

## First quarter report 2024

Issued on: May 14, 2024

Company name: COMELF SA

Registered Office: Bistrita, str. Industry no. 4

Phone/fax number: 0263/234462; 0263/238092

VAT code with the Trade Register Office: 568656

Registration number with the Trade Register: J06/02/1991

Subscribed and paid-in share capital: 13,036,325.34 lei

Regulated market in which the issued securities are traded: BSE (Bucharest Stock Exchange)

1. Presentation of the important events that occurred during the relevant period of time and the impact that they have on the financial position of the issuer and its subsidiaries.

- ✚ On April 18th, 2024, the AGOA approved the full distribution of the net profit for the year 2023, in the amount of 9.328.420 lei, for the payment of dividends to the shareholders of the company. Of the total amount of 9,328,420 lei, the amount of 4,680,872 lei was distributed as interim dividends in the first half of 2023, the difference in the amount of 4,647,548 lei will be paid from 16 September 2024.

2. The general description of the financial position and of the performances of the issuer and of its subsidiaries related to the relevant time period.

The main indicators, thousands of lei	01.01.2024- 31.03.2024	01.01.2023- 31.03.2023	%
<b>Total operating income, of which:</b>	<b>41,827</b>	<b>48,835</b>	<b>(7,008)</b>
<b>Revenues from construction contracts</b>	<b>40,874</b>	<b>45,604</b>	<b>(4,730)</b>
<b>Profit/(Loss) for the period</b>	<b>1,780</b>	<b>2,918</b>	<b>(1,138)</b>
<b>EBITDA</b>	<b>4,657</b>	<b>4,784</b>	<b>(127)</b>
<b>Interest-bearing Loans</b>	<b>36,051</b>	<b>40,023</b>	<b>(3,972)</b>
<b>Average number of staff</b>	<b>619</b>	<b>629</b>	<b>(10)</b>

*\*The financial figures are unaudited and outline the individual results of Comelf SA, prepared in accordance with International Financial Reporting Standards (IFRS);*

◆ **The operating revenues** of COMELF SA amounted to 41,827 thousand LEI as of 31.03.2024, down (48,835 thousand LEI as of 31.03.2023) compared to the same period of the previous year. The decrease in revenue in Q1 2024 compared to Q1 2023 was influenced by (i) the decrease in the per ton sales price of products (-2%) due to: the decrease in the purchase price of metal (ii) the decrease in physical volumes sold by 12%, as a result of lower orders in the first quarter of the year, in the global economic context marked by a decrease in demand, especially in the earthmoving sector; In the coming period, the forecast is much improved;

◆ **The profit for the period** decreased in the first 3 months of 2024 compared to the same period of the previous year, as in the first quarter of 2023 an amount of 1,010,987 lei was collected, relating to an outstanding debt, which was provided for in the past and which was collected in full, thus being recognized as income for the period and implicitly as direct profit.

✓ EBITDA: although turnover decreased, EBITDA remained at approximately the same level as a result of:

✓ Optimizing the consumption of raw materials;

✓ The savings generated by the own sources of electricity and heating, in which the company has invested in recent years;

**The company's assets as at 31.03.2024 show that:**

- Fixed assets: decreasing, on the one hand, being influenced by the depreciation of existing fixed assets (cumulative effect as at 31.03.2024: 1,964 thousand LEI) and, on the other hand, by new investments in progress (1,500 thousand LEI);
- Current assets remained at approximately the same level at 31.03.2024 compared to 31.12.2023, on the back of:
  - (i) Raw materials inventory decreased by 5% correlated with the orders launched for the period to Q2 2024 but also on the back of slight decrease in the price of these raw materials;
  - (ii) Work in progress decreased by 18%, due to the increase in the decrease in the sales price but also to the increase in receivables and the completion of work in progress;
  - (iii) Trade receivables increased by 4% as at 31.03.2024 compared to year-end 2024;
  - (iv) Cash and cash equivalents increased by 1,101 thousand lei compared to the end of 2023, on the back of collections in the first part of 2024;
- Equity increased compared to 31.12.2023 by the amount of the net profit for the period 01.01.2024-31.03.2024;
- Interest-bearing borrowings as at 31.03.2024 decreased by the amount of instalments paid, due in the first quarter of 2024, with no additional loans committed until the end of the first quarter of 2024. The available working capital as at 31.03.2024 is 35,780,400 lei (31.12.2023: 36,604,100 lei);
- Supplier payables have been maintained compared to December 2023;

**The report for Q1 2024** can be found on the company's website [www.comelf.ro/Informatii la zi/](http://www.comelf.ro/Informatii%20la%20zi/), as well as in the link below

**General Manager,  
eng. Cenușă Gheorghe**

**Financial Manager,  
ec. Dana Tatar**

## COMELF SA First Quarter Report

According to the FSA Regulation no. 5/2018 Annex no. 13

**Issued on:** 5/14/2024

**Company name:** COMELF SA

**Registered Office:** Bistrita, no. 4, Industriiei str.

**Phone/fax number:** 0263234462 / 0263238092

**VAT code with the Trade Register Office:** 568656

**Registration number with the Trade Register:** J06/2/1991

**Subscribed and paid-in share capital:** 13,036,325.34 lei

**Regulated market in which the issued securities are traded:** Bucharest Stock Exchange

### The main characteristics of the securities issued by the company:

- REGISTERED SHARES in the number of 22,476,423 at a value of 0.58 lei/share.
1. Presentation of the important events that occurred during the relevant period and the impact that they have on the financial position of the issuer and its subsidiaries.
  2. The general description of the financial position and of the performances of the issuer and of its subsidiaries related to the relevant period.

### B. Economic and financial indicators for the first quarter of 2024

Indicator Name	Calculation model	March 31, 2024	March 31, 2023
<b><u>Current liquidity (general)</u></b>	Current assets/Current liabilities (the recommended value for this indicator is around 2)	1.27	1.28
<b><i>The current (general) liquidity as at 31.03.2024 is 1.27 and represents the coverage of current liabilities by current assets held by the company.</i></b>			
<b><u>Degree of indebtedness</u></b>	Borrowed capital / Committed capital	0.02 %	4.91 %
<b><i>The indebtedness of the company is 0.02% and represents the share held by borrowed capital-debts over 1 year, in the committed capitals;</i></b>			
<b>Debt collection time - Customers (days)</b>	Average customer balance / Turnover X 90	106	71
<b>Turnover speed of fixed assets</b>	Turnover / Fixed Assets	2.28	2.64

**General Manager,**  
eng. Cenușă Gheorghe

**Financial Manager,**  
ec. Dana Tatar



**COMELF S.A.**

RO 568656  
J06/2/1991  
Str. Industriei nr. 4  
420063, Bistrița  
România

## **SITUAȚII FINANCIARE INTERIMARE IFRS LA 31 MARTIE 2024**

<b>Situația poziției financiare</b>	<b>1</b>
<b>Situația contului de profit sau pierdere și alte elemente ale rezultatului global</b>	<b>2</b>
<b>Situația modificării capitalurilor proprii</b>	<b>3 - 4</b>
<b>Situația fluxurilor de numerar</b>	<b>5</b>
<b>Notele la situațiile financiare individuale</b>	<b>6 - 25</b>

**COMELF S.A.**

INTERIM FINANCIAL STATEMENTS AS OF March 31, 2024 IN ACCORDANCE WITH IFRS

*(All amounts are expressed in lei, unless otherwise indicated)***STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH**

