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: [illegible]
Company name: COMELF S.A.
Registered Office: [illegible]
Phone / fax number: [illegible]
VAT code with the Trade Register Office: [illegible]
Registration number with the Trade Register: [illegible]
Subscribed and paid-in share capital: [illegible]
Regulated market in which the issued securities are traded: [illegible]
The main characteristics of the securities issued by the company: [illegible]

The Board of Directors of Comelf SA [illegible] has prepared, for the financial year [illegible], this report on the balance sheet, income statement, statement of changes in equity, cash flow statement, accounting policies and explanatory notes included in the individual financial statements of [illegible].

These financial statements are presented together with the Audit Report and the [illegible] Report and refer to:

Equity	[illegible]
Total revenues	[illegible]
Profit of the period	[illegible]

The financial statements have been prepared in accordance with:

(i) Accounting Law 82/1991 [illegible]
(ii) The provisions of Order no. 2844/2016.

Since [illegible], the company presents individual financial statements prepared in accordance with the provisions of Order 2844/2016 (previously Order [illegible]) 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 [illegible].

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

1. **Review of the Company's activity**

   1. **Description of the basic activity of the Company**

The company operates based on the Commercial Companies Law no. [illegible] (with subsequent amendments and additions), the Capital Market Law no. [illegible] and Law [illegible] regarding issuers of financial instruments and market operations. According to article [illegible] of the Constitutive Act [illegible], the object of activity of the Company is **"Manufacturing machines and equipment for [illegible], for power plants and environmental protection, equipment for lifting and transporting, including [illegible]"**.

ii. Date of establishment of the Company:

[illegible]

iii. (a) Changes in the Company's equity, mergers or significant reorganisations of the Company or its controlled companies during the financial year

[illegible]

[illegible]

[illegible]

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

[illegible]

compared to the beginning of the year by [illegible], due to the repayment of the existing credit [illegible] and payments to suppliers.

4. **The main results of the evaluation of the company's activity**

The profit and loss account, on the income and expenditure grouped by nature during 2024, is presented as follows:

Profit and loss account (thousand lei)	Year 2024	Year 2023	Difference
Turnover	[illegible]	[illegible]	[illegible]
Other operating income TOTAL, of which:	[illegible]	[illegible]	[illegible]
Stored production variation (+/-)	[illegible]	[illegible]	[illegible]
Income from operating subsidies	[illegible]	[illegible]	[illegible]
Income from investment grants	[illegible]	[illegible]	[illegible]
Other operating revenue	[illegible]	[illegible]	[illegible]
Operating income TOTAL	[illegible]	[illegible]	[illegible]
Expenditures on raw materials, consumables, utilities, goods	[illegible]	[illegible]	[illegible]
Staff costs	[illegible]	[illegible]	[illegible]
Provisions, expenses, depreciation and amortisation adjustments, TOTAL, of which:	[illegible]	[illegible]	[illegible]
Depreciation expenses	[illegible]	[illegible]	[illegible]
Value adjustments of current assets	[illegible]	[illegible]	[illegible]
Adjustments for provisions for risks and expenses	[illegible]	[illegible]	[illegible]
Other operating expenses	[illegible]	[illegible]	[illegible]
Operating expenses-TOTAL	[illegible]	[illegible]	[illegible]
Operating profit TOTAL	[illegible]	[illegible]	[illegible]
Financial income	[illegible]	[illegible]	[illegible]
Financial expenses	[illegible]	[illegible]	[illegible]
Financial result	[illegible]	[illegible]	[illegible]
Total revenues	[illegible]	[illegible]	[illegible]
Overall expenses	[illegible]	[illegible]	[illegible]
Profit and loss account (thousand lei)	**Year 2024**	**Year 2023**	**Difference**
Gross result	[illegible]	[illegible]	[illegible]
Net result	[illegible]	[illegible]	[illegible]
EBITDA	[illegible]	[illegible]	[illegible]
EBITDA was determined as follows:			
Indicators (thousand lei)	**2024**	**2023**	**Difference**
Operational profit	[illegible]	[illegible]	[illegible]
Provisions, expenses, depreciation and amortisation adjustments	[illegible]	[illegible]	[illegible]

Asset changes are as follows:

Assets (thousand lei)	Year [illegible]	Year [illegible]	Difference
1.1 TOTAL fixed assets, of which:	[illegible]	[illegible]	[illegible]
1.1.1. Tangible fixed assets	[illegible]	[illegible]	[illegible]
1.1.2. Real estate assets	[illegible]	[illegible]	[illegible]
1.1.3. Intangible assets	[illegible]	[illegible]	[illegible]
1.1.4. Research and development expenditure	[illegible]	[illegible]	[illegible]
Assets (thousand lei)	Year [illegible]	Year [illegible]	Difference
1.1.4. Financial assets	[illegible]	[illegible]	[illegible]
1.2. Current assets TOTAL, of which:	[illegible]	[illegible]	[illegible]
1.2.1. Stocks of raw materials and materials	[illegible]	[illegible]	[illegible]
Assets (thousand lei)	Year [illegible]	Year [illegible]	Difference
1.2.2. Stocks of finished products and production in progress	[illegible]	[illegible]	[illegible]
1.2.3. Receivables from contracts with customers	[illegible]	[illegible]	[illegible]
1.2.4. [illegible]	[illegible]	[illegible]	[illegible]
1.2.5. Other receivables and advances for fixed assets	[illegible]	[illegible]	[illegible]
1.2.6. Cash and cash equivalents	[illegible]	[illegible]	[illegible]
Total Assets	[illegible]	[illegible]	[illegible]

The structure of liabilities in the company's balance sheet as of December 31, [illegible] is as follows:

Assets (thousand lei)	Year [illegible]	Year [illegible]	Difference
1.1 Total share capital, of which:	[illegible]	[illegible]	
1.1.1. Subscribed share capital	[illegible]	[illegible]	
1.1.2. Share capital adjustments	[illegible]	[illegible]	
1.1.3. Other items of equity	[illegible]	[illegible]	[illegible]
1.2 Revaluation reserves	[illegible]	[illegible]	[illegible]
1.3 Legal reserves	[illegible]	[illegible]	
1.4 Other reserves	[illegible]	[illegible]	
1.5 Own shares			
1.6 Reported result	[illegible]	[illegible]	[illegible]
1.7 Net result of the period	[illegible]	[illegible]	[illegible]
1.8 Profit distribution	[illegible]		[illegible]
Total equity	[illegible]	[illegible]	[illegible]
2.2 Long-term debts	[illegible]	[illegible]	[illegible]
2.2.1 [illegible] loans and liabilities		[illegible]	[illegible]
2.2.2 Deferred tax liabilities	[illegible]	[illegible]	[illegible]
2.2.3 Provisions for risks and expenses	[illegible]	[illegible]	[illegible]
2.2.4 [illegible]	[illegible]	[illegible]	[illegible]
2.3 Current debts	[illegible]	[illegible]	[illegible]

1.1.1 Trade and similar payables, of which:	[illegible]	[illegible]	([illegible])
Trade payables	[illegible]	[illegible]	([illegible])
Other debts	[illegible]	[illegible]	([illegible])
1.1.2 Interest-bearing loans and borrowings	[illegible]	[illegible]	([illegible])
1.1.4 Provisions for risks and charges	[illegible]	[illegible]	([illegible])
1.1.5 Debts on deferred income	[illegible]	[illegible]	([illegible])
1.1.6 Derivatives / liabilities	[illegible]	[illegible]	([illegible])
Total debts	[illegible]	[illegible]	([illegible])
Total equity and debts	[illegible]	[illegible]	([illegible])

The **Company's equity** increased in the financial year 2024 by [illegible] lei.

The legal reserve is [illegible] lei and represents 20% of the share capital.

The Company's **total liabilities** decreased by RON [illegible], as a result of (i) the decrease of liabilities to suppliers by RON [illegible] due to slightly reduced payments on the dates and lower prices for materials, (ii) the reimbursement of EUR [illegible] from the working capital credit line, as well as (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 3 months.

The Company's **provisions** decreased by [illegible] lei being influenced by:

- Decrease provisions for employee retirement benefits by [illegible] lei because in the year 2024 a total of 59 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 [illegible] lei, due to the decrease in the number of claims/non-compliances. The amounts are under discussion.

Decrease in provisions for the last batch of pension insurance policies, following the retirement of 59 people, for which the corresponding amounts were paid ([illegible] lei).

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

Indicators (thousand lei)	2024	2023
Current assets	[illegible]	[illegible]
Current debts	[illegible]	[illegible]
Net current assets	[illegible]	[illegible]

The accounting organization was carried out by the specialized Economic Department, at the company level, by profit centers, through which the current 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 in 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 found 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 highlighted in the financial statements. The Company has supported the activity of preventive financial control.
The internal audit activity of the financial year 2024 was provided by [illegible].

