

Report for the third quarter of 2021

Issued on: 15.11.2021

Company name: COMELF SA

Registered Office: Bistrita, p. Industry no. 4

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

VAT Code: 568656

Registration code with the Trade Register Office: J06 / 02/1991

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

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

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

➤ On 15.04.2021, the OGMS took place, during which the distribution, from the profit net for the year 2020, of the amount of 1,500,000 lei for the payment of dividends to the company's shareholders has been approved and of the amount of 1,202,863 lei for other reserves. The date of the actual payment for the dividends was set at 15.07.2020;

➤ The OGMS approved on 15.04.2021, the REB for the current year, the investment program for the year 2022, the company's organizational chart and the maximum credit limit for the current year, subject to a subsequent rectification, in the context of the uncertain health and economic situation generated by the SARS-CoV2 pandemic;

➤ During 01.07.2021-30.09.2021, the company's activity ran under normal conditions, although it is worth mentioning that the price of raw materials continued its upward trend, started in January 2021. In the context of the increase of the materials worldwide, the company's clients compensated, although not in the same rhythm and proportion, the increase of the raw material price. The clause regarding the evolution of the price of the basic raw material and the final price of the product was extended to most commercial contracts with the company's clients, especially to those for which COMELF manufactures series products;

In addition to the challenge described above, the price of utilities began to increase rapidly, spreading in the price of other materials and, in particular, in the price of gas used for welding. The effect of the increase in the price of utilities will temporarily affect the result, until a reconciliation with the clients regarding the increase of the price of the products as a result of the effect of the increase of the price of the utilities.

For the next 3 months of the 2021 financial year, the risks are related to the health and safety of employees in the conditions of the COVID 19 pandemic and, further, to the global economic uncertainty related to the evolution of prices for materials, utilities, fuel.

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

The main indicators, thousands of lei	01.01.2021-30.09.2021	01.01.2020-30.09.2020	Δ%
Total operating income, of which:	102792	91649	+12.16
Revenues from construction contracts	94504	83831	+12.73
Profit / (Loss) of the	3127	1899	+64.66

period			
EBITDA	9637	8813	+9.35
Interest-bearing loans	32940	34477	(4.46)
The main indicators, thousands of lei	Estimated FY 2021	Achieved 2020	Δ%
Total operating income, of which:	138295	119271	+15.95
Revenues from construction contracts	128223	109455	+17.15
Profit / (Loss) of the period	3727	2703	+37.88
EBITDA	12769	11988	+6.50

**The financial figures are not audited and present the individual results of Comelf SA, prepared in accordance with the International Financial Reporting Standards (IFRS);*

❖ **Operating income** of the company COMELF SA were of 103 millions LEI on 31.09.2021, a decrease (92 millions LEI on 31.03.2020) compared to those achieved in the same period of the previous year. Regarding the evolution of revenues in 2021, considering the revenues actually achieved in the first 10 months of 2021, to which we added the sales estimates for the last 2 months of 2021, based on firm orders, with delivery terms in the mentioned period, these will amount to 16% above the actual level achieved in the previous year.

❖ **The Profit** grew in the first 9 months of 2021 compared to the one achieved in the similar period of the previous year by 64.66%. Starting from the result of the first 9 months of 2021 and considering the sales volumes for the fourth quarter of 2021 (by customers and product groups), volumes for which we used, to estimate costs and implicitly the results, data from post-calculation and pre-calculation, we estimated the potential profit to be achieved in the fourth quarter of 2021. Additionally, we took into account the fixed costs (depreciation, taxes, insurance, etc.).

The main factors that favourably influenced the evolution of profit in the first 9 months of 2021:

- ✓ The increase of the income related to the basic activity in the context of the increase of the sale price, influenced by the increase of the raw materials price;
- ✓ The fixed costs of the company were maintained (depreciation), they even had a slight decrease (external services expenses), which, in the conditions of additional revenues, favourably influenced the profitability;

Report for the third quarter of 2021 can be viewed on the company's website [www.comelf.ro/Updated information /](http://www.comelf.ro/Updated-information/), as well as in the link below.

**General Manager,
Eng. Cenusă Gheorghe**

**Financial Manager,
Ec. Dana Tatar**

COMELF SA Report for the third quarter

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

Issued on: 15.11.2021

Company name: COMELF SA

Registered Office: Bistrita, p. Industry no.4

Phone / fax number:

VAT No.: 568656

Registered business number: J06 / 2/1991

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

The regulated market on which the issued securities are traded: Bucharest Stock Exchange

The main characteristics of the securities issued by the company:

- NOMINATIVE SHARES in number of 22,476,423 with a value of 0.58 lei / share.

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

During 01.07.2021-30.09.2021, the company's activity took place under normal conditions, although it is worth mentioning that the price of raw materials continued its upward trend, started in January 2021.

In the context of the increase of the price for raw-materials worldwide, the company's clients compensated, although not in the same rhythm and proportion, the increase of the raw material price. The clause regarding the evolution of the price of the basic raw material and the final price of the product was extended to most commercial contracts with the company's clients, especially to those for which COMELF manufactures series products;

In addition, however, the price of utilities began to increase rapidly, affecting the price of other materials and, in particular, the price of gas used for welding. The effect of the increase in the price of utilities will temporarily affect the result, until a reconciliation with the clients regarding the increase of the price of the products as a result of the effect of the increase of the price of the utilities.

