

Raportul administratorilor 2024

**Report of the Board of Directors on the individual financial statements of
COMELF SA prepared in accordance with the Order of the Ministry of Public Finance
no. 2844/2016**

For the financial year: 2024

Company name: COMELF S.A.

Registered Office: Bistrita, no. 4, Industriiei Street

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

VAT code with the Trade Register Office: 568656

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

Subscribed and paid-in share capital: 13,036,325,34 lei

Regulated market in which the issued securities are traded: Bucharest Stock Exchange

The main characteristics of the securities issued by the company: -Dematerialized
registered shares in the number of 22,476,423 with a nominal value of 0.58 lei/share.

The Board of Directors of Comelf SA Bistrita, appointed by the General Meeting of Shareholders, has prepared, for the financial year 2024, this report on the balance sheet, income statement, statement of changes in equity, cash flow statement, accounting policy and explanatory notes included in the individual financial statements of 2024.

These financial statements are presented together with the Audit Report and this Directors' Report and refer to:

Equity	81,136,726 RON
Total revenue:	RON 168,740,905
Profit of the period	8.990.433 RON

The financial statements have been prepared in accordance with:

- (i) Accounting Law 82/1991 republished in June 2008 (Law 82);
- (ii) The provisions of Order no. 2844/2016;

Since 2012, the company presents individual financial statements prepared in accordance with the provisions of Order 2844/2016 (previously Order 1286/2012) for the approval of Accounting Regulations in accordance with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, with subsequent amendments and clarifications required by Order 881/2012.

COMELF was audited by the independent auditor G2 Expert. The results of the Company's audit are presented in the Report of the Independent Auditor G2 Expert.

1. Review of the Company's activity:

i. Description of the basic activity of the Company:

The company operates based on the Commercial Companies Law no. 31/1990 (with subsequent amendments and additions), the Capital Market Law no. 297/2004 and Law 24/2017 regarding issuers of financial instruments and market operations. According to article 6 of the Constitutive Act updated in July 2022, the object of activity of the Company is **"Manufacturing machines and equipment for earthworks, for power plants and environmental protection, equipment for lifting and transporting, including their subassemblies."**

ii. Date of establishment of the Company:

COMELF SA is a joint stock company established in Romania, in 1991, on the structure of the Bistrita Technological Equipment Company.

iii. Changes in the Company's equity, mergers or significant reorganizations of the Company or its controlled companies during the financial year:

COMELF is a company with Romanian majority capital and since 1995 COMELF has been listed on the Bucharest Stock Exchange, being part of the 12 founding companies. The subscribed and paid-in share capital at the end of the financial year 2024 is 13,036,325.34 LEI. The shareholding structure at the end of the period reviewed is (*Source: Depozitarul Central on 31.12.2024*): **Uzinsider SA**-80.9292% of shares and **Other natural and legal persons**-19.0708%.

COMELF is a production company in the field of machine building industry and its object of activity is the manufacture of equipment for power plants and environmental protection, metal structures in the field of renewable energy (source: water, wind and sun), earthmoving machines and equipment or sub-assemblies equipment for lifting and transport equipment, including components therefor. In order to carry out its activity, the company owns and operates a total of 18 buildings with a total area of 174.614 square meters, of which the built area, intended for operational activity, is 88.521 square meters, of which the basic production activity is carried out in 6 production halls equipped with machinery, installations, machine tools for machining, laboratories and utility networks for the production processes.

On 31.12.2024 COMELF S.A. fully acquired the shares of Mottra SRL, a company operating in the field of services (electrical repairs - engine winding), the acquisition value was 220.000 lei. COMELF SA has no subsidiaries.

iv. Description of acquisitions and / or disposals of assets:

The total value of the assets at December 31, 2024 was 157,810,379 LEI, decreasing by 9,473,794 compared to the value recorded at the beginning of the year, the difference coming from the following increases and decreases: (i) the increase in the company's fixed assets on account of depreciation (LEI 8,233,713) offset by investments in fixed assets in 2024 (LEI 9,046,650) and the sale/disposal/regularization of assets, net difference of LEI 100, (ii) from the decrease in current assets (LEI 10,286. 631 LEI)) and here, in detail, there is a significant decrease in receivables from contracts with customers due to the decrease in the value of turnover (LEI 14,879,352), a decrease in the value of the advance for tangible fixed assets (LEI 155,107), (iii) a decrease in the value of inventories (LEI 898,061) due to a prudent acquisition policy in the context of the evolution of the prices of materials. Trade and other receivables are also decreasing significantly as a result of the improvement of the VAT compensation terms, from an average of 6 months during 2023, it has reached monthly compensation, but there are still problems in recovering the amounts related to sick leave paid from FNUASS, where we are recording outstanding amounts starting November 2023. The amount of LEI 2,255,515 remains constant, representing corporate income tax and additional VAT, including interest and penalties, established following a tax audit for the period 2017-2022, amounts paid by COMELF but for which a court action was opened against the tax assessment decision, unsettled at the date of this report. Cash and cash items increased

compared to the beginning of the year by LEI 13,099,086, due to the repayment of the existing credit as due, equivalent to EUR 600,000 and payments to suppliers.

v. The main results of the evaluation of the company's activity:

The profit and loss account, i.e. the income and expenditure grouped by source during 2024, is presented as follows:

Profit and loss account (thousand lei)	Year 2024	Year 2023	Differences
Turnover	166,012	191,437	(25,425)
Other operating income, TOTAL, of which:	2,434	(7,263)	+9,697
Stored production variation (+/-)	318	(8,854)	+9,172
Income from operating subsidies	8	-	+8
Income from investment grants	1,199	1,261	(62)
Other operating revenues	909	330	+579
Operating income-TOTAL	168,446	184,174	(15,728)
Expenditures on raw materials, consumables, utilities, goods	70,834	88,370	(17,536)
Staff costs	58,916	56,134	+2,782
Provision expenses, depreciation and amortization adjustments, TOTAL of which:	7,968	8,585	(617)
Depreciation expenses	8,234	7,601	+633
Value adjustment of current assets	97	(1,010)	+1,107
Adjustments for provisions for risks and expenses	(363)	1,994	(1,557)
Other operating expenses	18,044	17,806	+238
Operating expenses-TOTAL	155,762	170,895	(15,133)
Operating profit-TOTAL	12,684	13,279	(595)
Financial income	295	1,623	(1,328)
Financial expenses	3,210	4,265	(1,055)
Financial result	(2,915)	(2,642)	(273)
Total revenue:	168,717	185,797	(17,080)
Overall expenses	158,948	175,160	(16,212)
Profit and loss account (thousand lei)	Year 2024	Year 2023	Differences
Gross result	9,769	10,637	(868)
Net result	8,990	9,328	(338)
EBITDA	20,652	21,864	(1,212)
EBITDA was determined as follows:			
Indicators (thousand lei)	2024	2023	Differences
Operational profit	12,684	13,279	(595)
Provision expenses, depreciation and amortization adjustments,	7,968	8,585	(617)

Asset changes are as follows:

Assets (thousand lei)	Year 2024	Year 2023	Differences
1.1. TOTAL fixed assets, of which:	76,162	75,349	+813
1.1.1. Tangible fixed assets	36,492	33,504	+2,988
1.1.2. Real estate assets	39,051	41,521	(2,470)
1.1.3. Intangible assets	339	264	+75
1.1.4. Research and development expenditure	60	60	-
Assets (thousand lei)	Year 2024	Year 2023	Differences
1.1.4. Financial assets	220	-	+220
1.2. Current assets TOTAL, of which:	81,649	91,935	+10,286
1.2.1. Stocks of raw materials and materials	9,695	10,489	(794)
Assets (thousand lei)	Year 2024	Year 2023	Differences
1.2.2. Stocks of finished products and production in progress	10,881	10,985	(104)
1.2.3. Receivables from contracts with customers	34,276	49,155	(14,879)
1.2.4. Income tax to be recovered	221	-	+221
1.2.5. Other receivables and advances for fixed assets	5,852	13,682	(7,830)
1.2.6. Cash and cash equivalents	20,723	7,624	+13,099
Total Assets	157,810	167,284	(9,474)

The structure of liabilities in the company's balance sheet as at December 31, 2024 is as follows:

Assets (thousand lei)	Year 2024	Year 2023	Differences
1.1. Total share capital, of which:	13,036	13,036	-
1.1.1. Subscribed share capital	13,036	13,036	-
1.1.2. Share capital adjustments	8,812	8,812	-
1.1.3. Other items of equity	(4,471)	(4,569)	(98)
1.2. Revaluation reserves	34,917	35,525	(608)
1.3. Legal reserves	2,607	2,607	-
1.4. Other reserves	19,246	15,861	-
1.5. Own shares	-	-	-
1.6. Reported result	1,384	1,191	+171
1.7. The result of the period	8,990	9,328	(338)
1.8. Profit distribution	3,385	-	3,385
Total equity	81,137	81,791	(654)
1.2. Long-term debts	10,106	11,239	(1,133)
1.2.1. Interest-bearing loans and liabilities	-	67	(67)
1.2.2. Deferred tax liabilities	5230	5,212	+18
1.2.3. Provisions for risks and expenses	209	249	(40)
1.2.4. Debts on deferred income	4,667	5,711	(1,044)
1.3. Current debts	66,567	74,254	(7,687)

1.3.1. Trade and similar payables, of which:	30,113	34,652	(4,539)
Trade payables	22,267	24,360	(2,093)
Other debts	7,846	10,292	(2,446)
1.3.2. Interest-bearing loans and borrowings	33,891	37,016	(3,125)
1.3.4. Provisions for risks and expenses	860	1,010	(150)
1.3.5. Debts on deferred income	1,539	1,296	(243)
1.3.6. Deferred tax liabilities	164	280	(116)
Total debt	76,673	85,493	(8,820)
Total equity and debt	157,810	167,284	(9,474)

The **Company's equity** decreased in the financial year 2024 by 654.658 lei.

The legal reserve is 2,607,265 lei and represents 20% of the share capital.

The Company's **total liabilities** decreased by RON 8,819,136, as a result of (i) the decrease of liabilities to suppliers by RON 2,092,365 due to slightly reduced payments on due dates and lower prices for materials; (ii) the reimbursement of EUR 600,000 from the working capital credit line, as due; (iii) the decrease of liabilities to the state budget and social insurance budget, under the conditions of optimizing the period of VAT compensation to be recovered from 6 months to 1 month.

The Company's **provisions** decreased by 189,652 lei being influenced by:

- Decrease provision for employee retirement benefits by 40,341 lei because in the year 2024 a total of 50 people retired due to age limit and thus benefited from this benefit, affecting the costs for the period and, additionally, the number of staff employed decreased;
- decrease in provisions for commercial penalties/potential customer claims related to the year 2024 by 44,864 lei, due to the decrease in the number of claims/non-compliances. The amounts are under discussion.

- Decrease in provisions for the buy-back of pension insurance policies, following the retirement of 50 people, for which the corresponding amounts were paid (104,447 lei).

The evolution of current assets and current liabilities is as follows:

Indicators (thousand lei)	2024	2023
Current assets	81,649	91,935
Current debts	66,567	74,254
Net current assets	15,082	17,681

The accounting organization was carried out by the centralized Economic Department, at the company level, by profit centers, through which the correct and up-to-date accounting operations were followed and carried out, the accounting principles and the accounting rules and methods provided in the regulations in force were observed. The financial statements were prepared on the basis of the trial balance, the summary accounts and compliance with the methodological rules and regulations for the preparation of financial statements, the items entered in the financial statements with the data recorded in the accounts being brought into line with the actual situation of the assets based on the inventories.

The profit and loss account accurately reflects the income, expenses and financial results of 2024. The company has carried out an inventory of all its assets, the results of which are

recorded in the accounts and implicitly in the financial statements. The Company has organized the activity of preventive financial control.

The internal audit activity in the financial year 2024 was provided by Acon Audit.

Elements of general evaluation

a). Profit / (Loss):

Indicators (thousand lei)	Realizat2024	Realizat2024
Gross profit (loss)	9,769	10,637
Net profit (loss)	8,990	9,328

❖ **Net profit:** decreased slightly (-3.6%) compared to 2023, mainly influenced by:

- decrease in turnover in 2024 compared to 2023, as a result of the decrease in the selling price of the products, influenced both by the assortment structure and the decrease in the price of the basic raw materials (metal) and by the decrease in physical volumes.
- utility savings based on the consumption of electricity from in-house production (in-house photovoltaic system capacity 4 KwP);
- Reduction of material expenses by reducing the purchase price of basic raw materials and by optimizing consumption

Besides the decrease in sales, the following categories of expenses have negatively influenced the evolution of gross profit, as follows:

- staff costs, which increased due to inflation and the evolution of the minimum wage, but also as a result of the lack of qualified personnel, in a context in which attracting or retaining staff is becoming increasingly expensive;
- maintaining fixed expenses, due to falling revenues, including the cost of depreciation;

b). Turnover:

Indicators (thousand lei)	Achieved 2024	Budget 2024	Achieved 2023	Δ% vs. 2023	Δ% vs. Budget
Turnover	166,012	186,883	191,437	(13,28)%	(11,17%)

❖ **Turnover** decreased by 13.28% in 2024 compared to 2023, as a result of the decrease in the selling price of products, influenced by both the assortment structure and the decrease in the price of basic raw materials (metal) and the decrease in physical volumes. In 2024, the physical volume sold was 8% lower than the physical volumes sold in 2023, especially in the earthmoving segment.

c). Intra-Community exports and deliveries:

Indicators (thousand lei)	Achieved 2024	Achieved 2023	Δ% vs. 2022
Turnover	166,012	191,437	(13,28)%

Export or LIC directly-EUR	26,974	27,296	(1,18)%
Export or LIC directly-LEI	134,183	135,022	(0,60%)

In 2024, the volume of export revenues, including direct intra-EU deliveries, decreased by 1.18% compared to the previous year. Of the total of 134,183 thousand lei, 24,821 thousand lei are sales invoiced to Uzinsider Techno SA in EUR, according to the LEU/EUR exchange rate, and which are then delivered to the final customer General Electric, amounts which are also collected in EUR.

d). Costs:

Expenses (thousand lei)	2024	2023
Raw materials, consumables used and goods		
Expenses for raw materials	53,916	70,212
Consumable expenses	12,582	14,100
Expenditure on goods	909	-
TOTAL	67,407	84,312
Employee benefit expenses		
Wages	52,439	50,003
Contributions to the state social insurance fund	2,262	2,257
Other wages-related taxes and contributions	-	-
Meal tickets	4,215	3,874
Other salary benefits	-	-
Expenses (thousand lei)	58,915	56,134
Income from operating grants for staff pay	8	-
Professional training expenses	102	342
TOTAL	59,009	56,476
Other expenses		
Shipping costs	5,209	5,829
Utility expenses	3,427	4,058
Expenses with services provided by third parties	6,497	6,373
Expenses with compensations, fines, penalties, donations, sponsorships and subsidies	391	607
Protocol, advertising and publicity expenses	128	92
Other Overheads	918	1,158
Expenses with other taxes and fees	2,165	1,194
Repair expenses	1,379	1,369
Travel expenses	153	64
Rent expenses	261	231
Expenses with postal and telecommunications taxes	544	518
Expenses with insurance premiums	399	371
TOTAL	21,471	21,931

e). Market share:

Given that the company's products are diversified, it is not possible to determine a global market share.

f). Cash available:

The company held in its accounts on December 31, 2024 the amount of 20,723 thousand lei.

