ANNUAL REPORT

Annual Report as per art. 223 lit. A Regulation no. 5/ 2018 concerning the issuers of financial instruments and market operations
For the financial year 01.01.2019 - 31.12.2019

Date of report 28.05.2020

COMVEX S.A.
Head office: Constanta, Port Precincts, Berth 80-84, code 900900
Phone / Fax: 0241-603051 / 0241-639010
Sole Registration Code: 1909360
Fiscal attribute: RO
Trade Registry no.: J13/622/20.02.1991

Market on which the securities are traded: **the alternative trading system ATS AeRO administered by the Bucharest Stock Exchange**
Subscribed and paid-up share capital: 29,139,927.5 RON
Main characteristics of the securities issued by the trading company: 5.655.971 nominative shares, with a nominal value of 2.5 RON/share

1. Analysis of Comvex activity

1.1.

a) The main activity of COMVEX S.A. is COMVEX: handling, loading and unloading bulk goods and other products compatible with the use of company quays, in/from ships and land transport means.
Comvex Terminal is specialized in handling, storing and transshipment of dry bulk raw goods such as iron ore, coal, coke, bauxite.

b) COMVEX S.A. was incorporated in 1991.

c) During the financial year 2019 there were no mergers or reorganizations of the company.

d) Main increases in fixed assets performed during 2019:

- Grain terminal construction project 101,715,620 RON;

During 2019 fixed assets were sold with a value of 1,536,003 RON.

e) Not applicable.

1.1.1. General evaluation elements:

a) gross profit 2019: 16,305,391 RON
b) turnover: 119,887,694 RON
c) Not applicable

d) costs: - Expenses from exploitation 139,243,393 RON
- financial expenses: 5,223,002 RON

e) 23%
f) liquidity (available in the account etc.) at 31.12.2019: 15,548,526 RON

1.1.2. Comvex technical level evaluation
Description of main services provided, specifying:

a) *Main outlet market for each product or service and methods of distribution:*
The company provides services of handling (loading, discharge and storage) of dry bulk goods.
Comvex Terminal is a leader on the market, specialized in handling, storing and transshipment of dry bulk raw goods such as iron ore, coal, coke, bauxite, non-ferrous ores, operating from a modern and fully equipped facility location in the Port of Constanta.

The advantages offered by Comvex Terminal are: the possibility of mooring „cape size" vessels of great capacity – up to 220.000 tdw, discharge rate from maritime vessels of up to 45.000 tons/day, storage capacity of 4 million tons simultaneously. Due to its location and excellent possibility of access towards industrial areas of Europe, Comvex offers to suppliers raw materials from Australia, Brazil, India, Africa, USA and Canada, the possibility to deliver „just in time" raw materials towards industrial area from Romania, Hungary, Austria, Ukraine, Bulgaria and Serbia.

In addition to the existing Mineral Terminal, COMVEX has developed a Grain Terminal in Berth 80 on a surface of approximately 60,000 sqm. The location provides important logistic advantages, respectively: the deepest berth in the Black Sea, vicinity with the barges terminal for river transport from countries near the Danube, direct and easy access to the railway, short distance and direct access to highway A2. Thus, COMVEX will provide grain producers in Romania, Hungary, Serbia, Bulgaria the possibility to deliver the obtained production on ships of great capacity, 100-120,000 tdw.

b) *Weight of each category of products or services in incomes and in the total turnover for the last 3 years.*
The Company is the supplier of a single type of service, that is handling and respectively storage of dry bulk goods.

Weight of each category of products or services in incomes and in the total turnover:

	2017	2018	2019
Total income from exploitation	63.971.007	83.561.630	158.697.058
Turnover	59.383.097	77.288.258	119.887.694

2017		2018		2019	
In total income from exploitation	In turnover	In total income from exploitation	In turnover	In total income from exploitation	In turnover

Income from services provision (handling)	84,04%	90,54%	83,33%	90,09%	48,57%	64,29%
Income from goods sales	3,98%	4,29%	5,29%	5,72%	24,30%	32,16%
Other incomes	11,98%	5,17%	11,38%	4,19%	27,13%	3,55%
	100,00%	**100,00%**	**100,00%**	**100,00%**	**100,00%**	**100,00%**

c) *New products considered for which a substantial volume of assets will be allocated in the future financial year, as well as the stage of development of such products*

In order to diversify its activity, along with the ore Terminal, the company has developed a Grain Terminal in berth 80, with a capacity of 200,000 tons.

On the 8th of July 2016 the Extraordinary General Assembly of the Shareholders approved the construction of the grain terminal, contracting for this purpose a banking credit. In May 2017 the credit contract was signed together with the financing parties, respectively Raiffeisen Bank and EximBank.

The Romanian General Master Plan of Transport, approved by GD 666/2016 and the Master Plan of Constanta Port, elaborated by Ernst &Young, initiated the Project "Implementation of a specialized berth in a deep-sea zone (Berth 80)", by converting a berth from ore operations to grain operation. This is regarded as a project of strategical importance and is also included in the projects portfolio of the Operational Program for Large Infrastructure POIM 2014-2020 (position 31), which is in the execution and finalisation phase in the Constanta Port. The project includes the expansion of the railway infrastructure to the silos park, the modernization of Berth 80, mounting new equipment for berths fit for large size grain ships mooring.
The implementation of specialized berth no. 80 is the missing piece necessary for the general increase of Constanta Port's export performance. This Berth shall facilitate the access of the Romanian grain producers and in general from the extended hinterland of the Constanta Port towards all relevant markets at global level, creating a significant commercial advantage for such producers.

The development of a Grain Terminal in the deepest berth of the Balck Sea and the East part of the Mediteranean Sea shall allow the direct operation of grain vessels of over 100,000 tdw, which shall create an exceptional competitive advantage both for COMVEX as well as for the Port of Constanta, in its entirety. The accomplishment of the COMVEX Terminal shall be a premiere in Romania and shall open the markets within the hinterland of Constanta Port towards any global destination.

The value of the investment amounted to about 52 million euros and was financed by a bank loan for investments in the amount of 36.4 million euros, the rest being insured from own funds. The bank financing was granted equally by Raiffeisen Bank and EximBank, benefited from a guarantee issued by EximBank in the Name and Account of the Romanian State, amounting to 18.144 million euros and will be be reimbursed until the end of 2026. The balance of the facility credit at 31.12.2019 amounted to EUR 35,684,200.

The construction of the Grain Terminal is completed in a proportion of about 98% and the construction-assembly works regarding the unloading basin for rail transport will be completed in May, 2020. At the end of year 2019, 2 groups of storage cells were put into operation, while the rest of the equipment to be put into operation in the next period. The part representing constructions is currently in the reception phase of the works with the Constanța City Hall. Starting with September, 2019, it began the tests and commisions performed in order to set and adjust the optimal parameters of storage cells and equipments. Thus, until 31.12.2019, it was received and shipped the quantity of 45,988 tons of cereals.

1.1.3. *Evaluation of the technical and material supply activity (indigenous sources, import sources). Specifying information about the safety of supply sources and the prices of the raw materials and the dimensions of the stocks of raw materials and materials.*

Most of the machines used by Comvex are specialized and therefore there is a small number of suppliers / manufacturers of such equipment and spare parts, so that the company must get in a supply of specific spare parts stocks of great value in due time, the suppliers being selected depending on the internal working procedures, meeting the quality requirements of quality management standard ISO 9001:2008.

1.1.4. Evaluation of sales activity

a) *Description of sales evolution sequentially on the domestic market and / or foreign market and of the perspectives of sales on a medium and long term.*

Regarding the activity of minerals, the company took into consideration the continuous improvement of terminal activity and the high standards of services offered to the Company's clients.

Comvex has provided services of handling, storing and transsshipment of bulk raw goods such as iron ore, coking coal, energy coal, coke, bauxite, clinker for clients such as Aria SE, Transport Trade Services, Liberty Galati (ex Arcelormittal Galati), Vitol Switzerland, Brightroad, Alum S.A. Tulcea, CRH Romania, CRH Serbia, Danube Transport Services, C. Steinweg Romania, Cerealcom, Sisecam Soda Lukavac, Danube Shipping Management.

The iron ore was handled for the steel factories of Galați and Smederevo – Serbia and Ostrava – Slovacia. The coal was unloaded for the complex of Dunajvaros in Hungary, energy coal for the thermal power stations of Romania (Iasi and Deva) and the thermal power stations of Bulgaria and Serbia, and the antracit coal, for the steel factories and cement factories of Spain, Italy, Turkey and Egypt. The coke was dispatched to the steel factory Smederevo Serbia and the factories Lafarge Romania and Lafarge Serbia. The destination for the bauzite was the alumina factory Alum Tulcea. The slag had as final destination cement factories from Egipt and several countries from West Africa. Iron ore and homogeneous iron ore were shipped to steel plants in China.

Raw materials dispatch to beneficiaries was performed either by maritime ships, or by railway (wagons), or by river (barges), or by road (tracks).

