ANNUAL REPORT

Annual Report as per art. 223 lit. A Regulation no. 5/ 2018 concerning the issuers of financial instruments and market operations

For the financial year 01.01.2022 - 31.12.2022

Date of report: April 28, 2023

COMVEX S.A.
Head office: Constanta, Port Precincts, Berth 80-84, code 900900
Phone / Fax: 0241-603051 / 0241-639010
Sole Registration Code: 1909360
Fiscal attribute: RO
Trade Registry no.: J13/622/20.02.1991

Market on which the securities are traded: **the alternative trading system ATS AeRO administered by the Bucharest Stock Exchange**

Subscribed and paid-up share capital: 29,139,927.5 RON
Main characteristics of the securities issued by the trading company: 11.655.971 nominative shares, with a nominal value of 2.5 RON/share

1. Analysis of Comvex activity

1.1.

a) *Details on the main activity of the issuer*

The main activity of COMVEX S.A. is COMVEX: handling, loading and unloading bulk goods and other products compatible with the use of company quays, in/from ships and land transport means.

Comvex Minerals Terminal is specialized in handling, storing and transshipment of dry bulk raw goods such as iron ore, coal, coke, bauxite.

Apart from the existing Minerals Terminal, Comvex has developed a Grain Terminal in berth 80, covering an approximately 60,000 sqm surface.

b) *Incorporation date*
COMVEX S.A. was incorporated in 1991.

c) *Details of any merger or significant restructuring of the issuer, its subsidiaries or the controlled entities, during the financial year*

During the financial year 2022 there were no mergers or reorganizations of the company.

d) *Details on any asset procurement and/or sale*

Main increases in fixed assets performed during 2022:

- Investments in tangible fixed assets in progress 11,223,539 RON;
- Land improvements, constructions and equipment 5,872,865 RON.

During 2022 the sold fixed assets have had a value of 484,661 RON.

e) *Details of the main results of any evaluation on the issuer activity*

Not applicable.

1.1.1. General evaluation elements:

a) *Profit*
gross profit 2022: 124,345,751 RON
b) *Turnover*
turnover: 356,917,155 RON
c) *Export*
Not applicable
d) *Costs*
costs: - Expenses from exploitation 255,472,987 RON
- financial expenses: 8,070,029 RON

e) *% of the market*
36%
f) liquidity (available in the account etc.) at 31.12.2022: 103,305,940 RON

1.1.2. Comvex technical level evaluation
Description of main services provided, specifying:

a) *Main outlet market for each product or service and methods of distribution:*
The company provides services of handling (loading, discharge and storage) of dry bulk goods.

Comvex Mineral Terminal is a leader on the market, specialized in handling, storing and transsshipment of dry bulk raw goods such as iron ore, coal, coke, bauxite, non-ferrous ores, operating from a modern and fully equipped facility location in the Port of Constanta.

The advantages offered by Comvex Terminal are: the possibility of mooring „cape size" vessels of great capacity – up to 220.000 tdw, discharge rate from maritime vessels of up to 45.000 tons/day, storage capacity of 4 million tons simultaneously. Due to its location and excellent possibility of access towards industrial areas of Europe, Comvex offers to suppliers raw materials from Australia, Brazil, India, Africa, USA and Canada, the possibility to deliver „just in time" raw materials towards industrial area from Romania, Hungary, Austria, Ukraine, Bulgaria and Serbia.

Apart from the existing Minerals Terminal, COMVEX has developed a Grain Terminal in Berth 80, covering an approximately 60,000 sqm surface. The location provides important logistic advantages, respectively: the deepest berth in the Black Sea, vicinity with the barges terminal (the vicinity with the Danube - Black Sea Canal) for river transport from Danube neighbour countries, direct and easy access to the railway, short distance and direct access to highway A2. Thus, COMVEX will provide grain producers in Romania, Hungary, Serbia, Bulgaria the possibility to deliver the obtained production on great capacity ships, 100,000-120,000 tdw.

b) *Weight of each category of products or services in incomes and in the total turnover for the last 3 years.*
The Company is the supplier of a single type of service, that is handling and respectively storage of dry bulk goods.

Weight of each category of products or services in incomes and in the total turnover:

	2020	**2021**	**2022**
Total income from exploitation	100,762,241	169,798,710	382,149,897
Turnover	89,549,921	161,235,635	356,917,155

	2020		**2021**		**2022**	
	In total income from exploitation	In turnover	In total income from exploitation	In turnover	In total income from exploitation	In turnover
Income from services provision (handling)	77.36%	86.99%	89.84%	94.61%	86,40%	92,50%
Income from goods sales	8.16%	9.24%	2.40%	2.53%	6,50%	6,96%
Other incomes	14.48%	3.77%	7.76%	2.68%	7,10%	0,53%
	100.00%	**100.00%**	**100.00%**	**100.00%**	**100,00%**	**100,00%**

c) *New products considered for which a substantial volume of assets will be allocated in the future financial year, as well as the stage of development of such products*

In order to diversify its activity, along with the Mineral Terminal, the company has developed a Grain Terminal in berth 80, with a capacity of 200,000 tons.

The development of a Grain Terminal in the deepest berth of the Black Sea and the East part of the Mediterranean Sea allows the direct operation of grain vessels of over 100,000 tdw, which creates an exceptional competitive advantage both for COMVEX as well as for the Port of Constanta, in its entirety. The accomplishment of the COMVEX Terminal is a premiere in Romania and is opening the markets within the hinterland of Constanta Port towards any global destination.

The value of the investment amounted to about 52 million euros and was financed by a bank loan for investments in the amount of 36.4 million euros, the rest being insured from own funds.

The financing was equally granted by Raiffeisen Bank and EximBank, also benefiting until May 2022 of a guarantee issued by EximBank in the Name and on Account of the Romanian State, amounting EUR 18.144 million. In 2022, the Facility was extended with an additional amount of EUR 2 million granted to finance the increase in the capacity to unload grains from barges, repayable after the initial maturity period, respectively in 2028. The total Facility is repaid in quarterly installments, starting from September 2019 (according to the approval of the amendment of the contractual clauses dated 13.03.2019) and has a final maturity of August 8, 2028.

The balance of the credit facility, including the additional amount obtained in 2022, on December 31, 2022 was in the amount of RON 134,867,113 (EUR 27,260,200).

1.1.3. *Evaluation of the technical and material supply activity (indigenous sources, import sources). Specifying information about the safety of supply sources and the prices of the raw materials and the dimensions of the stocks of raw materials and materials.*

Most of the machines used by Comvex are specialized and therefore there is a small number of suppliers / manufacturers of such equipment and spare parts, so that the company must get in a supply of specific spare parts stocks of great value in due time, the suppliers being selected depending on the internal working procedures, meeting the quality requirements of quality management standard ISO 9001:2015.

The goods loading and unloading operations involve a significant equipment number and the correct functioning of the involved equipment is ensured by way of permanent maintenance and service works.

1.1.4. Evaluation of sales activity

a) *Description of sales evolution sequentially on the domestic market and / or foreign market and of the perspectives of sales on a medium and long term.*

Regarding the activity of the Mineral Terminal, the Company took into consideration the continuous improvement of terminal activity and the high standards of services offered to the Company's clients.

During the year 2022, through the Mineral Terminal there have been performed handling, storage and transhipment of the bulk raw materials services, such as iron ores, coking coal, bauxite, coke, scrap iron for clients such as Ferrexpo Middle East, Transport Trade Services, Liberty Galati, Danube Shipping Management, Alum SA Tulcea, Metinvest International SA, Romcim (previously known as CRH) Romania, Holcim Romania, Vitol Swiss, Glencore International AG, Danube Transport Services (DTS).

The Grain Terminal has provided handling services, storing and transshipment for clients such as Viterra Agriculture Romania, Al Dahra Agriculture Romania, TOI Commodities S.A., Trade Agro Union SA, Global Grain International, Cerealcom Dolj, Global Grain International, Quadra Commodities S.A.

The iron ore was handled for the steel factories of Galati – Romania Smederevo – Serbia, Linz-Austria and Kosice-Slovacia, as well as for end-users in Algeria, China, Turkey, Italy. The coking coal was unloaded for the complex of Dunajvaros in Hungary,and Arcelor Mitall Kryvyi Rih Ucraina. Energy coal/PCI for the thermal power stations of Romania, for cement factories from Romania, Serbia, Slovakia, Poland and Moldavia. The anthracite coal, for the steel plants and cement factories from Serbia and Bosnia. The slag was destined for Holcim cement factories. The petroleum coke went to Romcim and Holcim cement factories in Romania and to Moravacem Serbia. Metallurgical coke was shipped to steel plants in Serbia, Italy, Belgium and Turkey. The destination for the bauxite was the alumina factory Alum Tulcea.. The coal homogeneous was used by the Romcim and Heidelberg cement plants in Romania. And the iron ore homogeneous was shipped to China.

The raw materials have been dispatched to the beneficiaries by mean of maritime vessels, or by railway (wagons), by river (barges) or by road (trucks).

The Mineral Terminal turnover has increased significantly, compared with the one registered the previous year, due to the significant increase of the quantities of raw materials handled through the terminal.

Thus, during 2022, the Company's activity has recorded an important expansion on the background of the increase of cargo traffic through the port of Constanta, increase generated by the geo-political context within the area. Therefore, as a result of the Russian-Ukrainian war and, implicitly, the closure and/or dramatic restriction of operations through Ukrainian ports, Romania has become one of the main transport routes for goods from Ukraine, being used as a transit country. In addition, given the increasing demand for port operation services, the tariffs charged in the port of Constanta have also increased, generating significant revenues and accordingly financial results.

The grains handled through the Grain Terminal have been dispatched to Saudi Arabia, Cyprus, Egypt, United Arab Emirates, France, Greece, Jordan, Israel, Lebanon, Libya, The Netherlands, Portugal, Spain, Sudan, Tunisia, Turkey, Belgium, Yemen, Great Britain and Italy.

The Grains Terminal turnover has increased by approx.) 50% compared with the one registered the previous year, due to the significant increase of the quantities of raw materials handled through the Terminal, in the same context as above.

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

During the year 2022, the percentage of Comvex Mineral Terminal on the handling services market for the iron ore, coal, coke, bauxite was of approximately 80%. Among the company's competitors we list: North Star Shipping, TTS Operator S.A, Socep S.A, Decirom, Umex S.A, Schenker.

As regards the Grain Terminal, its percentage on the handling services market for grains was of approximately 22%.

Among the company’s competitors there are: United Shipping Agency, North Star Shipping (ADM), Chimpex (Ameropa), Socep, Umex, Silotrans (CHS), Canopus Star.

c) *Description of any significant dependence of the issuer on a single client or on a group of* *clients whose loss would cause a negative impact on the revenues of the company.*

In mid-February 2022, the Russian Federation decided to start a significant military operation against Ukraine. Until the date of publishing of this report, the occupation of Ukraine or rapid change of the legitimate leadership of this country proved impossible to the Russian Federation. As a consequence we may asses the extension of this war and the affecting of an important part of the Ukrainian territory. Particularly Ukraine’s ports at the Azov Sea are occupied and inoperative, suffering destructions with a significant potential impact. Ukraine's unoccupied ports of Odessa, Cernomorsk and Iujne are operating under temporary agreements brokered by Turkey and the UN.

Considering the war against Ukraine and the invasion of its territory, Romania’s western partners (EU and USA) imposed economic sanctions more and more drastic on several important actors of Russian economy and Russian State in its entirety. Among these we must consider the exclusion, still partial, of the Russian banking institutions from the SWIFT system, limitation/blocking of certain exports to the Russian Federation.

The impact of these economic sanctions, as well as their potential extension, shall affect both on short term as well as on average and long term, the global economic and politic context triggered by the crisis in Ukraine.

Thusly, it must be observed the fact that, Russia represented over time one of the main exporters of grains, especially through the basin of the Black Sea, where our company operates. On the other hand is important to underline that together with Ukraine, Russia holds more than a quarter of the global wheat exports. More than that, Ukraine is in top 5 states of the general grains market, with corn, wheat and Soya beans.

The price of grains has significantly increased once the war started, considering that the request remained constant and showed significant fluctuations in the following period, remaining significantly higher than in the pre-war period.

There are several possible assessments, considering the exceptional and unpredictable character of the events. Also, certain conclusions may be approved in order to establish several strategic parameters for the Company’s management. We assess that the geopolitical stability of Romania shall not be affected, considering the country’s membership to NATO and EU. On the other hand we do not see how it could be possible for transports through the Bosfor and Dardanele straits to be blocked, although it is obvious they shall be affected in certain measures.

We estimate that the effects of the war, whichever it might be its end, as well as of the economic sanctions, shall have a powerful impact on the exports from Ukraine and Russian Federation. It is possible for Romania, through Constanta Port, to have an increase of activity in grains exports. Although the economic advantage the increase of the quantity of grains which could transit Constanta Port might represent, could be diminished by the export interdictions or quotas to which certain grains might be subjected to.

Particularly, we consider that the limitations/quotas of export in the hinterland of Constanta Port could not be maintained for an indefinite period of time due to the lack of extended storage facilities. During 2023 it will once again become mandatory to complete exports of stored goods, in order to allow the freeing of facilities for the new crops.

Obviously the impact of the war on the global economy is a negative one, because Ukraine's production seems to be diminished to a large extent for 2023, and transport of large quantities and capacity to make payments and use usual financial warranty instruments may generate problems in global supply.

More than that, maritime transport in itself is under a significant negative impact, considering the Russian Federation's operations in the Black Sea and the closing for commercial routes of the Azov Sea. There is always a significant risk of restricting the access of cargo ships or their transit routes to the Black Sea. We can say that there is also a risk of blockage of maritime traffic, but we consider such a scenario unlikely, given the data available at this time.

On the other hand from the point of view of operating raw materials through the mineral terminal, it must be underlined that, during the war, there were some fluctuations due to the bottlenecks mentioned above. Even if the war has brought a higher flow of such goods, there is no guarantee that these flows cannot be affected by the continuation of military operations.

Although the total impact of the war may not be determined at the time of drafting this report, it is estimated that the negative effects on the global trade and on the Company's activity may be more severe than at an initial evaluation. On the other side, the Company has acquired additional experience during 2022 which shows increased resilience for the future.

Because neither of the parties involved does not seem to, at the time of drafting this report, be willing to make significant concessions for ending the conflict and, on the other hand the effects of the devastating bombardments on the agricultural production from the next agricultural campaign in Ukraine seem to be already impossible to overcome during this year, the Management of the Company considers to be untimely to estimate exactly the potential impact of this event on the financial position and the future financial performance of the Company. Based on estimations made by specialists at the level of the EU, but also at national level, we expect that during 2023 the economic situation pass through a period of stagnation.

The Management of the Company closely monitors the political and economic situation and searches for ways to mitigate the impact of the war on Comvex.

Although at present we do not have such information from our clients, in case the supply with raw materials and materials for the plants and industries the Company caters for might be stopped or diminished significantly for a longer period of time, the company's income might register also decreases compared to the presented financial forecasts.

If the war against Ukraine and its indirect consequences represents a major shock for the European and global economy and there still exists the possibility of extension of the restrictive measures passed by the authorities of the states, measures with a significant impact on the entire economic activity, is possible that also the company's income register a negative impact as a consequence.

The Management of the Company shall closely monitor the evolution of the situation and shall adopt all necessary measures to mitigate, up to exclusion, the effects this situation may produce on the Company.

1.1.5. Evaluation of aspects related to employees/personnel

a) *Specification of the number and level of training of the employees, as well as of the degree of unionization of the workforce.*

Average number of employees during the year 2022: 385
The level of training of the employees is medium and higher education level.
Within the company the Operation Trade Union is performing.

b) *Description of the relationships between the manager and the employees, as well as of any other conflicting elements that characterize these relationships.*

The relationship between managers and employees as well as between trade union representatives is a collaboration one.

1.1.6. *Evaluation of aspects related to the impact of the issuer's main activity on the environment.*
Synthetic description of the impact of basic activities on the environment, as well as of any existing or expected litigations on violation of environmental legislation.

During the year 2022, the Company carried out the specific activities without causing major environmental consequences and were not noted any non-compliance with the conditions provided by the Environmental Permit no. 24/27.01.2021 issued by the Environmental Protection Agency of Constanta.

1.1.7. Evaluation of research and development activity.
Specification of expenditure in the financial year, as well as expenses expected in the following financial year for the research and development activity.

Not applicable.

1.1.8. Evaluation of company activity concerning risk management.
Description of the issuer's exposure to price risk, credit risk, liquidity and cash flow risk.
Description of policies and objectives of the company related to risk management.

The Company is exposed by its operations to the following risks:

- ➢ Operational risk
- ➢ Market risk
- ➢ Credit risk
- ➢ Foreign Exchange risk
- ➢ Liquidity risk

Operational risk derives from the possibility of the occurrence of accidents, errors, faulty operation, as well as from the influences of the environment on the operational and financial results. The Company's policy is to continuously improve performances of the equipments and machinery and maintain the same high standards of the services offered to the Company's clients.

Thusly, the Company implemented an integrated management system of quality-environment-safety-food safety with results on the improvement of the organisation's image, by satisfying requirements of quality, environment, labour safety, improvement of the relations with public authorities and business partners. Also, in order to limit risks and liabilities, the company has signed insurance policies for equipments and machinery, as well as policies for third party civil liability. In order to minimise the environment's influence on the results, the Company continuously observes the greening of the Mineral Terminal by eliminating the waste periodically generated due to the specific of the activity.

Market risk is the risk that the market price's variation affects income and financial results of the Company or the value of the held financial instruments. The Company continuously observes the evolution of the market and industries it caters for in order to adjust forecasts and estimations regarding financial performances of the company.

Credit risk is the risk of financial loss for the company which occurs if a client or counter-party to a financial instrument does not fulfil its contractual obligations. The Company is mainly exposed to the credit risk arising from rendering services to clients. Thusly, the Company observes the deadlines for cashing receivables and correlating them with debt payment deadlines.

Foreign Exchange risk occurs when the company concludes transactions expressed in another currency other than its operational currency. The Company is mainly exposed to the foreign exchange risk with acquisitions performed from suppliers of materials, spare parts, but also service providers with which the tariffs are negotiated in euro. In order to minimise the foreign exchange risk, both the Company's income and expenditure were correlated to euro by setting the tariffs for services performed in euro and by linking the main expenditures of the company to the same currency (wages, rent, etc). The company observes deadlines and insuring cash availability for paying, so that the foreign exchange risk may be minimised.

Liquidity risk occurs from the management by the company of circulating assets and expenditures for financing and reimbursement of the amount of the principal for its credit instruments. Comvex's policy is to make sure it always has enough cash to allow fulfilment of its obligations when they become due. To reach this objective, it always searches to maintain enough cash balance to satisfy the payment needs. At the end of the financial year, the Company has enough liquid resources to honour its obligations from all forecasted reasonable circumstances. Also, the Company observes to correlate assets and liabilities on short term, respectively long term, by performing average and long term investments from resources of average and long term. The Company does not have any unpaid due obligations to the state budget.