	Nota	31.03.2024	31.12.2023
<b>Assets</b>			
Development cost		60,281	60,281
Intangible assets	5	361,593	263,726
Tangible assets	5	74,463,201	75,025,009
Financial assets available for sale	6	-	-
<b>Total non-current assets</b>		<b>74,885,075</b>	<b>75,349,016</b>
Advance payments for tangible assets		1,778,911	1,033,263
Stocks	7	19,181,161	21,474,210
Receivables from contracts with customers	8	50,995,173	49,155,099
Trade receivables and other receivables	9	11,563,980	12,648,364
Current tax receivables		-	-
Cash and cash equivalents	11	8,724,935	7,623,636
<b>Total Current Assets</b>		<b>92,244,160</b>	<b>91,934,572</b>
<b>Total Assets</b>		<b>167,129,235</b>	<b>167,283,588</b>
Share capital	12	13,036,325	13,036,325
Share capital adjustments	12	8,812,271	8,812,271
Other elements of equity	12	-	-
Reserves	12	49,623,642	49,424,268
Reported outcome	12	10,279,202	1,190,100
Financial year outcome	25	1,780,297	9,328,420
<b>Total Equity</b>		<b>83,531,737</b>	<b>81,791,384</b>
<b>Debts</b>			
Long-term bank loans	13	-	-
Other loans and debts-leasing	13	17,585	66,771
Defferend tax liabilities	22	5,432,044	5,211,782
Provisions for risks and expenses	21	249,196	249,196
Defferend income liabilities	23	5,497,374	5,711,499
<b>Total long-term debts</b>		<b>11,196,199</b>	<b>11,239,248</b>
Overdrafts	13	35,780,400	36,812,040
The current part related to long-term loans	13	-	-
Defferend tax liabilities	22	97,315	279,601
The current other loans and liabilities - leasing	11	192,456	203,782
Commercial debts and other debts	14	34,128,033	34,651,551
Provisions for risks and expenses	21	993,252	1,009,742
Defferend tax liabilities	23	1,209,843	1,296,240
<b>Total current debts</b>		<b>72,401,299</b>	<b>74,252,956</b>
<b>Total Debts</b>		<b>83,597,498</b>	<b>85,492,204</b>
<b>Total equity and debts</b>		<b>167,129,235</b>	<b>167,283,588</b>

Cenusa Gheorghe  
General ManagerTatar Dana  
Economic Manager

**COMELF S.A.**

INTERIM FINANCIAL STATEMENTS AS OF March 31, 2024 IN ACCORDANCE WITH IFRS

*(All amounts are expressed in lei, unless otherwise indicated)***PROFIT OR LOSS ACCOUNT SITUATION  
AND OTHER ELEMENTS OF THE OVERALL RESULT**

	Nota	<u>31.03.2024</u>	<u>31.03.2023</u>
<i>Continuous operations</i>			
<b>Revenues</b>			
Revenue from contracts with customers	15	38,640,693	45,604,339
Revenues from sales of goods		-	-
Other elements related to the turnover		2,232,899	2,898,891
<b>Total revenues</b>		<b>40,873,592</b>	<b>48,503,230</b>
<i>of which turnover</i>	3	42,626,757	49,783,368
<b>Other revenues</b>	16	<b>952,933</b>	<b>331,611</b>
<b>Expenses</b>			
Raw material costs and other expenses		(17,494,357)	(24,530,892)
Electricity and water costs		(1,330,973)	(1,776,396)
Commodity expenses		-	-
Employment charges	17	(13,865,824)	(13,343,247)
Transport costs	18	(1,295,858)	(1,633,843)
Other expenses related to revenues	19	(3,099,183)	(2,642,402)
Cost depreciaton charge	5	(1,963,900)	(1,876,367)
Financial costs , net	25	(674,857)	(531,966)
Ajustments related to cirent assets depreciation ,net	8	54,651	1,010,987
Provision costs for risks and expenses, net	21	16,490	8,086
<b>Other expenses</b>	19	(91,269)	(124,554)
<b>Total expenses</b>		<b>(39,745,080)</b>	<b>(45,440,594)</b>
<b>Pre-tax profit</b>		<b>2,081,445</b>	<b>3,394,247</b>
Profit tax	20	(301,148)	(476,080)
Profit from continuous operations		1,780,297	2,918,167
Profit from discontinuous operations		-	-
<b>PROFIT OF THE PERIOD</b>		<b>1,780,297</b>	<b>2,918,167</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to expenses and revenues</i>			
Value changes of the used assets as a result of revaluation ,net of tax		-	-
<i>Items that can be reclassified to expenses and revenues</i>			
Value changes of securities available for sale	3	-	-
<b>Total profit and loss account and other comprehensive income</b>		<b>1,780,297</b>	<b>2,918,167</b>
<b>Outcome per share</b>			
From continuous and discontinuous operations			
Outcome per basic share (lei per share)	24	0.08	0.13
Diluted outcome per share (lei per share)	24	0.08	0.13
Din operatiuni continue			
Outcome per basic share (lei per share)	24	0.08	0.13
Diluted outcome per share (lei per share)	24	0.08	0.13

Cenusa Gheorghe,  
General ManagerTatar Dana ,,  
Economic Manager

**COMELF S.A.**

INTERIM FINANCIAL STATEMENTS AS OF March 31, 2024 IN ACCORDANCE WITH IFRS

*(All amounts are expressed in LEI, unless otherwise indicated)*

<b>STATEMENT OF CHANGE OF EQUITY</b>	<b>Capital Social</b>	<b>Adjustments of share capital</b>	<b>Differences and reserves from revaluation</b>	<b>Reserves legal</b>	<b>Other reserves</b>	<b>The Result withheld</b>	<b>Total equity</b>
<b>Balance as of January 01, 2024</b>	<b>13,036,325</b>	<b>8,812,271</b>	<b>30,955,944</b>	<b>2,607,265</b>	<b>15,861,059</b>	<b>10,518,520</b>	<b>81,791,384</b>
<i>Profit or loss account and other elements of the overall result</i>							
Profit or loss						1,780,297	1,780,297
<i>Other elements of the overall result</i>							
Net change in the fair value of available-for-sale financial assets							
Changes in the value of the assets used							
<i>Movements in the profit or loss account and other elements of the overall result</i>							
Differences from the revaluation achieved transferred to the retained result-current year			237.350			-199.374	37.976
Other equity items			-37.976		0	0)	-37.976
Legal reserves established				0		0	0
<b>Total profit or loss account and other elements of the overall result</b>	<b>0</b>	<b>0</b>	<b>199.374</b>	<b>0</b>	<b>0</b>	<b>1,580,923</b>	<b>1,780,297</b>
Other elements retained result - correction of accounting errors	0	0	0	0		(39.944)	(59.944)
<b>Other elements retained result - correction of accounting errors</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(39.944)</b>	<b>(59.944)</b>
<b>Transactions with shareholders, registered directly in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Contributions from and distributions to shareholders/employees</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total transactions with shareholders	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Profit or loss account and other elements of the overall result</i>							
<b>Balance as of March 31st, 2024</b>	<b>13,036,325</b>	<b>8,812,271</b>	<b>31,155,318</b>	<b>2,607,265</b>	<b>15,861,059</b>	<b>12,059,499</b>	<b>83,531,737</b>

**COMELF S.A.**

INTERIM FINANCIAL STATEMENTS AS OF March 31, 2024 IN ACCORDANCE WITH IFRS

*(All amounts are expressed in LEI, unless otherwise indicated)**Continued on next page*