2. Analysis of the technical level and the sales activity of the Company

The COMELF product range is structured on five main lines, as follows: (1) Power Industry machinery and components; (2) Earthmoving machinery and components; (3) Environmental protection machinery; (4) Lifting and handling equipment; (5) Technological machinery; The sale of products is carried out at customer and project level, through the centralised commercial department, with project managers specialised by product type and customer. Comelf products are mainly delivered for export to countries such as: Italy, France, England, Holland, Sweden, Austria, Norway, Germany, Belgium, Switzerland, Hungary, USA.

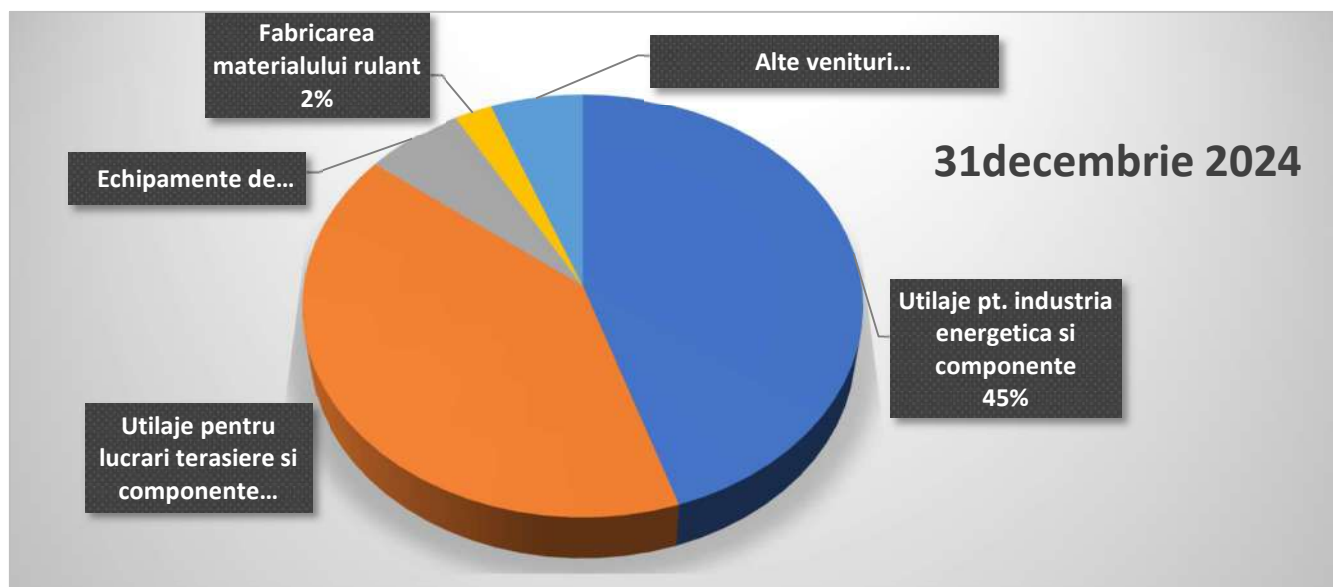
The productive activity of the Company takes place within the factories organized as profit centers:

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

In the year 2024, the company's activity was uninterrupted. In 2024, both a new product and a new customer were added to the company's portfolio, as follows:

Entity	Customer	Product:
FUET	ROBEL Bahnbaumaschinen GmbH, Germany	Forestry machinery components
FUET	GE Grid GmbH, Germany	Transformer tank
FUET	Tehnostrade SRL, Romania	Components for road and bridge construction
FPI	JW Froehlich Maschinenfabrik GmbH, Germany	Automotive engine testing platforms
FPI	GE VERNOVA, SUA	Diffuser cone

Share of operating revenue by main operating lines in total revenue
FY 2024:



The commercial policy of the Company is to avoid significant dependence on a single Customer (no more than 35% customer exposure). During 2024 the largest share of sales on a single customer was 14.74% of the total turnover, as follows:

Partner	Income share (> 5%)	Income	The segment in which revenues are included
Uzinsider Techno SA(GE)	14.74 %	24,821,159	Equipment for energy industry, end customer General Electric
Siemens	11.69 %	19,699,511	Equipment for power-generation industry and components: FPI- FUET
Komatsu	11.04 %	18,603,327	Equipment for earthworks and components: FUET
HD Hyunday Infracore	10.43 %	17,568,133	Earth-Moving quipment and its components: FCT
Tesmec	7.49 %	12,621,257	Equipment for earthworks, rolling stock manufacturing and their components: FUET + FCT
Tekhnint SA	7.11 %	11,970,266	Equipment for earthworks, rolling stock manufacturing and their components: FPI + FCT

3. Evaluation of the technical-material supply activity:

The raw-material sourcing and procurement activity aims at providing for the material resources of the

always in the best conditions for the good development of the company's production activity.

The raw-material procurement activity is carried out centrally, through the DIRECTORATE MATERIAL PROCUREMENT AND LOGISTICS (DABM)

The procurement department, the warehouse sector and supplier control sector, outsourcing and the logistics sector all operate within DABM.

The management of the sourcing and procurement activity is carried out based on the material requirements the technical departments prepared for each client depending on the orders issued by such client.

The procurement department together with the warehousing sector have the task of constantly checking stocks of materials and then issue purchase orders to maintain stocks as far as possible, under control in order to avoid financial blockages and to avoid overstock, especially for products non-repetitive.

According to Comelf procedures there is a database of suppliers selected and evaluated based on several criteria of quality, price, delivery time.

At the same time, through the supplier control department, periodic plans are drawn up for auditing suppliers in order to maintain the supply chain at a high standard correlated with Comelf customer requirements.

The issuance of purchase orders is made after assessing the quotations received from minimum 2 suppliers, selecting the supplier that offers the best conditions at least in terms of product quality, price, delivery time, payment conditions, etc.

Safety stocks are defined for the usual raw materials.

4. Evaluation of the aspects related to the Company's employees:

The average number of employees decreased during 2024 from 593 average number of employees in 2022 to 633 average number of employees in 2023. The staff structure was as follows:

	2024	2023
Executive directors/managers	8	8
Direct productive staff	335	384
Management and administration staff	250	241
Total	593	633

According to the Labor Code, within COMELF the value of the minimum wage cannot be lower than the gross minimum wage. In addition, within the Company, in addition to the basic salary earned for actual working time or working hours (in the case of directly productive workers paid individually), the following categories of bonuses are also granted: night bonus, overtime bonus, bonuses for work on weekly rest days, bonus for working in a noxious environment, increase for head of micro-team / team.

The Company has also implemented a system of rewarding its employees, at the time of retirement, with the equivalent of a fixed amount, which is evolving depending on the number of years of work performed within the company. The company recorded provisions for these payments. In 2024 the Collective Bargaining Agreement was applicable, valid from 28.12.2023.

5. 5. Assessment of the environmental impact of the Company's core business

COMELF's activity has inherent effects on the environment. In order to minimize these effects, there is a preventive approach at the company level and a permanent monitoring of the entire activity by dedicated and specialized people on environmental issues. The main objectives of the company's management on the environmental protection side are to keep the fugitive emissions within the legal limits, below 20% compared to the annual consumption of corrosion protection materials, to reduce the quantities of waste from the activities carried out in the corrosion protection workshops. to all employees regarding the selective collection of waste.

In order to carry out the production processes, Comelf obtained:

- Water management authorization no. BN 05/29.01.2025, issued by the Somes-Tisa Water Basin Administration, Bistrita-Nasaud Water Management System, valid until 29.01.2030;
- Environmental permit for operation no. 30/06.04.2022, issued by MMGA-Environmental Protection Agency BN, with annual extension;
- Certification of the Integrated Management System quality, environment, health and safety at work in accordance with ISO 9001: 2015, ISO 14001: 2015, and ISO 45001: 2018;

6. Evaluation of the aspects related to the research-development activities:

Considering the specifics of the company's activity and the fact that the Company's activity is a specialized one, which requires superior technical knowledge, there is a design Department at the company level that has, besides the specific activity, concerns related to the preparation of manufacturing based on 3D models of products and new solutions, specific to the field in which we operate. Moreover, the market on which we operate and the increasingly specialized requirements of customers require a permanent activity to improve the existing products in the portfolio. In addition, the company has developed partnerships with Universities in Romania, with which it is constantly exchanging experience on the identification of new technical solutions and new product development.

7. Evaluation of the company's risk management activity:

(a) Credit risk

Credit risk refers to the risk that a third party will not comply with its contractual obligations, thus causing financial losses to the Company. The Company's exposure and the credit ratings of third party contractors are closely monitored by management. There is a policy implemented regarding the valuation of both potential customers and existing customers, an evaluation based on which the credit limit and the settlement method are established. However, we consider that the Company is exposed to credit risk as a result of commercial receivables payment of up to 120 days, a significant part of which is not insured.

(b) Risk regarding cash-available

The final responsibility for managing the risk regarding cash available rests with the executive directors/managers, in particular Comelf's economic director, who have built an appropriate management framework for securing the Company's short, medium and long-term funds and available-cash management requirements. There is a continuous monitoring of the

expected cash flows (3 months) but also of the real flows by matching the maturities of the assets and financial debts. The additional need for cash can be covered by the company, including by accessing credit facilities, the company being at a satisfactory level of indebtedness.

(c) 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.

The majority of the current assets are denominated in foreign currency (54%) and the liabilities of the Company are denominated in foreign currency (47%) and in national currency (53%) and therefore exchange rate fluctuations do not significantly affect the Company's business. The exposure to exchange rate fluctuations is mainly due to current currency conversion transactions necessary for current payments in LEI.

(d) Interest rate risk

As at 31 December 2024 most of the Company's assets and liabilities are non-interest bearing, with the exception of the contracted loan and the leasing contract. 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.

(e) 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 political and economic instability, there is a risk related to material availability and their volatile price, which may generate, in the short term, possible disruptions in the operational activity. The company also has a material procurement policy that offers protection for a period of 2-3 months, for confirmed orders, which ensures a balance, for the period in which we reposition ourselves vis-à-vis suppliers and vis-à-vis customers.

Interest rate risk and currency risk have been detailed above.

(f) The risk related to the economic environment

The Romanian economy continues to have 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 management of the Company is concerned to estimate the nature of the changes that will take place in the world political and economic environment and, in particular, in Romania and what will be their effect on the financial situation and the operational and treasury result of the Company.

One of the features 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 foresee all the effects of the economic situation, considered as a whole, which will have an impact on the financial sector in Romania, 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 moment for the Company, is the evolution of the price of raw materials as well as the labor market regarding the training of qualified personnel in the field in which we operate, necessary for the operational success of the company.

(g) Fair value of financial instruments

The company does not hold any financial instruments as at December 31, 2024.

8. Perspective elements regarding the activity of COMELF company:

The probable evolution of the company can be found in the Draft Revenue and Expenditure Budget for 2025, which provides the following:

- Turnover: 178.976 thousands lei;
- Total operating income, of which: 178.889 thousands lei;
- Revenues from customer contracts 171,412 thousand lei;
- Revenues from the sale of goods + performance of services 7,564 thousand lei;
- Income from investment subsidies 1,157 thousand lei;
- Financial income (interest) 68 thousand lei;
- Overall expenses 169.186 thousands lei;
- Gross profit: 8.520 thousands lei;

Comelf proposed an investment budget of 1.559 thousand EUR for 2025. These investments are intended for the purchase of a laser cutting machine, fixtures, adjusting, drilling and punching machines, current tools and fixtures.

The investment program for 2024, mentioned above, will be realized with own sources.

The tangible assets of the Company:

1. COMELF SA had the following production capacities at the end of 2024:

- ❖ **Earthmoving Machinery and Equipment Factory (FUET):** which produces naval equipment, telescopic cranes, excavator components and components for earthmoving machines (jibs), engine housings, electric generator housings, turbine frames, industrial gas dust removal equipment, asphalt station filters, power plant equipment with gas turbines, wastewater treatment and treatment equipment, hydropower equipment, technological equipment. FUET activity is carried out in two production units, of which one with a built area of 16,128 sqm and one with a built area of 18,827 sqm;
- ❖ **Factory for earthmoving machinery and components (FCT) - which manufactures** 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. Built area 17,322 sqm;
- ❖ **Stainless Steel Products Factory (FPI) - which manufactures:** 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); Built area 28,547 sqm;

All these factories are located in Bistrita, 4 Industriiei Street, Bistrita-Nasaud County.

The company also has its own administrative buildings and material warehouses, all located in Bistrita, 4 Industriiei Street.

In addition, the company has a 6450 square meters of land located outside the municipality of Bistrita.

The total land area owned by the company amounts to 174,614 sqm.

The buildings were built in 1971 but later underwent modernization works to meet current standards. All company buildings are insured.

The machines, equipment and installations used by Comelf in the production activity were purchased, a significant part, in the period 2014-2015, during which the company implemented 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 COMELF" according to the financing contract signed with the Ministry of Economy as managing authority for POS-CCE.

For the most part, subsequent investments were made to maintain existing machines and machinery, to automate the welding process, to increase cutting capacity and to increase energy efficiency.

2. Market of securities issued by the Company

2.1. Since 20.11.1995 Comelf is listed on the Bucharest Stock Exchange. The Company's shares are ordinary, registered, dematerialized and indivisible shares.

2.2. The retained earnings for the year 2024, remaining after the establishment of reserves related to reinvested earnings, will be fully utilized for dividend payments.

2.4. The share capital of the Company has not changed in 2024, it is in the amount of 13,036,325, 34 LEI equivalent to 22,476,423 shares, nominal value 0.58 lei / share.

On 31.12.2024 COMELF S.A. fully acquired the shares of Mottra SRL, a company operating in the field of services (electrical repairs - engine winding), the acquisition value was 220.000 lei. COMELF SA has no subsidiaries.

3. Company management

3.1. Board of Directors

Comelf SA is managed in a unitary system by the Board of Directors consisting of five members elected by the General Meeting of Shareholders by secret ballot. The term of office of the members of the Board of Directors is 4 years and they can be re-elected.

At the date of this report, the structure of the Board of Directors is as follows:

Savu Constantin Chairman
 Babici Emanuel member
 Mustata Costica member
 Sofroni Vlad member
 Parvan Cristian member

The members of the Board of Directors are elected at the General Meeting of Shareholders on the basis of the shareholders' vote in accordance with the legal requirements. Therefore, there are no agreements and arrangements to report in this regard.

List of persons affiliated with the company:

Affiliated party	Activity	Description of the type of business relation
Uzinsider SA	Management consulting services	Uzinsider SA is the majority shareholder
Uzinsider Techo SA	Trade intermediation services for industrial products	
Uzinsider General Contractor SA	Collaborations on turnkey objectives	
Promex SA	Electricity trade	
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.

3.2. Executive management

Comelf's executive management is appointed by the Board of Directors. The directors/managers lead the daily activity of the company and have the obligation to ensure a correct circuit of the corporate information.