For the next 3 months of the 2021 financial year, the risks are related to the health and safety of employees in the conditions of the COVID 19 pandemic and, further, to the global economic uncertainty related to the evolution of prices for materials, utilities, fuel.

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

B. Economic-financial indicators in the first 9 months of 2021 compared to the similar period of the previous year

Indicator Name	Calculation model	01/01/2021 -30/09/2021	01/01/2020 - 30/09/2020
<u>Current liquidity (general)</u>	Current assets / Current liabilities (recommended value for this indicator is around 2)	1.22	1.09
<i>The current (general) liquidity on 30.09.2021 is 1.22 and represents the degree of coverage of current debts through current assets held by the company.</i>			
<u>Degree of indebtedness</u>	Borrowed capital / Invested capital	0.87%	1.02%
<i>The degree of indebtedness of the company is 0.87% and represents the share held by borrowed capital-debts over 1 year, in the invested capitals;</i>			
Duration of receivables- customers (days)	Average customer balance / Turnover X 270	92	95
Rotation speed of fixed assets	Turnover / Fixed Assets	1.28	1.10

General Manager,
eng. Cenusă Gheorghe

Financial Manager,
Ec. Dana Tatar

COMELF SA

INTERIM FINANCIAL STATEMENTS AS OF September 30, 2021 IN ACCORDANCE WITH IFRS

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

INTERIM FINANCIAL STATEMENTS IFRS ON 30th SEPTEMBER 2021

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

Financial statements	1
Profit and loss account and other comprehensive income	2
Statement of changes in equity	3
Cash flow statement	5
Notes to the individual financial statements	8

COMELF SA

INTERIM FINANCIAL STATEMENTS AS OF September 30, 2021 IN ACCORDANCE WITH IFRS
(All amounts are expressed in lei, unless otherwise indicated)

STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2021

	Nota	<u>30 septembrie 2021</u>	<u>31 decembrie 2020</u>
Active			
Cheltuieli de dezvoltare		21,574	7,973
Imobilizari necorporale	5	477,314	568,443
Imobilizari corporale	5	75,927,577	80,323,434
Active financiare disponibile in vederea vanzarii	6	-	-
Total Active non-curente		76,426,465	80,899,850
Avansuri acordate pentru imobilizari corporale		60,283	68,886
Stocuri	7	14,751,553	7,348,271
Creante din contracte cu clientii	8	55,042,962	40,732,363
Creante comerciale si alte creante	9	3,480,716	2,506,247
Creante privind impozitul curent		-	-
Numerar si echivalente de numerar	11	2,964,899	10,840,220
Total Active Curente		76,300,413	61,495,987
Total Active		152,726,878	142,395,837
Capital social	12	13,036,325	13,036,325
Ajustari ale capitalului social	12	8,812,271	8,812,271
Alte elemente de capitaluri proprii	12	-	-
Rezerve	12	49,753,620	49,873,472
Rezultat reportat	12	(359,280)	(1,497,868)
Rezultatul exercitiului	25	3,126,929	2,702,863
Total Capitaluri Proprii		74,369,865	72,927,063
Datorii			
Descoperiri de cont	13	-	-
Alte imprumuturi si datorii -leasing	13	539,281	717,648
Datorii privind impozitul amanat	22	8,846,007	9,097,953
Provizioane pentru riscuri si cheltuieli	21	119,507	119,507
Datorii privind venituri amanate	23	3,667,659	4,863,621
Total datorii pe termen lung		13,172,454	14,798,729
Descoperiri de cont	13	32,162,000	32,564,113
Datorii privind impozitul amanat	22	335,928	335,928
Partea curenta alte imprumuturi si datorii - leasing	11	238,249	225,172
Datorii comerciale si alte datorii	14	29,888,589	18,415,047
Provizioane pentru riscuri si cheltuieli	21	948,339	1,505,703
Datorii privind venituri amanate	23	1,611,454	1,624,082
Total datorii curente		65,184,559	54,670,045
Total Datorii		78,357,013	69,468,774
Total capitaluri proprii si datorii		152,726,878	142,395,837

