipment, are not applied at the reporting date.

Our response to these risks of material misstatement: In assessing property, plant and equipment, we tested the nature of expenditures capitalized in the cost of the upgraded assets during the year 2019. We accounted for the risks identified in the accounting treatments presented by the Company in the previous financial years. We performed procedures to obtain reasonable assurance that there is no material misstatement regarding the upgrades to existing property, plant and equipment at the reporting date.

**b. Valuation of operating revenue
(Note 19 to the Financial Statements)**

The operating revenue decreased during the last financial period by approximately 6,8%, from 170. 397.933 lei in 2018, to 158.838.440 lei in 2019.

Risks: A distortion of the revenue accounts' turnover might result in a significant distortion of the operating revenue presented in the Profit and Loss Account, as well as other elements of the global result.

Our response to these risks of material misstatement: We extended the audit procedures in order to establish whether the recorded revenue was justified by contracts, invoices and other documents, we applied an increased level of skepticism throughout the audit mission and we analyzed the Management's estimates concerning this position within the Balance Sheet.

Our ascertainment: In 2019, the Company's revenue represented the gross financial benefits that resulted from its normal activity. The largest portion of the total turnover was generated by sold production: 92,4%. After conducting the supplementary audit procedures, we concluded that revenues are correctly recognized in the Profit and Loss Account, as we as in all other elements of the global result, and the financial statements are not distorted.

**c. Valuation of operating expenses
(Note 20 to the Financial Statements)**

The operating expense decreased during the last financial period by approximately 6,7%, from 167. 492.168 lei in 2018, to 156.278.620 lei in 2019.

Risks: If expenses are recorded improperly, the operating expense presented in the Profit and Loss Account, as well as other elements of the global result might be considerably distorted.

Our response to these risks of material misstatement: We extended the audit procedures in order to establish whether the operating expenses reflected correctly in the Financial Statements. We applied an increased level of skepticism throughout the audit mission and we analyzed the Management's estimates concerning this position within the Financial Statements.

Our ascertainment: During 2019, operating expenses decreased by 6,7%, mainly because of raw material and consumables' costs, as well as wage costs. This evolution is consistent with the structure of the production. After conducting the supplementary audit procedures, we concluded that expenses are correctly recognized in the Profit and Loss Account, as we as in all other elements of the global result, and the financial statements are not distorted.

**d. Inventory valuation
(Note 4 to the financial statements)**

Risk: Management assertions regarding inventory valuation may present significant misstatements in the sense of non-application of accounting inventory valuation regulations at the reporting date, at the lowest of cost and net realizable value.

Our response to these risks of material misstatement: In terms of inventory valuation, we tested the nature of the costs incurred within the cost of the services provided. We tested the depreciation of inventories as estimated by the Management taking as a basis the net realizable value and we performed procedures which provided reasonable assurance that there is no material misstatement of these assertions.

e. Continuity of the activity

(Notes 25 and 27 to the Financial Statements)

Risks: The Management is responsible for assessing the assumptions for the continuity of the Company's operations when preparing the annual Financial Statements.

Our response to these risks of material misstatement: We set out to understand the risks of material misstatement in connection with the Management's assertions on the continuity of the business. To this end, we analyzed aspects of the Company's evolution, the revenue and expenditure budget approved for the financial year 2020, we examined the minutes and reports of the Board of Directors' Meetings and General Meetings of Shareholders, as well as contracts for the financial year 2020.

Our ascertainment: After careful analysis of these risks, we believe that the assumptions for the continuity of the Company's operations made by the Management when preparing the annual Financial Statements are appropriate. Consequently, we did not identify any significant uncertainty that might cast doubt on the Company's ability to continue its business in a foreseeable future.

Other information - Administrators' report

6. The Administrators are responsible for compiling and presenting other information.

This information is included in the Administrators' Report, but does not encompass the Financial Statements and the Auditor's Report thereon.

Our opinion on the financial statements does not cover this other information, and unless expressly stated in our report, we do not express any assurance about it.

It is our responsibility to read the information presented in the Administrators' Report and, in this regard, to assess whether that information is materially inconsistent with the financial statements, whether it appears to be materially distorted or whether it contradicts the knowledge that we obtained during the audit mission.

As far as the Administrators' Report is concerned, we need to read it and report on whether it was been prepared in all material respects in accordance with Order 2844/2016 issued by the Ministry of Public Finance for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards, Chapter III, points 15-19.

Based solely on the activities to be performed during the audit of the Financial

Statements, in our opinion:

- a. The information presented in the Administrators' Report for the financial year for which the Financial Statements were prepared is consistent, in all material respects, with the financial statements;
- b. The Administrators' Report was drawn up, in all significant aspects, in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations in line with International Financial Reporting Standards, Chapter III, pts 15-19.

In addition, we are required to report whether we identified significant misstatements in the Administrators' Report, based upon our knowledge and understanding of the Company and its environment, knowledge and understanding which we acquired during the audit of the financial statements for the year ended 31 December 2019. We have nothing to report on this issue.

Responsibilities of Management and those responsible for governance for the individual Financial Statements

7. The Management of the Company is responsible for the preparation and fair presentation of the separate Financial Statements in accordance with International Financial Reporting Standards and with the OMFP no. 2844/2016 of 12 December 2016 for the approval of the Accounting Regulations in line with the International Financial Reporting Standards and for such internal control as the Management considers necessary to allow the preparation of Financial Statements free of material misstatement, whether caused by fraud or error.

