

COMELF SA

INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2020 IN ACCORDANCE WITH IFRS

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

INTERIM FINANCIAL STATEMENTS IFRS ON 30th JUNE 2020

**COMELF SA
RO 568656
J06/2/1991
Str.Industriei nr.4
420063, Bistrita
Romania**

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COMELF SA**INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2020 IN ACCORDANCE WITH IFRS***(All amounts are expressed in lei, unless otherwise indicated)***STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020**

	Nota	30-iun.-20	31-dec.-19
Assets			
		7,973	-
Intangible assets	5	544,455	607,754
Tangible assets	5	83,687,530	86,780,993
Financial assets available for sale	6	-	-
Total non-current assets		84,239,958	87,388,747
Advance payments for tangible assets		56,163	163,204
Stocks	7	6,465,653	5,903,890
Receivables from contracts with customers	8	46,753,258	51,795,428
Trade receivables and other receivables	9	2,497,740	2,152,402
Current tax receivables		-	-
Cash and cash equivalents	11	8,213,060	7,528,245
Total Current Assets		63,985,874	67,543,169
Total Assets		148,225,832	154,931,916
Share capital	12	13,036,325	13,036,325
Share capital adjustments	12	8,812,271	8,812,271
Other elements of equity	12	-	-
Reserves	12	50,755,282	50,512,978
Reported outcome	12	(2,020,591)	(2,891,006)
Financial year outcome	25	1,210,114	2,624,114
Total Equity		71,793,401	72,094,682
Debts			
Long-term bank loans	13	-	896,119
Other loans and debts-leasing	13	762,942	831,688
Defferend tax liabilities	22	9,265,917	9,436,041
Provisions for risks and expenses	21	163,395	163,395
Defferend income liabilities	23	5,661,238	6,478,087
Total long-term debts		15,853,492	17,805,330
Overdrafts	13	34,210,044	34,649,925
Defferend tax liabilities	22	335,928	335,928
The current other loans and liabilities - leasing	11	219,712	214,593
Commercial debts and other debts	14	22,815,223	26,541,181
Provisions for risks and expenses	21	1,364,334	1,698,191
Defferend tax liabilities	23	1,633,698	1,592,086
Total current debts		60,578,939	65,031,904
Total Debts		76,432,431	82,837,234
Total equity and debts		148,225,832	154,931,916

Cenusa Gheorghe
General ManagerTatar Dana
Economic Manager

**PROFIT OR LOSS ACCOUNT SITUATION
AND OTHER ELEMENTS OF THE OVERALL RESULT**

	Nota	<u>30.06.2020</u>	<u>30.06.2019</u>
<i>Continuous operations</i>			
Revenues			
Revenue from contracts with customers	15	58,055,404	72,698,071
Revenues from sales of goods		3,314	6,506
Other elements related to the turnover		2,687,861	3,629,537
Total revenues		60,746,579	76,334,114
Other revenues	16	2,530,720	1,446,343
Expenses			
Raw material costs and other expenses		(25,208,131)	(32,785,341)
Electricity and water costs		(2,410,621)	(2,633,930)
Commodity expenses		(3,167)	(6,374)
Employment charges	17	(21,886,228)	(24,263,140)
Transport costs	18	(2,880,656)	(3,625,386)
Other expenses related to revenues	19	(4,952,742)	(8,022,974)
Cost depreciaton charge	5	(3,794,360)	(3,662,140)
Financial costs , net	25	(730,411)	(675,264)
Ajustments related to cirent assets depreciation ,net	8	-	-
Provision costs for risks and expenses, net	21	85,005	69,129
Other expenses	19	(125,919)	(66,755)
Total expenses		(61,907,230)	(75,672,175)
Pre-tax profit		1,370,069	2,108,282
Profit tax	20	(159,955)	(285,621)
Profit from continuous operations		1,210,114	1,822,661
Profit from discontinuous operations		-	-
PROFIT OF THE PERIOD		1,210,114	1,822,661
Other comprehensive income			
<i>Items that will not be reclassified to expenses and revenues</i>			
Value changes of the used assets as a result of revaluation ,net of tax		-	-
<i>Items that can be reclassified to expenses and revenues</i>			
Value changes of securities available for sale	3	-	-
Total profit and loss account and other comprehensive income		1,210,114	1,822,661
Outcome per share			
From continuous and discontinuous operations			
Outcome per basic share (lei per share)	24	0.05	0.08
Diluted outcome per share (lei per share)	24	0.05	0.08
Din operatiuni continue			
Outcome per basic share (lei per share)	24	0.05	0.08
Diluted outcome per share (lei per share)	24	0.05	0.08
Cenusa Gheorghe, General Manager		Tatar Dana , Economic Manager	