Elements of general evaluation

a) **Profit / (Loss)**

Indicators (thousand lei)	Realized 2024	Realized 2023
Gross profit (loss)	[illegible]	[illegible]
Net profit (loss)	[illegible]	[illegible]

- **Net profit** decreased slightly ([illegible]%) 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 [illegible] and by the decrease in physical volumes.
  - utility savings based on the consumption of electricity from own production [illegible] photovoltaic [illegible] by [illegible]%.
  - 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 rising [illegible], including the cost of [illegible].

b) **Turnover**

Indicators (thousand lei)	Achieved 2024	Budget 2024	Achieved 2023	[illegible]% vs. 2023	[illegible]% vs. Budget
Turnover	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

- **Turnover** decreased by [illegible]% 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 [illegible] and the decrease in physical volumes. In 2024, the physical volumes sold were [illegible]% lower than the physical volumes sold in 2023, [illegible].

c) **Intra-Community exports and deliveries**

Indicators (thousand lei)	Achieved 2024	Achieved 2023	[illegible]% vs. 2023
Turnover	[illegible]	[illegible]	[illegible]

Export of LPC directly EUR	[illegible]	[illegible]	[illegible]
Export of LPC directly LEI	[illegible]	[illegible]	[illegible]

[illegible]

b) Costs

Expenses (thousand lei)	2014	2013
Raw materials, consumables used and goods		
Expenses for raw materials	[illegible]	[illegible]
Consumables expenses	[illegible]	[illegible]
Expenditures on goods	[illegible]	-
TOTAL	[illegible]	[illegible]
Employee benefit expenses		
Wages	[illegible]	[illegible]
Contributions to the state social insurance fund	[illegible]	[illegible]
Other wages-related taxes and contributions	-	-
Meal tickets	[illegible]	[illegible]
Other salary benefits		
Expenses (thousand lei)	[illegible]	[illegible]
Income from operating grants for staff pay	[illegible]	-
Professional training expenses	[illegible]	[illegible]
TOTAL	[illegible]	[illegible]
Other expenses		
Shipping costs	[illegible]	[illegible]
Utility expenses	[illegible]	[illegible]
Expenses with services provided by third parties	[illegible]	[illegible]
Expenses with compensations, fines, penalties, donations, sponsorships and subsidies	[illegible]	[illegible]
Protocol, advertising and publicity expenses	[illegible]	[illegible]
Office overheads	[illegible]	[illegible]
Expenses with other taxes and fees	[illegible]	[illegible]
Repair expenses	[illegible]	[illegible]
Travel expenses	[illegible]	[illegible]
Rent expenses	[illegible]	[illegible]
Expenses with postal and telecommunications taxes	[illegible]	[illegible]
Expenses with insurance premiums	[illegible]	[illegible]
TOTAL	[illegible]	[illegible]

c) Market share

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

f) Funds available

The company held in its accounts on December 31, 2024 the amount of [illegible] thousand lei.

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

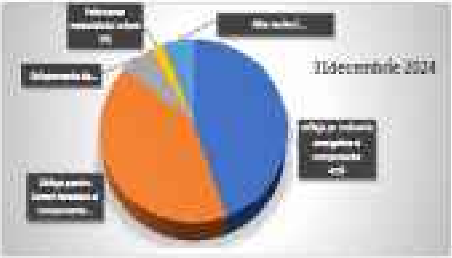
The [illegible] product range is structured on five main lines, as follows: (1) Forest industry machinery and components; (2) Earthmoving machinery and components; (3) Environmental protection machinery; (4) Lifting and handling equipment; (5) Technological machinery.
The sale of products is carried out at customer and project level, through the specialized commercial department, with project managers specialized by product type and customer. Company products are mainly [illegible] for export to countries such as: Italy, France, England, Holland, Sweden, Austria, Norway, Germany, Belgium, Switzerland, Hungary, USA.
The production activity of the Company takes place within the factories organized as profit centers:

- Stainless Steel Products Factory ("PSI")
- Earthmoving Machinery and Equipment, Filters and Excavation 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:

Entry	Company	Product
FUET	ROBEL Bahnbaumaschinen GmbH, Germany	Forestry machinery components
FUET	SK-Grid GmbH, Germany	Transformer tank
FUET	[illegible] SRL, Romania	Components for road and bridge construction
PSI	SW Powertrain & Maschinenbau GmbH, Germany	Automotive engine testing platforms
PSI	SE TITERNOVA, SDA	[illegible]

Share of operating revenue by main products [illegible]
FY 2024



The commercial policy of the Company is to avoid significant dependence on a single Customer (no more than 15% customer exposure). During 2024 the biggest share of sales on a single customer was [illegible] of the total turnover, as follows:

Partner	Income share (>5%)	Income	The segment in which revenues are included
[illegible]	[illegible]	[illegible]	Equipment for energy industry, and turbines General Electric
[illegible]	[illegible]	[illegible]	Equipment for power-generation industry and components [illegible]
[illegible]	[illegible]	[illegible]	Equipment for metallurgy and components [illegible]
[illegible]	[illegible]	[illegible]	[illegible] equipment and its components [illegible]
[illegible]	[illegible]	[illegible]	Equipment for metallurgy, rolling mill manufacturing and their components [illegible]
[illegible]	[illegible]	[illegible]	Equipment for metallurgy, rolling mill manufacturing and their components [illegible]

3. Evolution of the technical-material supply activity

The raw material sourcing and procurement activity aims at providing for the material resources of the [illegible] change to 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 [illegible].

The procurement department, the coordination section and supplier control section, contracting and the logistics sector all operate within [illegible].

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

The procurement department together with the warehousing [illegible] has the task of constantly checking stocks of materials and their initial purchase orders to maintain stocks as low as possible, under control in order to avoid financial blockages and to avoid overstocks, especially for products non-repetitive.

According to [illegible] procedures there is a database of suppliers selected and evaluated based on certain 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 and to respond to the [illegible] customer requirements.

The issuance of purchase orders is made after analyzing the quotations received from numerous [illegible] 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 [illegible] average number of employees in 2023 to [illegible] average number of employees in 2024. The staff structure was as follows:

	2024	2023
Executive directors/managers	8	6
Direct production staff	[illegible]	[illegible]
Management and administrative staff	[illegible]	[illegible]
Total	[illegible]	[illegible]

According to the Labor Code, within [illegible] 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 harmful environment, bonuses for head of subdivisions / team.

The Company has also implemented a system of rewarding its employees, in the form of [illegible], with the application of a fixed amount, which is evolving depending on the number of years of work performed within the company. The company also has provisions for these payments. In 2024, the Collective Bargaining Agreement was applicable, valid from [illegible].

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 5% 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. [illegible], issued by the Someș-Tisa Water Basin Administration, Bistrița-Năsăud Water Management System, valid until [illegible];
- Environmental permit for operation no. [illegible], issued by ANPM-Environmental Protection Agency BN, with annual visa;
- 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 fields in which we operate. Moreover, the markets 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 also a requirement regarding the valuation of both potential customers and existing customers, an evaluation based on which the credit limits and the settlement method are established. However, we consider that the Company is exposed to credit risk as a result of commercial receivables payments 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 ensuring 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 cash 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 [illegible].

(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 (EUR) and the liabilities of the Company are denominated in foreign currency (EUR) and in national currency (RON) and therefore exchange rate fluctuations do not significantly affect the Company's revenues. The exposure to exchange rate fluctuations is mainly due to [illegible] currency [illegible] transactions necessary for [illegible] purchases [illegible].

(d) Interest rate risk

As at 31 December [illegible] most of the Company's assets and liabilities are not interest bearing, with the exception of the contracted loan and the leasing contracts. As a result, the Company is not significantly affected by the risk of interest rate fluctuations.
The Company does not use derivative financial instruments to hedge against interest rate fluctuations.

(e) Market risk

Market risk is defined as the risk of incurring 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 [illegible] of the projects will be higher than the estimated value, thus the company will risk a loss.
In order to cover the price risk generated by the increase of the basic raw materials, the [illegible], the company has written, in the commercial contracts concluded with the clients, a [illegible] 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 prices, which may generate, in the short term, possible disruptions in the operational activity. The company also has a [illegible] procurement policy that offers protection for a period of [illegible] months, for contracted orders, which creates a balance for the period in which the operations [illegible] and vice versa [illegible].

[illegible]

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 impact 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 conduct 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 [illegible] Revenue and expenditure budget for 2025, which provides the following:

- Turnover [illegible] thousand lei
- Total operating revenue, of which [illegible] thousand lei
- Revenue from customer contracts [illegible] thousand lei
- Revenue from the sale of goods / performance of services [illegible] thousand lei
- Income from investment subsidies [illegible] thousand lei
- Financial income (interest) [illegible] thousand lei
- Overall expenses [illegible] thousand lei
- Gross profit [illegible] thousand lei

Comelf proposed an investment budget of [illegible] thousand RON for 2025. These investments are intended for the purchase of [illegible] cutting machines, [illegible], adjusting, drilling and punching machines, current tools and fixtures.

The investment program for 2024, [illegible], will be continued in the next year.

The tangible assets of the Company

S.C. COMELF S.A. had the following production capacities at the end of 2024:

- **Earthmoving Machinery and Equipment Factory (FUTT):** which produces metal equipment, telescopic cranes, excavator components and components for earthmoving machines (glvs, engine housings, electric generator housings, turbine frames, exhaust and gas duct removal equipment, asphalt station filters, power plant equipment with gas turbines, construction structures and intermodal equipment, hydropower equipment, technological equipment). FUTT activity is carried out in two production units, of which one with a built area of [illegible] sqm and one with a built area of [illegible] sqm.
- **Factory for earthmoving machinery and components (FCT) - which manufactures:** earthmoving machines with fluid assembly (crushers, asphalt paving machines), components for earthmoving machines (chassis, arms, frames), mobile plants for compacting and boilers, fixed systems and equipment components for compacting metal waste, telescopic cranes, superstructures for heavy-duty dump trucks. Built area [illegible] 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 installations at [illegible] 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 containerized handling machinery. Built area [illegible] sqm.

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

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

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

The total land area owned by the company amounts to [illegible] sqm.

The buildings were built in 1971 and have undergone 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 [illegible] 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 [illegible], will be fully utilised for dividend payments.

2.4. The share capital of the Company has not changed in 2024, it is in the amount of [illegible] lei equivalent to [illegible] shares, nominal value [illegible] lei/1 share.

On [illegible] [illegible] S.A. fully acquired the shares of [illegible] SRL, a company operating in the field of services (electrical repairs – engine winding); the acquisition value was [illegible] lei. [illegible] S.A. has no subsidiaries.

3. Company management

3.1 Board of Directors

Comelf S.A. 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:

- [illegible] – Chairman
- [illegible] – member
- [illegible] – member
- [illegible] – member
- [illegible] – member

The members of the Board of Directors are elected in 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 in respect to this aspect.

List of persons affiliated with the company:

Affiliated party	Activity	Description of the type of business relation
[illegible] S.A.	Management consulting services	[illegible] S.A. is the majority shareholder
[illegible] S.A.	Trade (merchandise) services for industrial products	
[illegible] S.A.	Collaboration on welding operations; Machinery trade	
[illegible] S.A.	Collaboration in the manufacture of subassemblies	
[illegible] S.A.	Collaboration in the manufacture of subassemblies	

The other companies are related to Comelf S.A. due to a commonality of persons (management team) 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 stream of the corporate information.