1.1.9. Perspectives on Comvex's activity

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

As was the case in the previous year, during 2022, the company's liquidities were achieved through the policy of receivables tracking / collecting management as well as by correlating the collection times of customers with suppliers' payments.

b) *Presentation and analysis of the effects of current or anticipated capital expenditures on the issuer's financial situation compared to the same period of the previous year.*

In 2022, the total capital expenditures amounted to 16,611,743 RON, out of which 11,223,539 RON represent investments in tangible fixed assets in progress.

An important part of the capital expenditures were registered in connection with the Grain Terminal, consisting in investments for increasing the capacity of unloading grains from barges.

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

Income earned by the Company from its main business is directly proportional to the amount of raw materials handled, the evolution of the related industry influencing these quantities of raw materials.

Tariffs negotiated with customers are set in foreign currency, a possible depreciation / appreciation of the exchange rate being likely to influence the Company's revenues.

2. Tangible assets of the company

2.1. Specifying the location and characteristics of the main production capacities in the company's property.

Mineral Terminal

Location and characteristics of the main production capacities:

- Maritime Vessels Operation Front (5 berths): 3 unloading bridges of 50 tf, with a productivity of 2.000 tons /hour/bridge; one of the bridge is in association with ArcelorMittal Galati SA.
- Barges Operation Front (3 berths): 3 barge loading machines with a productivity of 2.000 tons/hour/ machine; one of the machines is in association with ArcelorMittal Galati SA;
- Railway Terminal: a wagon loader with a loading capacity 20.000 tons/day; the Railway Terminal represents an association with ArcelorMittal Galati SA;
- Warehouse (600.000 sqm): 4 combined delivery / receipt machines, with a productivity of 1.400-4.000 tons/hour/machine at delivery and 1.400-2.000 tons/hour/machine upon receipt, depending on the type of material handled.
- Operation Fronts, Railway Terminal and the warehouse are served by a conveyor belt system with a total length of 22 km.

Grain Terminal

The total storage capacity: approximately 200,000 mt, calculated for wheat.

The storage area is consists of 18 large flat-bottomed silo cells (12 x 10,000 mt and 6 x 10,900 mt), 6 small flat-bottomed silo cells (2,250 mt each) and 6 conical-bottomed cells.

COMVEX Grain Terminal is equipped with state-of-the-art handling equipment, supplied by AG Growth (Canada), a world leader in the grain handling industry.
The major concern of every grain facility is dust. Through design and equipment selection, and choosing the equipment, COMVEX opted for completely closed handling systems (belt and chain conveyors and bucket elevators). In addition, spot filters have been installed in critical areas, and truck unloading areas have suction systems.

The grain will be unloaded from barges, wagons and trucks and will be loaded on ships and trucks. The layout of the equipment of the Terminal ensures a great flexibility in operation. All equipment, systems and activities in COMVEX Grain Terminal are fully monitored and automated by PC and PLC systems.

Implementing the SCADA system and full terminal automation maintain efficiency, help processing data for smart decisions and communicates issues which help to mitigate downtime. In addition, the implementation of Truck Management System and Terminal Management System minimizes various operational risks and provide smooth terminal operation.

The SCADA system, Terminal automation and truck management system provided by SIEMENS, while inventory management system is provided by BENTO.

2.2. *Description and analysis of the degree of wear and tear of the company's properties.*

The accounting policy on estimating the expected way of consuming the future economic benefits incorporated within the depreciable assets relevant for the Mineral Terminal takes into account (i) the financial-economic context in which the Company carries out its activity and (ii) the fact that although the activity of the Mineral Terminal is not a linear one, it is still necessary that the Terminal’s equipments are sized so as to be able to serve picks of activity in function of the influx of vessels and evolution of the industries it caters to.

Thusly the accounting policy on estimating the expected way of consuming the future economic benefits incorporated within the depreciable assets used for the Mineral Terminal is the depreciation method in accordance with the provisions of OMFP 1802/2014, article 240 point (1) para. d), respectively “the depreciation calculated based on the product or service unit” for tangible fixed assets that was directly involved in operating the total quantity that remained to be handled during the rest of the utilization lifetime of Comvex Mineral Terminal equipment.

The other tangible fixed assets related to the Grain Terminal, respectively other shared assets that are used for the activity of both terminals, are depreciated based on the straight line depreciation method. For them the depreciation shall be determined based on the entry value, by applying the straight line depreciation method during the estimated utilization lifetime of the assets.

The depreciation is calculated starting on the following month of the commissioning date and until the full recovery of the entry value. Land is not depreciated as is considered it has an indefinite lifetime.

Tangible assets	Duration remained for depreciation (years)
Buildings and constructions	58
Technological equipment	22
Indicators and control devices	17
Means of transport	26
Furniture and other fixed assets	15

2.3. *Specifying potential issues related to ownership of tangible assets of the company.*

There is no problem related to the ownership of tangible assets of the company.

3. Market of the securities issued by the trading company

3.1. *Stating the markets in Romania and from other countries on which the issued securities are negotiated.*

Shares issued by Comvex are traded on the Alternative Trading system managed by the Bucharest Stock Exchange (AeRO).

3.2. *Description of the issuer's policy regarding dividends. Specification of dividends due / paid / accumulated over the last 3 years and, if appropriate, of the reasons for the possible diminishing of dividends over the last 3 years.*

2020
For the year 2020, the Ordinary General Meeting of Shareholders decided not to distribute dividends, the profit remaining undistributed. There has been taken into consideration the financings granted to the Company for financing the ongoing investments.

2021
In accordance with the OGMS no. 353 of April 28, 2022, the Ordinary General Meeting of Shareholders decided to distribute dividends with the total amount of 8,427,267 RON, respectively setting a gross dividend per share with the value of 0.723 lei.

In accordance with the OGMS no. 368 of September 23, 2022, the Ordinary General Meeting of Shareholders decided to distribute dividends with the total amount of 21,572,871 RON, respectively setting a gross dividend per share with the value of 1.8508 lei.

2022
For the year 2022, the Ordinary General Meeting of Shareholders decided not to distribute dividends, the profit remaining undistributed. There has been analysed global economic environment and the unusual conditions in which the Company is currently conducting its business. Given the context, there has been taken into consideration the necessity of managing the current financings granted to the Company for previous investments, as well as the development plans and future investments.

3.3. *Description of any activities of the issuer for the purchase of own shares.*

Not applicable.

3.4. *If the issuer has subsidiaries, stating the number and the nominal value of the shares issued by the parent company held by subsidiaries.*

Not applicable.

3.5. *If the issuer has issued bonds and / or other debt securities, presentation of the way in which the issuer fulfills its obligations towards the holders of such securities.*

Not applicable.

4. Company management

4.1. ***Presentation of the list of issuer's managers and the following information for each manager:***
a) *CV (name, surname, age, qualification, professional experience, position and seniority in office);*

The Company is managed based on the unitary system by a Board of Directors, made up of 5 (five) members, for a 4 (four) years mandate each.

During the period January 1 – September 23, 2022, the Board of Directors structure was at follows:

- Viorel PANAIT – President
- Dan Ion DRĂGOI – Member of the Board
- Corneliu Bogdan IDU- Member of the Board
- Edmond Costin ȘANDRU – Member of the Board
- Marian Gheorghe BUTUȘINĂ – Member of the Board

Following the expiration of the mandate of the Board of Directors on 23rd of September 2022, the General Meeting of Shareholders met to appoint the Board of Directors for a new 4-years mandate.

The Board of Directors appointed by the decision of the Ordinary General Meeting of Shareholders no. 364 of 23rd of September 2022, for a 4 years mandate, i.e. 2022 - 2026, has the following composition:

- Viorel PANAIT – President
- Dan Ion DRĂGOI – Member of the Board
- Corneliu Bogdan IDU- Member of the Board
- Edmond Costin ȘANDRU – Member of the Board
- George CHIOCARU – Member of the Board

Marian Gheorghe BUTUŞINĂ - He is a graduate of the Mircea cel Bătrân Naval Institute Constanta, Faculty of Navigation, specialization Navigation. Postgraduate courses: Port handling equipment for bulk cargo operations; Operation of bulk cargo in seaports. Professional experience: 1993-1998 maritime expert Bbn Int'l Cargo Inspection Co. Ltd. Constanta. 1998- 2008 Manager at TTS Operator; Starting 2008 – General Manager at Canopus Star SRL Constanta. Until 23.09.2022 – member of the board Comvex.

George CHIOCARU – He is a Graduate of the Faculty of Law within Bucharest University. Postgraduate courses: Constanța Maritime University, courses Port handling equipment for bulk cargo operations; Bulk cargo operations in seaports. Professional **experience**: he has an over 11 years of business law activity. Starting with March 2021 he is granting legal assistance as Head of legal for all entities of Liberty Steel Group in Central and Eastern Europe. Starting with September 23, 2022 – member of the board of Comvex.

Dan Ion DRĂGOI – He is a graduate of the Aircraft Faculty of Bucharest. Postgraduate courses: Port handling equipment for bulk cargo operations; Operation of bulk cargo in seaports. **Professional** experience: he was a General Manager of the Aircraft Factory and of the Aviation Authority. Between 1990 – 1992 he was a Councilor of the Deputy Prime Minister and a State Secretary.

Corneliu Bogdan IDU – He is a graduate of Mircea cel Batran Naval Academy. Postgraduate courses: Port handling **equipment** for bulk cargo operations; Operation of bulk cargo in seaports. Professional experience: 2002 – 2005 Maritime Officer III at Octogon Shipping & Services SRL, 2005 – 2006 Maritime Officer I Ships Manpower SRL, starting from 2006 –engineer at Octogon Shipping & Services SRL.

Viorel PANAIT – He is a graduate of the Faculty of Mechanics within the Polytechnic Institute of Bucharest and the Faculty of Economic Sciences within Ovidius University of Constanta, specialty **International** Transactions. Post university studies: Port management courses IPER, Le Havre, France; Port handling equipment for bulk cargo operations; Operation of bulk cargo in seaports. Professional experience: he has over 27 years of experience in port operation. 1981 – 1991 engineer at Port Operation Enterprise MTTc - Head of Department.

Edmond Costin ŞANDRU - He is a graduate of the Faculty of Civil Marine within Mircea cel Bătrân Naval **Academy** of Constanta, profile naval engineering and navigation. Postgraduate courses: Maritime University of Constanta, courses Port handling equipment for bulk cargo operations; Operation of bulk cargo in seaports. Professional experience: has over 14 years of experience in companies within the port field activity, Comvex S.A., Phoenix Shipping & Trading S.R.L., Ana Timar Agent S.R.L., SVAD Shipping S.R.L. and Chimpex S.A.

The activity of the Board of Directors self-assessed their activity performed during 2022 according to the Directors report.

Also the Board of Directors' activity was positively assessed by means of the decision of the General Assembly of the Shareholders of approval of the Directors' report.

The President of the Board of Directors, Viorel PANAIT is also a General Manager of the Company.

In accordance with the provisions of the Law no. 31/1990 relayed to trading companies, republished and modified, art. 143 paragraph. 1 and 5, the management of the Company has been delegated to the General Manager.

REMUNERATION AND BENEFITS

The Ordinary General Assembly of the Shareholders established the following mechanism applicable for the remunerations of the Managers and the one of the General Manager:

1. **<u>Between 1st of January – 23rd of September 2022</u>**

- by decision of the Ordinary General Assembly of the Shareholders no. 303 from 24th of September 2018, it has been set that during the term of office *2018-2022, the remuneration due to the members of the Board of Directors shall be maintained at the level established by decision of the Ordinary General Assembly of the Shareholders no. 214/25.09.2014, respectively 50% from the gross remuneration of the General Manager. During the term of office, for the members of the Board of Directors the costs related to communication, transport, car, delegations, daily subsistence, accommodation, protocol* *will be borne, for a private pension insurance, as well as for health insurance.*

- by decision of the Ordinary General Assembly of the Shareholders no. 304 from 24th of September 2018, there have been set the additional remunerations for the members of the Board of Directors, as follows: *during the term of office 2018-2022, the general limits of the additional remunerations for the members of the Board of Directors shall be maintained at the level established by decision of the Ordinary General Assembly of the Shareholders no. 215/25.09.2014, respectively, between 10% and 30% of the remuneration of the managers.*

  Based on the approval of the General Assembly of the Shareholders, there have been set the additional remunerations for the members of the Board of Directors that fulfill specific duties within the Board of Directors, respectively the members of the Audit Committee, the Remuneration Committee and Project Analysis Committee.

- The general limits of the remunerations of the General Manager were set by decision of AGOA, respectively: between 5 and 30 average gross salaries in the Company.
  Based on the approval of the General Assembly of the Shareholders, the Board of Directors established that the remuneration of the General Manager should be of 15 Company average gross salaries.

2 Between 23rd of September –31st of December, 2022

In order to observe the legal provisions in force in the domain of the corporate governing, the Company paid the remuneration and benefits granted to the Directors and the General Manager in accordance with the decisions passed by the General Meeting of Shareholders and in compliance with the mechanism established by the decisions of the Ordinary General Meeting of Shareholders no. 366 and 367 dated 23rd of September 2022, namely:

- By decision of the Ordinary General Meeting of Shareholders no. 366 dated 23rd of September 2022, it has been decided as follows: "*During the 2022 – 2026 mandate, the remuneration of the members of the Board of Directors shall be maintained at the level of that established by the decision of the Ordinary General Meeting of Shareholders no. 303/24.09.2018, respectively 50% from the gross remuneration of the General Manager. During their mandate, for the members of the Board of Directors cost related to communication, transport, vehicle, delegations, daily subsistence, accommodation, protocol, private pension insurance and health insurance will be borne*".

- By decision of the Ordinary General Meeting of Shareholders no. 367 dated 23rd of September 2022, there have been set the additional remunerations for the members of the Board of Directors, as follows: "*During the 2022 – 2026 mandate, the general limits of the additional remuneration for the members of the Board of Directors shall be maintained at the level established by the decision of the Ordinary General Meeting of Shareholders no. 304/24.09.2018, respectively between 10% and 30% of the remuneration of the directors".*

Thus, according to the OGMS decision no. 367 of 23rd September 2022, the general limits of the fix additional remuneration granted to the members of the Board of Directors that fulfilled specific duties within the Board, respectively the members of the Audit Committee, the Remuneration Committee, the Project Analysis Committee and the Corporate Structuring and Internal Organisation Committee for the participation in the committees are set between 10% and 30% from the remuneration of the directors.

- The general limits of the remuneration granted to the General Manager were set by the decision of the Ordinary General Meeting of Shareholders, respectively: between 5 and 30 Company average gross salaries. In accordance with the approval of the General Meeting of Shareholders, the Board of Directors established the remuneration of the General Manager at 15 Company average gross salaries.

In the table below it is detailed the method for determining the remuneration granted to the directors and the general manager, by reference to the above mentioned mechanism, for the period 1st of January – 31st of December 2022:

Year 2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Average gross salary/company	6.588	6.920	7.685	6.920	7.605	7.244	7.287	7.500	15.066	8.511	8.029	14.256
No. Employees	372	361	363	363	371	375	384	387	393	392	396	397

b) *Any agreement, understanding or family relationship between the respective manager and another person due to whom that person has been appointed administrator.*
Not applicable.

c) *Manager's participation in the issuer's capital*
- Viorel Panait – 1.259 shares (0,0108% of the share capital);
- Dan Ion Drăgoi – 1.540 shares (0,0132% of the share capital) ;
- Bogdan Corneliu Idu – 79 shares (0,0006% of the share capital);
- Edmond Costin Șandru – 59 shares (0,0005% of the share capital).

d) *List of affiliated persons*:
In the sense of the provisions of Art. 7 point 26 of Law 227/2015 regarding Tax Code, with subsequent modifications and additions, the affiliates of Comvex are:

- Solidmet SRL

- Liberty Holdco Galati & Skopje Limited loc. London GBR,

both holding more than 25% of the securities.

4.2. Presentation of the list of members of the executive management of the issuer

Executive management of the company:

Irina - Violeta Oprea - Financial Manager
Alexandru Toader – Mineral Terminal Operational Manager
Dan Dolghin – Grain Terminal Operational Manager

a) *Term for which the person is a part of the executive management;*
The persons who are part of the executive management of the company are employed for an indefinite period of time.

b) *Any agreement, understanding or family relationship between that person and*

another person due to whom that person has been appointed member of the executive management;
Not applicable.

c) *Participation of that person in the issuer's capital.*
Shares issued by the company and held by the members of the executive management:

Not applicable.

4.3. *For all the persons presented at point 4.1 and 4.2 specifying possible litigation or administrative procedures in which they were involved, in the last 5 years, regarding their activity within the company-issuer as well as those related to the capacity of that person to fulfill his/her duties within the company - issuer.*

Not applicable.

5. **Financial-accounting situation**.

Annual financial statements concluded on 31.12.2022 are attached.

The balance sheet has been audited and certified by the independent financial auditor.

The financial auditor who audited the financial statements of the year 2022 is PricewaterhouseCoopers Audit SRL (The audit report is attached).

a) Balance sheet items: assets representing at least 10% of total assets; cash and other liquid assets; reinvested profits; total current assets; total current liabilities.

	2020	**2021**	**2022**
FIXED ASSETS	446,397,271	436,544,733	427.295.613
TRADE RECEIVABLES	18,109,173	25,807,353	48.652.137
CASH AND LIQUID ASSETS	11,659,497	18,463,924	103.305.936
SHORT TERM INVESTMENTS	-	-	-
TOTAL CURRENT ASSETS	49,134,135	66,483,330	181.937.590
CURRENT LIABILITIES	59,825,740	55,132,778	95.157.739
TOTAL ASSETS MINUS CURRENT DEBTS	441,360,691	453,891,342	518.940.459

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

	2020	**2021**	**2022**
NET SALES - (TURNOVER)	89.549.921	161.235.635	356.917.155
GROSS INCOME -(TOTAL INCOME from operation)	100.762.241	169.798.710	382.149.897
STAFF COSTS	30.825.641	41.480.190	57.360.741
EXPENDITURE ON EXTERNAL PROVISIONS	22.764.235	32.498.050	49.397.316
OTHER OPERATION COSTS	40.915.915	56.254.540	140.706.207

			8.007.824
ADJUSTMENTS FOR PROVISIONS	50.000	471.086	

c) Cash flow: all changes occurred in cash level in the main business, investments and financial activities, the level of cash at the beginning and at the end of the period.