The turnover has increased with approx. 55% as compared to the one registered last year as a result of the increase of the quantity of raw materials handled, but especially related to the valorification of iron ore and the homogenization of iron ore. Thus, in October 2019, the Company managed to conclude a transaction through which it resolved one of the most important disputes in which it was involved. Through this transaction, the Company was able to capitalize a historical claim held by Comvex against Aria International Gmh (obtained under the Assignment Agreement concluded with Efa Dynamic Trade Finance Fund Ltd by which Comvex acquired the status of assignee creditor). Subsequently, Comvex filed this claim on account of the price of the goods and acquired title to a quantity of 159,681.58 tons of iron ore at the auction organized by the bailiff, within the legal enforcement proceedings. The entire quantity of goods thus acquired was sold and shipped to China. The revenues obtained from the sale of the quantity of ore were of 15,694,081 lei (equivalent to 3,672,676 USD).

For 2020, we expect that for some of the Company's traditional customers, the quantities of raw materials handled in the Mineral Terminal will remain approximately at the same level as 2019, while for other customers, such as Alum and Vitol, these quantities will be decreasing. Under these conditions, it is estimated that the turnover derived strictly from the unloading/loading of raw materials will decrease by approximately 25% compared to that achieved in 2019.

b) *Description of the competitive situation in the field of activity, of the weight on the market of the products or services and of main competitors.*
Comvex's weight of the iron ore, coal, coke, bauxite handling services market is of approximately 68%. Among the company's competitors we list: North Star Shipping, TTS Operator S.A, Socep S.A, Decirom, Umex S.A, Schenker, Chimpex.

c) *Description of any significant dependence of the issuer on a single client or on a group of clients whose loss would cause a negative impact on the revenues of the company.*
Given the industry that the company is currently serving, respectively the steel industry, as well as the specificity of the services provided, the company activity is influenced by its evolution. By building the Grain Terminal it is expected that the impact of the steel industry will be lower in the future, from the perspective of diversifying the activity.

1.1.5. Evaluation of aspects related to employees/personnel

a) *Specification of the number and level of training of the employees, as well as of the degree of unionization of the workforce.*
Average number of employees during the year 2019: 258
The level of training of the employees is medium and higher education level.
Within the company the Operation Trade Union is performing.

b) *Description of the relationships between the manager and the employees, as well as of any other conflicting elements that characterize these relationships.*
The relationship between managers and employees as well as between trade union representatives is a collaboration one.

1.1.6. *Evaluation of aspects related to the impact of the issuer's main activity on the environment.*

Synthetic description of the impact of basic activities on the environment, as well as of any existing or expected litigations on violation of environmental legislation.

In 2019, the Company held the Environment Authorization no. 130/12.05.2014 issued by the Environmental Protection Agency of Constanta.
During 2019 the measures related to this year have been fully completed, in accordance with the Compliance Program, an integral part of the Environmental Authorization.
Also, during 2019, the Company has fulfilled the conditions and responsibilities imposed by the Environmental Authorization. Following permanent monitoring of environmental factors, the results of the recordings were within the limit values imposed by the environmental legislation in force, being periodically reported to the Environment Authority.

The investments performed in 2019 had as a purpose the development and diversification of the Company's activity, continued compliance with environmental protection standards, as well as improvement of the working conditions, working environment and work safety for Comvex employees.

1.1.7. Evaluation of research and development activity.

Specification of expenditure in the financial year, as well as expenses expected in the following financial year for the research and development activity.

Not applicable.

1.1.8. Evaluation of company activity concerning risk management.

Description of the issuer's exposure to price risk, credit risk, liquidity and cash flow risk.
Description of policies and objectives of the company related to risk management.

Regarding the risks related to materials and equipment, it was aimed at obtaining guarantees from suppliers and concluding contracts for them.
Both the Company's revenues and expenses were correlated to the euro by setting the tariffs for the deliverables / services performed in euro and by correlating the company's main expenses to the same currency (wages, rent).

Time limits for the collection of debts were correlated with the payment terms of the debts.
Also, the correlation of assets and liabilities in the short and long term was pursued, by making medium and long-term investments from medium and long-term resources.
In order to minimize risks resulted from contracts concluded in the precedent year by the Company with the suppliers of equipment and machines necessary for the development of the Grain Terminal investment, bank guarantee letters were requested from the contractors both for the advances paid by the Company to them, and in order to guarantee the execution of the assumed contractual obligations.

1.1.9. Perspectives on Comvex's activity

a) *Presentation and analysis of trends, elements, events or uncertainty factors affecting or likely to affect the issuer's liquidity compared to the same period of the previous year.*
As was the case in the previous year, during 2019, the company's liquidities were achieved through the policy of receivables tracking / collecting management as well as by correlating the collection times of customers with suppliers' payments.

b) *Presentation and analysis of the effects of current or anticipated capital expenditures on the issuer's financial situation compared to the same period of the previous year.*

In 2019, the total capital expenditures amounted to RON 109,890,591, out of which RON 102,794,980 represent investments in tangible and untangible fixed assets in progress, RON 5,702,752 investments in equipments and constructions and RON 1,392,858 intangible assets. The capital expenditures were registered in relation to the Grain Terminal and the implementation of the new integrated informatic system SAP.

The investments made in 2019 aimed the growth of the Company by the diversification of its activity by the development of a Grain Terminal, alongside the Minerals Terminal.

c) *Presentation and analysis of events, transactions, economic changes that significantly affect revenues from main activity.*
Income earned by the Company from its main business is directly proportional to the amount of raw materials handled, the evolution of the steel industry influencing these quantities of raw materials.

Tariffs negotiated with customers are set in foreign currency, a possible depreciation / appreciation of the exchange rate being likely to influence the Company's revenues.

In 2019, the Company handled dry bulk goods such as iron ore, coal, coke, bauxite, following that after the completion of the Grain Terminal investment, respectively in the second half of 2020, grains to be also operated.

2. Tangible assets of the company

2.1. Specifying the location and characteristics of the main production capacities in the company's property.

Location and characteristics of the main production capacities owned by the trading company:

- Maritime Vessels Operation Front (5 berths): 3 unloading bridges of 50 tf, with a productivity of 2.000 tons /hour/bridge; one of the bridge is in association with ArcelorMittal Galati SA.
- Barges Operation Front (3 berths): 3 barge loading machines with a productivity of 2.000 tons/hour/ machine; one of the machines is in association with ArcelorMittal Galati SA;
- Railway Terminal: a wagon loader with a loading capacity 20.000 tons/day; the Railway Terminal represents an association with ArcelorMittal Galati SA;
- Warehouse (600.000 sqm): 4 combined delivery / receipt machines, with a productivity of 1.400-4.000 tons/hour/machine at delivery and 1.400-2.000 tons/hour/machine upon receipt, depending on the type of material handled.
- Operation Fronts, Railway Terminal and the warehouse are served by a conveyor belt system with a total length of 22 km.

2.2. *Description and analysis of the degree of wear and tear of the company's properties.*

Tangible assets	Duration remained for depreciation (years)
Buildings and constructions	59
Technological equipment	24

Indicators and control devices	14
Means of transport	26
Furniture and other fixed assets	17

2.3. *Specifying potential issues related to ownership of tangible assets of the company.*

There is no problem related to the ownership of tangible assets of the company.
Moreover, the conclusion of the public domain (port area) land lease contract in March 2017 represented a fundamental aspect for the activity of the Company, given the fact that this was how we managed to regulate a historical situation, securing firstly, in the long run, the rights to use the shipping infrastructure and the conditions of such use. In addition, the Company's rights over the assets it owns have been secured, but also regarding its long-term commercial operations

3. Market of the securities issued by the trading company

3.1. *Stating the markets in România and from other countries on which the issued securities are negotiated.*
Shares issued by Comvex are traded on the Alternative Trading system managed by the Bucharest Stock Exchange (AeRO).

3.2. *Description of the issuer's policy regarding dividends. Specification of dividends due / paid / accumulated over the last 3 years and, if appropriate, of the reasons for the possible diminishing of dividends over the last 3 years.*
For 2017 and 2018, General Assembly of the Shareholders decided not to distribute dividends, the profit remaining undistributed.

For 2019, the profit for which he benefited from the tax exemption, according to the provisions of art. 22 of Law 227/2015 on the Fiscal Code, was distributed to reserves, less the part related to the legal reserve. The decision is not to distribute dividends. These decisions took into account the development of the investment Cereal Terminal.
Allocation to reserves of the profit for which he benefited from the tax exemption, less the part related to the legal reserve

3.3. *Description of any activities of the issuer for the purchase of own shares.*
Not applicable.

3.4. *If the issuer has subsidiaries, stating the number and the nominal value of the sahres issued by the parent company held by subsidiaries.*
Not applicable.

3.5. *If the issuer has issued bonds and / or other debt securities, presentation of the way in which the issuer fulfills its obligations towards the holders of such securities.*
Not applicable.