- Members of the Executive Management of the Company:

Cenusa Gheorghe General Manager	
Pop Mircea	Deputy General Manager
Business Operation	
Oprea Paul Cristian Deputy General Manager	
	Technical and Production
Tatar Dana Economic Manager	
Jurje Valeriu AQM Manager	
Campian Cosmin Factory Executive Manager	
Tatar Eugen	Factory Executive Manager
Viski Vasile Factory Executive Manager	

The members of the executive management are elected by the Board of Directors and there are no agreements, understandings or family ties between the directors and directors, which could be reported in this report.

For the members of the Board of Directors and the members of the Executive Management, we specify that there are not and have not been any litigations or administrative procedures in which they have been involved, in the last 5 years, related to their activity within the Company, as well as others that concern the capacity of the respective person to perform their duties within the company.

SUSTAINABILITY REPORT 2024

Message from the General Manager (CEO)

Evolution in numbers

1. Our company	
1.1 Company Profile	
1.2 Corporate governance	
1.3 Risk management and compliance	
1.4 Integrity, ethics and good business practices	
1.5 Cybersecurity	
1.6 Supply chain	
1.7 Materiality analysis	
2. Our products	
2.1 Our products	
2.2 The quality of the products we manufacture	
3.	
3. Our care for the environment	
3.1 Resource management	
3.2 Greenhouse gas emissions and climate protection	
4. Our care for people	
4.1 Caring for our employees	
4.2 Caring for communities	
5. Our performance in numbers	
5.1 Resource management 2023/2024	
5.2 Greenhouse gas emissions and climate protection	
5.3 Waste Management.....	50
5.4 Employee information.....	53

Message from the General Manager (CEO)

Sustainable development is a key objective for our organization, Comelf. Through collective efforts, we generate positive changes that enable us to face the challenges in the economic and social environment. Managing geopolitical changes and the resources needed to carry out our business is crucial to maintaining the financial equilibrium of the society and community in which we operate.

Our main activity is the transformation of raw materials into complex products of various metallic materials using high-performance technologies. This approach allows us to minimize our environmental impact and protect our community. The technological progress achieved in 2024 has resulted in significant investments that have reduced energy costs, increased labor productivity and improved working conditions in key product manufacturing processes.

These efforts demonstrate our commitment to a more sustainable and equitable future for all. By reducing energy consumption and improving operational efficiency, we aim to contribute to protecting the environment and promoting a safe and healthy working environment for our

employees. In the long term, we want to strengthen our position as a leader in our industry, offering quality products while respecting the values of sustainability and social responsibility.

→ **Concrete actions and results achieved:**

- Increased material utilization through the company-wide implementation of centralized nesting, which resulted in a 7% reduction in material consumption;
- By upgrading the technology of sandblasting and cutting of the plate by high definition plasma cutting process, we managed to replace a number of 4 thermal cutting machines and close two manual sandblasting booths. The new technology led to the creation of clean, 100% exhaustible processes, substantially improving working conditions and increasing labor productivity;
- 65% of the energy consumed in manufacturing processes is produced by the company's own photovoltaic park. Through this investment, we managed to reduce our carbon footprint by 18% in 2024 compared to 2023. The difference up to 100% was covered by purchasing electricity from renewable sources (hydro energy) produced by a company in our group, Uzinsider;
- Switching to automatic mixing paint pumps has resulted in a substantial reduction in the quantities of paint and thinner, reducing the cost of corrosion protection of the products;
- Recycling waste paint and used thinners was an important concern for us in 2024. We managed to recycle 55% more than the target set for that year;
- At company level, we have fully implemented the concept of waste sorting, and by recovering waste we have added value and protected the environment. Through the investments made, we managed to reduce the amount of household waste by 5%.
- By optimizing manufacturing processes, we reduced the costs of finishing products in the anti-corrosion protection process. The amount of materials used decreased by 45% compared to 2023 consumption, at an equivalent volume of products manufactured;
- The well-being of our employees is an important element, protected by individual responsibility and strengthened by our role as a responsible employer. In this sense, our programs and objectives aim to improve both working conditions and employee health, as our staff is the company's most valuable asset.
- Considering the health profile of our employees, we have designed and implemented health services, programs and campaigns that address major health impact issues. This aligns with our vision: zero accidents, zero injuries, protecting people and the environment.
- The company aims to produce high-quality products in conditions that are safe for employees and environmentally friendly.
- Occupational safety is of paramount importance and is a fundamental component in technological processes. Our strategic commitments are to reach zero work accidents.

→ **Sustainable development through digitalization and automation**

Achieving sustainable development goals is not possible without digitalization, automation and robotization of manufacturing processes. Optimal use of resources, reducing waste and increasing efficiency through state-of-the-art technologies are the pillars of our strategy. By implementing advanced software and using industrial robots, we have managed to increase productivity, reduce material consumption, and minimize environmental impact. We have integrated digital solutions for nesting, part manufacturing tracking, and production scheduling, achieving spectacular results on current activity. Welding and handling robots have allowed for process optimization, error reduction, and improved work safety. Sustainability as a development strategy must be supported through own investment sources, but also through projects financed with European funds. Sustainable development will lead to increased financial and operational performance of the company, and the adoption of sustainability measures will bring long-term benefits to employees and investors. Our objective was to promote effective solutions for both people and the environment, with the aim of improving the quality of life and protecting natural resources for future generations. This approach has allowed us to develop sustainable strategies that balance human needs with the need to protect the environment. By implementing these solutions, we aim to contribute to creating a more sustainable and equitable future for all our employees and the local community.

Evolution in numbers

<i>Economic indicators</i>	<i>UM</i>	<i>2024</i>	<i>2023</i>	<i>2024 vs 2023</i>
<i>Total revenue</i>	<i>thousand lei</i>	<i>168,717</i>	<i>185,797</i>	<i>-9 %</i>
<i>Total expenses</i>	<i>thousand lei</i>	<i>158,948</i>	<i>175.16</i>	<i>-9 %</i>
<i>EBITDA</i>	<i>thousand lei</i>	<i>20652</i>	<i>21864</i>	<i>-6 %</i>
<i>Physical production</i>	<i>tons</i>	<i>5,764</i>	<i>6,258</i>	<i>-8 %</i>
<i>Equity</i>	<i>thousand lei</i>	<i>81137</i>	<i>81791</i>	<i>-1 %</i>
<i>Total debt</i>	<i>thousand lei</i>	<i>76673</i>	<i>85493</i>	<i>-10 %</i>
<i>Environmental indicators</i>				
<i>Electricity expenses</i>	<i>thousand lei</i>	<i>1,643</i>	<i>2,385</i>	<i>-31 %</i>
<i>Electricity production</i>	<i>MWH</i>	<i>2890</i>	<i>2277</i>	<i>27 %</i>
<i>Total electricity consumption</i>	<i>MWH</i>	<i>5008</i>	<i>5108</i>	<i>-2 %</i>
<i>Quantity of metal waste recovered</i>	<i>tons</i>	<i>2795.67</i>	<i>2180.51</i>	<i>28 %</i>
<i>Social indicators</i>				
<i>Average number of employees</i>	<i>people</i>	<i>593</i>	<i>636</i>	<i>-7 %</i>
<i>Sponsorships; dual education scholarships</i>	<i>thousand lei</i>	<i>378</i>	<i>427</i>	<i>-11 %</i>

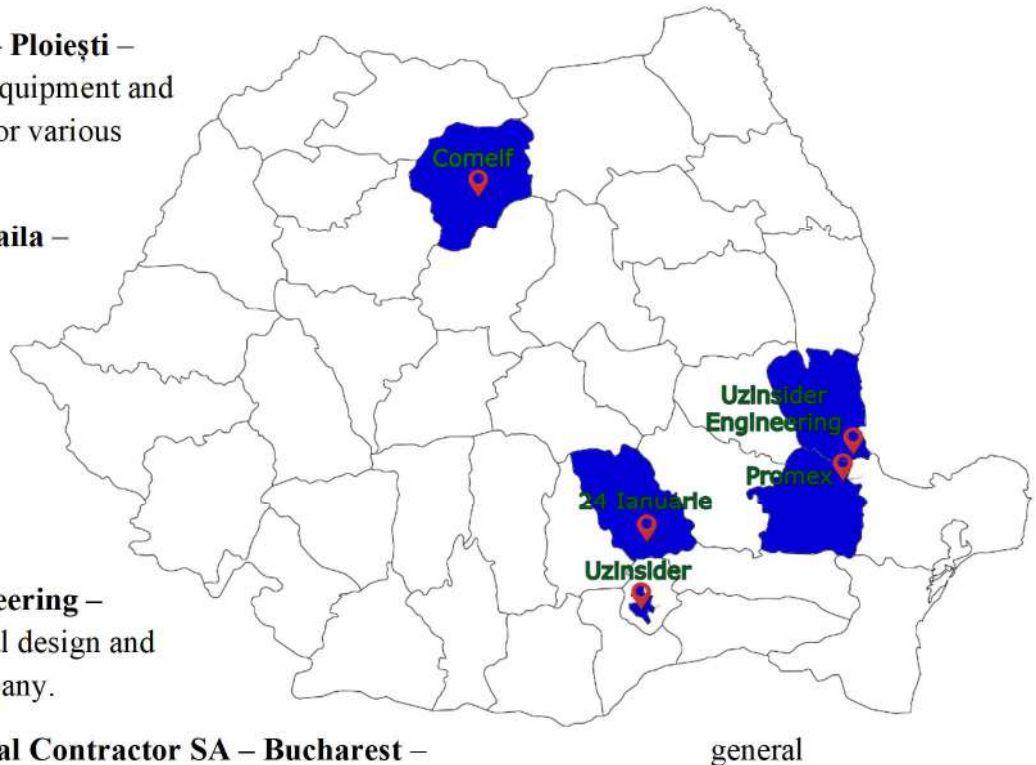
1.1 Company Profile

Comelf S.A. is a recognized leader in the industrial equipment industry, with more than 50 years of tradition in the production of complex metal structures and components for various sectors, including energy, renewable energy, earthmoving machinery and environmental equipment.

Our company has been listed on the Bucharest Stock Exchange since 1995 and is part of the **Uzinsider Group**, one of the most important industrial groups in Romania.

Together with Comelf, the Uzinsider Group also includes other specialized companies such as:

- **24 Ianuarie SA – Ploiești** – manufacturer of equipment and metal structures for various industries.
- **Promex SA – Braila** – specialized in the production of heavy equipment for the construction and rail transport industries.
- **Uzinsider Engineering – Galați** – industrial design and engineering company.
- **Uzinsider General Contractor SA – Bucharest** – contracting firm for industrial and civil projects.
- **Uzinsider Techno SA – Bucharest** – industrial trade and distribution company of equipment and components.



By collaborating with the other companies in the group, Comelf benefits from access to **advanced technological and engineering solutions** and development opportunities on international markets, consolidating its position as one of the most important industrial manufacturers in Romania.

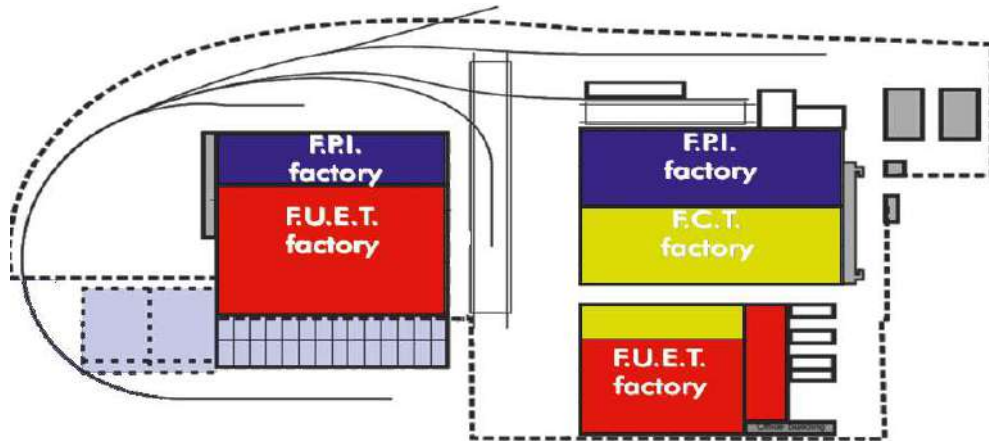
Production units

Comelf's production activity is carried out in three factories located in Bistrița:

- **F.P.I. Factory (Stainless Steel Products Factory)** - manufactures complex stainless steel equipment, including industrial turbine casings, power plant filters and metal structures for the power industry.
- **F.U.E.T. Factory (Earthmoving Machinery and Equipment Factory)** - dedicated to manufacturing equipment for the mining and construction industry, such as

excavator booms, earthmoving machinery structures and components for heavy-duty machinery.

- **F.C.T. Factory (Components and Sub-Assemblies Factory)** - focused on the production of earthmoving machinery with final assembly and marine components.



Innovation and development

In 2024, Comelf continued its production modernization strategy, investing over **1.5 million euros** in state-of-the-art equipment, including:

- **Numerical control machining centers** to improve the precision and efficiency of the manufacturing process.
- **Advanced CNC laser and plasma cutting technologies** for the production of complex metal components.
- **Quality control systems with 3D scanners and measuring equipment** to ensure high standards of precision and safety.

Sustainability and ecological impact

In line with its sustainability objectives, Comelf has implemented projects to reduce its carbon footprint, including:

- Installation of **photovoltaic panels with a capacity of 3 MWp**, reducing energy consumption from the national grid by 65%.
- The use of **paints and advanced technologies** for protecting metal surfaces with reduced toxic emissions.
- Implementation of an advanced **recycling system for scrap metal and industrial water**.

Market expansion

In line with its strategy of diversification and expansion into new markets, Comelf aims to strengthen its presence in the defense industry by developing and manufacturing components for military equipment.

The company holds AQAP 2110 certification, which attests its compliance with NATO requirements for the design, development and production of equipment and components for

the defense industry. This certification represents a strategic step towards expanding production capabilities for metal structures, armor and other components used in military technology.

In 2025, Comelf aims to initiate new partnerships with military equipment manufacturers and suppliers, both nationally and internationally.

1.2 Corporate governance

- ✚ **Environmental impact:** We promote a corporate governance oriented towards the protection and conservation of the environment, the protection of resources and their rational exploitation in a transparent manner, in compliance with specific regulations;
- ✚ **Impact on people:** We are concerned and committed to finding solutions to improve working conditions in order to enhance the quality of life of our employees. We are committed to seeking opportunities to ensure a balance between employee performance and private life.
- ✚ **Impact on the economy:** we look for solutions to ensure business continuity, we exploit new opportunities to maintain, in sustainable conditions, the company's activity, with impact on local budgets and state and social security budgets.
We are an important local player in terms of contribution to the above mentioned budgets.

The COMELF company is listed on the BVB, so being part of a regulated market helps us to comply with transparency in information and monitoring of the company.

Structure of the governing bodies:

Comelf SA is a company managed in a unitary system: General Meeting of Shareholders (GMS) - the highest level of approval and Board of Directors (BoD). The members of the Board of Directors are elected every 4 years (the last term is valid until 31.12.2027) by the GMS and they appoint the executive management. Not all members of the Board of Directors are part of the executive management.

An Audit Committee was nominated within the Board of Directors, consisting of 2 members, neither of whom is a financial auditor.

Also, a Remuneration Committee is formed, consisting of the members of the Board of Directors, whose duties are to establish the policy and remuneration indicators for the members of the Board of Directors and the executive management.