Cash flows situation

	Note	2021	2022
		(lei)	**(lei)**
Cash flows from operating activities:			
Net cash flow generated from operating activities		46.194.054	164.935.234
Interest paid		(3.992.669)	(4.005.771)
Income tax paid		(131.964)	(16.315.550)
Net cash from operating activities		**42.069.421**	**144.613.913**
Cash flows from investment activities:			
Cash payment for the purchase of land and fixed assets, intangible assets and other long-term assets		(12.077.064)	(19.963.346)
Cash receipts from the sale of land and buildings, installations and equipment, intangible assets and other long-term assets		220.417	200.446
Interest receipts		1.491	1.972
Dividends received		-	-
Payment in cash for the acquisition of participation interests or investments in financial assets		-	-
Net cash from investment activities		**(11.855.156)**	**(19.760.928)**
Cash flows from financing activities:			
Cash receipts from credits		4.948.982	9.723.708
Cash repayments of borrowed amounts		(30.088.166)	(26.738.618)
Granted loans		-	-
Cash payments of the lessee to reduce the liabilities related to financial leasing operations		(103.927)	(909.190)
Effect of exchange rate fluctuations on loans and debts		1.833.273	(877.768)
Equity Increase		-	-
Dividends paid		-	(21.209.105)
Net cash from financing activities		**(23.409.838)**	**(40.010.973)**
Net increase in cash and cash equivalents			
		6.804.427	**84.842.012**
Cash and cash equivalents at the beginning of the financial year			
		11.659.497	18.463.924
Cash and cash equivalents at the end of the financial year		**18.463.924**	**103.305.936**

Appendixes

Financial Statements
Report of the financial auditor;
Board of Directors Report;

President of the Board of Directors, **General Manager,**	**Financial Manager,**
Viorel Panait	Irina Oprea

CORPORATE GOVERNANCE

STATEMENT REGARDING THE CORPORATE GOVERNANCE

Provisions of Principles of Corporate Governance for AeRO-BVB market	**Observes**	**Does not observe or partially observes**	**Reason for non conformity/Other mentions**
A.1. The Company must have an intern regulation of the Board which includes terms of reference regarding the Board, key management positions for the Company, management of the conflict of interests	YES		
A.2. Any other professional commitments of the Board Members, inclusively the position of executive or non-executive member of the Board of other companies (excluding branches of the company) and non-profit organisations, shall be brought to the attention of the Board before the nomination and during the mandate	YES		
A.3. Each member of the Board shall inform the Board regarding any connection with a shareholder who owns directly or indirectly shares representing no less than 5% of the total number of voting rights.	YES		
A.4. The annual Report must inform if a Board evaluation took place, under the management of the President. It must also contain the number of meetings of the Board.	YES		
A.5. There is a procedure regarding cooperation with the Certified Consultant for the period in which this cooperation is imposed by BVB	YES		
B.1. The Board shall adopt a policy so that any transaction of the company with a branch representing 5% or more of the net assets of the company, according		NO	This is not the case, as Comvex does not have branches. In case Comvex shall

to the most recent financial statements, be approved by the Board			have branches, the Board of Directors shall adopt the necessary policies.
B.2. The internal Audit must be performed by a separate organisational structure (the department of internal audit) within the company or by the services of a independent third party, which shall report to the Board, and, within the company shall report directly to the General Manager.	YES		
C.1. The Company shall publish in the annual report a section which shall include the total income of the Board Members and the General Manager for the respective financial year and the total value of all bonuses or any variable compensations and, also, the key hypotheses and principles for the calculus of the above mentioned income.	YES		
D.1. Additionally to the information provided by legal provisions, the company's internet page shall contain a section dedicated to the Relationship with the Investors, both in Romanian as well as in English, with all relevant information interesting for the investors	YES		
D.2. The Company must have adopted a company dividend policy, as a set of directions regarding the distribution of the net profit, policy which the company states it shall observe. The principles of the dividend policy must be published on the company's internet page		Partially	The Company prepared a set of general principles regarding the dividend policy. The Company's dividend policy takes into account the necessity for incorporating both its activities (mineral and grain) and optimizing the activity in line with the circular economy principles and, essentially, the finance conditions for new investments.
D.3. The Company must have adopted a policy regarding	YES		

prognosis and if these shall be supplied or not.			
D.4. The Company must establish the date and place of a general meeting so that it could allow the participation of as many shareholders as possible.	YES		
D.5. The financial statements shall include information both in Romanian as well as in English, regarding the main factors which influence changes at the level of sales, operational profit, net profit or any other relevant financial indicator.	YES		
D.6. The Company shall organise at least one meeting / phone conference with annalists and investors, each year. The information presented on these occasions shall be published in the section Relationship with the Investors from the company's internet page, at the moment of that meeting / phone conference.	YES		The Company shall promote the organisation of such a conference after the publishing of the financial results, both of the company as well as those of other market players.

President of the Board of Directors,
General Manager,

Viorel Panait

Economic Manager,

Irina Oprea

PRESS RELEASE
regarding the availability of Annual Report for 2022

Comvex S.A. Constanța, registered with Constanța Trade Registry under number J13/622/1991, Unique Registration Code 1909360, having its registered office in Constanta, Incinta Port, Dana 80-84, Constanța county, Romania, traded at the alternative trading system ATS AeRO administered by the Bucharest Stock Exchange, symbol CMVX,

informs the shareholders and investors that the **Annual report for 2022** is available and can be consulted at the Company's registered office or from the Company web site www.comvex.ro, on Investors Relation- section.

Contact: Madalina Militaru.
Phone: 0241-603051, email: office@comvex.ro

President,

Viorel Panait

COMVEX SA

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Drawn up in accordance with the Order of the Romanian Minister of Public Finance no. 1802/2014 and subsequent amendments

COMVEX SA

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR CONCLUDED 31 DECEMBER 2021

CONTENTS **PAGE**

County Constanţa
Entity COMVEX SA
Address: city Constanţa
Port Precincts Berth 80-84
Phone 0241.639.016, fax 0241.639.010
Trade Registry number J13/622/1991

Ownership Private
Main activity
(NACE Group) Handling
NACE group code 5224
Sole registration code 1909360

BALANCE SHEET **(Code 10)**

	Row	Note	31 December 2021 (RON)	31 December 2022 (RON)
A. FIXED ASSETS				
I. INTANGIBLE ASSETS				
1. Concessions, patents, licenses, trademarks, similar rights and values and other intangible assets	01	1a)	1.139.316	683.759
TOTAL	02		1.139.316	683.759
II. TANGIBLE ASSETS				
1. Lands and buildings	03	1b)	182.011.293	176.508.638
2. Technical installations and machines	04		237.238.890	225.143.212
3. Other equipment, tools and furniture	05		1.078.479	903.412
4. Tangible assets in progress	06		14.069.407	23.498.989
5. Advances	07		1.006.948	557.203
TOTAL	08		435.405.017	426.611.454
III. FINANCIAL ASSETS				
1. Shares in subsidiaries	09	1c)	400	400
TOTAL	10		400	400
FIXED ASSETS - TOTAL	11		436.544.733	427.295.613
B. CURRENT ASSETS				
I. INVENTORY				
1. Raw materials and consumables	12		20.420.874	24.030.708
2. Finished products and goods			4.833	5.250
3. Advances	13		474.341	2.295.669
TOTAL	14		20.900.048	26.331.627
II. ACCOUNTS RECEIVABLE				
1. Trade receivables	15		25.807.353	48.652.137
2. Receivables from associates and jointly controlled entities	16	8 i)	397.272	397.272
3. Other receivables	17		914.733	3.250.618
TOTAL	18		27.119.358	52.300.027

Notes from 1 to 10 are integral part of the financial statements.

	Row	Note	31 December 2021 (RON)	31 December 2022 (RON)
IV. CASH AND BANK ACCOUNTS	19		18.463.924	103.305.936
CURRENT ASSETS - TOTAL	20		66.483.330	181.937.590
C. PREPAID EXPENSES	21		6.433.596	5.305.284
1. Amounts to be expensed in less than one year	22		2.697.268	2.375.303
2. Amounts to be expensed in more than one year	23		3.736.328	2.929.981
D. LIABILITIES: AMOUNTS TO BE PAID IN LESS THAN ONE YEAR				
1. Amounts due to credit institutions	24	4,8c)	32.712.872	32.708.244
2. Advances cashed for orders	25		63.962	56.662
3. Trade liabilities - suppliers	26		16.224.427	40.593.136
4. Other liabilities, including tax and social security payables	27		6.131.517	21.799.697
TOTAL	28		55.132.778	95.157.739
E. NET CURRENT ASSETS / NET CURRENT LIABILITIES	29		13.610.281	88.714.865
F. TOTAL ASSETS LESS CURRENT LIABILITIES	30		453.891.342	518.940.459
G. LIABILITIES: AMOUNTS TO BE PAID IN MORE THAN ONE YEAR				
1. Amounts due to credit institutions	31	4,8 c)	127.464.046	109.576.005
2. Amounts owed to associates and jointly controlled entities		8 i)	9.896.200	9.894..800
3. Other liabilities, including tax and social security payables	32		322.686	1.316.673
TOTAL	33		137.682.932	120.787.478
H. PROVISIONS				
1. Provisions for taxes			-	989.480
1. Other provisions	34	2)	3.334.511	10.352.855
TOTAL	35		3.334.511	11.342.335

BALANCE SHEET

	Row	Note	31 December 2021 (RON)	31 December 2022 (RON)
I. INCOME IN ADVANCE				
1. Subsidies for investments	36		5.165.266	4.744.226
Amounts to be released in less than one year	37		437.539	440.289
Amounts to be released in more than one year	38		4.727.727	4.303.937
TOTAL	39		5.165.266	4.744.226
J. CAPITAL AND RESERVES				
I. SHARE CAPITAL				
1. Subscribed and paid up share capital	40	6 b)	29.139.928	29.139.928
TOTAL	41		29.139.928	29.139.928
II. SHARE CAPITAL PREMIUMS	42		41.553	41.553
III. REVALUATION RESERVES	43	1b)	76.490.045	71.639.267
IV. RESERVES				
1. Legal reserves	44		5.827.986	5.827.986
2. Other reserves	45		57.968.945	57.968.945
TOTAL	46		63.796.931	63.796.931
V. REPORTED PROFIT Balance C	47		107.550.050	113.528.355
VI. PROFIT OR LOSS OF FINANCIAL YEAR Balance C	48		32.387.501	104.360.675
Profit distribution	49		1.259.836	-
SHAREHOLDERS' EQUITY - TOTAL	50		308.146.172	382.506.709
SHAREHOLDERS' EQUITY – TOTAL	51		308.146.172	382.506.709

Authorised for issue and signed on behalf of the Board of Directors as at 16.03.2023:

ADMINISTRATOR
Name and surname PANAIT VIOREL
Signature______________________

DRAWN UP BY,
Name and surname OPREA IRINA
Position FINANCIAL DIRECTOR
Signature_____________

Unit's stamp

PROFIT AND LOSS STATEMENT

	Row	Note	2021 (RON)	2022 (RON)
1. Net turnover	01		161.235.635	356.917.155
-out of which, the net turnover corresponding to the preponderent activity actually performed	02		152.545.861	330.161.731
Revenues from services rendered	03		157.152.745	332.059.236
Revenues from sales of goods	04		4.082.890	24.857.919
2. Revenues from operating subsidies	05		-	30
3. revenues from revaluation of tangible assets	06	1 b)	-	-
4. Other operating revenues:	07		8.563.075	25.232.712
- out of which, income arising from subsidies for investments	08		23.465	26.593
OPERATING INCOME – TOTAL	09		169.798.710	382.149.897
5. a) Raw material and consumable Expenses	10		11.333.110	18.643.425
Other material expenses	11		620.507	646.953
b) Other external expenses (energy and water)	12		12.152.819	22.831.124
-out of which expenses with energy (acc.6051)	13		10.941.295	21.851.546
-expenses regarding the consumption of natural gas (ct.6053)			733.724	646.299
c) Merchandise expenses	14		3.572.433	21.878.971
Trade discounts received	15		21.735	33.118
6. Staff costs, out of which:	16		41.480.190	57.360.741
a) Wages and salaries	17	7 b)	39.071.244	54.461.771
b) Expenses with insurance and social security	18		2.408.946	2.898.970
7. a) Tangible and intangible assets value adjustment	19	1 a) b)	21.519.597	26.247.176
a.1) Expenses	20		21.608.922	26.250.742
a.2) Revenues	21		89.325	3.566
b) Current assets value adjustment	22		459.209	1.550.786
b.1) Expenses	23		459.209	1.550.786
b.2) Revenues	24		-	-
8. Other operating expenses	25		39.116.650	98.338.206
8.1 External services expenses	26	8 j)	32.498.050	49.397.316
8.2 Other taxes and similar expenses;transfers and contributions due under special regulations	27		858.390	1.070.409

Notes from 1 to 10 are integral part of the financial statements.

PROFIT AND LOSS STATEMENT

	Row	Note	2021 (RON)	2022 (RON)
8.3 Environment protection expenses	28		313	541
8.4 Other expenses	31		5.759.897	47.869.940
Provisions adjustments	32		471.086	8.007.824
- Expenses	33		471.086	8.341.261
- Revenues	34		-	(333.797)
OPERATING EXPENSES – TOTAL	35		130.703.866	255.472.088
OPERATING PROFIT				
- Profit	36		39.094.844	126.677.809
9. Income from participating interests	37			
10. Interest income	38		1491	1.972
11. Other financial income	39		1.582.869	5.735.999
FINANCIAL INCOME – TOTAL	40		1.584.360	5.737.971
13. Interest expenses	44		4.005.392	4.005.771
Other financial expenses	45		3.346.478	4.064.258
FINANCIAL EXPENSES – TOTAL	46		7.351.870	8.070.029
FINANCIAL PROFIT OR LOSS				
- Loss	47		5.767.510	2.332.058
TOTAL INCOME	48		171.383.070	387.887.868
TOTAL EXPENSES	49		138.055.736	263.542.117
PROFIT OR GROSS LOSS (A)				
- Profit	50		33.327.334	124.345.751
15. Income tax	51		939.833	19.985.076
- Profit	52		32.387.501	104.360.675

Authorised for issue and signed on behalf of the Board of Directors at 16.03.2023 by:

ADMINISTRATOR
Name and surname PANAIT VIOREL
Signature______________________

DRAWN UP BY,
Name and surname OPREA IRINA
Position FINANCIAL MANAGER
Signature_____________

Unit's stamp

PROFIT AND LOSS STATEMENT

	Note	2021 (RON)	2022 (RON)
Cash flows from operating activities:			
Net cash flows from operating activities	9	46.194.054	164.935.234
Interest paid		(3.992.669)	(4.005.771)
Income tax paid		(131.964)	(16.315.550)
Net cash flow generated by operating activities		42.069.421	144.613.913
Cash flows from investment activities:			
Cash payments for acquisition of land and fixed assets, intangible assets and other long-term assets		(12.077.064)	(19.963.346)
Cash proceeds from sale of land and buildings, plant and equipment, intangible assets and other long-term assets		220.417	200.446
Interest proceeds		1.491	1.972
Net cash flow generated by investment activities		(11.855.156)	(19.760.928)
Cash flows from financing activities:			
Cash proceeds from loans		4.948.982	9.723.708
Cash repayment of loans		(30.088.166)	(26.738.618)
Loans received		-	-
Cash payments of the lessee for decrease of financial leasing liabilities		(103.927)	(909.190)
Effect on exchange rate fluctuations on loans and liabilities		1.833.273	(877.768)
Dividends paid		-	(21.209.105)
Net cash flow generated by financing activities		(23.409.838)	(40.010.973)
Net increase in cash and cash equivalents		6.804.427	84.842.012
Cash and cash equivalents at the beginning of the financial year		11.659.497	18.463.924
Cash and cash equivalents at the end of the financial year		18.463.924	103.305.936

On December 31, 2022, the balance of cash and cash equivalents includes the cash amount of RON 8.821.197, restricted for dividend payments due to the Company's shareholders, payments that are made by the Central Depository through the designated payment agent in accordance with the legal provisions in force.

ADMINISTRATOR
Name and surname PANAIT VIOREL
Signature______________________

DRAWN UP BY,
Name and surname OPREA IRINA
Position FINANCIAL MANAGER
Signature_____________

Unit's stamp

Notes from 1 to 10 are integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Shareholders' equity Item	**Balance at 1 January 2021 (RON) 1**	**Increases (RON) 2**	**Decreases/ Distributions (RON) 3**	**Balance at 31 December 2021 (RON) 4**	**Increases (RON) 6**	**Decreases/ Distributions (RON) 7**	**Balance at 31 December 2022 (RON) 8**
Subscribed share capital (note 6b)	29.139.928	-	-	29.139.928	-	-	29.139.928
Share premium	41.553	-	-	41.553	-	-	41.553
Revaluation reserves (note 1b)	81.275.823	-	4.785.778	76.490.045	-	4.850.778	71.639.267
Legal reserves (note 3)	4.568.150	1.259.836	-	5.827.986	-	-	5.827.986
Other reserves	57.968.945	-	-	57.968.945			57.986.945
Reported result representing the profit not distributed or loss not covered							
Credit balance (note3)	65.769.995	1.113.894	-	66.883.890	31.127.665	30.000.138	68.011.416
Reported result from first time adoption of IAS, except for IAS 29							
Credit balance	4.154.140	-	-	4.154.140			4.154.140
Reported result from correction of accounting errors							
Credit balance	1.783.997	-	-	1.783.997			1.783.997
Reported result from realised surplus from revaluation reserves (note 1b)	29.942.245	4.785.778	-	34.728.023	4.850.778		39.578.802

Notes from 1 to 10 are integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Shareholders' equity Item	Balance at 1 January 2021 (RON) 1	Increases (RON) 2	Decreases/ Distributions (RON) 3	Balance at 31 December 2021 (RON) 4	Increases (RON) 6	Decreases/ Distributions (RON) 7	Balance at 31 December 2022 (RON) 8
Profit or loss of the financial year							
Credit balance	1.172.520	32.387.501	1.172.520	32.387.501	104.360.675	32.387.501	104.360.675
Profit distribution (note 3)	58.626	1.259.836	58.626	1.259.836	-	1.259.836	-
Total shareholders' equity	275.758.670	38.287.173	5.899.672	308.146.172	140.339.118	66.978.581	382.506.709

Other reserves represent reserves established by the Company from the profits of the previous years, mainly representing amounts allocated for investments financed from its own sources. Out of the total amount of RON 57,968,945, the amount of RON 14,478,573 represents reserves established from the profit of the year 2019, for which the Company benefited from tax exemption on the reinvested profit. These amounts will be taxed during the tax period in which they are used. The rest of the amounts are reserves established from net profit.

ADMINISTRATOR
Name and surname PANAIT VIOREL
Signature______________________

DRAWN UP BY,
Name and surname OPREA IRINA
Position FINANCIAL MANAGER
Signature _____________

Unit's stamp

REPORTING ENTITY

These financial statements have been prepared by Comvex SA (the "Company").

1 FIXED ASSETS

a) Intangible assets

	Concessions, patents, licenses, trademarks, similar rights and values and other Intangible assets (RON)
Gross value	
Balance at 1 January 2022	3.811.395
Increases	184.029
Ceded assets, transfers and other reductions	22.792
Balance at 31 December 2022	3.972.632
Accumulated value adjustments (*)	
Balance at 1 January 2022	2.672.079
Adjustments in the current financial year	639.586
Reductions or reversals	22.792
Balance at 31 December 2022	3.288.873
Net carrying amount at 1 January 2022	1.139.316
Net carrying amount at 31 December 2022	683.759

b) Tangible assets

	Lands and lands improvements (RON)	Buildings (RON)	Technical installations and machines (RON)	Other plant, Equipment, tools and furniture (RON)	Tangible assets in progress (RON)	Advances (RON)	Total (RON)
Gross Value							
Balance at 1 January 2022	37.086	187.574.737	252.503.572	1.175.301	14.072.972	1.011.950	456.375.618
Increases	-	577.631	5.656.917	78.901	13.568.250	(762.025)	19.119.674
Ceded assets, transfers and other reductions		-	484.661	-	2.344.710	(321.439)	2.507.932
Balance at 31 December 2022	37.086	188.152.368	257.675.828	1.254.202	25.296.512	571.364	472.987.360
Accumulated Amortisation							
Balance at 1 January 2022		5.600.530	15.264.683	96.822	-	-	20.962.035
Amortisation registered during the financial year	3709	5.914.820	17.294.138	253.352			23.466.019
Reductions due to revaluation		-	-	-			-
Reductions or reversals	-		202.285	-			202.285
Balance at 31 Decembrie 2022	3709	11.515.350	32.356.536	350.174			44.225.769
Provisions							
Balance at 1 January 2022			-	-	3.566	5.000	8.566
Increases		161.757	176.080	616	1.797.523	9.161	2.145.137
Decreases					3.566		3.566
Balance at 31 Decembrie 2022		161.757	176.080	616	1.797.523	14.161	2.150.137
Net carrying amount at la 1 January 2022	37.086	181.974.207	237.238.889	1.078.479	14.069.406	1.006.950	435.405.017
Net carrying amount at la 31 Decembrie 2022	33.377	176.475.261	225.143.212	903.412	23.498.989	557.203	426.611.454

Revaluation of tangible assets

On December 31st, 2022, the Company did not proceed to the revaluation of tangible assets, the last registered revaluation being as of 31.12.2020.

