ALTUR S.A.

FINANCIAL SITUATIONS

On 31 MARCH 2020

Prepared in accordance with the Order of the Ministry of Public Finance 2844/2016 for the approval of accounting regulations in line with International Financial reporting Standards

Summary

(Amounts are expressed in RON, unless otherwise stated

Statement of Comprehensive Income

	Achieved on 31 march 2019	Achieved on 31 march 2020
	RON	RON
Sale of goods	27.628.590	23.770.046
Service provision	15.735	221
Rental income	3.808	9.930
Fiscal value	**27.648.151**	**23.780.197**
Other operating revenues	474.968	229.365
Changes in stocks of finished goods and production in progress	(880.181)	(326.487)
TOTAL REVENUE FROM THE OPERATIONS	**27.242.938**	**23.683.075**
Expenditure on raw materials and consumables used	13.411.964	11.130.468
Employee Benefits Expenditures	7.434.222	7.371.673
Expenses with amortization of fixed assets	1.496.778	1.411.958
Utilities expenses	2.669.262	2.233.375
Other expenses	2.606.306	1.202.497
TOTAL EXPENDITURE	**27.618.532**	**23.349.971**
PROFIT / LOSS OF OPERATION	(375.594)	333.104
Financial income	380.693	308.956
Financial costs	697.919	539.342
FINANCIAL PROFIT / (LOSS)	**(317.226)**	**(230.386)**
TOTAL INCOME	**27.623.631**	**23.992.031**
TOTAL EXPENSES	**28.316.451**	**23.889.313**
PROFIT / LOSS () GROSS (A)	**(692.820)**	**102.718**
Profit tax expense	-	-
Income from deferred tax	-	-
THE PROFIT / LOSS () OF THE FINANCIAL YEAR	**(692.820)**	**102.718**
TOTAL GLOBAL OUTPUT FOR THE PERIOD	**(692.820)**	**102.718**
Basic earnings / diluted earnings per share	**0,0008**	**(0,0001)**

The financial statements on page 1 on page 29 were approved by the Board of Directors and were authorized to be issued on 15.05.2020.

Chairman of the Board of Directors
Dipl Eng . Nitu Rizea Gheorghe

General Director

Ec. Burca Sergiu

Chief Financial Officer

Ec. Predut Vasile Cornel

(Amounts are expressed in RON, unless otherwise stated

Statement of financial position at March 31, 2020

	31 December 2019 RON	31 March 2020 RON
ACTIVE		
Intangible assets	64.186	58.837
Tangible assets	52.987.526	51.560.514
Titles at fair value through profit or loss	83.515	82.312
Shares held in subsidiaries	-	-
Other fixed assets	1.204.159	1.204.159
TOTAL IMMOBILIZED ACTIVITIES	**54.339.386**	**52.905.822**
Current assets		
Stocks	33.230.837	31.426.043
Commercial and similar receivables	40.597.102	38.752.875
Expenses registered in advance	362.629	482.601
Cash and cash equivalents	202.216	371.836
TOTAL CIRCULATIVE ACTIVITIES	**74.392.784**	**71.033.355**
TOTAL ACTIVE	**128.732.170**	**123.939.177**
OWN CAPITAL AND LIABILITIES		
Personal capital		
Total Social Capital, out of which:	***279.882.400***	***279.882.400***
- Subscribed capital	*82.434.541*	*82.434.541*
- Adjustments of the share capital	*197.447.859*	*197.447.859*
Prime capital	(1.101.122)	(1.101.122)
Legal reserve and other capital reserves	6.260.740	6.260.740
Revaluation reserves	19.498.651	19.498.651
Reported result	(242.456.268)	(242.353.550)
Total equity	**62.084.401**	**62.187.119**
Long-term debt		
Loans and interest-bearing loans	7.048.111	6.332.073
Commercial debts - immovable suppliers	1.762.716	1.585.210
Subsidies	1.253.200	3.255.749
Deferred tax liabilities	1.306.780	1.306.780
Current debts		
Commercial and similar debts	31.125.503	27.104.830
Loans and interest-bearing loans	25.458.239	23.474.196
Profit tax on payment	-	-
Total equity and debt	**128.732.170**	**123.939.177**

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Statement of changes in equity for the period January 1 - March 31, 2020

	JOINT STOCK	Share premium	Legal reserve	Others capital reserve	Revaluation reserves	Reported result	Total equity
	RON	RON	RON	RON	RON	RON	RON
La 1 ianuarie 2019	**279.882.400**	**1.135.150**	**3.735.438**	**2.534.812**	**17.298.239**	**(240.515.520)**	**64.070.519**
Profit / (loss) of the period						**(692.820)**	**(692.820)**
Other elements of the overall result							
Total global result	-	-	-			**(692.820)**	**(692.820)**
On 31 march 2019	**279.882.400**	**1.135.150**	**3.735.438**	**2.534.812**	**17.298.239**	**(241.208.340)**	**63.377.699**
On 1 january 2020	**279.882.400**	**1.135.150**	**3.735.438**	**2.570.672**	**17.262.379**	**(242.501.638)**	**62.084.401**
Profit / (loss) of the period						**102.718**	**102.718**
Other elements of the overall result							
Total global result	-	-	-			**102.718**	**102.718**
On 31 march 2020	**279.882.400**	**1.135.150**	**3.735.438**	**2.570.672**	**17.262.379**	**(242.398.920)**	**62.187.119**

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General Director
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Cash flow statement

Direct method	**Year ended December 31, 2019**	**Achieved on 31 march 2020**
	RON	**RON**
Treasury flows from activities of exploitation		
Receipts from customers	114.328.747	27.066.458
Payments to suppliers and employees	(107.492.233)	(23.971.483)
Interest paid	(1.007.258)	(209.372)
Paid tax paid	-	-
Net Treasury from Operation	***5.829.256***	***2.885.603***
Treasury flows from investment activities		
Payments for the acquisition of shares		
Payments for the acquisition of tangible assets	(3.379.636)	(560.722)
Receipts from sales of tangible assets	31.030	12.045
Interest earned	-	-
Dividends received	-	-
Income from financial investment cedar	-	-
Expenses from financial investment cessions	-	-
Net Treasury of investment activities	**(3.348.606)**	**(548.677)**
Treasury flows from financing activities		
Receipts from the share issue	-	-
Long-term borrowing	-	-
Payment of debts related to financial leasing	(884.718)	(160.243)
Dividends paid	-	-
Short-term credit change	(1.510.940)	(2.007.063)
Net Treasury from financing activities	**(2.395.658)**	**(2.167.306)**
Net increase / (decrease) in the treasury and treasury equivalents	**84.992**	**169.620**
Treasury and treasury equivalents at the beginning of the financial year	**117.224**	**202.216**
Treasury and treasury equivalents at the end of the financial year	**202.216**	**371.836**

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Presedinte al Consiliului de Administratie
Ing. Nitu Rizea Gheorghe

Director General
Ec. Burca Sergiu

Sef Departament Financiar
Ec. Predut Vasile Cornel

1. Information about the Society

SC Altur S.A. is a joint stock company whose object of activity is the manufacture of castings made of aluminum alloys and pistons for motor vehicles, tractors, trucks, aluminum casting for the electrotechnical industry.
The company was founded in 1979 under the name of the Cast of Aluminum Parts and Pistons and became a joint stock company named Altur S.A. in 1991, according to Government Decision no. 116/1991.