- Members of the Executive Management of the Company:

[illegible] General Manager
[illegible] Deputy General Manager
Business Operations
[illegible] Deputy General Manager
Technical and Production
[illegible] Economic Manager
[illegible] AQM Manager
[illegible] Executive Manager
[illegible] Executive Manager
[illegible] 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 litigation 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)

Sustainable development *is a key objective for our organization. Globally, through sustained efforts, we generate positive changes that enable us to face the challenges of the economic and social environment. Managing geopolitical changes and the resources needed to carry out our business is essential 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 program 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 aim 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 utilisation through the company-wide implementation of centralised mixing, which resulted in a 7% reduction in material consumption.
- By upgrading the technology of conditioning and mixing of the plant to high definition plastic mixing process, we managed to replace a number of 4 thermal mixing machines and close the manual conditioning booths. The new technology led to the reduction of those 100% solvent-based processes, substantially improving working conditions and increasing labor productivity.
- 85% 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 85% in 2024 compared to 2023. The difference up to 100% was covered by purchasing electricity from renewable sources (green energy produced by a company in our group, Electrika).
- Investing in automatic mixing paint pumps has resulted in a substantial reduction in the quantities of paint and thinner, reducing the use of necessary processes of the product.
- Recycling waste paint and used thinners was an important measure for us in 2024. We managed to recycle 25% more than the target set for that year.
- At company level, we have fully implemented the concept of waste sorting, mainly capitalizing waste we have added value and protected the environment. Through the investments made, we managed to reduce the amount of household waste by 2%.
- By optimizing manufacturing processes, we reduced the costs of finishing products in the anti-corrosion protection process. The amount of materials used decreased by 47% compared to 2023 consumption, at an equivalent volume of products manufactured.
- The well-being of our employees is an important element, grounded by our social responsibility and commitment to our role as a responsible employer. At this level, our programs and initiatives 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-related 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 in line with sustainability.

→ **Sustainable development through digitalization and automation**

[illegible]

[illegible]

[illegible]

Economic indicators	UM	2022	2021	2022 vs 2021
Total revenues	thousand lei	[illegible]	[illegible]	[illegible]
Total expenses	thousand lei	[illegible]	[illegible]	[illegible]
EBITDA	thousand lei	[illegible]	[illegible]	[illegible]
Physical production	tons	[illegible]	[illegible]	[illegible]
Equity	thousand lei	[illegible]	[illegible]	[illegible]
Total debt	thousand lei	[illegible]	[illegible]	[illegible]
Environmental indicators				
Electricity expenses	thousand lei	[illegible]	[illegible]	[illegible]
Electricity production	MWh	[illegible]	[illegible]	[illegible]
Total electricity consumption	MWh	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Social indicators				
Average number of employees	people	[illegible]	[illegible]	[illegible]
Sponsorships, [illegible] scholarships	thousand lei	[illegible]	[illegible]	[illegible]

[illegible]

1.1 Company Profile

Comelf S.A. is a recognized leader in the industrial equipment industry, with more than 40 years of tradition in the production of complex metal structures and components for various sectors, including energy, renewable energy, earthmoving machinery and environmental equipment.
The 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:

- **[illegible] SA – [illegible] –** manufacturer of equipment and metal structures for various industries.
- **Promex SA – Brăila –** 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 –** general 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.B.S. Factory (Boilers, Steel Products Factory)** – manufactures complex steel equipment, including industrial boilers 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

[illegible] machinery [illegible] 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 medium components.

Innovation and development
In 2024, Comelf continued its production modernization strategy, investing over [illegible] **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 [illegible]**, reducing energy consumption from the national grid by [illegible].
- The use of **paints and advanced technologies** for protecting metal surfaces with reduced [illegible] emissions.
- Implementation of an advanced **recycling system for scrap metal and industrial waste.**

Market expansion
In line with its strategy of diversification and expansion into new markets, Comelf aims to strengthen its presence in the defence 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

the defence industry. This certification represents a strategic step towards expanding production capabilities for metal structures, armor and other components used in defence technology.
In 2023 [illegible] 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 promotion of resources and their rational exploitation [illegible] 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 [illegible] balance between professional and private life.
- **Impact on the economy:** [illegible] the company's activity [illegible] with impact on local budgets and state and social security budgets.
  We are an important fiscal player in terms of contribution to the above mentioned budgets.

[illegible] company is listed on the BVB, [illegible] so as 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 mandate 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 constituted 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 30.06.2023.

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

Structure 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:

2 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 9 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 [illegible] 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.

3.3 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 regularly conducts 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 production costs.

- **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 over 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.

2.4 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 S.A. 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 anti-competitive agreements:** The company is committed to avoiding any form of agreement between competitors that could limit or distort competition on the market, such as price agreements, market sharing or output limitation agreements.
- **Promoting transparency:** All purchasing, selling and commercial negotiation practices are carried out in a transparent manner, respecting the principles of fair competition.

Anti-Corruption Policy

Comelf S.A. 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 behaviour of employees and business partners are regulated, including:

- **Prohibition of unjustified payments:** Comelf S.A. 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 mechanism:** 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 S.A. adopts **a clear policy on conflicts of interest**, with the objective of promoting objectivity in the decision-making process and preventing any situations in which the personal interests 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 S.A. 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 S.A. 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 the commercial and operational activities.

2.5 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. The 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 internal 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 identified vulnerabilities). It is a constant concern within the company to informing and raising users' awareness of the dangers of cyber attacks (including risks and new approaches, software attacks, 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 offline 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 (Eurosoftware)
- Continuing to secure the computer network (network equipment, network segmentation, etc.)
- Ensuring dedicated data centre redundancy

[illegible] Supply chain and sourcing of raw materials from responsible sources

As social (chain) sustainability is becoming a priority, we have understood in the past that efficient supply chain management and the choice of raw materials from responsible sources represent essential factors for the long-term success of [illegible].
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 [illegible] responsibility, ensuring in order to use raw materials obtained through ethical and sustainable methods.

This means:

- 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 preventing illegal or unethical practices.

A sustainable supply chain brings multiple benefits to the company:

- **Reducing environmental impact** – Using recycled or responsibly sourced 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 challenges:

- **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 Cornell 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.
Cornell 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, UK and outside the EU, as well as the United States.
Supplier selection is a procedural and regulated practice within Cornell and aims to select based on the criteria of quality, price, delivery time, payment term and involves their inclusion in the database approved 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	[illegible]	[illegible]	[illegible] %
STRATEGIC SUPPLIERS	[illegible]	[illegible]	[illegible] %

2.2 Stakeholders

Stakeholder category	Involvement method	Frequency	Ways of communication	Remarks
Employees	The right to freely join union organizations; competitions; Involvement in improvement activities	Permanent	Direct; Employee Meetings; Direct supervisors; Bulletin/ newsletter	-Productivity, evaluation performance -Company evolution, financial results
Clients Suppliers Legal Entities	Meetings; Announcements on the company website	Permanent, When needed	E-mail; Phone; Company website/BVB	-Evolution of collaboration -Capability, company capacity check
Shareholders	Access to information on the company	Annual, Quarterly	General meeting of shareholders; BVB Website	-Company evolution -Budget -Acquisitions/investment forecasts

	website and the ZFB website ▪ Press	Periodically for important events	✓ Company website ✓ Press	
Institutions	▪ Address ▪ BPV	When needed	✓ BPV	[illegible] Reports

2.3 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 company perspective and the financial perspective.

Following this process, we identified sustainability topics 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, team clients and suppliers were surveyed.

2.2 Our products

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

Business line	Product categories
Complex products from the components of gas-fired cogeneration power plants	- [illegible] exhaust gas for industrial turbines - [illegible] - Support structures for cogeneration turbines - [illegible]
Earthmoving equipment	- [illegible] - Components for excavators [illegible] - Components for high capacity dump trucks - [illegible] for heavy machines - [illegible] for construction equipment - [illegible]
Stationary equipment	- [illegible] - [illegible] - [illegible]
Electromechanical equipment	- [illegible] - [illegible] - [illegible]
Naval equipment	- [illegible] - [illegible] - [illegible]
Discrete goods	- [illegible] - [illegible] - [illegible]

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

2.3 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.

References

The quality of the products made in Comelf is based on a series of certifications obtained over the last 10 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 aluminium 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 HP0 Manufacturer 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, yield, resilience, [illegible] 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 TÜV Germany.

For non-destructive verification of the uniformity 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 room, 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:

- Zeiss Coordinate Universal Measuring Instrument
- Faro Edge Arm
- Faro Laser Tracker Vantage
- Hexagon Faro Laser Line Probe
- NDT, Engineered Quality Automation Inspection

Performance

The products made at 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 introduced the position of customer quality engineer, 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 organization.

All products manufactured at 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 30 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 ones. 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 [illegible], as a result of the decrease in the number of employees, [illegible] recorded a decrease in turnover by [illegible] compared to [illegible]. At the same time, the total number of complaints decreased by [illegible] compared to [illegible], the number of repetitive complaints decreased by [illegible] and the number of returned products decreased by [illegible]. The total quality index in [illegible] was [illegible] compared to [illegible] in [illegible], given that the quality index proposed at the beginning of [illegible] was [illegible].

Goals for [illegible]

- One of the objectives will be to intensify the technical support provided to operators to understand and correctly 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 in due time.
- Additional training of workplace managers to prevent the recurrence of quality problems.

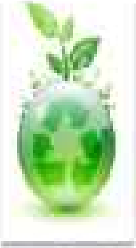
CHAPTER 3 - CARING FOR THE ENVIRONMENT

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 certification 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 thinner 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 and carry out 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 may concern 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

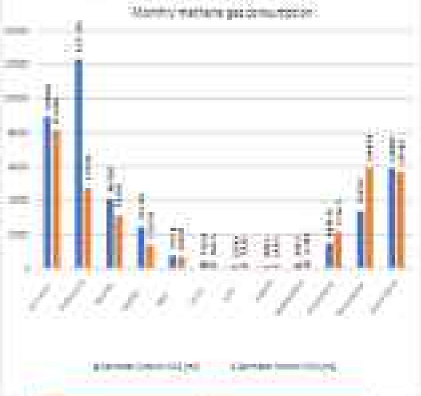
recycle paint waste resulting from painting activities, producing recycled thinner which is then used in manufacturing processes or directly for cleaning painting equipment.