4. Company management

4.1. ***Presentation of the list of isuer's managers and the following information for each manager:***
a) *CV (name, surname, age, qualification, professional experience, position and seniority in office);*

During 2019, the composition of the Board of Directors was the following:

The Board of Directors nominated by the Decision of the Ordinary General Assembly of the Shareholders no. 302 from 24th of September 2018, for a mandate of 4 years, respectively 2018 – 2022, having the following composition:

Name and surname	**Date of birth** (dd.mm.yyy)	**Position**
Panait Viorel	19.10.1956	President of BoD
Dan-Ion Drăgoi	23.09.1953	BoD Member
Idu Corneliu Bogdan	23.10.1977	BoD Member
Edmond Costin Șandru	17.02.1977	BoD Member

the current mandate of the BoD Members expires on 24th of Septembrie 2022

Viorel PANAIT – Romanian citizen, born on 19.10.1956 in Constanta, county of Constanta. He has an experience of over 27 years in port operation activity. He is a General Manager of Comvex S.A. since 1991. He graduated the Faculty of Mechanics within the Polytechnic Institute of Bucharest and the Faculty of Economic Sciences within Ovidius University of Constanta, specialty International Transactions. Post university studies: Port management courses IPER, Le Havre, France; Port handling equipment for bulk cargo operations; Operation of bulk cargo in seaports. Professional experience: he has over 27 years of experience in port operation. 1981 – 1991 engineer at Port Operation Enterprise MTTc - Head of Department.

Dan Ion DRĂGOI - Romanian citizen, born on 23.09.1953 in Pitesti, county of Arges is a graduate of the Aircraft Faculty of Bucharest. Postgraduate courses: Port handling equipment for bulk cargo operations; Operation of bulk cargo in seaports. Professional experience: he was a General Manager of the Aircraft Factory and of the Aviation Authority. Between 1990 – 1992 he was a Councilor of the Deputy Prime Minister and a State Secretary.

Corneliu Bogdan IDU - Romanian citizen, born on 23.10.1977, is a graduate of Mircea cel Batran Naval Academy. Postgraduate courses: Port handling equipment for bulk cargo operations; Operation of bulk cargo in seaports. Professional experience: 2002 – 2005 Maritime Officer III at Octogon Shipping & Services SRL, 2005 – 2006 Maritime Officer I Ships Manpower SRL, starting from 2006 –engineer at Octogon Shipping & Services SRL.

Edmond Costin SANDRU - Romanian citizen, born on 17.02.1977, in Constanța. He is a graduate of the Faculty of Civil Marine within Mircea cel Bătrân Naval Academy of Constanța, profile naval engineering and navigation. Postgraduate courses: Maritime University of Constanța, courses Port handling equipment for bulk cargo operations; Operation of bulk cargo in seaports; (ii) Professional experience: has over 13 years of experience in companies within the port field activity, Comvex S.A., Phoenix Shipping & Trading S.R.L., Ana Timar Agent S.R.L., SVAD Shipping S.R.L. and Chimpex S.A.

The activity of the Board of Directors was evaluated as positive by the Ordinary General Meeting of the Shareholders by it's decision with regarding approval of the Board of Directors report for the year 2019.

The President of the Board of Directors, Viorel PANAIT is also a General Manager of the Company.
In accordance with the provisions of the Law no. 31/1990 relayed to trading companies, republished and modified, art. 143 paragraph. 1 and 5, the management of the Company has been delegated to the General Manager.

REMUNERATION AND BENEFITS

The Ordinary General Assembly of the Shareholders established the following mechanism applicable for the remunerations of the Managers and the one of the General Manager:

- by decision of the Ordinary General Assembly of the Shareholders no. 303 from 24th of September 2018, it has been set that during the term of office *2018-2022, the remuneration due to the members of the Board of Directors shall be maintained at the level established by decision of the Ordinary General Assembly of the Shareholders no. 214/25.09.2014, respectively 50% from the gross remuneration of the General Manager. During the term of office, for the members of the Board of Directors the costs related to communication, transport, car, delegations, daily subsistence, accommodation, protocol will be borne, for a private pension insurance, as well as for health insurance".*
- by decision of the Ordinary General Assembly of the Shareholders no. 304 from 24th of September 2018, there have been set the additional remunerations for the members of the Board of Directors, as follows: *during the term of office 2018-2022, the general limits of the additional remunerations for the members of the Board of Directors shall be maintained at the level established by decision of the Ordinary General Assembly of the Shareholders no. 215/25.09.2014, respectively, between 10% and 30% of the remuneration of the managers".*

  Based on the approval of the General Assembly of the Shareholders, it has been set by the Board of Directors that the additional remunerations for the members of the Board of Directors that fulfill specific duties within the Board, respectively the members of the Audit Committee, the Remuneration Committee and Project Analysis Committee should be 30% of the managers' remuneration.

- The general limits of the remunerations of the General Manager were set by decision of AGOA, respectively: between 5 and 30 average gross salaries in the Company.
  Based on the approval of the General Assembly of the Shareholders, the Board of Directors established that the remuneration of the General Manager should be of 15 Company average gross salaries*.

In the table below it is presented the method of calculating the remuneration paid to the managers and to the general manager, by reference to the above mentioned mechanism.

Anul 2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Venit brut/ societate	1,627,416	1,507,271	1,618,358	1,505,584	1,689,681	1,563,966	1,754,590	1,706,301	1,647,050	1,866,653	1,786,785	1,774,708
Salariu mediu brut/societate	6,357	5,842	6,153	5,681	6,425	5,836	6,547	6,296	5,989	6,504	6,036	5,955
Nr angajati	256	258	263	265	263	268	268	271	275	287	296	298

Note: The average gross salary includes the obligations due by the employee, respectively the individual social insurance contribution, the contribution for social health insurance, as well as the income tax from salaries.

b) *Any agreement, understanding or family relationship between the respective manager and another person due to whom that person has been appointed administrator.*
Not applicable.

c) *Manager's participation in the issuer's capital*
- Viorel Panait – 1.259 shares (0,0108% of the share capital);
- Dan Ion Drăgoi – 1.540 shares (0,0132% of the share capital) ;
- Bogdan Corneliu Idu – 79 shares (0,0006% of the share capital);
- Edmond Costin Șandru – 59 shares (0,0005% of the share capital).

d) *List of affiliated persons*:
In the sense of the provisions of Art. 7 point 26 of Law 227/2015 regarding Tax Code, with subsequent modifications and additions, the affiliates of Comvex are:
- Solidmet SRL and
- Expert Placement Services Limited,

both holding more than 25% of the securities.

During 2019, there were no transactions with these companies.

4.2. Presentation of the list of members of the executive management of the issuer

Executive management of the company:
Irina - Violeta Oprea - Economic Manager
Nicolae Ciortan – Technical Manager
Alexandru Toader - Production Manager

a) *Term for which the person is a part of the executive management;*
The persons who are part of the executive management of the company are employed for an indefinite period of time.

b) *Any agreement, understanding or family relationship between that person and another person due to whom that person has been appointed member of the executive management;*
Not applicable.

c) *Participation of that person in the issuer's capital.*
Shares issued by the company and held by the members of the executive management:
Nicolae Ciortan: 894 shares (0,0077% of the share capital);

4.3. *For all the persons presented at point 4.1 and 4.2 specifying possible litigation or administrative procedures in which they were involved, in the last 5 years, regarding their activity within the company-issuer as well as those related to the capacity of that person to fulfill his/her duties within the company - issuer.*

Not applicable.

5. **Financial-accounting situation**.

Annual financial statements concluded on 31.12.2019 are appended.

The balance sheet has been audited and certified by the independent financial auditor.

The financial auditor who audited the financial statements of the year 2019 is PricewaterhouseCoopers Audit SRL (The audit report is attached).

a) Balance sheet items: assets representing at least 10% of total assets; cash and other liquid assets; reinvested profits; total current assets; total current liabilities.

	2017	**2018**	**2019**
FIXED ASSETS	183.611.036	295.999.201	442.260.715
TRADE RECEIVABLES	10.881.630	16.691.055	20.475.998
CASH AND LIQUID ASSETS	33.234.856	13.424.137	15.548.526
SHORT TERM INVESTMENTS	-	-	-
TOTAL CURRENT ASSETS	66.835.172	47.556.719	56.159.780
CURRENT LIABILITIES	19.373.029	35.261.759	67.134.737
TOTAL ASSETS MINUS CURRENT DEBTS	233.923.400	312.322.683	436.401.293

b) *Profit and loss account: net sales; gross income; cost and expense items with a weight of at least 20% in net sales or gross incomes; risk provisions and for various expenses; reference to any sale or closure of a segment of activity performed in the last year or to be carried out in the following year; dividends declared and paid;*

	2017	**2018**	**2019**
NET SALES - (TURNOVER)	59.383.097	77.288.258	119.887.694
GROSS INCOME -(TOTAL INCOME from operation)	63.971.007	83.561.630	158.697.058
STAFF COSTS	21.186.335	24.792.481	29.272.089
EXPENDITURE ON EXTERNAL PROVISIONS	15.599.167	20.201.406	22.652.680
OTHER OPERATION COSTS	20.521.143	28.993.068	87.318.624
ADJUSTMENTS FOR PROVISIONS	-	-	-

c) *Cash flow: all changes occurred in cash level in the main business, investments and financial activities, the level of cash at the beginning and at the end of the period.*