The legal address of the Company is Str. Pitesti, no. 114, Slatina, Olt County, Romania.

2. Principles, policies and accounting methods

2.1 Basis of drawing up the financial statements

Declaration of conformity

The financial statements for the first quarter of 2020 were prepared in accordance with the provisions of Order no. 2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, with all subsequent amendments and clarifications. These provisions are in line with the provisions of the International Financial Reporting Standards adopted by the European Union, except for the provisions of IAS 21 The Effects of Changes in Foreign Exchange Rates on the Functional Currency. In order to prepare these financial statements, in accordance with the Romanian legal provisions, the functional currency of the Company is considered to be the Romanian Leu (RON).

The financial statements as at 31 March 2020 were not audited and were not subject to review by an external auditor.

2.2 The principal accounting policies

For the preparation of the financial statements of Altur SA for the first quarter of 2020, the same calculation methods and accounting policies as those applied in the preparation of the Company's financial statements for the year ended 31 December 2019 were used.

The financial statements as at 31 March 2020 were prepared on a going concern basis, which implies that the Company will be able to continue its normal operation in the foreseeable future and pay its debts under normal bussines condition.

(Amounts are expressed in RON, unless otherwise stated

3. Turnover

3.1. Income from the sale of goods

	31.03.2019	31.03.2020
	RON	RON
Income from the sale of finished products	27.588.261	23.750.939
Income from selling residual products	34.594	3.940
Income from sale of goods	523	1.750
Other sales revenue	5.212	13.417
Income from the sale of goods	**27.628.590**	**23.770.046**

The company earns sales on the domestic market (in Romania), but primarily on export. The foreign market represents over 79% of the sales of goods, being the main selling market for the products made by the company. The structure of export sales is detailed here:

	31.03.2019	31.03.2020
	%	%
Germany	38,24	34,42
Poland	32,21	32,40
France	14,36	12,99
Italy	9,24	8,39
England	0,10	5,41
Czech Republic	5,52	4,34
Spain		1,71
Others	0,34	0,61
Total	**100**	**100**

Product structure considering their destination is as follows:
- automotive industry - 96%
- other industrial branches - 4%

3.2 Revenue from services

	31.03.2019	31.03.2020
	RON	RON
Revenues of executed works	15.753	221
Total revenue from services	**15.753**	**221**

Revenue from transport services is earned by the company as a result of the use of its trucks to transport the assets of its business partners
Client design work or client material processing generates revenue that is recorded within the line of earnings executed.

(Amounts are expressed in RON, unless otherwise stated

3.3. Rental income

The company earns rental income from fixed assets (commercial premises), detailed here:

	31.03.2019	31.03.2020
	RON	RON
Other rental income	3.808	9.930
Total rental income	**3.808**	**9.930**

4. Other operating income

	31.03.2019	31.03.2020
	RON	RON
Income from asset sales and other capital operations	18.974	12.045
Revenues from investment grants	178.590	177.506
Income from the reversal of provisions for depreciation of asset	-	-
Other operating revenues	277.404	39.814
Total operating income	**474.968**	**229.365**

5. Employee benefits expens

Short-term benefits to employees include pay, wages and social security contributions. These benefits are recognized as expenses when providing services. The total wage bill is shown in the table below:

	31.03.2019	31.03.2020
	RON	RON
Salary costs	6.805.413	6.781.362
Expenditures on the assuring contribution for state pensions	156.186	157.519
Other expenses with employees	472.623	432.792
Total wage costs	**7.434.222**	**7.371.673**

The company carries out payments on behalf of its own employees to the social security system, health insurance and unemployment fund. The average number of employees for the period January 1 - March 31, 200 is 722, compared to the average number of employees in the period comparative of the year 2019 of 727 persons. The actual number of staff at March 31, 2020 is 709.

The company does not operate any other retirement or retirement benefit plan and therefore has no other pension obligations. The company offers employees undergoing a collective labor contract two employees' gross salaries in the month before retirement.

(Amounts are expressed in RON, unless otherwise stated

6. Others expences

	31.03.2019 RON	31.03.2020 RON
Maintenance and repair costs	81.529	26.329
Rental charges	10.347	8.541
Expenditure on insurance	43.933	24.792
Freight and personnel transportation costs	465.884	98.574
Travel expenses	54.957	54.209
Banking service charges	133.258	31.921
Expenditure to the state budget	204.695	175.801
Expenditure on environmental protection	120.949	104.030
Compensation, fines, penalties	84.140	33.741
Expenditure services processing parts	16.807	-
Expenditure on management and legal advisory services	299.871	68.418
Expenditure preparing the manufacture of new landmarks	323.773	194.218
Communal management expenses	90.006	56.908
Service Costs Sorting Parts, Administrative Costs	233.099	187.470
Security and security services, PSI services	19.740	19.734
Other operating expenses	423.318	147.811
Total	**2.606.306**	**1.202.497**

7. Financial Expenses and Income

Financial Expences	31.03.2019 RON	31.03.2020 RON
Expenditure on financial investments ceded	-	-
Expenditures / (Income) on Value Adjustments for Financial Assets	1.375	1.203
Expenditure on exchange rate differences	394.219	294.755
Interest charges	282.535	209.372
Other financial expenses	19.790	34.012
Total	**697.919**	**539.342**

Financial Income	31.03.2019 RON	31.03.2020 RON
Income from financial investments ceded	-	-
Interest income	269	2
Income from exchange rate fluctuations	380.424	308.954

(Amounts are expressed in RON, unless otherwise stated

Total	**380.693**	**308.956**

During the first trimesters of the years 2019 and 2018 there were no dividends receive

8. Income taxes

The total expense of the year reconciles with the accounting profit as follows:

	31.03.2019	31.03.2020
Current income tax	RON	RON
Current income tax		
Deferred tax:	-	-
Related to temporary differences		
Current income tax	-	-
Profit tax expense recorded in the income statement	**-**	**-**

The reconciliation between the accounting profit and the current income tax calculation is presented below:

	31.03.2019	31.03.2020
	RON	RON
Gross operating profit / (loss) (a)	**(692.820)**	**102.718**
Fiscal loss from previous years ()	(15.254.761)	(16.828.861)
Profit tax at statutory tax rate (16%)	**-**	-
Impact of permanent differences	-	-
Fiscal credit (sponsorship)	-	-
Fiscal credit (legal reserve)	-	-
Current tax expense on the profit and loss account	**-**	**-**