STATEMENT OF CHANGE OF EQUITY	Registered Capital	Adjustments of share capital	Differences and reserves from revaluation	Reserves legal	Other reserves	The Result withheld	Total equity
<b>Balance on January 1, 2023</b>	<b>13,036,325</b>	<b>8,812,271</b>	<b>32,423,851</b>	<b>2,607,265</b>	<b>15,861,059</b>	<b>5,503,751</b>	<b>78,244,522</b>
<i>Profit or loss account and other elements of the overall result</i>							
Profit or loss						9,328,420	9,328,420
<i>Other elements of the overall result</i>							
Net change in the fair value of available-for-sale financial assets			0				0
<i>Movements in the profit or loss account and other elements of the overall result</i>							
Realised revaluation differences transferred to retained earnings - current year			-1,747,508			1,467,907	(279.601)
Legal reserves established				0		0	0
Reserves from tax exemption of reinvested profits (according to the Tax Code)							0
Other equity items			279.601		0	(1,639,346)	(1,359,745)
Revaluation of tangible fixed assets after taxation							0
<b>Total profit or loss account and other elements of the overall result</b>	<b>0</b>	<b>0</b>	<b>-1,467,907</b>	<b>0</b>	<b>0</b>	<b>9,156,981</b>	<b>7,689,074</b>
Other items retained-correction of accounting errors	0	0	0	0	0	0	0
<b>Other items retained-correction of accounting errors</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transactions with shareholders, recorded directly in equity</b>	<b>0</b>				<b>0</b>	<b>0</b>	<b>0</b>
<b>Contributions from and distributions to shareholders/employees</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-4,142,212</b>	<b>-4,142,212</b>
Total transactions with shareholders	0	0	0	0	0	-4,142,212	-4,142,212
<b>Balance on December 31, 2023</b>	<b>13,036,325</b>	<b>8,812,271</b>	<b>30,955,944</b>	<b>2,607,265</b>	<b>15,861,059</b>	<b>10,518,520</b>	<b>81,791,384</b>



**CASH FLOW STATEMENT**

	<b>31.03.2024</b>	<b>31-12-2023</b>
Pre - tax profit	1,780,297	9,328,420
Depreciation of fixed assets	1,963,900	7,601,133
<b>Cash operational brut</b>	<b>3,744,197</b>	<b>16,929,553</b>
<b>Workong Capital Variation</b>		
Variation receivables	2,366,718	12,192,587
Variation stocks	-2,293,049	-13,544,728
Variation in other current assents	-1,939,781	8,269,417
Variation Income/Expenses in advances	855,397	40,728
Variation suppliers	295,041	-2,521,428
Variation customer advances	526,644	-264,812
Variation employees and assimilated	-841,095	2,408,041
<b>Net operating Cash</b>	<b>4,735,502</b>	<b>9,585,864</b>
<b>Cash flow dfrom net investment</b>	<b>2,245,607</b>	<b>6,439,712</b>
<b>Debts change</b>		
Variation of short-term loans	1,953,120	-2,783,480
Variation of long-term loans	-2,984,760	-973,160
Variation of associated debts	0	-2,374
Variation of other liabilities	-	-
Variation of capitalluri	-356,956	-6,083,381
<b>Cash flow from financing</b>	<b>-1,388,596</b>	<b>-9,842,395</b>
<b>Total chas variation between</b>	<b>1,101,299</b>	<b>-6,696,243</b>
Initial Cash	7,623,636	14,319,879
<b>Net Cash at end of period</b>	<b>8,724,935</b>	<b>7,623,636</b>

Cenusa Gheorghe  
General ManagerTatar Dana  
Economic Manager

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

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**OPIS NOTE**

- |     |   |     |                                     |
|-----|---|-----|-------------------------------------|
| 1.  | Reporting entity                          | 17. | Staff costs                         |
| 2.  | Basics of preparation                     | 18. | Shipping costs                      |
| 3.  | Significant accounting policies           | 19. | Other operating expenses            |
| 4.  | Significant risk management               | 20. | Income tax                          |
| 5.  | Tangible and intangible assets            | 21. | Provisions for risks and expenses   |
| 6.  | Financial assets available for sale       | 22. | Deferred tax liabilities            |
| 7.  | Inventories                               | 23. | Deferred income                     |
| 8.  | Receivables from contracts with customers | 24. | Earnings per share                  |
| 9.  | Trade receivables and other receivables   | 25. | Financial elements                  |
| 10. | Value adjustments                         | 26. | Contingent assets and liabilities   |
| 11. | Cash and cash equivalents                 | 27. | Affiliated parties                  |
| 12. | Equity                                    | 28. | Capital commitments                 |
| 13. | Loans                                     | 29. | Operational segment reporting       |
| 14. | Trade and other payables                  | 30. | Events after the balance sheet date |
| 15. | Revenues from construction contracts      | 31. | Approval of financial statements    |
| 16. | Other incomes                             |     |                                     |

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

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**NOTES TO THE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS****1. Reporting entity**

COMELF SA (the “Company”) is a joint-stock company operating in Romania in accordance with the provisions of Law 31/1990 on companies and Law 297/2004 on the capital market, with subsequent additions and amendments. The company is headquartered in Bistrita, 4 Industriei Street, Bistrita Nasaud County, Romania.

The company was established as a commercial company in 1991 as a result of the reorganization of the former Bistrita Technological Equipment Company.

The company's shares are listed on the Bucharest Stock Exchange, the regulated market, with the code CMF, since November 20, 1995. Evidence of shares and shareholders is held in accordance with the law by the SC Depozitarul Central SA Bucharest.

The individual financial statements in accordance with International Financial Reporting Standards have been prepared for the first quarter of the financial year 2024.

The main activity of the Company is the manufacture of engines and turbines (except for those for airplanes, automobiles and motorcycles). The company also manufactures installations, sub-assemblies and components for power plants and environmental protection, earthmoving equipment, lifting and transport equipment, including their sub-assemblies, steel structures, weapons and ammunition, road transport vehicles and military combat vehicles.

**2. Basics for preparation****a. Declaration of conformity**

The financial statements have been prepared by the *Company* in accordance with:

- International Financial Reporting Standards adopted by the European Union (“IFRS”);  
These financial statements of the Company are prepared in accordance with the requirements of the Order of the Ministry of Finance no. 2844 of 2016, for the approval of Accounting Regulations compliant with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, which replaces the Order no. 1286/2012. International Financial Reporting Standards represent the standards adopted according to the procedure provided by Regulation (EC) no. 1,606 / 2002 of the European Parliament and of the Council of 19 July 2002 on the application of International Accounting Standards. The transition date to International Financial Reporting Standards was January 1, 2011;
- Law 82 of 1991 on accounting republished and updated.

The financial statements as at 31 March 2024 shall be read in conjunction with the financial statements as at 31 December 2023 under the same financial reporting framework.

The financial statements as at March 31, 2024 are not audited.

**3. Significant accounting policies**

The accounting policies have been applied consistently over all the intervals presented in the financial statements prepared by the Company.

The individual financial statements are prepared on the assumption that the Company will continue in business for the foreseeable future. To assess the applicability of this hypothesis, management reviews forecasts of future cash inflows.

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

#### 4. Management of significant risks

The Company's management considers that risk management must be performed within a consistent methodological framework and that their management is an important component of the strategy to maximize profitability, achieve an expected level of profit while maintaining an acceptable risk exposure and compliance with legal regulations. The formalization of the risk management procedures decided by the Company's management is an integral part of the Company's strategic objectives.

