

**COMELF SA**

INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in lei, unless otherwise indicated)

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**FINANCIAL STATEMENTS IFRS ON 31<sup>th</sup> DECEMBER 2020**

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

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INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in lei, unless otherwise indicated)

**STATEMENT OF FINANCIAL POSITION AT DECEMBER 31**

	Nota	2020	2019
<b>Assets</b>			
Development cost		7,973	
Intangible assets	5	568,443	607,754
Tangible assets	5	80,323,434	86,780,993
Financial assets available for sale	6	-	-
<b>Total non-current assets</b>		<b>80,899,850</b>	<b>87,388,747</b>
Advance payments for tangible assets		68,886	163,204
Stocks	7	7,348,271	5,903,890
Receivables from contracts with customers	8	40,732,363	51,795,428
Trade receivables and other receivables	9	2,506,247	2,152,402
Current tax receivables		-	-
Cash and cash equivalents	11	10,840,220	7,528,245
<b>Total Current Assets</b>		<b>61,495,987</b>	<b>67,543,169</b>
<b>Total Assets</b>		<b>142,395,837</b>	<b>154,931,916</b>
Share capital	12	13,036,325	13,036,325
Share capital adjustments	12	8,812,271	8,812,271
Other elements of equity	12	-	-
Reserves	12	49,873,472	50,512,978
Reported outcome	12	(1,497,868)	(2,891,006)
Financial year outcome	25	2,702,863	2,624,114
<b>Total Equity</b>		<b>72,927,063</b>	<b>72,094,682</b>
<b>Debts</b>			
Long-term bank loans	13	-	896,119
Other loans and debts-leasing	13	717,648	831,688
Deferrend tax liabilities	22	9,097,953	9,436,041
Provisions for risks and expenses	21	119,507	163,395
Deferrend income liabilities	23	4,863,621	6,478,087
<b>Total long-term debts</b>		<b>14,798,729</b>	<b>17,805,330</b>
Overdrafts	13	32,564,113	34,649,925
The current part related to long-term loans	13	-	-
Deferrend tax liabilities	22	335,928	335,928
The current other loans and liabilities - leasing	11	225,172	214,593
Commercial debts and other debts	14	18,415,047	26,541,181
Provisions for risks and expenses	21	1,505,703	1,698,191
Deferrend tax liabilities	23	1,624,082	1,592,086
<b>Total current debts</b>		<b>54,670,045</b>	<b>65,031,904</b>
<b>Total Debts</b>		<b>69,468,774</b>	<b>82,837,234</b>
<b>Total equity and debts</b>		<b>142,395,837</b>	<b>154,931,916</b>

Cenusa Gheorghe  
General Manager

Tatar Dana  
Financial Manager

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

	Nota	<u>2020</u>	<u>2019</u>
<i>Continuous operations</i>			
<b>Revenues</b>			
Revenue from contracts with customers	<b>15</b>	109,454,624	137,169,702
Revenues from sales of goods		10,336	22,430
Other elements related to the turnover		5,316,581	6,650,521
<b>Total revenues</b>		<b>114,781,541</b>	<b>143,842,653</b>
<i>of which turnover</i>	<b>3</b>	<i>116,009,628</i>	<i>149,263,123</i>
<b>Other revenues</b>	<b>16</b>	<b>4,489,264</b>	<b>2,370,932</b>
<b>Expenses</b>			
Raw material costs and other expenses		(46,544,470)	(61,526,130)
Electricity and water costs		(3,928,773)	(4,463,705)
Commodity expenses		(9,854)	(22,003)
Employment charges	<b>17</b>	(42,131,508)	(47,508,533)
Transport costs	<b>18</b>	(5,472,533)	(6,967,833)
Other expenses related to revenues	<b>19</b>	(8,976,105)	(13,801,885)
Cost depreciaton charge	<b>5</b>	(7,542,004)	(7,390,556)
Financial costs , net	<b>25</b>	(1,487,244)	(1,405,342)
Ajustments related to cirent assets depreciation ,net	<b>8</b>	-	47,795
Provision costs for risks and expenses, net	<b>21</b>	73,797	194,763
<b>Other expenses</b>	<b>19</b>	(293,728)	(382,575)
<b>Total expenses</b>		<b>(116,312,422)</b>	<b>(143,226,004)</b>
<b>Pre-tax profit</b>		<b>2,958,383</b>	<b>2,987,581</b>
Profit tax	<b>20</b>	(255,520)	(363,467)
Profit from continuous operations		2,702,863	2,624,114
Profit from discontinuous operations		-	-
<b>PROFIT OF THE PERIOD</b>		<b>2,702,863</b>	<b>2,624,114</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to expenses and revenues</i>			
Value changes of the used assets as a result of revaluation ,net of tax		-	-
<i>Items that can be reclassified to expenses and revenues</i>			
Value changes of securities available for sale	<b>3</b>	-	-
<b>Total profit and loss account and other comprehensive income</b>		<b>2,702,863</b>	<b>2,624,114</b>
<b>Outcome per share</b>			
From continuous and discontinuous operations			
Outcome per basic share (lei per share)	<b>24</b>	0.12	0.12
Diluted outcome per share (lei per share)	<b>24</b>	0.12	0.12
Din operatiuni continue			
Outcome per basic share (lei per share)	<b>24</b>	0.12	0.12
Diluted outcome per share (lei per share)	<b>24</b>	0.12	0.12
Cenusa Gheorghe, General Manager		Tatar Dana Financial Manager	

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INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS

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

<b>STATEMENT OF CHANGE OF EQUITY</b>	<b>Equity</b>	<b>Adjustments of Equity</b>	<b>Differences and reserves from revaluation</b>	<b>Reserves legal</b>	<b>Other reserves</b>	<b>The outcome withheld</b>	<b>Total  Equity</b>
<b>Balance on January 1, 2020</b>	<b>13,036,325</b>	<b>8,812,271</b>	<b>34,371,631</b>	<b>2,607,265</b>	<b>13,534,082</b>	<b>(266,892)</b>	<b>72,094,692</b>
<i>Profit or loss account and other elements of the overall result</i>							
Profit or loss						2,702,863	2,702,863
<i>Other elements of the overall result</i>							
Net change in the fair value of available-for-sale financial assets							
Changes in the value of the assets used							
<i>Movements in the profit or loss account and other elements of the overall result</i>							
Differences from the revaluation made transferred to the retained result-current year			(2,099,548)			1,763,620	(335.928)
Other equity items			335.928		1,124,114	(1,124,114)	335.928
Legal reserves established				0		0	0
<b>Total profit or loss account and other elements of the overall result</b>	<b>0</b>	<b>0</b>	<b>(1,763,620)</b>	<b>0</b>	<b>1,124,114</b>	<b>3,342,369</b>	<b>2,702,863</b>
Other items retained result - correction of accounting errors	0	0	0	0		(370.482)	(370.482)
<b>Other items retained result - correction of accounting errors</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(370.482)</b>	<b>(370.482)</b>
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	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,500,000)</b>	<b>(1,500,000)</b>
<i>Profit or loss account and other elements of the overall result</i>							
<b>Balance at December 31, 2020</b>	<b>13,036,325</b>	<b>8,812,271</b>	<b>32,608,011</b>	<b>2,607,265</b>	<b>14,658,196</b>	<b>1,204,995</b>	<b>72,927,063</b>

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INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS

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

<b>STATEMENT OF CHANGE OF EQUITY</b>	<b>Capital social</b>	<b>Adjustments of share capital</b>	<b>Differences and reserves from revaluation</b>	<b>Reserves legal</b>	<b>Other reserves</b>	<b>The outcome withheld</b>	<b>Total Equity</b>
<b>Balance on January 1, 2019</b>	<b>13,036,325</b>	<b>8,812,271</b>	<b>36,135,250</b>	<b>2,607,265</b>	<b>12,124,502</b>	<b>(778.035)</b>	<b>71,937,578</b>
<i>Profit or loss account and other elements of the overall result</i>							
Profit or loss						2,624,114	2,624,114
<i>4. Other elements of the overall result</i>							
Net change in the fair value of available-for-sale financial assets							
Changes in the value of the assets used							
<i>Movements in the profit or loss account and other elements of the overall result</i>							
Differences from the revaluation achieved transferred to the retained result			(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	0
<b>Total profit or loss account and other elements of the overall result</b>	<b>0</b>	<b>0</b>	<b>(1,763,619)</b>	<b>0</b>	<b>1,409,580</b>	<b>1,992,338</b>	<b>1,638,299</b>
Other items carried over - correction of accounting errors			0	0	0	(75.445)	(75.445)
<b>Other result items carried forward</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(75.445)</b>	<b>(75.445)</b>
<b>Transactions with shareholders, registered directly in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Contributions from and distributions to shareholders / employees</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,405,750)</b>	<b>(1,405,750)</b>
Total transactions with shareholders	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,405,750)</b>	<b>(1,405,750)</b>
<b>Balance as of December 31, 2019</b>	<b>13,036,325</b>	<b>8,812,271</b>	<b>34,371,631</b>	<b>2,607,265</b>	<b>13,534,082</b>	<b>(266.892)</b>	<b>72,094,682</b>

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NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS

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

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**STATEMENT OF CASH FLOWS**

	31.12.2020	31.12.2019
Pre - tax profit	2,702,863	2,624,114
Depreciation of fixed assets	7,542,004	7,390,556
<b>Cash operational brut</b>	<b>10,244,867</b>	<b>10,014,670</b>
<b>Workong Capital Variation</b>		
Variation receivables	-9,206,571	-7,104,287
Variation stocks	1,444,381	-1,450,879
Variation in other current assents	443,219	-90,420
Variation Income/Expenses in advances	-89,374	44,676
Variation suppliers	-8,911,469	-7,807,354
Variation customer advances	1,856,494	422,244
Variation employees and assimilated	1,271,550	12,545
<b>Net operating Cash</b>	<b>11,869,787</b>	<b>11,243,015</b>
<b>Cash flow dfrom net investment</b>	<b>958,789</b>	<b>2,147,709</b>
<b>Debts change</b>		
Variation of short-term loans	-2,085,812	836,650
Variation of long-term loans	-896,119	-2,601,806
Variation of associated debts	-925,767	-422,824
Variation of other liabilities	-	-
Variation of capitalluri	-3,691,325	-3,117,066
<b>Cash flow from financing</b>	<b>-7,599,023</b>	<b>-5,305,046</b>
<b>Total chas variation between</b>	<b>3,311,975</b>	<b>3,790,260</b>
Initial Cash	7,528,245	3,737,985
<b>Net Cash at end of period</b>	<b>10,840,220</b>	<b>7,528,245</b>

Cenusa Gheorghe  
General ManagerTatar Dana  
Financial Manager

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**NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS**

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

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**OPIS NOTE**

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

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*(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 commercial companies and Law 297/2004 on the capital market, with subsequent additions and modifications. The company's registered office 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, starting with November 20, 1995. Evidence of shares and shareholders is held in accordance with the law by SC Depozitarul Central SA Bucharest.