Cash flows situation

	Note	2018 (RON)	2019 (RON)
Cash flows from operating activities:			
Net cash flow generated from operating activities		15.980.525	42.314.527
Interest paid		(173.394)	(89.371)
Income tax paid		(1.404.581)	(1.418.144)
Net cash from operating activities		**14.402.550**	**40.807.012**
Cash flows from investment activities:			
Cash payment for the purchase of land and fixed assets, intangible assets and other long-term assets		(115.894.000)	(74.331.045)
Cash receipts from the sale of land and buildings, installations and equipment, intangible assets and other long-term assets		-	815.795
Interest receipts		89.971	4.069
Dividends received		-	-
Payment in cash for the acquisition of participation interests or investments in financial assets		11.528	-
Net cash from investment activities		**(115.792.501)**	**(73.511.181)**
Cash flows from financing activities:			
Cash receipts from credits		109.830.045	37.876.600
Cash repayments of borrowed amounts		(26.872.310)	(6.074.264)
Cash payments of the lessee to reduce the liabilities related to financial leasing operations		(1,378,505)	(636,726)
Effect of exchange rate fluctuations on loans and debts		-	3,662,948
Equity Increase		-	-
Dividends paid		-	-
Net cash from financing activities		**81.579.230**	**34.828.558**
Net increase in cash and cash equivalents		**(19.810.721)**	**2.124.389**
Cash and cash equivalents at the beginning of the financial year		33.234.856	13.424.137
Cash and cash equivalents at the end of the financial year		**13.424.137**	**15.548.526**

Appendixes:

Report of the financial auditor ;

Board of Directors Report;

President of the Board of Directors,
General Manager,

Viorel Panait

Economic Manager,

Irina Oprea

PRESS RELEASE
regarding the availability of Annual Report for 2019

Comvex S.A. Constanța, registered with Constanța Trade Registry under number J13/622/1991, Unique Registration Code 1909360, having its registered office in Constanta, Incinta Port, Dana 80-84, Constanța county, Romania, traded at the alternative trading system ATS AeRO administered by the Bucharest Stock Exchange, symbol CMVX,

informs the shareholders and investors that the **Annual report for 2019** is available and can be consulted at the Company's registered office or from the Company web site www.comvex.ro, on Investors Relation- section.

Please access the link here below to view the 2019 Annual Report.

Contact: Madalina Militaru.
Phone: 0241-603051, fax 0241-639010.

President,

Viorel Panait

COMVEX SA

STAND ALONE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2019

Drawn up in accordance with the Order of the Romanian Minister of Public Finance no. 1802/2014 and subsequent amendments

COMVEX SA

STAND ALONE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR CONCLUDED 31 DECEMBER 2019

CONTENTS **PAGE**

County Constanța	Ownership Private
Entity COMVEX SA	Main activity
Address: city Constanța	(NACE Group) Handling
Port Precincts Berth 80-84	NACE group code 5224
Phone 0241.639.016, fax 0241.639.010	Sole registration code 1909360
Trade Registry number J13/622/1991	

BALANCE SHEET **(Code 10)**

	Row	Note	31 December 2018 (RON)	31 December 2019 (RON)
A. FIXED ASSETS				
I. INTANGIBLE ASSETS				
1. Concessions, patents, licenses, trademarks, similar rights and values and other intangible assets	01	1a	508.369	1.794.574
TOTAL	02		508.369	1.794.574
II. TANGIBLE ASSETS				
1. Lands and buildings	03	1b	25.230.808	53.892.097
2. Technical installations and machines	04		83.404.966	147.915.532
3. Other equipment, tools and furniture	05		525.970	372.528
4. Tangible assets in progress	06		151.552.236	234.857.077
5. Advances	07		34.776.452	3.428.507
TOTAL	08		295.490.432	440.465.741
III. FINANCIAL ASSETS				
1. Shares in subsidiaries	09	1c	400	400
TOTAL	10		400	400
FIXED ASSETS - TOTAL	11		295.999.201	442.260.715
B. CURRENT ASSETS				
I. INVENTORY				
1. Raw materials and consumables	12		14.168.134	16.230.194
2. Advances	13		403.295	112.875
TOTAL	14		14.571.429	16.343.069
II. ACCOUNTS RECEIVABLE				
1. Trade receivables	15		16.691.055	20.475.998
2. Receivables from associates and jointly controlled entities	16		1.124.325	1.152.145
3. Other receivables	17		1.745.773	2.640.042
TOTAL	18		19.561.153	24.268.185

	Row	Note	31 December 2018 (RON)	31 December 2019 (RON)
IV. CASH AND BANK ACCOUNTS	19		13.424.137	15.548.526
CURRENT ASSETS - TOTAL	20		47.556.719	56.159.780
C. PREPAID EXPENSES	21		4.174.552	5.514.534
1. Amounts to be expensed in less than one year	22		842.560	1.156.488
2. Amounts to be expensed in more than one year	23		3.331.992	4.358.046
D. LIABILITIES: AMOUNTS TO BE PAID IN LESS THAN ONE YEAR				
1. Amounts due to credit institutions	24		17.883.411	26.343.501
2. Advances cashed for orders	25		56.661	56.662
3. Trade liabilities - suppliers	26		12.841.670	35.878.630
4. Other liabilities, including tax and social security payables	27		4.480.017	4.855.944
TOTAL	28		35.261.759	67.134.737
E. NET CURRENT ASSETS / NET CURRENT LIABILITIES	29		12.991.490	(10.217.468)
F. TOTAL ASSETS LESS CURRENT LIABILITIES	30		312.322.683	436.401.293
G. LIABILITIES: AMOUNTS TO BE PAID IN MORE THAN ONE YEAR				
1. Amounts due to credit institutions	31		120.064.382	147.069.576
2. Other liabilities, including tax and social security payables	32		520.159	25.919
TOTAL	33		120.584.541	147.095.495
H. PROVISIONS				
1. Other provisions	34		2.813.425	2.813.425
TOTAL	35		2.813.425	2.813.425

	Row	Note	31 December 2018 (RON)	31 December 2019 (RON)
I. INCOME IN ADVANCE				
1. Subsidies for investments	36		2.404.183	5.824.909
Amounts to be released in less than one year	37		146.030	398.999
Amounts to be released in more than one year	38		2.258.153	5.425.910
TOTAL	39		2.404.183	5.824.909
J. CAPITAL AND RESERVES				
I. SHARE CAPITAL				
1. Subscribed and paid up share capital	40		29.139.928	29.139.928
TOTAL	41		29.139.928	29.139.928
II. SHARE CAPITAL PREMIUMS	42		41.553	41.553
III. REVALUATION RESERVES	43		13.187.834	91.117.620
IV. RESERVES				
1. Legal reserves	44		3.694.254	4.509.524
2. Other reserves	45		43.490.372	57.968.945
TOTAL	46		47.184.626	61.478.469
V. REPORTED PROFIT Balance C	47		89.957.193	98.288.893
VI. PROFIT OR LOSS OF FINANCIAL YEAR Balance C	48		7.612.510	15.293.843
Profit distribution	49		457.080	15.293.843
SHAREHOLDERS' EQUITY - TOTAL	50		186.666.564	281.066.463
SHAREHOLDERS' EQUITY – TOTAL	51		186.666.564	281.066.463

Authorised for issue and signed on behalf of the Board of Directors as at April 15, 2020:

ADMINISTRATOR
Name and surname PANAIT VIOREL
Signature_____________________

DRAWN UP BY,
Name and surname OPREA IRINA
Position FINANCIAL DIRECTOR
Signature_____________

Unit's stamp

PROFIT AND LOSS STATEMENT **(Code 20)**

	Row	Note	2018 (RON)	2019 (RON)
1. Net turnover	01		77.288.258	119.887.694
Revenues from services rendered	02		72.865.260	81.331.806
Revenues from sales of goods	03		4.422.998	38.555.888
2. Revenues from production of tangible and intangible assets	04		376.065	2.085.784
3. revenues from revaluation of tangible assets	05			594
4. Other operating revenues:	06		5.897.307	36.722.986
- out of which, income arising from subsidies for investments	07		73.705	73.705
OPERATING INCOME – TOTAL	08		83.561.630	158.697.058
5. a) Raw material and consumable Expenses	09		8.134.923	10.978.806
Other material expenses	10		244.890	377.463
b) Other external expenses (energy and water)	11		5.803.037	7.243.546
c) Merchandise expenses	12		3.812.475	33.355.829
Trade discounts received	13		20.933	173.441
6. Staff costs, out of which:	14		24.792.481	29.272.089
a) Wages and salaries	15		23.361.131	27.350.774
b) Expenses with insurance and social security	16		1.431.350	1.921.315
7. a) Tangible and intangible assets value adjustment	17		3.982.636	4.088.703
a.1) Expenses	18		4.005.507	4.762.580
a.2) Revenues	19		22.871	673.877
b) Current assets value adjustment	20		816.537	376.973
b.1) Expenses	21		2.311.197	376.973
b.2) Revenues	22		1.494.660	-
8. Other operating expenses	23		26.420.909	53.723.425
8.1 External services expenses	24		20.201.406	22.652.680
8.2 Other taxes and similar expenses;transfers and contributions due under special regulations	25		830.671	554.685

