

## Report

Report regarding: Preliminary Financial Statements for 2019 available for review

Issued on: February 21<sup>th</sup>, 2020

Company name: COMELF SA

Head Office: Bistrita, no. 4, Industriei str.

Telephone / fax nos. : 0263/234462 ; 0263/238092

Tax Identification Number: 568656

Registry of Commerce no. : J06/02/1991

Subscribed and paid-up share capital: 13.036.325,34 lei

Regulated Market on which the securities are transacted: B.V.B.

The preliminary yearly financial statements as of December 31<sup>st</sup>, will be uploaded on our website [www.comelf.ro](http://www.comelf.ro) on February 21<sup>th</sup>, 2020, as well as in the link below.

General Manager,  
eng. Gheorghe Cenusă

Financial Manager,  
ec. Dana Tatar

## Preliminary report as of 31.12.2019

Date of report: 21/02/2020

Company name: COMELF SA

Registered Office : Bistrita, str. Industry no. 4

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

VAT Number: 568 656

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

Subscribed and paid up share capital: 13,036,325.34 lei

The regulated market on which the issued securities are traded: BSE

The main indicators, thousands of lei	Year 2019	Year 2018	Δ%
<b>Total operating income, of which:</b>	<b>146.319</b>	<b>156.459</b>	<b>(6.48)</b>
<b>Turnover</b>	<b>149.263</b>	<b>151.767</b>	<b>(1.65)</b>
<b>Revenue from projects</b>	<b>137.170</b>	<b>144.457</b>	<b>(5.04)</b>
<b>Profit / (Loss) of the period</b>	<b>2626</b>	<b>2,815</b>	<b>(6.71)</b>
<b>EBITDA</b>	<b>11,541</b>	<b>11,508</b>	<b>0.29</b>
<b>Interest bearing loans</b>	<b>36,592</b>	<b>37,382</b>	<b>(2.11)</b>
<b>Average number of staff</b>	<b>794</b>	<b>878</b>	<b>(9.57)</b>

\*The financial figures are not audited and they outline the individual results of Comelf SA, drawn up in accordance with International Financial Reporting Standards (IFRS);

- ❖ **Operating income** of the company COMELF SA decreased in 2019, compared to those achieved in 2018 by 6.48%, an evolution generated by the basic activity, affected mainly by the fact that the company's staff has decreased, on average, by 9.57%; Although the turnover registered only a slight decrease compared to 2018, the decrease of the operating income by 6.15% is the result of the fact that part of the turnover of the year 2019 has been generated by a balance of work (from FY2018) in execution on 31.12.2018 ;
- ❖ Turnover has also recorded a slight decrease in 2019 compared to 2018. The decrease of the turnover was mainly influenced by the reduction of the number of personnel involved in production (on average by 10.57%). The evolution of the three indicators, respectively operating revenues, turnover and the average number of directly productive personnel, in 2019 compared to 2018 shows a slight improvement of the productivity of the personnel involved in production.
- ❖ **Profit of the period:** decreased in 2019 compared to the one achieved in 2018, mainly influenced by:
  - i) The wage costs, especially those related to the directly productive personnel that increased in line with the evolution of the labor market and their average increase was above the evolution of the turnover (+ 5.77% at the company level).
  - ii) The evolution of the EUR / RON exchange rate in 2019 generated additional financial losses of 653 thousand lei.

### The company's assets as of 31.12.2019 highlights that:

- (i) the net value of the fixed assets decreased by 5.65% based on their amortization record and the fact that the investments made in 2019 were not above the depreciation level.
- (ii) current assets decreased by 6.86% on 31.12.2019 as compared to 31.12.2018 as a result of the reduction of the amount of commercial receivables (by 4.50%), especially due to the term

collection of commercial receivables and the application of factoring solutions domestic and reverse for 3 important clients of the company, of diminishing stocks of raw materials and materials (by 20%) based on a prudential strategy on the part of acquisitions determined on the one hand by the unpredictable evolution of the prices of materials and on the other hand by the need to optimize the stocks with minimum impact in the company cash flow and to reduce the production in execution by 23% as a result of the increase of the degree of completion and delivery of orders. The cash availability of the company doubled at the end of 2019 compared to the end of the previous year, as a result of the above optimization and implicitly of the cash conversion cycle.

- (iii) The equity increased to the value of 72,097 thousand lei at 31.12.2019 compared to 31.12.2018 as a result of the accumulation of the net result of the year 2019 on the one hand and on the other hand, from the net result of the year 2018, 50% was distributed for the payment of dividends which led to the decrease of equity. The solvency of the company improves on 31.12.2019 to 46% from 44% as it was on 31.12.2018.
- (iv) The debts to the suppliers decreased on 31.12.2019 compared to 31.12.2018 (by 27%), as the company's cash availability improved.
- (v) The interest-bearing loans of the company decrease to 36.5 million at 31.12.2019 as a result of the repayment of part of the credit for working capital.
- (vi) The working capital at 31.12.2019 is 35,546,044 lei (31.12.2018: 37,311,200 lei), of which the amount of 5,376,713 lei will be repaid in 18 months, in equal monthly installments.