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

STATEMENT OF CHANGE OF EQUITY	Share Capital	Adjustments of share capital	Differences and reserves from revaluation	legal Reserves	Other reserves	The Retained earnings	Total equity
Balance on January 1, 2019	13,036,325	8,812,271	36,135,250	2,607,265	12,124,502	(778.035)	71,937,578
<i>Profit or loss account and other elements of the overall earnings</i>							
Profit or loss						2,624,114	2,624,114
<i>Other elements of the overall result</i>							
Net change in the fair value of available-for-sale financial assets							
Changes in the value of the assets used							
<i>Movements in the profit or loss account and other elements of the overall earnings</i>							
Differences from the revaluation achieved transferred to the retained earnings-current year			(2,099,547)			777.804	(1,321,743)
Other equity items			335.928		1,409,580	(1,409,580)	335.928
Legal reserves established				0		0	0
Total profit or loss account and other elements of the overall earnings	0	0	(1,763,619)	0	1,409,580	1,992,338	1,638,299
Other elements retained earnings - correction of accounting errors	0	0	0	0		(75.445)	(75.445)
Other elements retained earnings - correction of accounting errors	0	0	0	0	0	(75.445)	(75.445)
Transactions with shareholders, registered directly in equity	0	0	0	0	0	0	0
Contributions from and distributions to shareholders / employees	0	0	0	0	0	(1,405,750)	(1,405,750)
Total transactions with shareholders	0	0	0	0	0	(1,405,750)	(1,405,750)
<i>Profit or loss account and other elements of the overall earnings</i>							
Balance on Tuesday, December 31, 2019	13,036,325	8,812,271	34,371,631	2,607,265	13,534,082	(266.892)	72,094,682

Continued on next page

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INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2020 IN ACCORDANCE WITH IFRS

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

STATEMENT OF CHANGE OF EQUITY	Share Capital	Adjustments of share capital	Differences and reserves from revaluation	Reserves legal	Other reserves	The withheld earnings	Total equity
Balance on Wednesday, January 1, 2020	13,036,325	8,812,271	34,371,631	2,607,265	13,534,082	(266.892)	72,094,682
<i>Profit or loss account and other elements of the overall earnings</i>							
Profit or loss						1,210,114	1,210,114
<i>4. Other elements of the overall earnings</i>							
Net change in the fair value of available-for-sale financial assets							
Changes in the value of the assets used							
<i>Movements in the profit or loss account and other elements of the overall earnings</i>							
Differences from the revaluation achieved, transferred to the retained earnings			(1,049,774)			1,049,774	0
Other equity items			167.964			(167.964)	0
Legal reserves established					1,124,114	(1,124,114)	0
Total profit or loss account and other elements of the overall earnings	0	0	(881.810)	0	1,124,114	967.810	1,210,114
Other items carried forward - correction of accounting errors			0	0	0	(11.395)	(11.395)
Other earning items carried forward	0	0	0	0	0	(11.395)	(11.395)
Transactions with shareholders, registered directly in equity	0	0	0	0	0	0	0
Contributions from and distributions to shareholders / employees	0	0	0	0	0	(1,500,000)	(1,500,000)
Total transactions with shareholders	0	0	0	0	0	(1,500,000)	(1,500,000)
Balance on Tuesday, June 30, 2020	13,036,325	8,812,271	33,489,821	2,607,265	14,658,196	(810.477)	71,793,401

CASH FLOW STATEMENT

	30.06.2020	31.12.2019
Pre - tax profit	1,210,114	2,624,114
Depreciation of fixed assets	3,794,360	7,390,556
Cash operational brut	5,004,474	10,014,670
Workong Capital Variation		
Variation receivables	-4,582,215	-7,104,287
Variation stocks	561,763	-1,450,879
Variation in other current assents	247,475	-90,420
Variation Income/Expenses in advances	97,863	44,676
Variation suppliers	-5,881,233	-7,807,354
Variation customer advances	459,955	422,244
Variation employees and assimilated	431,627	12,545
Net operating Cash	3,689,937	11,243,015
Cash flow dfrom net investment	538,530	2,147,709
Debts change		
Variation of short-term loans	-439,881	836,650
Variation of long-term loans	-896,119	-2,601,806
Variation of associated debts	1,491,894	-422,824
Variation of other liabilities	-	-
Variation of capitalluri	-2,622,486	-3,117,066
Cash flow from financing	-2,466,592	-5,305,046
Total chas variation between	684,815	3,790,260
Initial Cash	7,528,245	3,737,985
Net Cash at end of period	8,213,060	7,528,245

Cenusa Gheorghe
General ManagerTatar Dana ,
Economic Manager

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NOTES TO THE INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2020 IN ACCORDANCE WITH IFRS
(All amounts are expressed in LEI, unless otherwise indicated)

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NOTES TO THE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

1. Reporting entity

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

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

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

The main activity of the Company is the manufacture of engines and turbines (except for those for airplanes, automobiles and motorcycles). The company also has as object of activity the manufacture of installations, subassemblies and components for power plants and environmental protection, equipment for earthmoving equipment, lifting and transport equipment, including their subassemblies, metal constructions. Manufacture of armament and ammunition, road transport vehicles and military combat vehicles.

2. Basics for preparation

a. Declaration of conformity

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

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

The financial statements prepared on June 30, 2020 are read together with the financial statements prepared for December 31, 2019 according to the same financial reporting framework.

3. Significant accounting policies

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

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

4. Management of significant risks

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

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

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

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

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

(a) Market risk

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

The company is exposed to the following market risk categories:

(i) Price risk

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

In order to cover the price risk generated by the increase of the basic raw material, the metal, the company has written, in the commercial contracts concluded with the clients, a protection clause that allows it to update the sale price if the price of the basic raw material increases. In the current economic context marked by a significant fluctuation, especially of directly productive staff, for newly concluded contracts but also for some of the ongoing contracts, the company managed to complete the protection clause and updating the price of products taking into account the evolution of cost for labor force, based mainly on statistical, public wage developments on the Romanian labor market.