9. Tangible assets

Cost or fair value	**lands**	**buildings**	**Equipments**	**Equipment and construction in progress**	**advance payments for immobilizations**	**Total**
	RON	**RON**	**RON**	**RON**	**RON**	**RON**
December 31, 2019	**7.244.000**	**21.581.214**	**96.226.137**	**1.159.119**	**203.987**	**126.414.457**
inputs	-	-	-	118.616	15.000	**133.616**
outputs	-	-	27.145	-	.4.016	**31.161**
Transfers *	-	-	264.881	(264.881)	**-**	**-**
On 31 March 2019	**7.244.000**	**21.581.214**	**96.463.873**	**1.012.854**	**214.971**	**126.516.912**

(Amounts are expressed in RON, unless otherwise stated

* The transfer is between fixed asset management. The fixed assets held in the category of equipment and construction in progress are not depreciated until the next month of commissioning

	lands	buildings	Equipments	Equipment and construction in progress	Total
Depreciation and depreciation adjustments					
On 31 December 2019	**-**	**5.307.257**	**68.119.674**	**-**	**73.426.931**
Amortization	-	192.817	1.363.795	-	**1.555.612**
Outbreaks	-	-	27.145	-	**27.145**
On 31 March 2020	**-**	**5.500.074**	**69.456.324**	**-**	**74.956.398**
Net book value					
On 31 December 2019	**7.244.000**	**16.273.957**	**28.106.463**	**1.363.106**	**52.987.526**
On 31 March 2020	**7.244.000**	**16.081.140**	**27.007.549**	**1.227.825**	**51.560.514**

Assets held in finance leases

Altur SA has 3 financial leasing contracts on 31 December 2019 and 31 March 2020 (note 12.2)

Tangible assets sold and leased

During 2019 and until the end of the first quarter of 2020, the company did not have any tangible assets sold and leased subsequently.

Reassessment of Fixed Assets

The last revaluation of the buildings and land owned by the Company took place on 31 December 2012 by an independent valuer and aimed at establishing both fair, market, building and land values. The revaluation was carried out by Ciocan I. Gheorghe, an independent accredited evaluator, on 31 December 2012. The fair value of the real estate was determined on the basis of observable transactions on the market, where comparable data were available, or alternative valuation methods, International Valuation Assessment. On 31 March 2020 and 31 December 2019, the fair values set at the 2012 reassessment were considered relevant.

Assets pledged by guarantees

The Company has fixed assets with warranties (detailed in Note 12.1).

Value of tangible fixed assets

The gross carrying amount of fully depreciated tangible fixed assets that are still in use at 31 March 2020 is RON 40.995.777, corresponding to 1030 fixed assets (31 December 2019: 40.972.922 RON, corresponding to 1024 fixed assets).

Provisions for impairment of fixed assets

On 31 March 2020 and 31 December 2019, the Company did not record provisions for the impairment of fixed assets.

Considering the difficult economic context in Romania and internationally, the Company analyzed whether there were other internal or external indices of depreciation, but did not identify such indices that would lead to an additional decrease in the value of fixed assets, in addition to diminishing of value resulting from the revaluation.

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10. Intangible assets

	Patents and licenses	Total
	RON	RON
Cost		
At 31 December 2019	713.639	713.639
Inputs	-	-
Outputs	-	-
On 31 March 2020	713.639	713.639
Depreciation and impairment of value		
At 31 December 2019	649.453	649.453
Amortization	5.349	5.349
Outputs	-	-
On 31 March 2020	654.802	654.802
Net book value		
At 31 December 2019	64.186	64.186
On 31 March 2020	58.837	58.837

11. Financial assets

The financial assets of the Company are divided into:

1) Securities at fair value through profit or loss
2) Shares held in subsidiaries
3) Other fixed assets (accounted at cost)

	31.12.2019	31.03.2020
	RON	RON
Titles valued at fair value through profit and loss	83.515	82.312
Shares held in subsidiaries	-	-
Other fixed assets (accounted for at cost)	1.204.159	1.204.159
	1.287.674	**1.286.471**
Total investments available for sale		
	1.287.674	**1.286.471**
Total financial assets		

11.1 Titles valued at fair value through profit and loss

Altur SA holds investments in listed shares. The fair value of the bonds and quoted shares is established by reference to the quoted prices published by the active market according to the Bucharest Stock Exchange.

(Amounts are expressed in RON, unless otherwise stated

Shares listed on the Bucharest Stock Exchange

Company	Numar of shares	Market quotation	Value to31 March 2020
Galfinband SA (GALF)	53.262	1,4400	76.697
Patria Bank (PBK)	34.866	0,0750	2.615
Concifor SA (COBU)	15.000	0,2000	3.000
Total	**103.128**		**82.312**

Company	Numar of shares	Market quotation	Value to 31 December 2019
Galfinband SA (GALF)	53.262	1,4400	76.697
Patria Bank (PBK)	34.866	0,1095	3.818
Concifor SA (COBU)	15.000	0,2000	3.000
Total	**187.351**		**83.515**

In addition, the Company holds shares in Vulturul Comarnic SA and Alprom SA, companies not listed on the Stock Exchange. Taking into account the fact that on 31 March 2020 and 31 December 2019 there is no market information regarding the trading price for the shares of these issuers, the Company decided that these shares should be presented at cost at the current reporting date.

Actions held in Alprom	**31 December 2019**	**31 March 2020**
Value of shares	2.500	2.500
Number of shares held	1.000	1.000
Actions held in **Vulturul Comarnic**		
Value of shares	1.201.659	1.201.659
Number of shares held	641.705	641.705

Impairment of financial investments

Altur SA assesses at each reporting date whether there is objective evidence that an investment or group of investments is impaired. In the case of investments in shares classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of capital investments below their cost. Determining what "significant" or "prolonged" means rationalizes. In making these judgments, Altur SA assesses, among other factors, movements in the historical cost of shares, as well as the duration and extent to which the fair value of an investment is lower than its cost.

Based on these criteria, the Company identified at the end of the first quarter of 2020 a depreciation of RON 195.599 (31 December 2019: 194.396 RON) of investments in quoted shares. Depreciation of the market value by the amount of 1.203 RON as at 31 March 2020 versus December 31, 2019 was recognized in the financial statements in the income statement for the current reporting period

Also, a portion of financial assets consists of investments in shares in two unlisted companies, which are valued on the basis of observable market information

Reconciliation of the "Items at fair value through profit or loss" item in the statement of financial position for 31 March 2020 is presented in the table below.