General Manager,  
eng. Cenusă Gheorghe

Financial Manager,  
ec. Dana Tatar

STATEMENT OF FINANCIAL SITUATION on 31<sup>th</sup> December 2019

In Lei

Nr. Crt.	DENUMIREA POZITIEI	31.12.2018 IFRS	31.12.2019 IFRS
1	<b>Actives</b>		
2	Intangible assets	591,703	607,754
3	Tangible assets	91,532,890	86,780,993
4	Financial assets available for sale	-	-
5	<b>Total Fixed assets</b>	<b>92,124,593</b>	<b>87,388,747</b>
6	Advance payments for tangible assets	670,205	163,204
7	Stocks	7,354,769	5,903,890
8	Account receivables from construction contracts	59,321,959	51,795,428
9	Commercial account receivables and of other types	2,198,146	2,152,402
10	Current tax account receivables	-	-
11	Cash and cash equivalentents	3,737,985	7,528,245
12	<b>Total Current Actives</b>	<b>73,283,064</b>	<b>67,543,169</b>
13	<b>Total Actives</b>	<b>165,407,657</b>	<b>154,931,916</b>
14	<b>Capital</b>	<b>13,036,325</b>	<b>13,036,325</b>
15	Adjustments of the capital	8,812,271	8,812,271
16	Other elements of equity	(9,183,135)	(8,847,207)
17	Reserves	60,050,153	59,360,185
18	Repurchased own shares	-	-
19	Reported result	(3,593,366)	(2,891,006)
20	Year result	2,815,330	2,626,111
21	<b>Total shareholder's equity</b>	<b>71,937,578</b>	<b>72,096,679</b>
22	<b>Debts</b>		
23	<i>Long term bank loans</i>	3,497,925	896,119
24	<i>OTher loans and debts-leasing</i>	9,692,465	9,436,041
25	Debts for postponed tax	54,840	831,688
26	<i>Provisions for risks and expenses</i>	190,059	163,395
27	Debts for postponed income	7,486,647	6,478,087
28	<b>Total long term debts</b>	<b>20,921,936</b>	<b>17,805,330</b>
29	Overdrafts	33,813,275	34,649,925
30	The current share for the long term loan	-	-
31	Deferrend tax liabilities	16,293	214,593
32	The current other loans and liabilities - leasing	413,272	335,928
33	Commercial and other types of debts	35,394,366	26,539,184
34	<i>Provisions for risks and expenses</i>	1,316,293	1,698,191
35	Debts for postponed income	1,594,644	1,592,086
36	<b>Total current debts</b>	<b>72,548,143</b>	<b>65,029,907</b>
37	<b>Total Debts</b>	<b>93,470,079</b>	<b>82,835,237</b>
38	<b>Total shareholder's equity and debts</b>	<b>165,407,657</b>	<b>154,931,916</b>

COMELF S.A. BISTRITA  
Str.Industriei Nr.4  
RO 568656

**PROFIT OR LOSS ACCOUNT STATEMENT AND OTHER ELEMENTS OF GLOBAL INCOME**

Nr. crt.	DENUMIREA INDICATORILOR	31.12.2018	31.12.2019
1	Revenue from contracts with customers	144456906	137,169,702
2	Income from selling goods	630464	22,430
3	Other income connected to turnover	8178695	6,650,521
4	Other income	3192722	2,476,302
<b>5</b>	<b>Total operating income</b>	<b>156,458,787</b>	<b>146,318,955</b>
	<i>of that: turnover</i>	<b>151,767,209</b>	<b>149,263,123</b>
6	Raw materials and consumables expenses	67,774,272	61,629,224
7	Goods expenses	624,568	22,003
8	Staff expenses	47,687,709	47,509,233
9	Rent expenses	545,921	715,322
10	Expenses with premiums asigurate	460,370	417,965
11	Transport costs	7,293,618	6,967,833
12	Amortization and depreciation of fixed assets costs	7,721,176	7,390,556
13	Adjustments for depreciation of current assets, net	37,297	(47,795)
14	Provisions costs for risks and expenses , net	(6,158,021)	(194,763)
15	Other operating expenses	26,605,343	17,516,454
<b>16</b>	<b>Total expenses</b>	<b>152,592,253</b>	<b>141,926,032</b>
<b>17</b>	<b>Profit from exloation</b>	<b>3,866,534</b>	<b>4,392,923</b>
18	Financial income	2,000,524	2,113,478
19	Financialexpenses	(2,645,563)	(3,518,820)
<b>20</b>	<b>Financial loss</b>	<b>(645,039)</b>	<b>(1,405,342)</b>
<b>21</b>	<b>Total revenue</b>	<b>158,459,311</b>	<b>148,432,433</b>
<b>22</b>	<b>Total expenses</b>	<b>155,237,816</b>	<b>145,444,852</b>
<b>23</b>	<b>Profit before tax profit</b>	<b>3,221,495</b>	<b>2,987,581</b>
24	Tax profit	406,165	361,470
<b>25</b>	<b>Net income</b>	<b>2,815,330</b>	<b>2,626,111</b>
26	Other elements of global results		
27	Revaluation of tangible assets		
28	Other comprehensive income , after tax		
<b>29</b>	<b>Total profit of loss account and other elements of global result</b>	<b>2,815,330</b>	<b>2,626,111</b>
30	Earnings per share		
31	Diluted earnings per share	<b>0.13</b>	<b>0.12</b>

Cenusa Gheorghe  
General Manager

Tatar Dana  
Economic Manager