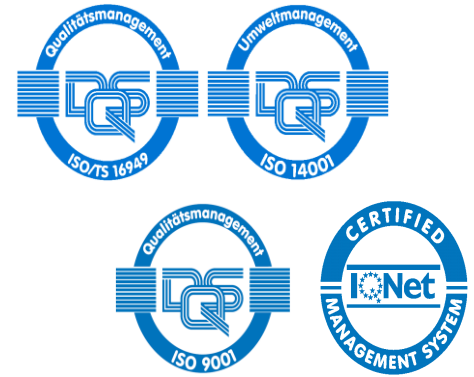




# SC ALTUR S.A. Slatina

RC J/28/131/1991, CUI: R1520249, SIRUES 281092373,  
SICOMEX 37122,  
CONT RO50RNCB380000000040001, BCR SLATINA  
str. PITEȘTI, Nr. 114, 230104, SLATINA,  
jud. OLT, ROMANIA  
Tel. 0249/436834;  
Fax.0249/436037; 0249/436979;



## ANNUAL REPORT - 2020

### of the Board Of Directors

for the financial year 2020

According to Annex 15 of ASF. No.5 / 2018 Regulation  
on issuers of financial instruments and market operations.

**Annual Report according to :** CNVM Regulation no. 5/2018

**Name of the issuer:** ALTUR SA

**Headquarters:** Slatina, Str.Pitești, no.114, Olt county

**Phone / Fax:** 0249/436834; 0249/436037

**Unique registration code :** RO 1520249

**Registered in TRADE REGISTER UNDER :** J28 / 131/1991

European Unique Identifier (EUID):ROONRC J28/131/1991

**COD LEI :**259400IHBSVL900VM346

**Regulated market where the issued securities are traded:** Bucharest Stock  
Exchange –Standard Category

**Subscribed and paid Capital up to 31.12.2018:** 82,438,833.8 lei

**Total number of shares:** 824 388 338

**Characteristics of the securities issued:** Common, nominative, dematerialized  
shares with a nominal value of 0.1 lei / share

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## **1. ANALYSIS OF THE COMPANY 'S ACTIVITY**

### **1.1. Description of activity of the Company's**

#### ***a) Description of the current main activity of the company;***

**MAIN AREA** : Casting of light non-ferrous metals

**2453.** Casting of light non-ferrous metals.

**MAIN ACTIVITY** : DESIGN, PRODUCTION AND MARKETING IN COUNTRY AND ABROAD OF : PISTON FOR MOTOR VEHICLES, cast aluminum parts, including services and technical assistance.

**2932** - Manufacture of other parts and accessories for motor vehicles and their engines

ALTUR SA has accumulated over the years rich experience in manufacturing products of cast aluminum alloys for the production of pistons for automotive industry and production of cast parts for car manufacturing industry in Romania.

ALTUR S.A. Slatina manufacture and sells : pistons, engine sets, aluminum castings, it carries out import-export and other activities, according to the Articles of Incorporation.

#### ***b) Indication regarding the date of establishment of the company;***

ALTUR S.A. Slatina was established in 1991 based on Decision of government number 116 by reorganization of Enterprise for Aluminum castings and Pistons for Automotive Industry (I.P.T.A.P.A.) which was founded in 1979.

#### **c) Description of any merger or significant reorganization of the company, its subsidiaries or controlled companies during the financial year;**

- It's not necessary

#### **d) Description of acquisitions and / or disposal of assets;**

Were purchased and self-constructed assets consisting of technological equipment for production activities, quality assurance equipment, means of transport worth **280,655** lei.

In the tear 2020 **no mobiliary values have been adopted. Securities of the Galfindband issuer have been sold.**

## e) Description of the main results of activity of the company .

Nr. crt.	Capitol	FORECAST 2020	REALIZED 2020
1	Total income	115,674,500	65,947,229
2	Total expenses	115,243,250	82,160,677
3	Gross result	404,250	(16,213,448)
4	Net result	372,938	(16,159,868)

### 1.2. Assessment of the technical level of the company

#### **Description of the main products and / or services provided, specifying:**

##### **a) Main markets for each product or service and distribution methods;**

##### **Internal market :**

1. Manufacturers of road motor vehicles or agricultural machinery and sub-assemblers.

Distribution type: producer - beneficiary.

2. Car repair shops and retailers of car parts.

Distribution type: producer - beneficiary - final consumer.

##### **External Market:**

##### **1. Manufacturer-Beneficial Distribution.**

Aluminum casting parts for automotive components manufacturers **(ZF Active Safety GmbH Germany, ZF Braking Systems Poland, ZF Active Safety France, ZF Automotive Czech S.R.O, ZF Automotive UK Limited, Continental Teves, Bosch Spain, Bosch Poland)** , aluminum castings and cast and processed parts for automotive components manufacturers as well as car manufacturers **(Contitech France, Continental Germany, RENAULT)** as well as manufacturers of components for thermal power plants **(M & G Italy, Burgerhout Netherlands)**.

##### **2. Producer-supplier-beneficiary distribution.**

For automotive pistons exclusively for the Egyptian market:

##### **Description of the external market:**

Divided into two segments, external market of ALTUR S.A. behave differently on each segment.

## 1. Market of castings

Located in Western Europe, Turkey, Russia, Morocco, Brazil , is the main foreign market of the company ALTUR S.A. and represents **99.98% of total export of ALTUR S.A.**

Competition in foreign markets for products exported by ALTUR S.A. (Aluminum alloy castings) is particularly strong and the main competitors are from countries like France, Poland, Hungary.

## 2. Aftermarket parts

It is located in Egypt, with a small percentage of the total export of ALTUR S.A., about 0.02%.

Competitors for the products exported by ALTUR S.A. (Piston) on these markets is made up of companies from countries like: **Turkey, Bulgaria, India, China.**

### Altur main products are:

#### Gravity castings of aluminum alloys:

1. Body pump brake;
2. Body brake caliper;
3. Engine Support .

#### Die cast parts of aluminum alloys:

- Elbows for heating stations ;
- Components for gas distribution systems
- Fixtures for water pump, gasoline, oil;
- Elements for hydraulic pumps;

#### Casting and processed parts (finished products ):

1. Engine support ,
2. Covers for suspension
3. Pistons for auto, etc.

### b) The share of each product or service on revenue and total turnover of the company for the last three years;

Nr. Crt.	Product	Share (%)		
		2018	2019	2020
1	Gravity cast parts	69.52	70.76	74.10

2	Die pressure cast parts	30.48	29.24	25.90
3	Cast parts (1+2) and machined	47.02	37.97	36.15

### **1.3. Assessment of the technical and material supply activity (indigenous sources, import sources)**

*Specification of information on the security of supply sources and commodity prices and on the stock sizes of raw materials and materials.*

Supply activity aims to highlighting the criteria that are the basis of ensuring the company with raw materials and materials for the smooth running of the production and repairing processes, in the conditions of achieving the products at the best quality parameters requested by the customers.

For the good performance of the supply activity, during 2020 the company supplied raw materials and materials, both on the domestic market and on the foreign market, this being based on extensive prospecting on the two markets, the company effectively negotiating the contracts with its suppliers.

The correct dimensioning of stock of raw materials and supply materials meant ensuring the continuity and elimination of the synapses in the supply activity and implicitly in the production.

#### **Major suppliers of raw materials in 2020 were:**

Nr crt	Supplier	Raw material
1.	<b>SC Vimetco Alro SA</b>	Aluminium alloys
2.	<b>Heneken Slovacia</b>	Aluminium alloys
3.	<b>Huttenes Albertus Polonia</b>	Sand cores
4.	<b>Huttenes Albertus Roomania/Refarom Braşov</b>	Metallurgical treatments- fluxes
5.	<b>Voestalpine Bucureşti/Bogner Sibiu</b>	Steel for tools and molds
6.	<b>Lixland SRL</b>	Refractory products for furnaces
7.	<b>Messer Bucureşti</b>	Compressed gas and dry ice
8.	<b>SC Pentarom SA</b>	Cardboard packaging
9.	<b>Markbi Miercurea Ciuc</b>	Crucibles
10.	<b>KBM Affilips</b>	Master alloy AlSb 10

### **1.4. Assesing of sales activity**

**a) Description of the evolution of sequential sales on the domestic and / or external market and of the prospects for medium and long-term sales;**

In 2020 domestic sales fell to 1,5 million euro, compared to those in 2019 which were around 3,2 million Euro.

As for export sales and intra-Community deliveries in 2020, they decreased by 24,6% compared to 2019 from 18.67 million euros, to 14.08 million euros, as a result of the problems caused by the COVID pandemic 19.

For 2021, an increase in sales of approximately 23% over the previous year is expected as a result of the increase in the order book and the resumption of economic activity.

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

**Company's main competitors in aluminum castings:**

<b>Product</b>	<b>Competing company</b>
<b>Cast parts</b>	Le Belier – France, Hungary EBCC-Poland, Hungary Alpress SRL – Italy

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

**ZF Active Safety**, based in Germany, France, Poland, England, the Czech Republic and **CONTINENTAL Teves**, based in Germany, Czech and Romania, are significant customers of ALTUR S.A SLATINA, accounting for more than 65% of the company's turnover.