COMVEX SA

PROFIT AND LOSS STATEMENT **(Code 20)**

	Row	Note	2018 (RON)	2019 (RON)
8.3 Environment protection expenses	26		298	409
8.4 Expenses from revaluation of tangible assets	27			6.463.111
8.5 Expenses related to calamities and other similar events	28			
8.6 Other expenses	29		5.388.534	24.052.540
Expenses with refunding interests recorded by leasing companies erased from the General Register and who have leasing contracts in progress	30			
Provision adjustments	31			
- Expenses	32		222.946	
- Revenues	33		222.946	
OPERATING EXPENSES – TOTAL	34		73.986.955	139.243.393
OPERATING PROFIT				
- Profit	35		9.574.675	19.453.665
9. Income from participating interests	36			
10. Interest income	37		89.971	4.069
11. Other financial income	38		3.037.408	2.070.659
FINANCIAL INCOME – TOTAL	39		3.127.379	2.074.728
12. Value adjustment in respect of financial assets and financial investments held as current assets	40		3.472	
- Expenses	41		3.472	
- Revenues	42			
13. Interest expenses	43		173.394	89.371
Other financial expenses	44		3.383.594	5.133.631
FINANCIAL EXPENSES – TOTAL	45		3.560.460	5.223.002
FINANCIAL PROFIT OR LOSS				
- Loss	46		433.081	3.148.274
TOTAL INCOME	47		86.689.009	160.771.786
TOTAL EXPENSES	48		77.547.415	144.466.395

Notes from 1 to 10 are integral part of the financial statements.

PROFIT AND LOSS STATEMENT **(Code 20)**

	Row	Note	2018	2019
PROFIT OR GROSS LOSS (A)				
- Profit	49		9.141.594	16.305.391
15. Income tax	50		1.529.084	1.011.548
16. NET RESULT OF THE FINANCIAL YEAR				
- Profit	51		7.612.510	15.293.843

Authorised for issue and signed on behalf of the Board of Directors at April 15, 2020 by:

ADMINISTRATOR
Name and surname PANAIT VIOREL
Signature______________________

Unit's stamp

DRAWN UP BY,
Name and surname OPREA IRINA
Position FINANCIAL MANAGER
Signature_____________

COMVEX SA

PROFIT AND LOSS STATEMENT **(Code 20)**

	Note	2018 (RON)	2019 (RON)
Cash flows from operating activities:			
Net cash flows from operating activities	9	15.980.525	43.314.527
Interest paid		(173.394)	(89.371)
Income tax paid		(1.404.581)	(1.418.144)
Net cash flow generated by operating activities		14.402.550	40.807.012
Cash flows from investment activities:			
Cash payments for acquisition of land and fixed assets, intangible assets and other long-term assets		(115.894.000)	(74.331.045)
Cash proceeds from sale of land and buildings, plant and equipment, intangible assets and other long-term assets			815.795
Interest proceeds		89.971	4.069
Cash payment for acquisition of participating interests or investments in financial assets		11.528	
Net cash flow generated by investment activities		(115.792.501)	(73.876.600)
Cash flows from financing activities:			
Cash proceeds from loans		109.830.045	37.876.600
Cash repayment of loans		(26.872.310)	(6.074.264)
Cash payments of the lessee for decrease of financial leasing liabilities		(1.378.505)	(636.726)
Effect on exchange rate fluctuations on loans and liabilities			3.662.948
Dividends paid		-	-
Net cash flow generated by financing activities		81.579.230	34.828.558
Net increase in cash and cash equivalents		(19.810.721)	2.124.389
Cash and cash equivalents at the beginning of the financial year		33.234.856	13.424.137
Cash and cash equivalents at the end of the financial year		13.424.137	15.548.526

ADMINISTRATOR
Name and surname PANAIT VIOREL
Signature______________________

DRAWN UP BY,
Name and surname OPREA IRINA
Position FINANCIAL MANAGER
Signature______________

Unit's stamp

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Shareholders' equity Item	Balance at 1 January 2018 (RON)	Increases (RON)	Decreases/ Distributions (RON)	Balance at 31 December 2018 (RON)	Increases (RON)	Decreases/ Distributions (RON)	Balance at 31 December 2019 (RON)
	1	2	3	4	6	7	8
Subscribed share capital (note 0)	29.139.928	-	-	29.139.928			29.139.928
Share premium	41.553	-	-	41.553			41.553
Revaluation reserves	14.401.181	-	1.213.347	13.187.835	79.236.760	1.306.975	91.117.620
Legal reserves	3.237.174	457.080	-	3.694.254	815.270		4.509.524
Other reserves	43.490.372	-	-	43.490.372	14.478.573		57.968.945
Reported result representing the profit not distributed or loss not covered							
Credit balance	53.721.533	5.250.790	357.758	58.614.565	7.588.260	432.830	65.769.995
Reported result from first time adoption of IAS, except for IAS 29							
Credit balance	4.154.140	-	-	4.154.140			4.154.140
Reported result from correction of accounting errors							
Credit balance	1.783.997	-	-	1.783.997			1.783.997
Reported result from realised surplus from revaluation reserves	24.191.144	1.213.347	-	25.404.491	1.176.270		26.580.761

Notes from 1 to 10 are integral part of the financial statements.

COMVEX SA

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Shareholders' equity **Item**	**Balance at** **1 January 2018** **(RON)**	**Increases** **(RON)**	**Decreases / Distributions** **(RON)**	**Balance at** **31 December 2018** **(RON)**	**Increases** **(RON)**	**Decreases / Distributions** **(RON)**	**Balance at** **31 December 2019** **(RON)**
	1	**2**	**3**	**4**	**6**	**7**	**8**
Profit or loss of the financial year							
Credit balance	5.208.361	7.612.510	5.208.361	7.612.510	15.293.843	7.612.510	15.293.843
Profit distribution	315.330	315.330	457.080	457.080	15.293.843	457.080	15.293.843
Total shareholders' equity	179.054.053	14.849.057	7.236.546	186.666.564	103.295.133	8.895.235	281.066.463

ADMINISTRATOR
Name and surname PANAIT VIOREL
Signature______________________

Unit's stamp

DRAWN UP BY,
Name and surname OPREA IRINA
Position FINANCIAL MANAGER
Signature _____________

REPORTING ENTITY

1. These financial statements have been prepared by Comvex SA (the "Company").

1 FIXED ASSETS

a) Intangible assets

	Concessions, patents, licenses, trademarks, similar rights and values and other Intangible assets (RON)
Gross value	
Balance at 1 January 2019	2.276.582
Increases	1.392.857
Ceded assets, transfers and other reductions	29.966
Balance at 31 December 2019	3.639.474
Accumulated value adjustments (*)	
Balance at 1 January 2019	1.768.213
Adjustments in the current financial year	106.653
Reductions or reversals	(29.966)
Balance at 31 December 2019	1.844.900
Net carrying amount at 1 January 2019	508.369
Net carrying amount at 31 December 2019	1.794.574

b) Tangible assets

	Lands and buildings (RON)	Technical installations and machines (RON)	Other plant, Equipment, tools and furniture (RON)	Tangible assets in progress (RON)	Advances (RON)	Total (RON)
Gross value						
Balance at 1 January 2019	26.745.073	184.259.384	3.008.176	151.696.384	34.776.452	400.485.469
Increases	4.321.077	20.891.040	2.888	102.794.980	(2.007.827)	126.002.157
Increases generated by the positive modification of the revaluation reserve	26.705.412	52.515.778	15.5718	-	-	79.236.761
Increases generated by the revaluation of property, plant and equipment	594	-	-	-	-	594
Decreases caused by the negative modification of the revaluation reserve	(118.143)	(12.563)	-	-	-	(130.706)
Deductions generated by expenses from the revaluation of tangible assets	(691.236)	(5.665.145)	(106.730)	-	-	(6.463.111)
Decreases generated by the cancelattion of the amortization calculated until the revaluation date	(3.070.680)	(101.769.673)	(2.532.805)	-	-	107.373.158
Ceded assets, transfers and other reductions	-	(2.303.287)	(14.571)	(19.541.397)	(29.335.118)	(51.194.374)
Balance at 31 December 2019	53.892.097	147.915.534	372.528	234.949.967	3.443.507	440.563.632
Accumulated amortisation						
Balance at 1 January 2019	1.514.264	100.285.054	2.428.951			104.228.269
Amortisation registered during the financial year	1.556.416	2.976.084	118.426			4.650.926
Reductions due to revaluation	(3.070.680)	101.769.673	(2.532.805)			(107.373.158
Reductions or reversals	-	(1.491.465	(14.572)			(1.506.037)

Balance at 31 December 2019	-	-	-			-
Provisions						
Balance at 1 January 2019	-	569.365	53.254	144.148	-	766.768
Increases					5.000	5.000
Reductions		(569.365)	(53.254)	(51.257)		(673.877)
Balance at 31 December 2019		-	-	92.891	5.000	97.891
Net carrying amount at 1 January 2019	25.230.809	83.404.965	525.971	151.552.236	34.776.452	295.490.432
Net carrying amount at 31 December 2019	53.892.097	147.915.534	372.527	234.857.076	3.428.507	440.465.741

The amount of the interest capitalised in the current year related to the credit facility for financing the investment “Grain terminal” is worth RON 3.477.504. According to the provisions of OMFP 1802/2014, the Company will capitalise the interest related to this bank credit until the investment is commissioned.