Cenusa Gheorghe
General Manager

Tatar Dana
Economic Manager

COMELF SA

INTERIM FINANCIAL STATEMENTS AS OF September 30, 2021 IN ACCORDANCE WITH IFRS

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

	Nota	30 septembrie 2021	30 septembrie 2020
<i>Operatiuni continue</i>			
Venituri			
Venituri din contracte cu clientii	15	94,503,733	83,831,308
Venituri din vanzarea marfurilor		975	10,321
Alte venituri aferente cifrei de afaceri	16	6,115,757	4,083,602
Total venituri		100,620,465	87,925,231
Alte venituri	16	2,171,828	3,723,423
Cheltuieli			
Cheltuieli cu materii prime si alte cheltuieli materiale		(48,419,417)	(36,117,161)
Cheltuieli cu energia si apa		(2,643,457)	(3,001,800)
Cheltuieli cu marfurile		(301)	(9,841)
Cheltuieli cu personalul	17	(31,385,984)	(32,293,265)
Cheltuieli cu transportul	18	(4,080,531)	(4,266,607)
Alte cheltuieli aferente veniturilor	19	(6,301,308)	(7,006,311)
Cheltuieli cu amortizarea si deprecierea imobilizarilor	5	(5,602,468)	(5,671,383)
Cheltuieli financiare , net	25	(951,601)	(1,141,721)
Ajustari privind deprecierea activelor circulante, net	8	44,035	-
Cheltuieli cu provizioane pentru riscuri si cheltuieli, net	21	557,364	140,376
Alte cheltuieli	19	(578,412)	(140,466)
Total cheltuieli		(99,362,080)	(89,508,179)
Profit inaintea impozitului pe profit		3,430,213	2,140,475
Impozit pe profit	20	(303,284)	(241,153)
Profit din operatiuni continue		3,126,929	1,899,322
Profit din operatiuni discontinue		-	-
Profitul perioadei		3,126,929	1,899,322
Alte elemente ale rezultatului global			
Elemente care nu vor fi reclasificate la cheltuieli sau venituri			
Modificari de valoare ale activelor utilizate, rezultate in urma reevaluarii, net de impozite		-	-
Elemente care pot fi reclasificate la cheltuieli sau venituri			
Modificari de valoare ale titlurilor disponibile pentru vanzare	3	-	-
Total cont de profit sau pierdere si alte elemente ale rezultatului global		3,126,929	1,899,322
Rezultatul pe actiune			
Rezultatul pe actiune de baza	24	0.14	0.08
Rezultatul pe actiune diluat	24	0.14	0.08

Cenusa Gheorghe,
General ManagerTatar Dana ,,
Financial Manager

COMELF SA

INTERIM FINANCIAL STATEMENTS AS OF September 30, 2021 IN ACCORDANCE WITH IFRS

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

STATEMENT OF CHANGE OF EQUITY	Capital Social	Adjustments of share capital	Differences and reserves from revaluation	Reserves legal	Other reserves	The Result withheld	Total equity
Balance on Wednesday, January 01, 2020	13,036,325	8,812,271	34,371,631	2,607,265	13,534,082	(266.892)	72,094,682
<i>Profit or loss account and other elements of the overall 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 achieved 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
Total profit or loss account and other elements of the overall result	0	0	(1,763,620)	0	1,124,114	3,342,369	2,702,863
Other elements retained result - correction of accounting errors	0	0	0	0		(370.482)	(370.482)
Other elements retained result - correction of accounting errors	0	0	0	0	0	(370.482)	(370.482)
Transactions with shareholders, registered directly in equity	0	0	0	0	0	0	0
Contributions from and distributions to shareholders/employees	0	0	0	0	0	(1,500,000)	(1,500,000)
Total transactions with shareholders	0	0	0	0	0	(1,500,000)	(1,500,000)
<i>Profit or loss account and other elements of the overall result</i>							
Balance on Thursday, December 31, 2020	13,036,325	8,812,271	32,608,011	2,607,265	14,658,196	1,204,995	72,927,063

Continued on next page

COMELF SA

INTERIM FINANCIAL STATEMENTS AS OF September 30, 2021 IN ACCORDANCE WITH IFRS

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

STATEMENT OF CHANGE OF EQUITY	Capital social	Adjustments of share capital	Differences and reserves from revaluation	Reserves legal	Other reserves	The Result withheld	Total equity
Balance on Friday, January 01, 2021	13,036,325	8,812,271	32,608,011	2,607,265	14,658,196	1,204,995	72,927,063
<i>Profit or loss account and other elements of the overall result</i>							
Profit or loss						3,126,929	3,126,929
<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			(1,574,661)			1,574,661	0
Other equity items			251.946			(251.946)	0
Legal reserves established					1,202,863	(1,202,863)	0
Total profit or loss account and other elements of the overall result	0	0	(1,322,715)	0	1,202,863	3,246,781	3,126,929
Other items carried forward - correction of accounting errors			0	0	0	(184.127)	(184.127)
Other result items carried forward	0	0	0	0	0	(184.127)	(184.127)
Transactions with shareholders, registered directly in equity	0	0	0	0	0	0	0
Contributions from and distributions to shareholders/employees	0	0	0	0	0	(1,500,000)	(1,500,000)
Total transactions with shareholders	0	0	0	0	0	(1,500,000)	(1,500,000)
Balance on Thursday, September 30, 2021	13,036,325	8,812,271	31,285,296	2,607,265	15,861,059	2,767,649	74,369,865

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

	30 septembrie 2021	31 decembrie 2020
Profit net	3,126,929	2,702,863
Amortizari si provizioane	5,602,468	7,542,004
Cash operational brut	8,729,397	10,244,867
Variatia capitalului de lucru		
Variatia creantelor	12,687,711	(9,206,571)
Variatia stocurilor	7,403,282	1,444,381
Variatia altor active curente	880,933	443,219
Variatia V/Ch in avans	93,536	(89,374)
Variatia furnizorilor	11,500,782	(8,911,469)
Variatie avansuri clienti	(1,622,888)	1,856,494
Variatie datorii salariati si asimilate	169,602	1,271,550
Cash operational net	(2,288,569)	11,869,787
Cash flow din investitii nete	1,120,480	958,789
Variatia datoriilor		
Variatie credite pe termen scurt	(402,113)	(2,085,812)
Variatie credite pe termen lung	0	(896,119)
Variatie datorii asociati	(614,078)	(925,767)
Variatie alte datorii	-	-
Variatie capitaluri	(3,450,081)	(3,691,325)
Cash flow din finantari	(4,466,272)	(7,599,023)
Total variatii cash in perioada	(7,875,321)	3,311,975
Cash initial	10,840,220	7,528,245
Cash NET la sfarsit de perioada	2,964,899	10,840,220

Cenusa Gheorghe Tatar Dana
General Manager Economic Manager

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

OPIS NOTE

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

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

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

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

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

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

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

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

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

- International Accounting Standard - Interim Financial Reporting;
- Law 82 of 1991 on accounting republished and updated.

