
Report

Report regarding: Preliminary Financial Statements for 2018 available for review

Issued on: February 15th, 2019

Company name: COMELF SA

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

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

Tax Identification Number: 568656

Registry of Commerce no. : J06/02/1991

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

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

The preliminary yearly financial statements as of December 31st, will be uploaded on our website www.comelf.ro on February 15th, 2019, as well as in the link below.

General Manager,
eng. Gheorghe Cenusă

Financial Manager,
ec. Dana Tatar

Preliminary Report as of 31.12.2018

Issued on: 15.02.2019

Company Name: COMELF SA

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

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

VAT No.: 568656

Trade Register Registration Number: J06/02/1991

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

The regulated market on which the issued securities are traded: B.V.B. (Bucharest Stock Exchange)

The main indicators, thousands of lei	FY 2018	FY 2017	Δ %
Total operating revenues, out of which:	156,356	180,471	(13,36)
Turn-Over	151,784	175,174	(13,35)
Project revenue	143,972	166,927	(13,75)
Profit / (Loss) for the interval	2,862	3,341	(14,34)
EBITDA	12,301	15,700	(21,65)
Interest-bearing loans	37,265	37,042	0.60
Average number of staff	878	1024	(14,26)

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

- ❖ **The operating revenues** of COMELF SA declined in 2018 compared to 2017 by 13.36%, such evolution has been generated by the core business, marked by the decrease of the company's personnel, on average by 14.26%;
- ❖ **Turnover** also declined in 2018 compared to 2017. The decrease in turnover was mainly influenced by the decrease in the number of direct productive staff (on average by 15.69%). The evolution of the two indicators, namely the turnover and the average number of direct productive staff in 2018 compared to 2017, reveals a slight improvement in the productivity of direct productive staff, which will bring added value in FY 2019;
- ❖ The profit for the interval: decreased in 2018 compared to the one achieved in 2017, influenced mainly by:
 - i) The evolution of the company's turnover and revenue;
 - ii) Wage costs, especially those related to direct productive staff, which grew in line with the evolution of the labour market, and their average growth was higher than turnover (+ 3.8% at company level);

The company's patrimony as of 31.12.2018 highlights the fact that:

- (i) the net asset value of non-current assets decreased by 5% based on their amortization and the fact that the investments made in 2018 were not above the level of depreciation;
- (ii) current assets increased by 2% as of 31.12.2018 as compared to 31.12.2017 as a result of the increase in the amount of trade receivables (+ 4%), especially due to certain deliveries in December 2018 (+ 19% compared to December 2017); the slight increase in stocks of raw materials and materials based on firm orders to be delivered in the first months of 2019, but also a prudential strategy on the acquisition side due to the unpredictable evolution of materials prices. The cash reserves of the company decreased by 30% at the end of 2018 compared to the end of the previous year, having as main reasons: the use of the sum of RON 1,000,000 from the company's available business for damages in the DIICOT file and the repayment of the investment loan (949,464 eur equivalent of 4,418,426 lei at an average exchange rate of 4.6535 lei/1

euro) for which operationally available funds amounting to 1,111,000 lei have been used (the difference being covered by amortization resources);

- (iii) Equity increased by 2% to 72 million lei as of 31.12.2018 as compared to 31.12.2017 as a result of the accumulation of the net result of 2018 on the one hand and on the other hand, of the net result of 2017, 50% has been allocated for the payment of dividends, which has led to a decrease in equity. The company's solvency improves to 44% as of 31.12.2018 from 42% as of 31.12.2017;
- (iv) Debts to suppliers increased on December 31, 2018 as compared to December 31, 2017, the difference in the absolute amount we find in the accounts of trade receivables and stocks;
- (v) The interest-bearing loans of the company remained at 37 million lei as of 31.12.2018, although the company borrowed an additional EUR 1,000,000 to support its operational activity as a result of the financial resources for paying the damages in the DIICOT file (the total amount paid 5,573,477 lei) given that during the year 2018 the entire investment loan was repaid (4,418,426 lei);
- (vi) The working capital at 31.12.2018 is 37,264,800 lei (31.12.2017: 32,617,900 lei), of which the amount of 6,995,850 lei will be reimbursed in 24 months in equal monthly instalments;