Revaluation of tangible assets

According to the accounting regulations in force, the Company revalued the existing tangible assets in its patrimony at the end of the financial year 2019, reflecting in the accounting its results.

The surplus, respectively the minus resulting from the revaluation of tangible fixed assets was recorded at revaluation reserves, increasing or decreasing, as the case may be, the value of equity. In the case of depreciated assets for which there was no revaluation surplus recorded in previous years, or for which the previously revalued reserve was less than the impairment amount, the remaining uncovered difference was recognized as an impairment loss of 6.463.111. lei, recorded in the profit and loss account for 2019. The revaluation surplus of assets for which a decrease was previously recognized based on the expense account, was recorded on 31.12.2019 in the income revaluation income account of fixed assets in the amount of 594 lei, and the positive difference was registered in the credit of the revaluation reserves account.Revaluations of tangible assets are performed regular enough so that the accounting value is not substantially different from the fair value set up on the balance sheet date.

The changes of revaluation reserve during the financial year are shown as follows:

	31 December 2018 (RON)	31 December 2019 (RON)
Revaluation reserve at the beginning of the financial year	**14.401.181**	**13.187.834**
Differences from revaluation transferred in the current financial year	-	79.106.055
Transfer at the reported result of the surplus from revaluation reserves	(1.213.347)	(1.176.270)
Revaluation reserve at the end of the financial year	13.187.834	91.117.619

According to tax legislation in Romania, until 1st May 2009 revaluation reserves for tangible assets became taxable once their purpose was changed. Following the amendment of the Tax Code, effectively from 1st May 2009 differences from revaluation of fixed assets made after 1 January 2004, which are deducted through fiscal amortisation or expenses with disposals of assets when calculating the taxable profit, are taxable simultaneously with the deduction of tax depreciation, respectively at the moment when these fixed assets are disposed, as the case may be.

Following the reflection in the accounting of the revaluation results, the adjustments for the depreciation of tangible fixed assets, registered in the previous years, were canceled, respectively, diminished by debiting the corresponding adjustment account, in correspondence with an income account. The total value of the depreciation adjustments of tangible fixed assets resumed at revenues during 2019 is 673.877 lei.

c) Financial assets

The financial assets are evaluated at historical cost and in 2019 no events were registered leading to their depreciation.

On December 31st, 2019, the Company had no subsidiaries.

On December 31st, 2019, the Company owned securities under the form of participating interests in the following associated/jointly controlled entities:

Subsidiary's name	Held percentage	Value of capital and reserves	Profit/ (loss) at 31 December 2019
1. CDRV Associates SRL	20.00%	400.00	

2 PROVISIONS

Type of provision	Balance at 1 January 2019 (RON)	Into account (RON)	Transfers from account (RON)	Balance at 31 DecembeR 2019 (RON)
Other provisions	2.813.425			2.813.425
Adjustments for the impairment of tangible assets	766.767		673.877	92.890
Adjustments for the impairment of participation securities held	3.472			3.472
Adjustments for loss of value of other fixed debts	82.035			82.035
Adjustments for the impairment of receivables related to tangible assets		5.000		5.000
Adjustments for the impairment of current assets such as stocks	273.901	6.813		280.714
Adjustments for the impairment of debts	5.339.112	370.160		5.709.272
Total	9.278.712	381.973	673.8767	8.986.808

The risks and uncertainties related to economic and social environment in which Comvex SA is operating were considered during the provisions estimation process.

Thus, at 31 December 2019 the Company had established the following provisions:

- Provisions worth 2.813.425 recorded for the payment refusals to CN APM due to non-fulfillment or default/wrong fulfillment of its obligations contractually assumed. More information about the CNAPM refusals can be found in the note regarding litigations;
- Adjustments for impairment of tangible assets, resulted from the assets value revision by using the opinion of an authorized evaluator;
- Value adjustments for stocks with no movement, slow movement, physically or morally obsolite. The adjustment value was set up based on the suppliers' offers and after the analysis conducted by the internal evaluation commission;
- Adjustments for impairment of commercial receivables are established if there is objective proof that the Company will not be able to collect all the amounts on the set up due dates, as well as for the overdue receivables for over 365 days.

3 PROFIT DISTRIBUTION

The profit distribution during the financial year ended at 31 December 2019, along with the proposal for the distribution of the profit for year 2019, are as follows:

Destination	**Distribution in 2019**	**Proposal for distribution of profit from 2019**
	(RON)	**(RON)**
Profit distributed in:	7.612.510	15.293.843
- legal reserve	457.080	815.270
- other reserve	-	14.478.573
- undistributed	7.155.430	-

In december 2019 some technological equipment has been put into operation for which Comvex SA can apply the stipulations of art. 22 of Law no. 227/2015, with subsequent amendments, regarding the tax exemption of the reinvested profit.

The investment for which Comvex SA has calculated the tax exemption on reinvested profit is of 19.541.397 ron and it fits in the subgroups 2.1.17.4." Means of storage (, tanks, bunkers, industrial cylinders, etc.)" and 2.2.9. "Electronic computers and peripheral equipment. Household machines and appliances, control and invoicing ".

At the end of the financial year, the amount of the profit for which it benefited from tax exemption on reinvested profit is distribuited in legal reserve 815.270 ron and other reserves 14.478.573.

4. LIABILITIES SITUATION

At 31 December 2019, the long term liabilities were as follows:

	Between 1- 5 years	**>5 years**
Amounts due to financial/credit institutions		48.386.587
Other liabilities, including tax and social security payables		0

As at 31 December 2019, Comvex has two active bank loan contracts for financing of the investments (see note 8 d) ii) for details related to the loan contracts), for which were there have been constituted the following guarantees:
- Eximbank guarantee issued in the Name and in the Account of the Romanian State;
- First rank mortgage over some fixed assets - movable and immovable assets;
- Pledge over current accounts opened by the Borrower within Raiffeisen Bank and Eximbank;

5. ACCOUNTING POLICIES, PRINCIPLES AND METHODS

The main accounting policies adopted in preparing these financial statements are disclosed below.

A Basis for preparation of financial statements

1. General information

These financial statements have been prepared in accordance with:

(i) The Accounting Law no 82/1991 republished in June 2008 (“Law 82”);

(ii) Accounting regulations regarding the annual stand alone financial statements and annual consolidated financial statements, approved by the Order of the Minister of Public Finance of Romania 1802/2014 and subsequent amendments (“OMF 1802”).

Considering the size criteria disclosed in OMF 1802, the Company fits in the category of medium and large entities.

These financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies.

2. The financial statements belong to COMVEX SA and include:

Balance sheet,
Profit and loss account,
Statement of equity changes,
Cash flows statement,
Notes to annual financial statements.
These are accompanied by "Informative data" and "Non-current assets statement".

3. Use of estimates

The preparation of financial statements requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the respective period. Although these estimates are made by the Company’s management based on the best information available as at the date of the financial statements, actual results may differ from these estimates.

4. Going concern

The financial statements have been prepared based on the going concern principle, which assumes that the Company will continue to operate in the foreseeable future. In order to assess the reasonability of this assumption, the management reviews the forecasts of the future cash inflows.
Based on these reviews, the management believes that the Company will be able to continue to operate in the foreseeable future and, therefore, the going concern principle is justified to be applied in the preparation of these financial statements.

5. Measurement currency

Accounting is kept in Romanian language and in the national currency. Items included in these financial statements are disclosed in Romanian lei.

B Foreign currency translation

Foreign currency transactions of the Company are translated into the disclosure currency using the exchange rates communicated by the National Bank of Romania ('NBR') as at the dates of the transactions. At each month end, foreign currency monetary balances are translated into RON using the exchange rates communicated by NBR for the last banking day of the month. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, within the financial result. Advances do not represent monetary elements and are not the object of translation based on foreign exchange.

C Intangible assets

(i) Development expenses

Expenses for development generated by the practical application of research results or of other knowledge into a plan or a project related to the production of materials, devices, products, processes, systems or services, new or substantially improved before the start of production or of their commercial use, are recognized as intangible assets and are depreciated for the contract period or for their use period.
The intangible assets generated by development (or the development phase of an internal project) are recognized if the following criteria are met:

a) its technical finalization is feasible so as to be available for use or sale;
b) the management intends to finalize it and use or sell it;
c) there is the capacity to use or sell it;
d) it can be demonstrated how intangible assets may generate likely future economic benefits;
e) there are available technical, financial resources and of other nature adequate to complete development and to use or sell the intangible asset;
f) the expenses attributable to the fixed assets can be reliably evaluated for the period of its

development.
The expenses for development which do not meet the above-mentioned criteria are moved to expenses the moment they occur. The expenses for development which were moved to expenses are not capitalized in later periods.