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

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

	June 30, 2020		December 31, 2019	
	Book value	Fair value	Book value	Fair value
Receivables from contracts with customers	46,753,258	46,753,258	51,795,428	51,795,428
Trade receivables and other receivables	2,497,740	2,497,740	2,152,402	2,152,402
Down-payments granted for tangible assets	56.163	56.163	163.204	163.204
Cash and cash equivalents	8,213,060	8,213,060	7,528,245	7,528,245
Short-term bank loan	-34,210,044	-34,210,044	-34,649,925	-34,649,925
Current part-lease	-219.712	-219.712	-214.593	-214.593
Deferred tax liabilities (current part)	-335.928	-335.928	-335.928	-335.928
The current part of long-term loans	-	-	-	-
Trade and other payables	-22,815,223	-22,815,223	-26,541,181	-26,541,181
Total	-60.686	-60.686	-102.348	-102.348

(ii) Interest rate risk

As of June 30, 2020, most of the Company's assets and liabilities are not interest-bearing, except for contracted loans and leasing contracts. As a result, the Company is not significantly affected by the risk of interest rate fluctuations.

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

Currency risk

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

Most current assets are expressed in foreign currency (63%) and the Company's financial liabilities are expressed in foreign currency (10%) and in the national currency (90%) and therefore exchange rate fluctuations do not significantly affect the Company's activity. Exposure to exchange rate fluctuations is due to mainly current currency conversion transactions required for current payments in LEI.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2020 IN ACCORDANCE WITH IFRS

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

5. Tangible and intangible assets

On June 30, 2020 and December 31, 2019, tangible and intangible assets evolved as follows:

	Expenditure on research and development	Intangible assets	Lands	Buildings	Technical installations and machinery	Other installations and furniture	Tangible assets in progress	Total
	203	205	211	212	213	214	231	
Balance on Wednesday, January 1, 2020	0	1,096,792	21,247,075	40,046,069	90,781,003	437.604	1,546,636	155,155,179
Acquisitions	7.973	28.966	0	0	355.474	1.950	221.701	616.064
Domestic production	0	0	0	0	0	0	29.507	29.507
Exits (discarded assets)	0	0	0	0	0	0	0	0
Internal transfers	0	0	0	213.087	590.956	0	-804.043	0
Internal transfers	2	0	0	0	0	0	0	0
Balance on Tuesday, June 30, 2020	7.973	1,125,758	21,247,075	40,259,156	91,727,433	439.554	993.801	155,800,750
Accumulated depreciation								
Balance on Wednesday, January 1, 2020	0	489.038	0	11,523,215	55,520,175	234.004	0	67.766, .432
Depreciation expense per year	0	92.265	0	1,305,700	2,384,899	11.496	0	3,794,360
Cumulative depreciation of outflows	0	0	0	0	0	0	0	0
Depreciation cancellation for revalued fixed assets	0	0	0	0	0	0	0	0
Balance on Tuesday, June 30, 2020	0	581.303	0	12,828,915	57,905,074	245.500	0	71,560,792

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

Balance on January 1, 2019	0	858.746	21,247,075	40,046,069	88,968,501	449.006	2,153,475	153,722,872
Acquisitions	0	113.966	0	0	1,357,043	0	1,546,866	3,017,875
Domestic production	0	0	0	0	0	0	105.370	105.370
Exits (discarded assets)	0	0	0	0	-1,211,027	-11.402	-468.509	-1,690,938
Internal transfers	0	124.080	0	0	1,666,486	0	-1,790,566	0
Internal transfers	0	0	0	0	0	0	0	0
Balance as of December 31, 2019	0	1,096,792	21,247,075	40,046,069	90,781,003	437.604	1,546,636	155,155,179
Accumulated depreciation								
Balance on January 1, 2019	0	267.043	0	8,914,062	52,195,141	222.034	0	61,598,280
Depreciation expense per year	0	221.995	0	2,609,153	4,536,036	23.372	0	7,721,175
Cumulative depreciation of outflows	0	0	0	0	-1,211,002	-11.401	0	-1,222,403
Depreciation cancellation for revalued fixed assets	0	0	0	0	0	0	0	0
Balance on Tuesday, December 31, 2019	0	489.038	0	11,523,215	55,520,175	234.004	0	67.766, .432
Net book value								
On June 30, 2020	7.973	544.455	21,247,075	28,522,854	34,049,826	194.054	993.801	84,239,958
On December 31, 2019	0	607.754	21,247,075	28,522,854	34,049,826	192.198	1,546,636	87,388,747

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NOTES TO THE INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2020 IN ACCORDANCE WITH IFRS
(All amounts are expressed in LEI, unless otherwise indicated)

6. Financial assets available for sale

As of June 30, 2020 and December 31, 2019, Comelf SA no longer holds financial assets available for sale.

7. Inventories

On June 30, 2020 and December 31, 2019, the stocks record the following balances:

	Tuesday, June 30, 2020	December 31, 2019
Raw materials	5,917,994	5,362,825
Auxiliary materials	37.371	43.891
Fuel	9.966	8.578
Inventory items	397.328	384.999
Other	147.361	147.964
Adjustments for depreciation of raw materials	-44.367	-44.367
Total	6,465,653	5,903,890

The company did not record any value adjustments for the impairment of inventories as of June 30, 2020.

The accounting policies for the valuation of inventories are presented in Note 3.

No stocks were pledged for the contracted loans.