(Amounts are expressed in RON, unless otherwise stated

On 31 March 2020, ALTUR SA owns the following listed securities on BSE:

TITLE (SYMBOL)	***Quantity***	***MEDIUM PRICE***	***VALUE (RON)***	***MARKET PRICE***	***MARKET VALUE***	***negative difference***	***POSITIVE difference***
GALFINBAND SA (GALF)	53,262	4.95188	263,747.12	*1.4400*	76,697.28	-187,049.84	
CONCIFOR SA BUZAU (COBU)	15,000	0.24059	3,608.82	*0.2000*	3,000.00	- 608.82	
PATRIA BANK (PBK)	34,866	0.30276	10,556.12	*0.0750*	2,614.95	-7,941.17	
TOTAL	***103,128***		***277,912.06***		***82,312.23***	***-195,599.83***	
						-195,599.83	

1) Cost of securities at fair value through profit or loss	**277,912.06**
2) Adjustments for depreciation of securities at fair value through profit or loss	**195,599.83**
3) Securities at fair value through profit and loss (item 1 - item 2) **(sum of the position of the financial position)**	**82,312.23**

11.2 Shares held in subsidiaries

Given the situation of the Vilcart subsidiary in the liquidation procedure, Altur SA constituted depreciation adjustments at 31 December 2017 at the level of the shareholding in the subsidiary.

Shares held in Vilcart SRL	**31 December 2019**	**31 March 2020**
Value of shares	4.364.700	4.364.700
Number of shares held	239.000	239.000
Depreciation adjustments	4.364.700	4.364.700
Net book value	**0**	**0**

12. Other financial assets / liabilities

12.1 Interest-bearing loans

The Company has the following loans on 31 March 2020:

I) Loans granted by Raiffeisen Bank

a Credit for the financing of the current-over draft activity, for the maximum amount of 12.000.000 RON, granted on 13.06.2013 with maturity on 31.01.2020.

The initial purpose of the credit facility (in 2013) was to repay the balance of the factoring facility contracted by Alro SA from BRD-GSG for the supply of raw materials (aluminum alloys) to SC Altur SA; the refinancing of the factoring facility contracted by SC Altur SA from Banca Transilvania SA for the trades in the commercial relationship with TRW Automotive Czech S.R.O in the Czech Republic; financing of working capital, payments of raw materials, utilities, wages, VAT and other taxes.

At present, the purpose of the credit facility is to fund working capital, pay for raw materials, utilities, wages, VAT and other taxes.

The interest rate charged by the bank for this facility is ROBOR at 1M plus margin of 1,95% per annum.

On 31 March 2020 the amount of the drawn facility is 11.953.975 RON.

b) Investment loan with a total value of EUR 2.000.000 granted on 18.12.2017, with repayment in 48 equal installments starting with 25.01.2019 until 25.12.2022. The credit period is until December 31, 2018. The interest rate charged by the bank is EURIBOR 1M plus the margin of 2.25% per year.

On 31 March 2020 the amount of the facility used is 1.370.920,75 EURO, equivalent to 6.615.241 RON.

The loans granted by Raiffeisen Bank are guaranteed by:

a) mortgage contract on real estate property of the company, located in Slatina, str. Pitesti nr.114, Olt County, consisting of:

- intravilan land building category yards in the surface of 2.397,51 sqm, having nr. Cadastral 438/47, immovable property registered in CF no.55512 (no 1058 old CF) of the town of Slatina;
- intravilan land category yard constructions with an area of 7,095 sqm, having no. Cadastral 438-438 / 41-438 / 45, together with the construction of C1-Magazie chemical dyes, with an area of 214.88 sqm and C2-Remiza PSI, with an area of 176.53 sqm, immobilized in CF no.53375 .CF vechi 1058) of the town of Slatina;
- intravilan land category of yard constructions with an area of 39,677.91 sqm, having no. cadastral 438-438 / 43, together with C56-43 construction - Bascule scale, with an area of 495.52 sqm, immovable property registered in CF no.53374 (no.of old 1058) of the town of Slatina;
- intravilan land category yard constructions in the surface of 16,711.30 sqm, having nr. cadastral building 438-438 / 18, together with building C3 / 18 - Piston Casting Hall, with an area of 8,998.76 square meters, immovable property registered in CF no.52978 (no. CF 1058) of Slatina;
- intravilan land category of yard constructions in the surface of 20.153 sqm, having nr. cadastral 50244 (old cadastral number 438-438 / 6-438 / 19), together with the constructions C1 Stala Molding Static, with an area of 9,880 sqm and C2 - Refractory material deposit, with an area of 625 sqm, immobilized in CF no. 50244 (old 1058) of the town of Slatina;
- intravilan land category yard constructions with an area of 26,274 sqm, having no. cadastral 438-438 / 24-438 / 25, together with constructions C26 / 25 - Mechanical Processing Hall, with an area of 19,317 sqm and C25 / 25 - The gate cabin, with an area of 134 sqm, immobilized in CF no.51077 .CF vechi 1058) of the town of Slatina;
- the general access land within a total area of 15,540.16 sqm, with no. cadastral 438/46, filed in CF no.51102 (no. CF 1058) of Slatina;

- intravilan land category construction yards with an area of 3,259.82 square meters, with cadastral number 438-438 / 10 438/11, together with C34 / 11 - Cantina constructions, with a built surface of 568mp and C36 / 10 - Gas regulation station, with a built-up area of 15 sqm.

b) the mortgage on the current accounts opened with Raiffeisen Bank and on the receivables of the company on the third parties that will be collected through the current accounts;

c) the mortgage on all proceeds of the commercial relationship with TRW Automotive, Cooper Standard France SAS, Continental Automotive for the strategic supplier contract dated 10.01.2013, M & G Italy, PanLink Sp.Zoo, Renault Group, Automobile Dacia SA, Robert Bosch, with the notification of the ceded debtors.

d) the mortgage on the equipment purchased from the investment loan;

e) pledge on stocks of finished products

f) pledge on stocks of raw materials

g) pledge on receivables from VAT reimbursements from ANAF.

II) Loans granted by Banca Transilvania S.A. Slatina.

a) Discount credit amounting to RON 7,500,000 granted by Banca Transilvania S.A. - Slatina Branch until 04.07.2019, intended to finance the working capital requirement.

The loan is granted with a ROBOR interest rate of 6 months plus 2% indexable quarterly. On 31 March 2020 the undrawn credit of the drawn account is 7.474.030 RON.

The credit granted by Banca Transilvania S.A. - The Slatina Branch and the related interest are guaranteed as follows:

– mortgage contract on buildings:

– intravilan land with an area of 17,581.63 sqm, together with the Pressure Molding Hall with a built surface of 10,890.26 sqm and an expedition station with a built surface of 357.18 sqm.

– intravilan land general access.

The two buildings were valued at 8,831,374 RON and the value of the guarantee of the goods is 7,065,100 RON

– real movable security contract on pressure-pressed machines Classical bucket type 42D and 53D, aluminum melting furnace ZPF type S-G1 5T5 and melting and storage furnace type S-G1, valued at 3.147.989 RON.