(ii) Concessions, patents, licenses, trademarks, rights and similar assets

The concessions, patents, licenses, trademarks, rights and similar assets are registered in the acquisition account or at their contribution value. Concessions received are reflected as intangible assets when the concession contract is concluded for a period and at a value set up for the concession. The concession depreciation is registered for its period of use set up according to the contract.

The patents, licenses, trademarks and similar assets are depreciated by the lineal method for a 3 years period.

(iii) Advance payments and other intangible assets

Within the advance payment and other intangible assets there are registered the advances paid to suppliers of intangible assets, IT software designed by the entity or purchased from third parties for its own needs, as well as other intangible assets.
The elements such as other intangible assets are depreciated by the lineal method for a 3-year period.
The expenses allowing the intangible assets to generate future economic benefits above the initially forecast performance are added to their original cost. Such expenses are capitalized as intangible assets if they are not an integral part of tangible assets.

D Tangible assets

1. Cost/ valuation

Tangible assets are initially evaluated at acquisition cost.

Fair values of property, plant and equipment revalued under OMF 1802 are updated with sufficient regularity so that the carrying amount does not differ substantially from that which would be determined using fair value at the balance sheet date. If there is no fair market information, the fair value is estimated based on the net cash flows or depreciated replacement cost. Management has updated the carrying amount of property, plant and equipment revalued under OMF 1802 at the balance sheet date on the basis of market information and it is satisfied that there is sufficient fair market information available to support fair value. If a fully depreciated tangible fixed asset can be used, it will be revalued when a new value and a new useful life are set, corresponding to the estimated period, to continue to be used.
Starting 2006, tangible assets revaluation is performed at the fair value established based on evaluations usually made by qualified professionals in evaluation.

Cumulated depreciation at revaluation date is removed from the gross accounting value of the asset and the net value is recalculated at the asset revalued value.
The company proceeded to the revaluation of the tangible fixed assets existing in the patrimony at the end of 2019, with the reflection in accounting of its results
The transfer of the reserve from revaluation into the result carry-over is performed on the way the asset is used.
The fair values of the revalued tangible assets are updated regularly enough so that their accounting value is not substantially different from that which had been established using the fair value on the balance sheet date.
If a completely depreciated tangible asset can still be used, during its revaluation a new value and a new period of economic use are established, meeting the estimated period of further use.

The cost of a tangible asset also includes the initially estimated costs with its dismantling and move when it is decommissioned, as well as with the restoration of the location the assets is mounted on, when such costs can be estimated reliably and the Company has an obligation related to dismantling, move of the tangible assets and the location restoring.

The maintenance and repairs of tangible assets are registered on expenses when they occur and the significant improvements made to tangible assets, which increase their value or life span, or significantly increase the capacity to generate economic benefits, are capitalized.

Regular Inspections or overhauls are recognized as a component of a tangible assets element if they meet the recognition criteria as an asset and if they are significant. In such case, the value of the component is amortized for the period between two planned inspections. The cost of current revisions and inspections, other than those recognized as a component of the asset, represents the expenses for the period.

Tangible assets include those assets purchased for safety or environmental reasons which are necessary in order to obtain future economic benefits from other assets. Important spare parts and security equipment are registered as tangible assets when they are expected to be used over a period longer than one year. Other spare parts and service equipment are registered as stocks and are recognized in profit or loss when consumed.

2. Depreciation

Amortization is calculated at entry value, using the lineal method for the whole estimated useful life of the assets, as follows:

Asset	Years
Constructions	between 20 and 50
Technical plants and machinery	between 5 and 24
Other plants, equipment and furniture	between 3 and 18

Amortization is calculated starting with the next month after the commissioning and until the full

recovery of their entry value.
The lands are not amortized as they are regarded as having an indefinite life span.

In the case of tangible assets in conservation, there are no amortization expenses recorded during the conservation, but there is an expense recorded, regarding the adjustment for the depreciation found, determined by a depreciation test based on the future cash flows to be obtained.

3. Tangible assets sale/discarding

Tangible assets which are discarded or sold are written off the balance sheet together with the adequate cumulated amortization. Any profit or loss resulting as a difference between the income generated by its writing off and its unamortized value, including the expenses for such operation, is included in the profit and loss account, in “Other operating income” or in “Other operating expenses”, as the case may be.

When the Company recognise in the accounting value of a tangible asset the cost of a partial replacement (replacement of a component), the accounting value of the replaced part, with the related amortization is written off the records.

4. Borrowing costs

The expenses with interests related to loans to finance the acquisition, construction or production of tangible assets for which the capitalization starting date comes after January 1st, 2015 are included in their production costs, to the extent they are related to the production period.

5. Sale and leaseback

The selling and leasing transaction of the same asset by a financial leasing contract is treated as a financing transaction and the respective asset is kept in the patrimony.

6. Real estate investments

Real estate investments are represented by lands and buildings owned to get income from rents or to increase the capital value.

Real estate investments are subject to valuation rules applicable to tangible assets, as described above. The transfers in or from the category of real estate investments are performed when there is a change in their use, manifest by:
a) the Company starts/ceases using them (transfer between real estate investments category and tangible assets one);
b) the start of refurbishment process for sale (transfer from real estate investments into stocks); or
c) the start of an operational leasing (transfer from stocks into real estate investments).

E Impairment of tangible and intangible assets

At the end of the financial year, the value of the tangible and intangible assets elements is reconciled with the inventory results. To this end, the net accounting value is compared to the value set up based on the inventory, called inventory value. The differences found out in minus between the inventory value and the net accounting value of asset elements are registered in the accounting based on an additional depreciation in case of assets depreciable for which depreciation is irreversible or a depreciation adjustment or a value loss adjustment is made when the depreciation is reversible. The inventory value is set up depending on the good utility, its condition and the market price.

F Financial assets

Financial assets include the shares owned in affiliated entities, the loans granted to affiliated entities, the participating interests, the loans granted to entities the Company is related to by participating interests, as well as other investments owned as fixed assets.

Financial assets are recognized in the balance sheet at the acquisition cost or at the value set up by their acquisition contract. The acquisition cost also includes the trading costs. The financial assets are evaluated later at their entry value, less the cumulated value loss adjustments.

G Inventories

Inventories are registered at the lowest value between the cost and the net achievable value. The cost is established by the method first in – first out (FIFO). The cost of finite products and in progress includes materials, labor force and the related indirect production expenses. Where required, provisions are made for stocks with slow movement, physically or morally worn out. The net achievable value is estimated based on the selling price diminished by the finalization costs and the sale expenses. The Company does not have pledged inventories.

Commercial discounts granted by suppliers reduce the cost of inventories if they are still in the balance.

H Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

I Short term financial investments

These include the short-term deposits at banks and other short-term investments (bonds, shares and other securities acquired for the purpose of making a short-term profit). Short-term investments admitted to trading on a regulated market are valued at the balance sheet date at the bid value on the last day of trading, and those not marketed at historical cost less any possible adjustments for loss in value.

J Cash and cash equivalents

Cash and cash equivalents are shown in the balance sheet at their cost. In the cash flows statement, the cash and its equivalents include the petty cash, accounts with banks, short term financial investments, treasury advance payments, net of overdraft. The overdraft is shown in the balance sheet in the debts to be paid within a one-year period – amounts due to credit institutions.

K Share capital

Ordinary shares are classified as own equity.

The expenses related to own capital instruments issuance are directly reflected in own capitals, on the line Losses related to own capital instruments.

When redeeming the shares of the Company, the amount paid will diminish the own equity. When such shares are later re-issued, the received amount (net of transaction costs) is recognized in own equity.

The differences of foreign exchange rate between the shares subscription moment and the transfer moment of their counter value do not represent gains or losses related to the issuance, redemption, sale, free assignment or annulment of the instruments of own equity of the entity, as they are recognized in financial income or expenses, as the case may be.

L Dividends

The dividends on ordinary shares are recognised in the shareholders' equity when declared.

M Borrowings

Short and long term borrowings are recognised initially at the proceeds received. Any difference between proceeds and the redemption value is recognised in the statement of profit and loss over the period of the borrowing contract.
Fees and bank comisssions related to long term loans are recognized as prepaid expenses. Prepayments are to be released as current expenditure in installments over the repayment period of the loans.

If the Company has an unconditional right to defer the settlement of loans for at least twelve months after the end of the reporting period, the debts in question will be classified as long term liabilities. The other loans will be disclosed as short term liabilities.
The short-term portion of long-term borrowings is classified as "Debts: amounts to be paid in less than a year" and included together with interest accumulated at the balance sheet date in "Amounts due to credit institutions", from the Current liabilities.