Revaluations of tangible assets are performed regular enough so that the accounting value is not substantially different from the fair value set up on the balance sheet date.

The changes of revaluation reserve during the financial year are shown as follows:

	31 December 2021 (RON)	31 December 2022 (RON)
Revaluation reserve at the beginning of the financial year	81.275.823	76.490.045
Differences from revaluation transferred in the current financial year	-	-
Transfer at the reported result of the surplus from revaluation reserves	4.785.778	4.850.778
Revaluation reserve at the end of the financial year	76.490.045	71.639.267

According to tax legislation in Romania, until 1st May 2009 revaluation reserves for tangible assets became taxable once their purpose was changed. Following the amendment of the Tax Code, effectively from 1st May 2009 differences from revaluation of fixed assets made after 1 January 2004, which are deducted through fiscal amortisation or expenses with disposals of assets when calculating the taxable profit, are taxable simultaneously with the deduction of tax depreciation, respectively at the moment when these fixed assets are disposed, as the case may be.

c) Financial assets

The financial assets are evaluated at historical cost and in 2022 no events were registered leading to their depreciation.

On December 31st, 2022, the Company had no subsidiaries.

On December 31st, 2022, the Company owned securities under the form of participating interests in the following associated/jointly controlled entities:

Subsidiary's name	Held percentage (%)	Value of capital and reserves	Profit/ (loss) at 31 December 2022
1. CDRV Associates SRL	20	400	-

2 **PROVISIONS**

Type of provision	Balance at 1 January 2022 (RON)	Into account (RON)	Transfers from account (RON)	Balance at 31 DecembeR 2022 (RON)
Provisions for taxes		989.480	-	989.480
Other provisions	3.334.511	7.352.141	333.797	10.352.855
Adjustments for the impairment of tangible assets	3.566	2.135.976	3.566	2.135.976
Adjustments for the impairment of participation securities held	3.472			3.472
Adjustments for loss of value of other fixed assets	82.035			82.035
Adjustments for the impairment of receivables related to tangible assets	5.000	9.161		14.161
Adjustments for the impairment of current assets such as stocks	310.519	227.798		538.317
Adjustments for the impairment of assets	5.768.542	1.313.926	9.062	7.091.530
Total	9.507.645	12.028.482	328.301	21.207.826

The risks and uncertainties related to economic and social environment in which Comvex SA is operating were considered during the estimation process of provisions.

Thus, at 31 December 2022 the Company had established the following provisions:

- Provisions worth RON 2.813.425 recorded for the payment refusals to CN APM due to non-fulfillment or default/wrong fulfillment of its obligations contractually assumed; provisions were

also made for the penalties related to this amount, refused payment by Comvex, in the amount of RON 2,407,751. Information regarding the refusals formulated to CN APM can be found in Note 10 a)1;
- Provisions for unused holidays in the amount of RON 1,202,263;
- Estimated provisions for the bonus calculated for the fulfillment of the performance indicators evaluated on 31.12.2022 and the individual contribution made to the objectives and results of the Company (Key Performance Indicators) in the amount of RON 3,298,418.

At the end of 2022, the Company is the subject of a fiscal inspection whose object is the verification of the profit tax for the period 01.01.2017-31.12.2021, respectively the value added tax for the period 01.01.2017 - 31.10.2022. On 31.12.2022, the tax inspection is underway, and for possible additional tax obligations, including interest and related penalties, the Company has set up a provision in the amount of RON 989,480.

Adjustments for impairment of property, plant and equipment refers to:
- Value adjustments for stocks with no movement, slow movement, physically or morally obsolite. The adjustment value was set up based on the suppliers' offers and after the analysis conducted by the internal evaluation commission;
- Adjustments for the individual depreciation of tangible assets;
- Adjustments for impairment of commercial receivables are established if there is objective proof that the Company will not be able to collect all the amounts on the set up due dates, as well as for the overdue receivables for over 365 days.

3 PROFIT DISTRIBUTION

The profit distribution during the financial year ended at 31 December 2022, along with the proposal for the distribution of the profit for year 2022, are as follows:

Destination	**Distribution in 2021**	**Proposal for distribution of profit from 2022**
	(RON)	**(RON)**
Profit distributed in:	**33.387.501**	**104.360.675**
- legal reserve	1.259.836	-
- other reserve	-	-
- gross dividends	30.000.138	-
- undistributed	1.127.535	104.360.675

4 LIABILITIES SITUATION

At 31 December 2022, the long term liabilities were as follows:

	Between 1- 5 years	>5 years
Amounts due to financial/credit institutions	109.576.005	0
Amounts due to third party entities	9.894.800	0
Other liabilities, including taxes and social security payables	1.316.673	

As at 31 December 2022, Comvex has a bank loan contract for financing of the investments (see note 8 c) for details related to the loan contracts), for which were there have been constituted the following guarantees:

- First rank mortgage over some fixed assets - movable and immovable assets;
- Movable mortgage on current accounts opened by the Company at Raiffeisen Bank and Eximbank.

As at 31.12.2022, the Company has a financing facility for working capital in the amount of RON 4.943.436 (equivalent of euro 1 million) granted by Eximbank, fully used at the end of 2022. In March 2021, the Company accessed a bank loan in the form of an advance on a current account for current activity, in the amount of EUR 1 million. The loan was granted by Raiffeisen Bank, had a grace period of 12 months for capital repayments, and the final maturity on 15.12.2023. The balance of this facility on 31.12.2022 is RON 2,473,700.

5 ACCOUNTING POLICIES, PRINCIPLES AND METHODS

The main accounting policies adopted in preparing these financial statements are disclosed below.

A Basis for preparation of financial statements

(1) General information

These financial statements have been prepared in accordance with:

(i) The Accounting Law no 82/1991 republished in June 2008 (“Law 82”);

(ii) Accounting regulations regarding the annual stand alone financial statements and annual consolidated financial statements, approved by the Order of the Minister of Public Finance of Romania 1802/2014 and subsequent amendments ("OMF 1802").

Considering the size criteria disclosed in OMF 1802, the Company fits in the category of medium and large entities.

The financial statements belong to COMVEX SA and include:

- Balance sheet,
- Profit and loss account,
- Statement of equity changes,
- Cash flows statement,
- Notes to annual financial statements.

These are accompanied by "Informative data" and "Non-current assets statement".

(2) Use of estimates

The preparation of financial statements requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the respective period. Although these estimates are made by the Company's management based on the best information available as at the date of the financial statements, actual results may differ from these estimates.

(3) Going concern

The financial statements have been prepared based on the going concern principle, which assumes that the Company will continue to operate in the foreseeable future. In order to assess the reasonability of this assumption, the management reviews the forecasts of the future cash inflows of each branch of activity: Mineral Terminal and Grain Terminal. For the Mineral Terminal, the management of the Company takes into consideration the operationg flows forecasted by the recurring clients for 2023, while for the Grain Terminal has made an analyses taking into consideration the operationg flows from the contracts already concluded in the last agricultural year as well as the cash potential given by the future commercial relations.

For the year ended December 31, 2022, the Company generated sufficient profits and liquidity and meets the financial indicators related to the contracted financing, thus managing the main obligations due on December 31, 2022.

The company took also in consideration the subsequent events (note 8k) and based on these analyzes, the management considers that the Company will be able to continue its activity in the foreseeable future and therefore the application of the principle of business continuity in preparing the financial statements is justified.

(4) Measurement currency

Accounting is kept in Romanian language and in the national currency. Items included in these financial statements are disclosed in Romanian lei.

B Foreign currency translation

Foreign currency transactions of the Company are translated into the disclosure currency using the exchange rates communicated by the National Bank of Romania ('NBR') as at the dates of the transactions. At each month end, foreign currency monetary balances are translated into RON using the exchange rates communicated by NBR for the last banking day of the month. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, within the financial result. Advances do not represent monetary elements and are not the object of translation based on foreign exchange.

C Intangible assets

(i) Concessions, patents, licenses, trademarks, rights and similar assets

The concessions, patents, licenses, trademarks, rights and similar assets are registered in the acquisition account or at their contribution value. Concessions received are reflected as intangible assets when the concession contract is concluded for a period and at a value set up for the concession. The concession depreciation is registered for its period of use set up according to the contract.

The patents, licenses, trademarks and similar assets are depreciated by the lineal method for a 3 years period.

(ii) Advance payments and other intangible assets

Within the advance payment and other intangible assets there are registered the advances paid to suppliers of intangible assets, IT software designed by the entity or purchased from third parties for its own needs, as well as other intangible assets.

The elements such as other intangible assets are depreciated by the lineal method for a 3-year period. The expenses allowing the intangible assets to generate future economic benefits above the initially forecast performance are added to their original cost. Such expenses are capitalized as intangible assets if they are not an integral part of tangible assets.

D Tangible assets

1. Cost/ valuation

Tangible assets are initially evaluated at acquisition cost.

Starting 2006, tangible assets revaluation is performed at the fair value established based on evaluations usually made by qualified professionals in evaluation.
Fair values of property, plant and equipment revalued under OMF 1802 are updated with sufficient regularity so that the carrying amount does not differ substantially from that which would be determined using fair value at the balance sheet date. If there is no fair market information, the fair value is estimated based on the net cash flows or depreciated replacement cost.
Lastly, Management updated the carrying amount of property, plant and equipment revalued in accordance with OMF 1802 as of December 31, 2020 based on market information and found that there is sufficient market information available on fair value to support current fair values. On December 31, 2022, the management considered that there is no need for a new update of the book value, the premises considered for the revaluation of tangible assets on December 31, 2020 remaining valid. If a completely depreciated tangible asset can still be used, during its revaluation a new value and a new period of economic use are established, meeting the estimated period of further use.

The accumulated depreciation at the revaluation date is deducted from the gross carrying amount of the asset and the net amount is recalculated to the revalued amount of the asset. The transfer of the revaluation reserve to retained earnings is made as the asset is used.

Also, the Company operates a series of tangible assets grouped on the two activities: Grain Terminal and Mineral Terminal, which operate intermittently and seasonally, in close connection with the operating flows coming from the clients.

The cost of a tangible asset also includes the initially estimated costs with its dismantling and move when it is decommissioned, as well as with the restoration of the location the assets is mounted on, when such costs can be estimated reliably.

The maintenance and repairs of tangible assets are registered on expenses when they occur and the significant improvements made to tangible assets, which increase their value or life span, or significantly increase the capacity to generate economic benefits, are capitalized.

Regular Inspections or overhauls are recognized as a component of a tangible assets element if they meet the recognition criteria as an asset and if they are significant. In such case, the value of the component is amortized for the period between two planned inspections. The cost of current revisions and inspections, other than those recognized as a component of the asset, represents the expenses for the period.

Tangible assets include those assets purchased for safety or environmental reasons which are necessary in order to obtain future economic benefits from other assets. Important spare parts and security equipment are registered as tangible assets when they are expected to be used over a period longer than one year. Other spare parts and service equipment are registered as stocks and are recognized in profit or loss when consumed.

2. Depreciation

The accounting policy regarding the estimation of the expected consumption of future economic benefits incorporated in the depreciable assets related to the Mineral Terminal takes into account (i) the economic-financial context in which the Company operates and (ii) the fact that, although the activity of the Minerals Terminal it is not a linear one, however it is necessary that the equipments of the Terminal be dimensioned so that they can take over the high activity periods, depending of the influx of ships and the evolution of the industries that serve them.

Thus, the accounting policy regarding the estimation of the expected way of consuming the future economic benefits incorporated in the depreciable assets applied for the Mineral Terminal is the depreciation method according to OMFP 1802/2014, art. 240, point (1), paragraph d), respectively "depreciation calculated per unit of product or service" for tangible assets that directly contribute to the handling of quantities remaining to be handled during the remaining life of the Comvex Mineral Terminal equipment .

The other tangible fixed assets related to the Grain Terminal, respectively other common assets that serve both lines of activity, will continue to be depreciated according straight-line method. For these, amortisation is calculated at entry value, using the straight-line method for the whole useful life of the assets, as follows:

Asset	**Years**
Constructions	between 20 and 50
Technical plants and machinery	between 5 and 24
Other plants, equipment and furniture	between 3 and 18

Amortization is calculated starting with the next month after the commissioning and until the full recovery of their entry value.
The land is not depreciated as it is considered to have an indefinite lifespan.

3. Tangible assets sale/discarding

Tangible assets which are discarded or sold are written off the balance sheet together with the adequate cumulated amortization. Any profit or loss resulting as a difference between the income generated by its writing off and its unamortized value, including the expenses for such operation, is included in the profit and loss account, in "Other operating income" or in "Other operating expenses", as the case may be.

When the Company recognise in the accounting value of a tangible asset the cost of a partial replacement (replacement of a component), the accounting value of the replaced part, with the related amortization is written off the records.

4. Borrowing costs

The expenses with interests related to the loans obtained for the acquisition, construction or production of tangible assets for which the starting date of the capitalization occurs after 2015, January 1st, are included in their production costs, in so far as they relate to the production period. Fees and bank charges related to long-term loans are recognized as expenses incurred in advance until the completion of the construction of the asset for which the loans were contracted, and will be transferred to expenses staggered, during the repayment period of those loans.

5. Sale and leaseback

The selling and leasing transaction of the same asset by a financial leasing contract is treated as a financing transaction and the respective asset is kept in the patrimony.

E Impairment of tangible and intangible assets

At the end of the financial year, the value of the tangible and intangible assets elements is reconciled with the inventory results. To this end, the net accounting value is compared to the value set up based on the inventory, called inventory value. The differences found out in minus between the inventory value and the net accounting value of asset elements are registered in the accounting based on an additional depreciation in case of assets depreciable for which depreciation is irreversible or a depreciation adjustment or a value loss adjustment is made when the depreciation is reversible. The inventory value is set up depending on the good utility, its condition and the market price.

F Financial assets

Financial assets include the shares owned in affiliated entities, the loans granted to affiliated entities, the participating interests, the loans granted to entities the Company is related to by participating interests, as well as other investments owned as fixed assets.

Financial assets are recognized in the balance sheet at the acquisition cost or at the value set up by their acquisition contract. The acquisition cost also includes the trading costs. The financial assets are evaluated later at their entry value, less the cumulated value loss adjustments.

G Inventories

Inventories are registered at the lowest value between the cost and the net achievable value. The cost is established by the method first in – first out (FIFO). The cost of finite products and in progress includes materials, labor force and the related indirect production expenses. Where required, provisions are made for stocks with slow movement, physically or morally obsolite.
The company manages a series of stocks (parts / spare parts), of strategic importance for the good development of the operational activity.
Most of these stocks were purchased in previous years, to be used for maintenance activities related to the fixed assets, as any unplanned shutdown generates significant costs for the Company. The Company does not have pledged inventories.
Commercial discounts granted by suppliers reduce the cost of inventories if they are still in the balance.

H Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

I Short term financial investments

These include the short-term deposits at banks and other short-term investments (bonds, shares and other securities acquired for the purpose of making a short-term profit). Short-term investments admitted to trading on a regulated market are valued at the balance sheet date at the bid value on the last day of trading, and those not marketed at historical cost less any possible adjustments for loss in value.

J Cash and cash equivalents

Cash and cash equivalents are shown in the balance sheet at their cost. In the cash flows statement, the cash and its equivalents include the petty cash, accounts with banks, short term financial investments, treasury advance payments, net of overdraft. The overdraft is shown in the balance sheet in the debts to be paid within a one-year period – amounts due to credit institutions.

K Share capital

Ordinary shares are classified as own equity.
The expenses related to own capital instruments issuance are directly reflected in own capitals, on the line Losses related to own capital instruments.

When redeeming the shares of the Company, the amount paid will diminish the own equity. When such shares are later re-issued, the received amount (net of transaction costs) is recognized in own equity.

The differences of foreign exchange rate between the shares subscription moment and the transfer moment of their counter value do not represent gains or losses related to the issuance, redemption, sale, free assignment or annulment of the instruments of own equity of the entity, as they are recognized in financial income or expenses, as the case may be.

L Dividends

The dividends on ordinary shares are recognised in the shareholders' equity when declared.

M Borrowings

Short and long term borrowings are recognised initially at the proceeds received. Any difference between proceeds and the redemption value is recognised in the statement of profit and loss over the period of the borrowing contract.

Fees and bank comisssions related to long term loans are recognized as prepaid expenses until the completion of the construction of the asset for which the loans were contracted. Prepayments are to be released as current expenditure in installments over the repayment period of the loans.

If the Company has an unconditional right to defer the settlement of loans for at least twelve months after the end of the reporting period, the debts in question will be classified as long term liabilities. The other loans will be disclosed as short term liabilities.

The short-term portion of long-term borrowings is classified as “Debts: amounts to be paid in less than a year” and included together with interest accumulated at the balance sheet date in “Amounts due to credit institutions”, from the Current liabilities.

N Accounting for leases where the Company is the lessee

(1) Financial leasing agreements

The leasing contracts for the tangible assets where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the estimated present value of the lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate during the reimbursement period. The corresponding rental obligations are included either in current or non-current liabilities. The interest element of the finance cost is charged to the profit and loss statement over the lease period. The assets acquired under finance leases are capitalized and depreciated over their useful life.

(2) Operating lease agreements

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss statement on a straight-line basis over the period of the lease.

O Trade payables

Trade payables are recorded at the value of the amounts payable for the goods or services received.

P Provisions

Provisions for environmental restoration, restructuring costs and legal claims, as well as other provisions for risks and expenses are recognised when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Restructuring provisions comprise direct costs generated by restructuring, namely those necessarily generated by the restructuring process and not related to the entity's going concern.

No provisions are recognised for future operating losses.

Regarding onerous contracts (contracts in which unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be obtained), the present contractual obligation under the contract is recognized and measured as a provision. Before setting up a separate provision for an onerous contract, any loss is recognized from the depreciation of the assets allocated to the respective contract.

Q Employee benefits

Pensions and other post retirement benefits

The Company, in the normal course of business, makes payments to health funds, pensions and state unemployment relief on behalf of its employees, at statutory rates. All employees of the Company are members of the Romanian State pension plan. These costs are recognised in the profit and loss statement together with the related salary costs.