In the last period **ALTUR SA** conducted business with another important customer, namely **RENAULT**, and since October 2018 ALTUR SA has started serial delivery for another large customer namely **BOSCH – Spain, BOSCH - Poland** and has also contributed significantly to development of the range of clients who held lower shares in the share of turnover, but the pandemic led to the temporary shutdown of the market which generated a significant decrease in turnover in 2020.

**1.5. Assessing employee / company staff issues.**

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

In 2020, ALTUR SA Slatina has an average number of 638 employees, with an individual labor contract.

The level of training is predominantly average and the degree of unionization was 98%.

During 2020 the number of employees of the company ranged from 730 employees on 1 January 2020 to 568 employees as of 31 December 2020. The reasons for this variation were the following:

1. The work contract has been incetated to a number of 268 salariats, of which:
  - termination during the probationary period 10 employees
  - termination of the employee's initiative 47 employees, of which 8 by agreement of the parties and 39 by resignation
  - termination of the initiative of the company 169
  - retired 40 employees
  - deceased 2 employees
2. The employment contract for child care has been suspended up to 2 years for 4 employees
3. 108 employees were employed, of which 41 workers
4. resumed work after the suspension of the employment contract for the care of the child for up to 2 years, 4 employees.

The average number of employees for the 2020 financial year was 638 and ranged from 727 in January 2020 to 576 in December 2020.

The staff structure on 31.12.2020 was as follows:

- Directly productive staff: 494,
- Indirectly productive staff: 42,
- TESA staff: 32,
- TOTAL: 568

*b) Describe the relationship between management and employees as well as any conflicting elements that characterize these relationships.*

The relations between the management of the company and the employees in 2020 were regulated by the Collective Labor Agreement concluded between the Employers-Employees and the specific legislation in force, observing the working procedures and the Internal Regulation.

În 2020 ALTUR SA registered 2 legal disputes in the relations between the management of company and 2 employees available.

### **1.6 Assessing issues related to the impact of the issuer's core business on the environment**

*Synthetic description of the impact of the issuer's core activities on the environment as well as any existing or expected disputes concerning infringement of environmental protection legislation.*



The activity carried out by the company is regulated by the Environmental Authorization no.1/22.07.2013, issued by APM Olt, valid until 22.07.2023.

ALTUR SA Slatina, through its activity and the products it produces, according to the object of activity, **does not cause negative impact on the environment.**

There were no environmental disputes.

### **1.7. Evaluating research and development**

*Statement of expenditure in the financial year as well as those that are anticipated in the next financial year for development research activity.*

In 2020, 150.000 lei were foreseen for the research and development activity and for the year 2021 it is estimated to be 170.000 lei.

The investment and modernization program in 2020 had as main objective the modernization of the technological processes of casting and machining , correlated with the increase of the production capacity in the processed products segment.

### **1.8. Evaluating the business of the company on risk management**

*Description of the company's exposure to price, credit, liquidity and cash flow risk.*

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

ALTUR SA through the complexity of its activity is subject to various risks:

#### **Liquidity risk**

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

#### **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 company to the liquidity risk.

### ***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.

## **1.9. Perspectives on the activity of the company**

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

The trends of the market economy are **reflected in ALTUR SA for 2021, by increasing the export to the current customers and starting the collaboration with new clients**. The company is considering developing new products both for the automotive industry and for the manufacture of components used in other sectors of activity destined for the European Union market. Obviously, the above will still depend on the evolution of the pandemic at European and global level.

ALTUR SA has prospectively covered the contractual range of potential business by 2026.

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

### **Effects of capital expenditure on the financial situation**

<b>Nr Crt</b>	<b>Capitol</b>	<b>U/M (formula)</b>	<b>Anul 2019</b>	<b>Anul 2020</b>
1	Turnover	Ron	103,659,546	75,337,103
2	Net profit	Ron	(1,986,118)	(16,159,868)
3	Gross profit / (loss)	Ron	(2,039,698)	(16,213,448)
4	Operating profit / (loss)	Ron	(796,272)	(13,571,220)
5	Total Assets	Ron	128,732,170	90,984,207
6	Total Fixed Assets	Ron	54.339,386	46,832,798
7	Personal capital	Ron	62,084,401	30,604,867

8	Stocks	Ron	33,230,837	14,994,600
9	Debt	Ron	40,597,102	27,143,247
10	Reference date		16.03.2020	18.03.2021
11	Market price of shares	Ron	0.029	0.039
12	Nominal value of shares	Ron	0,1	0,1
13	Gross dividend	Ron	-	-
14	Rotation of stocks	(1)/(8)	3	5
15	Average Collection Period	365*(9)/(1)	143	132
16	Rotation of Fixed Assets	(1)/(6)	1.91	1.61
17	Rotation of the total asset	(1)/(5)	0.81	0.83
18	Net profit rate	(2)*100/(1)	-	-
19	Winning power	(4)/(5)	0.006	(0.149)
20	Return on total profitability	(2)*100/(5)	(1.54)	(17.76)
21	Return on financial profitability	(3)*100/(7)	(3.28)	(52.98)
22	Rate of return stock market capitalization coefficient	6458054*(11 )	187,283.57	251,864
23	Report market value / accounting value	(11)*100/(12)	29	39

*c) Presentation and analysis of events, transactions of economic changes that significantly affect revenues from basic activity.*

Export growth by reducing the share of the two major **ZF Active Safety** customers and **CONTINENTAL Teves** as a result of the increase in the share of other customers and the expansion of exports to new markets in SPAIN, POLAND and others will have favorable effects on liquidity.

The evolution of the main market of the **London Metal Exchange** aluminum will also influence the company's activity, the increase in the prices of aluminum alloys generating the increase in turnover, and a decrease in the prices of aluminum alloys leads to a decrease in turnover.

One of the most important events in 2020 with important consequences for the automotive industry in Europe and the world was generated by the pandemic caused by Cofid 19 which was reflected in the evolution of the company's turnover as well as in the revenues from the core business.

## **2. CORPORATE ASSETS OF S.C. ALTUR S.A.**

### **2.1 Location and characteristics of the main production capacities of the commercial property.**

<b>Nr crt</b>	<b>Principalele capacități de producție</b>	<b>Surface (Square feet)</b>	<b>Characteristics</b>	<b>Degree of wear%</b>
1.	Production section of aluminum parts and automobile pistons	32.390	- 5078 to/year – pistons and die pressure casts - 6836 to/year – gravity cast parts	31
2.	Production section machining and treatments	18.182	5372 to/year - piston and machined aluminium parts	31

### **2.2. Description and analysis of wear for the properties of the company**

Company policy is oriented towards business development and modernization of production processes by introducing new technologies in the field, such as ALTUR to remain an important supplier for Western European automotive industry.

The investment and modernization program of 2020 aimed mainly at the modernization of the technological processes of casting and processing, correlated with the increase of the production capacity.

The increase of the production capacity is mainly oriented on machining of the part, the target of the company being the increase in the number of delivered parts in finished state with a direct influence on the increase of the added value.

### **2.3. Specifying potential issues related to ownership of tangible assets of commercial companies.**

ALTUR S.A. SLATINA has no problems with the ownership of tangible assets

## **3.THE MARKET OF THE MOBILE VALUES ISSUED BY ALTUR S.A. Slatina**

### **3.1. Specification of the markets in Romania and other countries where the securities issued by the trading company are negotiated.**

The market on which the ALTUR S.A shares are traded under the ALT symbol is the BUCHAREST STOCK EXCHANGE, Standard Category.

### **3.2. Description of the company's business policy on dividends**

Specifying the dividends due / paid / accumulated over the last 3 years and, if applicable, the reasons for the possible reduction of dividends over the last 3 years.

Nr. Crt.	Year	Net dividends payable	Net dividends paid
1.	2018	-	-
2.	2019	-	-
3.	2020	-	-

In 2020 there is no case of dividend distribution, because the result of the financial year was a loss.