The financial statements prepared on September 30, 2021 are read together with the financial statements prepared for December 31, 2020 according to the same financial reporting framework.

The financial statements as at September 30, 2021 are not audited.

3. Significant accounting policies

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

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

4. Management of significant risks

The Company's management considers that risk management must be performed within a consistent methodological framework and that their management is an important component of the strategy to maximize profitability, achieve an expected level of profit while maintaining an acceptable risk exposure and compliance with legal regulations. The formalization of the risk management procedures decided by the Company's management is an integral part of the Company's strategic objectives. The investment activity leads to the Company's exposure to a variety of risks associated with the financial instruments held and the financial markets on which it operates. The main risks to which the Company is exposed are:

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

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

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

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

(a) Market risk

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

The company is exposed to the following market risk categories:

(i) Price risk

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

In order to cover the price risk generated by the increase of the basic raw material, the metal, the company has written, in the commercial contracts concluded with the clients, a protection clause that allows it to update the sale price if the price of the basic raw material increases. In the current economic context marked by a significant and unexpected increase in the price of materials, the clause providing for the adjustment of the products prices according to the evolution of the price of raw materials was not sufficient and comprehensive to mitigate the accelerated growth of raw-material prices. thus a rigorous planning of the purchase of these materials was needed, so that the price at the time of purchase is in line with the price considered at the time of confirming the customer's order.

(ii) Interest rate risk

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

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

Currency risk

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

Most current assets are expressed in foreign currency (69.59%) and the Company's financial liabilities are expressed in foreign currency (26.01%) and in the national currency (73.99%) and therefore exchange rate fluctuations do not significantly affect the Company's activity. Exposure to exchange rate fluctuations is due to mainly current currency conversion transactions required for current payments in LEI. and operating capital loan

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

On September 30, 2021 and December 31, 2020, tangible and intangible assets evolved as follows:

	Expenditure on research and development	Intangible assets	Lands	Buildings	Technical installations and machinery	Other installations and furniture	Tangible assets in progress	Total	Down- payments Fixed Assets	Total fixed assets
	203	205	211	212	213	214	231		4093	
Balance on January 01, 2021	7.973	1,225,184	21,247,075	40,259,156	91,859,494	466.796	1,139,686	156,205,364	68.886	156,274,250
Acquisitions	13.601	5.844	0	4.791	271.532	0	778.920	1,074,688	0	1,074,688
Domestic production outputs	0	0	0	0	0	0	54.395	54.395	0	54.395
Outflow (discarded assets)	0	0	0	0	(878.562)	(23.450)	0	(902.012)	0	(902.012)
Internal transfers	0	0	0	0	0	0	0	0	0	0
Balance on September 30, 2021	21.574	1231.028	21,247,075	40,263,947	91,252,464	443.346	1,973,001	156,432,435	60.283	156,492,718
Accumulated depreciation Balance on January 01, 2021	0	656.741	0	14,134,616	60,257,029	257.128	0	73,305,514	0	75,305,514
Depreciation expense per	0	96.973	0	1,958,849	3,528,513	18.133	0	5,602,468	0	5,602,468

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

year										
Internal transfer	0	0	0	0	0	0	0	0	0	0
Cumulative depreciation of outflows	0	0	0	0	(878.562)	(23.450)	0	(902.012)	0	(902.012)
Balance on September 30, 2021	0	753.714	0	16,093,465	62,906,980	251.811	0	80,005,970	0	80,005,970
Balance on January 01, 2020	0	1,096,792	21,247,075	40,046,069	90,781,002	437.604	1,546,636	155,155,179	163.204	155,155,179
Acquisitions	7.973	128.392	0	0	490.791	21.191	366.381	1,022,728	0	1,022,728
Domestic production	0	0	0	0	0	0	30.712	30.712	0	30.712
Outflow (discarded assets)	0	0	0	0	(3.255)	0	0	(3.255)	(94.318)	(97.573)
Internal transfers	0	0	0	213.087	590.956	0	(804.043)	0	0	0
Balance as of December 31, 2020	7.973	1,225,184	21,247,075	40,259,156	91,859,494	466.796	1,139,686	156,205,364	68.886	156,205,364
Accumulated depreciation Balance on January 01, 2020	0	489.038	0	11,523,215	55,520,175	234.004	0	67.766, .432	0	67.766, .432
Depreciation expense per	0	167.703	0	2,611,401	4,739,776	23.124	0	7,542,004	0	7,542,004

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

year										
Cumulative depreciation of outflows	0	0	0	0	(2.922)	0	0	(2.922)	0	(2.922)
Balance on December 31, 2020	0	656.741	0	14,134,616	60,257,029	257.128	0	75,305,514	0	75,305,514
Net book value										
On September 30, 2021	21.574	477.314	21,247,075	26,124,540	31,602,465	191.535	1,973,001	76,426,465	60.283	76,486,748
On December 31, 2020	7.973	568.443	21,247,075	26,124,540	31,602,465	209.668	1,139,686	80,899,850	68.886	80,968,736

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

*(All amounts are expressed in LEI, unless otherwise indicated)***6. Financial assets available for sale**

As of September 30 2021 and December 31, 2020, Comelf SA no longer holds financial assets available for sale.