The individual financial statements in accordance with International Financial Reporting Standards have been prepared for the financial year ended December 31, 2020.

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 machinery, lifting and transporting equipment, including their subassemblies, metal constructions, manufacture of armament and ammunition, road transport vehicles and military combat vehicles.

**2. Basics of 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 2844 of 2016, for approving the Accounting Regulations compliant with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, which repeals the Order 1286/2012. The 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 have been authorized for issue by the Board of Directors at 12th of March 2021.

**b. Basics of evaluation**

The financial statements have been prepared on a historical cost basis, with the exceptions mentioned in these Explanatory Notes.



**COMELF SA****NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS**

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

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**c. Operational and presentation currency**

These financial statements are presented in lei, this being also the operational currency of the Company. All financial information is presented in lei, rounded, without decimals.

**d. Use of professional estimates and reasoning**

The preparation of financial statements in accordance with IFRS involves the use by management of professional reasoning, estimates and assumptions that affect the application of accounting policies and the reported value of assets, liabilities, income and expenses. Actual results may differ from estimated values.

**e. Changes in accounting policies**

## General presentation

The financial year ended December 31, 2012 represents the first year of the Company's adoption of International Financial Reporting Standards in accordance with IFRS 1, which entered into force on July 1, 2009.

(i) The Company applies the following International Financial Reporting Standards with the implicit changes on the Company's accounting policies in the financial year 2020 for the comparability of information with the financial year 2019.

IAS 1	Presentation of financial statements	Fundamental accounting principles, structure and content of financial statements, mandatory items and the notion of accurate image.
IAS 2	Inventories	Defining the accounting processing applicable to inventories in the historical cost system: valuation (first in - first out, weighted average cost and net value achieved) and the perimeter of allowable costs.
IAS 7	Cash flow statements	Analysis of cash variations, classified into three categories: operating flows, investment flows, financing flows.
IAS 8	Accounting policies, changes in accounting estimates and errors	Defining the classification, information to be provided and accounting treatment of certain items in the income statement.
IAS 10	Events after the balance sheet date	Provisions regarding the taking into account of the elements after the closing: definitions, terms and conditions of application, particular cases (dividends).
IAS 12	Income tax	Definition of the accounting processing of income taxes and detailed provisions regarding deferred taxes.
IAS 16	Tangible fixed assets	The principles and date of accounting for assets, the determination of their carrying amount and the principles relating to the accounting for depreciation.

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IAS 19	Employee benefits	Principles of accounting and publishing employee benefits: short-term and long-term benefits, post-employment benefits, equity benefits and termination benefits.
IAS 20	Accounting for government grants and presentation of information on government assistance	Principles of accounting and publication of direct or indirect public aid (clear identification, notion of fair value, connection to subsidized fixed assets, etc.).
IAS 21	The effects of exchange rate fluctuations	Defining the accounting processing of activities abroad, transactions in foreign currencies and the conversion of the financial statements of a foreign entity.
IAS 23	Borrowing costs	Definition of accounting processing of borrowing costs: the notion of qualified assets, the ways of incorporating borrowing costs into the value of qualified assets.
IAS 24	Presentation of related party information	Detailed information on the relationships and transactions with related parties (legal and natural persons), which have a significant control or influence over one of the group companies or the management.
IAS 26	Accounting and reporting of pension plans	Defining the principles of evaluation and information regarding retirement schemes (funds), distinguishing between defined contribution schemes and those with defined benefits.
IAS 27	Consolidated and individual financial statements	The principles regarding the presentation of the consolidated accounts, the definition of the consolidation obligation and the notion of control, the convergence of the accounting rules within the group, other principles.
IAS 31	Interests in joint ventures	Accounting principles and policies for the joint venture, operations carried out or the assets or participations held within a joint venture.
IAS 32	Financial instruments: presentation	Presentation rules (classification of debts / equity, expenses or income / equity).
IAS 33	Earnings per share	Principles of determination and representation of earnings per share.
IAS 36	Assets depreciation	Key definitions (recoverable amount, fair value less costs to sell, utility value, cash-generating units), timing of the impairment test, impairment accounting, goodwill case.
IAS 37	Provisions, contingent liabilities	Definition of provisions and estimation methods,

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	and contingent assets	particular cases analyzed (of which, the issue of restructuring).
IAS 38	Intangible assets	Definition and accounting processing of intangible assets, recognition and evaluation policies regarding the processing of research and development expenses, etc.
IAS 40	Real estate investments	Choosing between two valuation methods: fair value or amortized cost, transfers between different categories of assets, etc.
IFRS 1	First-time adoption of International Financial Reporting Standards	Procedures for publishing financial statements in accordance with IAS / IFRS, optional exceptions and mandatory exceptions from the retroactive application of IAS / IFRS.
IFRS 5	Fixed assets held for sale and discontinued operations	Defining an asset intended for trading and abandoning the activity, evaluating these elements.
IFRS 7	Financial instruments: information to be provided	Financial information related to financial instruments mainly refers to: (i) information on the significance of financial instruments; and (ii) information on the nature and extent of the risks posed by financial instruments.
IFRS 9	Financial instruments	Establishes the principles for the financial reporting of financial assets and financial liabilities, for the evaluation of the value, placement in time and uncertainty of the future cash flows of an entity, in order to present relevant and useful information.
IFRS 13	Fair value measurement	Applying fair value in the case of non-financial assets, presenting information related to the fair valueour.
IFRS 15	Revenues from contracts with customers	The principles applicable by a company for establishing the nature, value, placement in time and uncertainty of revenues and cash flows generated by a contract with a client;
IFRS 16	Leasing contracts	The standard incorporates the idea of the controlled use of the rented property by the lessee and records in the accounting the usage rights of the rented property (as an asset) at the same time as the rental payment obligations (as a liability).

The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) are in force for the current reporting period:

- ✓ Amendments to IFRS 9 "Financial Instruments", IAS 39 Financial Instruments:

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

recognition and measurement "and IFRS 7" Financial Instruments: Disclosures "- Reform of the interest rate benchmark (applicable for annual periods beginning on or after 1 January 2020),

✓ Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, changes in accounting estimates and errors" - Definition of materiality (applicable for annual periods beginning on or after 1 January 2020),

✓ Amendments to the References to the Conceptual Framework of IFRS Standards (applicable for annual periods beginning on or after 1 January 2020).

The adoption of these amendments to the existing standards did not lead to significant changes in the Company's financial statements.

According to the Company's estimates, the use of hedge accounting for a portfolio of financial assets and liabilities in accordance with IAS 39: "Financial instruments: recognition and assessment" would not significantly affect the financial statements, if applied at the balance sheet date.

### **3. Significant accounting policies**

The accounting policies have been applied consistently over all the periods 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 analyzes forecasts of future cash inflows.

#### **Foreign currency transactions**

The operations expressed in foreign currency are registered in lei at the official exchange rate from the settlement date of the transactions. Monetary assets and liabilities recorded in foreign currencies at the date of preparation of the statement of financial position are converted into operational currency at the exchange rate on that day.

Gains or losses on their settlement and conversion using the exchange rate at the end of the financial year on monetary assets and liabilities denominated in foreign currency are recognized in the statement of profit or loss account and other elements of the overall result.

The exchange rates of the main foreign currencies were:

<b>Currency</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Euro (EUR)	1: LEU 4.8694	1: LEU 4.7793
US Dollar (USD)	1: LEU 3.9660	1: LEU 4.2608

#### **Accounting for the effect of hyperinflation**

In accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29"), the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy must be presented in the current unit of measurement at the balance sheet date. restated using a general price index from the date of acquisition or contribution).

According to IAS 29, an economy is considered to be hyperinflationary if, among other factors, the cumulative inflation rate over a three-year period exceeds 100%.

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The continuous decrease of the inflation rate and other factors related to the characteristics of the Romanian economic environment indicate that the economy whose functional currency was adopted by the Company has ceased to be hyperinflationary, with effect on the financial periods starting with January 1, 2004. Therefore, the provisions of IAS 29 have been adopted in the preparation of the financial statements starting with 2012, for the periods prior to December 31, 2003.

Thus, the values expressed in the current unit of measurement for periods prior to December 31, 2003 are treated as the basis for the carrying amounts reported in the financial statements and do not represent measured values, replacement cost, or any other measurement of the current value of assets or prices. at which the transactions would take place at this time.

For the purpose of preparing the financial statements, the Company adjusts the following non-monetary items to be expressed in the current unit of measurement for periods prior to December 31, 2003:

- Social capital;
- reserves;
- property, plant and equipment, other than land and buildings

The lands and buildings are presented at the revalued value at December 31, 2015.

The most recent revaluation was performed by the Company on December 31, 2018, in order to establish the amount of local taxes and fees, in accordance with GEV 500. The revalued values are not reflected in the Financial Statements.