The Guide on the evaluation of CA members is currently being developed, including the purpose, the criteria and frequency of the evaluation process. Completion deadline 30.06.2025.

The members of the Board of Directors are 100% men.

Division of the Board members by age category:

- over 80 years old-2 people;
- between 70-80 years old-1 person;
- between 60-70 years old-1 person
- between 50-60 years old-1 person

The members of the Board of Directors have the following professional training:

- 4 people are engineers by profession;
- 1 person is an economist by profession;

A Regulation has been elaborated at the level of the Board of Directors which includes provisions on how to manage conflict of interest. During 2024, the Board of Directors met 4 times.

COMELF shareholders and the relationship with them and potential investors

As at 31.12.2024, according to data from the Central Depository, there were 5310 individuals and legal entities.

At the company level, all essential information and quarterly/semi-annual and annual reports are reported through the company website and the BVB.

1.3 Risk management and compliance

At Comelf SA, risk management is an essential process integrated into the corporate strategy, aiming to protect the company's value and ensure long-term sustainability. The company has implemented a robust risk management framework, which includes the identification, assessment and continuous monitoring of operational, financial and compliance risks.

Risk Identification and Assessment

The risk identification process involves a detailed analysis of internal and external factors that could affect business performance and continuity. Among the main risk categories considered by Comelf SA are:

- **Operational risks** – associated with process efficiency, raw material availability and technological capacity.
- **Financial risks** – include market volatility, currency risks and fluctuations in raw material prices.
- **Compliance risks** – related to national and international regulations, as well as the standards imposed by business partners.

For each of these risks, Comelf SA applies quantitative and qualitative assessment methods, using performance indicators and impact scenarios to determine the level of exposure and to develop strategies to mitigate negative effects.

Risk Monitoring and Control

The company uses an advanced digital system for real-time monitoring of identified risks. Through integrated IT platforms, the management team can analyze relevant data, detect anomalies and make quick decisions to prevent or mitigate the effects of risks.

Also, Comelf SA organizes periodic internal audits to evaluate the effectiveness of the implemented measures and to identify any vulnerable points. These audits are complemented by risk scenario simulations, which allow teams to be trained in managing critical situations.

Risk Reduction Strategies

To reduce risk exposure, the company has adopted several proactive strategies, including:

- **Diversification of suppliers** to reduce dependence on a limited number of partners.
- **Securing critical raw materials** through long-term contracts and constant monitoring of stocks.
- **Optimization of internal processes** to increase operational efficiency and reduce resource waste.

- **Continuous employee training** for risk management, through training sessions specific to each risk category.

Compliance with International Regulations and Standards

To ensure compliance with all legal regulations, Comelf SA has implemented a rigorous compliance system, which includes:

- **Continuous monitoring of legislation** to quickly identify and implement new requirements.
- **Updating internal policies** to reflect legislative changes and international standards.
- **Specialized training for employees** regarding new industry-specific regulations and requirements.

In 2024, Comelf SA organized training sessions on environmental legislation, occupational safety and data protection, with the main objective of increasing awareness and reducing the risks of non-compliance.

Using Technology for Risk Management

An essential component in the risk management strategy is the use of technology to collect, analyze and interpret relevant data. Comelf SA has implemented advanced software solutions that allow:

- **Automation of risk identification processes** and generating detailed reports.
- **Integration of financial and operational data** for greater visibility into risk factors.
- **Simulation of crisis scenarios** to evaluate the organization's reactions and identify points for improvement.

Through these initiatives, Comelf SA demonstrates a firm commitment to an organizational culture oriented towards prevention and compliance, thus ensuring the company's long-term stability and success.

1.4 Integrity, ethics and good business practices

Comelf SA is committed to conducting its business in accordance with the highest standards of integrity and ethics, by implementing a set of internal policies and practices that guarantee transparency and accountability in all organizational processes. The company's commitment to ethics and good practices is reflected in the **Code of Ethics and Professional Conduct**, in **domestic policies** and in **continuous training projects**.

INTERNAL APPROACH

Comelf SA integrates the principles of ethics and integrity into all aspects of its activities through a systematic and coherent approach, focusing on the implementation of clear policies and effective control measures. These principles are supported by a robust governance framework, which ensures transparent and accountable leadership. In this context, the company aims to develop and implement measures to prevent risks related to unethical behavior or deviations from legal regulations.

Competition Policy

Within the framework of its commercial activity, Comelf SA adopts a **strict competition policy**, aiming to prevent anti-competitive behavior and promote a free and fair market. Competition policy includes the following fundamental principles:

- **Compliance with competition law:** Comelf SA complies with national and European competition legislation in force, taking care to avoid any practice that could restrict competition or negatively affect consumers.
- **Prevention of restrictive agreements:** The company is committed to avoiding any form of agreement between competitors that could limit or distort competition in the market, such as price agreements, market sharing or output limitation agreements.
- **Promoting transparency:** All purchasing, selling and commercial negotiations practices are carried out in a transparent manner, respecting the principles of free competition.

Anti-Corruption Policy

CoComelf SA adopts a **firm anti-corruption policy**, which prohibits any form of bribery, influence peddling or other acts of corruption in its commercial or administrative relations. Within this policy, all aspects related to the behavior of employees and business partners are regulated, including:

- **Prohibition of unjustified payments:** Comelf SA does not allow employees or collaborators to offer or accept payments, gifts or benefits that could influence the decision-making process.
- **Continuous training:** All employees are periodically trained on anti-corruption legislation to prevent any form of illegal or unethical behavior.
- **Reporting mechanisms:** An anonymous reporting system is available to employees to report any suspicious activity related to corruption, without fear of retaliation.

Conflict of Interest Policy

Comelf SA adopts a **clear policy on conflicts of interest**, with the objective of protecting objectivity in the decision-making process and preventing any situations in which the personal interest of employees or collaborators may negatively influence the company's activities. Policy includes:

- **Conflict of interest declaration:** All employees and board members are required to declare any situation that could constitute a conflict of interest, to ensure transparency in the decision-making process.
- **Corrective measures:** If a conflict of interest is identified, Comelf SA takes measures to prevent any influence on the company's activities and to protect the interests of the organization.
- **Preventing personal favoritism:** The policy prohibits any form of favoritism to the detriment of the company or other stakeholders, thus ensuring that all business relationships are conducted fairly.

Goals for 2025

In order to continuously strengthen and improve ethics and integrity practices, Comelf SA aims to achieve the following objectives in 2025:

1. **Expanding internal training:** Continue to implement educational programs on business ethics for all employees, with an emphasis on developing an organizational culture oriented towards responsibility and transparency.
2. **Improving the deviation reporting mechanism:** Developing a more accessible and secure digital system for reporting unethical behavior, thus ensuring greater confidentiality and ease in the process of reporting violations.
3. **Evaluation and updating of competition policy:** Comelf SA will periodically review competition policies to adapt to new regulations in the field and to ensure compliance with the principles of a free and fair market.
4. **Strengthening ethical partnerships:** Comelf SA will continue to collaborate only with partners who respect the same ethical values, further integrating clear criteria for selecting suppliers and partners, based on compliance with international standards and best practices in the field.

By implementing these objectives, Comelf SA aims to strengthen its commitment to the highest standards of integrity and ethics, thus maintaining the trust of customers, partners and employees in its commercial and operational activities.

1.5 Cybersecurity

In today's interconnected world, where almost every aspect of our lives is linked to digital technology and where cyber attacks have become a constant threat to companies, organizations, and individual users, cybersecurity is an essential concern within the company both in terms of internal processes and the relationship with partners. Our organization must be proactive in protecting its infrastructure, software used, databases, etc., and the use of security technologies is a necessity and a continuous concern for preventing cyber attacks. We are aware that the security and integrity of company data and assets are very important aspects and that a cyber attack can jeopardize sensitive information, business plans, customer data or personal data, while also affecting not only the normal functioning of the organization but also our reputation and credibility.

We constantly monitor the infrastructure and applications and ensure that the software is updated periodically (including patches for discovered vulnerabilities). Also, a constant concern within the company is informing and raising users' awareness of the dangers of cyber attacks (including rules and user agreements, software, email, etc.).

Because the digitalization of processes is a constant concern in our company, we use various software tools in all departments, including the production area, tools that are as up-to-date as possible in terms of the technologies used. In this regard, we can mention the replacement of ERP software in the period 2023-2024, which in addition to improved functionalities compared to the old software also brings a plus in terms of data security through the use of current technologies and more.

The safety of our data is also ensured by daily backups, as well as an offsite backup system with Disaster Recovery for specific vital resources. Also, applying specific measures to ensure that we fully comply with the regulations in force regarding cybersecurity is a constant concern and through the activity of the IT department, we constantly strengthen these measures.

During the previous year, we did not register any complaints regarding violations of personal data management rules or losses of data or personal information of employees or collaborators.

Objectives

- Finalizing the implementation of the ERP solution (fine tuning)
- Continuing to secure the computer network (network equipment, network segmentation, etc.)
- Ensuring data center redundancy

1.6 Supply chain and sourcing of raw materials from responsible sources

In a world where sustainability is becoming a priority, we have set ourselves the goal that efficient supply chain management and the choice of raw materials from responsible sources represent essential factors for the long-term success of COMELF.

A well-structured supply chain not only optimizes the company's costs and resources, but also contributes to environmental protection and respect for social rights.

In this regard, we have adopted as an objective within DABM responsible sourcing in order to use raw materials obtained through ethical and sustainable methods.

This entails:

- Respecting the environment by choosing suppliers who use environmentally friendly practices.
- Collaborating with partners who ensure fair and safe working conditions.
- Monitoring the origin of purchased raw materials and eliminating illegal or unethical practices.

A sustainable supply chain brings multiple benefits to the company:

- **Reducing environmental impact** - Using recycled or renewable materials reduces pollution.
- **Increasing the company's reputation** - Customers appreciate companies that promote responsible practices.
- **Compliance with international regulations** - Legislation is becoming increasingly strict regarding the origin of raw materials.
- **Economic efficiency** – although it may initially seem expensive, a sustainable supply chain reduces legal and economic risks in the long term.

Although the benefits are obvious, there are also obstacles:

- **Higher costs** – certified materials and ethical partnerships may have higher prices.
- **Difficulties in verifying suppliers** – full traceability of raw materials requires advanced technologies and additional resources.

- **Fluctuations in the availability of raw materials** – demand for sustainable resources may exceed available supply.

Consequently, adopting a responsible supply chain is not only an ethical choice, but also a strategic necessity for the Comelf company.

As environmental and social requirements become increasingly stringent, we are forced to adapt our supply chain to sustainability standards in order to gain a competitive advantage in the marketplace.

Comelf is committed to establishing sustainable and transparent business relationships with suppliers and implementing ethical and sustainable practices in the selection and procurement of raw materials. The company has a global procurement footprint that extends to Europe (EC and outside the EC) as well as the United States.

Supplier selection is a procedural and regulated practice within Comelf and aims to select based on the criteria of quality, price, delivery time, payment term and involves their inclusion in the database accessible within the company.

Questionnaires have been developed to evaluate our supply chain partners based on the specific criteria for the supply activity stated above and we plan to expand these questionnaires in 2025 with environmental and working conditions criteria.

SUPPLIER SELECTION CRITERIA

2024

- QUALITY
- PRICE
- TERM OF DELIVERY
- PAYMENT DEADLINE

2025

- QUALITY
- PRICE
- TERM OF DELIVERY
- PAYMENT DEADLINE
- **ENVIRONMENT**
- **WORKING CONDITIONS**

Regarding supplier selection activity, we aim for 2025 to reduce the total number of suppliers, as well as to increase the number of strategic suppliers.
This action aims to streamline and more easily track supply chains as well as reduce human and material resources for supplier selection and evaluation.

	2024	2025	2025 vs 2024
TOTAL SUPPLIERS	350	315	-10 %
STRATEGIC SUPPLIERS	25	28	+12 %

1.5 Stakeholders

Stakeholder categories	Involvement method	Frequency	How we communicate	Thematic
Employees	<ul style="list-style-type: none"> ○ Through the trade union organization ○ competitions ○ Involvement in improvement activities 	Permanent	<ul style="list-style-type: none"> ✓ Union ✓ Factory Managers ✓ Direct supervisors ✓ Human resources 	<ul style="list-style-type: none"> -Productivity indicators/ performance -Company evolution -Internal regulations
Clients/ Suppliers- Legal Entities	<ul style="list-style-type: none"> ○ Meetings ○ Announcements on the company website 	Permanent When needed	<ul style="list-style-type: none"> ✓ E-mail ✓ Press ✓ Company website/BVB 	<ul style="list-style-type: none"> -Evolution of collaboration -Capability/ company capacity -Audit
Shareholders	<ul style="list-style-type: none"> ○ Access to information on the company 	Annual/ Quarterly/	<ul style="list-style-type: none"> ✓ General meeting of shareholders ✓ BVB Webiste 	<ul style="list-style-type: none"> -Company evolution -Budgets -Acquisitions/mergers -Forecast

	<ul style="list-style-type: none"> ○ website and the BVB website ○ Press 	Periodically for important events	<ul style="list-style-type: none"> ✓ Company website ✓ Press 	
Institutions	<ul style="list-style-type: none"> ○ Address ○ SPV 	When needed	<ul style="list-style-type: none"> ✓ SPV 	-Situations -Reports

1.7 Materiality analysis

This concept targets the financial risks and opportunities as well as the impact on the enterprise;

In this sense, we considered in the analysis both the impact perspective and the financial perspective.

Following this process, we identified sustainability indicators that are found in the reporting and that help us better understand the risks and opportunities arising from an environmental, social and governance perspective. Moreover, this allows us to improve our engagement and communication process with our stakeholders.

The company's employees, main clients and suppliers were surveyed.

2.1 Our products

Comelf S.A. offers a wide range of industrial equipment and components, manufactured according to the highest quality and safety standards. Our products are used in various industries, including machine building, energy, rail transport and shipping.

Business line	Product categories
Complex products from the component of gas-fired cogeneration power plants	<ul style="list-style-type: none">- Inlet silencer and exhaust plenum for industrial turbines- Air/gas intake and exhaust pipes- Support structures for cogeneration turbines- Heat dissipation elements and noise absorbers
Earthmoving equipment	<ul style="list-style-type: none">- Crushers for recovering materials from demolitions- Components for excavators and front-end loaders- Components for high-capacity dump trucks- Arms and structures for heavy machinery- Welded frames and structures for construction equipment- Press for compacting metal waste
Railway equipment	<ul style="list-style-type: none">- Metal chassis and frames for locomotives and wagons- Welded structures for railway maintenance equipment- Bodywork and components for railway emergency vehicles
Hydromechanical equipment	<ul style="list-style-type: none">- Volutes and casings for hydraulic turbines- Metal structures for dams and locks- Dampers and valves for regulating water flow
Naval equipment	<ul style="list-style-type: none">- Components for commercial and military ships- Deck elements and structures for cranes and anchoring- Modules for port infrastructure and mooring structures
Pressure vessels	<ul style="list-style-type: none">- Tanks for industrial fluids and technical gases- Metal containers for chemical and petroleum products- Storage tanks for industrial processes

Comelf products are recognized for their reliability, resistance and compliance with international standards, being used in large-scale industrial projects globally.