7. Inventories

On September 30, 2021 and December 31, 2020, the stocks record the following balances:

	Thursday, September 30, 2021	Thursday, December 31, 2020
Raw materials	14,341,111	6,882,701
Auxiliary materials	70.064	37.967
Fuel	18.351	12.805
Inventory items	390.801	378.823
Other	31,558	80.342
Adjustments for depreciation of raw materials	-332	-44.367
Total	14,751,553	7,348,271

The company did not register any value adjustments for the depreciation of inventories on September 30, 2021. No inventories were pledged for the contracted loans.

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

8. Receivables from contracts with customers

As of September 30, 2021 and December 31, 2020, the receivables from commercial contracts are as follows:

	Thursday, September 30, 2021	Thursday, December 31, 2020
Invoiced receivables from contracts with customers	37,539,115	25,983,018
Unbilled receivables from contracts with customers	19,719,685	16,965,183
Value adjustments regarding receivables from invoiced construction contracts	(2,215,838)	(2,215,838)
Total	55,042,962	40,732,363

Receivables from contracts with customers are presented net by down-payments received in the amount of 1,186,293 lei (31 December 2020: 2,809,832 lei).

9. Trade receivables and other receivables

On September 30, 2021 and December 31, 2020, trade and other receivables are as follows:

	Thursday, September 30, 2021	Thursday, December 31, 2020
Receivables from sales of goods	-	-
VAT to be recovered	2,626,984	1,193,724
Down-payments made to domestic suppliers (excluding those for fixed assets)	166.267	205.266
Down-payments made to external suppliers	101.124	157.649
Down-payments made to fixed assets suppliers	60.283	68.886
Different debtors	271.243	267.017

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

	Thursday, September 30, 2021	Thursday, December 31, 2020
Other receivables	1,326,085	1,693,578
Value adjustments	-1,010,987	-1,010,987
Total	3,540,999	2,575,133

10. Impairment adjustments for current assets

The evolution of value adjustments regarding the depreciation of current assets in 2021 was as follows:

	Balance on January 1, 2021	increases	Decreases	Balance on September 30, 2021
Value adjustments regarding receivables from contracts with customers	2,215,838	-	-	2,215,838
Value adjustments for miscellaneous debtors	1,010,987	-	-	1,010,987
Total	3,226,825	-	-	3,226,825

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

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

The adjustment in the amount of 474,516 lei constitutes an adjustment of fixed assets (performance bond provisions)

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

11. Cash and cash equivalents

As of September 30, 2021 and December 31, 2020, cash and cash equivalents are as follows:

	Thursday, September 30, 2021	Thursday, December 31, 2020
Amounts available in bank accounts in local currency	2,030,175	3,992,814
Amounts available in bank accounts in foreign currency	929.687	6,833,694
Cash	1.155	13.712
Other amounts available	3.882	-
Total	2,964,899	10,840,220

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

Liquidity management

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

The responsibility for the liquidity risk lies with the Board of Directors and the executive management of Comelf, which establishes the liquidity management through REB and the cash flow, prepared on the whole company and for each subunit separately. The company manages liquidity risk by maintaining adequate reserve amounts, by operating capital loan limit and by daily monitoring of cash flows.

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

As of September 30, 2021, 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 September 30, 2021 and December 31, 2020, the shareholding structure for the company is:

	Thursday, September 30, 2021			Thursday, December 31, 2020		
	Number of shares	Total face value	%	Number of shares	Total face value	%
Uzinsider SA	18,189,999	10,550,199	80.93%	18,189,999	10,550,199	80.93%
Other shareholders	4,286,424	2,486,126	19.07%	4,286,424	2,486,126	19.07%
Total	22,476,423	13,036,325	100%	22,476,423	13,036,325	100%

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

The restated share capital contains the following components:

	September 30, 2021	Thursday, December 31, 2020
Social capital	13,036,325	13,036,325
Share capital adjustments - IAS 29	8,812,271	8,812,271
Social capital portrayed	21,848,596	21,848,596

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

Capital management

The company manages its capital in order to ensure the continuity of the activity in financial equilibrium. The capital structure for the next period in 2021 remains unchanged and no significant changes are foreseen regarding the proportion of the capital in total assets.

(a) Legal reserves

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

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

(b) Revaluation reserves

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

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

(c.) Dividends

During 2021, in accordance with the Decision of the Ordinary General Meeting of Shareholders, the Company decided to distribute dividends from the earnings of the financial year ended December 31, 2020. The company distributed dividends in the amount of 1,500,000 lei (representing 0.0667 lei / share). Until September 30, 2021 the company paid to the shareholders the amount of 2,114,534 lei representing dividends distributed from previous years. As of September 30, 2020, the balance of dividends to be paid is 562.521 lei

13. Loans**a) Credit line**

On September 30, 2021, 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 option in the amount of EUR 6,815,000, 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.