**Inventories**

Inventories are measured at cost in accordance with IAS 2 and the cost formula used is a weighted average cost. This method does not apply to the production in progress and to the finished production for which it is applied the provisions of IFRS 15 "Revenues from contracts with clients".

The production in progress is found under the item Receivables from contracts with customers given the fact that the company applies IFRS 15 "Revenues from contracts with customers". According to this standard, the revenues from the contracts with the clients are evaluated based on the entries and the efforts of the company for the fulfillment of the execution obligations in relation to the total entries expected for the fulfillment of the execution obligation. In determining revenues from contracts with customers, the entity permanently assesses the level of actual costs compared to initial costs, pre-calculated and recognizes revenue only at the level of costs that contribute to the progress of the entity and were reflected in the contract price, weighted by quantity and actual status, execution of the contract.

**Cash and cash equivalents**

Cash and cash equivalents include: cash, current accounts and short-term bank deposits.

**Financial assets and liabilities****(i) Classification**

The company classifies the financial instruments held in the following categories:

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on an active market, other than those that the Company intends to sell immediately or in the near future.

**COMELF SA**

**NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS**

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

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*Financial assets available for sale*

Available-for-sale financial assets are those financial assets that are not classified as loans and receivables.

For available-for-sale financial assets for which there is an active market or can be measured using valuation methods after initial recognition, equity instruments are measured at fair value and changes in fair value, other than impairment losses, are recognized directly in equity

When the asset is derecognized, the cumulative gain or loss is transferred to the income statement.

**(ii) Recognition**

Assets and liabilities are recognized on the date on which the Company becomes a contractual party under the terms of that instrument. Financial assets and liabilities are measured at the time of initial recognition at fair value plus directly attributable trading costs, except for investments in shares whose fair value could not be reliably determined and which are initially recognized at cost.

**(iii) Valuation at depreciated cost**

The depreciated cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, less principal payments, plus or minus the accumulated depreciation up to that point using the method. effective interest, less impairment losses.

**(iv) Fair value measurement**

Fair value is the amount at which an asset can be traded or a debt settled, between interested parties and knowingly, in a transaction carried out under objective conditions at the valuation date.

**(v) Identifying and evaluating impairment (depreciation)**

*Financial assets measured at depreciated cost*

The company reviews at each reporting date whether there is any objective indication that a financial asset is impaired. A financial asset is impaired if and only if there are objective indications of impairment as a result of one or more events that occurred after the initial recognition of the asset ("loss-making event") and the loss-generating event or events. have an impact on the future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there are objective indications that there has been a impairment loss on financial assets measured at depreciated cost, then the loss is measured as the difference between the carrying amount of the asset and the present value of future cash flows using the effective interest rate of the financial asset at the original time.

The carrying amount of an asset is reduced by the Company by using a provision account. Impairment losses are recognized in profit or loss and other comprehensive income.

If in a subsequent period an event that occurred after the impairment was recognized reduces the impairment loss, the previously recognized impairment loss is reversed by adjusting the provision account. The reduction of the impairment loss is recognized in the profit or loss account and other elements of the global result.

**COMELF SA****NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS**

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

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***Financial assets available for sale***

In the case of available-for-sale financial assets, when a decrease in the fair value of a available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity will be resumed from equity accounts and recognized in the statement of comprehensive income even if the financial asset has not yet been derecognized.

The value of the cumulative loss that is resumed from equity accounts in the statement of comprehensive income will be the difference between the acquisition cost (net of principal and amortization) and the current fair value, less any loss on depreciation of that financial asset previously recognized in the statement of comprehensive income.

Impairment losses on assets recognized in the income statement and other comprehensive income related to investments classified as available for sale may not be reversed in the income statement. If, at a later period, the fair value of an impaired interest increases, the increase in value will be recognized directly in other comprehensive income.

Given the intrinsic limitations of the applied methodologies and the significant uncertainty of the valuation of the assets on the international and local markets, the Company's estimates can be significantly revised after the approval date. financial statements.

***(vi) Derecognition***

The Company derecognises a financial asset when the rights to receive cash flows from that financial asset expire, or when the Company has transferred the rights to receive the contractual cash flows related to that financial asset in a transaction in which it has significantly transferred all the risks and benefits of the property right.

The company recognizes a financial liability when the contractual obligations have been concluded or when the contractual obligations are cancelled or expire.

Upon derecognition of a financial asset in its entirety, the difference between:

- its book value and
- the amount of (i) the amount of the amount received (including any newly acquired assets less any new liabilities assumed) and (ii) any cumulative gain or loss that has been recognized in other items of the overall result is recognized in profit or loss.

**Other financial assets and liabilities**

Other financial assets and liabilities are measured at amortized cost using the effective interest method, less any impairment losses.

**Tangible and intangible assets*****(i) Recognition and evaluation***

Tangible fixed assets recognized as assets are initially measured at cost by the Company. The cost of an item of property, plant and equipment consists of the purchase price, including irrecoverable taxes, after deducting any price reductions of a commercial nature and any costs that may be directly attributable to bringing the asset to its location and condition necessary for its use the desired management purpose, such as: employee expenses resulting directly from the construction or acquisition of the asset, site development costs, initial delivery and handling costs, installation and assembly costs, professional fees.

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**NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS**

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

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The value of the Company's tangible and intangible assets as of December 31, 2020 and December 31, 2019 is detailed in note 5.

Tangible fixed assets are classified by the Company in the following classes of assets of the same nature and with similar uses:

- Land;
- Buildings;
- Equipment, technical installations and machines;
- Means of transport;
- Other property, plant and equipment.

The fair value is based on market price quotations, adjusted, where appropriate, to reflect differences in the nature, location or conditions of the asset.

All the assets from the company's patrimony were used in order to achieve the main object of activity, respectively the production contracted with the clients for 2020 or for the purpose of achieving the secondary object of activity (for a reduced percentage of assets). They are recorded at fair value, included in level 2 in the fair value hierarchy.

During 2020 there were no transfers between the value hierarchy categories.

The re-evaluations are performed by specialized evaluators, ANEVAR members. The frequency of revaluations is dictated by the dynamics of the markets to which the lands and buildings owned by the Company belong.

The other categories of tangible assets are highlighted at cost, less accumulated depreciation and the provision for impairment.

Expenses with maintenance and repairs of property, plant and equipment are recorded by the Company in the statement of comprehensive income when they occur, and significant improvements to property, plant and equipment, which increase their value or life, or which significantly increase the ability to generate economic benefits, are capitalized.

**(ii) Depreciation**

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	20- 55 years
Equipment	2-36 years
Means of transport	4-8 years
Furniture and other tangible assets	3-18 years

The land is not subject to depreciation.

Intangible assets that meet the recognition criteria in IFRS are recorded at cost less accumulated depreciation. Depreciation of intangible assets is recorded in the income statement based on the straight-line method over an estimated period of up to 4 years.

Depreciation methods, estimated useful lives and residual values are reviewed by the Company's management at each reporting date.



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NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS

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

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**(iii) Sale / disposal of tangible and intangible assets**

Tangible fixed assets that are scrapped or sold are eliminated from the statement of financial position together with the corresponding accumulated depreciation. Any profit or loss resulting from such an operation is included in the current profit or loss account. Disposal of tangible assets is made annually, following their inventory and is approved by the Board of Directors.

**Impairment of non-financial assets**

The carrying amount of the Company's non-financial assets, other than deferred tax assets, is reviewed at each reporting date to identify impairment. If there are such indications, the recoverable amount of those assets is estimated.

An impairment loss is recognized when the carrying amount of the asset or its cash-generating unit exceeds the recoverable amount of the asset or cash-generating unit. A cash-generating unit is the smallest identifiable group that generates cash and that independently of other assets and other groups of assets has the ability to generate cash flows. Impairment losses are recognized in the statement of comprehensive income.

The recoverable amount of an asset or a cash-generating unit is the maximum of its value in use and its fair value less costs to sell that asset or unit. To determine the value in use, future cash flows are discounted using a pre-tax discount rate that reflects current market conditions and the specific risks of the asset.

Impairment losses recognized in prior periods are measured at each reporting date to determine whether they have decreased or not. Impairment loss is reversed if there is a change in the estimates used to determine the amount of recovery. The impairment loss is reversed only if the carrying amount of the asset does not exceed the carrying amount that would have been calculated, net of depreciation and amortization, if the impairment loss had not been recognized.

**Investment grants**

The company has registered investment subsidies. The policies adopted for the recognition and presentation of grants for investments received are the following: a grant is recognized only when there is reasonable assurance that the entity will comply with the conditions attached to its award and that the grant will be received. The company recognized these receivables at the collection date or at a date close to the collection date, simultaneously with the recognition of a deferred income.

Deferred income is recognized in grant income (Other income) as assets are depreciated. See **Note Other income.**

**Equity**

Ordinary shares are recognized in the share capital. Incremental costs directly attributable to an issue of ordinary shares are deducted from the capital, net of the effects of taxation.

**Revaluation reserves**

The revaluations were performed so that the carrying amount does not differ substantially from that which would be determined using the fair value from the date of the statement of financial position.

**COMELF SA****NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS**

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

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If the result of the revaluation is an increase relative to the net book value, then it is treated as follows: as an increase in the revaluation reserve presented in equity, if there was no previous decrease recognized as an expense related to that asset or as income that to offset the expense with the previously recognized decrease in that asset.

If the result of the revaluation is a decrease in the net carrying amount, it is treated as an expense with the full amount of impairment when an amount related to that asset (revaluation surplus) is not recorded in the revaluation reserve or as a decrease in the revaluation reserve. with the minimum between the value of that reserve and the value of the decrease, and the eventual difference left uncovered is registered as an expense.

The revaluation surplus included in the revaluation reserve is transferred to retained earnings when that surplus represents a realized gain. The gain is considered realized when removing from the record the asset for which the revaluation reserve was constituted.

Starting with May 1, 2009, as a result of the changes occurred in the fiscal legislation, the revaluation reserves registered after January 1, 2004 become taxable as the respective fixed asset is depreciated.