8. Receivables from contracts with customers

As of June 30, 2020 and December 31, 2019, the receivables from commercial contracts are as follows:

	Tuesday, June 30, 2020	December 31, 2019
Invoiced receivables from contracts with customers	33,467,066	35,817,997
Unbilled receivables from contracts with customers	15,502,030	18,193,270
Value adjustments regarding receivables from invoiced construction contracts	(2,215,838)	(2,215,838)
Total	46,753,258	51,795,428

Receivables from contracts with customers are presented net by down-payments received in the amount of 1,413, 293 lei (31 December 2019: 953.338).

The turnover rate of the clients (the recovery period of the receivables), expresses the number of days until the date on which the debtors pay their debts to the company and thus shows the efficiency of the company in collecting its receivables. For the year 2020 (Average balance of customers / Turnover) x 183 days = 98 days, for the year 2019 it is 88 days. In general, the penalties are treated according to the contracts with each client and are solved by case by case negotiation. The procedure for accepting new clients is performed in accordance with the bidding-contracting procedures outlined in the procedures manual. These procedures are reviewed periodically.

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

9. Trade receivables and other receivables

On June 30, 2020 and December 31, 2019, trade and other receivables are as follows:

	Tuesday, June 30, 2020	December 31, 2019
Receivables from sales of goods	-	-
VAT to be recovered	1,139,037	975.906
Down-payments made to domestic suppliers (excluding those for fixed assets)	186.455	152.127
Down-payments made to external suppliers	97.665	176.481
Down-payments made to fixed assets suppliers	56.163	163.204
Different debtors	132.118	139.116
Other receivables	1,953,452	1,719,759
Value adjustments	-1,010,987	-1,010,987
Total	2,553,903	2,315,606

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

10 . Impairment adjustments for current assets

The evolution of value adjustments regarding the depreciation of current assets in 20198 was as follows:

	Balance on January 1, 2020	increases	Decreases	Balance on Tuesday, June 30, 2020
Value adjustments regarding receivables from contracts with customers	2,215,838	-	-	2,215,838
Value adjustments for miscellaneous debtors	1,010,987	-	-	1,010,987
Total	3,226,825	-	-	3,226,825

The adjustment in the amount of 1,010,987 lei represents an value adjustment of 100% of the value of a long-standing receivable that is in dispute.

The value adjustments for the amount of 1,741,322 lei are constituted for a number of 8 clients, out of which one is in dispute for the amount of 949,436 lei.

The adjustment in the amount of 474,516 lei constitutes an adjustment of fixed assets with a seniority of more than 365 days;

The reasons why the entity considered current and fixed assets as impaired are mainly related to receipts and / or non-compliances disputed with customers.

11. Cash and cash equivalents

As of June 30, 2020 and December 31, 2019, cash and cash equivalents are as follows:

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

	Tuesday, June 30, 2020	December 31, 2019
Amounts available in bank accounts in local currency	2,987,718	888.619
Amounts available in bank accounts in foreign currency	5,196,733	6,614,870
Cash	28.069	24.657
Other amounts available	540	99
Total	8,213,060	7,528,245

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

Liquidity management

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

Tuesday, June 30, 2020

DEBT	Total	<1 Month	1 - 3 months	3 months - 1 year	> 1 year
Receivables from contracts with customers	46,753,258	23,567,489	19,628,891	3,556,878	0
Trade receivables and other receivables	2,553,903	1,128,891	1,287,330	137.682	0
Current tax receivables	0	0	0	0	0
Cash and cash equivalents	8,213,060	8,213,060	0	0	0
TOTAL	57,520,221	32,909,440	20,916,221	3,694,560	0

Tuesday, June 30, 2020

LIABILITIES	Total	<1 Month	1 - 3 months	3 months - 1 year	> 1 year
Trade and other payables	22,815,223	11,590,282	10,186,615	1,038,326	0
Current part - leasing loans	219.712	18.063	54.455	147.194	0
Deferred tax liabilities (current part)	335.928	0	83.981	251.947	0
Overdraft (current part)	34,210,044	33,647,544	187.500	375.000	0
TOTAL	57,580,907	45,255,889	10,512,551	1,812,467	0

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December 31, 2019

DEBT	Total	<1 Month	1 - 3 months	3 months - 1 year	> 1 year
Receivables from contracts with customers	51,795,428	21,232,996	26,836,708	3,725,724	-
Trade receivables and other receivables	2,315,606	1,030,135	1,163,891	121.580	-
Current tax receivables	0	0	0	0	0
Cash and cash equivalents	7,528,245	7,528,245			
TOTAL	61,639,279	29,791,376	28,000,600	3,847,304	-

December 31, 2019

LIABILITIES	Total	<1 Month	1 - 3 months	3 months - 1 year	> 1 year
Trade and other payables	26,541,181	13,249,350	11,965,627	1,326,204	0
Current part - leasing loans	214.593	17.944	35.416	161.233	
Deferred tax liabilities (current part)	335.928	0	83.981	251.947	0
Overdraft (current part)	34,649,925	31,364,156	597.413	2,688,356	0
TOTAL	61,741,627	44,631,450	12,682,437	4,427,740	0

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

As of June 30, 2020, no changes were made on the value of the share capital (13,036,325.34 LEI) and on the number of shares (22,476,423 shares).