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

- for the amounts in euro used from the loan option, the annual interest rate is EURIBOR / LIBOR / ROBOR 1M plus a margin of 0.90 % per year;

As of September 30, 2021, the Company registers a balance of the credit line in the amount of 32,162,000 lei (December 31, 2020: 32,564,113 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 of Unicredit Leasing Corporation IFN, financed value 18,110.40 EUR, payable in 60 monthly installments.

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

Leasing contracts no. 234267,234268,234269 were concluded on 08.01.2019, Porsche Leasing financier, financed value 38,443.31 EUR, payable in 60 monthly installments.

Also during 2019, the Company undertook the acquisition of a robotic system CLOOS welding, in lease. The leasing contract no. 120882 was concluded on 22.05.2019, financier BRD Sogelease, the financed value 179,660.70 eur, payable in 60 monthly installments.

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

- Land with an area of 13,460 sqm and buildings with a built-up floor area of 12,600 sqm, with topographic number 8118/1/6, registered in CF 8685 of Bistrita locality, inventory value = 3,212,000 EUR.
- Land with an area of 20,620 sqm and buildings with a built-up floor area of 17,894 sqm, with topographic number 8118/1/15, registered in CF 8694 of Bistrita locality, inventory value = 3,658,000 EUR.

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

- Land with an area of 581 sqm and buildings with a built-up floor area of 572.93 sqm, bearing the topographic number 6628/2/2/1/2, registered in CF 8697 of Bistrita locality and topographic no. 6628/2/2/1/2 / I, registered in CF 8697 / I of Bistrita locality, inventory value = 673,000 EUR.
- CF 55054 topo 8118/1/5: land with an area of 16820 sqm, cad.C1 top: 8118/1/5: SIDUT monobloc hall, fair value = 3,439,000 eur.

14. Trade and other payables

As of September 30, 2021 and December 31, 2020, trade payables and other payables are as follows:

	Thursday, September 30, 2021	Thursday, December 31, 2020
Trade payables	23,713,018	12,212,236
Debts to budgets	3,112,332	2627261
Debts to staff	2,423,168	2323553
Silver dividend	562.521	1176599
Other loans and similar debts	77.550	75.398
Total	29,888,589	18415047

The commercial debts in the amount of 23,713,018 lei (December 31, 2020 2020: 12,212,236 lei) are in accordance with the contracts concluded with the suppliers and are within deadlines.

As of September 30, 2021 and December 31, 2020, debts to budgets mainly include contributions related to salaries.

15. Revenues from contracts with customers

	Thursday, September 30, 2021	Wednesday, September 30, 2020
Revenues from contracts with customers related to the delivered goods, for which the full transfer of ownership to the customer was made (ct 701)	91,723,198	86991876
Revenues from contracts with clients, recognized by execution stages, estimated at the level of receivables entered in contracts, in proportion to the actual expenditure related to the planned expenditure, for the same execution phase (balance 711500)	2,780,535	-3160568
TOTAL	94,503,733	83831308

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

The evaluation of the revenues from the contracts with the clients, on execution stages, is made taking into account the physical stage of execution of the contracts which is established at the end of each month by physical inventory, the costs actually accumulated corresponding to the physical stage. budgets

COMELF SA**NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS***(All amounts are expressed in LEI, unless otherwise indicated)*

specific to the physically determined stage of execution. Depending on the evolution of the actual costs compared to the budgeted costs, without taking into account the possible unfavorable evolutions of the actual costs, the Company recognizes an income, based on the total income to be obtained related to the contract balanced with the evolution of the corrected actual cost (without negative deviations) for the execution of the contract.

16a. Other revenue related to turnover

The position includes:

	Thursday, September 30, 2021	Wednesday, September 30, 2020
Rental income	15.393	16.407
Income from various activities	2,506,871	2018136
Revenues from the sale of residual products	2,637,381	893.034
Revenue from services rendered	956.112	1156025
Total	6,115,757	4083602

16b. Other incomes

The position includes:

	Wednesday, June 30, 2021	Wednesday, September 30, 2020
Income from investment grants	1,208,591	1220616
Income from the production of tangible assets	54.395	30.712
Income from operating subsidies	25.138	2182741
Income from disposed of fixed assets	94.332	31.483
Other incomes	789.372	257.871
Total	2,171,828	3723423

17. Staff costs

The average number of employees on September 30, 2021 and September 30, 2020 was as follows:

	September 30, 2021	%	Wednesday, September 30, 2020	%
Direct productive staff	410	64%	420	62%
Management and administration staff	235	36%	258	38%
Total	645	100%	678	100%

Staff costs were as follows:

	Thursday, September 30, 2021	Wednesday, September 30, 2020
Staff salary expenses	28,337,977	29466122
Expenses with meal vouchers	1,883,158	1695555
Expenses regarding insurance and social protection	1,164,849	1131588
Total	31,385,984	32293265

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

The gross expenses with the personnel are outlined, without being diminished with the afferent subsidies, presented above, at point 16b. Other incomes

The company did not grant loans or advance payments to the members of the administrative, management or supervisory bodies on September 30, 2021 and September 30, 2020.