2.2 The quality of the products we manufacture

Comelf's quality policy is oriented towards fully and constantly satisfying the requirements and expectations of our customers, by offering and producing products and services at the highest quality standards, by reducing the costs of non-conformities and by carrying out activities and processes that use the most efficient methods of preventing, reducing or eliminating their impact on the environment.

Reference

The quality of the products made in Comelf is based on a series of certifications obtained over the last 30 years of activity, representing an additional guarantee for our customers:

- ISO 9001-Quality Management System Certification
- ISO 14001-Environmental Management System Certification
- ISO 45001-Occupational Health and Safety Management System Certification
- EN 1090-2-Technical requirements for the execution of steel structures
- EN 1090-3-Technical requirements for the execution of aluminum structures
- EN 3834-2-Quality requirements for fusion welding of metallic materials
- EN 15085-2 CL1-Welding of railway vehicles and components
- AD 2000 Merkblatt HP 0-Manufacture of products working under pressure
- AQAP 2110 - NATO requirements regarding quality assurance in design, development and

Comelf has a laboratory with the ability to perform physical-mechanical tests for elongation, flow, creep, resilience, hot yield strength and metallography of samples made from materials used in current manufacturing. There is also a metrological laboratory that performs the verification and calibration of various measuring instruments.

We have a welding laboratory, which also acts as a welding school. Here, welders are guided by the laboratory's specialized staff to improve their performance and to be able to obtain new certifications from authorized bodies, such as TUV Germany.

For non-destructive verification of the conformity of welded joints, Comelf has a fully equipped laboratory and we collaborate with a specialized and authorized company for this type of control (with magnetic powder, ultrasonic and x-ray).

For the necessary checks during manufacturing and for final inspections, the Quality Management Department of Comelf is composed of customer quality engineers, product quality inspectors, physical-mechanical and metrology laboratories, the measurement team, the quality files department, as well as welding coordinators and inspectors.

For final measurements, especially after machining operations, we employ a team of engineers and use precision instruments:

- Tesa Unimaster Universal Measuring Instrument
- Faro EDGE Arm
- Faro Laser Tracker Ion and Vantage
- Scanner Faro Laser Line Probe
- SuPAR Augmentea Reality Interactive Inspection

Performance

The products made in Comelf are checked both through self-control, by the operators who execute them, and by quality inspectors, specialized in the manufacturing phases of the products. For clients who have the largest volumes of ordered products, the Quality Management Department, within the Quality Engineering Service, has additionally established the position of customer quality engineers, engineers who know all the quality requirements in the client's drawings and specifications for which they are responsible and who perform the final verification of the quality of the executed products, of the quality documents drawn up, participate in the inspections made by the client's representatives and keep in touch with their counterparts in the client's organizations.

All products manufactured in Comelf have, upon completion, a quality file called "Quality Book", which contains all the information related to the product in question, namely the materials used, the list of operators who executed it, as well as the checks made during manufacturing. Upon delivery, a quality and warranty certificate is signed and sent to the customer, valid for 24 months from commissioning but no more than 36 months from product delivery.

Non-conforming products, detected internally, are labeled and stored in specially arranged places and delimited from the rest of the manufacturing areas. They are subjects of analysis in order to establish preventive measures for the manufacturing flow. At the same time, a team of specialists determines whether they can be remedied and reintroduced into the manufacturing flow or will be handed over to authorized collectors and recyclers.

When quality problems are reported by customers for products already delivered, they are registered as complaints, for which, following analyses carried out with the personnel involved, the causes of the non-conformities and preventive measures are established to avoid the recurrence of these quality problems.

For the year 2024, as a result of the decrease in the number of employees, Comelf recorded a decrease in turnover by 15.6% compared to 2023. At the same time, the total number of complaints decreased by 28.3% compared to 2023, the number of repetitive complaints decreased by 22.2% and the number of returned products decreased by 22.3%. The total quality index in 2024 was 0.23% compared to 0.16% in 2023, given that the quality index proposed at the beginning of 2024 was 0.38%.

Goals for 2025

- One of the objectives will be to intensify the technical support provided to operators to understand and precisely implement the requirements in the documentation provided by customers.

- Reducing the number of internal non-conformities by intensifying control actions during manufacturing, after each stage completed.

- Reducing the number and values of non-conformities received from customers, by implementing and continuously monitoring the preventive measures established over time.

- Additional training of workplace managers to prevent the occurrence of quality problems.

CHAPTER 3-CARING FOR THE ENVIRONMENT

3.1 Our care for the environment

General aspects

- ❖ The company is ISO 14001 certified and is regularly audited for surveillance/recertification in accordance with the requirements of the recertification standard.
- ❖ The company's Environmental Policy provides for the assessment of environmental impacts and risks and compliance with environmental performance requirements regarding:
 - energy use
 - emissions into the atmosphere
 - water use and disposal
 - use of raw materials
 - waste management and handling of hazardous substances.
- ❖ A permanent concern for the company is the selective and correct collection of waste resulting from its own activity. We conduct training campaigns for all employees regarding this aspect, with the objective of reducing the amount of household waste in favor of selective collection in various categories: wood, metal, paper/cardboard, plastic, glass.
- ❖ To make our contribution to the circular economy, we recycle paint waste resulting from painting activities, producing recycled thinner which is then used in manufacturing processes exclusively for cleaning painting equipment. In this way, we reduced the amount of diluent supplied and implicitly the supply costs for painting systems.



3.2 Resource management

Energy efficiency and the use of renewable energy sources:

- We are concerned with actively monitoring consumption in order to optimize
- We have implemented monitoring systems for raw material and utility consumption and optimized production flows to reduce raw material consumption and maximize resource utilization efficiency.
- Renewable sources: we invest in renewable energy sources - solar panels, to reduce dependence on fossil fuels and reduce greenhouse gases

Reducing resource consumption and recycling materials:

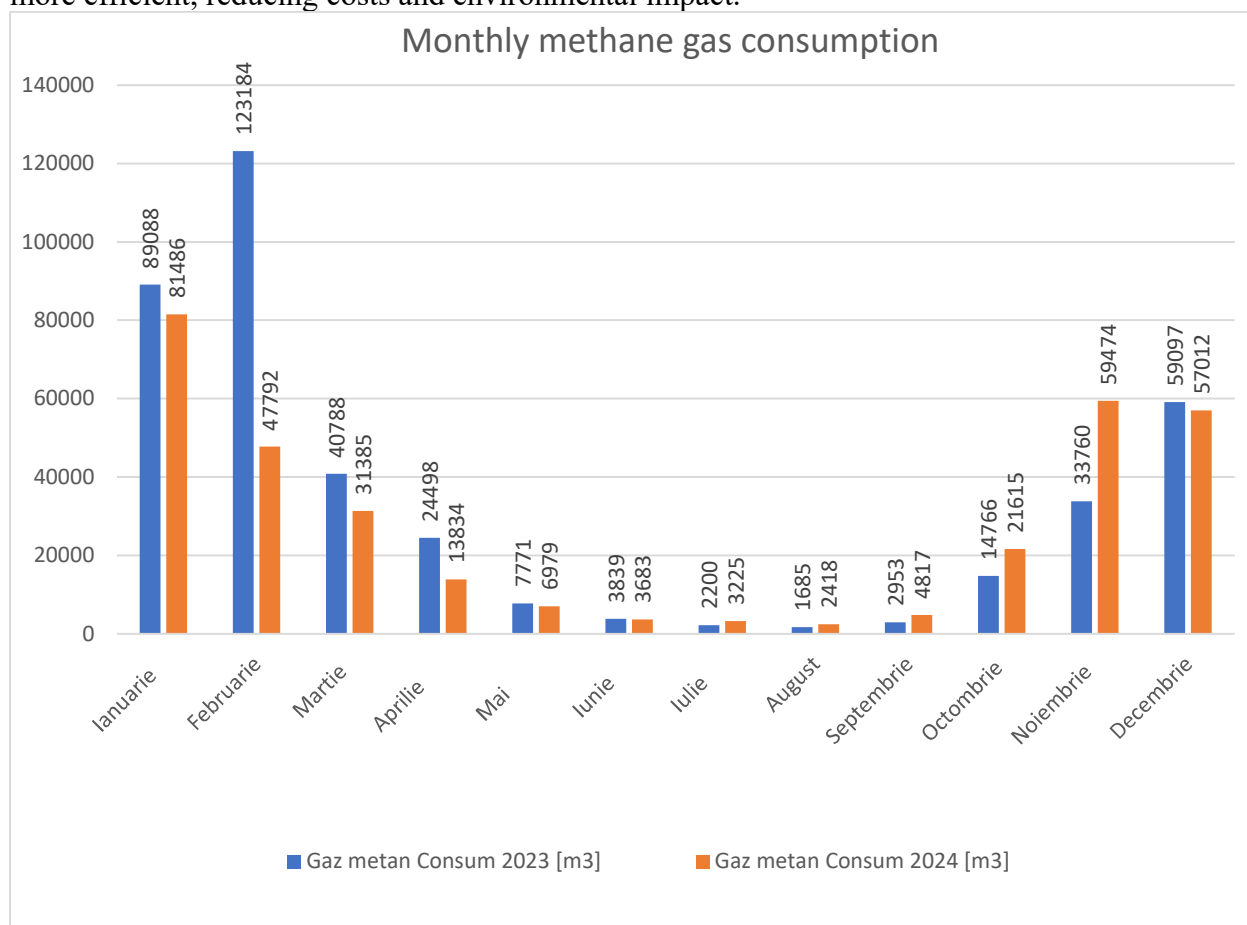
- We are ready to identify new opportunities that take into account environmental protection, alongside the activities we already carry out.
- Recycling programs: we have developed recycling programs to reduce the volume of waste produced and to use materials in our production processes. In this regard, we

recycle paint waste resulting from painting activity, producing recycled thinner which is then used in manufacturing processes exclusively for cleaning painting equipment.

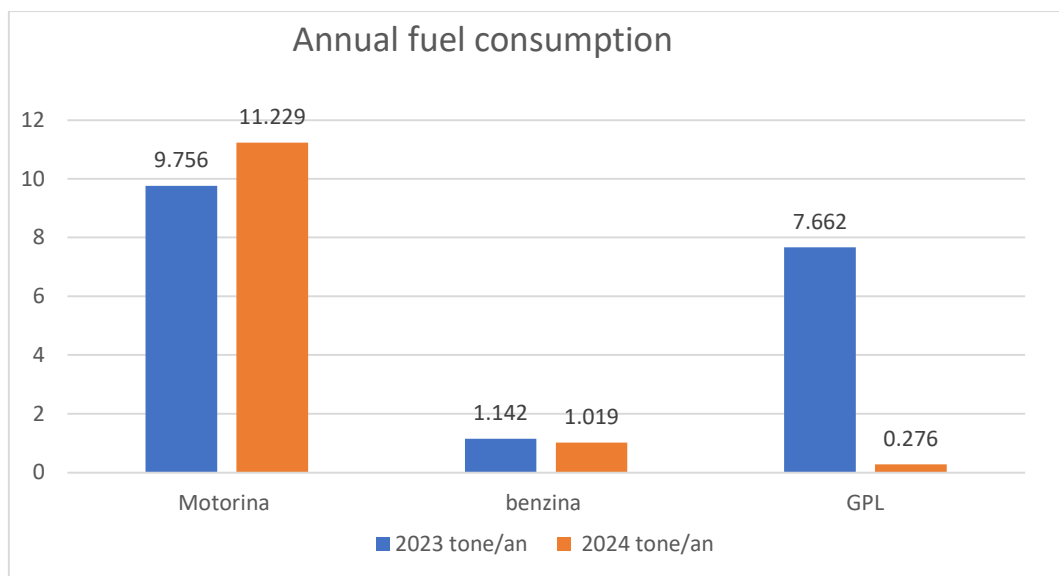
- Resource management involves the efficient management of existing resources through the use of advanced tools and instruments for monitoring, measuring and anticipating needs. This approach allows awareness of current consumption and the establishment of strategies for optimizing processes, thus reducing the impact on the environment and society.
- Efficient resource management is essential for the company, contributing to reducing our environmental impact and optimizing our operations. By monitoring, measuring and anticipating, we can identify opportunities to save and streamline the use of resources, thus supporting long-term sustainability.

Annual consumption

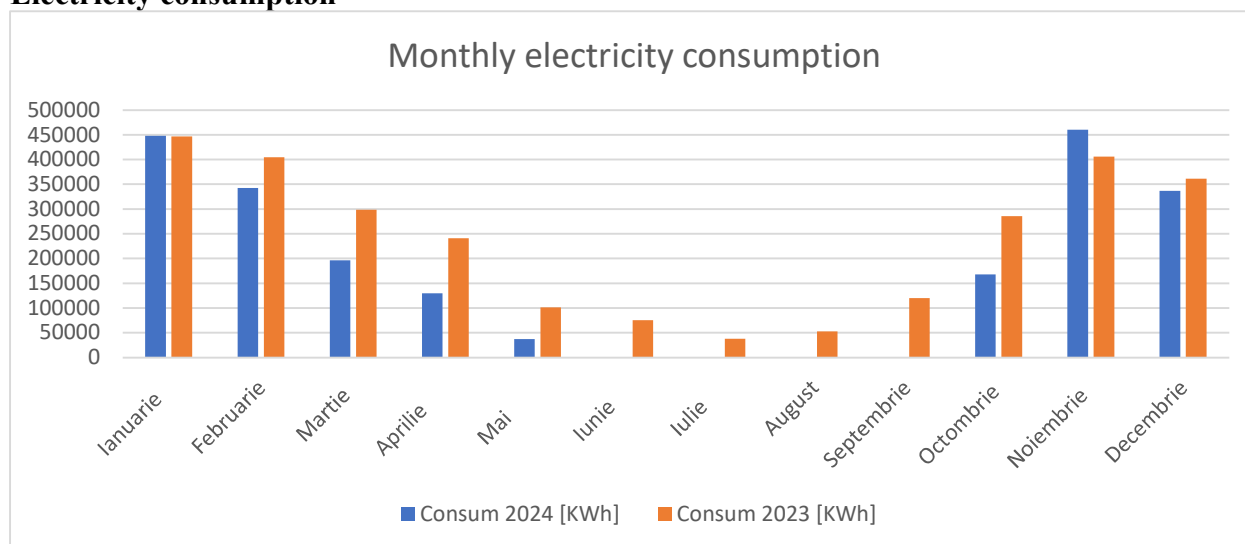
The analysis of natural gas consumption shows that we have managed to make consumption more efficient, reducing costs and environmental impact.



Natural gas consumption [m3] 2023	Natural gas consumption [m3] 2024
403629	333720



Electricity consumption



	Consum 2023 [KWh]	Consum 2024 [KWh]
In total	2831403	2119040

- A. Achieving rigorous resource management** through advanced metering within technological processes, on all energy flows (electricity, heat, water, compressed air, etc.) in order to identify energy losses and the potential for savings and to locate application points to maximize efficiency for energy efficiency measures.