The investment activity leads to the Company's exposure to a variety of risks associated with the financial instruments held and the financial markets on which it operates. The main risks to which the Company is exposed are:

- market risk (price risk, interest rate risk and currency risk);
- credit risk;
- the risk related to the economic environment;
- operational risk.
- capital adequacy

The general risk management strategy aims at maximizing the Company's profit relative to the level of risk to which it is exposed and minimizing potential adverse variations on the Company's financial performance.

The company has implemented policies and procedures for managing and assessing the risks to which it is exposed. These policies and procedures are presented in the section dedicated to each type of risk.

##### (a) Market risk

Market risk is defined as the risk of recording a loss or not obtaining the expected profit, as a result of price fluctuations, interest rates and exchange rates for foreign currency.

The company is exposed to the following market risk categories:

##### (i) Price risk

The company is exposed to price risk, with the possibility that the value of the costs for the fulfillment of the projects will be higher than the estimated value, thus the contracts will run at a loss.

In order to cover the price risk generated by the increase of the basic raw material, the metal, the company has written, in the commercial contracts concluded with the clients, a protection clause that allows it to update the sale price if the price of the basic raw material increases. In the current economic context marked by political and economic instability, there is a risk linked to volatile raw material prices. The company also has a material procurement policy that offers protection for a period of 2-3 months, for confirmed orders, which ensures a balance, for the period in which we reposition ourselves vis-à-vis suppliers and vis-à-vis customers.

The carrying amount of financial assets and liabilities with a maturity of less than one year is approximated to their fair value.

	March 31, 2024		December 31, 2023	
	Book value	Fair value	Book value	Fair value
Receivables from contracts with customers	50,995,173	50,995,173	49,155,099	49,155,099
Trade receivables and other receivables	11,479,480	11,479,480	11,803,949	11,803,949
Down-payments granted for tangible assets	1,778,911	1,778,911	1,033,263	1,033,263
Grants receivable	84.500	84.500	845.000	845.000
Cash and cash equivalents	8,724,935	8,724,935	7,623,636	7,623,636

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

Short-term bank loan	-35,780,400	-35,780,400	-36,812,040	-36,812,040
Current part-lease	-192.456	-192.456	-203.782	-203.782
Deferred tax liabilities (current part)	-97.315	-97.315	-279.601	-279.601
Trade and other payables	-34,128,033	-34,128,033	-34,651,551	-34,651,551
<b>Total</b>	<b>2,864,795</b>	<b>2,864,795</b>	<b>1,486,027</b>	<b>1,486,027</b>

*(ii) Interest rate risk*

As at 31 March 2024 and 31 December 2023 most of the Company's assets and liabilities are non-interest bearing, with the exception of bank loans and leases. As a result, the Company is not significantly affected by the risk of interest rate fluctuations.

The Company does not use derivative financial instruments to hedge against interest rate fluctuations.

*Currency risk*

Currency risk is the risk of recording losses or of not realizing the estimated profit due to unfavorable exchange rate fluctuations. Most of the Company's financial assets and liabilities are expressed in national currency, the other currencies in which operations are performed being EUR, USD and GBP.

Most current assets are expressed in foreign currency (69%) and the Company's financial liabilities are expressed in foreign currency (50%) and in the national currency (50%) and therefore exchange rate fluctuations do not significantly affect the Company's activity. The exposure to exchange rate fluctuations is mainly due to current currency conversion transactions required for current payments in LEI.

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS

*(All amounts are expressed in LEI, unless otherwise indicated)***5. Tangible and intangible assets**

On March 31, 2024 and December 31, 2023, tangible and intangible assets evolved as follows:

	Exp. on develop ment	Intangible assets	Lands	Buildings	Technical installati ons and machinery	Other installati ons and furnitur e	Tangible assets in progress	Total	Advance p. for tangible assets	Total fixed assets*
Cost	203	205	211	212	213	214	231		4093	
<b>Balance on January 1, 2024</b>	<b>60.281</b>	<b>1,400,383</b>	<b>21,247,075</b>	<b>42,361,645</b>	<b>93,580,010</b>	<b>462.485</b>	<b>8,240,266</b>	<b>167,352,145</b>	<b>1,033,263</b>	<b>168,385,408</b>
inputs	0	0	0	0	123.658	0	984.584	1,108,242	754.901	1,863,143
Domestic production	0	0	0	0	0	0	391.718	391.718	0	391.718
Outflow (discarded assets)	0	0	0	0	-19.902	0	0	-19.902	0	-19.902
Internal transfers	0	147.681	0	11.376	23.867	0	-182.924	0	-9.253	-9.253
Revaluation of fixed assets	0	0	0	0	0	0	0	0	0	0
<b>Balance as of March 31st, 2024</b>	<b>60.281</b>	<b>1,548,064</b>	<b>21,247,075</b>	<b>42,373,021</b>	<b>93,707,633</b>	<b>462.485</b>	<b>9,433,644</b>	<b>168,832,203</b>	<b>1,778,911</b>	<b>170,611,114</b>
<b>Balance on January 1, 2024</b>	<b>0</b>	<b>1,136,657</b>	<b>0</b>	<b>22,087,936</b>	<b>68,512,014</b>	<b>266.522</b>	<b>0</b>	<b>92,003,129</b>	<b>0</b>	<b>92,003,129</b>
Depreciation expense per year	0	49.814	0	692.258	1,212,037	9.792	0	1,963,901	0	1,963,901
Cumulative depreciation of outflows	0	0	0	0	-19.902	0	0	-19.902	0	-19.902
Depreciation cancellation for revalued fixed assets	0	0	0	0	0	0	0	0	0	0
<b>Balance on March 31, 2024</b>	<b>0</b>	<b>1,186,471</b>	<b>0</b>	<b>22,780,194</b>	<b>69,704,149</b>	<b>276.314</b>	<b>0</b>	<b>93,947,128</b>	<b>0</b>	<b>93,947,128</b>

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS

(All amounts are expressed in LEI, unless otherwise indicated)