The Company does not operate any other pension scheme or post retirement benefit plan and, consequently, has no obligation in respect of pensions.

R Capital subsidies

(1) Subsidies related to assets

Goverment subsidies, including non-monetary subsidies at fair value, are recognized when there is sufficient certainty that the entity will comply with the granting conditions and that the subsidies will be received.

Subsidies received for the purchase of assets like tangible assets are recorded as subsidies for investments and recognised in the balance sheet as deferred income.Deferred income is recognised in the profit and loss statement in the periods of recording expenses with depreciation or cassation or cease of assets purchased by the respective subsidy.

(2) Subsidies related to expenses

Subsidies related to current expenses are disclosed as income in the profit and loss statement in the period appropriate to the related expenses which these subsidies are to compensate for.
If in a period subsidies are cashed related to expenses not yet incurred, subsidies received do not represent revenues of that period.

S Taxation

Current income tax

The Company records current income tax based upon taxable income from the financial statements, in accordance with the relevant tax legislation.
For the profit invested in technological equipment, electronic computers and peripheral equipment, machines and household appliances, control and billing, in computer programs, as well as for the right to use computer programs, products and / or purchased, including under contracts financial leasing, and put into operation, used for the purpose of carrying out the economic activity, the tax exemption may be applied, in accordance with art. 22 paragraph (1) of Law no. 227/2015 on the Fiscal Code, with subsequent amendments.
The amount of the profit for which he benefited from the income tax exemption is distributed at the end of the financial year when the reserves are set up:

- Legal reserve;
- Other reserves.

T Revenue recognition

Revenues comprise the sold goods and provided services.

Revenues from goods sales are recognised when the Company has transferred the main risks and benefits related to the goods possession to the purchaser.
Revenue from rendering of services is recognised as the services are rendered.
Revenue arising from royalties is recognised on an accrual basis in accordance with the substance of the relevant agreements.
Revenues from interests are recognised periodically and proportionally as the respective revenue is generated on an accountancy engagement basis.
Commercial discounts granted after invoicing are recorded in the profit and loss statement as part of operating income, in the position “commercial discounts granted”.

Dividends are recognised as revenue when the legal right to receive payment is established, namely at the date they are approved.
In these financial statements, income and expenses are shown at gross value.

Income from provisions writing back, respectively of depreciation or value loss adjustments are recorded separately, depending on their nature, at the moment the risk achievement or the expense becomes eligible.

U Turnover

The turnover represents the amounts invoiced and to be invoiced, net of VAT and discounts, in relation to the goods and services provided to third parties.

V Operating expenses

The operating expenses are recognised in the period they refer to.
Operating expenses include also expenses with commercial discounts received after invoicing.
The expenses related to the financial year are registered, irrespective of their payment date. Thus, the debts for which the invoice has not been received yet will be registered in the expenses or goods accounts.

W Financial expenses

Financial expenses include: loss from receivables related to participations; losses on disposal of financial investments; unfavorable differences of foreign currency exchange rates; interests related to the financial year in progress; discounts granted to clients; losses from financial receivables and others. Financial expenses are recognized in the period to which they reffer.

6 INVESTMENTS AND FINANCING SOURCES

a) Investment certificates, securities and convertible bonds

The Company did not issue other securities except for its own shares.

b) Share capital

The value of subscribed capital on December 31st 2022amounted to RON 29.139.928 (31 December 2021 RON 29.139.928) representing 11.655.971 shares (December 31st, 2021: 11.655.971 shares). All shares are ordinary, fully subscribed and paid in on December 31st 2022. All shares have the same voting right and a nominal value of RON 2,5 /share (December 31st, 2021: RON 2,5 /share).

The structure of shareholders on December 31st, 2022 is the following:

	Number of shares	Amount (RON)	Percentage (%)
Solidmet SRL	3.576.953	8.942.383	30,6877
Liberty Holdco Galati&Skopje Limited	3.277.526	8.193.815	28,1189
Nicola Ruxandra-Ioana	2.050.040	5.125.100	17,5879
Dragoi Anca Mihaela	2.050.040	5.125.100	17,5879
Alti actionari-persoane fizice	482.677	1.206.693	4,1410
Alti actionari-persoane juridice	218.735	546.838	1,8766
Total	11.655.971	29.139.928	100

c) Shares issued during the financial year

During the year 2022 there were no changes in share capital evolution.

7 INFORMATION REGARDING THE EMPLOYEES AND THE MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND OTHER KEY PERSONNEL

a) Remuneration of the members of the administrative, management and supervisory bodies and other key personnel

	Financial year ended on 31 December 2021 (RON)	Financial year ended on 31 December 2022 (RON)
Salaries:		
Directors (*)	3.931.257	6.581.130
Management	5.205.830	5.839.413
	9.137.087	12.420.543

(*) also includes the contributions paid, including contributions for daily travel allowances and benefits in the form of health insurance

	31 December 2021 (RON)	31 December 2022 (RON)
Salaries payable as at the end of the period:	317.419	701.087

b) Employees

The average number of employees during the year was as follows:

	2021	2022
Administrative personnel	67	73
Operational personnel	283	312
	350	385

Expenses with personnel include the following:

	2021	2022
Expenses for social security	2.408.946	2.898.970
Expenses with salaries and indemnities	39.071.244	54.461.771

8 OTHER INFORMATION

a) Information regarding the Company

COMVEX S.A. was incorporated in 1991, being the biggest specialized Terminal in operating solid raw materials in bulk from the Black Sea area, covering a surface of de 700.386 m^2 South of Constanța Port, Romania.

COMVEX Terminal is a market leader, specialized in handling, storing and transshipping sold raw materials in bulk, such as: iron ores, coals, coke, bauxite, having complete and modern operating facilities located in Constanța Port.

COMVEX is the only Terminal operating solid raw materials in bulk from the Black Sea area which can board high capacity “cape size” ships (up to 220,000 tdw), as it has an unloading sea quay made of 5 berths of total 1,400 m long and water depths ranging between 10.8 and 18.5 m. At the same time, the terminal enjoys a good geographical position with access to waterways network including the Danube.

In addition to the existing Mineral Terminal, COMVEX has developed a Grain Terminal in Dana 80, covering an area of approximately 60,000 sqm. The location offers important logistic advantages, such as: the deepest berth in the Black Sea, the vicinity with the barge terminal (proximity to the Danube-Black Sea Canal), for river transport from the Danube border, direct and easy access to the railway, direct access to the A2 motorway. Thus, COMVEX will offer grain producers in Romania, Hungary, Serbia, Bulgaria the possibility of delivering the production on high capacity vessels, from 100,000 to 120,000 tdw.

The total storage capacity of the COMVEX Grain Terminal is 200,000 mt. Storage capacity and operating rates are calculated for wheat. The storage area consists of 18 large flat-bottomed silo cells (12 x 10,000 mt and 6 x 10,900 mt), 6 small flat-bottomed silo cells (2,250 mt each) and 6 conical bottom cells.

The company has implemented an integrated management system, certified on the ISO 9001: 2015 quality management standards, the environmental management system according to ISO 14001: 2015 and the occupational health and safety management system according to OHSAS 54001:2018. In addition, the cereal terminal is certified to the ISO 22000: 2018 (food safety management system) standard. It also complies with the requirements of the International Ship and Port Facility Security (ISPS) Code.

b) Information regarding the subsidiaries, associated undertakings and entities under the common control of the Company is disclosed in Note 1 (c).

In the meaning of the provisions of Art. 7 pct. 26 of Law 227/2015 regarding the Fiscal Code, with further amendments and completions, the affiliated persons to Comvex Company are Solidmet SRL and Liberty Holdco Galati&Skopje Limited, both owning more than 25% of the equity interests

c) Financing

As of December 31, 2022, the Company has a bank loan contract for investments, as well as a financing agreement granted for the purpose of financing the current activity as presented in the table below:

No	Bank	Destination	Ccy	Approved amount	Signing date	Maturity	Balace as of 31.12.2022	Out of whitch short term	Out of whitch long term
1	Raiffeisen Bank si Eximbank	Long-term bank loan to finance the "Grain Terminal" investment	EUR	38.384.200	16.05.2017	08.08.2028	27.260.200	5.112.000	22.148.200
		Equivalent in:	RON				134.867.113	25.291.108	109.576.005
2	Raiffeisen	Bank credit in the form of an advance on a current account for current activity	EUR	1.000.000	15.03.2021	15.12.2023	500.000	500.000	-
		Equivalent in:	RON				2.473.700	2.473.700	-
3	Eximbank	Short-term financing loan	EUR				1.000.000	1.000.000	-
		Equivalent in:	RON				4.943.436	4.943.436	
	TOTAL		EUR				28.760.200	6.612.000	22.148.200
	TOTAL	Equivalent in:	RON				142.284.249	32.708.244	109.576.005

In order to finance the investment “Grain terminal” on berth 80, the Company contracted a long-term bank loan of EUR 36.4 million. The financing was equally granted by Raiffeisen Bank and EximBank, also benefiting until May 2022 of a guarantee issued by EximBank In the Name and on Account of the Romanian State, amounting EUR 18.144 million. In 2022, the Facility was extended with an additional amount of EUR 2 million granted to finance the increase in the capacity to unload grains from barges, repayable after the initial maturity period, respectively in 2028. The total Facility is repaid in quarterly installments, starting from September 2019 (according to the approval of the amendment of the contractual clauses dated 13.03.2019) and has a final maturity of August 8, 2028.

The balance of the credit facility, including the additional amount obtained in 2022, on December 31, 2022 was in the amount of RON 134,867,113 (EUR 27,260,200).
The credit agreement obtained for the financing of the Cereal Terminal contains a series of financial conditions ("financial covenants") that must be fulfilled by the Company every financial year.

The first test year was the financial year starting with the year ended 31 December 2021.

The indicators for 2022 are:
- Debt Service Coverage Rate - as a ratio between Cash Flow and Net Debt Service - having as a reference value > 1.4
-The Indebtedness Indicator- as a ratio between Net Financial Debts and EBITDA- having as a reference value <3
On December 31, 2022, both indicators were met.

On 31.12.2022, the Company has a financing facility for working capital in the amount of RON 4,943,436 (the equivalent of 1 million EUR) granted by Eximbank, fully used at the end of 2022. In March 2021, the Company accessed a loan bank in the form of an advance on a current account for the current activity, in the amount of EUR 1 million. The loan was granted by Raiffeisen Bank, had a grace period of 12 months for capital repayments, and the final maturity on 15.12.2023. The balance of this facility on 31.12.2022 is in the amount of RON 2,473,700 (the equivalent of EUR 500,000).

d) Leasing and leaseback operations

At the end of 2022, the balance of leasing financing was RON 1.734.245 representing the equivalent of EUR 350.537. Leasing financing was contracted for the purchase of cars necessary for the activity.

e) Fees paid to auditors / censors

In 2022, the company paid the financial auditor the fees according to the contract concluded between the parties.

f) Contingent liabilities and commitments undertaken

The Company has the following commitments:

	31st of December 2022 (lei)
(i) Capital commitments	
(ii) Commitments related to operational leasing contracts in which the Company is tenant	
(iii) Guarantees granted to third parties	1.330.740
(iv) Contingent debts	
(v) Commitments related to pensions	

g) Derivative instruments

The company has no derivative instruments.

h) Commitments received

	31st of December 2022 (lei)
Received pledges and guarantees (letters of bank guarantee for paid advances)	790.646
Other received guarantees	41.295
Total	831.941

i) Related party and jointly controlled parties transactions

The company carried out the following transactions with related parties and jointly controlled parties:

Entity	Relation	Transaction
Solidmet SRL	Related party	Loan received in 2020

(1) Aquisitions of good and services

	31st of December 2021 (RON)	31st of December 2022 (RON)
Aquisition of services		
a) other jointly controlled parties	708.245	-

(2) Balances resulted from sales/aquisition of good and services

	31st of December 2021 (RON)	31st of December 2022 (RON)
Receivables		
a) other jointly controlled parties	397.272	397.272

Receivables in relation to other related parties refer to capital investments made for equipment leased for the purpose of carrying out the Company's business.

(3) Loans received

	31st of December 2021 (lei)	31st of December 2022 (lei)
Loan received from:		
a) related parties	9.896.200	9.894.800
Total	9.896.200	9.894.800

During 2020, Solidmet SRL has granted a loan for the Company amounting EUR 2.000.000 in order to cover the last amounts to be paid for the completion of the Grain Terminal investment project. The loan has a maturity of 5 years starting with 01.05.2020 and and it is not an interest bearer. The loan was also presented in Note 4 as a long-term debt.

j) Other expenses regarding third parties

Descriere	31.12.2021	31.12.2022
Maintenance and repairs expenses	3.464.058	4.995.964
Rent and royalties expenses	8.275.671	11.421.243
Insurance expenses	1.455.309	1.828.807
Studies and research	-	-
Exoenses related to training of personnel	38.557	41.905
Commissions and fees	2.012.533	2.360.299
Protocol, advertising and publicity expenses	1.120.441	2.541.918
Transport of personnel	192.912	225.619
Travel and transfer expenses	164.308	713.842
Post and telecommunications expenses	586.038	582.895
Banking fees and commissions and similar services	2.060.510	1.849.594
Other third party services	13.127.714	22.835.230
Total	**32.498.050**	**49.397.316**

Regarding the maintenance and repair expenses, the company records those maintenance and revision costs that do not meet the capitalization criteria. Rent and royalties expenses include the rent paid to CNAPM for the port teritory. The expenses with commissions and fees include also the costs representing the services provided by the lawyers with whom the company collaborates. Other expenses with the services performed by third parties refer mainly to draft surveys and other cargo inspection services, security services, IT support, etc.

Other expenses

Other expenses in the amount of RON 47,869,940 represent expenses with various services subcontracted from third parties (transport on Danube performed by TTS, loading services performed by DB Schenker) and integrated into the services offered to clients by the Company or, respectively, greening services of the mineral terminal carried out by Ropamial.

k) Turnover

	Financial year ended 31 December 2021 (lei)	Financial year ended 31 December 2022 (lei)
Revenues from services	157.152.745	332.059.236
Revenues from sale of goods	4.082.890	24.857.919
	161.235.635	356.917.155

Revenues from services refer mainly to revenues rendered for bulk raw material handling and storage services, performed for the clients of both terminals belonging to the Company, respectively the Mineral Terminal and the Cereal Terminal.
The revenues from sale of goods refers to the revenues obtained from the valorisation/sale of homogenous of coal and iron ore obtained from the processing of materials mixes resulted as technological losses from handling operations in mineral terminal.

	Financial year ended 31 December 2021 (lei)	Financial year ended 31 December 2022 (lei)
Mineral Terminal turnover	77.137.536	233.544.062
Grain Terminal turnover	84.098.099	123.373.091
	161.235.635	356.917.155

The turnover recorded in both terminals increased significantly compared to the one recorded last year based on the significant increase in the quantities of materials handled, especially in the Mineral Terminal.

Thus, during 2022, the company's activity registered an important expansion against based on the increase in cargo traffic through the Port of Constanța, an increase generated by the aria geo-political context. Thus, as a result of the Russian-Ukrainian war and, implicitly, the closure and/or dramatic restriction of operations through Ukrainian ports, Romania became one of the main transport routes for goods from Ukraine, being used as a transit country. In addition, considering the increase in demand for port operation services, the tariffs applied in the Port of Constanța have also registered increases, generating important revenues and financial results to match.

g) Subsequent events

There are no significant subsequent events.
The Company's performance for January and February 2023 is in line with the Company's management expectations, but uncertainty about the geo-political situation in the region and national decisions related to it may impact the Company, as described in more detail in the Directors' Report. The Company's management closely monitors the situation and will take all necessary measures to reduce any impact.

9 NET CASH FLOW FROM OPERATING ACTIVITY

	Financial year ended 31 December 2021 (RON)	Financial year ended 31 December 2022 (RON)
Operating activities:		
Net profit	32.387.501	104.360.675
Adjustments for net result reconciliation with the net cash used in operating activities:		
Value adjustment of tangible and intangible assets - net	21.519.597	26.247.176
Adjustments for provisions for current assets - net	459.209	1.550.786
Adjustments for provisions for financial assets - net	471.086	8.007.824
Provision adjustments for risks and charges - net		
Profit/(loss) from selling of tangible and intangible assets	118.334	81.943
Income tax	939.833	19.985.076
Interest income	(1.491)	(1.972)
Interest expense	4.005.393	4.005.771
Increase of cash generated from operations before changes in working capital	59.899.462	164.237.277
Changes in working capital:		
(Increase)/decrease in trade receivables Balance and other receivables	7.795.109	(27.196.672)
(Increase)/Decrease in inventories balance	(3.562.020)	(3.838.050)
Increase in trade payables balance and other payables	(2.348.279)	31.732.679
Net cash flow generated from operations	46.194.054	164.935.234

10 CONTINGENCIES AND OTHER LITIGATIONS

(a) Litigations

(1) On December 31, 2022, the Company has several ongoing litigations with Compania Nationala Administratia Porturilor Maritime SA Constanta (CN APM), determined by Comvex`s refusal to pay the tariff for using the port infrastructure (UDP), taking into consideration the following aspects:
- Unilateral increase by CN APM of the tariff for using the port infrastructure in the context of a pre-existing contract providing the parties' obligation to negotiate;
- CN APM's non fulfilment/faulty fulfilment of its contractually assumed obligations.

Thus, starting with January 2015, the Company refused to pay the increased tariff from EUR 0.05 euro /m2/month to 0.08 euro / m2/month, as the increased tariff has no correspondent in the contractual mechanism and starting with April 2015, Comvex invoked the failure to fulfil with the counter services related to the UDP tariff of 0.05 euro /m2/month provided within the agreement concluded with CN APM. Through its refusal to pay the UDP tariff, COMVEX has consistently detailed the reasons underlying such refuses, attaching in this sense justifying photo boards, showing with no doubt that CN APM non fulfilment/faulty fulfilment of its contractually assumed obligations.

The value of the refusals related to the tariff of 0.05 euro /m2 for April 2015 – September 2016 is in the amount of RON 2,813,425.5 without VAT, amount which was provisioned, thusly avoiding the impairment of the future financial position of the Company.

The total value of the refusals related to the tariff of 0.03 euro /m2 amounts to RON 3.666.926 without VAT, amount which cannot impair the financial position of the Company because, as mentioned above, there is no contractual correspondent for that tariff, the Company not recognising any adjustments in the financial statements. We mention that the claims of CNAPM regarding the payment of the counter value of the tariff for using the port infrastructure increased with 0.03 euro /m2/month were already rejected by the Court as having no merits, thusly CNAPM transmitted until now part of the invoices for cancellation of the tariff of 0.03 euro /m2.

On December 31, 2022, the total value of the refused penalties was of RON 6.074.677 from which the amount of RON 2,407,751 represents refused penalties for the tariff of 0.05 euro/m2 and the difference of RON 3.666.926 - represents refused penalties for the increased tariff of 0.05 euro/m2 to 0,08 euro (for which CNAPM did not issue cancellation invoices). We make the same mention that CNAPM has already cancelled part of the penalties for the increased tariff of 0,03 euro/m2. The Company did not recognise any adjustments in the financial statements for the refused penalties. The amount of RON 2,407,751 representing refused penalties related to the rate of 0.05 EUR/m2 was fully provisioned in 2022.