Thus, starting with 2019, an application was implemented within the company: **Smart Metering utility consumption** within which 77 points of electricity, 20 points of methane gas, 6 points of compressed air, 4 points of oxygen, 5 points of Corgon are metered and offer the following facilities:

- user access to a graphical interface based on user name and password;
- configuration and transmission of operating alarms in real time;

- archiving measured values on a local workstation or a “cloud” server;
- generating consumption/cost reports automatically or on demand;
- the possibility of importing and processing external data in .csv format;
- scalable software platform (extension of number of consumption points and type of load carriers);
- active tool for the Energy Management service;
- compatibility with Energy Efficiency Law No. 121/2014 and ISO 50001

B. Achieving the company's transition to a low-carbon production activity, aiming to promote investments in the clean energy and energy efficiency sector

To achieve this goal, the company's management's concern was to attract non-reimbursable funds and, together with its own capital, investments were made in:

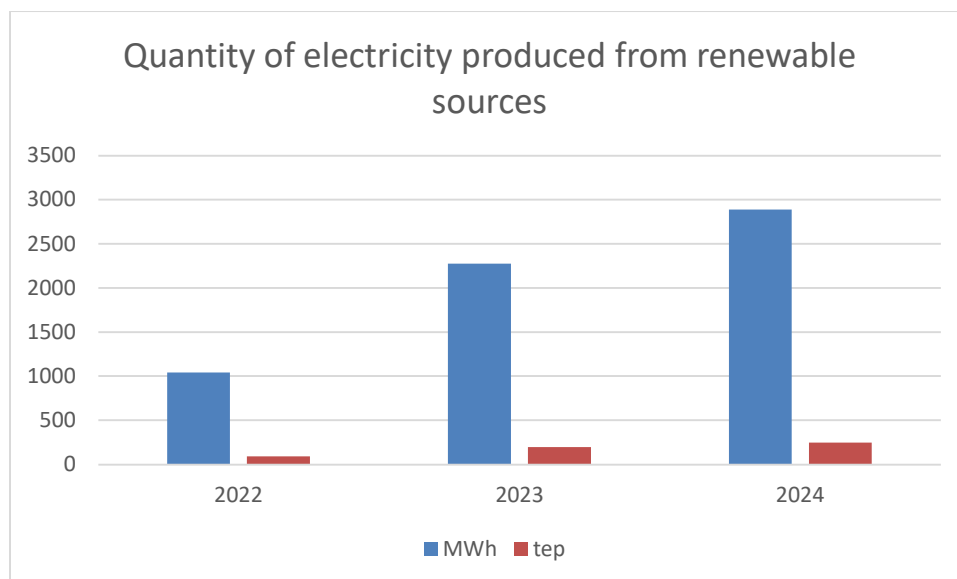
1. Electricity production from renewable sources

Starting with 2020, photovoltaic systems with a total installed power of 3000.00 kWp were implemented in stages as follows:

- In 2021, the first photovoltaic system with an installed power of 990Kwp was completed.
- In 2022, the expansion of electricity production capacity from renewable sources with an equivalent installed power of 1500 Kwp was implemented.
- In 2023, the expansion of electricity production capacity from renewable sources continued with an equivalent installed power of 500 Kwp.

Evolution of electricity production in MWh from renewable sources

Productie en electrica		
an	MWh	tep
2022	1041,038	89,529
2023	2276,828	195,807
2024	2889,921	248,53



2. Heating systems with pellet burners with radiant tubes as an alternative to heating equipment using methane gas.

- Heating systems with ecoHORNET pellet burners with radiant tubes - technology that consists of highly efficient and ecological combustion, at temperatures above 1250 °C, with minimal polluting emissions of pellets made from biomass, simultaneously integrating gasification, combustion, incineration, post-combustion and optimized heat transfer processes.
- Our company's objective is for this investment, which is currently being implemented, to ensure the heating of production spaces with an area of 30,000 square meters.

3.3 Energy efficiency measures

- In 2023, the project **was implemented. Energy efficiency measures by changing the lighting system at COMELF SA**"- Project co-financed by the European Regional Development Fund through the Large Infrastructure Operational Program 2014-2020", in which mercury vapor or metal halide lighting fixtures were replaced in the production halls with LED lighting fixtures.

Water consumption

The company is committed to managing water resources in a responsible and sustainable manner. Within the company, water is used in the pickling and passivation process of stainless steel, in this regard, the company has invested in a treatment and recirculation installation for the wastewater resulting from the pickling/passivation of stainless steel.

The wastewater treatment and recirculation plant contains:

- mechanical and hydro installation consisting of treatment tanks

- aerator
- pH adjustment tank
- Reagent storage tanks
- Hydro fluid circulation system
- Reagent dosing system
- Compressed air stirring-homogenization system
- Air exhaust system
- Submersible electrode mounts
- Wastewater transfer pump
- Automation equipment
- Sludge pump filter press

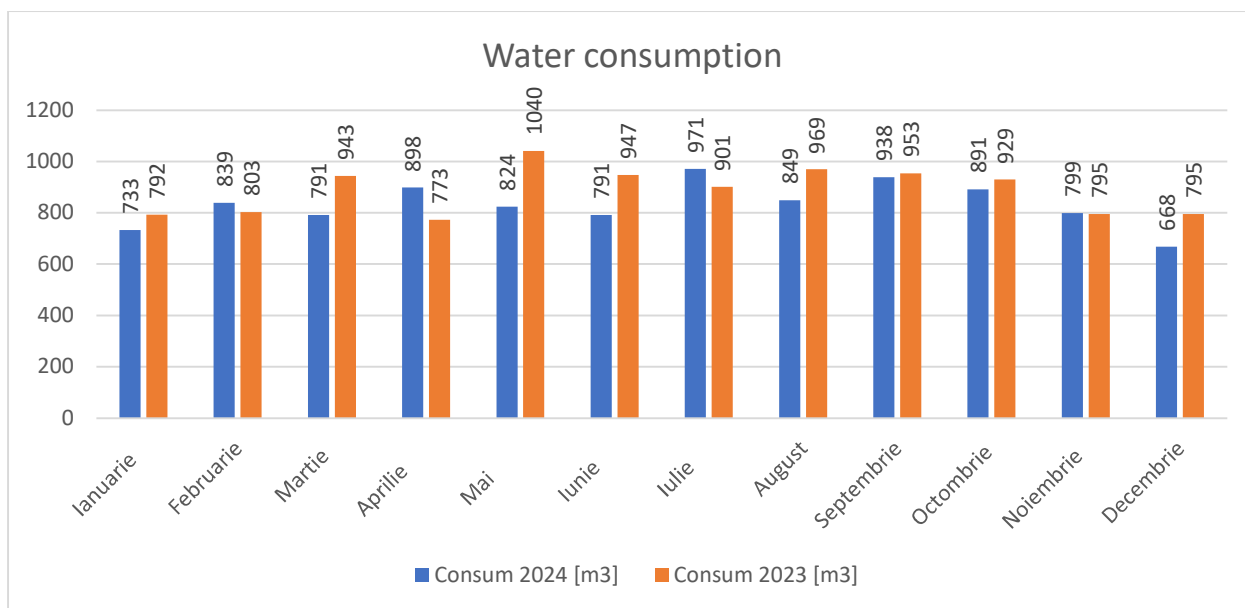
Treated water filtration system

The chemically impure water desalination plant operates automatically and can operate in continuous flow with an hourly flow rate of 1 mc/h.

After treatment, the resulting clean water is passed through a mechanical filtration system. The wastewater resulting from the stainless steel surface pickling installation (pickling-degreasing, passivation and washing) will be collected in a basin from where it will be pumped into the treatment tank of the pickling and recirculation station.

The installation automatically controls the processes of:

- tartarizes acidic wastewater containing heavy metals, simultaneously with their precipitation
- regulates the pH of alkaline waters, corrects the pH of neutralized water to a value of 6.5-8.5
- optically signals the ordered dosing elements
- optically signals the basin where the limits of correct functioning of the neutralization process have been exceeded
- optically signals the occurrence of a failure in the dosing system and regulation of process parameters
- permanently displays the pH value when neutralizing water is discharged



Total consumption[m3] 2023	Total consumption [m3]2024
10640	9992

3.4 Greenhouse gas emissions and climate protection

GHG emissions

- ▶ Greenhouse gas emissions represent a major risk to the environment, contributing to global climate change.
- ▶ Our company recognizes the importance of monitoring and reducing GHG emissions to minimize environmental impact and contribute to global efforts to combat climate change.
- ▶ In addition to being aware of the impact, it is important to set clear goals to reduce emissions and significantly improve the carbon footprint.



The environmental objectives of the sustainability strategy assign major importance to the decarbonization effort. Some of these objectives are already in advanced stages of implementation and include:

- analyzing the fuel consumption of vehicles and exploring the possibilities of replacing them with electric or hybrid cars
- Logistics optimization: increasing the efficiency of logistics for the vehicles used in our activities
- Sustainable energy suppliers: selecting energy suppliers with the lowest possible emission factor
- Renewable energy: continuing the solar panel installation programs
- Energy audit: conducting energy audits to identify energy saving opportunities
- Efficiency of compressed air use to reduce energy consumption

To reduce pollutant emissions and combat climate change, the company has carried out 2 projects:

1. Photovoltaic system with an installed capacity equivalent to 990 kWp for own consumption, without storage and with 0 injection into the public electricity distribution network
2. 1500kWp photovoltaic power plant with grid feed-in



The projects have a positive impact on the environment due to the fact that green energy with 0 CO₂ emissions will be generated.

*Details regarding the carbon footprint and its calculation are presented in the Energy chapter **Greenhouse gas emissions and climate protection**

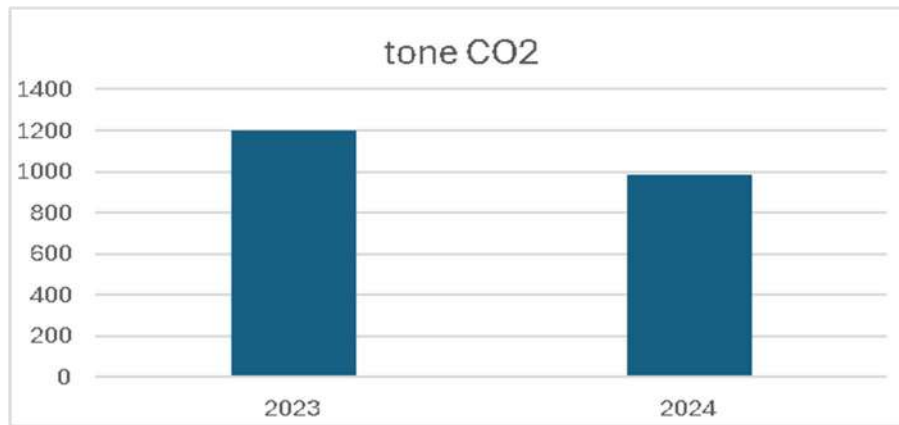
Romania and the European Union have adopted a series of regulations and agreements in the field of energy and the environment, which must be respected by all entities carrying out economic activities in these areas. In 2019, the EU revised its energy policy framework to help us transition from fossil fuels to cleaner energy – and, more specifically, to meet our Paris Agreement commitments on reducing greenhouse gas emissions.

In this regard, our company began implementing measures in 2019 to reduce greenhouse gas emissions resulting from energy consumption through:

- advanced monitoring of energy consumption,
- generating electricity through solar energy,
- partial replacement of conventional heating systems by heating with pellet burner heating systems with radiant tubes
- energy performance in buildings (thermal rehabilitation and replacement of mercury vapor or metal halide lighting systems with LED lighting fixtures.)

- purchase of energy efficient machinery and equipment

The implementation of these measures led to the reduction of the carbon footprint on the environment generated by the activities of the COMELF company.



CHAPTER 4 - CARING FOR PEOPLE AND COMMUNITIES

4.1 Caring for our employees

As one of the largest employers in the county, we are aware of the responsibility we have for the well-being of our team. During the past year, our activity was not affected by unforeseen events or situations. We focus on efficiency and productivity, respecting all occupational health and safety regulations, as well as the principles of ethics, non-discrimination and integrity. Collaboration and dialogue are fundamental to our team's performance.

Every day, we leverage collaboration to achieve common goals, based on trust and the desire to develop. These values are promoted internally and we expect ethical and integrity behavior from our colleagues, both in internal relations and in interactions with third parties.

We are believers in constructive feedback and strive to stay connected to the challenges our employees face, in order to find the best solutions to create a harmonious and productive work environment.

We ensure that we comply with all regulations related to employment relations and that we align with international human rights directives, standards and norms, such as the UN Universal Declaration of Human Rights, the EU Charter of Fundamental Rights and the

European Convention on Human Rights. We also reinforce our commitments to comply with good practices in the fields of labor, anti-corruption, employee health and safety, as well as human rights and non-discrimination, both within the organization and in the business relationships we conduct.

We invest time and resources to constantly improve the working environment and conditions. In this regard, for 2025, we aim to allocate more resources for the purchase of work equipment, with the aim of improving its quality. At the same time, we will continue to implement an awareness program regarding the risks associated with inattention in the workplace and the importance of using protective equipment, by conducting control sessions and trainings.

4.1.1 Employee recruitment and retention

We are a dynamic and growth-oriented company, and well-trained teams with a diverse set of skills are essential to our success. Our activity is carried out in an environment where identifying qualified personnel can be a challenge, and employee retention thus becomes an important priority.

We believe that motivated employees, who share the company's values, can significantly contribute to the performance of our business. At the same time, we promote a professional environment in which our colleagues feel respected and fairly rewarded, without affecting their rights or safety, either personal or that of their loved ones.

The recruitment process, coordinated by the Human Resources Department, aims to form balanced teams by attracting new colleagues with expertise who can add value to the group or who can be trained to support the long-term sustainability of the workforce. During the recruitment process, we take care to create a diverse mix in terms of age, culture, personality, skills and passions, respecting the principles of equal opportunities, diversity and non-discrimination.

Annually, we evaluate the performance of our employee recruitment and retention process, constantly looking for ways to improve, in order to remain competitive in the labor market and as an employer. We believe that employees can be the best ambassadors of the company and we encourage them to actively participate in the recruitment process through recommendations.

Accepted norms of behavior, as well as undesirable behaviors, are clearly regulated by the Internal Order Regulations.

For 2025, we aim to maintain the number of employees, recruit talented young people, continue the selection of non-EU personnel and encourage gender diversity by promoting available jobs among women. We also want a decrease in staff turnover by at least 2%, supported by the implementation of a KPI-based performance bonus system for production areas.

4.1.2 Health and safety at work

- ▶ The well-being of our employees is an important element, protected by individual responsibility and strengthened by our role as a responsible employer. In this sense, our programs and objectives consider both improving working conditions and employee health because our staff is the company's most valuable asset.
- ▶ Considering the health profile of our employees, we have designed and implemented health services, programs and campaigns that target and address major health impact issues and this also aligns with our vision: zero accidents/zero injuries with the protection of people and the environment.
- ▶ The company aims to produce high quality products in conditions of employee safety and environmental protection.
- ▶ When employees are healthy, motivated and satisfied, their productivity increases, which leads to positive financial results for the company. Therefore, it is essential to create a pleasant, productive and safe working environment. This involves not only preventing unwanted incidents, but also promoting a healthy balance between professional and personal life, so that employees are in the best shape to carry out their work.
- ▶ Occupational safety is of paramount importance and is a fundamental component in technological processes. Our strategic commitments are to reach zero work accidents.
- ▶ Our company strives and has investment programs in this regard, to ensure a safe working environment for employees, respecting safety standards and specific legislation.
- ▶ For each process and workplace there is a risk assessment, an assessment imposed by legislation and which is reviewed when working conditions change or following accidents.
- ▶ For discipline regarding workplace safety and compliance with specific workplace legislation, specific occupational health and safety instructions have been drawn up for various types of jobs and activities.