– a real security collateral contract based on the present and future cash amounts that will be collected in the current accounts of the company opened at Banca Transilvania S.A. - Slatina Branch.

– contract for real security on debts arising from contracts concluded with CONTINENTAL TEVES Germany and HAGELMAYER Consult SRL - Oradea, with a guarantee value of RON 1,071,092.

b) Non-recourse factoring agreement concluded on 16.05.2018 with Banca Transilvania, for the commercial relationship with Continental Teves - Germany, up to the maximum limit of 1.800.000 EURO. The deadline for firing is 15.05.2019. The contract is up to 15.05.2020.

On 31.03.2020 the amount drawn from the factoring facility is 338.527 EURO, equivalent to 1.633.530 RON.

The Company has the following credits as at 31 December 2019:

I) Loans granted by Raiffeisen Bank

a) Credit for the financing of the current activity - overdraft, for the maximum amount of 12.000.000 RON, granted on 13.06.2013 with maturity on 31.01.2020.

The initial purpose of the credit facility (in 2013) was to repay the balance of the factoring facility contracted by Alro SA from BRD-GSG for the supply of raw materials (aluminum alloys) to SC Altur SA; the refinancing of the factoring facility contracted by SC Altur SA from Banca Transilvania SA for the trades in the commercial relationship with TRW Automotive Czech S.R.O in the Czech Republic; financing of working capital, payments of raw materials, utilities, wages, VAT and other taxes.

At present, the purpose of the credit facility is to fund working capital, pay for raw materials, utilities, wages, VAT and other taxes.

The interest rate charged by the bank for this facility is ROBOR at 1M plus margin of 1.95% per annum.
At 31 December 2019 the amount of the drawn facility is 11.741.251 RON.

b) Investment loan with a total value of EUR 2,000,000, granted on 18.12.2017, with repayment in 48 equal installments starting with 25.01.2019 until 25.12.2022. The credit period is until December 31, 2018. The interest rate charged by the bank is EURIBOR 1M plus the margin of 2.25% per year.
At 31 December 2019 the facility amount is EUR 1.495.614, equivalent to RON 7.147987.

The loans granted by Raiffeisen Bank are guaranteed by:
a) mortgage contract on real estate property of the company, located in Slatina, str. Pitesti nr.114, Olt County, consisting of:

- intravilan land building category yards in the surface of 2.397,51 sqm, having nr. Cadastral 438/47, immovable property registered in CF no.55512 (no 1058 old CF) of the town of Slatina;
- intravilan land category yard constructions with an area of 7,095 sqm, having no. Cadastral 438-438 / 41-438 / 45, together with the construction of C1-Magazie chemical dyes, with an area of 214.88 sqm and C2-Remiza PSI, with an area of 176.53 sqm, immobilized in CF no.53375 .CF vechi 1058) of the town of Slatina;
- intravilan land category of yard constructions with an area of 39,677.91 sqm, having no. cadastral 438-438 / 43, together with C56-43 construction - Bascule scale, with an area of 495.52 sqm, immovable property registered in CF no.53374 (no.of old 1058) of the town of Slatina;
- intravilan land category yard constructions in the surface of 16,711.30 sqm, having nr. cadastral building 438-438 / 18, together with building C3 / 18 - Piston Casting Hall, with an area of 8,998.76 square meters, immovable property registered in CF no.52978 (no. CF 1058) of Slatina;
- intravilan land category of yard constructions in the surface of 20.153 sqm, having nr. cadastral 50244 (old cadastral number 438-438 / 6-438 / 19), together with the constructions C1 Stala Molding Static, with an area of 9,880 sqm and C2 - Refractory material deposit, with an area of 625 sqm, immobilized in CF no. 50244 (old 1058) of the town of Slatina;
- intravilan land category yard constructions with an area of 26,274 sqm, having no. cadastral 438-438 / 24-438 / 25, together with constructions C26 / 25 - Mechanical Processing Hall, with an area of 19,317 sqm and C25 / 25 - The gate cabin, with an area of 134 sqm, immobilized in CF no.51077 .CF vechi 1058) of the town of Slatina;
- the general access land within a total area of 15,540.16 sqm, with no. cadastral 438/46, filed in CF no.51102 (no. CF 1058) of Slatina;

- intravilan land category construction yards with an area of 3,259.82 square meters, with cadastral number 438-438 / 10 438/11, together with C34 / 11 - Cantina constructions, with a built surface of 568mp and C36 / 10 - Gas regulation station, with a built-up area of 15 sqm.

b) the mortgage on the current accounts opened with Raiffeisen Bank and on the receivables of the company on the third parties that will be collected through the current accounts;

c) the mortgage on all proceeds of the commercial relationship with TRW Automotive, Cooper Standard France SAS, Continental Automotive for the strategic supplier contract dated 10.01.2013, M & G Italy, PanLink Sp.Zoo, Renault Group, Automobile Dacia SA, Robert Bosch, with the notification of the ceded debtors.

d) the mortgage on the equipment purchased from the investment loan;

e) stockpiling of finished products

f) Pledge on stocks of raw materials

g) pledge on claims arising from VAT reimbursements from ANAF.

II) Loans opened at Banca Transilvania S.A. Slatina Branch.

a) Discount credit amounting to RON 7,500,000 granted by Banca Transilvania S.A. - Slatina Branch until 04.07.2020, intended to finance the working capital requirement.

The loan is granted with a ROBOR interest rate of 6 months plus 2,25% indexable quarterly. On December 31, 2019, the undrawn credit of the drawn account is 7.464.190 RON.

The credit granted by Banca Transilvania S.A. - The Slatina Branch and the related interest are guaranteed as follows:

• mortgage contract on buildings:

- intravilan land with an area of 17,581.63 sqm, together with the Pressure Molding Hall with a built surface of 10,890.26 sqm and an expedition station with a built surface of 357.18 sqm.
- intravilan land general access.

• real movable security contract on pressure casting machines Classical bucket type 42D and 53D, ZPF aluminum smelting furnace type S-G1 5T5 and S-G1 smelting furnace, valued at 3.147.989 RON.

• a real security collateral contract based on the present and future cash amounts that will be collected in the current accounts of the company opened at Banca Transilvania S.A. - Slatina Branch.

• Contract for real security on debts arising from contracts concluded with CONTINENTAL TEVES Germany and HAGELMAYER Consult SRL - Oradea, with a guarantee value of RON 1,071,092.

b) Factoring Agreement without recourse concluded on 16.05.2018 with Banca Transilvania, for the commercial relationship with Continental Teves - Germany, up to the maximum limit of 1.800.000 EURO. The deadline for firing is 15.05.2020. Contract duration is until 15.11.2020.

At 31.12.2019 the amount drawn from the factoring facility is EUR 808.316, equivalent to RON 3.863.186

14.2 Financial leasing

On 31 December 2019 and 31 March 2020 Altur SA the other in progress two financial leasing contracts, of which two concluded with Impuls Leasing Romania on May11, 2018 for two cars.