	Exp. on development	Intangible Assets	Lands	Buildings	Technical installations and machinery	Other installations and furniture	Tangible assets in progress	Total	Real estate advances.	Total fixed assets*
Cost	203	205	211	212	213	214	231		4093	
<b>Balance on January 1, 2023</b>	<b>59.864</b>	<b>1,347,543</b>	<b>21,247,075</b>	<b>40,789,917</b>	<b>95,404,980</b>	<b>503.867</b>	<b>6,405,825</b>	<b>165,759,071</b>	<b>995.184</b>	<b>166,754,255</b>
inputs	417	52.840	0	243.853	1,267,715	29.318	4,491,271	6,085,414	794.822	6,880,236
Domestic production	0	0	0		0	0	594.410	594.410	0	594.410
Outflow (discarded assets)	0	0	0	0	-5,086,750	0	0	-5,086,750	0	-5,086,750
Internal transfers	0	0	0	1,327,875	1,994,065	-70.700	-3,251,240	0	-756.743	-756.743
Revaluation of fixed assets	0	0	0	0	0	0	0	0	0	0
<b>Balance as of December 31st, 2023</b>	<b>60.281</b>	<b>1,400,383</b>	<b>21,247,075</b>	<b>42,361,645</b>	<b>93,580,010</b>	<b>462.485</b>	<b>8,240,266</b>	<b>167,352,145</b>	<b>1,033,263</b>	<b>168,385,408</b>
<b>Accumulated depreciation</b>										
<b>Balance on January 1, 2023</b>	<b>0</b>	<b>892.149</b>	<b>0</b>	<b>19,398,223</b>	<b>68,634,598</b>	<b>285.585</b>	<b>0</b>	<b>89,210,555</b>	<b>0</b>	<b>89,210,555</b>
Depreciation expense per year	0	244.508	0	2,689,713	4,629,098	37.814	0	7,601,133	0	7,601,133
Cumulative depreciation of outflows	0	0	0	0	-4,751,682	-56.877	0	-4,808,559	0	-4,808,559
Depreciation cancellation for revalued fixed assets	0	0	0	0	0	0	0	0	0	0
<b>Balance on December 31, 2023</b>	<b>0</b>	<b>1,136,657</b>	<b>0</b>	<b>22,087,936</b>	<b>68,512,014</b>	<b>266.522</b>	<b>0</b>	<b>92,003,129</b>	<b>0</b>	<b>92,003,129</b>
<b>Net book value</b>										
<b>On March 31, 2024</b>	<b>60.281</b>	<b>361.593</b>	<b>21,247,075</b>	<b>19,592,827</b>	<b>24,003,484</b>	<b>186.171</b>	<b>9,433,644</b>	<b>74,885,075</b>	<b>1,778,911</b>	<b>76,663,986</b>
<b>On December 31, 2023</b>	<b>60.281</b>	<b>263.726</b>	<b>21,247,075</b>	<b>20,273,709</b>	<b>25,067,996</b>	<b>195.963</b>	<b>8,240,266</b>	<b>75,349,016</b>	<b>1,033,263</b>	<b>76,382,279</b>

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

**6. Financial assets available for sale**

As of March 31, 2024 and December 31, 2023, Comelf SA no longer holds financial assets available for sale.

**7. Inventories**

On March 31, 2024 and December 31, 2023, the stocks record the following balances:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Raw materials	9,245,045	9,820,860
Auxiliary materials	69.733	64.011
Fuel + Machine oil	7.337	19.572
Inventory items	390.038	411.475
Other	274.261	173.194
Production in progress	9,005,714	10,960,899
Finished product	189.033	24.531
Adjustments for depreciation of raw materials	0	-332
<b>Total</b>	<b>19,181,161</b>	<b>21,474,210</b>

The company did not record any value adjustments for the impairment of inventories as of March 31, 2024. The accounting policies for the valuation of inventories are presented in Note 3. No inventories have been pledged for the contracted loans.

**8. Receivables from contracts with customers**

As of March 31, 2024 and December 31, 2023, the receivables from commercial contracts are as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Invoiced receivables from contracts with customers	54,601,918	52,816,163
Unbilled receivables from contracts with customers	<b>0</b>	<b>0</b>
Value adjustments regarding receivables from invoiced construction contracts	(3,606,745)	(3,661,064)
<b>Total</b>	<b>50,995,173</b>	<b>49,155,099</b>

On March 31, 2024 Receivables from contracts with customers are presented net by down-payments received in the amount of 716.645 lei (31 December 2023: 190,000).

**9. Trade receivables and other receivables**

On March 31, 2024 and December 31, 2023, trade and other receivables are as follows

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Receivables from sales of goods	-	-
VAT to be recovered	1,740,924	3,030,168
Down-payments made to domestic suppliers (excluding those for fixed assets)	34.664	8.175
Down-payments made to external suppliers	69.720	90.413
Down-payments made to fixed assets suppliers	1,778,911	1,033,263
Grants receivable	84.500	845.000
Different debtors	914.275	938.063
Dividend receivables distributed during the financial year	4,680,872	4,680,872
Other receivables	4,039,025	3,056,258
Value adjustments	-	-
<b>Total</b>	<b>13,342,891</b>	<b>13,682,212</b>



**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

Exposure to credit risk and currency risk, as well as impairment losses related to commercial contracts and other receivables, excluding construction contracts in progress, are presented after the Note on miscellaneous debtors.

**10. Impairment adjustments for current assets**

The evolution of impairment adjustments on current assets in 2024 was as follows:

	<b>Balance on 01 January 2024</b>	<b>increases</b>	<b>Decreases</b>	<b>Balance on March 31st, 2024</b>
Value adjustments regarding receivables from contracts with customers	3,661,064	-	54.319	3,606,745
<b>Total</b>	<b>3,661,064</b>		<b>54.319</b>	<b>3,606,745</b>

Value adjustments in the amount of 3,606,745 lei are constituted for a number of 22 customers, of which one is in litigation for the amount of 949,436 lei, and another customer has entered bankruptcy proceedings for the amount of 1,115,995 lei.

The adjustment in the amount of 474,516 lei is an adjustment of secured debts over 365 days old, related to a client.

The reasons why the entity considered financial assets to be impaired are mainly related to contractual guarantees or/and non-conformities under discussion with customers.

**11. Cash and cash equivalents**

As at 31 March 2024 and 31 December 2022, cash and cash equivalents are as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Amounts available in bank accounts in local currency	1,576,326	1,481,067
Amounts available in bank accounts in foreign currency	7,138,841	6,135,726
Cash	4.445	6.843
Other amounts available	5.323	-
<b>Total</b>	<b>8,724,935</b>	<b>7,623,636</b>

Current accounts opened with banks are permanently available to the Company and are not restricted.

**Liquidity management**

The responsibility for the liquidity risk lies with the Board of Directors and the executive management of Comelf, which establishes the liquidity management through BVC and the cash flow, prepared on the whole company and for each subunit separately.

**12. Equity****(a) Share capital**

As of March 31, 2024, no changes were made on the value of the share capital (13,036,325.34 LEI) and on the number of shares (22,476,423 shares).

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

As of March 31, 2024 and December 31, 2023, the Company's shareholding structure is:

	March 31st, 2024			December 31, 2023		
	Number of shares	Total face value	%	Number of shares	Total face value	%
Uzinsider SA	18,189,999	10,550,199	80.93 %	18,189,999	10,550,199	80.93 %
Other shareholders	4,286,424	2,486,126	19.07 %	4,286,424	2,486,126	19.07 %
<b>Total</b>	<b>22,476,423</b>	<b>13,036,325</b>	<b>100 %</b>	<b>22,476,423</b>	<b>13,036,325</b>	<b>100 %</b>

All shares are ordinary, have been subscribed, have the same voting right and have a nominal value of 0.58 lei / share.

The restated share capital contains the following components:

	March 31, 2024	December 31, 2023
Social capital	13,036,325	13,036,325
Share capital adjustments - IAS 29	8,812,271	8,812,271
<b>Social capital portrayed</b>	<b>21,848,596</b>	<b>21,848,596</b>

The effect of hyperinflation on the share capital in the amount of 8,812,271 lei was registered by decreasing the carried forward result (earnings).

**Capital management****(a) Legal reserves**

In accordance with legal requirements, the Company establishes legal reserves in the amount of 5% of the gross profit recorded under IFRS but not more than 20% of the share capital valid at the date of establishment of the reserve.

Legal reserves cannot be distributed to shareholders, but can be used to cover cumulative losses. By 31.03.2024 the Company had already built up legal reserves up to the amount of these limits.

**(b) Revaluation reserves**

The revaluation reserve is fully associated with the revaluation of the company's tangible assets.

**(c.) Dividends**

As of March 31, 2024 the balance of dividends payable is 1,315,662 lei, representing dividends from previous years and interim dividends for the first half of 2023.