On June 30, 2020 and December 31, 2019, the shareholding structure *societății* It is:

	Tuesday, June 30, 2020			December 31, 2019		
	Number of shares	Total face value	%	Number of shares	Total face value	%
Uzinsider SA	18,189,999	10,550,199	80.93%	18,189,999	10,550,199	80.93%
Other shareholders	4,286,424	2,486,126	19.07%	4,286,424	2,486,126	19.07%
Total	22,476,423	13,036,325	100%	22,476,423	13,036,325	100%

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

The restated share capital contains the following components:

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	Tuesday, June 30, 2020	December 31, 2019
Social capital	13,036,325	13,036,325
Share capital adjustments - IAS 29	8,812,271	8,812,271
Social capital portrayed	21,848,596	21,848,596

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

Capital management

The company manages its capital in order to ensure the continuity of the activity in financial equilibrium. The capital structure for the next period in 2020 remains unchanged and no significant changes are foreseen regarding the proportion of the capital in total assets.

(a) Legal reserves

According to the legal requirements, the Company has legal reserves in the amount of 5% of the gross profit registered according to IFRS at the reporting date, but not more than 20% of the share capital valid at the date of establishing the reserve.

Legal reserves cannot be distributed to shareholders, but can be used to cover cumulative losses.

(b) Revaluation reserves

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

(c.) Dividends

During 2020, in accordance with the Decision of the Ordinary General Meeting of Shareholders, the Company decided to distribute dividends from the earnings of the financial year ended December 31, 2019. The company distributed dividends in the amount of 1,500,000 lei (representing 0.0667 lei / share). The company paid until June 30, 2020 to the shareholders the amount of 8,105 lei representing dividends distributed from previous years. As of June 30, 2020, the balance of dividends to be paid is 2,535,320 lei

13. Loans**a) Credit line**

On June 30, 2020, the Company has a credit agreement for working capital, concluded with ING Bank Romania - contract no. 11438 / 09.11.2011, with a maturity of one year, is renewed in November of each year. The object of the contract is represented by a credit facility in the amount of EUR 8,000,000, of which the Company reimbursed until June 30, 2020 the amount of EUR 937,500 in 15 equal monthly installments, so the amount of the credit facility on June 30, 2020 is 7,062,500 euros . The loan was accessed to provide working capital to cover the financial needs of the Company's current needs and potential commitments in the form of letters of guarantee with a maximum maturity of 12 months. This credit facility is structured as follows: EUR 6,500,000 remains as a credit for working capital of UFN type and the balance up to the amount of EUR 7,062,500, respectively EUR 562,500 was rescheduled, at the company's request, to be repaid, in equal monthly installments, within a remaining period of 9 months.

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

- for the amounts in euro used from the facility, the annual interest rate is EURIBOR 1M plus a margin of 0.78% per year;

As of June 30, 2020, the Company registers a balance of the credit line in the amount of 34,210,044 lei (December 31, 2019: 35,546,044 lei).

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b). Leasing contracts

During 2018, the Company undertook the acquisition of a vehicle for passenger transport, on lease. Leasing contract no. 30154891 was concluded on 16.02.2018, financier of Unicredit Leasing Corporation IFN, financed value 18,110.40 EUR, payable in 60 monthly installments.

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

Leasing contracts no. 234267,234268,234269 were concluded on 08.01.2019, Porsche Leasing financier, financed value 38,443.31 EUR, payable in 60 monthly installments. Also during 2019, the Company undertook the acquisition of a robotic system CLOOS welding, in lease. The leasing contract no. 120882 was concluded on 22.05.2019, financier BRD Sogelease, the financed value 179,660.70 eur, payable in 60 monthly installments.

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

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

14. Trade and other payables

As of June 30, 2020 and December 31, 2019, trade payables and other payables are as follows:

	Tuesday, June 30, 2020	December 31, 2019
Trade payables	15,242,472	21,123,706
Debts to budgets	2,492,518	1,728,301
Debts to staff	2,469,429	2,525,713
Silver dividend	2,535,320	1,043,425
Other loans and similar debts	75.484	120.036
Total	22,815,223	26,541,181

The commercial debts in the amount of 15,242,472 lei (December 31, 2019 2019: 21,123,706 lei) are in accordance with the contracts concluded with the suppliers.

As of June 30, 2020 and December 31, 2019, debts to budgets mainly include contributions related to salaries.

15. Revenues from contracts with customers

	Tuesday, June 30, 2020	Sunday, June 30, 2019
Revenues from contracts with customers related to the delivered goods, for which the full transfer of ownership to the customer was made (ct 701)	60,746,644	77,011,171

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	Tuesday, June 30, 2020	Sunday, June 30, 2019
Revenues from contracts with clients, recognized by execution stages, estimated at the level of receivables entered in contracts, in proportion to the actual expenditure related to the planned expenditure, for the same execution phase (balance 711500)	-2,691,240	-4,313,100
TOTAL	58,055,404	72,698,071

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

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

16a. Other revenue related to turnover

The position includes:

	Tuesday, June 30, 2020	Sunday, June 30, 2019
Rental income	5.612	4.588
Income from various activities	1,341,549	1,771,921
Revenues from the sale of residual products	583.408	1,462,263
Revenue from services rendered	757,292	390.765
Total	2,687,861	3,629,537

16b. Other incomes

The position includes:

	Tuesday, June 30, 2020	Sunday, June 30, 2019
Income from investment grants	816.849	781.614
Income from the production of tangible assets	29,507	74.530
Income from operating subsidies	1,434,410	6.743
Income from disposed of fixed assets	0	22.313
Other incomes	249.954	561.143
Total	2,530,720	1,446,343