### **3.3. Description of any activities of the company to acquire its own shares.**

- It's not necessary

### **3.4. Where the company has subsidiaries, the indication of the number and nominal value of the shares issued by the parent undertaking owned by the subsidiaries.**

- It's not necessary

### **3.5. If the company has issued bonds and / or other debt securities, the disclosure of how the company fulfills its obligations towards the holders of such securities.**

- It's not necessary

## **4. MANAGEMENT OF THE COMPANY**

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

## **COMPANY ADMINISTRATORS:**

### **NIȚU RIZEA GHEORGHE**

1. Functions held in the company: Chairman of the Administration Council
2. Administrator's participation in the company's share capital: 168.810 shares
3. List of affiliated persons: they are not.
4. Mandate term: 29.08.2016 -28.04.2024

### **BUNU ANTONEL-CRISTI**

1. Functions held in the company: Administrator
2. Administrator's participation in the company's share capital: not applicable
3. List of affiliated persons: they are not.
4. Mandate term: 28.07.2016 - 28.04.2020

### **MANCAS CATALIN**

1. Functions held in the company: Administrator
2. Administrator's participation in the company's share capital: 37.300.000 shares
3. List of affiliated persons: -Mancas Aurel  
- Real Estate and Financial Consulting SRL
4. Mandate term: 07.11.2016 - 28.04.2020

### **ERCULESCU FLORICA**

1. Functions held in the company: Administrator
2. Administrator's participation in the company's share capital: not applicable
3. List of affiliated persons: they are not.
4. Mandate term: 28.07.2016 -28.04.2020

### **IANCULESCU CARMEN**

1. Functions held in the company: Administrator
2. Administrator's participation in the company's share capital: 1.500 shares
3. List of affiliated persons: they are not.
4. Mandate term: 28.07.2016 -28.04.2020

### **ANDRICI ADRIAN**

1. Functions held in the company: Administrator
2. Administrator's participation in the company's share capital: 230,693,793 shares
3. List of affiliated persons: they are not.
4. Mandate term: 28.04.2020 -28.04.2024

## **JURAVLE BOGDAN**

1. Functions held in the company: Administrator
2. Administrator's participation in the company's share capital: 3,000 shares
3. List of affiliated persons: they are not.
4. Mandate term: 28.04.2020 -28.04.2024

## **BLĂJUȚ IONEL OLIMPIU**

1. Functions held in the company: Administrator
2. Administrator's participation in the company's share capital: not applicable
3. List of affiliated persons: they are not.
4. Mandate term: 28.04.2020 -28.04.2024

## **CHIȘ GRIGORE**

1. Functions held in the company: Administrator
2. Administrator's participation in the company's share capital: 5,398 shares
3. List of affiliated persons: they are not.
4. Mandate term: 28.04.2020 -28.04.2024

**4.2.** *Presentation of the list of members of the executive management of the company*

### ***MEMBERS OF THE EXECUTIVE LEADERSHIP:***

#### **BURCA SERGIU**

1. Function held: General Manager
2. The term for which he is a member of the management: Contract for the period 24.03.2015 - 30.10.2022
3. Participation in the share capital of the company: 23,590,493 shares.

#### **ALECU MIHAI**

1. Function held: **Technical Manager**
2. The term for which he is a member of the management: indefinite.
3. The relationship on which he was named in leadership:
  - Assistant Manager for the period 2002-2006,
  - between 1990-2002 and from 2006 until now, he heads the Technical Department.
4. Participation in the company's share capital: not applicable

#### **TACLIT VALERICA**

1. Function held: Head of Production
2. The term for which he is part of the management: indefinite.
3. The relationship on which he was appointed in the management: He held the position of Head of Production Development - Design and Quality Department

from 2006 to 2018, and from 2018, from 13.08.2018 he heads the Production Department.

4. Participation in the company's share capital: is not the case

## 5. THE ACCOUNTING FINANCIAL SITUATION

**Presenting an analysis of the current economic and financial situation compared to the last 3 years with reference at least to:**

Analysis of the economic and financial situation for the years 2018-2020

### Balance sheet items

Nr. crt.	Capitol	U/M (formul a)	Year 2018	Year 2019	Year 2020
1.	Cash and other available cash	Ron	117,224	202,216	1,668,243
2	Fixed assets	Ron	54,371,000	54,339,386	46,832,798
3	Current assets	Ron	75,098,033	74,392,784	44,151,409
4	Total assets	Ron	129,469,033	128,732,170	90,984,207
5	Current liabilities	Ron	53,832,267	56,583,742	50,067,472
6	Fiscal value	Ron	96,044,149	103,659,546	75,337,103
7	Total income	Ron	97,566,510	110,560,513	65,947,229
8	Equity	Ron	64,070,519	62,084,401	30,604,867
9	Gross profit (a)	Ron	(830,697)	(2,039,698)	(16,213,448)
10	Gross profit rate	$\frac{(9)*100}{(6)}$ (%)	-	-	-
11	Net insurance degree with cash availability	$\frac{(1)*100}{(3)}$ (%)	0.16	0.27	3.78
12	Current Loan / Fixed Assets Ratio	$\frac{(3)*100}{(2)}$	138.12	136.9	94.27
13	Number of rotation of the total asset	$(6)/(4)$	0.74	0.81	0.83
14	Rate of immobilization	$\frac{(2)*100}{(4)}$ (%)	42	42.2	51.47
15	Average profit per 1 leu	$(9)/(7)$	(0.008)	(0.018)	(0.246)



16	Debt ratio in Total Liabilities	(5)*100/ (4)	41.58	43.95	55.03
17	Risk provisions	mii lei	-	-	1,090

**b) Profit and loss account items**  
**Cost items of at least 20% of total revenue**

Nr crt	Chapter	Year 2018	Year 2019	Year 2020
1	Expenditure on raw materials	44,375,265	52,234,098	34,344,416
2	Staff costs	28,880,885	30,531,548	21,023,837

**c) Cash-flow**

Nr crt	Capitol	Year 2018	Year 2019	Year 2020
1	Equity	64,070,519	62,084,401	30,604,867
2	Financial liabilities t.l.	11,566,247	10,064,027	10,311,868
3	Net assets	54,371,000	54,339,386	46,832,798
4	Bearing fund	21,265,766	17,809,042	(5,916,063)
5	Stocks	31,314,647	33,230,837	14,994,600
6	Receivables	43,666,162	40,959,731	27,488,566
	Operating liabilities	53,832,267	56,583,742	50,067,472
8	The Need for Bond Fund	21,148,542	17,606,826	(7,584,306)
9	Net Treasury	117,224	202,216	1,668,243
10	Cash flow	(114,918)	84,992	1,466,027

\* Long-term payables also include prepaid earnings.

\* Claims include prepaid expenses.

In 2020, no segment of the company's activity was sold or stopped, a situation that is not expected to change in the next year.

It should be mentioned that, in the context of the COVID-19 pandemic started at the beginning of 2020, Altur SA had its activity reduced by 30% compared to the previous year, registering two months (April and May 2020) in which employees were technically unemployed, due to the decrease in the demand of external and internal customers in these two months almost to zero.

The global result of 2020, loss in the amount of 30.2 million lei, was influenced by the following adjustments for depreciation of assets, expenses with provisions and losses from receivables:

- expenses regarding the depreciation of stocks of raw materials and materials older than 10 years, which no longer had economic utility in the structure of current production in the amount of 2,348,042 lei, of which the amount of 1,808,841 lei affected the current result and 539,201 lei affected the reported result;
- expenses for the depreciation of stocks of finished products without movement with an age of 10 years in the amount of 3,137,567 lei on the current result and 1,576,380 lei on the carried forward result;
- expenses with the depreciation of the production stocks in execution with an age of 4 years, registered on the current result, amounting to 1,076,824 lei;
- for receivables not collected on time, expenses were recorded for adjustments for depreciation in the amount of 5,906,698 lei, of which related to customer invoices from 2019 the amount of 1,820,239 lei recorded on the current result and the amount of 4,086,459 lei on the carried forward result, for receivables from previous years (2012 - 2018);
- expenses on adjustments for fixed assets under construction started in the period 2010-2018 in the amount of 1,086,200 lei recorded on the current result, expenses related to investment objectives that were no longer useful and for which it is not expected to bring future economic benefits;
- losses from various debtor receivables in the amount of 4,747,473 lei, recorded on the carried forward result, for receivables from contracts with the sale in installments of Alprom SA shares in 2011 - uncollected installments in the amount of 1,767,260 lei, loans to companies during 2010-2013 which subsequently went bankrupt - the amount of 320,000 lei, the amount blocked by DIICOT in 2013 from the sale of Argus SA shares amounting to 2,345,000 lei and other debtors legal entities and individuals in the amount of 315,213 lei;
- expenses regarding the depreciation adjustments advances for purchases of stocks, with a seniority of more than 8 years, registered on the result carried forward in the amount of 2,691,842 lei;
- expenses with provisions for unperformed rest leave, in the total amount of 1,090,028 lei, of which the amount of 986,894 lei and 103,134 lei were recorded on

the carried forward result;  
- expenses with the profit tax established additionally by F-DJ 70 / 18.05.2018 in the amount of 1,472,404 lei, registered on the result carried forward, the amount that is the object of the file 96/54/2019 pending before the ICCJ with the term 03.02.2022.

The adjustments presented above (impairment of assets, expenses with provisions and losses on receivables) are proposed by the Board of Directors of the Company for registration in the financial statements for 2020, in the context of the constant concern for correct reflection of financial results and shareholders' information.

The company, through the Board of Directors, is concerned with improving its current activity from an operational and financial point of view; therefore, as to the root causes of the proposed adjustments, it will assess in the coming period to what extent it is appropriate and appropriate to initiate a further analysis of these historical causes.

In evaluating the opportunity for additional steps, the direct positive effects that could be generated on the Company will be taken into account in relation to the efficiency, costs and timing associated with these steps. The recommendations / conclusions of the Board of Directors on this subject will be brought to the notice of the shareholders within a reasonable time.

## **6. CORPORATE GOVERNANCE**

As an issuer listed on the Bucharest Stock Exchange Category, **ALTUR SA** constantly takes into account the principles of corporate governance in the Corporate Governance Code of BVB.