**13. Loans****a) Credit line**

As of 31 March 2024, the Company has a working capital loan agreement with ING Bank Romania - contract no. 11438/09.11.2011, with annual maturity, renewed in November each year. The subject matter of the agreement is a loan facility in the initial amount of EUR 8,400,000 (EUR 7,200,000 balance as of March 31, 2024), with the company repaying EUR 400,000 in two equal quarterly instalments during 2024. The loan was accessed for the temporary provision of working capital to support operating activities in line with the new cash conversion cycle.

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

For the facility granted, the Company will pay interest at the rates specified below:

- for the amounts in euro used from the loan option, the annual interest rate is EURIBOR / LIBOR/ ROBOR 1M plus a margin of 1.15% per year;

As of March 31, 2024, the Company has a total credit line balance of 35,780,400 lei (December 31, 2023: 36,812,040 lei).

**b). Leasing contracts**

During 2019, the Company undertook the purchase of three leased passenger vehicles.

Lease contracts no.234267,234268,234269 were concluded on 08.01.2019, financier Porsche Leasing, financed amount 38,443.31 EUR, payable in 60 monthly installments. The balance on December 31, 2023 was EUR 2,817.08, on March 31, 2024 the leasing contracts were paid in full.

Also during 2019, the Company committed to the purchase of a CLOOS Robotic Welding System on lease. The leasing contract nr.120882 was signed on 22.05.2019, lender BRD Sogelease, financed amount 179.660,70 eur, payable in 60 monthly installments. The balance on March 31, 2024 is EUR 42,266.11 (on December 31, 2023, the balance was EUR 51,569.93), maturing in April 2025.

**The main mortgages in favor of ING BANK, related to loans are:**

- Land with an area of 13,460 sqm and buildings with a built-up area of 12,600 sqm, with topographic number 8118/1/6, registered in CF 8685 of Bistrita locality, inventory value = 2,780,904 lei.
- Land with an area of 20,620 sqm and buildings with a built-up area of 17,894 sqm, with topographic number 8118/1/15, registered in CF 8694 of Bistrita locality, inventory value = 4,673,623 lei.
- Land with an area of 581 sqm and buildings with a built-up area of 572.93 sqm, bearing the topographic number 6628/2/2/1/2, registered in CF 8697 of Bistrita locality and no. topographic 6628/2/2/1/2 / I, registered in CF 8697 / I of Bistrita locality, inventory value = 1,217,062 lei
- CF 55054 topo 8118/1/5: land with an area of 16820 sqm, cad.C1 top: 8118/1/5: SIDUT monobloc hall.
- Pledge of technological equipment with a net book value on 31.03.2024 of 1,579,733 lei.

**14. Trade and other payables**

As of March 31, 2024 and December 31, 2023, trade payables and other payables are as follows:

	March 31st, 2024	December 31, 2023
Trade payables	24,654,695	24,359,654
Debts to budgets	4,052,806	4,977,414
Debts to staff	3,947,095	3,768,753
Silver dividend	1,315,662	1,330,551
Other loans and similar debts	157.775	215.179
<b>Total</b>	<b>34,128,033</b>	<b>34,651,551</b>

Trade payables in the amount of 34,128,033 lei 31 March 2024 (2023: 34,651,551 lei ) are in accordance with contracts with suppliers.

As at 31 March 2024 and 31 December 2023, liabilities to the budgets mainly include contributions related to salaries, for which compensation has been requested with VAT to be recovered from the State Budget. The company has no outstanding debts to the state budget and social security budget.

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

**15. Revenues from contracts with customers**

	<b>March 31, 2024</b>	<b>March 31st, 2023</b>
Revenues from contracts with customers related to delivered goods, for which the full transfer of ownership to the customer was achieved (ct 701)	38,640,693	45,604,339
<b>TOTAL</b>	<b>38,640,693</b>	<b>45,604,339</b>

In determining revenues from contracts with customers, the entity permanently evaluates the level of actual costs compared to the initial costs, pre-calculated and recognizes revenues in execution stages proportional to the level of costs that contribute to the progress of the entity and were reflected in the contract price. and the physical stage of execution of the contract. The company transfers in time (in stages), to the client, the control over the goods fulfilling an execution obligation, thus recognizing revenues in time, at each execution stage. The company manufactures goods based on designs, only at the request of customers, based on firm orders.

The evaluation of the revenues from the contracts with the clients, on execution stages, is made considering the physical stage of execution of the contracts which is established at the end of each month by physical inventory, the costs actually accumulated corresponding to the physical stage. budgets specific to the physically determined stage of execution. Depending on the evolution of the actual costs compared to the budgeted costs, without considering the possible unfavorable evolutions of the actual costs, the Company recognizes an income, based on the total income to be obtained related to the contract balanced with the evolution of the corrected actual cost (without negative deviations) for the execution of the contract.

**16a. Other revenue related to turnover**

The position includes:

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Rental income	2.786	2.976
Income from various activities	1,336,710	1,737,545
Revenues from the sale of residual products	604.852	828.696
Revenue from services rendered	288.551	329.674
<b>Total</b>	<b>2,232,899</b>	<b>2,898,891</b>

**16b. Other incomes**

The position includes:

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Income from investment grants	300.522	307.015
Income from operating subsidies	-	4, .776
Income from disposed of fixed assets	226.449	-
Other	425.962	19.820
<b>Total</b>	<b>952.933</b>	<b>331.611</b>

**17. Staff costs**

The average number of employees at 31 March 2024 and 31 March 2023 was as follows:

	<b>March 31, 2024</b>	<b>%</b>	<b>March 31, 2023</b>	<b>%</b>
Direct productive staff	367	59 %	392	62 %
Management and administration staff	258	41 %	237	38 %
<b>Total</b>	<b>625</b>	<b>100 %</b>	<b>629</b>	<b>100 %</b>

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

Staff costs were as follows:

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Staff salary expenses	12,223,741	11,880,600
Expenses with meal vouchers	1,163,585	1,012,591
Expenses regarding insurance and social protection	478.498	450.056
<b>Total</b>	<b>13,865,824</b>	<b>13,343,247</b>

**18. Shipping costs.**

This position includes:

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Expenses for the transport of raw materials	325.717	399.891
Expenses for transporting finished products	757.534	1,047,507
Expenses for transporting employees	212.607	186.445
Other transport costs	-	-
<b>Total</b>	<b>1,295,858</b>	<b>1,633,843</b>

**19a. Other expenses related to income**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Maintenance and repair expenses	312.732	309.824
Rent expenses	59.454	56.711
Insurance expenses	101.088	97.751
Expenses with personnel training	42.368	91.522
Consulting expenses	176.109	136.192
Outsourcing expenses	645.939	690.933
Expenses regarding commissions and fees	603.856	493.870
Protocol expenses	46.384	10.878
Expenses with travel, secondments and transfers	44.041	27.453
Postal charges and telecommunications charges	144.307	144.552
Expenses with banking and similar services	27.893	27.884
Other expenses with services provided by third parties	359.035	266.690
Expenses with other taxes and fees	535.977	288.142
<b>Total</b>	<b>3,099,183</b>	<b>2,642,402</b>

**19b. Other expenses**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Total</b>	<b>91.269</b>	<b>124.554</b>

**20. Income tax**

The Company's current profit tax as of March 31, 2024 is determined at a statutory rate of 16% based on IFRS profit.