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17. Staff costs

The average number of employees on June 30, 2020 and June 30, 2019 was as follows:

	Tuesday, June 30, 2020	%	Sunday, June 30, 2019	%
Direct productive staff	418	62%	482	60%
Management and administration staff	257	38%	315	40%
Total	675	100%	797	100%

Staff costs were as follows:

	Tuesday, June 30, 2020	Sunday, June 30, 2019
Staff salary expenses	20,052,838	21,947,316
Expenses with meal vouchers	1,102,500	1,294,851
Expenses regarding insurance and social protection	730.890	1,020,973
Total	21,886,228	24,263,140

The amounts granted to key management staff, board members and directors were as follows (gross amounts) and are included in the amounts presented above. Personnel expenses are grossly highlighted, the company received subsidies for technical unemployment, during April-May 2020, amounting to 1,062,929 and for June 2020 it registered the amount of 343,742 lei representing the subsidy of 41.5%, to be collected during next reporting. All these amounts are shown in income from operating subsidies

	Tuesday, June 30, 2020	Sunday, June 30, 2019
Salary expenses - directors	988.864	1,020,523
B.D. allowance	123.720	121.790
Total	1,112,584	1,142,313

The company did not grant loans or advance payments to the members of the administrative, management or supervisory bodies on June 30, 2020 and June 30, 2019.

As of *June 30, 2020*, The management of COMELF SA was composed of the following:

- Members of the Company's Board of Directors:

Savu Constantin	Chairman
Babici Emanuel	member
Mustata Costica	member
Mastru Ion	member
Parvan Cristian	member

- Members of the Executive Management of the Company:

Cenusa Gheorghe	General Manager
Pop Mircea	Deputy General Manager
Oprea Paul	Deputy General Manager - Technical and Production

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Tatar Dana	Economic Manager
Serban Marcela	Raw Material Procurement Manager
Marica Ioan	Quality Manager
Barbuceanu Florentin	Factory Executive Director
Viski Vasile	Factory Executive Director
Campian Cosmin	Factory Executive Director

As of *Sunday, June 30, 2019*, The management of COMELF SA was composed of the following:

- Members of the Company's Board of Directors:

Savu Constantin	Chairman
Babici Emanuel	member
Mustata Costica	member
Maistru Ion	member
Parvan Cristian	member

- Members of the Executive Management of the Company:

Cenusa Gheorghe	General Manager
Pop Mircea Deputy	General Manager
Oprea Paul	Deputy General Manager - Technical and Production
Tatar Dana	Economic Manager
Serban Mar cela	Raw Material Procurement Manager
Marica Ioan	Quality Manager
Barbuceanu Florentin	Factory Executive Director
Viski Vasile	Factory Executive Director
Campian Cosmin	Factory Executive Director

18. Shipping costs.

This position includes:

	Tuesday, June 30,	Sunday, June 30, 2019
	2020	
Expenses for the transport of raw materials	478.056	398.269
Expenses for transporting finished products	2,141,459	2,950,006
Expenses for transporting employees	261.141	277.111
Other transport costs	-	-
Total	2,880,656	3,625,386

19a. Other expenses related to income

	Tuesday, June 30,	Sunday, June 30, 2019
	2020	
Maintenance and repair expenses	487.865	645.980
Rent expenses	185.763	414.135
Insurance expenses	224.039	220.812
Expenses with personnel training	29.799	0
Outsourcing expenses	1,232,116	3,827,225
Expenses regarding commissions and fees	901.686	537.959
Protocol expenses	14.128	58.709
Expenses with travel, secondments and transfers	31.236	143.301
Postal charges and telecommunications charges	185.364	46.875

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	Tuesday, June 30, 2020	Sunday, June 30, 2019
Expenses with banking and similar services	54.699	64.432
Other expenses with services provided by third parties	1,095,142	1,484,303
Expenses with other taxes and fees	510.905	579.243
Total	4,952,742	8,022,974

19b. Other expenses

	Tuesday, June 30, 2020	Sunday, June 30, 2019
Total	125.919	66.755

The item “Outsourcing Expenses” includes direct expenses related to the production process (processing, services).

20. Income tax

The Company's current profit tax as of June 30, 2020 is determined at a statutory rate of 16% based on IFRS profit.

The income tax expense as of June 30, 2020 and June 30, 2019 is detailed as follows:

	Tuesday, June 30, 2020	Sunday, June 30, 2019
Current income tax expense	159.955	285.621
Total	159.955	285.621

21. Provisions for risks and expenses

As of June 30, 2020, the Company has registered provisions for risks and expenses in the amount of 1,527,729 lei (1,861,586 lei as of December 31, 2019). Their summarized situation is presented below:

	Provision for guarantees	Pension provision	Provision for litigation	Other provisions	Total
Balance on Wednesday, January 1, 2020	0	163.395	0	1,698,191	1,861,586
Established during the interval	0	0		0	0
Used during the interval	0	0	0	0	0
Real estate receivables value adjustments (ct 2968)	0				0
Resumed during the interval	0	0	0	(333.857)	(333.857)
Balance as of June 30, 2020	0	163.395	0	1,364,334	1,527,729
Long-term	0	163.395	0	0	163.395
short term	0	0	0	1,364,334	1,364,334

- Pension provisions in the amount of 163,359 lei (December 31, 2019: 163.359 lei).