The subscribed and paid-up share capital of the company is 82,438,833.8 lei divided into 824,388,338 common shares, nominative, dematerialized with a nominal value of 0.1 lei.

The company carries out its activity in accordance with the provisions of the Romanian legislation.

Thus, the main normative acts that govern the activity of the company are: Law no. 31/1990 on commercial companies with subsequent amendments and completions, Law no.24/2017 on issuers of financial instruments and market operations, ASF Regulation no.5/2018 on issuers and transactions with securities, the Bucharest Stock Exchange Code.

The Company has developed a Corporate Governance Regulation that describes the main aspects of corporate governance, a document subject to approval in the Board of Directors and which is posted on the company's website [www.altursa.ro](http://www.altursa.ro).

The corporate governance structure defines the corporate governance structures, the functions, competences and responsibilities of the Board of Directors and executive management, transparency, financial reporting, corporate information regime and social responsibility of the company for its activities.

In accordance with the provisions of the Articles of Incorporation, ALTUR SA is managed in a unitary system, by a Board of Directors, which has the general competence for the successful accomplishment of the object of activity, except for the issues that are within the competence of the General Meeting of Shareholders.

The Board of Directors is composed of 5 members, which guarantee the efficiency of the supervisory capacity, the analysis and the evaluation of the activity as well as the fair treatment of the shareholders.

Members of the Board of Directors are elected by the General Meeting of Shareholders for a period of four years. The Company has an external financial auditor who has acted in accordance with the applicable legal provisions and the contract concluded in this respect.

For the year 2020 the external financial auditor is **Deloitte Audit SRL**, it audited the financial-accounting situations.

ALTUR SA respects the shareholders' rights, ensuring them fair treatment. All financial instruments holders issued by ALTUR SA Slatina benefit from equal treatment and the company always makes sustained efforts to achieve transparent communication in order to exercise the rights in a manner equitable by its own means.

The Company has prepared and published periodic and continuous reports, in accordance with ASF (CNVM) and BVB regulations, including financial status, performance, ownership and management, both in the media and on its own web page.

For the General Shareholders' Meetings, details on their conduct, convocations, agenda materials, special proxy form and voting form by correspondence as well as participation and voting procedures were published on the company's website ensures the efficient performance of the works and gives the right of any shareholder to freely express their opinion on the issues under discussion, the decisions taken by the shareholders.

For the financial year 2020, the Annual Report of the Board of Directors and its annexes, the Half-Year Report, the Quarterly Reports and the Current Reports were posted on the site.

The Board of Directors of ALTUR SA Slatina establishes the corporate policy of disseminating information, respecting the legislation in force in conjunction with the Company's Articles of Incorporation, this policy guaranteeing equal access to information of shareholders and other investors and not allowing abuse of confidential information.

Corporate Social Responsibility is focusing on social and environmental impacts by acting as an integrated policy in the life of society, influencing day-to-day decisions as well as society's actions at all levels.

ALTUR to pay special attention to the education, sports, cultural and humanitarian spheres, this implies for society not only the financial support of certain institutions but also cooperation so that each employee, partner, shareholder is treated with dignity and respect.

The company undertakes to achieve and maintain the highest standards in all aspects of its activity, and the activity of ALTUR SA to be carried out under conditions of transparency, in compliance with the legislation in force.

## **7. NON-FINANCIAL DECLARATION**

This *Annual Report* includes the provisions of the *Order of the Minister of Public Finance no.1938/2016* regarding the modification and completion of some accounting regulations regarding the *non-financial statement* on the sustainability of the company, its performance and its position, the impact of the activity on the environment, social and personnel information as well as the risk policies to which it is subject.

Also included in the report are the business relationships, the nature and evolution of the developed products and services.

The financial/key performance indicators relevant to the specific activity are mentioned, as compared to the previous years.

***President of the  
Board of Directors,***  
Ing. Nitu Rizea Gheorghe

***General Manager,***  
ec.Burcă Sergiu

**Chief Financial Officer**  
ec. Predut Vasile Cornel

**DECLARATION OF CONFORMITY WITH THE CORPORATE  
GOVERNANCE CODE OF THE BUCHAREST STOCK EXCHANGE**

Code provisions	Observe	He does not respect or partially respected	Reason for nonconformity
<b>A.1.</b> All companies must have an internal Council regulation that includes the terms of reference / responsibilities of the Council and key management functions of the company and which applies, inter alia, the General Principles of Section A.	X		
<b>A.2</b> Provisions for managing conflicts of interest should be included in the Council Regulation. In any event, Council members must notify the Council of any conflicts of interest that have arisen or may arise and refrain from attending the discussion (including by not presenting, unless the failure to attend would hamper the formation of the quorum) and to the vote for a decision on the issue giving rise to the conflict of interest concerned.	X		
<b>A.3.</b> The Board of Directors or the Supervisory Board must be composed of at least five members	X		
<b>A.4.</b> Most members of the Board of Directors should not have executive functions. For Standard Category companies, at least one member of the Board of Directors should be independent. Each independent member of the Board of Directors shall make a declaration at the time of his nomination for election or re-election, and when any change of his status occurs, indicating the elements on the basis of which he is deemed to be independent in character and his judgment.	X		
<b>A.5.</b> Other relatively permanent commitments and duties of a member of the Board, including executive and non-executive positions in the Board of Non-Profit Societies and Companies, should be disclosed to potential shareholders and investors prior to nomination and during their term of office.	X		
<b>A.6.</b> Any member of the Council must report to the Council on any report with a shareholder who holds 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	X		

matters decided by the Council.refers to any report that may affect the member's position on matters decided by the Council.			
<b>A.7.</b> The Society shall designate a Council Secretary responsible for supporting the work of the Council.	X		
<b>A.8.</b> 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, summarize the key measures and the resulting changes. The company must have a policy / guidance on the Council's assessment of the scope, criteria and frequency of the evaluation process.		X	CA activity is assessed annually on the basis of economic and financial indicators and is presented in the annual report. After approving the annual report, the AGM approves the discharge of the administrators. The AGM decision is published on the company's website -
<b>A.9.</b> The corporate governance statement should contain information on the number of Council and committee meetings over the past year, the participation of administrators (in person and in absence) and a report by the Council and committees on their activities.		X	During 2020 CA met 9 times , but we do not have an audit committee to draw up a report. The company will start the procedure for the implementation of the audit committee in the immediate period.
<b>A.10</b> The corporate governance statement should include information on the exact number of independent members of the Board of Directors or the Supervisory Board.		X	There is no information on the number of independent members, but the AGA rulings by which they were elected are published on the company's website.
<b>A.11</b> The Board of Premium Companies must establish a nomination committee composed of non-executive members, who will lead the process of nomination of new members in the Council and make recommendations to the Council. Most members of the nomination committee must be independent.		X	This is not the case, the company being listed in the Standard category
<b>B.1</b> The Board should set up an audit committee in which at least one member should be a Non-Executive Independent Administrator. Most members, including the president, must have shown 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. 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	We don't have an audit committee to file a report. The company will start the procedure for the implementation of the audit committee in the immediate period.
<b>B.2</b> The chairman of the audit committee shall be		X	We don't have an audit

an independent non-executive member.			committee.
<b>B.3</b> As part of its responsibilities, the audit committee must carry out an annual assessment of the internal control system.		X	We don't have an audit committee.
<b>B.4</b> The assessment shall take into account the effectiveness and coverage 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 following internal control and the submission of relevant reports to the Council's attention.		X	We don't have an audit committee.
<b>B.5</b> The audit committee should assess the conflicts of interest in relation to the transactions of the company and its subsidiaries with affiliated parties		X	We don't have an audit committee.
<b>B.6</b> The audit committee must assess the effectiveness of the internal control system and the risk management system.		X	We don't have an audit committee.
<b>B.7</b> The Audit Committee should monitor the application of generally accepted legal standards and internal audit standards. The Audit Committee should receive and evaluate internal audit team reports.		X	We don't have an audit committee.
<b>B.8</b> Whenever the Code mentions reports or analyzes initiated by the Audit Committee, they must be followed by periodic reports (at least annually) or ad hoc reports to be submitted to the Council.		X	We don't have an audit committee.
<b>B.9</b> 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>B.10</b> The Council should adopt a policy to ensure that any transaction of the company with any of the companies with which it has close relationships whose value is equal to or greater than 5% of the net assets of the company (according to the latest report financial statement) 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 the reporting requirements.		X	We don't have an audit committee.
<b>B.11</b> Internal audits should be performed by a separate structural division (internal audit department) within the company or by hiring an		X	We don't have an audit committee.