- 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 assessment of current consumption and the establishment of strategies for optimizing processes, thus reducing the impact on the environment and society.

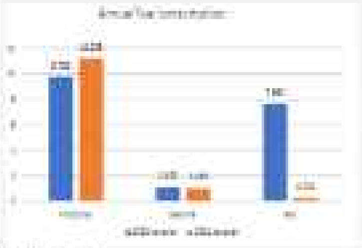
- Efficient resource management is essential for the company, contributing to reducing our environmental impact and optimizing our operations. By monitoring, measuring and anticipating, we can identify opportunities to save and streamline the use of resources, thus supporting long-term sustainability.

Natural gas consumption

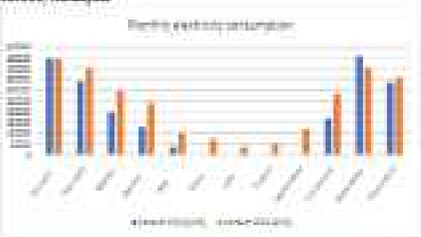
The analysis of natural gas consumption shows that we have managed to make consumption more efficient, reducing costs and our environmental impact.



[illegible]	[illegible]
89429	61120



Electricity consumption



[illegible]	[illegible]
[illegible]	[illegible]

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 for increased 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 natural gas, 3 points of compressed air, 4 points of oxygen, 3 points of [illegible] are measured and offer the following facilities:

- user access to a graphical interface based on user name and password;
- configuration and transmission of operating alarms to end users.

- archiving measured values on a local workstation or a "cloud" server;
- generating consumption and reports automatically or on demand;
- the possibility of importing and processing external data in .csv format;
- scalable software platform (unlimited number of consumption points and type of load curves);
- authorized for the Energy Management service;
- compatibility with Energy Efficiency Law No. [illegible] and ISO 50001.

8. **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:

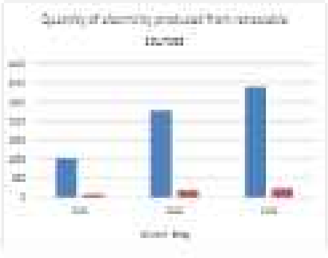
1. **Electricity production from renewable sources**

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

- In 2021, the first photovoltaic system with an installed power of [illegible] kWp was completed.
- In 2022, the expansion of electricity production capacity from renewable sources with an equivalent installed power of [illegible] kWp was implemented.
- In 2023, the expansion of electricity production capacity from renewable sources continued with an equivalent installed power of [illegible] kWp.

Evolution of electricity production in MWh from renewable sources

Production of electricity		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]



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

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

3.3 Energy efficiency measures

- In [illegible], the project **was implemented: Energy efficiency measures by changing the lighting system at [illegible] SA**, financed by the European Regional Development Fund through the Large Infrastructure Operational Program 2014-2020, in which [illegible] 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 process of stainless steel. The wastewater treatment and recirculation plant consists:
- [illegible] consisting of treatment tanks

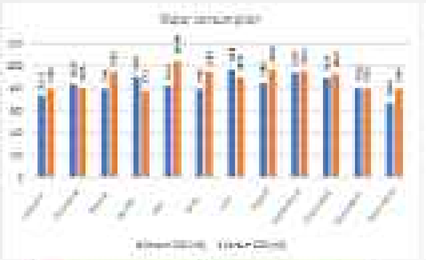
- [illegible]
- pH adjustment tank
- Reagent storage tanks
- Hydro fluid circulation system
- Reagents dosing system
- Compressed air stirring homogenization system
- Air exhaust system
- [illegible]
- Wastewater transfer pump
- [illegible]
- Sludge pump filter press

Treated water filtration system

[illegible]

[illegible]

- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]



[illegible]	[illegible]
[illegible]	[illegible]

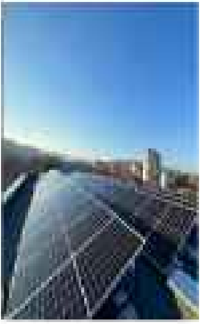
3.1 Greenhouse gas emissions and climate protection

GHG emissions

- Greenhouse gas emissions represent a major risk to the environment, contributing to global climate change.
- The 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 are of major importance in 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 [illegible] emission factors
- Renewable energy: continuing the solar panel installation program
- 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 of approximately 500 kWp for own consumption, without storage, but with injection into the public electricity distribution network
2. 1500 kWp 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 CO_2 emissions will be generated.

Details regarding the carbon footprint and its calculation are presented in the Energy chapter

Greenhouse gas emissions and climate protection

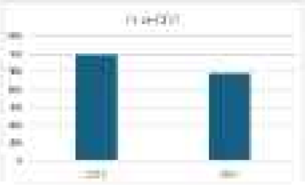
Romania and the European Union have adopted a series of legislation and agreements in the field of energy and the environment, which must be respected by all entities carrying out economic activities in these areas. In 2019 the EU revised its energy policy framework to help us transition from fossil 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 (?) heating with pellet-based 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 [illegible] company.



CHAPTER 4. CARING FOR PEOPLE AND COMMUNITIES

4.1 Caring for our employees

As one of the largest employers in the country, we are aware of the responsibility we have for the well-being of our team. During the past years, 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 encourage collaboration to achieve common goals, based on trust and the desire to develop. These values are promoted internally and we expect ethics and integrity values from our colleagues, both in internal relations and in interactions with third parties.

We are listening to constructive feedback and we are very interested in 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 reaffirm our commitment to comply with good practices in the fields of bribery and 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 [illegible] in the workplace and the importance of using protective equipment, by conducting [illegible] sessions and trainings.

4.1.2 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 to 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 ensure a diverse pool in terms of age, culture, personality, skills and position, 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 types 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, attract talented young people, continue the selection of local [illegible] personnel and encourage gender diversity by promoting available jobs among women. We also want a decrease in staff turnover by at least 5%, supported by the implementation of an individual performance bonus system for production staff.

4.1.3 Health and safety at work

- 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.

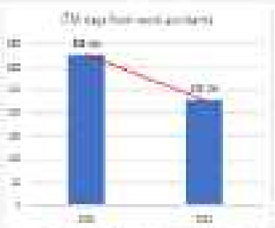
We are ISO 45001:2018 certified, audit programs carried out systematically are part of the organization's operational responsibilities for occupational safety and health. Positive findings from these audits are communicated within the organization to be an example of good practices within the company and for similar activities, while improvement opportunities and nonconformities are examined by the company's management in order to identify improvement measures. Considering that we have implemented an integrated Quality, Environment, Occupational Health and Safety Management System - IMS, we prioritize carrying out inspections to verify compliance with legal and standard requirements on both environmental and safety-related aspects, by promoting open discussions during their conduct. 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 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, the specific obligations for the prevention of accidents and occupational diseases. Also, they aim 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 current 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 analyzed 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 activity we carry out, to maintain adequate and safe policies regarding Occupational Health and Safety by involving workers at all levels in developing actions to improve the H&S Management System, ensuring 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, PM-M, the specialized department continued 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 [illegible].

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



In 2024, the company did not record any fines or sanctions related to incidents of non-compliance with legislation/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 structure 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 activity of an industrial company in resuming 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:
-114 extinguishers of specific types: P1, P3, P6, P50, S2, S5, S60
-22 interior hydrants
- 6 exterior hydrants
- 91 signal lamps for evacuation directions / emergency exits
- Centralized alarm system with zones linked to the national system
- 14 zones assigned to the activity sectors that are constantly activated in case of emergency situations
- 11 meeting 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 personal evacuation plan permanently maintained and trained for every person 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 S.A. is committed to ensuring 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 S.A. 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 emphasis on the strengths of each employee.

Equal Opportunities Policies

ComelF S.A. 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 S.A. 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 professional 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 S.A. 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 legislation regarding occupational safety and health, and employees benefit from protection against any form of abuse or discrimination. Internal policies are consistent with national and European legislation on employee rights, including maternity and paternity rights, flexible work hours and access to healthcare services.

Measures to Eliminate Discrimination

ComelF S.A. has adopted clear policies to prevent and combat discrimination in the workplace. These policies are applicable to all employees, regardless of positions 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 S.A. 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 S.A. aims to reach a goal of [illegible] 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.

6. **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.

7. **Monitoring and evaluating the impact of diversity programs.** Comelf S.A. will implement a diversity program monitoring system, using specific indicators to assess the impact of measures adopted regarding equal opportunities, inclusion and the reduction of discrimination within the company.

8. **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 S.A. reaffirms its commitment to creating a fair and inclusive workplace, where all employees have equal opportunities for professional and personal development.

4.3.4 Employee well-being

Comelf S.A. 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 ensuring 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 S.A. 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, striving to minimize risks and increase awareness among employees.

- **Continuous training in the field of occupational safety**: Comelf S.A. 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 in 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 S.A. 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 S.A. 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, [illegible]% of employees received performance bonuses, with an average increase of 10% over the previous year.

- **Health insurance and private programs**: ComelF SA provides its employees with a set of private medical care, free flu vaccinations 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 training 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 established 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:** ConsulTI 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 ConsulTI.

Goals for 2025

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

1. **Increase in benefits package:** ConsulTI 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 15% by 2025.
4. **Expanding professional development programs:** ConsulTI 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, ConsulTI 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.

4.1.2 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 attend training are more likely to contribute new ideas or 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 learning programs and, annually, process coordinators can request courses for subordinate employees, through the annual evaluation form.

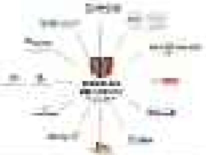
Skills development

In 2023, [illegible] training sessions were held at the factory level, benefiting a total of [illegible] employees from various forms of professional training. Personal language courses were also organised for [illegible] employees.