Two other financial leasing contracts are concluded with Impuls Leasing Romania on May 11, 2018 for two cars. The total value of the leasing contract for the first car is 209,776.75 lei, of which an advance amounting to 32,143.57 lei and the remaining 177,633.18 lei with payment in 60 monthly installments until 11.06.2023.

The total value of the leasing contract for the second car is 256,784.25 lei, of which an advance of 39.285,25 lei and the remaining 217,499 lei with payment in 60 monthly installments until 11.06.2023

The value of the leasing rates for the 2 contracts remaining on 31 March 2020 is 161,528 lei.

During 2019, i.e. on 23.05.2019, a financial lease was concluded with DMG Mori Finance Germany to finance a

(Amounts are expressed in RON, unless otherwise stated

K830 pressure casting cell.

The total value of the lease is 730.000 Euro, of which the advance amount of 146.000 Euro and the remaining 580.000 Euro is paid in 72 monthly installments (6 years). The value of the lease rates for this contract, remaining payment on 31 March 2020 is 548.852 Euro and 2.648.430 lei respectively.

13. Stocks

	31.12.2019	31.03.2020
	RON	RON
Raw materials and materials	4.440.128	3.334.316
Adjustments for depreciation of raw materials	(50.383)	(50.383)
Advances for stock purchases	3.251.306	2.936.617
Production under execution	3.835.713	2.958.936
Finished product	21.996.042	22.489.473
Adjustments for depreciation of finished products	(262.341)	(262.341)
Packeging	20.372	19.425
Total	**33.230.837**	**31.426.043**

The company uses the FIFO method as an inventory valuation method.

Adjustments for depreciation of finished products also take into account the adjustment of the cost of finished products to net realizable value.

During 2019 and until the end of the first quarter of 2019 there were no additional adjustments for the depreciation of raw materials, consumables and finished products, as compared to those recorded on 31.12.2016.

The company has stocks of raw materials and finished goods pledged in favor of Raiffeisen Bank and Transylvania Bank.

14. Claims

	31.12.2019	31.03.2020
	RON	RON
Commercial receivables	21.096.309	21.637.194
Claims to the state budget	1.922.280	2.461.574
Other claims	19.962.992	17.038.586
Depreciation of trade receivables	(1.328.356)	(1.328.356)
Impairment of other receivables	(1.056.123)	(1.056.123)
	40.597.102	**38.752.875**

(Amounts are expressed in RON, unless otherwise stated

Commercial receivables are not interest-bearing and are usually settled within 30-90 days.

At 31 December 2014, trade receivables with an initial amount of RON 1,328,356 were depreciated and provisioned in full. During 2018 and until the end of the first quarter of 2019 there were no additional adjustments for impairment of trade receivables. See below the statement of provisions for impairment of receivables:

	Depreciation of trade receivables	Impairment of other receivables	Total
	RON	RON	RON
At 31 December 2019	**1.328.356**	**1.056.123**	**2.384.479**
Increases during the exercise	-	-	-
Unused amounts returned to income	-	-	-
On 31 March 2020	**1.328.356**	**1.056.123**	**2.384.479**

Detailing receivables 31 March 2020

Customers unpaid at 31.03.2020 the following structure:
- 5.346.723 RON - internal clients
- 14.890.724 RON - external customers
- 1.340.836 RON - uncertain customers

The main external client is T.R.W. Automotive with uncollected invoices in the amount of 7.249.236 RON, out of which:
- TRW Poland – 4.776.064 RON
- TRW England – 1.678.189 RON
- TRW Czech Republic – 294.615 RON
- TRW Germany – 291.986 RON
- TRW Brasil – 118.519 RON
- TRW France – 89.863 RON

For doubtful clients, provisions were made in the amount of RON 1.328.356.
For the VAT to be recovered in January, February and March 2020 in the amount of RON 1.644.502, DGAMC requested to compensate the debts of the General Consolidated State Budget.

Breakdown of receivables on 31 December 2019

Customers unpaid on December 31, 2019 show the following structure:
- 4.891.629 RON - internal clients
- 14.908.370 RON - external customers
- 1.340.836 RON - uncertain customers

The main external client is T.R.W. Automotive with non-invoiced invoices in the amount of 7.680.420 RON, out of which:
- TRW Poland – 5.290.769 RON
- TRW England – 1.793.300 RON
- TRW Germany – 299.070RON
- TRW Czech Republic – 175.992 RON
- TRW France – 121.289 RON

(Amounts are expressed in RON, unless otherwise stated

For doubtful clients, provisions were made in the amount of RON 1.328.356.
For VAT to be recovered in the months of November, December 2019 in the amount of RON 1.405.705 DGAMC requested the compensation with debts to the General Consolidated State Budget.

In the "Other receivables" chapter on 31 December 2019 and 31 March 2020 the significant amounts are represented by loans granted to other legal entities, namely: Vinia SA amounting to RON 220.000 and Telesales Europe SRL amounting to RON 100.000.
There are also receivables to be collected from two contracts for sale - purchase of shares in installments concluded between Altur SA as seller and SC Fartexim SRL as buyer, in the total amount of RON 1.767.260, out of which rates that exceeded the term due in the amount of RON 1.767.260.
We mention that the balance of the SC Altur SA account at the S.S.I.F. Eldainvest S.A. Galati was withdrawn by DIICOT based on file 394 / D / P / 2007 amounting to RON 7.532.617,19, from the sale of the shares of Argus SA. This amount is recorded in the statement of financial position under the heading "Other receivables".

15. Cash and cash equivalents

On 31 March 2020 and 31 December 2019, net disposals are as follows :

	31.12.2019	31.03.2020
	RON	**RON**
Cash at the cash desk	444	3.704
Cash at banks	199.168	365.528
Short-term deposits	2.604	2.604
	202.216	**371.836**
Bank overdrafts (note 12)	(23.068.627)	(21.061.535)
Cash and cash equivalents	**(22.866.411)**	**(20.689.699)**

In order to present the cash flow statement, the Company did not take into account the bank overdraft.

Cash at banks records interest rates at varying rates according to the daily bank deposit rates. Short-term deposits are set up for variable periods between one day and three months, according to the immediate cash requirements of Altur SA, and interest on the short-term deposit rates.

Generally, at reporting dates, the Company uses overdraft facilities (working capital overdraft) employed almost entirely.