independent third party.			
<b>B.12</b> In order to ensure the main functions of the internal audit department, it must report functionally to the Council through the audit committee. For administrative purposes and within the management's responsibility to monitor and mitigate risks, it must report directly to the Director General.		X	We don't have an audit committee.
<b>C.1</b> 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.		X	This provision has not been applied, steps are to be taken to this effect
<b>D.1</b> The company must organize an Investor Relations Service - indicating to the general public the responsible persons or the 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:		Partially	A person who manages the relationship with investors is appointed. On the company's website there is the Communiqué section where investor information is included
D.1.1 Main corporate regulations: the articles of association, the procedures for general shareholders' meetings;	X		
D.1.2 Professional CVs of members of the governing bodies of the company, other professional engagements of Council members, including executive and non-executive positions in boards of directors in companies or non-profit institutions;		X	We are going to take steps to comply with the BVB Code
D.1.3 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 information materials; the procedure for electing the members of the Council; the arguments supporting the nomination of candidates for election to the Council, together with their professional resumes; shareholders' questions about the items on the agenda and the company's replies, including the decisions taken;	X		
D.1.5 Corporate events information, such as the payment of dividends and other distributions to shareholders, or other events that lead to the acquisition or limitation of the rights of a shareholder, including 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		

D.1.6 Name and contact details of a person who will be able to provide relevant information upon request.	X		
D.1.7 Company presentations (eg, investor presentations, quarterly results, etc.), financial statements (quarterly, semestrial, annual), audit reports and annual reports.	X		
<b>D.2</b> 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 the company intends to follow regarding the distribution of profits net. The principles of the annual distribution policy to shareholders will be published on the company's website.		X	The company has not distributed dividends over the last 3 years..
<b>D.3</b> Society will adopt a policy on predictions, 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 over a future period (the so-called assumptions): by its nature, this projection has a high level of uncertainty, the actual results may differ materially from forecasts originally presented. The forecasting policy will determine the frequency, timing and content of the forecasts. If published, the 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		We have not yet implemented a forecasting policy. Forecasts are provided annually through the Revenue and Expenditure Budget and the Investment and Modernization Plan.
<b>D.4</b> 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		
<b>D.5</b> External auditors will be present at the shareholders' general meeting when their reports are presented at these meetings.	X		
<b>D.6</b> The Board will give a brief assessment to the Annual General Meeting of Shareholders on the internal control and risk management systems as well as opinions on matters subject to the decision of the general meeting.	X		
<b>D.7</b> Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting on the basis of a prior invitation from the Board. Accredited journalists can also pause	X		
<b>D.8</b> Quarterly and half-yearly financial reports will include both Romanian and English information on key factors influencing changes in			

sales, operating profit, net profit and other relevant financial ratios, from a quarter to another, and to one year to another.	X		
<b>D.9</b> 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	Information on corporate governance, regular and ongoing reports to the regulated market and published on the company's web site ensured a high degree of transparency and allowed investors to make informed decisions on concrete and complete data.
<b>D.10</b> Where a society supports different forms of artistic and cultural expression, sporting activities, educational or scientific activities and considers that their impact on the innovative character and the competitiveness of society is part of its mission and development strategy, it will publish the policy with of its activity in this field. caracterului inovator și competitivității societății fac parte din misiunea și strategia sa de dezvoltare, va publica politica cu privire la activitatea sa in acest domeniu.		X	Society does not have a policy of supporting various forms of artistic and cultural expression, sporting activities, educational or scientific activities, but sponsored in 2017.

***Chairman of the Board of Directors,  
Dipl. Eng. Nițu Rizea Gheorghe***

Red. R.O

COUNTY *OLT*  
 UNIT *S.C. ALTUR S.A*  
 ADDRESS loc. *Slatina*,  
 Str. *Pitești*, nr. 114  
 TELEPHONE 436035 FAX 436037  
 ORDER NUMBER IN THE TRADE  
 REGISTER *J28/131/91*  
 TAX CODE *\_\_\_/1/5/2/0/2/4/9/*

FORM OF OWNERSHIP *\_\_\_/3/4/*  
 PREPONDERANCE ACTIVITY  
 (class name CAEN)  
 CLASS CODE CAEN *\_\_\_2/9/3/2/*  
 UNIQUE REGISTRATION CODE 1520249

### SITUATION OF ASSETS, LIABILITIES AND EQUITY

On 31 DECEMBER 2020

- RON -

	No row.	Balance at 31.12.2019	Balance at 31.09.2020
<b>A. IMMOBILIZED ASSETS</b>			
<b>I. INTANGIBLE ASSETS</b>			
1. Development expenditure ( acc.203-2803-2903)	01	-	-
2. Concessions, patents, licenses, trademarks, rights and similar values and other intangible assets (avc. 205+208-2805-2808-2905-2906-2908)	02	64.186	44.574
3. Commercial Fund (acc. 2071)	03	-	-
4. Advances (acc.409.4)	04		
5. Intangible assets for exploitation and assessment of mineral resources (acc. 206-2806-2907)	05		
<b>TOTAL (row. 01 la 05)</b>	06	64.186	44.574
<b>II. BODILY IMMOBILIZERS</b>			
1. Land and construction (acc. 211+212-2811-2812-2911-2912)	07	23.517.957	22.810.964
2. Machinery and equipment (acc. 213+223-2813-2913)	08	28.069.264	23.411.631
3. Other installations, machinery and furniture (acc.214+224-2814-2914)	09	37.199	25.897
4. Real Estate Investments (acc. 215-2815-2915)	10	-	-
5. Tangible assets in the process of execution (acc. 231-2931)	11	1.159.119	472.350
6. Real estate investments in the course of execution (acc.235-2935)	12	-	-
7. Tangible assets of exploitation and assessment of mineral resources (acc. 216-2816-2916)	13		
8. Advances (acc.409.3)	14	203.987	61.154
<b>TOTAL (row. 07 la 14)</b>	15	52.987.526	46.781.996
<b>III. BIOLOGICAL ASSETS (acc.241-284-294)</b>			
<b>IV. FINANCIAL IMMOBILIZERS</b>			
1. Shares held in subsidiaries (acc. 261 - 2961)	17	-	-
2. Împrumuturi acordate entităților din grup(ct2671+2672-2964)	18	-	-
3. Shares owned by associated entities and jointly controlled entities (acc. 262+263-2962)	19	83.515	6.228
4. Loans granted to associated entities and jointly controlled entities (acc.2673+2674-2965)	20	-	-
5. Other restryed titles (acct. 265+266-2963)	21	1.204.159	-
6. Other loans (acc. 2675+2676+2678+2679-2966-2968)	22	-	-
<b>TOTAL (row. 17 la 22)</b>	23	1.287.674	6.228

<b>IMMOBILIZED ASSETS – TOTAL (row. 06+15+16+23)</b>	24	54.339.386	46.832.798
<b>B. CIRCULATING ASSETS</b>			
<b>I. STOCKS</b>			
1. Raw materials and consumables (acc.301+302+303+ +/- 308+321+322+323+328 +351+358+381+/-388-391-392-3951-3958-398)	25	4.410.117	2.069.076
2. Immobilized assets owned for sale (acc.311)	26	-	-
3. Production in progress (acc. 331+341+/-348 -393-3941-3952)	27	3.835.713	3.251.883
4. Finished products and Commodities (acc.327+345+346+347 +/-348++354+357+371+/-378-3945-3946-3953-3954-3957-397-4428)	28	21.733.701	9.249.710
5. Advances (acc. 4091)	29	3.251.306	423.931
<b>TOTAL (row. 25 la 29)</b>	30	33.230.837	14.994.600
<b>II. CLAIMS</b> (The amounts to be cased after a period of more than one year shall be presented separately for each item.)			
1. Commercial Receivables (acc. 2675+2676+2678+2679-2966-2968 + 411+ 413 + 418 - 491)	31	19.767.953	13.371.907
2. Paid advances (acc. 4092)	32		
3. Amounts receivable from group entities (acc. 451 – 495)	33	-	-
4. Amounts receivable from associated entities and jointly controlled entities (acc. 453 – 495)	34	-	-
5. Claims resulting from operated with derivative instruments (acc.4652)	35	-	-
6. Other claims (acc.425+4282+431+437+4382+441+4424+4428 +444+445+446+447+4482+4582+461+473-496+5187)	36	20.829.149	13.771.340
5. Subscribed and unposted Capital (acc. 456-495)	37		
<b>TOTAL (row. 31 la 37)</b>	38	40.597.102	27.143.247
<b>III. SHORT-TERM INVESTMENTS</b> (acc. 505+506+508-595-596-598+5113+5114)	39	2.604	2.604
<b>IV. HOUSE AND BANK ACCOUNTS</b> (acc.5112+512+531+532+541+542)	40	199.612	1.665.639
<b>CIRCULATING ASSETS – TOTAL (row. 30+38+39+40 )</b>	41	74.030.155	43.806.090
<b>C. EXPENSE IN ADVANCE (acc.471) (rd. 43 + 44)</b>	42	362.629	345.319
Amounts to resume in a period of up to one year (from acc.471)	43	362.629	345.319
Amounts to resume over a period of more than one year (from acc.471)	44		
<b>D. LIABILITIES: AMOUNTS TO BE PAID OVER A PERIOD OF UP TO ONE YEAR</b>			
1. Loans from bond issues, presenting themselves separate loans from the bond issue convertible (acc. 161+1681-169)	45		
2. Amounts due to credit institutions (acc.1621+1622+ +1624+1625+1627+1682+5191+5192+5198)	46	25.458.239	18.707.640
3. Advances received in order account (acc.419)	47	551.644	523.241
4. Commercial liabilities-Suppliers (acc. 401+404+408)	48	21.644.192	15.563.134
5. Trade effects payable (acc.403+405)	49		
6. Liabilities from financial leasing operations (acc.406)	50	680.465	556.287
7. Amounts due to group entities (acc.1661+1685+2691+451)	51	-	-
8. Amounts due to associated entities and jointly controlled entities (acc. 1663+1686+2692+453)	52	-	-
9. Liabilities resulting from derivative operations (acc465)	53	-	-