4.3 Caring for communities

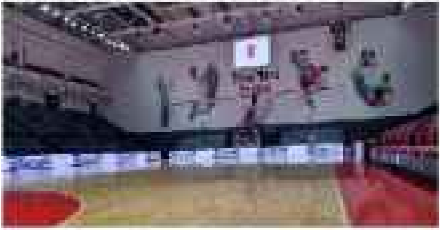
We believe it is our responsibility to be actively involved in the community in which we operate. In addition to the economic impact we have through our business, supporting local projects contributes to the sustainable development of the community.
This approach brings significant benefits, such as improving the well-being of individuals, increasing the quality of life and, in the case of educational projects, increasing the level of training.
In 2023, 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 [illegible] Technological High School, where we were among the first to implement dual education. Every year, we welcome students from the [illegible] operator, and mechanical [illegible] to our company for [illegible] period.
We support dual education by providing monthly scholarships, providing protective equipment, arranging school workshops, and providing specialised equipment and materials necessary for students' practical activities.

Also, through the partnership with the Technical University of [illegible] and the branch in [illegible], we organise 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 infrastructure and [illegible] within the company available to them.



Among the juniors supported in 2022 are:

- Supporting the C.S Minaur B.M women's handball team



- Supporting the Centrul Nautic Sports and Tourism Association

- Supporting the [illegible] Sports Association

- "[illegible]" Competition

- "[illegible]" Center

- [illegible]

- Charitable and humanitarian actions in partnership with Rotary Club [illegible]

- Ecological afforestation and sanitation actions – in partnership with Rotary Club [illegible]

5. Our performance in numbers

[illegible]

[illegible]	[illegible]	[illegible]		[illegible]	
		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13. Greenhouse gas emissions and climate protection

Carbon footprint 2011

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]				[illegible]	[illegible]	[illegible]

Carbon footprint 2014

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]				[illegible]	[illegible]	[illegible]

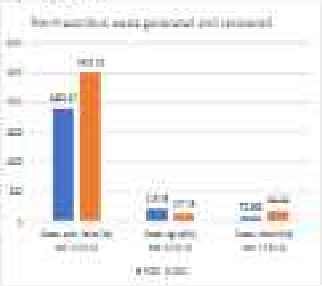
13. Waste management

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

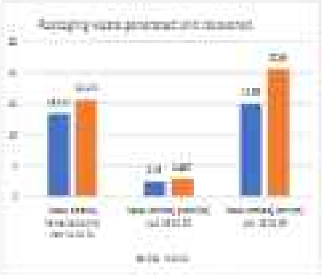
Within the company, we take waste management very seriously, recognizing the importance of protecting the environment and acting responsibly. Our handling of waste includes both hazardous materials - contaminated metal and plastic packaging, paints - and non-hazardous materials - paper/cardboard, wood, metal, plastic. To minimize the 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 wise and effective waste management measures.

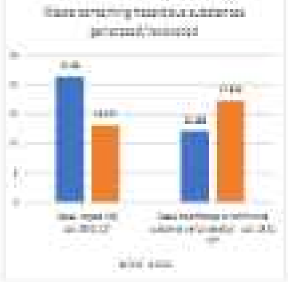


Quantities by type of hazardous and non-hazardous waste generated and recovered, compared 2023 - 2024



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 2023, a quantity of 23.01 t of diluent was recycled compared to the 15 t target imposed, thus having an increase of 53%.



7.4. Employee information

Average number of employees: [illegible]

Staff structure:

	Male	Women	Total
Management	[illegible]	[illegible]	[illegible]
Direct production workers [illegible]			
Indirectly productive workers [illegible]			
Total number of employees [illegible]			
Employees under 30 years old [illegible]			
Employees between [illegible] years old [illegible]			
Employees over [illegible] years old [illegible]			

Our colleagues are an essential pillar of our people's success. In [illegible], we had an average of **[illegible]** of employees within the company, of which **[illegible]** were employed part-time, and the rest had full-time contracts. Women represented **[illegible]** of the total number of employees, and a positive aspect is the increase in the number of colleagues under 30 years of age – **[illegible] people**

Persons with disabilities employed in the company on [illegible]: [illegible] people

Chairman of the Board of Directors, [illegible]

General Manager: [illegible] Financial Manager:

[illegible] [illegible]

Corporate governance declaration

Regarding the state of compliance with the provisions of the Corporate Governance Code (CGC) of the BVB, at the end of [illegible], out of the [illegible] provisions to be complied with, [illegible] were met and 2 were considered partially met. It is worth mentioning that out of the [illegible] provisions that appear as not complied with, one does not concern the company because [illegible] is in the standard category, and [illegible] are from Section B that are complied with in substance through the work of the internal audit firm outside the company. The provisions from Section C are fulfilled as it is fully regulated by internal provisions, and the requirements from Section D (Investor Relations) are made by an employee with responsibilities for this purpose and by posting on the company's website the position "Up-to-date information" of information of interest to investors. It was not considered necessary to hold meetings with investors, as they have the necessary information from the current and periodical published reports, which ensure a high degree of transparency that allows shareholders and potential investors to make informed decisions.

All provisions regarding the convening of general meetings are strictly observed, and the Reports on their proceedings, the resolutions adopted, including those regarding the payment of dividends or other special events, are published as BVB Reports in Romanian and English and posted on [illegible]. In order to support the above, and due to the strict requirements of the status as at [illegible] of compliance with the new CGC, we attach to this report the [illegible] status, by section, as follows:

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]		
[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]

FINANCIAL STATEMENTS IFRS ON 31 st DECEMBER 2016

COMELF SA
RO [illegible]
J06/3/1991
Str. Industriei nr. 4
420063, Bistrita
Romania

[illegible]

[illegible]

[illegible]

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER [illegible]

	Note	[illegible]	[illegible]
[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]		[illegible]	[illegible]

[illegible] [illegible]

[illegible] [illegible]

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

[illegible]

[illegible]

[illegible]

[illegible]

CASH FLOW STATEMENT

	[illegible]	[illegible]
Pre-tax profit	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]		
[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

[illegible]
General Manager

[illegible]
[illegible]

IFRS NOTE

NOTES TO THE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

1. Reporting entity

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

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

The company's shares are listed on the Bucharest Stock Exchange, the regulated market, with the code CMF, since December 28, 1995. Evidence of shares and shareholders is held in accordance with the law by the [illegible] Depozitarul Central S.A. Bucharest.

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

The main activity of the Company is the manufacture of [illegible] The company [illegible] and components for [illegible], lifting and transport equipment, [illegible] transport vehicles and military combat vehicles.

2. Basis for preparation

a. Declaration of conformity

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

- **International Financial Reporting Standards adopted by the European Union ("IFRS").** These financial statements of the Company are prepared in accordance with the requirements of the Order of the Ministry of Finance no. 2844 of 2016, for the approval of Accounting Regulations compliant with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, which replaced the Order no. [illegible]. International Financial Reporting Standards represent the standards adopted according to the procedure provided by Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of International Accounting Standards. The transition date to International Financial Reporting Standards was January 1, 2011.
- Law 82 of 1991 on accounting (republished and updated).

The financial statements were authorized for issuance by the Board of Directors on [illegible] March [illegible].

b. Basis for evaluation

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

c. Functional and presentation currency

These financial statements are presented in LEI (RON), which is also the Company's functional currency. All financial information is presented in lei, rounded, without decimals.

d. Use of professional estimates and assumptions

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

e. Changes in accounting policies

General presentation

The financial year ended on December 31, 2012 represents the first year of adoption by the Company of International Financial Reporting Standards according to IFRS 1, which entered into force on July 1, 2009.

(i) The Company applies in the 2020 financial year for the comparability of information with the 2012 financial year the following International Financial Reporting Standards, with the implied changes to the Company's accounting policies:

IAS 1	Presentation of financial statements	Fundamental accounting principles, the structure and content of the financial statements, the required items and the content of the lines.
IAS 2	Inventories	Definition of the accounting treatment applicable to stocks in the financial cost system: valuation (first in - first out, weighted average cost) and net realisable value and the impact of [illegible].
IAS 7	Cash flow statements	Analysis of cash changes classified into three categories: operating flows, investment flows, financing flows.
IAS 8	Accounting policies, changes in accounting estimates and errors	Defining the classification, disclosure and accounting treatment of certain income elements from [illegible].
IAS 10	Events after the balance sheet date	Provisions regarding the [illegible] of the [illegible] after the closing: definitions, terms and conditions of application, [illegible].
IAS 12	Income tax	Definition of the accounting processing of income taxes and [illegible] deferred taxes.
IAS 16	Tangible fixed assets	The principles and rules of accounting for assets, the determination of their carrying amount and the principles relating to the accounting for depreciation.
IAS 19	Employee benefits	Principles of accounting and disclosure of employee benefits: short-term and long-term benefits, post-employment benefits, equity benefits and termination benefits.
IAS 20		

[illegible]

[illegible]

	Accounting for government grants and reporting of government assistance	Principles of accounting and disclosure of [illegible] value. [illegible]
IAS 21	The effects of exchange rate fluctuations	Defining the accounting processing of transactions [illegible] in foreign currencies and the conversion of the financial statements of a foreign entity.
IAS 23	Borrowing costs	Definition of accounting processing of borrowing costs [illegible] of qualified assets, the ways of incorporating borrowing costs into the value of qualified assets.
IAS 24	Disclosure of related party information	Required information on relationships and transactions with related parties (legal and natural persons), which have a significant control or influence over one of the group companies or management.
IAS 26	Accounting and reporting of pension plans	Defining the principles of evaluation and information regarding retirement schemes liability, distinguishing between defined contribution schemes and defined benefit schemes.
IAS 27	Consolidated and individual financial statements	Principles relating to the preparation of consolidated accounts, definition of the consolidation obligation and content of control, consequences of accounting rules within the group, other principles.
IAS 31	Interests in joint ventures	Accounting principles and schemes for the joint ventures, operations carried out or assets or participations held in a joint venture.
IAS 32	Financial instruments: presentation	Presentation rules (classification of debt, equity, elements or income, capital)
IAS 33	Earnings per share	Principles of determination and representation of earnings per share.
IAS 36	Impairment of assets	Key definitions (recoverable amount, fair value less costs to sell, value in use, cash-generating units), timing of impairment testing, accounting for impairment [illegible]
IAS 37	Provisions, contingent liabilities and contingent assets	Definitions of provisions and contingent [illegible] [illegible]
IAS 38	Intangible assets	Definition and accounting treatment of intangible assets, recognition and measurement policies for the treatment of research and development capitalisation, etc.