18. Shipping costs.

This position includes:

	Thursday, September 30, 2021	Wednesday, September 30, 2020
Expenses for the transport of raw materials	727.550	629.565
Expenses for transporting finished products	2,842,159	3252472
Expenses for transporting employees	509.822	384.570
Total	4,080,531	4266607

19a. Other expenses related to income

	Thursday, September 30, 2021	Wednesday, September 30, 2020
Maintenance and repair expenses	809.582	890.990
Rent expenses	263.747	277.391
Insurance expenses	267.074	304.116
Expenses with personnel training	79.033	36.450
Outsourcing expenses	1,021,481	1594012
Expenses regarding commissions and fees	788.537	1061951
Protocol expenses	23.067	18.598
Expenses with travel, secondments and transfers	31.063	31.363
Postal charges and telecommunications charges	245.667	277.169
Expenses with banking and similar services	92.475	91.594
Other expenses with services provided by third parties	1,839,165	1634891
Expenses with other taxes and fees	840.417	787.786
Total	6,301,308	7006311

19b. Other expenses

	Thursday, September 30, 2021	Wednesday, September 30, 2020
Total	578.412	140.466

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

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

*(All amounts are expressed in LEI, unless otherwise indicated)***20. Income tax**

The Company's current profit tax as of September 30, 2021 is determined at a statutory rate of 16% based on IFRS profit.

The income tax expense as of September 30, 2021 and September 30, 2020 is detailed as follows:

	Wednesday, September 30, 2020	Wednesday, September 30, 2020
Current income tax expense	303.284	241.153
Total	303.284	241.153

21. Provisions for risks and expenses

As of September 30, 2021, the Company has registered provisions for risks and expenses in the amount of 1,067,846 lei (1,625,210 lei as of December 31, 2020). Their summarized situation is presented below:

	Provision for guarantees	Pension provision	Provision for litigation	Other provisions	Total
Balance on January 01, 2021	0	119.507	0	1505703	1625210
Established during the interval	0	0		0	0
Used during the interval	0	0	0	0	0
Real estate receivables value adjustments (ct 2968)	0				0
Resumed during the interval	0	0	0	(557.364)	(524.250)
Balance as of September 30, 2020	0	119.507	0	948.339	1067846
Long-term	0	119.507	0	0	119.507
short term	0	0	0	948.339	948.339

- **Pension provisions in the amount of 119,507 lei (December 31, 2020: 119.507 lei).**

According to the collective labor contract, the Company offers cash benefits depending on the length of service upon retirement for employees. The provisioned amount was calculated taking into account the amount provided for retirement based on seniority in the company, the time to retirement for each employee adjusted by the average variance rate of the Company's staff in the last 5 years, respectively 19.33%. (the last 5 years, including 2020)

- **Other provisions in the amount of 948.339 lei (December 31, 2020: 1,505,703 lei) include:**
 - The provision related to the redemption of pension insurance policies for the amount of 914.759 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 33,580 includes a provision for potential commercial penalties, according to commercial contracts.

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

22. Deferred tax liabilities

Deferred tax liabilities as of September 30, 2021 and September 30, 2020 are generated by the items detailed in the following table:

	Thursday, September 30, 2021	Wednesday, September 30, 2020
Deferred tax receivables	-	-
Deferred tax liabilities related to reserves made up of reinvested earnings	(922.602)	(922.602)
Deferred tax liabilities related to revaluation differences of tangible assets.	(8,259,333)	(8,595,261)
Deferred tax, net	(9,181,935)	(9,517,863)

23. Deferred income

1) In 2010, the Company concluded with the Ministry of Economy, Trade and Business Environment ("Ministry") the financing contract no. 3131/ 3/23/2003 which governs the granting of a non-reimbursable financial aid from the state budget through the "Program for increasing the competitiveness of industrial products" administered by the Ministry for the implementation of the project "Assimilation of advanced technologies for processing wind turbines, turbines and compressor units, process chambers within the photovoltaic cell manufacturing lines on state-of-the-art numerically controlled equipment, which uses a CNC boring machine with a continuously indexable processing head, in SC Comelf SA. " The total cost of the project was 1,991,488 lei, of which the state aid was 836,760 lei. The equivalent value of the state aid was recognized by the Company as a government subsidy and amortized over a period of approximately 11 years.

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

On September 30, 2021, the Company resumed in revenue the amount of 52,805 lei (September 30, 2020: 52,805 lei), representing the amortization of subsidies.

2) The company received a government subsidy in 2013 in the amount of 16,848,613 lei as part of 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 Beneficiary contributing with the amount of 27,635,774 lei, of which the eligible value is 16,848,613 lei, the outstanding amount being a non-eligible value, including VAT within the project, during the project implementation period which was 24 months from 04.02. 2013.

On September 30, 2021, the Company resumed in revenue the amount of 1,092,358 lei (September 30, 2020: 1,104,383 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 AM POIM for the implementation of the project "Smart Metering application of utility consumption", the total value of the contract financing is 1,072,188.43 lei, of which non-reimbursable financing is worth 900,988.68 lei. In October 2019, the "Utility and Production Consumption Monitoring System and Energy Management Software License" was put into operation.

On September 30, 2021, the Company resumed in revenue the amount of 63.428 lei (September 30, 2020: 63,428 lei), representing the amortization of subsidies.

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

The accounting policies adopted are presented in Note 3.