10. Other liabilities including tax liabilities and other liabilities relating to social security (acc.1623+1626+167+1687+2963+ +421+422+423+424+426+427+4281+431+437+4381+441+ +4423+4428+444+446+447+4481+455+456+457+4581+ +462+473+509 +5186+5193+5194+5195+5196+5197)	54	8.249.202	14.717.170
<b>TOTAL (row. 45 la 54)</b>	55	56.583.742	50.067.472
<b>E. NET CIRCULATING ASSETS, RESPECTIVELY NET CURRENT LIABILITIES (row.41+43-55-73-76-79 )</b>	56	17.099.016	(6.626.089)
<b>F. TOTAL ASSETS MINUS CURRENT DEBTS (row. 24 + 56)</b>	57	71.438.402	40.206.709
<b>G. LIABILITIES: AMOUNTS TO BE PAID OVER A PERIOD OF MORE THAN ONE YEAR</b>			
1. Loans from the bond issue, presenting separate loans from the issue of convertible bonds (acc.161+1681-169)	58		
2. Amounts due to credit institutions (acc. 1621+1622 + +1624+1625+1627+1682+5191+5192+5198)	59	4.758.375	3.026.541
3. Advances received in order account (acc. 419)	60		
4. Commercial liabilities-Suppliers (acc. 401+404+408)	61	-	-
5. Trade effects payable (acc. 403+405)	62		
6. Liabilities from financial leasing operations (acc.406)	63	2.289.736	1.881.271
7. Amounts due to group entities (acc.1661+1685+2691+451)	64		
8. Amounts due to associated entities and jointly controlled entities (acc. 1663+1686+2692+453)	65		
9. Liabilities resulting from derivative operations (acc465)	66		
10. Other liabilities including tax liabilities and other liabilities relating to social security (acc.1623+1626+167+1687+2963+ +421+422+423+424+426+427+4281+431+437+4381+441+ +4423+4428+444+446+447+4481+455+456+457+4581+ +462+473+509 +5186+5193+5194+5195+5196+5197)	67	1.253.200	3.202.169
<b>TOTAL (row. 58 la 67)</b>	68	8.301.311	8.109.981
<b>H. PROVISIONS</b>			
1. Provisions for Employee benefits (acc. 1517)	69		
2. Other provisions (acc.1511+1512+1513+1514+1518)	70		1.090.028
<b>TOTAL PROVISIONS (row. 69 + 70)</b>	71		1.090.028
<b>I. INCOME IN ADVANCE</b>			
1. Subsidies for investments (acc. 475) (rd.73 + 74)	72	1.762.716	1.111.859
Amounts to resume in a period of up to one year (from acc.475)	73	710.026	710.026
Amounts to resume over a period of more than one year (from acc.475)	74	1.052.690	401.833
2. Income registered in advance (acc.472) – total (row.76+77):	75	-	-
Amounts to resume in a period of up to one year (acc.472)	76		
Amounts to resume over a period of more than one year (acc.472)	77		
3. Advance income related to assets received by transfer from clients (acc. 478) (row. 79 + 80)	78	-	-
Amounts to resume in a period of up to one year (from acc.478)	79		
Amounts to resume over a period of more than one year (from acc.478)	80		
<b>TOTAL (row. 72+75+78)</b>	81	1.762.716	1.111.859
<b>J. CAPITAL AND RESERVES</b>			
<b>I. CAPITAL</b>			

1. Subscribed Capital Shed (acc. 1012)		82	82.438.834	82.438.834
2. Unsalted subscribed Capital (acc. 1011)		83		
3. Subscribed Capital representing financial liabilities (acc.1027)		84		
4. Social capital Adjustments (acc.1028)	SOLD C	85	197.447.859	197.447.859
	SOLD D	86		
5. Other equity items (acc.103)	SOLD C	87		
	SOLD D	88	2.236.271	2.236.271
<b>TOTAL (row.82+83+84+85-86+87-88)</b>		89	277.650.422	277.650.422
<b>II. CAPITAL PREMIUMS (acc.104)</b>		90	1.135.150	1.135.150
<b>III. REVALUATION RESERVES (acc.105)</b>		91	19.498.651	19.496.010
<b>IV. RESERVES</b>				
1. Legal Reserves (acc. 1061)		92	3.735.438	3.735.438
2. Statutory or contractual reserves (acc. 1063)		93	-	-
3. Other Reserves (acc. 1068)		94	2.331.246	2.331.246
TOTAL (row.82 la 84)		95	6.066.684	6.066.684
Exchange rate differences in the conversion of individual annual financial statements into a currency of presentation different from the functional currency (acc.1072)		96		
	SOLD C			
	SOLD D	97		
Own actions (acc. 109)		98	4.293	4.293
Gains related to equity instruments (acc.141)		99		
Losses related to equity instruments (acc.149)		100		
<b>V. THE RETAINED EARNINGS, WITH THE EXCEPTION OF THE RETAINED EARNINGS FROM THE FIRST-TIME ADOPTION OF IAS 29 (acc. 117)</b>	Sold C	101	-	-
	Sold D	102	38.771.372	56.074.515
<b>VI. RETAINED EARNINGS DERIVED FROM THE FIRST ADOPTION OF IAS 29 (acc. 118)</b>	Sold C	103		
	Sold D	104	201.504.723	201.504.723
<b>VII. PROFIT OR LOSS AT SFAR-SITE OF REPORTING PERIOD (acc. 121)</b>	Sold C	105	-	-
	Sold D	106	1.986.118	16.159.868
Profit allocation (acc. 129)		107	-	-
<b>EQUITY - TOTAL</b> (row.89+90+91+95+96-97-98+99-100+101-102+103-104+105-106-107)		108	62.084.401	30.604.867
Public patrimony (acc. 1026)		109		
<b>TOTAL CAPITAL (row. 108+109)</b>		110	62.084.401	30.604.867

*Chairman of the Board of Directors  
Nițu Rizea Gheorghe*

**General Director**  
Ec. Burcă Sergiu

**Chief Financial Officer**  
Ec. Preduț Vasile Cornel

**STATEMENT OF REVENUE AND EXPENDITURE**  
**on 31 DECEMBER 2020**

Indicator name	Nr Row	Achieved on 31.12.2019	Achieved on 31.12.2020
1 Net turnover (row. 02+03-04+05)	01	103.659.546	75.337.103
Sold Production (acc. 701+702+703+704+705+706+708)	02	104.310.654	75.787.138
Income from sale of goods (acc. 707)	03	17.222	3.978
Commercial discounts granted (acc. 709)	04	668.330	454.013
Revenue from operating grants related to net turnover (acc. 7411)	05	-	-
2. Income from the cost of inventories of products (acc. 711)	Sold C	4.242.154	-
	Sold D	-	11.421.579
3. Income from the production of real estate and investment property (row.09+10)	08	157.826	132.319
4. Income from the production of intangible and tangible assets (acc. 721+722)	09	157.826	132.319
5. Income from real estate investment production (acc.725)	10	-	-
6. Income from fixed assets (or disposal groups) held for sale (acc.753)	11	-	-
7. Income from the revaluation of intangible and tangible assets (acc.755)	12	-	-
8. Revenue from real estate investments (acc.756)	13	-	-
9. Income from biological assets and agricultural products (acc.757)	14	-	-
10. Income from operating grants in case of calamities and similar events (acc.7417)	15	-	-
11. Other operating revenues (acc.758+7419)	16	1.452.055	889.217
<b>OPERATING REVENUE – TOTAL</b> (rd. 01+06-07+08+11+12+13+14+15+16)	17	109.511.581	64.937.060
12.a) Expenditure on raw materials and consumables (acc. 601+602-7412)	18	52.234.098	34.344.416
Other material expenses (acc. 603+604+608)	19	1.550.853	685.886
b) Other external costs (energy and water) (acc.605-7413)	20	9.922.431	6.552.411
c) Expenditure on goods (acc. 607)	21	17.222	4.532
Trade discounts received (acc. 609)	22	20.200	-
13. Staff costs (rd. 24+25)	23	30.531.548	21.023.837
a) Salaries and allowances (acc. 641+621+642+643+644-7414)	24	29.904.618	20.556.120
b) Expenditure on insurance and social protection (acc.645-7415)	25	626.930	467.717
14.a) Value adjustments on intangible assets, plant and equipment, investment property and biological assets measured at cost (rd. 27-28)	26	5.900.052	6.762.393
a.1) Costs (acc. 6811+6813+6816+6817)	27	5.900.052	6.762.393
a.2) Income (acc. 7813+7816)	28	-	-
b) Value adjustments for current assets (rd. 30 – 31)	29	(714.143)	2.444.284
b.1) Costs (acc.654+6814)	30	-	6.766.647
b.2) Income (acc. 754+7814)	31	714.143	4.322.363
15. Other operating expenses (rd.33 la 41)	32	10.885.992	6.587.387
15.1 Expenditure on external benefits (acc.611+612+613+614+ 622+623+624+625+626+627+628-7416)	33	7.904.476	4.321.004
15.2 Expenses with other taxes, fees and similar charges (acc.635)	34	780.070	668.065
15.3 Expenditure on environmental protection (acc.652)	35	434.126	326.897
15.4) Expenses related to fixed assets (or disposal groups) held for sale acc.653)	36	-	-
15.5) Expenses from revaluation of intangible and tangible assets (acc.655)	37	-	-
15.6) Expenditure on real estate investments (acc. 656)	38	-	-
15.7) Expenditure on biological assets and agricultural products (657)	39	-	-
15.8) Expenditure on calamities and other similar events (acc.6587)		-	-