[illegible]

IAS 40	Investment property	Choosing between two valuation methods: fair value or amortised cost, transfers between different asset classes, etc.
IFRS 1	First-time adoption of International Financial Reporting Standards	Procedures to be followed for the preparation of financial statements under IAS-IFRS, optional exceptions and mandatory exceptions from retrospective application of IAS-IFRS.
IFRS 5	Fixed assets held for sale and discontinued operations	Defining the assets intended for trading and classification of [illegible], evaluation of their disposal.
IFRS 7	Financial instruments: information to be provided	Financial information related to financial instruments mainly refers to: (i) information on the significance of financial instruments, (ii) information on the nature and extent of the risks posed by financial instruments, (iii) effects of the financial [illegible] [illegible].
IFRS 9	Financial instruments	Establishes principles for the financial reporting of financial assets and financial liabilities, for assessing the value, timing and uncertainty of an entity's future cash flows for the purpose of presenting relevant and useful information.
IFRS 13	Fair value measurement	Applying fair value in the case of non-financial assets, presenting information related to fair value.
IFRS 15	Revenue from contracts with customers	The principles applicable by a company to determine the nature, amount, timing and uncertainty of revenues and cash flows generated by a contract with a customer.

3. Significant accounting policies

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

The individual financial statements are prepared on the assumption that the Company will continue its business for the foreseeable future. To assess the applicability of this hypothesis, management [illegible] [illegible] of future cash inflows.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Foreign currency transactions

[illegible]

[illegible]

[illegible]

Currency	December 31, 2024	December 31, 2023
Euro (EUR)	[illegible]	[illegible]
US dollar (USD)	[illegible]	[illegible]

Accounting for the effect of hyperinflation

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

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

[illegible]

[illegible]

Inventories

[illegible]

Cash and cash equivalents

[illegible]

Financial assets and liabilities

(i) Classification

[illegible]

Loans and receivables

[illegible]

Available-for-sale financial assets

[illegible]

[illegible]

(ii) Recognition

[illegible]

[illegible]

[illegible] recognised [illegible]

[illegible]

(iii) Valuation at amortised cost

[illegible]

(iv) Fair value measurement

[illegible]

(v) Identifying and measuring impairment

Financial assets measured at amortised cost

[illegible] **after the initial recognition of the asset ("loss event")** [illegible]

[illegible]

[illegible]

[illegible]

Available-for-sale financial assets

[illegible]

[illegible]

[illegible]

[illegible] the fair value of an impaired investment increases, the increase in value will be recognised directly in other comprehensive income.

[illegible]

(iii) Derecognition

The Company derecognises a financial asset when the rights to receive cash flows from that financial asset expire, or when the Company has transferred the rights to receive [illegible] financial asset in a transaction in which it has significantly transferred all the risks and benefits of ownership.

The company derecognises a financial liability when the contractual obligations [illegible] the contractual obligations are cancelled or expire.

[illegible]

- [illegible]
- [illegible]

Other financial assets and liabilities

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

Tangible and intangible assets

(i) Recognition and evaluation

[illegible]

[illegible]

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

- Land
- Buildings
- [illegible]
- Means of transport
- Other tangible fixed assets

Fair value is based on market price quotations, adjusted (when appropriate) to reflect differences in the nature, location or condition of the asset.

[illegible] S.A.

[illegible]

[illegible]

All fixed assets in the Company's [illegible] for the purpose of [illegible] [illegible]

During [illegible] [illegible]

The revaluations were performed by specialized [illegible]. The frequency of revaluations [illegible] the land and buildings owned by the Company [illegible]

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

[illegible]

ii) Depreciation

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

Buildings	[illegible] years
Equipment	[illegible] years
Means of transport	[illegible] years
Furniture and other tangible assets	[illegible] years

Land is not subject to depreciation.

Intangible assets [illegible] are recorded at cost less accumulated depreciation. Depreciation of intangible assets is recorded in the income statement on a straight-line basis over an estimated period of up to [illegible] years.

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

[illegible] / disposal of tangible and intangible assets

Tangible fixed assets that are scrapped or sold are eliminated from the statement of financial position together with the corresponding accumulated depreciation. Any profit or loss resulting from such an operation is included in the current profit or loss account. [illegible] Board of Directors.

Impairment of non-financial assets

[illegible] S.A.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Investment grants

[illegible]

[illegible]

Registered capital

[illegible]

Revaluation reserve

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Legal reserves

[illegible]

[illegible]

[illegible]

Provisions for risks and expenses

[illegible]

Revenue from contracts with customers

[illegible]

Interest income

[illegible]

Employee benefits

(i) Short-term benefits

[illegible]

[illegible]

[illegible]

[illegible]

ii) Defined contribution plans

[illegible]

[illegible]

iii) Long term employee benefits

[illegible]

Income and loss from exchange rate differences

[illegible]

[illegible]

[illegible]

Income tax

[illegible]

[illegible]

[illegible]

For the period 1 January to 31 December 2024, [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Earnings per share

[illegible]

[illegible]

[illegible]

Operational segment reporting

[illegible]

4. Management of significant risks

[illegible]

[illegible]

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

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

(a) Market risk

[illegible]

(i) Price risk

[illegible]

[illegible]

[illegible]

	[illegible]		[illegible]	
	Book value	Fair value	Book value	Fair value
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]

(ii) [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

	2024	2023
[illegible]		
Working capital from [illegible]	[illegible]	[illegible]
[illegible]		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Currency risk

[illegible]

(ii) Credit risk

[illegible]

[illegible]

[illegible]

	Gross value as of December 31, 2024	Impairment adjustment	Gross value as of December 31, 2023	Impairment adjustment
[illegible]	[illegible]	–	[illegible]	–
[illegible]	[illegible]	–	[illegible]	–
[illegible]	[illegible]	–	[illegible]	–
[illegible]	[illegible]	–	[illegible]	–
[illegible]	[illegible]	–	[illegible]	–
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	**[illegible]**	**[illegible]**	**[illegible]**	**[illegible]**

(c) The risks related to the economic environment

(d) Operational risk

(e) Capital adequacy

(f) Determining fair value

[illegible]

[illegible]

[illegible]

[illegible]

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]		[illegible]	[illegible]			[illegible]			[illegible]
[illegible]	[illegible]				[illegible]		[illegible]	[illegible]	[illegible]		[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]			[illegible]
[illegible]		[illegible]		[illegible]	[illegible]	[illegible]		[illegible]			[illegible]
[illegible]					[illegible]			[illegible]			[illegible]
[illegible]											
[illegible]		[illegible]		[illegible]	[illegible]	[illegible]		[illegible]			[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]

[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]				[illegible]	[illegible]		[illegible]	[illegible]		[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

a) [illegible]	[illegible]
b) [illegible]	[illegible]
c) [illegible]	[illegible]
d) [illegible]	[illegible]
e) [illegible]	[illegible]
f) [illegible]	[illegible]
g) [illegible]	[illegible]
h) [illegible]	[illegible]
i) [illegible]	[illegible]

[illegible]

6. Financial assets available for sale

[illegible]

7. Inventories

[illegible]

	[illegible]	[illegible]
Raw materials	[illegible]	[illegible]
Auxiliary materials	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]
Production in progress	[illegible]	[illegible]
Finished products	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

In 2024 [illegible]

[illegible]

[illegible]

6. Receivables from contracts with customers

As of December 31, 2024 and December 31, 2023, the receivables from contracts with customers are as follows:

	December 31, 2024	December 31, 2023
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]

[illegible]

	December 31, 2024	December 31, 2023
[illegible]		
[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]

[illegible]

December 31, 2024

[illegible]	Total	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

9. Trade receivables and other receivables

As at December 31, 2024 and December 31, 2023, trade and other receivables are as follows:

	December 31, 2024	December 31, 2023
VAT to be recovered	[illegible]	[illegible]
Down payments made to domestic suppliers (excluding those for fixed assets)	[illegible]	[illegible]
Down payments made to external suppliers	[illegible]	[illegible]
Down payments made to fixed assets suppliers	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Other receivables	[illegible]	[illegible]
[illegible]	[illegible]	
Total	**[illegible]**	**[illegible]**

[illegible]

December 31, 2024

[illegible]	Total	Current	Overdue <30 days	Overdue between 30-90 days	Overdue >90 days
Trade receivables and other receivables	**[illegible]**	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

10. Impairment adjustments for current assets

[illegible]

	Balance as at 1 January 2024	Increases	Decreases	Balance as at December 31st, 2024
Value adjustments regarding receivables from customers [illegible]	[illegible]	-	[illegible]	[illegible]
Value adjustments for other/miscellaneous debtors				

[illegible]

[illegible]

Total	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

11. Cash and cash equivalents

[illegible]

	[illegible] 2024	December 31, 2023
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Cash	[illegible]	[illegible]
[illegible]		
Total	[illegible]	[illegible]

[illegible]

Liquidity management

[illegible]

December 31, 2024					
ASSETS	Total	[illegible]	[illegible]	[illegible]	[illegible]
Receivables from companies with [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-
Trade receivables and other receivables	[illegible]	[illegible]	[illegible]	[illegible]	-
Current tax receivables	[illegible]	-	[illegible]	-	-
Cash and cash equivalents	[illegible]	[illegible]	-	-	-
TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	-

December 31, 2024					
LIABILITIES	Total	[illegible]	[illegible]	[illegible]	[illegible]
Trade and other payables	[illegible]	[illegible]	[illegible]	[illegible]	
Current portion - leasing loans	[illegible]	[illegible]	[illegible]	[illegible]	

[illegible]

[illegible]

Deferred tax liabilities (non-current part)	[illegible]		[illegible]	[illegible]	
Overdraft (current part)	[illegible]	[illegible]	-		
TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	0

December 31, 2023

DEBT	Total	< 1 Month	1 - 3 months	3 months - 1 year	> 5 years
Receivables from contracts with customers	[illegible]	[illegible]	[illegible]	[illegible]	0
Other receivables and other receivables	[illegible]	[illegible]	[illegible]	[illegible]	0
[illegible] receivables	0	0	0	0	0
Cash and cash equivalents	[illegible]	[illegible]			
TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	-

December 31, 2023

LIABILITIES	Total	< 1 Month	1 - 3 months	3 months - 1 year	> 5 years
Trade and other payables	[illegible]	[illegible]	[illegible]	[illegible]	0
Current part of leasing loans	[illegible]	[illegible]	[illegible]	[illegible]	
Deferred tax liabilities (current part)	[illegible]	0	[illegible]	[illegible]	0
Overdraft (current part)	[illegible]	[illegible]	0	0	0
TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	0

13. Equity

(a) Share capital

In 2024 there were no changes in the value of the share capital ([illegible]) and the number of shares ([illegible] shares).