**Legal reserves**

According to the legal requirements, the Company fully constituted legal reserves in the amount of 5% of the registered gross profit, but not more than 20% of the share capital valid at the date of establishing the reserve. These reserves are deductible when calculating income tax.

**Dividends to be distributed**

Dividends are treated as a distribution of profit during the period in which they were declared and approved by the General Meeting of Shareholders.

**Provisions for risks and expenses**

The provisions are recognized in the statement of financial position when an obligation arises for the Company related to a past event and it is likely that in the future it will be necessary to consume economic resources to extinguish this obligation and a reasonable estimate of the value of the obligation can be made. To determine the provision, future cash flows are discounted using a pre-tax discount rate that reflects current market conditions and the specific risks of that debt.

**Revenues from contracts with customers**

Revenues from contracts with clients are recognized periodically and are assessed on the basis of the company's revenues and efforts to fulfill the execution obligations in relation to the total revenues expected to fulfill the execution obligation. In determining revenues from contracts with customers, the entity permanently assesses the level of actual costs compared to initial costs, pre-calculated and recognizes revenue only at the level of costs that contribute to the progress of the entity and were reflected in the contract price, weighted by quantity and physical condition. execution of the contract. The company transfers in time (in phases), to the client, the control over the goods fulfilling an execution obligation, thus recognizing revenues in time, at each execution phase. Upon timely recognition of revenues, the company reviews the terms of the contract regarding the payment obligation, guarantees, remediation costs as well as any other costs that could affect the performance of the contract and adjusts, accordingly, the revenues of the contract;

**COMELF SA**

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS

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

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**Interest income**

Interest income and expense are recognized in the income statement and other comprehensive income through the effective interest method. The effective interest rate is the rate that accurately updates payments and cash receipts expected in the future over the life of the asset or financial liability (or, where applicable, for a shorter period) to the carrying amount of the asset or financial debt.

**Employee benefits*****(i) Short-term benefits***

Obligations with short-term benefits granted to employees are not discounted and are recognized in the income statement and other comprehensive income as the related service is provided.

Short-term employee benefits include salaries, bonuses and social security contributions. Short-term employee benefits are recognized as an expense when the services are provided. The Company recognizes a provision for amounts expected to be paid as entitlements related to due and unpaid leave, short-term cash bonuses or profit-sharing schemes for employees, provided that the Company currently has a legal or implied obligation to pay those amounts as a result of past services provided by employees and whether the obligation can be reliably estimated.

***(i) Determined contribution plans***

The company makes payments on behalf of its employees to the public pension system, health insurance and insurance contribution for work, during the normal activity.

The company is not employed in any other post-retirement benefit system. The company has no obligation to provide subsequent services to former or current employees.

***(ii) Long-term employee benefits***

The net obligation of the Company regarding the benefits related to the long-term services is represented by the value of the future benefits that the employees have gained in exchange for the services provided by them in the current period and the previous periods. According to the collective labor contract, the Company has the obligation to pay, at retirement, to its employees, depending on the seniority within the Company (at least 10 years), a fixed amount between 800-1600 RON

The Company uses an actuarial, internal calculation to calculate the value of retirement benefits and updates the value of this debt each year, depending on the seniority of the Company's employees and the staff turnover rate in the last 5 years. The amount of retirement benefits is recognized as a provision in the statement of financial position.

Adjustments resulting from the annual review of anniversary provisions are recognized in the income statement.

The provision for retirement benefits is reversed in the income statement when the Group pays the obligation.

**Gains and losses from exchange rate differences**

Foreign currency transactions are registered in the functional currency (leu), by converting the amount into foreign currency at the official exchange rate communicated by the National Bank of Romania, valid on the date of the transaction.

At the reporting date, the monetary items denominated in foreign currency are translated using the closing exchange rate.

**COMELF SA****NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS**

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

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Exchange rate differences that arise on the settlement of monetary items or the conversion of monetary items at exchange rates different from those at which they were converted at initial recognition (during the period) or in previous financial statements are recognized as a loss or gain in profit or loss; loss and other elements of the overall result in the period in which they occur.

**Income tax**

The profit tax related to the exercise includes the current tax and the deferred tax.

The profit tax is recognized in the statement of profit or loss account, other elements of the global result or directly in the own capitals, taking into account the way in which the elements to which it refers affect one or the other of these elements.

The current tax is the tax payable related to the profit realized in the current period, determined based on the percentages applied at the reporting date and on all the adjustments related to the previous periods.

For the period January 1-December 31, 2020, the corporate tax rate was 16%.

Deferred tax is not recognized for the following temporary differences: initial recognition of goodwill, initial recognition of assets and liabilities arising from transactions that are not business combinations and that affect neither accounting nor taxable profit and differences arising from investments in subsidiaries, provided that they are not resumed in the near future.

The deferred tax is calculated based on the tax rates that are expected to be applicable to temporary differences upon their resumption, based on the legislation in force at the reporting date. Deferred tax receivables and liabilities are offset only if there is a legal right to offset current tax liabilities and receivables and if they relate to tax collected by the same tax authority for the same taxable entity or for different tax authorities but wishing to settle receivables. and current tax liabilities using a net basis or the related assets and liabilities will be realized simultaneously.

The deferred tax receivable is recognized by the Company only to the extent that it is probable that future profits may be used to cover the tax loss. The receivable is revised at the end of each financial year and is diminished to the extent that the related tax benefit is unlikely to be realized.

**Earnings per share**

The company presents the result per basic share and diluted for ordinary shares. The result per basic share is determined by dividing the profit or loss attributable to the ordinary shareholders of the Company to the weighted average number of ordinary shares related to the reporting period. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares with the dilution effects generated by potential ordinary shares.

**Leasing payments**

The minimum leasing payments within the financial leasing contracts are divided proportionally between the expense with the leasing interest and the reduction of the leasing debt. The lease interest expense is allocated to each leasing period in such a way as to produce a constant interest rate for the remaining lease debt.

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NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS

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

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**Segment reporting**

A segment is a distinct component of the Company that provides certain products or services (business segment) or provides products and services in a certain geographical environment (geographical segment) and which is subject to risks and benefits different from those of other segments.

**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 of not obtaining the expected profit, as a result of price fluctuations, interest rates and exchange rates.

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 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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	<b>December 31, 2020</b>		<b>December 31, 2019</b>	
	<b>Book value</b>	<b>Fair value</b>	<b>Book value</b>	<b>Fair value</b>
Receivables from contracts with customers	40,732,363	40,732,363	51,795,428	51,795,428
Trade and other receivables	2,506,247	2,506,247	2,152,402	2,152,402
Down-payments granted for property, plant and equipment	68.886	68.886	163.204	163.204
Cash and cash equivalents	10,840,220	10,840,220	7,528,245	7,528,245
Short-term bank loan	-32,564,113	-32,564,113	-34,649,925	-34,649,925
Current part-lease	-225.172	-225.172	-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	-18,415,047	-18,415,047	-26,541,181	-26,541,181
<b>Total</b>	<b>2,607,456</b>	<b>2,607,456</b>	<b>-102.348</b>	<b>-102.348</b>

*(ii) Interest rate risk*

As of December 31, 2020, most of the Company's assets and liabilities are not interest-bearing, except for bank 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.

The following tables show the Company's exposure to interest rate risk.

Fixed rate financial instruments	<b>2020</b>	<b>2019</b>
<i>Financial assets</i>		
Working capital loan	32,546,113	35,546,044
Interest rate:	Euribor / Libor / Robor 1M + 0.90%	Euribor / Libor / Robor 1M + 0.78%
Leasing contract UNICREDIT Leasing Corporation IFN	603	1.233
Interest rate: Euribor 3M + 1.99%		
Leasing contract PORSCHE 6,883 7,596		
Interest rate: PLP18FE 6.09%		
Leasing contract BRD Sogelease 16,685 3,400		
Interest rate: Eur3M + 2.40%		

*Currency risk*

Currency risk is the risk of recording losses or of not realizing the estimated profit as a result of 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 denominated in foreign currency (73%) and the Company's financial liabilities are denominated in foreign currency (52%) and in the national currency (48%) and therefore exchange rate fluctuations do not significantly affect the Company's business. 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 INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS

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

**(b) Credit risk**

The Company is exposed to credit risk related to financial instruments arising from the possible non-fulfillment of payment obligations that a third party has towards the Company. The company is exposed to credit risk as a result of trade receivables with payment terms of up to 120 days.

The maximum exposure to credit risk of the Company is in the amount of 43,307,496 lei as of December 31, 2020 and in the amount of 54,111,034 lei as of December 31, 2019 and can be analyzed as follows:

***Receivables from contracts with clients, various debtors and commercial receivables***

The statement of receivables at the date of the financial statements (reported at the date of the invoice) was:

	<b>Gross value as of December 31, 2020</b>	<b>Impairment adjustments</b>	<b>Gross value as of December 31, 2019</b>	<b>Impairment adjustments</b>
Between 0 - 30 days	26,657,314	-	30,754,404	-
Between 31-60 days	6,311,288	-	9,107,649	-
Between 31-90 days	5,518,311	-	6,513,094	-
Between 91-180 days	3,403,047	-	3,806,816	-
Between 181-365 days	417,505	-	3,849,043	-
In 365 days	4,226,856	3,226,825	3,306,853	3,226,825
<b>Total:</b>	<b>46,534,321</b>	<b>3,226,825</b>	<b>57,337,859</b>	<b>3,226,825</b>
<b>Total net:</b>	43,307,496 54,111,034			

Receivables over 180 days old, not provisioned, are within the contractual terms. See Note 8, 9 and 10. Of the total receivables with an overdue maturity of more than 365 days, provisions were made for uncertain amounts.

**(c) Economic risk**

The Romanian economy continues to present the specific characteristics of an emerging economy and there is a significant degree of uncertainty regarding the development of the political, economic and social environment in the future. The Company's management is concerned to estimate the nature of the changes that will take place in the Romanian economic environment and what will be their effect on the financial situation and the operational and treasury result of the Company.