The income tax expense as at 31 March 2024 and 31 March 2023 is detailed as follows:

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Current income tax expense	301.148	476.080
(Income) / deferred income tax expense	-	-
<b>Total</b>	<b>301.148</b>	<b>476.080</b>

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

**21. Provisions for risks and expenses**

As of March 31, 2024, the Company has registered provisions for risks and expenses in the amount of 1,242,448 lei (1,258,938 lei as of December 31, 2023). Their summarized situation is presented below:

	Provision for guarantees	Pension provision	Provision for litigation	Other provisions	Total
<b>Balance on January 1, 2023</b>	<b>0</b>	<b>249.196</b>	<b>0</b>	<b>1,009,742</b>	<b>1,258,938</b>
Established during the interval	0	0		0	0
Used during the interval	0	0	0	0	0
Real estate receivables value adjustments (ct 2968)	0				0
Resumed during the interval	0	0	0	(16.490)	(16.490)
<b>Balance as of December 31st, 2023</b>	<b>0</b>	<b>249.196</b>	<b>0</b>	<b>993.252</b>	<b>1,242,448</b>

Long-term	0	249.196	0	0	249.196
short term	0	0	0	993.252	993.252

- **Pension provisions in the amount of 249,196 lei (December 31, 2023: 249.196 lei).**

According to the collective labor contract, the Company offers cash benefits depending on the length of service upon retirement for employees. The amount provided for was calculated taking into account the amount expected to be granted on retirement based on the length of service in the company, the period of time until retirement for each employee adjusted by the average rate of fluctuation of the Company's staff over the last 5 years.

- **Other provisions in the amount of 993.252 lei (December 31, 2023: 1,009,742 lei) include:**

- The provision related to the buy-back of pension insurance policies for the amount of 746,727 lei, are the pension rights of COMELF employees, granted under the law and the Collective Labour Agreement, to be paid to employees (short term).
- The amount of 246,525 includes provision for potential commercial penalties as per commercial contracts and customer notifications, under negotiation.

**22. Deferred tax liabilities**

Deferred tax liabilities as of March 31, 2024 and December 31, 2023 are generated by the items detailed in the following table:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Deferred tax liabilities related to reserves made up of reinvested earnings	(922.602)	(922.602)
Deferred tax liabilities related to revaluation differences of tangible assets.	(4,606,757)	(4,568,781)
<b>Deferred tax, net</b>	<b>(5,529,359)</b>	<b>(5,491,383)</b>

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

**23. Deferred income**

1) The company received a government subsidy in 2013 in the amount of 16,848,613 lei within the project "Fundamental modification of manufacturing flows and introduction of new technologies in order to increase productivity and competitiveness on the internal and external market of SC COMELF SA".

The governmental subsidy was conditioned by the contribution from the Beneficiary of the amount of 27,635,774 lei, of which the eligible value 16,848,613 lei, the difference being ineligible value, including VAT within the project, during the project implementation period which was 24 months from 04.02. 2013.

On March 31, 2024, the Company resumed in revenue the amount of 241.719 lei (2023: 260,619 lei), representing the amortization of subsidies.

2) The company signed in 2018 (03.05.2018) a financing contract within POIM, having as objective the granting of a non-reimbursable financing by AM POIM for the implementation of the project "Smart Metering application of utility consumption", the total value of the contract financing is 1,072,188.43 lei, of which non-reimbursable financing is worth 900,988.68 lei. In October 2019 the "Utilities and Production Consumption Monitoring System and Energy Management Software License" was put into operation, and revenues from grants under this project were recorded in 2023 in the amount of 84,557 lei (2022: 84,557 lei).

On March 31, 2024, the Company resumed in revenue the amount of 25.625 lei (2023: 21,139 lei), representing the amortization of subsidies.

3) The company signed in 2020 (11.06.2020) a financing contract within the EEA and Norway Grants 2014 - 2021, with the objective of granting non-refundable financing by Innovation Norway for the implementation of the project, "An investment in a smarter future and more efficient", the total value of the financing contract was EUR 632,500, of which non-refundable financing in the amount of up to EUR 350,000. In November 2021, "a unit for the production of renewable energy from photovoltaics with a capacity of 1,200 MWH / year" was put into operation. The total value of the investment on 31.12.2021 was 2,998,953 lei, of which the amount of the subsidy received in March 2022 is 1,513,994 lei.

On March 31, 2024, the Company resumed in revenue the amount of 25.257 lei (2023: 25,257 lei) , representing the amortization of subsidies.

4) The company has signed in 2023 (08.03.2023) a financing contract within POIM, with the objective of granting a non-reimbursable financing for the implementation of the project "Energy efficiency measurements by changing the lighting system at COMELF Sa", the total amount of the financing contract is 1,110,499. 22 lei, of which the non-reimbursable financing is 845,016.39 lei (718,263.93 lei ERDF funds +126,752.46 lei national budget funds). At the end of 2023 the project implementation was completed. In March 2024, 90% of the value of the grant in the amount of 760,500 lei was received for this project, with the remaining 84,500 lei to be received during 2024.

On March 31st, 2024, the Company resumed the amount of 7,922 lei, representing amortization of subsidies.

The accounting policies adopted are presented in Note 3.

**24. Earnings per share**

The calculation of the basic earnings per share was performed based on the profit attributable to ordinary shareholders and the balanced average number of ordinary shares:

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Profit attributable to ordinary shareholders	1,780,297	2,918,167
Balanced average number of ordinary shares	22,476,423	22,476,423
<b>Basic earnings per share</b>	<b>0.08</b>	<b>0.13</b>

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

Diluted earnings per share are equal to basic earnings per share, as the Company has not recorded any potential ordinary shares.

**25. Net financial expenses**

	<b>The financial elements are the following:</b>	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Interest income	5.015	35
Income from exchange rate differences	58.423	315.853
Other items of financial income	31.244	275.960
<b>Total financial income</b>	<b>94.682</b>	<b>591.848</b>
Interest expenses	(466,784)	(273.399)
Expenses with exchange rate differences	(125.158)	(425.677)
Other items of financial expenditure, of which:	(177.597)	(424.738)
<b>Total financial expenses</b>	<b>(769.539)</b>	<b>(1,123,814)</b>

**26. Contingent liabilities and debts****(a) Environmental contingencies**

Environmental regulations are in development in Romania, and the Company did not register any obligations on March 31, 2024 for any anticipated costs, including legal and consulting fees, site studies, design and implementation of remediation plans, on environmental elements.

The Company's management does not consider the expenses associated with possible environmental problems to be significant.

**(b) Transfer price**

According to Order 442/2016, the category of large taxpayers that exceed the following value thresholds in transactions with affiliated parties:

- 200,000 euros, in case of interest collected / paid for financial services, calculated at the exchange rate communicated by the National Bank of Romania valid for the last day of the fiscal year;
- 250,000 euro, in the case of transactions regarding the provision of services received / provided, calculated at the exchange rate communicated by the National Bank of Romania valid for the last day of the fiscal year;
- 350,000 euro, in the case of transactions concerning purchases/sales of tangible or intangible goods, calculated at the exchange rate communicated by the National Bank of Romania valid for the last day of the tax year. are obliged to draw up the transfer pricing file and make it available to the tax authorities, upon request within 10 days from the date of the request by the competent tax authority.

They are obliged to draw up the transfer pricing file and make it available to the tax authorities upon request within 10 days from the date of the request by the competent tax authority.

Comelf S.A. has drawn up the transfer pricing file for 2022 and will update it for 2023 by the legal deadline.