At December 31, 2024 and December 31, 2023 the Company's shareholding structure is:

	2024			2023		
	Number of shares	Total face value	%	Number of shares	Total face value	%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] %
Other shareholders	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] %
Total	[illegible]	[illegible]	**100 %**	[illegible]	[illegible]	**100 %**

All shares are ordinary, [illegible], have the same voting rights and have a nominal value of [illegible] per share.

The [illegible] share capital comprises the following components:

	December 31, 2024	December 31, 2023

[illegible]

[illegible]

Share capital	[illegible]	[illegible]
Share capital adjustment [illegible]	[illegible]	[illegible]
Share capital [illegible]	**[illegible]**	**[illegible]**

[illegible]

[illegible] Reserves and retained result

[illegible]

	Financial year ended at 31 [illegible] 2024	Financial year ended at 31 [illegible] 2023
Legal reserve	**[illegible]**	**[illegible]**
Reserves and revaluation differences	**[illegible]**	**[illegible]**
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Other reserves [illegible]	**[illegible]**	**[illegible]**
Profit carried forward and profit (retained earnings)	**[illegible]**	**[illegible]**
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Profit	[illegible]	[illegible]
Profit distribution	[illegible]	[illegible]
Total Reserves and retained result	**[illegible]**	**[illegible]**

Capital management

(a) Legal reserve

In accordance with legal requirements, the Company establishes legal reserve [illegible]

[illegible]

[illegible]

[illegible]

iii. Revaluation reserve

[illegible]

iv. Dividends

[illegible]

[illegible]

[illegible]

	[illegible]	[illegible]
Dividends	[illegible]	[illegible]
Per share	[illegible]	[illegible]

[illegible]

12. Loans

a) Credit line

[illegible]

[illegible]

[illegible]

b) Leasing contracts

[illegible]

[illegible]

[illegible]

[illegible]

The main mortgages in favor of [illegible] are:

- Land [illegible]
- Land [illegible]
- Land [illegible]

[illegible]

- Pledge of [illegible]
- The pledge [illegible]

14. Trade and other payables

As of December 31, 2024 and December 31, 2023 trade payables and other payables are as follows:

	December 31, 2024	December 31, 2023
Trade payables	[illegible]	[illegible]
Debts to budget	[illegible]	[illegible]
Debts to staff	[illegible]	[illegible]
Debts dividend	[illegible]	[illegible]
Other taxes and similar items	[illegible]	[illegible]
Total	**[illegible]**	**[illegible]**

Trade payables in the amount of [illegible] [illegible] with contracts with suppliers.

[illegible]

15. Revenues from contracts with customers

	December 31, 2024	December 31, 2023
Revenues from contracts with customers [illegible] goods, for which [illegible] of ownership to the customer [illegible]	[illegible]	[illegible]
Revenues from contracts with clients [illegible]	[illegible]	[illegible]
TOTAL	**[illegible]**	**[illegible]**

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	-
[illegible]	[illegible]	[illegible]
Total	**[illegible]**	**[illegible]**

[illegible]

[illegible]

	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]
Total	**[illegible]**	**[illegible]**

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

	[illegible]	%	[illegible]	%
Direct production staff	[illegible]	[illegible]	[illegible]	[illegible]
Management and administrative staff	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]

[illegible]

[illegible]

- [illegible]

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

- [illegible]

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

- [illegible]

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

[illegible]

[illegible]

	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]		
Total	[illegible]	[illegible]

[illegible]

	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

19. Other expenses

	2024	2023
Total	[illegible]	[illegible]

[illegible]

[illegible]

20. Income tax

[illegible]

[illegible]

	2024	2023
Current income tax expense	[illegible]	[illegible]
[illegible]	–	–
Total	[illegible]	[illegible]

[illegible]

Corporate tax reconciliation	2024	2023
Profit of the period	[illegible]	[illegible]
Income tax expense	[illegible]	[illegible]
Profit before tax	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]
Profit tax calculated using the entity's local tax rate		
[illegible]		
[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

[illegible] Provisions for risks and expenses

[illegible]

	Provision for [illegible]	[illegible] provision	Provision for [illegible]	Other provisions	Total
Balance as of [illegible]	0	[illegible]	0	[illegible]	[illegible]
[illegible]	0	[illegible]		[illegible]	[illegible]
[illegible]	0	[illegible]	0	[illegible]	0
[illegible]	0				0
[illegible]	0	0	0	[illegible]	[illegible]
Balance as of [illegible]	0	[illegible]	0	[illegible]	[illegible]
[illegible]	0	[illegible]	0	0	[illegible]
[illegible]	0	0	0	[illegible]	[illegible]

- **[illegible]**

  [illegible]

- **[illegible]**

  - [illegible]
  - [illegible]

[illegible] Deferred tax liabilities

[illegible]

	[illegible]	[illegible]
[illegible]	-	-
[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

Deferred tax liabilities related to revaluation differences of tangible assets	[illegible]	[illegible]
Deferred tax, net	**[illegible]**	**[illegible]**

23. Deferred income

1) [illegible]

(2) [illegible]

(3) [illegible]

[illegible]

(4) [illegible]

[illegible]

24. Earnings per share

[illegible]

	December 31st, 2024	December 31st, 2023
Profit attributable to ordinary shareholders	[illegible]	[illegible]
Balanced average number of ordinary shares	[illegible]	[illegible]
Basic earnings per share	**[illegible]**	**[illegible]**

[illegible]

[illegible]

[illegible]

25. Net financial expenses

The financial elements are the following:

	December 31st, [illegible]	December 31st, [illegible]
Interest income	[illegible]	[illegible]
Income from exchange rate differences	[illegible]	[illegible]
Other items of financial income	[illegible]	[illegible]
Total financial income	[illegible]	[illegible]
Interest expenses	[illegible]	[illegible]
Expenses with exchange rate differences	[illegible]	[illegible]
Other items of financial expenditure, of which	[illegible]	[illegible]
Total financial expenses	[illegible]	[illegible]

[illegible]

26. Contingent liabilities and other

(a) Environmental contingencies

[illegible]

(b) Transfer price

[illegible]

- [illegible]
- [illegible]
- [illegible]

[illegible]

27. Transactions and balances with affiliated parties

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

- [illegible]

[illegible]

[illegible]

[illegible]

Affiliated party	Activity	Description of the type of business or relation
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	

[illegible]

a) Receivables and payables from related parties

[illegible]

[illegible]	December 31st, 2024	December 31st, 2023
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Total	**[illegible]**	**[illegible]**

[illegible]

[illegible]	December 31st, 2024	December 31st, 2023
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	
[illegible]		
Total	**[illegible]**	**[illegible]**

b) Affiliated party transactions

[illegible]

Sales in the year ended at:	December 31st, 2024	December 31st, 2023
[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]
Total	**[illegible]**	**[illegible]**

[illegible]

Acquisitions in the year ended at	December [illegible], 2024	December [illegible], 2023
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	
[illegible]	-	
Total	**[illegible]**	**[illegible]**

[illegible]

[illegible] Capital commitments

[illegible]

[illegible] Operational segment reporting

[illegible]

- [illegible] ("[illegible]")
- [illegible] ("[illegible]")
- [illegible] ("[illegible]")

[illegible]

[illegible]

- [illegible]

- [illegible]

[illegible]

[illegible]

[illegible]

- [illegible]

[illegible]

[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

	31 December 2023	31 December 2022
Equipment for power-generation industry and components	[illegible]	[illegible]
Equipment for earthworks and constructions	[illegible]	[illegible]
Lifting and handling equipment	[illegible]	[illegible]
Manufacture of rolling stock	[illegible]	[illegible]
Other incomes	[illegible]	
TOTAL	[illegible]	[illegible]

[illegible]

	31 December 2023	31 December 2022
Income from Romania	[illegible]	[illegible]
Income from outside Romania	[illegible]	[illegible]
TOTAL	[illegible]	[illegible]

[illegible] ITALY, GERMANY, [illegible] FRANCE.

[illegible]

Partner	Income share (> 5%)	Income	The segment in which revenues are included
[illegible]	[illegible] %	[illegible]	Equipment for energy industry and [illegible]
[illegible]	[illegible] %	[illegible]	Equipment for power-generation industry and components [illegible]
[illegible]	[illegible] %	[illegible]	Equipment for earthworks and components [illegible]
[illegible]	[illegible] %	[illegible]	[illegible] equipment and its components [illegible]
[illegible]	[illegible] %	[illegible]	Equipment for earthworks, rolling stock manufacturing and their components [illegible]
[illegible]	[illegible] %	[illegible]	Equipment for earthworks, rolling stock manufacturing and their components [illegible]

[illegible]. Events subsequent to the date of the statement of financial position

Not applicable.

[illegible]. Approval of financial statements

The financial statements were approved by the Board of Directors and published on the website on ________

[illegible]
General Manager

[illegible]
Economic Manager

STATEMENT

in accordance with the provisions of art. 30 from the Accounting Law no. 82/1991

The annual financial statements were prepared on 31/12/2024 for :
Entity: [illegible] SA
County: [illegible]
Address: [illegible], no. 4, [illegible]
Trade register number: [illegible]
Form of ownership: [illegible]
Main activity (NACE code and class name): 2811 -Manufacture of engines and turbines (except for aircraft, motor vehicles and motorcycles)
Tax identification code: [illegible]

General Manager Eng. [illegible] and Financial Director Ec. [illegible] of the company, undertake responsibility for the preparation of the annual financial statements on 31/12/2024 and confirm that:

a) Accounting policies used in the preparation of the annual financial statements are in accordance with applicable accounting regulations.

b) The annual financial statements provide a true and fair view of the financial position, financial performance and other information regarding the activity performed.

c) The legal entity carries out its activity in conditions of continuity.