15.9) Other expenses (acc. 6581+6582+6583+6584+6585+6588)	41	1.767.320	1.271.421
Adjustments on provisions (rd.43 – 44)	42		103.134
Costs (acc. 6812)	43	-	103.134
Income (acc. 7812)	44	-	-
OPERATING EXPENDITURE – TOTAL (rd. 18 la 21-22+23+26+29+32+42)	45	110.307.853	78.508.280
RESULTS FROM OPERATION:			
- Profit (rd. 17- 45)	46	-	-
- Loss (rd. 45-17)	47	796.272	13.571.220
16. Income from shares held in subsidiaries (acc.7611)	48	-	-
17. Income from shares held by associated entities and jointly controlled entities (acc. 7613)	49	-	-
18. Income from operations with securities and other financial instruments (acc.762)	50	-	-
19. Income from operations with derivatives (acc. 763)	51	-	-
20. Income from exchange rate fluctuations (acc.765)	52	1.048.007	930.505
21. Interest income (acc.766)	53	925	6
- of which, the income earned from entities in the group	54	-	-
22. Other incomes (acc. 7615+764+767+768)	55	-	79.658
FINANCIAL INCOME - TOTAL (rd.48+49+50+51+52+53+55)	56	1.048.932	1.010.169
23. Value adjustments for financial assets and financial investments held as current assets (rd.58-59)	57	(1.223)	1.017.699
Expenditure (acc.686)	58	1.410	1.205.362
Income (acc. 786)	59	2.633	187.663
24. Expenditure on operations in securities and other financial instruments (acc.661)	60	-	-
25. Expenditure on derivative operations (acc.662)	61	-	-
26. Interest charges (acc.666-7418)	62	1.007.258	928.791
- of which, the income earned from entities in the group	63	-	-
27. Other financial expenses (acc.663+664+665+667+668)	64	1.286.323	1.705.907
FINANCIAL EXPENDITURE - TOTAL (rd. 57+60+61+62+64)	65	2.292.358	3.652.397
PROFIT OR FINANCIAL LOSS):			
- Profit (rd. 56-65)	66	-	-
- Loss(rd. 65-56)	67	1.243.426	2.642.228
TOTAL INCOME (rd. 17+56)	68	110.560.513	65.947.229
TOTAL EXPENSES (rd. 45+65)	69	112.600.211	82.160.677
28. GROSS PROFIT OR LOSS			
- Profit (rd. 68-69)	70	-	-
-Loss (rd. 69-68)	71	2.039.698	16.213.448
29. Current income tax (acc. 691)	72	-	-
30. Profit tax deferred (acc. 692)	73	-	-
31. Income from deferred tax (acc. 792)	74	53.580	53.580
32. Other taxes not shown in the above items (acc.698)	75	-	-
33. THE PROFIT OR LOSS OF THE REPORTING PERIOD:			
- Profit (rd.70-72-73+74-75)	76	-	-
- Loss (rd.71+72+73-74+75); (rd.72+73+75-70-74)	77	1.986.118	16.159.868

**Chairman of the Board of Directors**  
**Nițu Rizea Gheorghe**

**General Director**  
Ec. Burcă Sergiu

**Chief Financial Officer**  
Ec. Preduț Vasile Cornel



## **SC ALTUR S.A. Slatina**

RC J/28/131/1991, CUI: R1520249, SIRUES 281092373,  
SICOMEX 37122,  
CONT RO50RNCB3800000000040001, BCR SLATINA  
str. PITEȘTI, Nr. 114, 230104, SLATINA,  
jud. OLT, ROMANIA  
Tel. 0249/436834; 436979,  
Fax.0249/436834; 436979



### **STATEMENT,**

According to art.223 (1) point c of the ASF Regulation no.5/2018

According to art.223 (1) point c. of ASF Regulation no. 5/2018, we confirm that, after our knowledge, the annual financial statement, as at 31.12.2020, prepared in accordance with the applicable accounting standards, provides a correct and true image of the asset, liabilities, financial position, profit and loss account of the company and that Annual Report of the Board of Directors includes a correct analysis of the development and performances of ALTUR SA as well as a description of the main risks and uncertainties specific for performed activities.

#### **Chairman of the Board of Directors**

Dipl. Eng. Nițu Rizea Gheorghe

#### **General Manager,**

ec. Sergiu Burcă

Head of financial department

Ec. Preduț Vasile Cornel

# INDEPENDENT AUDITOR'S REPORT

To the Shareholders, ALTUR SA

## Report on the audit of financial statements

1. We were contracted to audit the financial statements of ALTUR S.A. ("The Company"), headquartered in Slatina, Str. Pitești, Nr. 114, Olt County, identified by the unique code of fiscal record 1520249, which includes the statement of financial position as at 31 December 2020 and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended, as well as a summary of significant accounting policies and explanatory notes.

2. The financial statements as at 31 December 2020 are identified as follows:

- Net assets / Total equity: 30,604,867 Lei
- Net loss for the financial year: (16,159,868) Lei

3. We do not express any opinion regarding the accompanying financial statements of the Company. Because of the importance of the issues described in paragraphs 4 to 13 in the "Basis for Impossibility to Express an Opinion" section of our report, we were unable to obtain sufficient and adequate audit evidence to provide a basis for the audit opinion on these financial statements.

### The basis for the impossibility of expressing an opinion

4. We were appointed auditors of the Company after December 31, 2019, therefore we did not witness the physical inventory of stocks from the beginning of 2020. We could not obtain sufficient and adequate audit evidence by alternative means regarding the quantities stocks held on December 31, 2019, which are declared in the balance sheet at the amount of 33,230,837 lei. Due to the issue described above, we were unable to determine whether adjustments were required for inventories recorded or unrecorded on December 31, 2019, as well as the items that make up the profit and loss account for the year ended December 31, 2020. changes in equity and the statement of cash flows at that date.

5. As of December 31, 2020, the Company holds raw materials and materials in the amount of 2,069,076 lei, finished products in the amount of 9,249,710 lei and production in progress in the amount of 3,251,833 lei. During our audit, we were unable to obtain sufficient and adequate audit evidence as to the value of these inventories. We participated in the inventory of inventories on January 5, 2021, but the Company did not provide us with information on the movements of those inventories between the date of the inventory and the date of the financial statements. Also, the Company did not provide us

with sufficient and adequate information on the valuation of inventories as of December 31, 2020, as well as the allocation of expenses in the production cost. Therefore, we have not been able to determine whether any adjustments are needed on inventories of raw materials, finished products and production in progress on the balance sheet as of December 31, 2020, as well as the items that make up the profit and loss account and the statement of flows at this date.

6. As of December 31, 2020, the Company did not prepare a land and construction revaluation report, technical installations and machines, as well as real estate investments presented in Note 11, for their presentation at fair value. According to the Order of the Minister of Public Finance no. 2844/2016 with subsequent amendments, revaluations must be made with sufficient regularity, so that the carrying amount does not differ substantially from that which would be determined using the fair value at the balance sheet date. Moreover, the Company did not prepare a related revaluation report for comparative information presented with these financial statements. Therefore, we were not able to determine whether adjustments could be considered necessary in respect of the amounts recorded for land and buildings, technical installations and machinery, as well as real estate investments in the balance sheet at 31 December 2020 and 31 December 2019, and the elements that make up the profit and loss account and the statement of changes in equity.

7. As of December 31, 2020, the Company presents deferred debts regarding tax liabilities amounting to 3,202,169 lei, of which only 1,199,621 lei represent deferred income tax, and 2,002,548 lei represent VAT payable. We were not able to obtain sufficient and adequate audit evidence on this balance, and the balance of VAT payable had to be presented in the balance sheet item Trade and similar liabilities. Therefore, we could not determine whether adjustments could be considered necessary regarding the amount of deferred balance sheet taxes at December 31, 2020 and December 31, 2019 and the elements that make up the profit and loss account and the statement of changes in equity.

8. The company presents adjustments of the share capital and revaluation reserves for which no information was provided to us. Thus, we were not able to obtain sufficient and adequate audit evidence on these balances. Therefore, we could not determine whether adjustments could be considered necessary with respect to the capital items at December 31, 2020 and December 31, 2019 and the elements that make up the profit and loss account and the statement of changes in equity.