On December 23, 2020 by means of Decision no. 1476/2020 ordered in File no. 6744/118/2015, the Constanta County Court dismissed entirely the claim submitted by CN APM by which they requested the obligation of Comvex to the payment of the amount representing the UDP invoices refused to be paid during the period of 30.01.2015 – 29.01.2016 as well as the related penalties. CN APM has filed an appeal against Decision no. 1476/2020.

By Civil Decision no. 412/07.10.2021 ordered by the Constanta Appeal Court was admitted the appeal introduced by CN APM SA, was partly changed the appealed decision, respectively the related requests were partly admitted, the defendant Comvex SA was obliged to the payment to the plaintiff CN APM SA of the amount of RON 1,924,807.23 representing the tariff for using the port infrastructure calculated for the period of 30.01.2015 – 14.01.2016 at the level of 0,05 euro/m2 and to the payment of delay penalties relative to the tariff for using the port infrastructure calculated at the level of 0,05 euro paid late. The rest of the claims relative to the payment of the counter value of the tariff for using the port infrastructure increased with 0,03 euro/m2/month were rejected as having no merits.

Both Comvex and CN APM introduced appeal against the decision of the Constanta Appeal Court in file 6744/118/2015. The appeal introduced by Comvex targets the request regarding the obligation to the payment of the amount of RON 1,924,807.23 representing the tariff for using the port infrastructure of 0,05 euro/m2 and the relevant penalties, and the appeal introduced by CN APM targets the Court's solution of rejection the request to increase the tariff for using the port infrastructure from 0,05 euro/m2/month to 0,08 euro/m2/month.

Taking into consideration the technical expert assessment reports performed for the file, favourable to the Company, the decision ordered by Constanta County Court on 23rd of December 2020, the superficiality of the reasoning of the appeal decision, the Management of the Company assesses the admission of CN APM's appeal as having minimum chances and respectively real changes for admission for Comvex's appeal.

Against decision no. 412/7.10.2021 ordered by the Constanta Appeal Court, the Comvex Company introduced revision as well. By the decision issued on 25.05.2022 by the Constanța Court of Appeal, Civil Section II, it was ordered to suspend the trial of the case until the resolution of the appeal in file 6744/118/2015, pending before the High Court of Cassation and Justice.

By the Closing of 01.03.2023 the High Court of Cassation and Justice admitted the request made by Comvex and referred the Constitutional Court to the resolution of the exception of unconstitutionality of the provisions of art. 483 para. 2 Civil Procedure Code.
At the same time, the High Court of Cassation and Justice suspended the judgment of the appeals declared by Comvex and CN APM until the resolution of the exception of unconstitutionality.

(2) Other disputes

On the docket of the Constanta County Court, section II civil, it is registered file no. 27863/3/2019*, having as subject: ascertaining the absolute nullity of the operation of transmission of the right of ownership of a number of 40 shares each, issued by Comvex SA, by Mrs. Drăgoi Anca Mihaela and Mrs. Nicola Ruxandra Ioana and a number of 2,050,000 shares each, shares issued by Comvex SA, subscribed during increase of registered share capital, by Mrs. Drăgoi Anca Mihaela and Mrs. Nicola Ruxandra Ioana.

The file is pending in Court, at the stage of merits. The management of Comvex S.A. has taken all required measures in front of the competent courts until this date, contracting legal assistance and qualified representation for the Company, for the best interest of the Company.

The Management of the Company assesses that none of the claims introduced in this Report have any significant adverse effect on the economic results and financial position of the Company.

(b) Processing of personal data

With effect from 25 May 2018, Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95 / 46 / EC ("Regulation") applies in all Member States of the European Union, including Romania. Failure to comply with the Regulation and national legislation on the protection of personal data may result in fines of up to 4% of the overall turnover of the Company or EUR 20 million, whichever is greater.
In this context, the Company has taken the necessary steps to ensure compliance and implementation of the provisions of the Regulation, as well as the national legislation on data protection. However, despite the Company's efforts to ensure compliance with the Regulation, we cannot guarantee that the relevant authorities with the power of interpretation and control, in particular the Supervisory Authority for Personal Data Processing ("ANSPDCP"), with general competence in the field of The protection of personal data will embrace the same conclusions, as they ultimately have the power to assess the compliance of a processing activity with data protection regulations, whenever it exercises control powers. Thus, ANSPDCP may issue opinions different from those expressed and / or implemented by the Company, which may lead to the application of sanctions and implicitly to the impact of the Company's operations or its financial position.

(c) Taxation

The Romanian taxation system underwent multiple modifications in the last years and is in a fhase of adaptation to the European Union legislation. As a result, there are still different interpretations of the fiscal legislation. In various circumstances, the tax authorities may have different approaches to certain issues, and assess additional tax liabilities, together with late payment interest and penalties (currently, 0,03% per day of delay). In Romania, tax periods remain open for tax inspection for 5 years. The Company's management considers that the tax liabilities included in these financial statements are fairly stated.

ADMINISTRATOR	DRAWN UP BY,
Name and surname PANAIT VIOREL	Name and surname OPREA IRINA
Signature_____________________	Position FINANCIAL MANAGER
	Signature_____________

Unit's stamp

Independent Auditor's Report

To the Shareholders of COMVEX SA

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of COMVEX S.A. (the "Company") as of 31 December 2022, and the Company's financial performance and cash flows for the year then ended in accordance with the Order of the Minister of Public Finance of Romania no. 1802/2014 and subsequent changes and amendments ("OMF 1802/2014") and the accounting policies presented in Note 5 to these financial statements.

Our opinion is consistent with our additional report to the Audit Committee dated 21 March 2023.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2022;
- the profit and loss account for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

The financial statements as at 31 December 2022 are identified as follows:

- Total equity Thousand lei 382,507
- Net profit for the year Thousand lei 104,361

The Company's registered office is in Constanța Harbour, Dana 80-84, Romania and the Company's unique fiscal registration code is RO19093360.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Law 162/2017 regarding statutory audit of annual financial statements and annual consolidated financial statements and regarding changes to other regulations and subsequent amendments ("Law 162/2017"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code") and the ethical requirements of the Law 162/2017 that are relevant to our audit of financial statements in Romania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Law 162/2017.

In good faith and based on the best information, we declare that the non-audit services we provided to the Company in the period between January 1 and December 31, 2022 are in accordance with Law 162/2017.

Our audit approach

Overview

Overall materiality:	Company overall materiality is Thousand lei 3,825, which represent 1% of equity as at 31 December 2022.
Key audit matter	Recognition of revenue from production sold

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Company materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole

Overall Company materiality	Thousand lei 3,825
How we determined it	1% of equity (net assets) as at 31 December 2022
Rationale for the materiality benchmark applied	We chose net assets as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by its stakeholders, and it is a generally accepted benchmark. We consider that the equity is the most appropriate benchmark considering the nature of the Company’s activity. We chose 1 %, which in our experience is an acceptable quantitative materiality threshold for this benchmark.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Recognition of revenue from production sold	
For the financial year ended on December 31, 2022, the value of revenues from the sold production increased significantly to 330,162 thousand lei, from 152,546 thousand lei for the financial year ended on December 31, 2021, as a result of the increase in the volume of goods operated by both terminals (Mineral Terminal and Cereal Terminal) as well as due to price increases in 2022. Revenues from sold production mainly include revenues from the provision of bulk cargo reception, storage and handling services to a wide range of customers related to the industries served by each individual terminal (Note 8k). These revenues are recognized as they are realized, that is, as these services are provided to customers (Note 5T). We have focused on this aspect because revenue is one of the Company's key performance indicators and therefore there is an inherent risk in connection with its recognition by management for meeting specific objectives or expectations.	Our audit procedures for evaluating the recognition of revenue from production sold included the following: -testing the effectiveness of the Company's main controls to prevent and detect fraud and errors in revenue recognition. This procedure included testing the controls for revenue recognition based on the services performed, by reference to a sample of transactions; - inspecting contracts with customers, on a sample basis, to understand the terms of sales transactions, and to assess whether the Company's revenue recognition criteria were in accordance with the requirements and accounting standards in force; - the evaluation, on a sample basis, of the recognition in the corresponding financial period of the revenues recorded near the end of the financial year, by comparing the selected transactions with the relevant documentation, including invoices, and ship unloading/loading reports to establish the performance period; - obtaining confirmations of transactions on a sample basis; - examination of the sales register after the end of the financial year to identify if there are significant credit notes issued and, as the case may be, inspect the relevant documentation to assess whether the related revenues have been accounted for in the corresponding financial period; - the examination of collections on a sample basis as well as the assessment of adjustments for the depreciation of receivables

Reporting on other information including the Administrators' Report

The Administrators are responsible for the other information. The other information comprises the Administrators' Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, including the Administrators' Report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Administrators' Report our responsibility is to consider whether the Administrators' Report was prepared in accordance with OMF 1802/2014, articles 489 - 492.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Administrators' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Administrators' Report has been prepared in accordance with OMF 1802/2014, articles 489 - 492.

In addition, in light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Administrators' Report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements, that give a true and fair view in accordance with OMF 1802/2014 and with the accounting policies presented in the Note 5 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Appointment

We were first appointed by Ordinary General Shareholders Meeting as auditors of COMVEX S.A. on 26 January 2018. Our appointment has been renewed by Ordinary General Shareholders Meeting representing a total period of uninterrupted engagement appointment of 6 years, covering the financial years ended 31 December 2017 up to 31 December 2022.

The financial auditor responsible for carrying out the audit resulting in this independent auditor's report is Doina Bîrsan.

Refer to the original signed Romanian version

Doina Bîrsan

Financial Auditor registered with

the Public Electronic Register of financial auditors and audit firms under no. AF4407

Audit firm registered with

the Public Electronic Register of financial auditors and audit firms under no FA6

Bucharest, 21 March 2023

COMVEX
DIRECTORS REPORT FOR THE FINANCIAL YEAR 2022

General introduction

COMVEX S.A. was incorporated in 1991, being the largest bulk raw material handling terminal in the Black sea area, covering a 700,386 sqm total surface in the South of Constanta Port, Romania.

The Company`s registered office is in Constanta, Constanta Port, Berth 80-84, being registered with the Trade Register under no J13/622/1991 and having sole fiscal code RO1909360.

COMVEX terminal is the market leader, specialised in handling, storing and transshipment of dry bulk minerals such as iron ore, coal, coke, bauxite, operating from a modern and fully equipped facility location in the Constanta Port.

Comvex is the only terminal operating solid bulk goods in the Black Sea area, that has the capacity to cater for Cape size vessels (up to 220,000 tdw), holding a discharge line at the maritime quay formed of 5 berths with a total length of 1,400 m and water depth comprised between 10.8 and 18.5 m. In addition, COMVEX benefits geographically from having access through the waterway network which includes the Danube, being located within the close vicinity of the East end of the Danube-Black Sea Canal, so that Constanta Port is at the same time a Danube river port.

Due to its location and excellent access potential to industrial areas in Europe, COMVEX is able to provide its customers, such as major bulk raw material providers in Australia, Brazil, India, Africa, USA and Canada, the ability to make deliveries to industrial plants in Romania, Hungary, Austria, Ukraine, Bulgaria, and Serbia, on a "just in time" basis.

Apart from the existing Minerals Terminal, COMVEX has developed a Grain Terminal in Berth 80, covering an approximately 60,000 sqm surface. The location provides important logistic advantages, respectively: the deepest berth in the Black Sea, vicinity with the barges terminal (the vicinity with the Danube - Black Sea Canal) for river transport from Danube neighbour countries, direct and easy access to the railway, short distance and direct access to highway A2. Thus, COMVEX will provide grain producers in Romania, Hungary, Serbia, Bulgaria the possibility to deliver the obtained production on great capacity ships, 100,000-120,000 tdw.

The Company has implemented an integrated management system, being certified on quality management standards ISO 9001:2015, environment management system according to ISO 14001:2015 and health and security at work management system according to ISO 45001:2018. Additionally, the Grain Terminal is certified according to ISO standard 22000:2018 (food management system). It is also compliant with the requirements of the International Ship and Port Facility Code Security (ISPS).

The Company carries out its activity by applying internal control standards and procedures, by complying with the requirements of all hierarchic and operational levels: approval, authorization, verification, operating performances assessment, assets securing, separation of positions. As for the human resources policy, the Company considered its employees' professional training according to the position assignments and responsibilities. To assess the internal control, the Company's management implemented the Internal Organization Rule and the internal procedure manuals. The internal auditors are those assessing the internal control system of the Company and they offer an impartial and professional analysis of the company's risks.

In relation to the shareholders, Comvex applies the transparency principles provided by the capital market legislation in force. Moreover, in view of assuring a greater transparency, Comvex follows the Principles of Corporate Governance. Assuring an organized working frame, based on strong principles, helps on the long term to maximize the value, both for the shareholders, and for the interested public.

Information on shareholders

Comvex is traded on the Alternative Trading system managed by the Bucharest Stock Exchange (AeRO), having the symbol CMVX.

Its share capital amounts to RON 29,139,927.5, divided in 11,655,971 nominative, dematerialized shares, having a nominal value of RON 2.5 lei/share. The shareholders ledger is managed by the Central Depository S.A.

On 31.12.2022, the share capital structure was as follows:

Shareholder	No. of shares	Percentage (%)
Solidmet SRL	3,576,953	30.6877%
Liberty Holdco Galati& Skopje Limited loc. Londra GBR	3,277,526	28.1189%
Ruxandra-Ioana Nicola	2,050,040	17.5879%
Anca Mihaela Drăgoi	2,050,040	17.5879%
Other shareholders-individuals	482,677	4.1410%
Other shareholders-legal entities	218,735	1.8766%
Total	**11,655,971**	**100.00%**

Company management

Board of Directors

The Company is managed based on the unitary system by a Board of Directors, made up of 5 (five) members, for a 4 (four) years mandate each.

The Board of Directors is assigned to take all the required and useful actions for the achievement of the Company's object of activity, except for those provided by law as being in the exclusive charge of the General Meeting of Shareholders.

The members of the Board of Directors will fulfil their mandate with the prudence and diligence of a good administrator, with loyalty, in the Company's best interest and they will not disclose confidential information and the commercial secrets of the Company they have access to, in their capacity as directors, including after the termination of their mandate as directors. Also, the Directors of the Company must attend all General Meetings of Shareholders.

The Board of Directors represents the Company in relation to third parties and in court, through its Chairman. The Board of Directors delegated the Company's management to the General Manager.

The Board of Directors conducts the current management of the Company, having the duties provided for in the Articles of Incorporation of COMVEX S.A.

1. Between 1st of January –23rd of September 2022

From 1st of January to 23rd of September 2022 the Board of Directors was as follows:

- Viorel PANAIT – President
- Dan Ion DRĂGOI – Member of the Board
- Corneliu Bogdan IDU - Member of the Board
- Edmond Costin ȘANDRU – Member of the Board
- Marian Gheorghe BUTUȘINĂ – Member of the Board

The remuneration of the Directors is decided by Comvex general meeting of shareholders in accordance with the provisions of the Company Law no. 31/1990 and the Articles of incorporation of the Company. By means of the decision of the Ordinary General Meeting of Shareholders no. 345 from the 5th of August 2021 was approved the remuneration policy for the management of the Company, drawn up according to art. 92^1 of Law no. 24/2017 relative to the issue of financial instruments and market operations, as further amended and supplemented.

In order to observe the legal provisions in force in the domain of the principles of corporate governing, the Company paid the remuneration and benefits granted to the directors and the General Manager in compliance with the decisions passed by the Ordinary General Meeting of Shareholders and in compliance with the mechanism established by the Ordinary General Meeting of Shareholders no. 303 and 304 of 24st of September 2018, respectively:

- By decision of the Ordinary General Meeting of Shareholders no. 303 of September, 2018, it has been decided as follows: "during the term of office *2018-2022, the remuneration for the members of the Board of Directors shall be maintained at the level established by the decision of the Ordinary General Meeting of Shareholders no.*

214/25.09.2014, respectively 50% from the gross remuneration of the General Manager. During the term of office, for the members of the Board of Directors the costs related to communication, transport, car delegation, daily subsistence, accommodation, protocol, a private pension insurance, as well as health insurance will be borne."

- By decision of the Ordinary General Meeting of Shareholders no. 304 of September 24, 2018, there have been set the additional remunerations for the members of the Board of Directors, as follows: during the term of office 2018-2022, the general limits of the additional remunerations for the members of the Board of Directors shall be maintained at the level established by the decision of the Ordinary General Meeting of Shareholders no. 215/25.09.2014, respectively, between 10% and 30% of the remuneration of the directors".

  Thusly, according to the decision of the Ordinary General Meeting of Shareholders no. 304 of September 24, 2018, the general limits of the fix additional remuneration granted to the members of the Board of Directors that fulfil specific duties within the Board, respectively the members of the Audit Committee, the Remuneration Committee and Project Analysis Committee for the participation in the committees are set between 10% and 30% from the remuneration of the directors.

- The general limits of the remunerations granted to the General Manager were set by the decision of the Ordinary General Meeting of Shareholders, respectively: between 5 and 30 Company average gross salaries. In accordance with the approval of the General Meeting of Shareholders, the Board of Directors established the remuneration of the General Manager at 15 Company average gross salaries*.

In the table below it is detailed the method for determining the remuneration granted to the directors and the general manager, by reference to the above mentioned mechanism, for the period 1st of January - 23rd of September 2022, including:

Year 2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Average gross salary/company	6.588	6.920	7.685	6.920	7.605	7.244	7.287	7.500	15.066	8.511	8.029	14.256
No. Employees	372	361	363	363	371	375	384	387	393	392	396	397

Note: The average gross salary includes basic salary, allowances, salary supplements, bonuses and other additions.

Furthermore, the Company implemented a management system based on key performance indicators, applicable to the Company management as well as all the staff, that is part of the remuneration policy. The evaluation system based on the key performance indicators (KPI) shall be reflected in a set of indicators relevant for the achievement of the Company's objectives.

2 Between 23rd of September –31st of December,2022

Following the expiration of the mandate of the Board of Directors on 23rd of September 2022, the General Meeting of Shareholders met to appoint the Board of Directors for a new 4-years mandate.

The Board of Directors appointed by the decision of the Ordinary General Meeting of Shareholders no. 364 of 23rd of September 2022, for a 4 years mandate, i.e. 2022 - 2026, has the following composition:

Name and Surname	Position
Viorel PANAIT	President C.A.
Dan-Ion DRĂGOI	Member C.A.
Corneliu Bogdan IDU	Member C.A.
George CHIOCARU	Member C.A.
Edmond Costin ȘANDRU	Member C.A.

The remuneration of the directors is determined by the General Meeting of Comvex Shareholders in accordance with the provisions of Law no. 31/1990 and the Company's Articles of Association. By the decision of the Ordinary General Meeting of Shareholders no. 365 dated 23rd of September 2022, the Remuneration Policy for the Company's management structure was approved, drawn up in accordance with the provisions of Article 106 of Law no. 24/2017 on issuers of financial instruments and market operations, republished, as further amended and supplemented.