General Manager
[illegible]

Financial Manager
[illegible]

____

____

REPORT

OF THE INDEPENDENT AUDITOR

on the financial statements concluded at

December 31, 2024

by

COMELF SA

REPORT OF THE INDEPENDENT AUDITOR

To:

COMELF SA Shareholders

Report on the audit of the financial statements

Unmodified opinion

[illegible]

[illegible]

- **Total Assets** [illegible]
- **Total Equity** [illegible]
- **Liabilities** [illegible]
- **Net profit for the financial year** [illegible]

[illegible]

[illegible]

Basis for the opinion

[illegible]

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 no. 537/2014 and Law no. 162/2017, 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 matters

Key audit matters are those matters that, in our professional judgment, were of the greatest importance for auditing the financial statements for the current period. These matters 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 matters.

Key matter	How our audit addressed key matter
Establishment of provisions for unused holiday leave	
[illegible]	To address the risk of [illegible] the value of the provisions to be established, our procedures included the following:
[illegible]	- we requested from the financial accounting department of each [illegible] the situation of the unused leave days of the employees who as of [illegible] had unused leave days;
[illegible]	- we requested [illegible] regarding the days of [illegible] from the [illegible] department;
The amount provisioned by the Company for 2024 is [illegible] lei.	- we [illegible] the [illegible] of [illegible]

Recognition of revenue

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

According to IFRS 15, revenue from contracts with customers is recognized based on the company's [illegible] and efforts to fulfil performance obligations in relation to the total expected [illegible] arising from contracts with customers. [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Other information - Directors' report

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

[illegible]

[illegible]

[illegible]

a) [illegible]

b) [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]

[illegible]

[illegible]

[illegible]

Report on other legal and regulatory requirements

We were appointed by the General Meeting of Shareholders on [illegible] to audit the financial statements of [illegible] for the financial year ended December 31, [illegible]. The total uninterrupted duration of our commitment is [illegible] years, covering the financial years ended December 31, [illegible] to December 31, [illegible].

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 have not provided for the Company **non-audit services** referred to in Article 5 (1) of EU Regulation No. 537/2014 of the European Parliament and of the Council on April 16th 2014 and we remain independent from the Company during the audit.

Other matters

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 matters 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.

[illegible], [illegible]

The audit engagement partner [illegible] independent auditor's report is:

[illegible]

registered with the Authority for Public Oversight of Statutory Audit Activity, with registration number [illegible]

[illegible]

registered with the Authority for Public Oversight of Statutory Audit Activity with registration number [illegible]

Contact address:

[illegible] S.R.L.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Landline: [illegible]

Mobile: [illegible]

Email: [illegible]

[illegible]
Limited liability company
[illegible]
[illegible]
Registered capital: [illegible]
[illegible]
[illegible]
[illegible]

LIMITED ASSURANCE REPORT
of the independent auditor on Sustainability Reporting for the financial year 2024

by

COMELF S.A.

GT Expert
Limited liability company
[illegible]
[illegible]
Registered capital: [illegible]
[illegible]
[illegible]
[illegible]

LIMITED ASSURANCE REPORT
of the independent auditor on Sustainability Reporting
for the financial year 2024

To:

COMELF SA Shareholders

Limited assurance conclusion

We have performed a limited assurance engagement on the Sustainability Report included on pages [illegible] of the Entity's Directors' Report as of December 31, 2024 and for the period from January 1, 2024 to December 31, 2024 prepared by **COMELF SA ("the Company")**, having its registered office in [illegible], with trade register registration number [illegible].

Based on the procedures we have performed and the evidence we have obtained, **nothing has come to our attention** that causes us to believe that the Sustainability Reporting of **COMELF SA** as at December 31, 2024 and for the period from January 1, 2024 to December 31, 2024 **is not prepared, in all material respects, in accordance with** the applicable reporting framework for sustainability reporting set out in [illegible] of the Order of the Ministry of Public Finance No. [illegible] for regulating aspects of sustainability reporting, including:

- compliance with the European Sustainability Reporting Standards ("ESRS"), including that the process carried out by the Entity to identify the information disclosed in the Sustainability Report (the "Process") is as described in the [illegible] section of the Sustainability Report, [illegible];
- compliance of the taxonomy disclosures detailed in the Environmental Section of the Sustainability Report, Chapter [illegible], with the applicable reporting requirements of Article 8 of Regulation (EU) [illegible] (the "Taxonomy Regulation").

Basis of assurance conclusion

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*.

Our responsibilities under this standard are described in the "*Auditor's Responsibilities*" section of our report.

We are independent from the Entity in accordance with the International *Code of Ethics for*

OX Expert
Limited liability company
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]

Professional Accountants (including the International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and other relevant ethical requirements in Romania, including Law no. 162/2017 as amended, for our assurance engagement on Sustainability Reporting, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our company applies the International Standard on Quality Management 1 and, accordingly, maintains a comprehensive quality management system that includes documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other Matter - Comparative Information

Our assurance engagement does not extend to information relating to prior periods. Our conclusion is not modified in this respect.

Other Issues

We draw attention to the following aspects:

1. The company's audit committee consists of 2 members, none of whom is a financial auditor. The audit committee must be composed of at least 3 members, at least one member of which must have relevant experience in financial reporting and financial auditing as required by Law No. 162/2017 on statutory audit of annual financial statements and consolidated annual financial statements and amending certain regulations, as amended.
2. The company did not mention in the Sustainability Report the regulatory framework according to which the Sustainability Report was to be prepared, namely the Ministry of Public Finance Order No. 85/2024 for regulating aspects of sustainability reporting.
3. The company did not mention the quality of each member of the Board of Directors, whether they are independent and/or shareholders.

Responsibilities for Sustainability Reporting

Entity Directors are responsible for designing, implementing and maintaining a process for identifying the information included in Sustainability Reporting in accordance with the ESRS and for presenting this process in the Directors' Report, the Message from the Managing Director and the Sustainability Reporting in the Directors' section.

Ott Expert
Limited liability company
[illegible]
[illegible]
Registered capital [illegible]
[illegible]
[illegible]
[illegible]

This responsibility includes:

- understanding the context in which the Entity's business activities and relationships are conducted and developing an understanding of its affected stakeholders;
- identification of actual and potential impacts (both negative and positive) related to sustainability issues, as well as risks and opportunities that affect, or can be reasonably expected to affect, the Entity's financial position, financial performance, cash flows, access to finance or cost of capital in the short, medium or long term;
- assessing the extent to which the impacts, risks and opportunities identified in relation to sustainability issues are significant, by selecting and applying appropriate thresholds; and
- developing methodologies and making assumptions that are reasonable in the circumstances.

The Directors of the Entity are also responsible for preparing the Sustainability Reporting in accordance with the sustainability reporting framework required by law, including:

- compliance with the European Sustainability Reporting Standards (ESRS);
- the preparation of the information disclosed in the environmental Section, Chapter [illegible] – "The client for the Environment" of the Management Report, Sustainability Reporting Section, in accordance with Article 8 of Regulation (EU) No 852/2020 ("Taxonomy Regulation");
- designing, implementing and maintaining such internal controls as are considered necessary to enable the Sustainability Reporting to be prepared without material misstatement, whether due to fraud or to error; and
- selecting and applying appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable under the circumstances.

Those charged with governance are responsible for overseeing [illegible] sustainability reporting process.

Inherent limitations in preparing Sustainability Reporting

In reporting forward-looking information in accordance with the European Sustainability Reporting Standards (ESRS), the Directors of the Entity are required to prepare such forward-looking information on the basis of assumptions made about events that may occur in the future and possible future

GT Report
Limited liability company
[illegible]
[illegible]
Registered capital [illegible]
[illegible]
[illegible]
[illegible]

[illegible] of the entity. The actual outcome is likely to be different [illegible] [illegible] as expected.

In determining the disclosures in the Sustainability Report, the Entity's [illegible] [illegible] and other terms. These [illegible] and other terms may be interpreted differently, including as to the legal [illegible] of their interpretation and, accordingly, are subject to uncertainty.

Auditor's responsibilities

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about the extent to which the Sustainability Reporting is free from material misstatement due to either fraud or error, and to issue a limited assurance report that includes our conclusion.

Misstatements can arise from fraud or error and are considered material if they can reasonably be expected, individually or in aggregate, to influence [illegible] decisions based on the Sustainability Report as a whole.

As part of a limited assurance engagement [illegible], we exercise professional judgment and maintain professional skepticism throughout the engagement.

The procedures in a limited assurance engagement [illegible] and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our Sustainability Reporting responsibilities in relation to the Process include:

- Obtaining an understanding of the Process, but not for the purpose of [illegible] a conclusion on the effectiveness of the Process, including the outcome of the Process.
- Designing and performing procedures to assess whether the Process is consistent with the Entity's description of the Process as presented in the [illegible] Report [illegible] Sustainability Reporting [illegible].

Our other Sustainability Reporting responsibilities include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of Sustainability Reporting, but without evaluating the design of [illegible] control activities, obtaining evidence of their implementation, or testing their operating effectiveness.

[illegible]

- [illegible]
- [illegible]

Summary of the work carried out

[illegible]

[illegible]

[illegible]

- [illegible]
  - [illegible]
  - [illegible]
- [illegible]

[illegible]

- [illegible]
- [illegible] **Required to be Presented** [illegible]
- [illegible]
- [illegible]

GT Expert
Limited liability company
[illegible]
[illegible]
Registered capital: [illegible]
+40 [illegible]
+40 [illegible]
[illegible]

- We obtained an understanding of the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the appropriate disclosures in Sustainability Reporting.

Cluj-Napoca, [illegible]

The audit engagement partner who prepared the independent auditor's report is:

[illegible], Financial auditor

Registered with the Authority for Public Oversight of Statutory Audit Activity with registration number [illegible]

For and on behalf of [illegible]:

Registered with the Authority for Public Oversight of Statutory Audit Activity with registration number [illegible]

Auditor address:

GT Expert S.R.L., [illegible] Cluj-Napoca, Romania
Reg. No. Reg. Of Com. [illegible]
Telephone: +40 [illegible]
Mobile: +40 [illegible]
Email: [illegible]