16. Social capital and legal reserve

16.1 Social capital

(Amounts are expressed in RON, unless otherwise stated

	Number of shares	Valoare nominala	Capital social	Ajustare hiperinflatie	Prima de capital	Total
		RON	RON		RON	RON
Balance on 1 January 2020	**824.388.338**	**0,1**	**82.438.834**	**197.447.859**	**1.135.150**	**281.017.550**
Changes between 01.01 - 31.03.2020	-		-	-	-	-
Balance at 31 March 2030	**824.388.338**	**0,1**	**82.438.834**	**197.447.859**	**1.135.150**	**281.017.550**

At the beginning of the financial year 2020 the subscribed share capital of SC ALTUR SA was 82,438,834 RON, representing 824,388,338 shares with a nominal value of RON 0.1. During the year 2020, until the end of the first quarter, the share capital did not change

The shareholding structure on 31 March 2020 and 31 December 2019 is the following:

Shareholder Structure at 31 Marcg 2020	**Nomber of shares**	**Value RON**	**%**
Mecanica Rotes SA	232.068.388	23.206.839	28,1504
Andrici Adrian	230.693.793	23.069.379	27,9836
Other legal entities and natural persons	361.626.157	36.162.616	43,8660
TOTAL	**824.388.338**	**82.438.834**	**100**

Shareholder Structure at 31 December 2019	**Nomber of shares**	**Value RON**	**%**
Mecanica Rotes SA	232.068.388	23.206.839	28,1504
Andrici Adrian	230.693.793	23.069.379	27,9836
Other legal entities and natural persons	361.626.157	36.162.616	43,8660
TOTAL	**824.388.338**	**82.438.834**	**100**

16.2 Legal reserve

The legal reserve is created in accordance with the provisions of the Commercial Companies Act, according to which 5% of the annual accounting profit is transferred within the legal reserves until their balance reaches 20% of the share capital of the Company. If this reserve is used wholly or partially to cover losses or to distribute in any form (such as the issuance of new shares under the Companies Act), it becomes taxable. The management of the Company does not expect to use the legal reserve in such a way that it becomes taxable (except as provided by the Fiscal Code, where the reserve constituted by the legal entities providing utilities to the companies that are being restructured, reorganized or privatized may be used to cover the losses of value of the share package obtained as a result of the debt conversion procedure, and the amounts intended for its subsequent reconstruction are deductible in calculating the taxable profit).

The company did not constitute a legal reserve in 2018,nor in the first quarter of 2020.

(Amounts are expressed in RON, unless otherwise stated

17. Investment subsidies

Claims related to subsidies

	31.12.2019	31.03.2020
	RON	RON
On January 1st	**0**	**0**
Received in the course of the exercise / (reduction of the cash grant)	-	-
Receiving subsidy	-	-
At the end of the reporting period	**0**	**0**

Debts on subsidies

	31.12.2019	31.03.2020
	RON	RON
On January 1st	**2.477.076**	**1.762.716**
Received during the exercise / (reduction of grant to be received)	-	-
Transferred to the profit and loss account	(714.360)	(177.506)
At the end of the reporting period	**1.762.716**	**1.585.210**

SC ALTUR SA realized the investment project POS CCE 153210 / 05.04.2011 co-financed by European funds and state budget within the program "Company Efficiency by Modernizing Production Processes and Increasing the Integration of Production" administered by the Ministry of Commerce and Environment of Business, with the total amount of eligible expenditures of ROL 15,615,129.60, of which non-reimbursable funds amounting to RON 7,807,565.

From this value, the amount of 2.730.000 ron in 2011 was granted as pre-financing, representing 35% of the amount of the non-reimbursable financing of the project. In 2012 was repaid the first installment of the repayment claim nr.1, the trance amounting to RON 339,646.

The maximum duration of the contract is 5 years from the date of acceptance of the financing (April 5, 2011).

In 2013, the second tranche for the reimbursement application no. 1 was collected in the amount of 586,370 RON, the amount of 1,346,100 RON for the repayment application no.2 and the amount of 1,330,724 RON related to the repayment claim no.3.

In the first quarter of 2014, the third tranche related to the repayment application No. 1 was collected in the amount of 596,871 RON.

The non-existent part of the project in the total value of 22,096,763 RON was financed by a loan from Raiffeisen Bank SA. According to the loan agreement, a first-rank pledge is imposed on the equipment and the equipment purchased. See Note 12.

Below is the breakdown of the subsidies after the estimated time of income recognition, long-term and short-term:

	31.12.2019	31.03.2020
	RON	RON
Short term	714.359	714.359
Long-term	1.048.357	870.851
Total	**1.762.716**	**1.585.210**

(Amounts are expressed in RON, unless otherwise stated

18. Suppliers and other current liabilities

	31.12.2019	31.03.2020
	RON	RON
Commercial debt	22.324.657	18.824.817
Debts to the state budget	6.646.801	5.577.634
Advances received	551.644	667.521
Other liabilities	900.000	1.325.000
Personal benefits owed	702.401	709.858
	31.125.503	**27.104.830**

Commercial debts are not interest-bearing and are usually settled within 60 days. Other debts are not interest-bearing. Payment interest is usually settled quarterly throughout the financial year.

Debt Details at 31 March 2020

The main unpaid suppliers are as follows:

- SC ALRO SA with a balance of RON 10.230.280 representing 54,34% of the total unpaid suppliers.

- CEZ SALES with a balance of RON 1.746.178 representing 9,27% of the total outstanding suppliers.

- ENGIE Romania with a balance of 551.975 RON representing 2,93% of the total unpaid suppliers.

-Huttenes Albertus Poland with a balance of 555.856 RON representing 2,95% of unpaid suppliers.

-Heneken Slovacia with a short-term balance of RON 457.346 representing 2,42% of the total unpaid suppliers.

- KBM AFFILIPS NETHERLANDS with a balance of 163.801 RON representing 0,87% of the total unpaid suppliers

For debts to the State Consolidated State Budget registered on March 31, 2020 for January - March 2020, DGAMC Bucharest was asked to compensate for VAT amounting to RON 1.644.502 and in April 2020 the sum of 526.566 lei.

Debt Details on 31 December 2019

The main unpaid suppliers are as follows:

- SC ALRO SA with a balance of RON 12.350.510 representing 55,32% of the total outstanding suppliers.

- CEZ SALES with a balance of 1.924.821 RON representing 8,62% of the total unpaid suppliers.

- ENGIE Romania with a balance of 704.772 RON representing 3,16% of the total unpaid suppliers.

- Huttenes Albertus Poland with a balance of 555.497 RON representing 2,49% of unpaid suppliers.

- TEXIMP SA - Switzerland with a short-term balance of RON 397.382 representing 1,78% of the total unpaid suppliers.

(Amounts are expressed in RON, unless otherwise stated

In the total debts to the state budget, the significant amount is the additional VAT set by decision F DJ127 / 16.11.2016, following the fiscal inspection for the period 2011 - June 2016, amounting to 5,400,373 lei. Out of this amount, 1,859,583 lei was paid by offsetting the VAT to be reimbursed for months September, October and November 2016 and for the remaining amount of 3,540,790 lei - payment TAVA the execution by sentence no.18 / 16.01.2017 pronounced by the Court of Appeal Craiova pending the settlement of the appeal on the merits for annulment of the effects of the decision of FDJ 127 / 16.11.2016.
Following the re-verification by decision FDJ 62 / 09.05.2018 was granted the right of deduction for the amount of 1.53 8.242 lei, the balance of the amount of the payment amount remaining 2.002.548 lei.
Also, in the debts to the state budget is the significant sum of 2.837.434 lei representing the interest and the delay penalties calculated for the additional VAT set by the decision of FDJ 127/16.11.2016, established by the decisions no. FDJ 61 of the date 10.01.2017.