Among the characteristics of the Romanian economy is the existence of a currency that is not fully convertible abroad and a low degree of liquidity of the capital market.

The Company's management cannot predict all the effects of the situation of the economy considered as a whole that will have an impact on the Romanian financial sector, nor their potential impact on the present financial statements. The management of the Company considers that it has adopted the necessary measures for the sustainability and development of the Company in the current market conditions. The main challenge at this time for the Company is the health and safety of employees in the context of the pandemic, the lack of skilled labor for which the Company has identified a solution that it applied in 2020 and will apply in 2021: the import of labor skilled labor from India.

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NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS

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

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**(d) Operational risk**

Operational risk is defined as the risk of loss or loss of estimated profits due to internal factors such as inadequate internal activities, inadequate personnel or systems, or external factors such as economic conditions, changes on the capital market, technological advances, fluctuation of the price of the raw material. The operational risk is inherent in all the Company's activities.

The policies defined for the management of operational risk have taken into account each type of event that may generate significant risks and the ways in which they manifest themselves, in order to eliminate or diminish the losses of a financial or reputational nature.

**(e) Capital adequacy**

The management's policy regarding the capital adequacy focuses on maintaining a solid capital base, in order to support the continuous development of the Company and to achieve the investment objectives.

The Company's equity includes share capital, various types of reserves and retained earnings. The company is not subject to legal capital adequacy requirements.

**(f) Determining fair value**

Certain accounting policies of the Company and disclosure requirements require the determination of fair value for both financial and non-financial assets and liabilities. Fair values were determined for the purpose of evaluating and/or presenting the information based on the methods described below. Where applicable, additional information on the assumptions used in determining fair value is presented in the notes specific to the asset or liability.



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NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS

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

As of December 31, 2020 and December 31, 2019, tangible and intangible assets evolved as follows:

Cost	Developme nt Exp.	Non-tangible ASSETS	Intangible assets in progress	Land	Buildings	Technical installations and machines	Other installations and furniture	Tangible assets in progress	Total
	203	205	233	211	212	213	214	231	
<b>Balance on January 1, 2020</b>	<b>0</b>	<b>1,096,792</b>	<b>0</b>	<b>21,247,075</b>	<b>40,046,069</b>	<b>90,781,002</b>	<b>437.605</b>	<b>1,546,636</b>	<b>155,155,179</b>
ACQUISITIONS	7.973	69.910	58.482	0	0	490.791	29.191	366.381	1,022,728
Domestic production	0	0	0	0	0	0	0	30.712	30.712
Exits	0	0	0	0	0	-3.255	0	0	-3.255
Internal transfers	0	0	0	0	213.087	590.956	0	-804.043	0
Internal transfers	0	0	0	0	0	0	0	0	0
<b>Balance at December 31, 2020</b>	<b>7.973</b>	<b>1,166,702</b>	<b>58.482</b>	<b>21,247,075</b>	<b>40,259,156</b>	<b>91,859,494</b>	<b>466.796</b>	<b>1,139,686</b>	<b>156,205,364</b>
<b>Accumulated depreciation</b>									
<b>Balance on January 1, 2020</b>	<b>0</b>	<b>489.038</b>	<b>0</b>	<b>0</b>	<b>11,523,215</b>	<b>55,520,175</b>	<b>234.004</b>	<b>0</b>	<b>67,766,432</b>
Depreciation expense in the year	0	167.703	0	0	2,611,401	4,739,776	23.124	0	7,542,004
Cumulative depreciation of outflows	0	0	0	0	0	-2.922	0	0	-2.922
Depreciation cancellation for revalued fixed assets	0	0	0	0	0	0	0	0	0
<b>Balance at December 31, 2020</b>	<b>0</b>	<b>656.741</b>	<b>0</b>	<b>0</b>	<b>14,134,616</b>	<b>60,257,029</b>	<b>257.128</b>	<b>0</b>	<b>75,305,514</b>

**COMELF SA**

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

	Developm ent costs	Intangible assets	Intangible assets in progress	Land	Buildings	Technical installations and machines	Other installatio ns and furniture	Tangible Assets in progress	Total
	203	205	233	211	212	213	214	231	
<b>Cost</b>									
<b>Balance on January 1, 2019</b>	<b>0</b>	<b>858.746</b>	<b>0</b>	<b>21,247,075</b>	<b>40,046,069</b>	<b>88,968,501</b>	<b>449.006</b>	<b>2,153,475</b>	<b>153,722,872</b>
inputs	0	113.966	0	0	0	1,357,042	0	1,546,866	3,017,874
Domestic production	0	0	0	0	0	0	0	105.370	105.370
Exits	0	0	0	0	0	-1,211,027	-11.401	-468.509	-1,690,937
Internal transfers	0	124.080	0	0	0	1,666,486	0	-1,790,566	0
Internal transfers	0	0	0	0	0	0	0	0	0
<b>Balance as of December 31, 2019</b>	<b>0</b>	<b>1,096,792</b>	<b>0</b>	<b>21,247,075</b>	<b>40,046,069</b>	<b>90,781,002</b>	<b>437.605</b>	<b>1,546,636</b>	<b>155,155,179</b>
<b>Cumulative depreciation</b>									
<b>Balance on January 1, 2019</b>	<b>0</b>	<b>267.043</b>	<b>0</b>	<b>0</b>	<b>8,914,062</b>	<b>52,195,141</b>	<b>222.034</b>	<b>0</b>	<b>61,598,280</b>
Depreciation expense in the year	0	221.995	0	0	2,609,153	4,536,036	23.372	0	7,390,556
Cumulative depreciation of outflows	0	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	0
<b>Balance as of December 31, 2019</b>	<b>0</b>	<b>489.038</b>	<b>0</b>	<b>0</b>	<b>11,523,215</b>	<b>55,520,175</b>	<b>234.005</b>	<b>0</b>	<b>67,766,433</b>
<b>Net book value</b>									
<b>On December 31, 2020</b>	<b>7.973</b>	<b>509.961</b>	<b>58.482</b>	<b>21,247,075</b>	<b>26,124,540</b>	<b>31,602,466</b>	<b>209.668</b>	<b>1,139,685</b>	<b>80,899,850</b>
<b>On December 31, 2019</b>	<b>0</b>	<b>607.754</b>	<b>0</b>	<b>21,247,075</b>	<b>28,522,854</b>	<b>35,260,828</b>	<b>203.600</b>	<b>1,546,636</b>	<b>87,388,747</b>

**COMELF SA**

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

The company has in the past valued land and buildings at fair value. The last revaluation of the buildings that had an effect on the financial statements was performed on December 31, 2015. The company performed the revaluation of property, plant and equipment with independent appraisers.

During 2020, the Company made investments amounting to 1,053,440 lei financed from the surplus of the current activity of the period and from non-reimbursable funds.

The increases of tangible / intangible assets, in the reference year, are mainly materialized in:

a) Welding equipment	48,537 lei
b) MIG MAG inventors (inverters?) + access	225,447 lei
c) Software (bar code Software, Metalix, licenses)	69,910 lei
d) Compressor	24,215 lei
e) Calculation technique	14,336 lei
f) Tool shed	543,691 lei
g) Car access control system	43,585 lei
h) Electric pallet truck	11,000 lei
i) Other factory equipment	29,191 lei
j) Laser modernization	117,558 lei
k) Equipment modernization	53,378 lei

The amortization method was the linear one throughout the financial year, its total amount was 7,542.004 lei. During the same period, the value of 1,624,082 was resumed at income from investment subsidies. lei. The company owns property and land. The situation of securities in the form of mortgages is presented in note 14.

**6. Financial assets available for sale**

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

**7. Inventories**

On December 31, 2020 and December 31, 2019, inventories record the following balances:

	December 31, 2019	December 31, 2019
Raw materials	6,804,803	5,362,825
Auxiliary materials	37.967	43.891
Fuel (Machine oil)	12.805	8.578
Inventory items	378.823	384.999
Other	158.240	147.964
Adjustments for depreciation of raw materials	-44.367	-44.367
<b>Total</b>	<b>7,348,271</b>	<b>5,903,890</b>

The company has registered value adjustments for the depreciation of inventories as of December 31, 2020 in the amount of 44,367 lei.

In 2020, the expenses related to the above positions recognized in the cost of sales was in the amount of 46,544,470 lei (2019: 61,526,130 lei).

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

No stocks were pledged for the contracted loans.

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NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

**8. Receivables from contracts with customers**

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

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Receivables from contracts with invoiced customers	25,983,018	35,817,997
Receivables from contracts with uninvoiced customers	16,965,183	18,193,270
Value adjustments regarding receivables from invoiced construction contracts	(2,215,838)	(2,215,838)
<b>Total</b>	<b>40,732,363</b>	<b>51,795,428</b>

Receivables from contracts with customers are presented net of advances received in the amount of 2,809, 832 lei (31 December 2019: 953,338).

The division by seniority was presented in point 4 "Management of significant risks."

The situation of the seniority of the impaired receivables at the date of the financial statements was:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Between 181-365 days	-	-
In 365 days	2,215,838	2,215,838
<b>Total</b>	<b>2,215,838</b>	<b>2,215,838</b>

Below is an analysis by seniority of receivables from contracts with customers that are past due on 31.12.2020 but which are not impaired:

**December 31, 2020**

<b>DEBT</b>	<b>Total</b>	<b>On time</b>	<b>Backlog &lt;30 days</b>	<b>Backlog 30-90 days</b>	<b>Backlog &gt; 90 days</b>
Receivables from contracts with customers	<b>40,732,363</b>	39,513,982	389.253	295.664	533.464

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 effectiveness of the company in collecting its receivables. For the year 2020 (Average balance of clients / Turnover) x 365 days = 84 days, for the year 2019 it is 85 days. In general, the penalties are treated according to the contracts with each client and are solved by punctual negotiation of each case. The procedure for accepting new clients is done in accordance with the bidding-contracting procedures in the procedures manual, these procedures are periodically reviewed.