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According to the collective labor contract, the Company offers cash benefits depending on the length of service upon retirement for employees. The provisioned amount was calculated taking into account the amount provided for retirement based on seniority in the company, the time to retirement for each employee adjusted by the average variance rate of the Company's staff in the last 5 years, respectively 19.33%.

- **Other provisions in the amount of 1,364,334 lei (December 31, 2019: 1,698,191 lei) include:**
 - The provision related to the redemption of pension insurance policies for the amount of 1,110,424 lei, are loyalty pension rights of COMELF employees, granted under the law and the Collective Labor Agreement, to be paid to employees (short term).
 - The amount of 253,910 includes a provision for potential commercial penalties, according to commercial contracts.

22. Deferred tax liabilities

Deferred tax liabilities as of June 30, 2020 and June 30, 2019 are generated by the items detailed in the following table:

	<u>Tuesday, June 30,</u> <u>2020</u>	<u>Sunday, June 30,</u> <u>2019</u>
Deferred tax receivables	-	-
Deferred tax liabilities related to reserves made up of reinvested earnings	(1,049,774)	(1,049,774)
Deferred tax liabilities related to revaluation differences of tangible assets.	(8,552,071)	(8,887,999)
Deferred tax, net	(9,601,845)	(9,937,773)

23. Deferred income

1) In 2010, the Company concluded with the Ministry of Economy, Trade and Business Environment ("Ministry") the financing contract no. 3131/230303 whose object is the granting of non-reimbursable financial aid from the state budget through the "Program for increasing the competitiveness of industrial products" administered by the Ministry for the implementation of the project "Assimilation of advanced technologies for processing wind turbines, turbines and compressor units, process chambers within the photovoltaic cell manufacturing lines on state-of-the-art numerically controlled equipment, which uses a CNC boring machine with a continuously indexable processing head, in SC Comelf SA. " The total cost of the project was 1,991,488 lei, of which the state aid was 836,760 lei. The equivalent value of the state aid was recognized by the Company as a government subsidy and amortized over a period of approximately 11 years.

The objectives of granting state aid were represented by modernizing existing products, making new products, increasing productivity, reducing energy consumption, reducing material consumption, optimizing decision making, environmental protection, quality assurance, objectives met by the Company.

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

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

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3) The company signed in 2018 (03.05.2018) a financing contract within POIM, having as objective the granting of a non-reimbursable financing by AM POIM for the implementation of the project "Smart Metering application of utility consumption", the total value of the contract financing is 1,072,188.43 lei, of which non-reimbursable financing is worth 900,988.68 lei. In October 2019, the "Utility and Production Consumption Monitoring System and Energy Management Software License" was put into operation, for which, between June 1-30, 2020, subsidies revenues were registered within this project in the amount of 42,285 lei.

On June 30, 2020, the Company resumed in revenue the amount of 816,849 lei (June 30, 2019: 781,614 lei), representing the amortization of subsidies.

The accounting policies adopted are presented in Note 3.

24. Earnings per share

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

	Tuesday, June 30, 2020	Sunday, June 30, 2019
Profit attributable to ordinary shareholders	1,210,114	1,822,661
Balanced average number of ordinary shares	22,476,423	22,474,423
Basic earnings per share	0.05	0.08

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

25. Net financial expenses

The financial elements are the following:

	Tuesday, June 30, 2020	Sunday, June 30, 2019
Interest income	21.846	4.592
Income from exchange rate differences	407.104	786.170
Other items of financial income	295.085	863.405
Total financial income	724.035	1,654,167
Interest expenses	(147.105)	(147.541)
Expenses with exchange rate differences	(853.895)	(1,558,797)
Other items of financial expenditure, of which:	(453.446)	(623.093)
Total financial expenses	(1,454,446)	(2,329,431)

The position "Other financial income includes prescribed, distributed and uncollected dividends approved in OGMS 59 / 18.04.2019 on June 30, 2019.

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

Environmental regulations are in development in Romania, and the Company did not register any obligations on June 30, 2020 for any anticipated costs, including legal and consulting fees, site studies, design and implementation of remediation plans, on environmental elements.

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

(b) Transfer price

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

- 200,000 euros, in case of interest collected / paid for financial services, calculated at the exchange rate communicated by the National Bank of Romania valid for the last day of the fiscal year;
- 250,000 euro, in the case of transactions regarding the provision of services received / provided, calculated at the exchange rate communicated by the National Bank of Romania valid for the last day of the fiscal year;
- 350, .000 euro, in case of transactions regarding acquisitions / sales of tangible or intangible goods, calculated at the exchange rate communicated by the National Bank of Romania valid for the last day of the fiscal year.

Such entities have the obligation to draw up the file of transfer prices and to make it available to the fiscal bodies, upon request within 10 days from the date of the request by the authorized fiscal body.

Comelf SA has prepared the transfer pricing file for 2019, and will make an update for 2020, within the legal deadline.

27. Transactions and balances with affiliated parties

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

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

- commission contract, consulting contract.