- The activity regarding Occupational Health and Safety, Environment, Fire Prevention and Extinguishing - Emergency Situations is coordinated by an internal department with qualified and specialized people in these fields.

We are ISO 45001-2018 certified, audit programs carried out systematically are part of the organization's operational responsibilities for occupational safety and health. Positive findings from these audits are communicated within the organization to be an example of



good practices within the company and for similar activities, while improvement opportunities and non-conformities are examined by the company's management in sessions to identify improvement measures.

Considering that we have implemented an integrated Quality, Environment, Occupational Health and Safety Management System - SIM, we prioritize carrying out inspections to verify compliance with legal and standard requirements on both environmental and safety-oriented aspects, by promoting open discussions during these sessions. This approach facilitates better understanding and strengthens communication and trust between employees and company management.

All employees are periodically trained in the fields of SSM, PSI -SU and Environment, depending on the specifics of the activity they carry out.

For new employees, general introductory training is carried out by the specialized department at the company level and on-the-job training is provided by the workplace manager. These trainings aim to acquire knowledge regarding the basic legislation in the field of SSM, Environment, PSI - SU, the risks to which he is subject, his specific obligations for the prevention of accidents and occupational diseases, fires, measures for providing first aid, selective and correct waste collection, as well as how to act in the event of emergency situations. Workplace managers are trained and tested annually regarding occupational health and safety. During these sessions, good practices are presented or solutions are sought for certain problems raised by them, which materialize in programs of measures with deadlines and responsibilities.

Within the Occupational Health and Safety Committee:

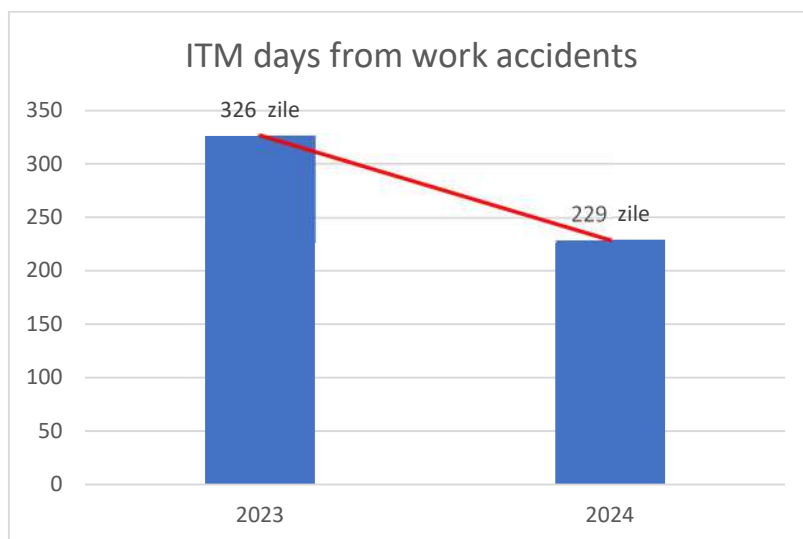
- The activity regarding Occupational Health and Safety is evaluated by drawing up an annual report.
- Presentation of the Prevention and Protection Plan - PPP, which proposes organizational, technical, hygienic-sanitary and other measures to prevent work accidents and occupational diseases,
- Consultation with employee representatives on safe and healthy working conditions through employee participation in identifying risks specific to activities and workplaces and opportunities to prevent/eliminate hazards
- Consulting employees on their intention to get vaccinated against seasonal flu



We are concerned, through the actions we take, to maintain adequate and safe policies regarding Occupational Health and Safety by involving workers at all levels in developing actions to improve the OHS Management System - training, worker consultation, easy access to information, as well as adapting work to the person.

For better communication and information on the specifics of OSH, Environment, PSI-SU, the specialized department continues the campaign to promote the importance of Occupational Safety and Health on the occasion of International OSH Day, April 28, by drafting and editing the OSH magazine, which reached number 9 in 2024, an activity promoted and started in 2014.

- Within the company, in 2024, a total of 3 work accidents occurred, totaling 229 days of temporary incapacity for work, recording a 30% decrease in the number of days of temporary incapacity for work compared to 2023. In 2023, 3 work accidents were recorded with a total of 326 days of temporary incapacity for work.
- No fatal accidents or accidents resulting in disability at work were recorded.



In 2024, the company did not record any fines or sanctions related to incidents of non-compliance with legislative regulations regarding occupational health and safety, environmental protection, fire prevention and extinguishing, and emergency situations.

Fire Prevention and Extinguishing – Emergency Situations

Fires constitute a significant risk to personnel safety, the integrity of the physical structures of buildings, economic efficiency and the environment. Early detection and prevention of fires are fundamental for the company.

Industrial fires can have devastating consequences on human life. Early detection of fires allows for the rapid and efficient evacuation of personnel, reducing the risk of serious injury or death.

The ability of an industrial company to continue operating following a fire is very important and in this regard, effective fire prevention and control plans are drawn up that help optimize reaction and response times in the event of emergency situations.

The company has efficient fire prevention systems at its disposal that contribute both to protecting all resources and to complying with legal requirements.

The company has:

- 314 extinguishers of specific types: P1, P3, P6, P50, G2, G5, SM9
- 23 interior hydrants
 - 6 outdoor hydrants
- 93 signal lamps for evacuation directions / emergency exits
- Centralized alarm system with siren linked to the national system
- 15 sirens mounted in the activity sectors that are manually activated in case of emergency situations
- 11 smoking areas located outside the buildings

As part of the training sessions, simulation exercises are carried out every year for fire intervention, intervention in case of accidental water pollution and for providing first aid.

In each sector of activity there is a personnel evacuation plan and teams nominated and trained for interventions in case of emergency situations.

The company owns a civil protection shelter with an area of 300 square meters equipped with a ventilation filter system, which can be used in case of emergency situations.



4.1.3 Equal opportunities, rights and freedoms

Comelf SA is committed to creating a diverse and inclusive work environment, in which all employees benefit from the same opportunities for professional development and career advancement. The company recognizes the importance of respecting fundamental human rights and ensures that all its policies and practices comply with international standards regarding equal opportunities and non-discrimination.

Commitment to Diversity and Inclusion

Comelf SA is dedicated to promoting diversity in the workplace, encouraging an environment where employees from all corners of society, regardless of gender, race, ethnicity, religion or sexual orientation, feel respected and appreciated. The company's internal policies are designed to support and promote diversity in all areas of activity, ensuring that the

recruitment and selection process is objective and merit-based. The company also promotes a culture of inclusion through initiatives that encourage collaboration between diverse teams and capitalize on the strengths of each employee.

Equal Opportunities Policies

Comelf SA has implemented a diversity management system, which includes specific measures to promote equal employment and promotion opportunities. In 2024, the company conducted an internal audit of its recruitment processes to identify potential areas for improvement, thus ensuring that employees from underrepresented groups are supported and have access to the same opportunities as other colleagues. The company has also initiated mentoring and development programs for employees in these groups, providing them with a favorable framework for professional growth and their effective integration into the organization.

Training and Support for Employees from Underrepresented Groups

Comelf SA has introduced a mentoring program dedicated to supporting employees from underrepresented groups. This program provides them with ongoing support in their career development, helping them overcome their barriers and reach their full potential. Also, as part of the continuous training program, the company organizes awareness sessions on the importance of diversity and inclusion in the workplace, aiming to reduce stereotypes and promote a fair work environment.

Employee Rights and Freedoms

Comelf SA ensures that the fundamental rights and freedoms of its employees are respected in every aspect of its activity. The company guarantees a safe working environment, which complies with international regulations regarding occupational safety and health, and employees benefit from protection against any forms of abuse or discrimination. Internal policies are consistent with national and European legislation on employee rights, including maternity and paternity rights, family care leave and access to healthcare services.

Measures to Eliminate Discrimination

Comelf SA has adopted clear policies to prevent and combat discrimination in the workplace. These policies are applicable to all employees, regardless of position held, and include specific measures to prevent discrimination based on gender, age, religion, disability or other personal characteristics. The company has created a confidential reporting system to facilitate reporting of any cases of discrimination, and all complaints are treated with the utmost seriousness.

Goals for 2025

For 2025, Comelf SA proposes a series of ambitious objectives to support and promote diversity and inclusion in the workplace. These objectives include:

1. **Increasing the percentage of employees from underrepresented groups in management positions:** Comelf SA aims to reach a goal of 10% employees from underrepresented groups in leadership and management positions, thus promoting diversity and equity in the decision-making process.
2. **Implementation of a continuous training program for all employees:** The company will launch ongoing training sessions on diversity, inclusion and anti-discrimination, providing employees with tools and resources to understand and apply diversity principles in the workplace.

3. **Expanding mentoring programs for underrepresented groups:** The goal for 2025 is to increase the number of employees from underrepresented groups who benefit from a mentor within the organization, to support their integration and development.
4. **Monitoring and evaluating the impact of diversity programs:** Comelf SA will implement a diversity progress monitoring system, using specific indicators to assess the impact of measures adopted regarding equal opportunities, inclusion and the reduction of discrimination within the company.
5. **Increasing transparency in recruitment and selection:** In 2025, the company will continue to improve recruitment processes, implementing clear transparency policies to ensure a fair and non-discriminatory process for candidates from diverse groups.

Through these objectives, Comelf SA reaffirms its commitment to creating a fair and inclusive workplace, where all employees have equal opportunities for professional and personal development.

4.1.4 Employee well-being

Comelf SA recognizes that employees are the company's most important asset and represent the key to long-term success. Employee well-being is a central element of the company's organizational culture, and Comelf is committed to creating a healthy, safe and stimulating work environment. In this regard, the company implements a series of measures and programs aimed at improving the quality of life of employees, promoting work-life balance, as well as ensuring a safe and accessible workplace.

Employee Health and Safety Policy

Comelf SA aims to guarantee a safe working environment for all its employees, being dedicated to respecting the highest standards of health and safety in the workplace. The company implements strict safety procedures and accident prevention measures, aiming to minimize risks and increase awareness among employees.

- **Continuous training in the field of occupational safety:** Comelf SA organizes training sessions and simulations for employees on risk management, the correct use of protective equipment and accident prevention behaviors. In 2024, the company conducted training sessions and we can say that there were no major accidents reported at the workplace.
- **Investments in protective equipment:** All employees benefit from personal protective equipment (PPE), adapted to the specific nature of the activity carried out, to reduce risks related to their health and safety.
- **Measures for mental health:** Comelf SA understands the importance of mental health and implements psychological support programs for employees. These include psychological counseling and stress management sessions when necessary.

Employee Benefits Program

Comelf SA rewards its employees with a complete benefits package that includes both financial incentives and non-financial benefits. The goal of this program is to contribute to

improving the quality of life of employees and to support their personal and professional development.

- **Competitive salaries and performance bonuses:** Comelf SA offers competitive salary packages, which include annual bonuses based on individual and team performance. In 2024, 60% of employees received performance bonuses, with an average increase of 10% over the previous year.
- **Health insurance and private pensions:** Comelf SA provides its employees with a set of annual medical tests, free flu vaccination and screening programs, which include medical tests and investigations, to ensure their optimal health and reduce future medical costs. These benefits are available to all permanent employees, and the company contributes 100% to their payment.
- **Recreational programs and social events:** In addition to financial benefits, Comelf SA periodically organizes social events for employees, including team-building trips, holiday parties, and on-the-job training sessions.

Education and Professional Development

Comelf SA is dedicated to the continuous professional development of its employees, recognizing that investing in their training is essential for the long-term success of the company. Therefore, the company provides a wide range of learning and professional development opportunities.

- **Continuing training programs:** Comelf SA encourages employees to participate in training and certification courses in areas relevant to their activity, offering partial or full financing for such courses. In 2024, 120 employees participated in specialization courses in areas such as project management, technology and sustainability.
- **Career development:** The company supports the career advancement of its employees through a transparent internal promotion system, based on performance and skills. In 2024, 30% of employees in management positions were promoted from within the company.
- **Mentoring and coaching:** Comelf SA has implemented a mentoring program for young employees, through which they benefit from guidance and support from experienced colleagues. The program was particularly appreciated, with numerous young participants in 2024.

Diversity and Inclusion

Comelf SA aims to create a diverse and inclusive work environment, in which all employees, regardless of age, gender, race or sexual orientation, feel valued and respected. The company promotes a work environment where diversity is considered a source of innovation and success.

- **Diversity Policy:** Comelf SA has introduced clear policies to promote diversity in the workplace, including for the recruitment and integration of employees from underrepresented groups. In 2024, the company recorded a 10% increase in the

number of female employees in technical positions, and the goal for 2025 is to reach 15%.

- **Inclusion projects:** Comelf SA implements projects that promote and support the inclusion of people with disabilities. For example, in 2024, the company adapted accessible workplaces for this category, and currently, people with disabilities are employed within Comelf.

Goals for 2025

To continue to support employee well-being and provide them with a stimulating and safe working environment, Comelf SA sets the following objectives for 2025:

1. **Increase in benefits package:** Comelf SA aims to improve the benefits offered to employees, including by increasing average salaries by 5% in two stages, depending on performance, and expanding the health insurance and private pension package for all employees.
2. **Promoting work-life balance:** In 2024 Employees were able to spend more time with their family, which could lead to increased job satisfaction and motivation. It has been found that if employees can adapt the schedule to their personal needs, there may be fewer requests for sick leave or days off without affecting the company's critical manufacturing processes.
3. **Increasing the number of employees from diverse groups:** The company aims to increase the number of employees from underrepresented groups, including women in technical positions and people with disabilities, to 10% by 2025.
4. **Expanding professional development programs:** Comelf SA aims to invest 5% of its annual budget in continuing training programs and to increase the number of employees benefiting from these programs by 15% by 2025.

Through these measures, Comelf SA reaffirms its commitment to ensuring the well-being of employees and contributing to a healthy and balanced work environment, which supports the personal and professional development of each team member.

4.1.5 Professional development and promotion at work

Developing the personal and professional skills of our employees was a priority for us, having a positive impact on their satisfaction and motivation. Increasing productivity and improving skills have a direct effect on the development of our business and on the community, by increasing the overall level of education. Employees who receive training are more likely to contribute new ideas to processes in their field of activity, and their specialization can lead to better quality work. At the same time, this increases internal promotion opportunities, so that the right people for dedicated positions are recruited from among existing employees.

We constantly offer training opportunities through recurring programs and, annually, process coordinators can request courses for subordinate employees, through the annual evaluation form.

Skills development

In 2024, 12 training sessions were held at the factory level, benefiting a total of 350 employees from various forms of professional training. Romanian language courses were also organized for Non-EU employees.

4.2 Caring for communities

We believe it is our responsibility to be actively involved in the community in which we operate. In addition to the economic impact we have through our business, supporting local projects contributes to the sustainable development of the community.

This approach brings significant benefits, such as improving the well-being of individuals, increasing the quality of life and, in the case of educational projects, increasing the level of training.

In 2024, we were involved in several projects in areas such as sports, tourism, education, equal opportunities, and encouraging performance. We also supported humanitarian initiatives to help disadvantaged people.

We have a solid partnership with Grigore Moisil Technological High School, where we were among the first to implement dual education. Every year, we welcome students from the welder, CNC operator, and mechanical locksmith classes to our company for internship periods.