**27. Transactions and balances with affiliated parties**

The affiliated parties as well as a brief description of their activities and relations with the Company are as follows:

The transactions with the companies within the group are carried out based on the framework commercial contracts in which the rights and obligations of each party are stipulated, specifying the type of contract:

- - commission/brokerage contract, consultancy contract, electricity purchase contract, subassembly manufacturing collaboration contract;



**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

The rights and obligations of the parties are well delimited by the contractual clauses, the eventual litigations being within the competence of the International Arbitration Court attached to the Chamber of Commerce and Industry of Romania.

Transactions between the parties will be based on the principle of uncontrolled competition.

Based on the framework contract, firm orders are issued, the purpose of which is monitored, following the full observance of the contact clauses.

<b>Affiliated party</b>	<b>Activity</b>	<b>Description of the type of business relation</b>
Uzinsider SA	Management consulting services	Uzinsider SA is the majority shareholder
Uzinsider Techo SA	Trade intermediation services for industrial products	
Uzinsider General Contractor SA	Collaborations on turnkey objectives Electricity trade	
Promex SA	Collaborations in the manufacture of subassemblies	
24 Ianuarie SA	Collaborations in the manufacture of subassemblies	

The other companies are related to Comelf SA due to a combination of common management and / or persons who are also shareholders of the other companies.

**a) Receivables and payables from related parties**

As at 31 March 2024 and 31 December 2023, receivables from related parties are as follows:

<b>Receivables from</b>	<b>March 31st, 2024</b>	<b>December 31st, 2023</b>
Uzinsider Techo SA	17,737,126	19,687,762
Uzinsider General Contractor SA	237.418	237.418
Promex SA	10.293	-
24 Ianuarie SA	-	-
<b>Total</b>	<b>17,984,837</b>	<b>19,925,180</b>

As at 31 March 2024 and 31 December 2023, payables to related parties are as follows:

<b>Debts to</b>	<b>March 31st, 2024</b>	<b>December 31st, 2023</b>
Uzinsider SA	908.136	698.566
Uzinsider Techo SA	1,103,180	1,289,688
Uzinsider General Contractor SA	1,835,394	1,931,797
Promex SA	36.052	-
24 Ianuarie SA	-	-
<b>Total</b>	<b>3,882,762</b>	<b>3,920,051</b>

**b) Affiliated party transactions**

The sales of goods and services to the affiliated parties are carried out at prices similar to those in the contracts concluded with external beneficiaries, as follows:

<b>Sales in the year ended at:</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Uzinsider Techo SA	7,571,497	6,172,896
Uzinsider General Contractor SA	-	-
Promex SA	8.650	-
24 Ianuarie SA	7.988	-

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

<b>Total</b>	<b>7,588,135</b>	<b>6,172,896</b>
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The acquisitions from the affiliated parties were made at the acquisition value according to the contracts, as follows:

<b>Acquisitions in the year ended at:</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Uzinsider SA	176.109	136.192
Uzinsider Techo SA	543.264	348.398
Uzinsider General Contractor SA	2,241,274	2,853,802
Promex SA	56.252	-
24 Ianuarie SA	-	-
<b>Total</b>	<b>3,016,899</b>	<b>3,338,392</b>

As there were no delays as to the contact deadlines, no impairment losses related to these transactions were recognized during the year.

The general terms and conditions provided in the relations concluded with the affiliated parties are the following: payment terms 60-120 days, payment method - payment orders, no guarantees, and no penalties for non-payment.

**28. Capital commitments**

Procurement commitments for the period 2024 are limited to own sources of financing and are estimated at EUR 1.6 million.

**29. Operational segment reporting**

The productive activity of the Company takes place within the factories organized as profit centers:

- Stainless Steel Products Factory (“FPI”)
- Earthmoving Machinery and Equipment, Filters and Electrofilters Factory (“FUET”)
- Earthmoving Components and Machines Factory (“TERRA”)

The Company's activity involves exposure to a number of inherent risks. These include economic conditions, changes in legislation or tax rules. A variety of measures are taken to manage these risks. At the level of the Company, there is a risk-reporting system designed to identify current and potential obligations and to facilitate timely action. Insurance and taxation are also managed at the Company level.

The Company regularly carries out review activities to identify and monitor ongoing litigations and processes. The essential decisions are taken by the Board of Directors. The operating segments are managed independently, as each of them represents a strategic unit with different products:

- FPI - the most important products are: stainless steel (equipment for gas turbine power plants, components for wind installations, components for freight wagons, components for combustion air filtration) and carbon steel (equipment for gas turbine power plants, chassis for turbines, compressors, generators, conveyors with metal belt, components for transport, assembly and equipment of wind installations, components for transcontainer handling machines);
- FUET - the most important products are: naval equipment, filters for asphalt stations, components for freight wagons, components for asphalt cutters, components for excavators, motor housings and electric generators, equipment for industrial gas dedusting, equipment for power plants with gas turbines, wastewater treatment and purification equipment, hydromechanical and hydropower equipment, technological equipment;
- TERRA - the most important products are: earthmoving machines with final assembly (crushers, asphalt pouring machines), components for earthmoving machines (chassis, arms, frames), mobile presses for compacting car bodies, fixed presses and equipment components for compacting metal waste, telescopic cranes, subassemblies for heavy-duty dump trucks.

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS

*(All amounts are expressed in LEI, unless otherwise indicated)*

**Reporting by operating segments**

	FPI		FUET		TERRA		Center		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
External revenues of the segment	16,367,818	15,371,612	13,522,076	18,310,450	9,461,996	12,481,491	2,474,635	2,671,288	41,826,525	48,834,841
<b>Total segment revenues</b>	<b>16,367,818</b>	<b>15,371,612</b>	<b>13,522,076</b>	<b>18,310,450</b>	<b>9,461,996</b>	<b>12,481,491</b>	<b>2,474,635</b>	<b>2,671,288</b>	<b>41,826,525</b>	<b>48,834,841</b>
Net financial costs	-133.453	-106.251	-175.510	-213.729	-188.660	-168.427	-177.234	-43.559	-674.857	-531.966
Depreciation and amortization	501.195	453.838	669.881	665.004	514.860	497.330	277.964	260.195	1,963,900	1,876,367
Income tax expense	-151.816	-64.968	478	-38.072	-57.740	-80.296	-92.070	-292.744	-301.148	-476.080
The net result for the interval	794.025	338.479	52.909	196.121	301.661	424.770	631.702	1,958,797	1,780,297	2,918,167
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Segment assets	26,015,488	24,386,369	44,336,266	45,179,052	18,877,534	18,701,660	77,899,947	79,016,507	167,129,235	167,283,588
Investments in associated entities							0	0	0	0
Segment debts	10,327,160	9,492,066	10,367,040	11,262,735	5,462,561	5,551,039	57,440,737	59,186,364	83,597,498	85,492,204

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS

*(All amounts are expressed in LEI, unless otherwise indicated)*

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All amounts presented as a total correspond to the amounts presented in the financial statements, without the need for reconciliation.

The total income of the segment corresponds to the item income plus other income, and the other items with similar items in the financial statements.

**COMELF S.A.**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT MARCH 31st, 2024 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

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**30.Events subsequent to the date of the statement of financial position:**

Not applicable.

**31. Approval of financial statements**

The financial statements were approved by the Board of Directors and published on the website on 14.05.2024.

Cenusa Gheorghe  
General Manager

Tatar Dana  
Economic Manager