8. When preparing the individual financial statements, the Management is responsible for assessing the Company's ability to continue its operation. This entails presenting, where appropriate, aspects referring to the business continuity and using accounting based on the business continuity, unless the Management either intends to liquidate the Company or to stop its operations, or has no other realistic alternative.
9. The people in charge of the governance are responsible for the surveillance of the Company's financial reporting process.

Auditor's responsibilities within an audit of Financial Statements

10. Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether caused by fraud or error, as well as issuing an Auditor's Report which includes our opinion. Reasonable assurance represents a high level of assurance, but there is no guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement, if any. Distortions may be caused either by fraud or by error and are considered significant if reasonable assurance can be given that they, individually or collectively, will influence the economic decisions of users, when made on the basis of those financial statements.
11. As part of an audit in accordance with ISAs, we express a professional judgment and maintain professional skepticism throughout the audit. Furthermore:

We identify and evaluate the risks of material misstatement of Financial Statements, whether caused by fraud or error, we design and execute audit procedures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting significant misstatement caused by fraud is higher than the failure to detect a significant misstatement caused by error, as fraud may imply secret, deceit, deliberate omissions, false statements, and avoidance of internal control.

We understand the internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, but without the purpose of expressing an opinion on the effectiveness of the Company's internal control.

We assess the suitability of the Company's accounting policies and the reasonableness of the accounting estimates and related disclosures made by the Management.

We formulate a conclusion on the appropriateness of the Management's use of accounting based on the continuity of activity, and determine, based on the audit evidence we obtained, whether there is significant uncertainty about events or conditions that could generate significant doubts about the company's ability to continue its activity. If we conclude that there is significant uncertainty, we must draw attention to it in the auditor's report on the accompanying financial statements or, if these presentations are inappropriate, change our opinion. Our findings are based on audit evidence obtained by the date of the auditor's report. However, future events or conditions may cause the Company not to continue operating on a business continuity basis.

We evaluate the presentation, structure and content of financial statements, including disclosures, and the extent to which the financial statements reflect the transactions and events underlying them in a manner that results in a fair presentation.

- 12. We communicate to those responsible with governance, among other things, the planned area and timing of the audit, as well as the main findings of the audit, including any significant internal control deficiencies that we identify during the audit.**
- 13. We also provide a statement to those responsible for governance that we complied with relevant ethical requirements in terms of independence and that we communicated all relationships and other matters which we reasonably assume that might affect our independence and, where appropriate, the corresponding protective measures.**
- 14. Among the aspects communicated to those in charge of the governance, we determine which ones are the most important for the audit of Financial Statements of the current period and therefore**

which ones represent key audit aspects. We describe these aspects in the Auditor's Report, unless laws or regulations prohibit public disclosure of the aspect or of the case in which, in extremely rare circumstances, we believe that it should not be communicated in our report. as we are reasonably convinced that the negative consequences of such communication would overcome the benefits of the public interest.

Report on other legal and regulation provisions

15. We were appointed in 2019 by the General Meeting of Shareholders to audit the financial statements of U.A.M.T. S.A. for the financial years 2019, 2020, 2021. The total uninterrupted duration of our commitment is 10 years, covering the financial years ended 31 December 2010 to 31 December 2019. The legal document for this appointment is the original auditing contract, bearing no. 6 / 01.12.2010, renewed by addendum no. 3 / 09.12.2019.

We hereby confirm that:

Our audit opinion is in line with the additional report submitted to the Audit Committee of the Company, which we issued on the same date that we issued this report.

In conducting our audit, we retained our independence from the audited entity.

We did not provide any prohibited non-audit services for the Company, referred to in Art. 5 (1) of EU Regulation no. 537/2014.

Leocont Expert S.R.L.
Member of the Chamber of
Financial Auditors of Romania (CAFR),

under no. 164

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

Oradea, 13 March 2020

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



Financial Auditor – Leonica BOCHIȘ

**Member of the Chamber of
Financial Auditors of Romania (CAFR)**

under no. 706



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PROJECT BUDGET 2020

| NR CRT | THE BUDGET OF REVENUE AND EXPENDITURE | 2020 |
|------------|---------------------------------------|-------------------|
| | | EURO |
| I | TOTAL INCOME (1+2) | 25,236,000 |
| 1) | OPERATING INCOME | 25,212,000 |
| a | Production sold | 24,000,000 |
| b | Other operating revenues | 1,200,000 |
| a+b | TURNOVER | 25,200,000 |
| 2) | FINANCIAL INCOME | 24,000 |
| II | TOTAL EXPENSES (1+2) | 24,662,645 |
| 1) | OPERATING EXPENDITURE | 24,542,645 |
| a | Raw materials | 15,990,000 |
| b | Consumables | 300,000 |
| c | Energy and water | 480,000 |
| d | Other material expenses | 600,000 |
| | TOTAL MATERIAL EXPENDITURE | 16,680,000 |
| e | Services by third parties | 600,000 |
| f | Taxes and similar charges | 540,000 |
| g | Staff cost | 3,470,645 |
| h | Other operational expenses | 402,000 |
| i | Depreciation and provisions | 2,160,000 |
| 2) | FINANCIAL EXPENSES | 120,000 |
| III | Gross result | 573,355 |
| a | Profit tax | 91,737 |
| IV | Net result | 481,619 |
| V | Profit rate on Turnover | 1.91% |

Director general
Ioan Stanciu

Sef.dep.fin.contab.
Mircea Bonta