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

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

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

Affiliated party	Activity	Description of the type of business relation
Uzinsider SA	Consulting services	Uzinsider SA is the majority shareholder
Uzinsider Techo SA	Acquisition of steel plates and sections Sale of thermal power plant products	
Uzinsider General Contractor SA	Collaborations on turnkey objectives	
Promex SA	Collaborations in the manufacture of subassemblies	
24 Ianuarie SA	Collaborations in the manufacture of subassemblies	
Uzinsider Engineering SA	Providing services	

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

a) Receivables and payables from related parties

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On June 30, 2020 and June 30, 2019, the receivables from the affiliated parties are as follows:

Receivables from	Tuesday, June 30, 2020	Sunday, June 30, 2019
Uzinsider Techo SA	5,894,699	6,246,371
Uzinsider General Contractor SA	237.418	1,578,146
Promex SA	1.425	89.578
24 Ianuarie SA	736	48.543
Total	6,134,278	7,962,638

As of June 30, 2020 and June 30, 2019, the debts to the affiliated parties are as follows:

Debts to	Tuesday, June 30, 2020	Sunday, June 30, 2019
Uzinsider SA	162.068	290.103
Uzinsider Techo SA	716.339	523.115
Uzinsider General Contractor SA	471.217	693.264
Promex SA	-	-
24 Ianuarie SA	-	-
Uzinsider Engineering SA	-	-
Total	1,349,624	1,506,482

b) Affiliated party transactions

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

Sales in the year ended at:	Tuesday, June 30, 2020	Sunday, June 30, 2019
Uzinsider Techo SA	11,393,852	6,308,174
Uzinsider General Contractor SA	3.690	1,115,774
Promex SA	1.198	90.074
24 Ianuarie SA	619	14.339
Uzinsider Engineering SA	-	-
Total	11,399,359	7,528,361

The acquisitions from the affiliated parties were made at the acquisition value according to the contracts, as follows:

Acquisitions in the year ended at:	Tuesday, June 30, 2020	Sunday, June 30, 2019
Uzinsider SA	408.576	408.576
Uzinsider Techo SA	961.480	294.103
Uzinsider Engineering Galati	-	-
Uzinsider General Contractor SA	2,458,369	1,181,516
Promex SA	103.339	-
24 Ianuarie SA	8.526	-
Total	3,940,290	3,884,195

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

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The general terms and conditions provided in the relations concluded with the affiliated parties are the following: payment terms 60-90 days, payment methods with payment order and compensations, no guarantees are constituted, and there are no penalties for non-payment.

28. Capital commitments

Procurement commitments for the period 2020 are limited to own funding sources and are estimated at 0.63 million euros.

29. Operational segment reporting

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

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

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

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

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

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2020 IN ACCORDANCE WITH IFRS

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

Reporting by operating segments

	FPI		FUET		TERRA		Center		Total	
	Tuesday, June 30, 2020	Sunday, June 30, 2019	Tuesday, June 30, 2020	Sunday, June 30, 2019	Tuesday, June 30, 2020	Sunday, June 30, 2019	Tuesday, June 30, 2020	Sunday, June 30, 2019	Tuesday, June 30, 2020	Sunday, June 30, 2019
External revenues of the segment	20,424,473	23,672,755	28,829,801	34,486,731	11,467,965	16,235,739	2,555,060	3,385,232	63,277,299	77,780,457
Total segment revenues	20,424,473	23,672,755	28,829,801	34,486,731	11,467,965	16,235,739	2,555,060	3,385,232	63,277,299	77,780,457
Net financial costs	-245.571	-153.184	-223.805	-208.342	-115.659	-123.810	-145.376	-189.928	-730.411	-675.264
Depreciation and amortization	904.160	892.384	1,515,975	1,490,252	994.784	937.855	379.441	341.649	3,794,360	3,662,140
Income tax expense	0	-	-159.955	-140.366	0	-2.489	0	-142.766	-159.955	-285.621
The net result for the interval	-341.913	-152.157	1,950,386	763.280	-988.248	15.895	589.889	1,195,642	1,210,114	1,822,661
Segment assets	42,030,392	45,754,975	71,669,001	70,034,499	35,247,450	38,474,256	-721.011	9,193,035	148,225,832	162,402,765
Investments in associated entities		0		0		0		0		0
Segment debts	28,672,939	32,270,105	39,983,222	40,106,688	24,666,180	27,001,909	-16,889,910	-15,117,042	76,432,431	90,743,084

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

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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2020 IN ACCORDANCE WITH IFRS
(All amounts are expressed in LEI, unless otherwise indicated)

In the total operational revenues of the segment in the amount of 63,277,299 lei (as of June 30, 2020) and 77,780,457 lei (as of June 30, 2019) the major types of products and services are the following:

	Tuesday, June 30, 2020	Sunday, June 30, 2019
Equipment for power-generation industry and components	31,638,650	32,201,109
Equipment for earthworks and components	21,887,618	35,545,669
Equipment for environmental protection (Refractory, water, chemical)	373.336	1,477,829
Lifting and handling equipment	6,175,864	4,977,949
Technological equipment (metallurgy)	613.791	3,188,999
Manufacture of rolling stock	2,322,277	0
Other types	265.764	388.902
TOTAL	63,277,299	77,780,457

The main clients that have a share in the turnover higher than 10% the afferent incomes and the activity segment where these incomes are included are the following: GENERAL ELECTRIC 24.79%, KOMATSU 19.10%, SIEMENS 15.79.

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

There are no events after the date of the statement of financial position.

31. Approval of financial statements

The financial statements were approved by the Board of Directors and published on the site on 21.08.2020.

Cenusa Gheorghe
General Manager

Tatar Dana
Economic Manager