9. In the notes to the financial statements are not presented all the information in accordance with the requirements of the Order of the Minister of Public Finance no. 2844/2016, with subsequent amendments, for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards adopted by the European Union with subsequent amendments.

10. The Company found errors related to previous years, which were corrected by the carried forward result, but these errors are not highlighted in the notes to the Financial Statements as of December 31, 2020. Also, the Financial Statements of previous years were not restated in accordance with the requirements Order of the Minister of Public Finance no. 2844/2016, with subsequent amendments, for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards adopted by the European Union with subsequent amendments.

11. As a result of the inventory process performed by the Company during the year ended 31 December 2020, inventory shortfalls were identified and recorded. The company did not perform an analysis of the tax aspects related to these disadvantages of invention. Thus, we were not able to determine whether any adjustments to the debts to the state budget are necessary recorded in the balance sheet at 31 December 2020, as well as the elements that make up the profit and loss account and loss, statement of changes in equity and statement of cash flows.

12. As described in Note 16, as of December 31, 2020, the Company presents other receivables in value of 10,469,032 lei, representing additional VAT, penalty interest and established penalties following a fiscal control performed by ANAF. The company is in dispute with ANAF regarding these amounts. As a result of these issues, we have not been able to determine whether they are necessary any adjustments to these amounts to be recovered from the state budget recorded in the balance sheet at 31 December 2019, respectively December 31, 2020, as well as the elements that make up the account of profit and loss, statement of changes in equity and statement of cash flows.

13. On December 31, 2020, the Company recorded a current loss of 16,159,868 lei, a reported loss of 56,074,515 lei, net current debts in the amount of 5,916,063 lei as well as a net asset of 30,604,867 lei, which is less than half of the share capital. According to the Companies Law commercial no. 31/1990 of Romania, republished and amended by Law 441/2006, in such a situation, the administrators will convene the Extraordinary General Meeting to decide on the way in which it will replenish the Company's own capital. As a result, business continuity depends on its ability to generate sufficient future income and financial support from associates and creditors. We have not obtained sufficient adequate audit evidence regarding the management's use of the business continuity principle in preparing the financial statements, therefore, we have not been able to determine whether any adjustments to the Company's assets, liabilities and equity are necessary.

### **Key audit issues**

14. The key audit aspects are those that, based on our professional judgment, were of the greatest importance for the audit of the current financial statements. These issues have been addressed in the context of the audit of the financial statements as a whole and in the preparation of our report on them, and we do not provide a separate report on these issues. In addition to the issues described in the "Basis for Impossibility to Express an Opinion" section, we determined that the issues described below are key audit issues to be communicated in our report. The key audit issues reflected by our team refer to the financial statements.

Due to the importance of reasoning and the complexity involved in this process, as well as the significant value of the corrections made by the Company this year, we consider that they are a key audit aspect.

Our procedures for preparing the financial statements included the following issues considered by management:

- Carrying out audit procedures on the initial balances reflected in the financial statements at 31

December 2020;

- Obtaining and verifying the supporting documents that were the basis for the corrections made in the year 2020 for the initial balances, as well as those related to the current year;
- Review the financial statements to verify that they have been prepared in accordance with Minister of Finance no. 2844/2016, with subsequent amendments, for approval Accounting regulations compliant with International Financial Reporting Standards adopted by the European Union with subsequent amendments.

### **Other aspects**

The financial statements of the Company, related to the financial year ended December 31, 2019 was audited by another auditor who issued an unreserved opinion on 26.03.2020.

### **Other information - Administrators' report**

15. The administrators are responsible for the preparation and presentation of other information. Those others information includes the Directors' Report, but does not include the financial statements and the report the auditor regarding them.

Our report on the financial statements does not cover this and other information unless explicitly mentioned in our report, we do not express any conclusion of insurance on them.

With regard to the audit of the financial statements for the financial year ended 31 December 2020, it is our responsibility to read that other information and, in doing so, to assess whether that other information is significantly inconsistent with the financial statements, or with the knowledge on which we obtained during the audit, or whether they appear to be significantly distorted.

Regarding the Directors' Report, we have read and report whether it has been prepared in all aspects

significant, in accordance with the Order of the Minister of Public Finance no. 2844/2016, with the amendments subsequent, for the approval of the Accounting Regulations compliant with the International Reporting Standards Adopted by the European Union with subsequent amendments, point 20.

Based exclusively on the activities to be carried out during the audit of the financial statements, in our opinion:

- a) The information presented in the Directors' Report for the financial year for which they have prepared financial statements have been prepared in accordance with, in all material respects, financial situations;
- b) The Directors' Report has been prepared, in all material respects, in accordance with Order of Minister of Finance no. 2844/2016, with subsequent amendments, for approval Accounting regulations compliant with International Financial Reporting Standards adopted by the European Union as subsequently amended, point 20.

In addition, based on our knowledge and understanding of the Company and its environment, acquired during the audit of the financial statements for the financial year ended 31 December 2020, we are asked to report whether we have identified significant distortions in the Report of administrators. As described above in the section "The basis for the impossibility of expressing a opinions ", we could not obtain sufficient and adequate audit evidence on the issues mentioned in paragraphs 4-13. Therefore, we could not conclude whether the report of the administrator contains significant misstatements in this regard.

### **Responsibilities of management and those responsible for governance for financial situations**

16. Management is responsible for the preparation and accurate presentation of financial statements in accordance with the Order of the Minister of Public Finance no. 2844/2016 for approval Accounting regulations in accordance with the adopted International Financial Reporting Standards by the European Union with subsequent amendments and for that internal control that the management considers it necessary to allow the preparation of financial statements without distortions caused by either fraud or error.

17. In preparing the financial statements, management is responsible for assessing capacity of the company to continue its activity, presenting, if necessary, the aspects related to business continuity and using accounting based on business continuity, unless the management either intends to liquidate the Company or to cease operations, or does not have no other realistic alternative apart from them.

18. The persons responsible for governance are responsible for overseeing the process of financial reporting of the Company.

### **Auditor's responsibilities in an audit of financial statements**

19. Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing (ISA) EU Regulation no. 537 of the Parliament and of the European Council (hereinafter "the Regulation") and Law no. 162/2017 (the "Law") and to issue an auditor's report. However, due to the issues described in the section "Base due to the impossibility of expressing an opinion "in our report we could not obtain audit evidence sufficient and appropriate to provide a basis for an audit opinion on these financial situations

20. We are independent of the Company, according to the Code of Ethics for Professional Accountants issued by Council for International Standards of Ethics for Accountants (IESBA code), as required ethics that are relevant to 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

## **Report on other legal and regulatory provisions**

21. We were appointed by the General Meeting of Shareholders on April 28, 2020 to audit the situations of ALTUR S.A. for the financial year ended 31 December 2020. Total duration for our uninterrupted commitment is for 1 year, covering the financial year ended 31 December 2020.

We confirm that:

- Our audit report is in line with the supplementary report submitted to the Board by Company Administration, which we issued on the same date we issued this report. Also, in conducting our audit, we maintained our independence from the entity audited.
- We have not provided the Company with the prohibited non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014.

For the financial year to which our audit refers, in addition to the statutory audit services, we have provided to the Company and the entities controlled by it the following services that were not presented in annual report and financial statements: tax advice, through the involvement of Deloitte Tax.

The audit engagement partner for whom this independent auditor's report was prepared is

Alina Mirea.

Registered in the Electronic Public Register of Financial Auditors and audit firms with number AF 1504 in behalf of

**Deloitte AUDIT SRL**

Registered in the Electronic Public Register of Financial Auditors and audit firms with number FA 25 in





## **SC ALTUR S.A. Slatina**

RC J/28/131/1991, CUI: R1520249, SIRUES 281092373,  
SICOMEX 37122,  
CONT RO50RNCB380000000040001, BCR SLATINA  
str. PITEȘTI, Nr. 114, 230104, SLATINA,  
jud. OLT, ROMANIA  
Tel. 0249/436834;  
Fax.0249/436037



### **Information on opinions / recommendations auditor Deloitte Audit SRL**

***Date: 29.04.2021***

Name of the issuing entity: ALTUR SA

Headquarters: Slatina, str. Pitești, no. 114, jud.Olt

Unique registration code: RO 1520249

Serial number in the Trade Register: J28 / 131/1991

Unique European Identifier (EUID): ROONRCJ28 / 131/1991

LEI CODE: 259400IHBSVL9OOVM346.

Subscribed and paid-in capital: 82,438,833.8 lei

Nr. shares / nominal value: 824,388,338 shares, with a nominal value of 0.1 lei

Trading market: Bucharest Stock Exchange, Standard Category, symbol ALT

Tel / Fax: 0249 / 43.68.34; 0249 / 43.60.37

*Subscribed ALTUR SA Slatina hereby informs shareholders and investors that it has taken note of the recommendations received from the statutory auditor - Deloitte Audit SRL based on the Report issued for the audit of the financial statements for 2020 and is committed to improving the presentation of related financial information 2021, in accordance with the requirements of the latest IFRS standards adopted by the European Union.*

***President of the  
Board of Directors,  
Eng. Nițu Rizea Gheorghe***