**9. Trade and other receivables**

On December 31, 2020 and December 31, 2019, trade and other receivables are presented as follows

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Receivables from sales of goods	-	-
VAT to be recovered	1,193,724	975.906
Down-payments made to domestic suppliers (excluding those for fixed assets)	205.266	152.127
Down-payments made to external suppliers	157.649	176.481
Down-payments made to fixed-assets suppliers	68.886	163.204
Different debtors	267.017	139.116
Other receivables	1,693,578	1,719,759
Value adjustments	-1,010,987	-1,010,987

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NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Total</b>	<b>2,575,133</b>	<b>2,315,606</b>

Below is a review by seniority of trade receivables and other receivables that are past due on 31.12.2020 but which are not impaired:

**December 31, 2020**

<b>DEBT</b>	<b>Total</b>	<b>On time</b>	<b>Backlog &lt;30 days</b>	<b>Backlog 30-90 days</b>	<b>Backlog &gt; 90 days</b>
Trade and other receivables	<b>2,575,133</b>	931.524	819.268	608.361	215.980

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

**10 . Impairment adjustments for current assets**

The evolution of value adjustments on the depreciation of current assets in 2020 was as follows:

	<b>Balance on January 1, 2020</b>	<b>increases</b>	<b>Decreases</b>	<b>Balance as of December 31, 2020</b>
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
<b>Total</b>	<b>3,226,825</b>	<b>-</b>	<b>-</b>	<b>3,226,825</b>

The adjustment in the amount of 1,010,987 lei represents an adjustment in the amount 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 the financial assets to be impaired are mainly related to contractual guarantees and / or non-conformities discussed with customers.

**11. Cash and cash equivalents**

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

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Availability in bank accounts in local currency	3,992,814	888.619
Availability in bank accounts in foreign currency	6,833,694	6,614,870
Cash	13.712	24.657
Other availabilities	-	99

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NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

<b>Total</b>	<b>10,840,220</b>	<b>7,528,245</b>
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Current accounts opened with banks are permanently available to the Company and are not restricted.

**Liquidity management**

The responsibility regarding the liquidity risk belongs to the Board of Directors and to 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.

**December 31, 2020**

<b>DEBT</b>	<b>Total</b>	<b>&lt;1 Moon</b>	<b>1 - 3 months</b>	<b>3 months - 1 year</b>	<b>&gt; 1 year</b>
Receivables from contracts with customers	<b>40,732,363</b>	39,903,235	295.664	533.464	0
Trade and other receivables	<b>2,575,133</b>	1,750,792	608.361	215.980	0
Current tax receivables	<b>0</b>	0	0	0	0
Cash and cash equivalents	<b>10,840,220</b>	10,840,220			
<b>TOTAL</b>	<b>54,147,716</b>	<b>52,494,517</b>	<b>904.025</b>	<b>749.444</b>	-

**December 31, 2020**

<b>LIABILITIES</b>	<b>Total</b>	<b>&lt;1 Moon</b>	<b>1 - 3 months</b>	<b>3 months - 1 year</b>	<b>&gt; 1 year</b>
Trade and other payables	<b>18,415,047</b>	8,588,073	8,596,836	1,230,138	0
Current part - leasing loans	<b>225.172</b>	19.038	57.397	148.737	
Deferred tax liabilities (current part)	<b>335.928</b>	0	83.981	251.947	0
Overdraft (current part)	<b>32,564,113</b>	31,651,100	913.013	0	0
<b>TOTAL</b>	<b>51,540,260</b>	<b>40,258,211</b>	<b>9,651,227</b>	<b>1,630,822</b>	<b>0</b>

**December 31, 2019**

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

**December 31, 2019**

<b>LIABILITIES</b>	<b>Total</b>	<b>&lt;1 Moon</b>	<b>1 - 3 months</b>	<b>3 months - 1 year</b>	<b>&gt; 1 year</b>
Trade and other payables	<b>26,541,181</b>	13,249,350	11,965,627	1,326,204	0
Bank loans (other than overdraft)	<b>214.593</b>	17.944	35.416	161.233	

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NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS  
(All amounts are expressed in LEI, unless otherwise indicated)

Deferred tax liabilities (current part)	<b>335,928</b>	0	83,981	251,947	0
Overdraft (extended annually)	<b>34,649,925</b>	31,364,156	597,413	2,688,356	0
<b>TOTAL</b>	<b>61,741,627</b>	<b>44,631,450</b>	<b>12,682,437</b>	<b>4,427,740</b>	<b>0</b>

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

In 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 December 31, 2020 and December 31, 2019, the shareholding structure *company* It is:

	2020			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%
<b>Total</b>	<b>22,476,423</b>	<b>13,036,325</b>	<b>100%</b>	<b>22,476,423</b>	<b>13,036,325</b>	<b>100%</b>

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

The restated share capital contains the following components:

	December 31, 2020	December 31, 2019
Equity	13,036,325	13,036,325
Share capital adjustments - IAS 29	8,812,271	8,812,271
<b>Equity portrayed</b>	<b>21,848,596</b>	<b>21,848,596</b>

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

**b) Reserves and retained result**

Below is presented the detail of the rows from the statement of financial position representing reserves and retained result.

The lines marked in bold are found both in the situation of the financial position and in the situation of the change of equity where the variation from 31.12.2020 to 31.12.2019 is explained.

	Financial year ended on 31 December 2020	Financial year ended December 31, 2019
<b>Legal reserves</b>	<b>2,607,265</b>	<b>2,607,265</b>
<b>Reserves and revaluation differences</b>	<b>32,608,011</b>	<b>34,371,631</b>
Differences from revaluation of fixed assets	41,119,290	43,218,838
Temporary differences in deferred income tax recognized on account of capital	-8,511,279	-8,847,207
Reserves from the revaluation of	-	-

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financial instruments available for sale		
<b>Other reservations</b> (cont. 1068)	<b>14,658,196</b>	<b>13,534,082</b>
<b>Retained earnings and profit (retained earnings)</b>	<b><u>1,204,995</u></b>	<b><u>-266.892</u></b>
The carried forward result representing the surplus realized from revaluation reserves	10,827,877	9,064,257
Retained earnings from the transition to IFRS, less IAS 29	-11,176,457	-11,176,457
The result carried forward represents the undistributed profit or the uncovered loss	0	0
Account 118 Deferred income from the first adoption of IAS 29	113.776	113.776
Profit	2,702,833	2,624,114
Profit distribution	0	0
<b>Total reserves and retained result</b>	<b><u>51,078,467</u></b>	<b><u>50,246,086</u></b>

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

According to the legal requirements, the Company constitutes legal reserves in the amount of 5% of the gross profit registered according to IFRS in 2020 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. As at 31.12.2020, the company already had a legal reserve up to the amount of these limits.

**(b) Revaluation reserves**

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

**(c.) Dividends**

During 2020, In accordance with the Decision of the Ordinary General Meeting of Shareholders, the Company decided to distribute dividends from the result of the financial year ended December 31, 2019. The company declared dividends in the amount of 1,500,000 lei (representing 0.0667 lei / share) and paid during 2020 to the shareholders the amount of 1,366,826 lei representing dividends distributed from the current year and previous years. As of December 31, 2020, the balance of payment dividends is 1,176,599 lei

In the last two years, the evolution of gross dividends has been as follows:

	<b>2019</b>	<b>2018</b>
Dividend	1,500,000	1,405,750
lei / share	0.0667	0.0625

From the profit of 2020 in the amount of 2,702,863 lei, in accordance with the proposal of the Board of Directors, the amount of 1,500,000 lei will be distributed as dividends. The gross dividend that would be granted in 2020 would be 0.0667 lei / share, the difference of 1,202,863 lei will remain as a result carried forward (undistributed).



## COMELF SA

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

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### 13. Loans

#### a) Credit line

On December 31, 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 7,437,500, of which the Company repaid during 2020 the amount of EUR 750,000 in 12 equal monthly installments, so the amount of the credit facility on 31.12.2020 is 6,687,500 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 - credit for UFN type working capital and the difference up to the amount of EUR 6,687,500, respectively EUR 187,500 was rescheduled, at the company's request, to be repaid, in equal monthly installments, within a remaining period of 3 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 / LIBOR / ROBOR 1M plus a margin of 0.90% per year;

As of December 31, 2020, the Company registers a balance of the credit line in the amount of 32,564,113 lei (December 31, 2019: 35,546,044 lei).

#### 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 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.

The 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 CLOOS welding system, on lease. Leasing contract no. 120882 was concluded on 22.05.2019, financier BRD Sogelease, financed value 179,660.70 eur, payable in 60 During the year 2020, on the background of the COVID 19 pandemic, the payment of the leasing installments for the contract 120882 was postponed, with a period of 6 months, the final maturity remains unchanged.

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

- Land with an area of 13,460 sqm and constructions with a built-up area of 12,600 sqm, with topographic number 8118/1/6, registered in CF 8685 of Bistrita, inventory value = 2,780,904 lei.
- Land with an area of 20,620 sqm and constructions with a built-up area of 17894 sqm, having the 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 constructions with a built-up area of 572.93 sqm, having 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.

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**14. Trade and other payables**

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

	December 31, 2020	December 31, 2019
Trade payables	12,212,236	21,123,706
Debts to budgets	2,627,261	1,728,301
Debts to staff	2,323,553	2,525,713
Silver dividend	1,176,599	1,043,425
Other loans and similar debts	75.398	120.036
<b>Total</b>	<b>18,415,047</b>	<b>26,541,181</b>

The commercial debts in the amount of 18,415,047 lei (December 31, 2020 2019: 26,541,181 lei) are in accordance with the contracts concluded with the suppliers.

Credit turnover rate - supplier approximates the number of credit days that the company obtains from its suppliers. For the year 2020 (Average balance of suppliers/Turnover) x 365 days = 38 days, for the year 2019 it is 51 days.

