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REPORT  
OF THE INDEPENDENT AUDITOR

on the financial statements concluded at  
December 31, 2023

by  
COMELF SA

Autoritatea pentru Supravegherea Publică a  
Activității de Audit Statutar (ASPAAS)  
Firma de Audit: G2 EXPERT S.R.L.  
Registru Public Electronic FA1152

## REPORT OF THE INDEPENDENT AUDITOR

To,

### COMELF SA Shareholders

#### Report on the audit of the financial statements and compliance with the provisions of Article 153 of Law no.24/2017 on issuers of financial instruments and market operations

##### *Unreserved opinion*

We audited the company's accompanying financial statements **COMELF SA (the "Company")**, with registered office in Bistrița, no. 4, Industriei str., identified by the unique tax registration code RO568656, which include the balance sheet at December 31, 2023, the income statement, the statement of changes in equity and the statement of cash flows for the year ended, as well as a summary of significant accounting policies and explanatory notes.

The financial statements as of December 31, 2023, are identified as follows:

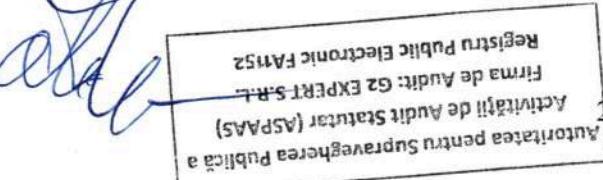
• Total Assets	167.284.173 lei
• Total equity:	81.791.384 lei
• Liabilities:	85.492.789 lei
• Net profit for the financial year:	9.328.420 lei

In our opinion, the accompanying financial statements provide a true and fair view of the Company's financial position as of 31 December 2023 as well as its financial performance and cash flows for the year ended, in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union.

The company has complied with the provisions of Article 153 of the Law no.24/2017 on issuers of financial instruments and market operations in the sense that the individual annual reports under IFRS have been prepared in XHTML/XBRL format. As statutory auditor of COMELF SA, we express our opinion that the audited company has complied with the single European financial reporting format in accordance with the IFRS-EFES taxonomy.

##### *Basis for the opinion*

We conducted our audit in accordance with International Standards on Auditing ("ISA"), EU Regulation no. 537 of the European Parliament and of the Council (hereinafter "Regulation") and Law no. 162/2017 ("Law"). Our responsibilities under these standards are described in detail in the "Auditor's Responsibilities in an Audit of Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants



issued by the International Ethics Standards Board for Accountants (IESBA Code), in accordance with the ethical requirements that are relevant to the audit of financial statements in Romania, including the Regulation and the Law, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key audit features**

The key audit aspects are those that, based on our professional judgment, were of the greatest importance for auditing the financial statements for the current period. These items have been addressed in the context of the audit of the financial statements as a whole and in the formation of our opinion on them, and we do not provide a separate opinion on these key items.

<b>Key issues</b>	<b>How our audit addressed key issues</b>
<p><b><i>Establishment of provisions for unused holiday leave</i></b></p> <p>Rest leave not taken during the year may be taken within the next 18 months following the year in which the right to annual leave arose, according to the Labor Code, Title III, art. 146, para. (2).</p> <p>Rest leave days not used until 31.12.2023, which include both the remaining days for 2021 and 2022 and those of 2023, must be provisioned to reflect the fact that the Company has a debt to its staff that will represent an outflow of financial resources in the next financial period.</p> <p>The amount provisioned by the Company for 2023 is 368.168 lei.</p>	<p>To address the risk of estimating the value of the provisions to be established, our procedures included the following:</p> <ul style="list-style-type: none"><li>- we requested from the financial accounting department of each factory the situation of the unused leave days of the employees who as of 31.12.2023 had unused leave days;</li><li>- we requested a situation regarding the days of rest leave not used on 31.12.2023 from the human resources department;</li><li>- we reconciled the two situations to determine if there were any differences.</li></ul>



### ***Recognition of revenues***

Starting January 1, 2018, the company applies IFRS 15 "Revenue from Customer Contracts". Under the new standard, revenue recognition principles change, and the impact can be significant.

At 31 December 2023, in addition to the accounts representing the company's turnover, there were material revenue accounts 7584 "Subsidy income".

Due to the reasoning that the management of the company needed to apply in the above mentioned situations we consider that this are key audit matters.

To address this key issue, our procedures consisted of:

- we have requested consultations of the contracts with clients to establish recognition conditions in accordance with IFRS 15;
- we identified the typology of execution obligations at Comelf S.A. these are time-bound execution obligations, and they are firm and specific contracts for each client, so implementation of the new standard did not have a strong impact on revenue recognition in customer contracts.
- for revenue recognition of 7584 we have conducted analytical procedures and detailed tests; we requested the status of the fixed assets purchased from the project and for which amortization is recorded resulting in the recording of income from account 7584.

### ***Other information - Directors' report***

Administrators are responsible for compiling and presenting other information. That other information includes the Directors' Report, but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover this other information and unless explicitly stated in our report, we do not express any assurance conclusion on it.