We support dual education by providing monthly scholarships, providing protective equipment, arranging school workshops, and providing specialized equipment and materials necessary for students' practical activities.



Also, through the partnership with the Technical University of Cluj Napoca and the branch in Bistrita, we organize annual internships for pupils and students who do their school practice within our company and support them in carrying out their diploma projects, dissertations or even doctoral theses. We make the company's laboratories and classrooms within the company available to them.



Among the projects supported in 2024 are:

- Supporting the CS Gloria 1918 women's handball team



- Supporting the Comelf Nature Friend Sports and Tourism Association



- Supporting the Rodo Bistrita Sports Association



- "European Welder" Competition



- "Professional Locksmith" Contest



- "Digital CNC Operator" Competition



- Charitable and humanitarian actions in partnership with Rotary Club Bistrița



- Ecological afforestation and sanitation actions - in partnership with Rotary Club Bistrița



5. Our performance in numbers

5.1. Resource Management 2023/2024

Nr. crt.	Indicatorul (coef. de transf. în țep)	Anul 1 - 2023		Anul 2 - 2024	
		[u.m.]	[țep / an]	[u.m.]	[țep / an]
		Val.; cant.		Val.; cant.	
A	B	C	D	E	F
1.	Valoarea totală a producției anuale	[mii lei/an]	837,2750589	[mii lei/an]	773,365
		184861,26		156357,08	
2.	Ponderea energiei în costurile de producție	[%]	-	[%]	-
		1,91%		2,19%	
3.	Consumul total de energie electrică (0,086)	[MWh/an]	243,500658	[MWh/an]	182,237
		2831,403		2119,04	
4.	Consumul total de energie termică (0,1)	[Gcal/an]	0	[Gcal/an]	0
		0		0	
5.	Consumul total de gaze naturale (0,086)	[MWh/an]	363,1650809	[MWh/an]	300,13
		4222,849778		3489,920579	
6.	Consumul total de păcură (0,95)	[t / an]	0	[t / an]	0
		0		0	
7.	Consumul total de CLU (0,97)	[t / an]	0	[t / an]	0
		0		0	
8.	Consumul total de cărbune (coef. de transf. în țep este în funcție de tip și de sortiment)	[t / an]	0	[t / an]	0
		0		0	
9.	Consumul total de benzină (1,05)	[t / an]	1,1994675	[t / an]	1,070
		1,14235		1,019271	
10.	Consumul total de motorină (1,015)	[t / an]	9,9026445	[t / an]	11,398
		9,7563		11,22935	
11.	Consumul total de alți combustibili (coef. de transf. în țep = funcție de tip) Deșeu lemn + Peleți	[u.m.]	23,7	[tone / an]	29,993
		55,035		69,75	
12.	Consumul total de energie electrică din surse recuperabile și/sau regenerabile (0,086)	[MWh/an]	195,807208	[MWh/an]	248,5331929
		2276,828		2889,920848	
13.	Consumul total de energie termică din surse recuperabile și/sau regenerabile (0,1)	[Gcal/an]	0	[Gcal/an]	0
		0		0	
14.	TOTAL (= col. D, col. F, rd. 3+ 4 + 5 + 6 + 7 + 8 + 9 + 10 + 11 + 12 + 13)	-	837,2750589	-	773,365
15.	Intensitate energetică [țep/ mii lei]		(= D14 / C1)		(= F14 / E1)
			0,0045		0,0049

5.2. Greenhouse gas emissions and climate protection

Carbon footprint 2023

Defalcare consum de energie 2023	Unitate de măsură	Total	T.E.P.	KWh	Consum CO2	Consum CO2
		Cantitate	t.e.p.	KWh	KgCO2	Tone CO2
Energie electrică achiziționată SEN	MWh	2.831,403	243,501	2.831.403,00	302.960,12	302,960
Energie produsă panouri fotovoltaice	MWh	2.276,828	195,807	2.276.828,00	0,00	0,000
Energie electrică consumată Total	MWh	5.108,231	439,308	5.108.231,00	302.960,12	302,960
Consum Gaze Naturale pentru încălzire	Mii mc	403,629	300,133	4.221.002,74	852.642,55	852,643
Consum deșeuri Lemn de foc și pește	Tone	55,035	23,665	275.175,00	10.731,83	10,732
Energie termică Total		0,000	323,798	4.496.177,74	863.374,38	863,374
Consum Carburanți Motorină Auto	litrii/an	11.477,650	9,902	115.143,518	30.282,745	30,283
Consum Carburanți Benzină Auto	litrii/an	1.626,860	1,259	14.638,902	3.659,726	3,660
Total Consum Carburanți auto	T.E.P.		774,267	129.782,420	33.942,471	33,942
Total CO2				9.734.191,160	1.200.276,970	1.200,277

Carbon footprint 2024

Defalcare consum de energie 2024	Unitate de măsură	Total	T.E.P.	KWh	Consum CO2	Consum CO2
		Cantitate	t.e.p.	KWh	KgCO2	Tone CO2
Energie electrică achiziționată SEN	MWh	2.119,040	182,237	2.119.040,00	226.737,28	226,737
Energie produsă panouri fotovoltaice	MWh	2.889,921	248,533	2.889.920,85	0,00	0,000
Energie electrică consumată Total	MWh	5.008,961	430,771	5.008.960,85	226.737,28	226,737
Consum Gaze Naturale pentru încălzire	Mii mc	333,720	300,133	3.489.920,28	704.963,90	704,964
Consum deșeuri Lemn de foc și pește	Tone	69,750	29,993	348.750,00	13.601,25	13,601
Energie termică Total		0,000	330,126	3.838.670,28	718.565,15	718,565
Consum Carburanți Motorină Auto	litrii/an	13.211,000	11,398	132.532,445	34.856,033	34,856
Consum Carburanți Benzină Auto	litrii/an	1.383,000	1,070	12.444,588	3.111,147	3,111
Total Consum Carburanți auto	T.E.P.		773,364	144.977,033	37.967,180	37,967
Total CO2				8.992.608,164	983.269,607	983,270

5.3. Waste management

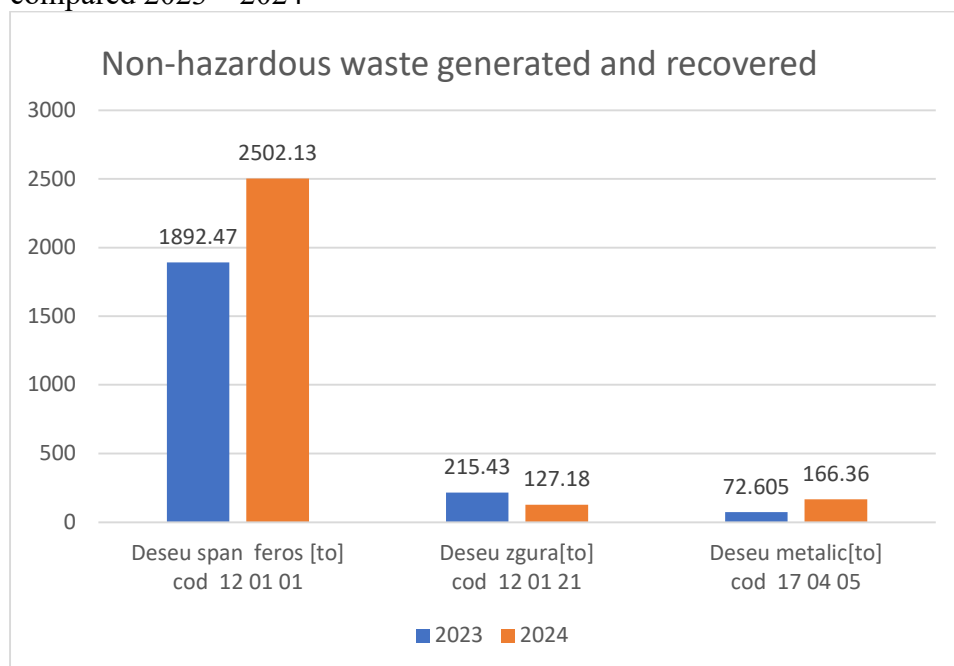
Managing the waste generated involves a major responsibility for our company. Their efficient management requires establishing clear collection practices and identifying reduction and reuse solutions. These measures help us support the transition to a circular economy and reduce our environmental impact.

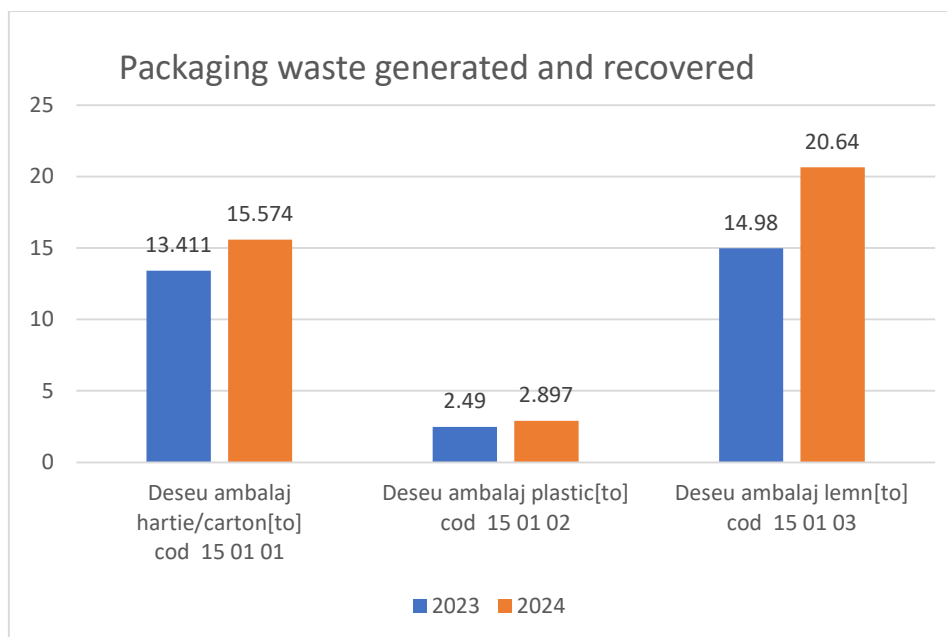
Within the company, we take waste management very seriously, recognizing the importance of protecting the environment and using resources responsibly. The resulting waste includes both hazardous materials - contaminated metal and plastic packaging, paints - and non-hazardous materials - paper/cardboard, wood, metal, plastic. To minimize this waste, we apply rigorous strategies to streamline production processes and we strongly promote the recycling and reuse of materials. Our employees are continuously trained to develop and maintain a sustainability-oriented mentality. We collaborate with companies specialized in the collection, transportation and treatment/disposal/recovery of waste. Waste data is collected monthly and reported to the competent authorities, ensuring compliance with regulations in force. In the long term, we are committed to continuing to optimize processes and implement advanced technologies for waste recovery and processing.

By constantly monitoring progress and achieving established objectives, we assume the responsibility to significantly contribute to protecting the environment and increasing the sustainability of our operations.

We aim to be an example of best practices in our industry by adopting strict and effective waste management measures.

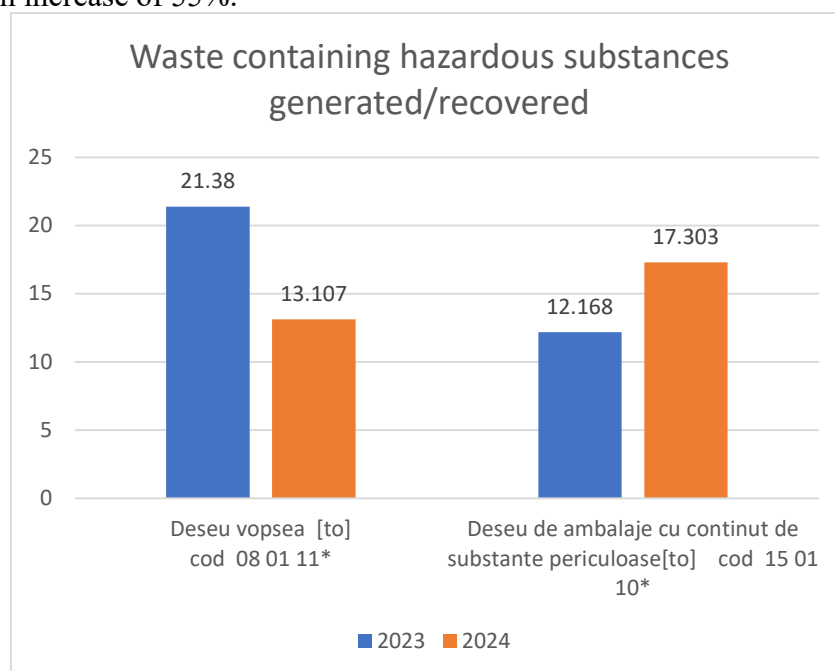
Quantities by type of hazardous and non-hazardous waste, generated and recovered, compared 2023 – 2024

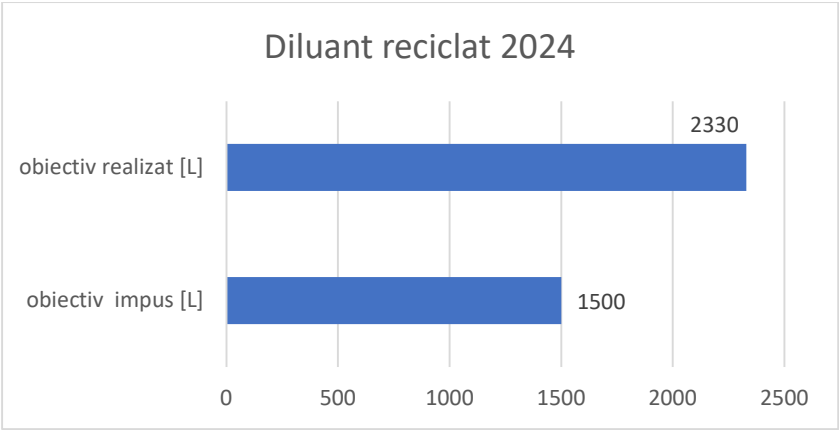




To reduce the paint waste generated, we have developed recycling programs to reduce the volume of waste produced and to use the materials in our production processes. In this regard, we recycle the paint waste resulting from the painting activity, with the production of recycled thinner which is then used in manufacturing processes exclusively for cleaning painting equipment.

In 2024, a quantity of 2330 L of diluent was recycled compared to the 1500 L target imposed, thus having an increase of 55%.





5.4. Employee information

Average number of employees 593

Staff distribution:

	Men	Women	Total
Management	6	2	8
Direct production workers	322	13	335
Indirectly productive workers	164	86	250
Total number of employees	492	101	593
Employees under 30 years old	81	12	93
Employees between 30-50 years old	150	54	204
Employees over 50 years old	261	35	296

Our colleagues are an essential pillar of our group's success. In 2024, we had an average of **593** of employees within the company, of which **2%** were employed part-time, and the rest had full-time contracts. Women represent **17%** of the total number of employees, and a positive aspect is the increase in the number of colleagues under 30 years of age – **93 people**.

Persons with disabilities employed in the company on 31.12.2024: 5 people

Chairman of the Board of Directors, eng. Savu Constantin

General Manager,
eng. Cenusă Gheorghe

Financial Manager,

ec. Tatar Dana