24. Earnings per share

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

	Thursday, September 30, 2021	Wednesday, September 30, 2020
Profit attributable to ordinary shareholders	3,126,929	1899322
Balanced average number of ordinary shares	22,476,423	22476423
Basic earnings per share	0.14	0.08

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

25. Net financial expenses

The financial elements are the following:

	Wednesday, September 30, 2020	Wednesday, September 30, 2020
Interest income	20.106	23.833
Income from exchange rate differences	136.720	569.854
Other items of financial income	640.996	496.969
Total financial income	797.822	1,090,656
Interest expenses	(239.386)	(215.960)
Expenses with exchange rate differences	(936.634)	(1,264,168)
Other items of financial expenditure, of which:	(573.403)	(752.249)
Total financial expenses	(1,748,423)	(2,232,377)

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

Environmental regulations are in development in Romania, and the Company did not register any obligations on September 30, 2021 for any anticipated costs, including legal and consulting fees, site studies, design and implementation of remediation plans, on environmental elements.

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

(b) Transfer price

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

- 200,000 euros, in case of interest collected / paid for financial services, calculated at the exchange rate communicated by the National Bank of Romania valid for the last day of the fiscal year;

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

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

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

Comelf SA has prepared the file of transfer prices for 2020.

27. Transactions and balances with affiliated parties

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

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

- commission contract, consulting contract, electricity acquisition contract, service contract.

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

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

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

Affiliated party	Activity	Description of the type of business relation
Uzinsider SA	Consulting services	Uzinsider SA is the majority shareholder
Uzinsider Techo SA	Sale of products Brokerage services	
Uzinsider General Contractor SA	Acquisition of electricity Sale of products	
Promex SA	Collaborations in the manufacture of subassemblies	
24 Ianuarie SA	Collaborations in the manufacture of subassemblies	

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

a) Receivables and payables from related parties

As of September 30, 2021 and September 30, 2020, the receivables from commercial contracts are as follows:

Receivables from	Thursday, September 30, 2021	Wednesday, September 30, 2020
Uzinsider Techo SA	8,713,624	3454205
Uzinsider General Contractor SA	0	239.998
Promex SA	0	30.754
24 Ianuarie SA	0	9.075

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

Total	8,713,624	3734032
--------------	------------------	----------------

As of September 30, 2021 and September 30, 2020, the debts to the affiliated parties are as follows:

Debts to	Thursday, September 30, 2021	Wednesday, September 30, 2020
Uzinsider SA	243.103	162.068
Uzinsider Techo SA	1,118,784	551.813
Uzinsider General Contractor SA	603.887	421.402
Promex SA	3	0
24 Ianuarie SA	0	8.339
Total	1.965, .74	1,143,622

b) Affiliated party transactions

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

Sales in the year ended at:	Thursday, September 30, 2021	Wednesday, September 30, 2020
Uzinsider Techo SA	13,633,554	11532122
Uzinsider General Contractor SA	1,052,333	5.690
Promex SA	0	25.844
24 Ianuarie SA	0	7.626
Total	14,685,887	11571282

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

Acquisitions in the year ended at:	Thursday, September 30, 2021	Wednesday, September 30, 2020
Uzinsider SA	612.864	612.864
Uzinsider Techo SA	862.728	1201434
Uzinsider General Contractor SA	4,158,156	3571096
Promex SA	0	103.339
24 Ianuarie SA	0	15.533
Total	5,633,748	5411374

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

The general terms and conditions provided in the relations concluded with the affiliated parties are the following: payment terms 60-150 days, payment methods with payment order and compensations, no guarantees are constituted, and there are no penalties for non-payment.

28. Capital commitments

Procurement commitments for the period 2021 are limited to our own funding sources and are estimated at 1.3 million Euro.

29. Operational segment reporting

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

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

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

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

The Company regularly carries out review activities to identify and monitor ongoing litigations and processes.

The essential decisions are taken by the Board of Directors. The operating segments are managed independently, as each of them represents a strategic unit with different products:

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

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

*(All amounts are expressed in LEI, unless otherwise indicated)***Reporting by operating segments**

	FPI		FUET		TERRA	
	Thursday, September 30, 2021	Wednesday, September 30, 2020	Thursday, September 30, 2021	Wednesday, September 30, 2020	Thursday, September 30, 2021	Wednesday, September 30, 2020
External revenues of the segment	29,937,170	28025997	46203586	41452157	21152183	18299224
Total segment revenues	29,937,170	28025997	46203586	41452157	21152183	18299224
Net financial costs	-239.010	-416.026	-309.815	-347.931	-177.464	-149.586
Depreciation and amortization	1,357,071	1356101	2230963	2259759	1484223	1490683
Income tax expense	0	0	-303284	-241.153	0	0
The net result for the interval	-1,195,285	-650.292	2177541	2774656	-538.999	-1010077
Segment assets	43,431,869	41680795	61329398	54693270	28437284	29388085
Investments in associated entities		0		0		0
Segment debts	23,555,244	17714905	24976507	25419484	14049443	15002795

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

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

COMELF SA

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021 IN ACCORDANCE WITH IFRS

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

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

Completion of the project "2019 / 104222- An investment in a smarter and more efficient future ", total project value EUR 630,000, of which 50% grant, for" Electricity produced from other renewable sources, including solar (in MWh / year): 1200 MWh / year and the estimated annual reduction of CO2 emissions (in tons of CO2 eq.): 548.40 tons / year ”.

Approval of financial statements

The financial statements were published on our website on 15.11.2021.

Cenusa Gheorghe Tatar Dana
General Manager Economic Manager