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eng. Cenusă Gheorghe

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STATEMENT OF FINANCIAL SITUATION on 31th December 2018

In Lei

Nr. Crt.	DENUMIREA POZITIEI	31.12.2017 IFRS	31.12.2018 IFRS
1	Actives		
2	Intangible assets	892,863	591,703
3	Tangible assets	96,549,169	91,532,890
4	Financial assets available for sale	196,109	-
5	Total Fixed assets	97,638,141	92,124,593
6	Advance payments for tangible assets	124,607	670,205
7	Stocks	7,297,460	7,352,926
8	Account receivables from construction contracts	56,674,644	59,051,355
9	Commercial account receivables and of other types	1,799,148	2,209,680
10	Current tax account receivables	-	-
11	Cash and cash equivalentents	5,330,144	3,734,663
12	Total Current Actives	71,226,003	73,018,829
13	Total Actives	168,864,144	165,143,422
14	Capital	13,036,325	13,036,325
15	Adjustments of the capital	8,812,271	8,812,271
16	Other elements of equity	(3,081,039)	(5,597,649)
17	Reserves	54,625,219	54,842,648
18	Repurchased own shares	-	-
19	Reported result	(5,882,801)	(1,971,347)
20	Year result	3,341,131	2,861,682
21	Total shareholder's equity	70,851,106	71,983,930
22	Debts		
23	<i>Long term bank loans</i>	-	3,497,925
24	Debts for postponed tax	10,519,009	10,105,737
25	<i>Provisions for risks and expenses</i>	382,300	190,059
26	Debts for postponed income	5,485,848	7,486,647
27	Total long term debts	16,387,157	21,280,368
28	Overdrafts	32,617,900	33,766,875
29	The current share for the long term loan	4,424,275	-
30	Commercial and other types of debts	31,453,709	35,161,064
31	<i>Provisions for risks and expenses</i>	8,237,580	1,356,541
32	Debts for postponed income	4,892,417	1,594,644
33	Total current debts	81,625,881	71,879,124
34	Total Debts	98,013,038	93,159,492
35	Total shareholder's equity and debts	168,864,144	165,143,422

PROFIT OR LOSS ACCOUNT STATEMENT AND OTHER ELEMENTS OF GLOBAL INCOME

Nr. crt.	DENUMIREA INDICATORILOR	31.12.2017	31.12.2018
1	Income from construction contracts	166,927,253	143,971,685
2	Income from selling goods	3,073,066	646,767
3	Other income connected to turnover	6,489,722	8,367,659
4	Other income	3,980,507	3,370,113
5	Total operating income	180,470,548	156,356,224
	<i>of that: turnover</i>	175,173,913	151,783,512
6	Raw materials and consumables expenses	77,127,782	67,774,722
7	Goods expenses	2,919,082	624,568
8	Staff expenses	53,233,540	47,687,709
9	Rent expenses	792,203	558,576
10	Expenses with premiums asigurate	317,732	460,370
11	Transport costs	8,281,528	7,293,618
12	Amortization and depreciation of fixed assets costs	10,472,302	7,721,176
13	Adjustments for depreciation of current assets, net	(10,985)	1,340
14	Provisions costs for risks and expenses , net	(241,431)	(6,212,220)
15	Other operating expenses	22,099,294	26,568,156
16	Total expenses	174,991,047	152,478,015
17	Profit from exloation	5,479,501	3,878,209
18	Financial income	2,905,294	1,971,209
19	Financialexpenses	(4,629,977)	(2,591,343)
20	Financial loss	(1,724,683)	(620,134)
21	Total revenue	183,375,842	158,327,433
22	Total expenses	179,621,024	155,069,358
23	Profit before tax profit	3,754,818	3,258,075
24	Tax profit	413,687	396,393
25	Net income	3,341,131	2,861,682
26	Other elements of global results		
27	Revaluation of tangible assets		
28	Other comprehensive income , after tax		
29	Total profit of loss account and other elements of global result	3,341,131	2,861,682
30	Earnings per share		
31	Earnings per basic share	0.15	0.13
32	Diluted earnings per share	0.15	0.13