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

**15. Revenues from contracts with customers**

	December 31, 2020	December 31, 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)	110,682,710	142,590,173
Revenues from contracts with clients, recognized by execution phases, estimated at the level of receivable income entered in contracts, in proportion to the actual expenditure related to the planned expenditure, for the same execution phase (balance 711500)	-1,228,086	-5,420,471
<b>TOTAL</b>	<b>109,454,624</b>	<b>137,169,702</b>

In determining revenues from contracts with customers, the entity permanently evaluates the level of actual costs compared to the initial costs, pre-calculated and recognizes revenues in execution phases 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 phases), to the client, the control over the goods fulfilling an obligation of execution, thus recognizing revenues in time, at each execution phase. The company executes goods based on projects, only at the request of customers, based on firm orders. The evaluation of the revenues from the contracts with the clients, on execution phases, 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 weighted contract with the evolution of the corrected actual cost (without negative deviations). execution of the contract.

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

The position includes:

	2020	2019
Rent Revenue	47.647	14.850
Income from various activities	2,733,761	3,443,125

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Revenues from the sale of residual products	1,149,408	2,446,074
Revenue from services rendered	1,385,765	746.472
<b>Total</b>	<b>5,316,581</b>	<b>6,650,521</b>

**16b. Other revenues**

The position includes:

	<b>2020</b>	<b>2019</b>
Income from investment grants	1,624,082	1,577,322
Income from operating subsidies	2,619,340	11.243
Income from disposed of fixed assets	35.685	26.527
Other revenues	210.157	755.840
<b>Total</b>	<b>4,489,264</b>	<b>2,370,932</b>

The revenues from the production of tangible assets of 2020 were compensated with the related expenses according to the provisions of Order 2844/2016 as follows: expenses with raw materials and other material expenses amounting to 16,287 lei, personnel expenses amounting to 13,160 lei, other expenses related to income amounting to 1,265 lei. Therefore, the value registered in the "Other income" position, in the amount of 4,489,264 lei, does not contain the income from the immobilized production in the total amount of 30,712 lei.

The category "Other revenues" includes the subsidies received during 2020, based on Law 19 (29,209 lei), based on GEO 32/2020 and GEO 132/2020 (2,590,131 lei).

The revenues from the production of tangible assets of 2019 were compensated with the related expenses according to the provisions of Order 2844/2016 as follows: expenses with raw materials and other material expenses in the amount of 103,094 lei, personnel expenses in the amount of 700 lei, other expenses related to income in the amount of 15,769 lei. Therefore, the value registered in the position "Other income", in the amount of 2,732,094 lei, does not contain the income from the immobilized production in the total amount of 105,370 lei

In the category

The turnover on December 31, 2020 is 116,009,628 lei (December 31, 2019: 149,263,123 lei).

**17. Staff costs**

The average number of employees on December 31, 2020 and December 31, 2019 was as follows:

	<b>2020</b>	<b>%</b>	<b>2019</b>	<b>%</b>
Direct productive staff	412	62%	482	61%
Indirect staff and TESA	248	38%	312	39%
<b>Total</b>	<b>660</b>	<b>100%</b>	<b>794</b>	<b>100%</b>

Staff costs were as follows:

	<b>2020</b>	<b>2019</b>
Staff salary expenses	38,321,968	42,842,046
Expenses with meal vouchers	2,231,220	2,614,821
Expenses regarding insurance and social protection	1,591,480	2,052,365
<b>Total</b>	<b>42,144,668</b>	<b>47,509,232</b>

On December 31, 2020, out of the total amount of 42,144,668, the salary expenses related to the incomes from the production of fixed assets were deducted, according to the provisions of Order 2844/2016, for the amount of 13,160 lei. See also note on other income.

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On December 31, 2019, out of the total amount of 47,509,232, the salary expenses related to the incomes from the production of fixed assets were deducted, according to the provisions of Order 2844/2016, for the amount of 700 lei. See also note on other income.

The amounts awarded to key management staff, board members and directors were as follows (gross amounts) and are included in the amounts presented above. Gross Personnel expenses are highlighted, the company received subsidies for technical unemployment, during April-May 2020, amounting to 1,062,929 and for June-August 2020 it received the amount of 1,005,774 lei representing the subsidy of 41.5%, and for September-December 2020 received the amount of 521,428 lei. All these amounts are highlighted in the income from operating subsidies.

	<u>2020</u>	<u>2019</u>
Salary expenses - managers	1,621,698	1,768,860
BD allowance	251.249	243.690
<b>Total</b>	<b><u>1,872,947</u></b>	<b><u>2,012,550</u></b>

The company did not grant loans or down-payments to members of the administrative, management or supervisory bodies in 2020 and 2019.

The date of *December 31, 2020*, The management of COMELF SA had the following membership:

- Members of the Company's Board of Directors:

Savu Constantin	chairman
Babici Emanuel	member
Mustață Costică	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 Technical and Production Manager
Tatar Dana	Financial Manager
Jurje Valeriu	AQM Manager
Barbuceanu Florentin	Factory Executive Manager
Viski Vasile	Factory Executive Manager
Campian Cosmin	Factory Executive Manager

The date of *December 31, 2019*, The management of COMELF SA had the following membership:

- Members of the Company's Board of Directors:

Savu Constantin	chairman
Babici Emanuel	member
Mustață Costică	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	Director of Production Engineering

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Tatar Dana	Financial Manager
Marica Ioan	AQM Manager
Barbuceanu Florentin	Factory Executive Manager
Viski Vasile Factory	Executive Manager
Campian Cosmin	Factory Executive Manager

**18. Shipping costs.**

This position includes:

	<b>2020</b>	<b>2019</b>
Expenses for the transport of raw materials	823.089	839.031
Expenses for transporting finished products	4,121,989	5,582,989
Expenses for transporting employees	527.455	545.813
Other transport costs	-	-
<b>Total</b>	<b>5,472,533</b>	<b>6,967,833</b>

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

	<b>2020</b>	<b>2019</b>
Maintenance and repair expenses	1,209,003	1,169,543
Rent expenses	369.051	715.321
Insurance expenses	398.116	417.965
Expenses with professional training	65.120	-
Collaborating expenses	1,948,774	5,714,031
Expenses regarding commissions and fees	1,184,533	1,190,999
Protocol expenses	29.032	110.782
Expenses with travel, secondments and transfers	32.692	323.739
Postal charges and telecommunications charges	383.471	88.228
Expenses with banking and similar services	119.376	129.117
Other expenses with services provided by third parties	2,178,710	2,834,462
Expenses with other taxes and fees	1,058,227	1,109,274
<b>Total</b>	<b>8,976,105</b>	<b>13,803,461</b>

From the total amount of 8,977,370 lei (December 2020) were deducted other expenses with the services provided by third parties related to the incomes from the production of fixed assets, according to the provisions of Order 2844/2016, for the amount of 1,265 lei. See also note on other income.

From the total amount of 13,803,061 lei (December 2019) were deducted other expenses with the services provided by third parties related to the incomes from the production of fixed assets, according to the provisions of Order 2844/2016, for the amount of 1,576 lei. See also note on other income.

**19b. Other expenses**

	<b>2020</b>	<b>2019</b>
<b>Total</b>	<b>293.728</b>	<b>382.575</b>

On 31.12.2020, the position includes the amount of 86,886 lei, representing commercial penalties; 148,066 lei represent donations and sponsorships; the difference of 58,997 represents other current operating expenses.

On 31.12.2019, the position includes the amount of 113,451 lei, representing commercial penalties; 195,226 lei represent donations and sponsorships; the difference of 73,898 represents other current operating expenses

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**20. Income tax**

The Company's current profit tax as of December 31, 2019 is determined at a statutory rate of 16% based on IFRS profit.

The income tax expense related to the year ended December 31, 2020 and the year ended December 31, 2019 is detailed as follows:

	<b>2020</b>	<b>2019</b>
Current income tax expense	255.520	363.467
(Income) / deferred income tax expense	-	-
<b>Total</b>	<b>255.520</b>	<b>363.467</b>

Reconciling the profit before tax with the expense with the profit tax in the profit or loss account:

<b>Profit tax reconciliation</b>	<b>2020</b>	<b>2019</b>
Profit of the period	2,702,863	2,624,114
Total income tax expense	255.5200	363.467
Profit before tax	<b>2,958,383</b>	<b>2,987,581</b>
The local tax rate of the entity	16%	16%
	<b>473.341</b>	<b>478.013</b>
<b>Profit tax calculated using the entity's local tax rate</b>		
The influence of the deductible legal reserve established during the period	-	-
The influence of the reserves constituted on account of the reinvested profit exempted from taxation	-	-
The influence of non-taxable income	-36.429	-27.477
The influence of income-like items: revaluation differences that become taxable	335.928	335.928
The influence of non-deductible expenses	37.227	87.780
Minus amounts representing sponsorship	-161.165	-174.849
<b>Profit tax calculation for the period, of which:</b>	<b>648.902</b>	<b>699.395</b>
Profit tax registered directly in equity, related to differences in revaluation that have become taxable	335.928	335.928
Bonus 10% of the payment tax cf. OUG 99/2020	-57454	-
Income tax recorded on expenses	255.520	363.467

**21. Provisions for risks and expenses**

As of December 31, 2020, the Company has registered provisions for risks and expenses in the amount of 1,625,210 lei (1,861,586 lei as of December 31, 2019). Their synthetic situation is presented below:

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	Provision for warranties	Pension provision	Provision for litigation	Other provisions	Total
<b>Balance on January 1, 2020</b>	<b>0</b>	<b>163.359</b>	<b>0</b>	<b>1,698,191</b>	<b>1,861,586</b>
Formed during the period	0	0		494.067	494.067
Used during the period	0	0	0	0	0
Real estate receivables wave adjustments (ct 2968)	0				0
Resumed during the period	0	(43.888)	0	(686.555)	(730.443)
<b>Balance at December 31, 2020</b>	<b>0</b>	<b>119.507</b>	<b>0</b>	<b>1,505,703</b>	<b>1,625,210</b>
Long-term	0	119.507	0	0	119.507
short term	0	0	0	1,505,703	1,505,703

- **Pension provisions in the amount of 119,507 lei (December 31, 2019: 163.359 lei).**

According to the collective labor contract, the Company offers cash benefits depending on the length of service for 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 rate of fluctuation of the Company's staff in the last 5 years, respectively 19.33%.