In order to observe the legal provisions in force in the domain of the corporate governing, the Company paid the remuneration and benefits granted to the Directors and the General Manager in accordance with the decisions passed by the General Meeting of Shareholders and in compliance with the mechanism established by the decisions of the Ordinary General Meeting of Shareholders no. 366 and 367 dated 23rd of September 2022, namely:

- By decision of the Ordinary General Meeting of Shareholders no. 366 dated 23rd of September 2022, it has been decided as follows: "During the 2022 – 2026 mandate, the remuneration of the members of the Board of Directors shall be maintained at the level of that established by the decision of the Ordinary General Meeting of Shareholders no. 303/24.09.2018, respectively 50% from the gross remuneration of the General Manager. During their mandate, for the members of the Board of Directors cost related to communication, transport, vehicle, delegations, daily subsistence, accommodation, protocol, private pension insurance and health insurance will be borne".

- By decision of the Ordinary General Meeting of Shareholders no. 367 dated 23rd of September 2022, there have been set the additional remunerations for the members of the Board of Directors, as follows: "During the 2022 – 2026 mandate, the general limits of the additional remuneration for the members of the Board of Directors shall be maintained at the level established by the decision of the Ordinary General Meeting of Shareholders no. 304/24.09.2018, respectively between 10% and 30% of the remuneration of the directors".

  Thus, according to the OGMS decision no. 367 of 23rd September 2022, the general limits of the fix additional remuneration granted to the members of the Board of Directors that fulfilled specific duties within the Board, respectively the members of the Audit Committee, the Remuneration Committee, the Project Analysis Committee and the Corporate Structuring and Internal Organisation Committee for the participation in the committees are set between 10% and 30% from the remuneration of the directors.

- The general limits of the remuneration granted to the General Manager were set by the decision of the Ordinary General Meeting of Shareholders, respectively: between 5 and 30 Company average gross salaries. In accordance with the approval of the General

Meeting of Shareholders, the Board of Directors established the remuneration of the General Manager at 15 Company average gross salaries.

In the table below it is detailed the method for determining the remuneration granted to the directors and the general manager, by reference to the above mentioned mechanism, for the period 23rd of September – 31st of December 2022:

Year 2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Average gross salary/company	6.588	6.920	7.685	6.920	7.605	7.244	7.287	7.500	15.066	8.511	8.029	14.256
No. Employees	372	361	363	363	371	375	384	387	393	392	396	397

Note: The average gross salary includes basic salary, allowances, salary supplements, bonuses and other additions.

Furthermore, the Company implemented a management system based on key performance indicators, applicable to the Company management as well as all the staff, that is part of the remuneration policy. The evaluation system based on the key performance indicators (KPI) shall be reflected in a set of indicators relevant for the achievement of the Company's objectives.

Activity evolution

During the year 2022, through Comvex Terminals there have been operated a number of 268 ships with bulk raw materials, out of which 158 within the Mineral Terminal and 110 within the Grain Terminal.

A far as the Mineral Terminal is concerned, the Company has taken all the measures for constant improvement of the activity within the Terminal as well as the performance of the activity at the highest standards for the clients. During the year 2022, through the Mineral Terminal there have been performed handling, storage and transhipment of the bulk raw materials services, such as iron ores, coking coal, bauxite, coke, scrap iron for clients such as Ferrexpo Middle East, Transport Trade Services, Liberty Galati, Danube Shipping Management, Alum SA Tulcea, Metinvest International SA, Romcim (previously known as CRH) Romania, Holcim Romania, Vitol Swiss, Glencore International AG, Danube Transport Services (DTS)

In order to diversify its activity, apart from the Mineral Terminal, the company developed a Grain Terminal within Berth no. 80, with a 200.000 tons capacity. 2022 was the second year in which the Grain Terminal was fully functional.

The development of a Grain Terminal within the deepest berth at the Black Sea as well as the East of the Mediterranean Sea, allows direct operation of grain vessels of over 100,000 tdw, which represents an important competitive advantage both for Comvex and Constanta Port. Comvex Terminal is a premier for Romania and it is opening Constanta Port hinterland markets towards global destinations.

Through the Grain Terminal there have been performed handling, storage and transhipment for clients such as Viterra Agriculture Romania, Al Dahra Agriculture Romania, TOI Commodities S.A., Trade Agro Union SA, Cerealcom Dolj, Global Grain International,.Quadra Commodities SA,

During the year 2022, the Company carried out the specific activities without causing major environmental consequences and were not noted any non-compliance with the conditions provided by the Environmental Permit no. 24/27.01.2021 issued by the Environmental Protection Agency of Constanta.

Main economic-financial ratios

The analysis elements from this report are substantiated by the data in the annual financial statements drafted on 31.12.2022 in accordance with Accounting Law no. 82/1991, as republished, Company Law 31/1990, as further amended and supplemented, republished, by the provisions included in Ministry of Finances Order no. 1802/2014 for the approval of Accounting Regulations regarding individual annual financial statements and the consolidated annual financial statements.

Comvex S.A. has been considering the fulfilment of its obligations under the law as regards the correct, accurate and up-to-date organization and management of the accounting. The assessment, registration in the unit accounting and presentation of patrimony elements was performed in compliance with the principles, policies and accounting methods. The receivables and debts in foreign currency were converted into RON considering the foreign currency exchange rates on the date of 31.12.2022.

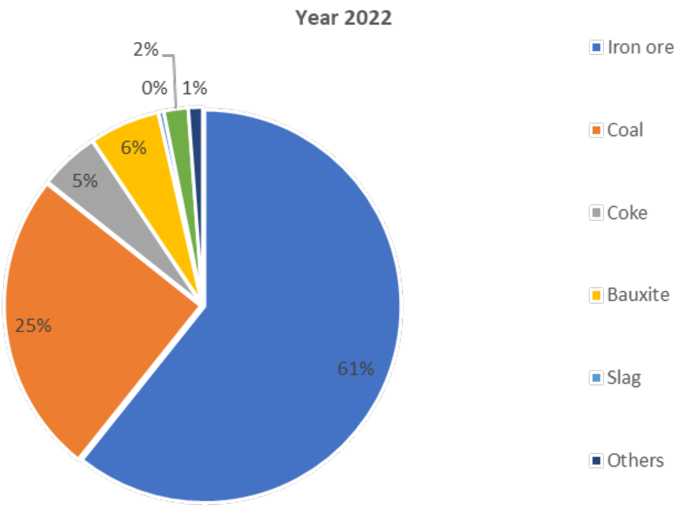
Ratios	***MU***	**Year 2021**	**Year 2022**
Handled tons MT	*Tons*	7,427,791	9,143,888
Handled tons GT	*tons*	5,052,297	5,306,057
Turnover	*Lei*	161,235,635	356,917,155
Total revenues, out of which:	*Lei*	171,383,070	387,887,868
Operating	*Lei*	169,798,710	*382,149,897*
Financial	*Lei*	1,584,360	*5,737,971*
Total expenses, out of which:	*Lei*	138,055,736	263.542.116
Operating	*Lei*	*130,703,866*	*255,472,087*
Financial	*Lei*	7,351,870	*8,070,029*
Net profit	*Lei*	32,387,501	104,360,675
Fixed assets	*Lei*	436,544,733	427,295,613
Cash available	*Lei*	18,463,924	103,305,940
Receivable	*Lei*	27,119,358	52,300,027
Stocks	*Lei*	20,900,048	26,331,627
Debts	*Lei*	192,815,710	215,945,213

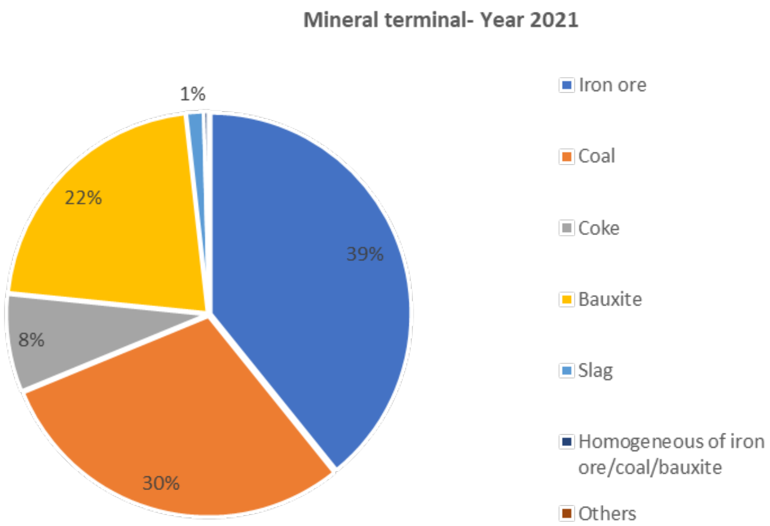
The Mineral Terminal operated in 2022 a total quantity of 9,143,888raw materials tons, approximately 23% more than the quantity operated during the previous year (7,427,791 tons of bulk raw materials). During the entire year of 2022 there have been operated 158 maritime vessels, compared to 138 vessels during 2021.

The distribution by types of goods of the total handled quantity (tons) within Comvex Mineral Terminal is as follows:

Translation from the Romanian language; Romanian version shall prevail

	Year 2021	**Year 2022**
	tons	tons
Iron ore	2,911,997	5,552,362
Coal	2,197,216	2,282,593
Coke	581,496	450,479
Bauxite	1,604,552	530,109
Slag	101,928	39,568
		-
Homogeneous of ores/coal/bauxite	28,279	181,731
Others		107,047
	7,427,791	**9,143,888**

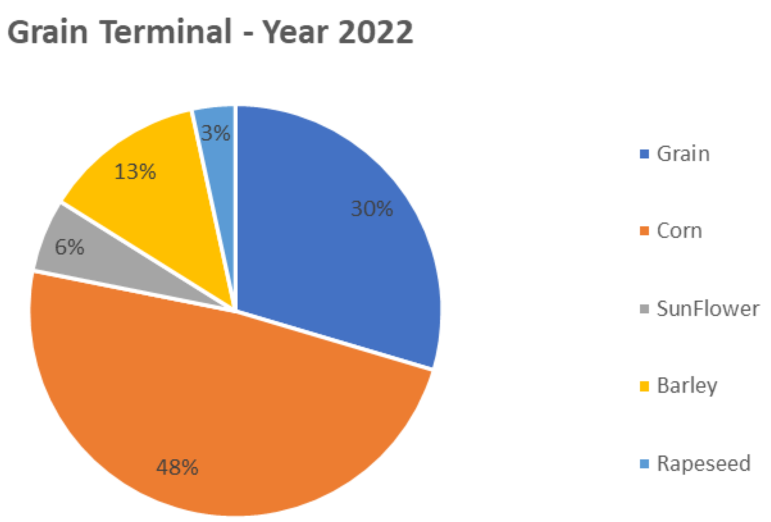


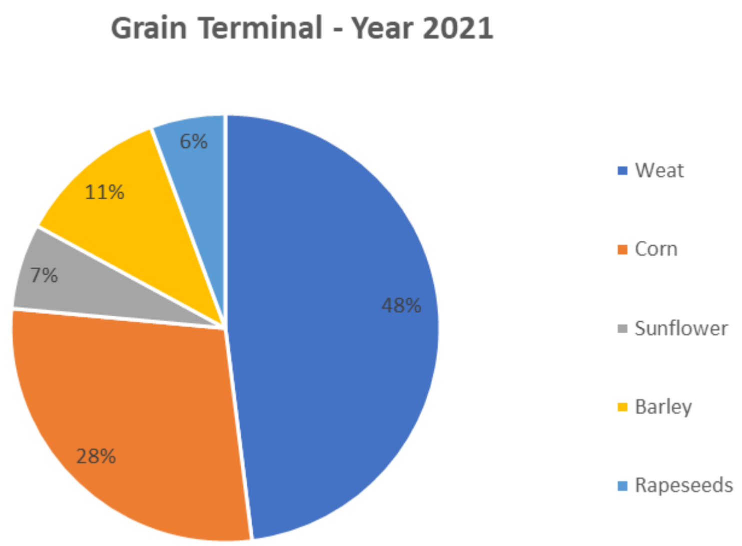


Translation from the Romanian language; Romanian version shall prevail

The distribution by types of goods of the total handled quantity (tons) within Comvex Grain Terminal is as follow:

	Year 2021	Year 2022
	tons	tons
Wheat	2,426,109	1,571,119
Corn	1,437,354	2,576,095
Sunflower	326,384	305,090
Barley	577,147	672,508
Rapeseed	285,302	181,245
	5,052,297	**5,306,057**





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Total Revenues (lei)

	Year 2021	Year 2022
Turnover, out of which	161,235,635	356,917,155
Revenues from the sale of goods	*4,082,890*	*24,857,919*
Other revenues	8,563,075	25.232.742
Financial revenues	1,584,360	5.737.971
Total revenues	171,383,070	387.887.868

The turnover (lei) split by clients and the two Terminals is as follows:

Client	**Year 2021**	**Year 2022**
	RON	RON
Ferrexpo Middle East		61,705,635
Transport Trade Services	17,262,870	38,518,662 2
Liberty Galati	28,803,665	21,181,033
Danube Shipping Management	133,934	15,817,234
Metinvest International SA		15,161,548
Vitol Elvetia	4,150,845	13,728,204
Glencore International AG	2,433,219	12,033,857
Ascom International	14,620	12,018,756
Romcim CRH România	5,781,468	9,793,595
Hansa Commodities		6,405,760
Alum Tulcea	9,670,172	5,203,985
Danube Transport Service		5,038,473
Promet Steel JSC		4,016,249
Holcim Romania	5,392,194	3,105,011
Steinweg	119,526	2,728,541
Heildelbergcement Romania		1,900,192
PSJ ArcelorMittal Khryvyi		999,963
Others	3,375,023	4,187,363
Total turnover MT	**77,137,536**	**233,544,062**

Translation from the Romanian language; Romanian version shall prevail

Client	**Year 2021**	**Year 2022**
Viterra (former Glencore)	36,027,070	45,511,367
Al Dahra	30,984,640	36,277,615
TOI Commodities	5,557,013	19,564,678
Trade Agro Union		14,750,555
Global Grain International	5,567,110	1,026,873
Cerealcom	4,573,282	5,087,174
Others	1,388,984	1,154,828
Total turnover TC	**84,098,099**	**123,373,091**

The iron ore was handled for the steel factories of Galati – Romania Smederevo – Serbia, Linz-Austria and Kosice-Slovacia, as well as for end-users in Algeria, China, Turkey, Italy. The coking coal was unloaded for the complex of Dunajvaros in Hungary,and Arcelor Mitall Kryvyi Rih Ucraina. Energy coal/PCI for the thermal power stations of Romania, for cement factories from Romania Serbia, Slovakia, Poland and Moldavia. The anthracite coal, for the steel plants and cement factories from Serbia and Bosnia. The slag was destined for Holcim cement factories. The petroleum coke went to Romcim and Holcim cement factories in Romania and to Moravacem Serbia. Metallurgical coke was shipped to steel plants in Serbia, Italy, Belgium and Turkey. , The destination for the bauxite was the alumina factory Alum Tulcea.. The coal homogeneous was used by the Romcim and Heidelberg cement plants in Romania. And the iron ore homogeneous was shipped to China.

The raw materials have been dispatched to the beneficiaries by mean of maritime vessels, or by railway (wagons), by river (barges) or by road (trucks).

The Mineral Terminal turnover has increased significantly, compared with the one registered the previous year, due to the significant increase of the quantities of raw materials handled through the terminal.

Thus, during 2022, the Company's activity has recorded an important expansion on the background of the increase of cargo traffic through the port of Constanta, increase generated by the geo-political context within the area. Therefore, as a result of the Russian-Ukrainian war and, implicitly, the closure and/or dramatic restriction of operations through Ukrainian ports, Romania has become one of the main transport routes for goods from Ukraine, being used as a transit country. In addition, given the increasing demand for port operation services, the tariffs charged in the port of Constanta have also increased, generating significant revenues and accordingly financial results.

The grains handled through the Grain Terminal have been dispatched to Saudi Arabia, Cyprus, Egypt, United Arab Emirates, France, Greece, Jordan, Israel, Lebanon, Libya, The Netherlands, Portugal, Spain, Sudan, Tunisia, Turkey, Belgium, Yemen, Great Britain and Italy.

The Grains Terminal turnover has increased by approx.) 50% compared with the one registered the previous year, due to the significant increase of the quantities of raw materials handled through the Terminal, in the same context as above.

The financial revenues represent favourable differences of foreign exchange rates.

Total Expenses (lei)

	Anul 2021	**Anul 2022**
	RON	RON
Personnel expenses	41.480.190	57.360.741
Expenses with materials, consumables, other auxiliary materials	11.333.110	18.643.425
Repairs expenses	3.464.058	4.995.964
Expenses for the sales of goods	3.572.433	21.878.971
Utilities expenses	12.152.819	22.831.124
Rent expenses	8.275.671	11.421.242
Depreciation expenses	21.608.922	24.105.605
Terminal greening expenses	3.572.433	21.530.207
Other operating expenses, including third parties services	24.233.657	52.719.732
Income tax expenses	1.010.573	19.985.076
Cheltuieli financiare	7.351.870	8.070.029
Financial expenses	**138.055.736**	**263.542.116**

Personnel expenses include the expenses related to personnel (wages and due contributions) as well as the directors. The increase in salary expenses is due (i) to the increase of the RON/EUR exchange rate (salaries being set in euros and paid in lei.), (ii) to the increase of the number of employees from 365 employees at the end of 2021 to 397 employees at the end of 2022.(the increase was due to the necessity of personnel for performance of the Grain Terminal's activity) but also (iii) granting performance bonuses to employees during 2022 for accomplishing the performance indicators (KPIs), following the assessment of their individual performances in order to achieve the Company's objectives.

Out of the total rent expenses, the amount of lei 4,063,752 represents the rent paid to CN APM compared to lei 4,017,827 in 2021. The rest of expenses with rents represent rents for specialized equipment and machineries for cargo handling activity, expenses that registered an increase in 2022 compared to 2021 in close connection with the increase in activity of the Mineral Terminal.

Depreciation expenses increased due to the increase of the quantity of raw materials handled through the Mineral Terminal. The accounting policy relative to the estimation of the forecasted manner of consuming future economic benefits incorporated in the depreciable assets of the Mineral Terminal takes into consideration (i) economic-financial context in which the Company is developing its activity and (ii) the fact that, even though the activity of the Mineral Terminal is not a constant one, however it is necessary for the Terminal equipments to be adjusted in order to be able to handle the peaks of activity in direct relation to the commissioned vessels and the evolution of the related industry.

Thusly the accountant policy relative to the estimation of the forecasted manner of consuming future economic benefits incorporated in the depreciable assets of the Mineral Terminal is the depreciation method in accordance with the provisions of OMFP 1802/2014, article 240 point (1) para. d) respectively "the depreciation calculated per unit of product or service" for tangible fixed assets that are directly involved in operating the remaining quantities to be handled during the period of remaining service life of the equipments of the Comvex Mineral Terminal.

The other tangible fixed assets related to the Grain Terminal, respectively other shared assets that are used for the activity of both terminals, shall continue to be depreciate based on the method of straight line depreciation. For this the depreciation shall be determined based on the entry value, by applying the straight line depreciation method during the estimated service life of the assets.

Other operating expenses include expenses with insurances, telecommunications, as well as other services rendered by third parties.