For debts to the State Consolidated State Budget registered as of December 31, 2019 for November - December 2019, the DGAMC Bucharest was compensated with the VAT to be recovered amounting to 1.405.705 lei and in January –February 2019 the amount of 495.564 lei.

19. Presentation of affiliated parties

The only affiliated company with Altur SA is its subsidiary Vilcart SRL. Altur SA does not have any commercial transactions with Vilcart SRL subsidiary.
Altur SA did not have any commercial transactions with the Vilcart SRL subsidiary in the periods presented.

20. Outcome per share

The basic share result is calculated by dividing the share of the company's shareholders' share in the weighted average number of ordinary shares outstanding during the year, except for the ordinary shares acquired by the company and held as own shares.

	31 March 2019	**31 March 2020**
	RON	**RON**
Net profit attributable to shareholders / (loss)	(692.820)	102.718
Average number of shares	824.388.338	824.388.338
Net profit / loss () per share	**0,0008**	**(0,0001)**

The diluted earnings per share is equal to the result per share.
The global earnings per share is calculated by dividing the overall share of the Company's shareholders by the weighted average number of ordinary shares outstanding during the year, except for ordinary shares

acquired by the Company and held as equity.

(Amounts are expressed in RON, unless otherwise stated

	31 March 2019	31 March 2020
	RON	**RON**
Overall result attributable to shareholders	(692.820)	102.718
Average number of shares	824.388.338	824.388.338
Global action per share	**0,0008**	**(0,0001)**

21. Commitments and contingencies

Warranties for contractual obligations

Insurance

In 2019 and until the end of the first quarter of 2020, the Company has concluded the following insurances:

- ensuring civil liability towards third parties;
- Assurance for the claims of the main clients of TRW Automotive and Continental Teves
- insurance of buildings and assets from the company's patrimony - for all assets pledged to credit institutions;
- Cargo insurance for the transport activity carried out with its own trucks;
- Other types of insurance (especially for motor vehicles in the Company's fleet).

Transfer price

In accordance with relevant tax legislation, the tax assessment of a transaction with affiliated parties is based on the concept of market price for that transaction. Based on this concept, transfer pricing needs to be adjusted to reflect market prices that would have been set between entities that do not have an affiliate relationship and that act independently, based on "normal market conditions".

It is likely that transfer pricing checks will be carried out in the future by tax authorities to determine whether those prices comply with the "normal market conditions" principle and that the taxpayer's taxable base is not distorted.

22. Objectives and policies for managing financial risk

The main financial liabilities of the Company are commercial debts and loans from banks. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The main financial assets of the Company are trade receivables, cash and cash equivalents, bank deposits, financial investments in listed and unlisted companies (including the subsidiary).

On March 31, 2020 and December 31, 2019, it is estimated that the carrying amount is approximately equal to the fair value of all the Company's assets and liabilities due to short maturity terms and / or changes in the

interest rate (for variable interest rates) and due to that the shares held in the listed companies were adjusted to market value at the reporting date. As far as investments in unlisted companies are concerned, it is not possible to estimate their fair value and, consequently, the carrying amount of investments is considered to be equal to their fair value.

The Company is exposed primarily to credit risk and liquidity risk. The senior management of the Company oversees the management of these risks.

The Board of Directors revises and approves the policies for managing each of these risks, which are briefly presented below

Market risk
Market risk is the risk that the fair value of an instrument's future cash flows fluctuates due to changes in market prices. Market prices show four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as stock price risk.

The price of goods - aluminum
The management believes that the Company is not exposed to the price risk since the establishment of the sale price to the Company's clients is based on the purchase price of the raw material depending on the evolution of the main aluminum market, the London Metal Exchange. Sale prices from contracts are updated periodically (mainly quarterly) depending on the evolution of the LME for aluminum.

Interest rate risk
The interest rate risk of interest rate fluctuations is the risk of interest rate and interest income variations due to variable interest rates. The Company has loans that bear interest at a variable rate, exposing the Liquidity Flow Risk Society. The details of the interest rate applied to the Company's loans are presented in Note 15.1 (loans from banks).

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument fluctuate due to changes in foreign exchange rates. The exposure of the Company to exchange rate risk refers mainly to the

Company's operating activities (when the income or expense is denominated in a currency other than the functional currency of the Company).

The Company has transactions in other currencies than its functional currency (RON), mainly for sales to external customers, which are denominated in EUR.

On March 31, 2020 and December 31, 2019, the Company's assets and liabilities denominated in a currency other than the RON generated a net exposure as follows:

	Monetary assets		**Monetary debts**	
	31.12.2019	**31.03.2020**	**31.12.2019**	**31.03.2020**
	RON	**RON**	**RON**	**RON**
USD	-	-	-	-
EUR	19.622.099	16.836.051	21.615.966	17.127.914

Therefore, the Company believes that, by its specific activity, it reduces its net exposure to exchange rate fluctuations, having both assets and liabilities in EUR (the currency with the highest exposure).

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a client contract, resulting in a financial loss. The Company is exposed to credit risk from its operating activities (mainly for trade receivables) and from its financial activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Commercial receivables

The credit risk of the clients is managed by the Company, subject to the policy established by the management, which calculates the rating class for each client and related credit limits.

The balance of receivables is monitored at the end of each reporting period and any major delivery to a customer is reviewed. Indices of impairment are reviewed at each reporting date, based on the payment delay intervals, as well as other specific information about the significant individual borrowers.

The maximum exposure to credit risk at the reporting date is the carrying amount of the receivables as presented in Note 14.

Cash and cash equivalents, other financial assets

Credit risk resulting from balances with banks and financial institutions is managed by the Treasury Department of the Company, according to the Company's policies.

The Company's maximum exposure to credit risk for cash and cash equivalents is presented in Note 12.
The company limits maximum exposure to each banking institution and has current accounts and deposits only at banks with a very good reputation.

Liquidity risk

The company monitors the risk of experiencing a lack of funds using a recurring liquidity planning tool. The company carefully plans and monitors cash flows to prevent this risk, and also has access to funding from major partner banks.

Capital management

Capital includes share capital and reserves attributable to shareholders. The primary objective of the Company's capital management is to ensure that a strong credit rating and normal capital ratios are maintained to support its business and to maximize the value of its shareholders.

The policy of the company is to generate enough liquidity so that it can pay its obligations at maturity.