- **Other provisions in the amount of 1,505,703 lei (December 31, 2019: 1,698,191 lei) include:**
  - The provision related to the redemption of pension insurance policies for the amount of 1,011,636 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 494,067 includes a provision for potential commercial penalties, according to commercial contracts and customer notifications.

**22. Debts regarding deferred tax**

Deferred tax liabilities as of December 31, 2020 are generated by the items detailed in the following table:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Deferred tax receivables	-	-
Debts on deferred tax related to reserves consisting of reinvested earnings	(922.602)	(922.602)
Deferred tax liabilities related to revaluation differences of property, plant and equipment.	(8,511,279)	(8,847,207)
<b>Deferred tax, net</b>	<b>(9,433,881)</b>	<b>(9,769,809)</b>

**23. Deferred income**

1) In 2010, the Company concluded with the Ministry of Economy, Trade and Business Environment ("the Ministry") the financing contract no. 3131/230303 whose object is the granting of non-reimbursable financial

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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 machining 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.

In 2020, the Company resumed in revenue the amount of 70,407 lei (2019: 70,407 lei), representing the amortization of subsidies.

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.

In 2020, the Company resumed in revenue the amount of 1,469,105 lei (2019: 1,506,915 lei), representing the amortization of subsidies.

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 MA 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 the Energy Management Software License" were put into operation, and subsidies from this project in 2020 were registered in the amount of 84,570 lei (2019: 14,095 lei).

The accounting policies adopted are presented in Note 3.

### 24. Earnings per share

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

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Profit attributable to ordinary shareholders	2,702,833	2,624,114
Weighted average number of ordinary shares	22,476,423	22,476,423
<b>Basic earnings per share</b>	<b>0.12</b>	<b>0.12</b>

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



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**25. Net financial expenses**

The financial elements are the following:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Interest income	34.412	4.757
Income from exchange rate differences	614.365	2,108,721
Other items of financial income	505.718	-
<b>Total financial income</b>	<b>1,154,495</b>	<b>2,113,478</b>
Interest expenses	(288.360)	(299.005)
Expenses with exchange rate differences	(1,426,893)	(2,869,875)
Other items of financial expenditure, of which:	(926.486)	(349.941)
<b>Total financial expenses</b>	<b>(2,641,739)</b>	<b>(3,518,820)</b>

Income and expenses from exchange rate differences refer to the following positions in the financial statements: short-term and long-term loans, including leasing: net amount December 2020 of 652,019 lei (December 2019: 914,378 lei), third party accounts: net amount December 2020 of 150,509 lei (December 2019: 476,970 lei), cash: net amount December 2020 of 430,768 lei (December 2019: 323,745 lei), and other smaller amounts for other positions.

Other items of income and financial expenses mainly represent discounts granted.

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

Environmental regulations are in development in Romania, and the Company did not register any obligations on December 31, 2020 for any anticipated costs, including legal and consulting fees, site studies, design and implementation of remediation plans, on environmental elements.

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

**(b) Transfer price**

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

they 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 2020, and will make an update for 2021.

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**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 on the basis of the framework commercial contracts in which the rights and obligations of each party are stipulated, specifying the type of contract:

- commission / intermediation contract, consulting contract, electricity acquisition contract; subassembly manufacturing collaboration 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 contract clauses.

<b>Affiliated party</b>	<b>Activity</b>	<b>Description of the type of connection</b>
Uzinsider SA	Management consulting services	Uzinsider SA is the majority shareholder
Uzinsider Techo SA	Trade intermediation services with industrial products	
Uzinsider General Contractor SA	Collaborations on turnkey jobs Electricity trade	
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**

As of December 31, 2020 and December 31, 2019, the receivables from the affiliated parties are as follows:

<b>Receivables from</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Uzinsider Techo SA	4,369,802	9,421,447
Uzinsider General Contractor SA	450.985	243.724
Promex SA	30.754	417.733
24 Ianuarie SA	-	-
<b>Total</b>	<b>4,851,541</b>	<b>10,079,904</b>

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As of December 31, 2020 and December 31, 2019, the debts to the affiliated parties are as follows:

<b>Debts to</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Uzinsider SA	162.068	128.152
Uzinsider Techo SA	613.260	1,626,619
Uzinsider General Contractor SA	538.469	1,227,839
Promex SA	-	7.606
24 Ianuarie SA	-	-
Uzinsider Engineering SA	-	-
<b>Total</b>	<b>1,313,797</b>	<b>2,990,216</b>

**b) Transactions involving affiliated parties**

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

<b>Sales in the year ended at:</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Uzinsider Techo SA	14,724,867	14,160,201
Uzinsider General Contractor SA	186.157	1,125,477
Promex SA	25.844	486.961
24 Ianuarie SA	7.626	14.339
Uzinsider Engineering SA	-	-
<b>Total</b>	<b>14,944,494</b>	<b>15,786,978</b>

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

<b>Acquisitions in the year ended at:</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Uzinsider SA	817.152	817.152
Uzinsider Techo SA	1,274,155	815.503
Uzinsider Engineering Galati	-	-
Uzinsider General Contractor SA	4,797,480	6,524,023
Promex SA	103.339	6.392
24 Ianuarie SA	8.526	-
<b>Total</b>	<b>7,000,652</b>	<b>8,163,070</b>

Compared to those presented above, during 2020, Comelf SA recognized a debt to Promex SA in the amount of 10,447.00 lei, related to a previous service.

The payment of due dividends Uzinsider SA Bucharest was made in full during 2020 (Note 12 point c)  
As there were no exceedances of the contract terms, no impairment losses related to these transactions were recognized during the year.

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

## **28. Capital commitments**

Procurement commitments for the period 2021 are limited to own sources of financing and are estimated for value of 1.2 thousand .Euro.

## **29. Operational segment reporting**

The productive activity of the Company takes place within the factories organized on 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 actions 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, engine 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 u componentscompactors for compacting scrap metal, telescopic cranes, subassemblies for heavy dump trucks.

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**Reporting by operating segments**

	FPI		FUET		Terra		Center		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
External income of the segment	37,881,907	43,152,953	52,815,861	65,584,832	23,516,429	31,395,038	5,087,320	6,186,132	119,301,517	146,318,955
<b>Total segment revenues</b>	<b>37,881,907</b>	<b>43,152,953</b>	<b>52,815,861</b>	<b>65,584,832</b>	<b>23,516,429</b>	<b>31,395,038</b>	<b>5,087,320</b>	<b>6,186,132</b>	<b>119,301,517</b>	<b>146,318,955</b>
Net financial costs	-550.449	-358.141	-427.217	-456.326	-254.041	-235.841	-255.537	-355.034	-1,487,244	-1,405,342
Depreciation and amortization	1,807,887	1,785,521	3,003,714	3,017,843	1,986,754	1,886,179	743.649	701.013	7,542,004	7,390,556
Income tax expense	-	-	-255.520	-216.164	-	-	-	-147.303	-255.520	-363.467
The net result for the period	-1,116,236	-505.663	3,236,452	1,077,193	-526.507	-787	1,109,154	2,053,371	2,702,863	2,624,114
Segment assets	39,536,941	44,548,723	72,539,739	71,076,784	35,573,234	37,106,672	-5,254,077	2,199,737	142,395,837	154,931,916
Investments in associated entities							0	0	0	0
Segment debts	26,958,632	31,484,929	39,918,326	41,137,552	24,534,057	25,657,399	-21,942,241	-15,434,644	69,468,774	82,835,237

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

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

**COMELF SA**

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 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 119,301,518 lei (year 2020) and 146,318,955 lei (year 2019) the major types of products and services are the following:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Equipment for energy industry and components	58,934,950	56,918,073
Equipment for earthworks and components	42,948,546	68,184,633
Equipment for environmental protection (Refractory, water, chemical)	357.905	1,916,778
Lifting and handling equipment	10,379,232	9,949,689
Technological equipment (metallurgy)	715.809	731.595
Manufacture of rolling stock	5,607,171	7,901,224
Other types	357.905	716.963
<b>TOTAL</b>	<b>119,301,518</b>	<b>146,318,955</b>

The total revenues of the company can be divided according to the geographical area as follows:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Income from Romania	22,690,097	19,853,848
Income from outside Romania	96,611,421	126,465,107
<b>TOTAL</b>	<b>119,301,518</b>	<b>146,318,955</b>

Through the contracting policy, we avoided being significantly dependent on a single beneficiary. Our clients are world-renowned companies, the company's policy being to develop business relationships with solid companies that provide the basis for a secure and forward-looking collaboration. The main countries from which these clients come are: ITALY, GERMANY, SWEDEN, NORWAY, AUSTRIA, NETHERLANDS, SWITZERLAND, ENGLAND, FRANCE.

The main clients that have a share in the turnover higher than 5% the afferent incomes and the activity segment where these incomes are included are the following:

Partner	Income share (> 10%)	Income	The segment in which revenues are included
Komatsu	18.11 %	21,007,407	Equipment for earthworks and components: FUET
Tesmec	11.00%	12,755,993	Equipment for earthworks, rolling stock manufacturing and their components: FUET + FCT
Siemens	7.33%	8,502,237	Equipment for energy industry and components: FPI-FUET
General Electric	6.42%	7,451,459	Equipment for energy industry and components: FPI-FUET

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

There are no significant events to report.

**COMELF SA**

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 IN ACCORDANCE WITH IFRS

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

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**31. Approval of financial statements**

The financial statements were approved by the Board of Directors and published on the site on 12.03.2021.

Cenusa Gheorghe  
General Manager

Tatar Dana  
Financial Manager