In connection with the audit of the financial statements for the financial year ended December 31, 2023, it is our responsibility to read that other information and, in doing so, to assess whether that other information is materially inconsistent with the financial statements, or with the knowledge that we have obtained during the audit, or if they appear to be significantly distorted.

Based exclusively on the activities to be carried out during the audit of the financial statements, in our opinion:

- a) The information presented in the Directors' Report for the financial year for which the financial statements have been prepared is consistent, in all material respects, with the financial statements;
- b) The directors' report has been prepared in all material respects in accordance with Order 2844/2016

In addition, based on our knowledge and understanding of the Company and its environment, acquired during the audit of the financial statements for the year ended December 31, 2023, we are

required to report whether we have identified material misstatements in the Directors' Report. We have nothing to report on this matter.

### ***Responsibilities of management and those responsible for governance for the financial statements***

The Company's management is responsible for preparing the financial statements that provide a true and fair view in accordance with IFRS and for such internal control as management deems necessary to enable the preparation of financial statements free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue to operate, for presenting, where appropriate, business continuity issues and for using accounting on a business-continuation basis, unless management intends to liquidate the Company or cease operations, or have no other realistic alternative.

Those responsible for governance are responsible for overseeing the Company's financial reporting process.

### ***Auditor's responsibilities in an audit of financial statements***

Our objectives are to obtain reasonable assurance about the extent to which the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but there is no guarantee that an audit conducted in accordance with the ISA will always detect a significant misstatement, if any. Distortions may be caused by either fraud or error and are considered significant if they can reasonably be expected to have an individual or cumulative effect on the economic decisions of users, based on these financial statements.

As part of an ISA-compliant audit, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a significant misstatement caused by fraud is higher than the risk of not detecting a significant misstatement caused by error, as fraud may involve secret agreements, forgery, intentional omissions, misrepresentation and circumvention of internal control.
- We understand the internal control relevant to the audit, in order to design audit procedures appropriate to the circumstances, but without the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We assess the adequacy of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.



- We formulate a conclusion regarding the adequacy of management's use of accounting based on business continuity and determine, based on the audit evidence obtained, whether there is significant uncertainty about events or conditions that could raise significant doubts about the Company's ability to continue its activity. If we conclude that there is significant uncertainty, we must draw attention in the auditor's report to the related disclosures in the financial statements or, if those disclosures are inadequate, change our opinion. Our findings are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease operations on a going concern basis.
- We evaluate the presentation, structure and content of the financial statements, including disclosures, and the extent to which the financial statements reflect the underlying transactions and events in a manner that results in a fair presentation.

We communicate to those responsible for governance, among other things, the planned scope and timing of the audit, as well as the main findings of the audit, including any significant deficiencies in internal control, which we identify during the audit.

We also provide those charged with governance with a statement of our compliance with ethical independence requirements and disclose to them all relationships and other matters that could reasonably be considered to affect our independence and, where appropriate, related safeguards.

Among the issues we have communicated to those charged with governance, we identify those issues that were most important in the audit of the current financial statements and are therefore key audit issues. We describe these matters in our audit report, unless legislation or regulation prevents public disclosure of the matter in question or unless, in extremely rare circumstances, we believe that a matter should not be disclosed in our report because the benefits to the public interest are reasonably expected to be outweighed by the negative consequences of such disclosure.

### Report on other legal and regulatory provisions

We were appointed by the General Meeting of Shareholders on 29.07.2021 to audit the financial statements of COMELF SA for the financial year ended December 31, 2023. The total uninterrupted duration of our commitment is 3 years, covering the financial years ended December 31, 2021 to December 31, 2023.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Company's Audit Committee, which we issued on the same date we issued this report. Also, in conducting our audit, we maintained our independence from the audited entity.
- We did not provide for the Company **non-audit services** referred to in Article 5 (1) of EU Regulation No 537/2014.

### Other issues

This independent auditor's report is addressed exclusively to the Company's shareholders as a whole. Our audit was performed in order to be able to report to the Company's shareholders those



issues that we need to report in a financial audit report, and not for other purposes. To the extent permitted by law, we accept and assume no responsibility other than to the Company and its shareholders, as a whole, for our audit, for this report or for the opinion formed.

Cluj-Napoca, 13.03.2024

The audit engagement partner who prepared this independent auditor's report is Gheorghe Alexandru MAN, financial auditor registered with the Authority for Public Oversight of Statutory Audit Activity, with registration number AF1242 for and on behalf of G2 EXPERT SRL registered with the Authority for Public Oversight of Statutory Audit Activity with registration number FA1152

Auditor address: Romania, Cluj County, 405200 Dej, no. 18, Mihai Kogalniceanu str.

Autoritatea pentru Supravegherea Publică a  
Activității de Audit Statutar (ASPAAS)  
Auditor Financiar: MAN  
GHEORGHE-ALEXANDRU  
Registru Public Electronic AF1242

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