Out of the total financial expenses amounting to lei 8,070,029, the amount of lei 4,005,771 represents the expenses with the interests related to the loans and leasing agreements, the rest representing negative exchange rate differences.

Net profit

The Company registered in 2022 a net profit of lei 104,360,675, as compared to lei 32,387,501 in 2021. The profit increase was generated by the increase of the turnover as it was detailed above.

Fixed assets

The fixed assets at the end of 2022 amounted to lei 427,295,613, compared to lei 436,544,733. The decrease of the balance of the fixed assets was influenced by their depreciation.

There has not been performed a revaluation of the fixed assets existing in the patrimony at the end of 2022.

Stocks

The increase of the stocks compared to the end of 2021 was directly due to the increase of activity registered in 2022. Out of the total of lei 26,311,627 stocks on December 31, 2022, the amount of lei 5,381,271 represents stocks of materials for investments and the amount of lei 14,344,916 represents spare parts.

Receivables

The increase of receivables in stock on 31st of December 2022 compared to the end of 2021 was directly due to the increase of turnover, especially relative to the Mineral Terminal.

Cash availability

The cash available on December 31, 2022 was in the amount of lei 103,305,940, compared to the amount of lei 18,463,924 available on December 31, 2021. The increase of cash availability was directly due to the increase of Company turnover.

Debts

Out of the total of lei 215,945,213 debts in balance at the end of2022, the amount of lei 142,284,249 represents the amounts due to credit institutions for contracted bank loans, out of which the amount of lei 134,867,113 (respectively EUR 27,260,200) represents the balance of the bank loan for financing the Grain Terminal. In 2022 the company reimbursed the capital rate in total amount of EUR 5,112,00 for this bank loan.

The balance of the leasing financing is the amount of lei 1,734,245, representing the equivalence of EUR 350,537.

Litigations

On December 31, 2022, the Company has several ongoing litigations with Compania Nationala Administratia Porturilor Maritime SA Constanta (CN APM), determined by Comvex`s refusal to pay the tariff for using the port infrastructure (UDP), taking into consideration the following aspects:

i. Unilateral increase by CN APM of the tariff for using the port infrastructure in the context of a pre-existing contract providing the parties' obligation to negotiate;
ii. CN APM's non fulfilment/faulty fulfilment of its contractually assumed obligations.

Thus, starting with January 2015, the Company refused to pay the increased tariff from EUR 0.05 euro /m2/month to 0.08 euro / m2/month, as the increased tariff has no correspondent in the contractual mechanism and starting with April 2015, Comvex invoked the failure to fulfil with the counter services related to the UDP tariff of 0.05 euro /m2/month provided within the agreement concluded with CN APM. Through its refusal to pay the UDP tariff, COMVEX has consistently detailed the reasons underlying such refuses, attaching in this sense justifying photo boards, showing with no doubt that CN APM non fulfilment/faulty fulfilment of its contractually assumed obligations.

The value of the refusals related to the tariff of 0.05 euro /m2 for April 2015 – September 2016 is in the amount of lei 2,813,425.5 without VAT, amount which was provisioned, thusly avoiding the impairment of the future financial position of the Company.

The total value of the refusals related to the tariff of 0.03 euro /m2 amounts to lei 3,666,926 without VAT, amount which cannot impair the financial position of the Company because, as mentioned above, there is no contractual correspondent for that tariff, the Company not recognising any adjustments in the financial statements. We mention that the claims of CNAPM regarding the payment of the counter value of the tariff for using the port infrastructure increased with 0.03 euro /m2/month were already rejected by the Court as having no merits, thusly CNAPM transmitted until now part of the invoices for cancellation of the tariff of 0.03 euro /m2.

On December 31, 2022, the total value of the refused penalties was of lei 6,074,677 from which the amount of lei 2,407,751 represents refused penalties for the tariff of 0.05 euro/m2 and the difference of lei 3,666,926 - represents refused penalties for the increased tariff of 0.05 euro/m2 to 0,08 euro (for which CNAPM did not issue cancellation invoices). We make the same mention that CNAPM has already cancelled part of the penalties for the increased tariff of 0,03 euro/m2. The Company did not recognise any adjustments in the financial statements for the refused penalties.

On December 23, 2020 by means of Decision no. 1476/2020 ordered in File no. 6744/118/2015, the Constanta County Court dismissed entirely the claim submitted by CN APM by which they requested the obligation of Comvex to the payment of the amount representing the UDP invoices refused to be paid during the period of 30.01.2015 – 29.01.2016 as well as the related penalties. CN APM has filed an appeal against Decision no. 1476/2020.

By Civil Decision no. 412/07.10.2021 ordered by the Constanta Appeal Court was admitted the appeal introduced by CN APM SA, was partly changed the appealed decision, respectively the related requests were partly admitted, the defendant Comvex SA was obliged to the payment to the plaintiff CN APM SA of the amount of 1,924,807.23 lei representing the tariff for using the port infrastructure calculated for the period of 30.01.2015 – 14.01.2016 at the level of 0,05 euro/m2 and to the payment of delay penalties relative to the tariff for using the port infrastructure calculated at the level of 0,05 euro paid late. The rest of the claims relative to the payment of the counter value of the tariff for using the port infrastructure increased with 0,03 euro/m2/month were rejected as having no merits.

Both Comvex and CN APM introduced appeal against the decision of the Constanta Appeal Court in file 6744/118/2015. The appeal introduced by Comvex targets the request regarding the obligation to the payment of the amount of 1,924,807.23 lei representing the tariff for using the port infrastructure of 0,05 euro/m2 and the relevant penalties, and the appeal introduced by CN APM targets the Court's solution of rejection the request to increase the tariff for using the port infrastructure from 0,05 euro/m2/month to 0,08 euro/m2/month.

By decision of 01.03.2023, the High Court of Cassation and Justice admitted the application filed by Comvex and referred the matter to the Constitutional Court for a ruling on the exception of unconstitutionality of Article 483 para. 2 Civil Procedure Code.

At the same time, the High Court of Cassation and Justice suspended the proceedings on the appeals filed by Comvex and CN APM until the ruling on the exception of unconstitutionality.

Taking into consideration the technical expert assessment reports performed for the file, favourable to the Company, the decision ordered by Constanta County Court on 23rd of December 2020, the superficiality of the reasoning of the appeal decision, the Management of the Company assesses the admission of CN APM's appeal as having minimum chances and respectively real changes for admission for Comvex's appeal.

Against decision no. 412/7.10.2021 ordered by the Constanta Appeal Court, the Comvex Company introduced revision as well. By a decision rendered on 25.05.2022 by the Court of Appeal of Constanta, Civil Division II, the case was suspended until the appeal in case 6744/118/2015, pending before the High Court of Cassation and Justice, is decided.

On the docket of the Constanta County Court, section II civil, it is registered file no. 27863/3/2019*, having as subject: ascertaining the absolute nullity of the operation of transmission of the right of ownership of a number of 40 shares each, issued by Comvex SA, by Mrs. Drăgoi Anca Mihaela and Mrs. Nicola Ruxandra Ioana and a number of 2,050,000 shares each, shares issued by Comvex SA, subscribed during increase of registered share capital, by Mrs. Drăgoi Anca Mihaela and Mrs. Nicola Ruxandra Ioana.

The file is pending in Court, at the stage of merits. The management of Comvex S.A. has taken all required measures in front of the competent courts until this date, contracting legal assistance and qualified representation for the Company, for the best interest of the Company.

The Management of the Company assesses that none of the claims introduced in this Report have any significant adverse effect on the economic results and financial position of the Company.

Profit distribution

	lei
Gross profit as of 31.12.2022:	**124,345,751**
Tax on related profit	*19,985,076*
Net Profit as of 31.12.2022:	**104,360,675**

It is proposed to the General Meeting of Shareholders that the net profit to be distributed on December 31, 2022 in the amount of lei 104,360,675 to remain undistributed.

Investment activity

In 2022, the total capital expenditure was the amount of 16,611,743lei, out of which 11,223,539lei represents investments in tangible fixed assets in progress.

An important part of the capital expenditure was registered relative to the Grain Terminal, consisting in investments for the increase of the capacity of unloading grains from barges.

In the first year and half of operation of the Grain Terminal, Comvex identified the possibility of improving the capacity of unloading grains from barges, which would result in the increase of the handled quantity of grains.

Unloading barges is the most sensitive operation. There are numerous factors which are outside of the Company's control and which affect the efficiency of this operation. Sometimes some of these factors may appear simultaneously. During such periods, the occurrence of such factors decreases significantly the capacity of unloading the barge, may create disagreements between clients and, as consequence, may create losses to Comvex and its clients.

The Company's priority is to offer the highest level of handling and storage services for grains, thusly gaining the trust of its clients, offering the opportunity of increasing the quantities handled through Constanta Port.

The investment consists in building a new system for unloading barges, which shall increase the daily reception capacity with approx. 3,000 tm yearly, this improvement shall bring about an additional volume of 400,000 tm of grains through the Comvex Terminal, which shall bring additional income of approx. 2 million EUR.

The project has been completed by the end of 2022 and fixed assets shall be put into operation during the first part of 2023.

Revenues and expenses budget for 2023

Comvex`s orientation for 2023 is materialised in the continuous improvement and growth of its activity and maintaining the high-quality standards of the services provided for the Company's clients.

The launch and promotion of the Grain Terminal represented a constant concern for Comvex representatives` at all levels. Comvex shall continue to promote the capacity of the Project, by way of emphasising its unique features and confirming the Company`s cooperation intentions that have been previously discussed with various potential clients of the Grain Terminal.

We are considering the most relevant grain producers in Romania and across the hinterland of Constanta Port, as well as local and global traders with operational interest in this hinterland.

The revenues and expenses budget for 2023 is based on a total quantity of 5.4 million tons manipulated in the Grain terminal and 7.4 million tons of cereals manipulated in the MineralTerminal. The envisaged quantities for both terminals have been estimated by taking into consideration all the agreements and discussions with all existent and/or potential clients.

The quantity received in the Grain Terminal was estimated at the same level as the one from the previous year, based on the agreements already concluded for the agricultural season 2022-2023 as well as agreements and discussions with existing and/or potential clients for the agricultural season starting with June 2023.

Operational expenditure for 2023 has been budgeted based on the analysis of the previous year expenditure and adjustments based on estimated increases of tariffs and prices for utilities, fuel, etc and activity volume estimated for 2023 in relation to each terminal.

Personnel costs have been estimated based on the existing activity volume from 2023, the existing number of employees, and the provisions of the collective labour agreement. The expenditure with the TESA (technical, clerical and administrative) personnel, as well as the expenses with technical personnel have been allocated to the two Terminals based on the estimated activity to be performed by these personnel in relation to each Terminal. General and administrative expenses have been allocated equally between the two Terminals.

For the Mineral Terminal the expenditures with the maintenance of the equipment were budgeted according to the preventive repairs and estimated revisions which are considered necessary to the proper operation of the equipments and machinery, considering their operational status and age. For the Grain Terminal, the utilities and equipment maintenance expenditure was estimated considering the technical and operational parameters of the equipments, utilities' prices, respectively necessary services, as well as the grain quantities to be received within the Terminal.

The rent expenses have been budgeted according to the agreements concluded with CN APM, respectively the rented equipment suppliers to carry out the mineral's activity considering efficiency conditions. Expenses such as utilities and fuel have been budgeted based on the quantity of goods estimated to be handled in 2023, taking into consideration the announced increases of tariffs.

Other expenditures included in the budget have been estimated based on the agreements concluded with service providers as well as historic values and the Company management assessment relative to the global increase of prices.

Financial expenses were forecasted in accordance with the provisions of the financing contract for the investment "Grain Terminal".

The estimates for 2023 for the Grain Terminal are:
(i) Turnover 21,6 million euro;
(ii) EBITDA 10,2 million euro;
(iii) Net profit 5,4 million euro.

The estimates for 2023 for the Mineral Terminal are:
(i) Turnover 32,6 million euro;
(ii) EBITDA 14,1 million euro;
(iii) Net profit 10,3 million euro.

It is proposed to the Ordinary General Meeting of Shareholders to approve the income and expenses for 2023, as they are presented to shareholders.

Assessment of the Company's activity regarding risk management

The Company is exposed by its operations to the following risks:
- Operational risk
- Market risk
- Credit risk
- Foreign Exchange risk
- Liquidity risk

Operational risk derives from the possibility of the occurrence of accidents, errors, faulty operation, as well as from the influences of the environment on the operational and financial results. The Company's policy is to continuously improve performances of the equipments and machinery and maintain the same high standards of the services offered to the Company's clients.

Thusly, the Company implemented an integrated management system of quality-environment-safety-food safety with results on the improvement of the organisation's image, by satisfying requirements of quality, environment, labour safety, improvement of the relations with public authorities and business partners. Also, in order to limit risks and liabilities, the company has signed insurance policies for equipments and machinery, as well as policies for third party civil liability. In order to minimise the environment's influence on the results, the Company continuously observes the greening of the Mineral Terminal by eliminating the waste periodically generated due to the specific of the activity.

Market risk is the risk that the market price's variation affects income and financial results of the Company or the value of the held financial instruments. The Company continuously observes the evolution of the market and industries it caters for in order to adjust forecasts and estimations regarding financial performances of the company.

Credit risk is the risk of financial loss for the company which occurs if a client or counter-party to a financial instrument does not fulfil its contractual obligations. The Company is mainly exposed to the credit risk arising from rendering services to clients. Thusly, the Company observes the deadlines for cashing receivables and correlating them with debt payment deadlines.

Foreign Exchange risk occurs when the company concludes transactions expressed in another currency other than its operational currency. The Company is mainly exposed to the foreign exchange risk with acquisitions performed from suppliers of materials, spare parts, but also service providers with which the tariffs are negotiated in euro. In order to minimise the foreign exchange risk, both the Company's income and expenditure were correlated to euro by setting the tariffs for services performed in euro and by linking the main expenditures of the company to the same currency (wages, rent, etc). The company observes deadlines and insuring cash availability for paying, so that the foreign exchange risk may be minimised.

Liquidity risk occurs from the management by the company of circulating assets and expenditures for financing and reimbursement of the amount of the principal for its credit instruments. Comvex's policy is to make sure it always has enough cash to allow fulfilment of its obligations when they become due. To reach this objective, it always searches to maintain enough cash balance to satisfy the payment needs. At the end of the financial year, the Company has enough liquid resources to honour its obligations from all forecasted reasonable circumstances. Also, the Company observes to correlate assets and liabilities on short term, respectively long term, by performing average and long term investments from resources of average and long term. The Company does not have any unpaid due obligations to the state budget.

Economic impact of the war in Ukraine

In mid-February 2022, the Russian Federation decided to start a significant military operation against Ukraine. Until the date of publishing of this report, the occupation of Ukraine or rapid change of the legitimate leadership of this country proved impossible to the Russian Federation. As a consequence we may asses the extension of this war and the affecting of an important part of the Ukrainian territory. Particularly Ukraine's ports at the Azov Sea are occupied and inoperative, suffering destructions with a significant potential impact. Ukraine's unoccupied ports of Odessa, Cernomorsk and Iujne are operating under temporary agreements brokered by Turkey and the UN.

Considering the war against Ukraine and the invasion of its territory, Romania's western partners (EU and USA) imposed economic sanctions more and more drastic on several important actors of Russian economy and Russian State in its entirety. Among these we must consider the exclusion, still partial, of the Russian banking institutions from the SWIFT system, limitation/blocking of certain exports to the Russian Federation.

The impact of these economic sanctions, as well as their potential extension, shall affect both on short term as well as on average and long term, the global economic and politic context triggered by the crisis in Ukraine.

Thusly, it must be observed the fact that, Russia represented over time one of the main exporters of grains, especially through the basin of the Black Sea, where our company operates. On the other hand is important to underline that together with Ukraine, Russia holds more than a quarter of the global wheat exports. More than that, Ukraine is in top 5 states of the general grains market, with corn, wheat and Soya beans.

The price of grains has significantly increased once the war started, considering that the request remained constant and showed significant fluctuations in the following period, remaining significantly higher than in the pre-war period.

There are several possible assessments, considering the exceptional and unpredictable character of the events. Also, certain conclusions may be approved in order to establish several strategic parameters for the Company's management. We assess that the geopolitical stability of Romania shall not be affected, considering the country's membership to NATO and EU. On the other hand we do not see how it could be possible for transports through the Bosfor and Dardanele straits to be blocked, although it is obvious they shall be affected in certain measures.

We estimate that the effects of the war, whichever it might be its end, as well as of the economic sanctions, shall have a powerful impact on the exports from Ukraine and Russian Federation. It is possible for Romania, through Constanta Port, to have an increase of activity in grains exports. Although the economic advantage the increase of the quantity of grains which could transit Constanta Port might represent, could be diminished by the export interdictions or quotas to which certain grains might be subjected to.

Particularly, we consider that the limitations/quotas of export in the hinterland of Constanta Port could not be maintained for an indefinite period of time due to the lack of extended storage facilities. During 2023 it will once again become mandatory to complete exports of stored goods, in order to allow the freeing of facilities for the new crops.

Obviously the impact of the war on the global economy is a negative one, because Ukraine's production seems to be diminished to a large extent for 2023, and transport of large quantities and capacity to make payments and use usual financial warranty instruments may generate problems in global supply.

More than that, maritime transport in itself is under a significant negative impact, considering the Russian Federation's operations in the Black Sea and the closing for commercial routes of the Azov Sea. There is always a significant risk of restricting the access of cargo ships or their transit routes to the Black Sea. We can say that there is also a risk of blockage of maritime traffic, but we consider such a scenario unlikely, given the data available at this time.

On the other hand from the point of view of operating raw materials through the mineral terminal, it must be underlined that, during the war,. there were some fluctuations due to the bottlenecks mentioned above. Even if the war has brought a higher flow of such goods, there is no guarantee that these flows cannot be affected by the continuation of military operations.

Although the total impact of the war may not be determined at the time of drafting this report, it is estimated that the negative effects on the global trade and on the Company's activity may be more severe than at an initial evaluation. On the other side, the Company has acquired additional experience during 2022 which shows increased resilience for the future.

Because neither of the parties involved does not seem to, at the time of drafting this report, be willing to make significant concessions for ending the conflict and, on the other hand the effects of the devastating bombardments on the agricultural production from the next agricultural campaign in Ukraine seem to be already impossible to overcome during this year, the Management of the Company considers to be untimely to estimate exactly the potential impact of this event on the financial position and the future financial performance of the Company. Based on estimations made by specialists at the level of the EU, but also at national level, we expect that during 2023 the economic situation pass through a period of stagnation.

The Management of the Company closely monitors the political and economic situation and searches for ways to mitigate the impact of the war on Comvex.

Although at present we do not have such information from our clients, in case the supply with raw materials and materials for the plants and industries the Company caters for might be stopped or diminished significantly for a longer period of time, the company's income might register also decreases compared to the presented financial forecasts.

If the war against Ukraine and its indirect consequences represents a major shock for the European and global economy and there still exists the possibility of extension of the restrictive measures passed by the authorities of the states, measures with a significant impact on the entire economic activity, is possible that also the company's income register a negative impact as a consequence.

The Management of the Company shall closely monitor the evolution of the situation and shall adopt all necessary measures to mitigate, up to exclusion, the effects this situation may produce on the Company.

Viorel Panait – President of the Board of Directors