N Accounting for leases where the Company is the lessee

1. Financial leasing agreements

The leasing contracts for the tangible assets where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the estimated present value of the lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate during the reimbursement period. The corresponding rental obligations are included either in current or non-current liabilities. The interest element of the finance cost is charged to the profit and loss statement over the lease period. The assets acquired under finance leases are capitalized and depreciated over their useful life.

2. Operating lease agreements

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss statement on a straight-line basis over the period of the lease.

O Trade payables

Trade payables are recorded at the value of the amounts payable for the goods or services received.

P Provisions

Provisions for environmental restoration, restructuring costs and legal claims, as well as other provisions for risks and expenses are recognised when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Restructuring provisions comprise direct costs generated by restructuring, namely those necessarily generated by the restructuring process and not related to the entity's going concern.

No provisions are recognised for future operating losses. The value of pension provisions is set up by specialists in the field (actuaries).

Regarding onerous contracts (contracts in which unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be obtained), the present contractual obligation under the contract is recognized and measured as a provision. Before setting up a separate provision for an onerous contract, any loss is recognized from the depreciation of the assets allocated to the respective contract.

Q Employee benefits

Pensions and other post retirement benefits

The Company, in the normal course of business, makes payments to health funds, pensions and state unemployment relief on behalf of its employees, at statutory rates. All employees of the Company are members of the Romanian State pension plan. These costs are recognised in the profit and loss statement together with the related salary costs.

The Company does not operate any other pension scheme or post retirement benefit plan and, consequently, has no obligation in respect of pensions.

R Capital subsidies

(1) Subsidies related to assets

Goverment subsidies, including non-monetary subsidies at fair value, are recognized when there is sufficient certainty that the entity will comply with the granting conditions and that the subsidies will be received.

Subsidies received for the purchase of assets like tangible assets are recorded as subsidies for investments and recognised in the balance sheet as deferred income.Deferred income is recognised in the profit and loss statement in the periods of recording expenses with depreciation or cassation or cease of assets purchased by the respective subsidy.

(2) Subsidies related to expenses

Subsidies related to current expenses are disclosed as income in the profit and loss statement in the period appropriate to the related expenses which these subsidies are to compensate for.
If in a period subsidies are cashed related to expenses not yet incurred, subsidies received do not represent revenues of that period.

S Taxation

Current income tax

The Company records current income tax based upon taxable income from the financial statements, in accordance with the relevant tax legislation.

For the profit invested in technological equipment, electronic computers and peripheral equipment, machines and household appliances, control and billing, in computer programs, as well as for the right to use computer programs, products and / or purchased, including under contracts financial leasing, and put into operation, used for the purpose of carrying out the economic activity, the tax exemption may be applied, in accordance with art. 22 paragraph (1) of Law no. 227/2015 on the Fiscal Code, with subsequent amendments.
The amount of the profit for which he benefited from the income tax exemption is distributed at the end of the financial year when the reserves are set up:

- Legal reserve;
- Other reserves.

T Revenue recognition

Revenues comprise the sold goods and provided services.

Revenues from goods sales are recognised when the Company has transferred the main risks and benefits related to the goods possession to the purchaser.
Revenue from rendering of services is recognised as the services are rendered.
Revenue arising from royalties is recognised on an accrual basis in accordance with the substance of the relevant agreements.
Revenues from interests are recognised periodically and proportionally as the respective revenue is generated on an accountancy engagement basis.

Commercial discounts granted after invoicing are recorded in the profit and loss statement as part of operating income, in the position “commercial discounts granted”.

Dividends are recognised as revenue when the legal right to receive payment is established, namely at the date they are approved.
In these financial statements, income and expenses are shown at gross value.
Income from provisions writing back, respectively of depreciation or value loss adjustments are recorded separately, depending on their nature, at the moment the risk achievement or the expense becomes eligible.

U Turnover

The turnover represents the amounts invoiced and to be invoiced, net of VAT and discounts, in relation to the goods and services provided to third parties.

V Operating expenses

The operating expenses are recognised in the period they refer to.
Operating expenses include also expenses with commercial discounts received after invoicing.
The expenses related to the financial year are registered, irrespective of their payment date. Thus, the debts for which the invoice has not been received yet will be registered in the expenses or goods accounts.

W Financial expenses

Financial expenses include: loss from receivables related to participations; losses on disposal of financial investments; unfavorable differences of foreign currency exchange rates; interests related to the financial year in progress; discounts granted to clients; losses from financial receivables and others.
Financial expenses are recognized in the period to which they reffer.

6. INVESTMENTS AND FINANCING SOURCES

a) Investment certificates, securities and convertible bonds

The Company did not issue other securities except for its own shares.

b) Share capital

The value of subscribed capital on December 31st 2019 amounted to RON 29,139,928 (31 December 2018 RON 29,139,928) representing 11.655.971 shares (December 31st, 2018: 11.655.971 shares). All shares are ordinary, fully subscribed and paid in on December 31st 2019. All shares have the same voting right and a nominal value of RON 2,5 /share (December 31st, 2018: RON 2,5 /share).

The structure of shareholders on December 31st, 2019 is the following:

	Number of shares (thousand)	Amount (RON)	Percentage (%)
Solidmet SRL	3.576.953	8.942.383	30,6877
Expert Placement Services Limited	3.277.526	8.193.815	28,1189
Nicola Ruxandra-Ioana	2.050.040	5.125.100	17,5879
Dragoi Anca Mihaela	2.050.040	5.125.100	17,5879
Alti actionari-persoane fizice	496.058	1.240.145	4 ,2558
Alti actionari-persoane juridice	205.354	513.385	1,7618
Total	11.655.971	29.139.928	100

c) Shares issued during the financial year

During the year 2019 there were no changes in share capital evolution.

7. INFORMATION REGARDING THE EMPLOYEES AND THE MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND OTHER KEY PERSONNEL

a) Remuneration of the members of the administrative, management and supervisory bodies and other key personnel

	Financial year ended on 31 December 2018 (RON)	Financial year ended on 31 December 2019 (RON)
Salaries:		
Administrators (*)	3.624.027	3.678.370
Directors	4.237.371	4.565.711
	7.861.398	8.244.081

(*) also includes the indemnity paid to the administrators as legal persons

	31 December 2018 (RON)	31 December 2019 (RON)
Salaries payable as at the end of the period:	278.085	274.657

b) Employees

The average number of employees during the year was as follows:

	2018	2019
Administrative personnel	60	67
Personnel in production	175	191

Expenses with personnel include the following:

	2018	2019
Expenses for social security	1.431.350	1.921.315
Expenses with salaries and indemnities	23.361.131	27.350.774

8. OTHER INFORMATION

a) Information regarding the Company

COMVEX S.A. was incorporated in 1991, being the biggest specialized terminal in operating solid raw materials in bulk from the Black Sea area, covering a surface of de 700.386 m^2 South of Constanța Port, Romania.

COMVEX terminal is a market leader, specialized in handling, storing and transshipping sold raw materials in bulk, such as: iron ores, coals, coke, bauxite, having complete and modern operating facilities located in Constanța Port.

COMVEX is the only terminal operating solid raw materials in bulk from the Black Sea area which can board high capacity “cape size” ships (up to 220,000 tdw), as it has an unloading sea quay made of 5 berths of total 1,400 m long and water depths ranging between 10.8 and 18.5 m. At the same time, the terminal enjoys a good geographical position with access to waterways network including the Danube.

In addition to the existing Mineral Terminal, COMVEX has developed a Grain Terminal in Dana 80, covering an area of approximately 60,000 sqm. The location offers important logistic advantages, such as: the deepest berth in the Black Sea, the vicinity with the barge terminal (proximity to the Danube-Black Sea Canal), for river transport from the Danube border, direct and easy access to the railway, direct access to the A2 motorway. Thus, COMVEX will offer grain producers in Romania, Hungary, Serbia, Bulgaria the possibility of delivering the production on high capacity vessels, from 100,000 to 120,000 tdw.

The total storage capacity of the COMVEX Grain Terminal is 200,000 mt. Storage capacity and operating rates are calculated for wheat. The storage area consists of 18 large flat-bottomed silo cells (12 x 10,000 mt and 6 x 10,900 mt), 6 small flat-bottomed silo cells (2,250 mt each) and 6 conical bottom cells.

The company has implemented an integrated management system, certified on the ISO 9001: 2015 quality management standards, the environmental management system according to ISO 14001: 2015 and the occupational health and safety management system according to OHSAS 18001: 2007. It also complies with the requirements of the International Ship and Port Facility Security (ISPS) Code.

b) Information regarding the relationship of the Company with the ubsidiaries, associated undertakings or other enterprises in which the Company holds

Information on subsidiaries, associated undertakings and entities under the common control of the Company is disclosed in Note 1 (c).

In the meaning of the provisions of Art. 7 pct. 26 of Law 227/2015 regarding the Fiscal Code, with further amendments and completions, the affiliated persons to Comvex Company are Solidmet SRL and Expert Placement Services Limited, both owning more than 25% of the equity interests. During the year 2018, there were no transactions with these companies.

c) Financing

On 31 December 2019, the Company has tree bank loan contracts for investments in progress, as shown in the table below:

No	Bank	Credit destination	Currency	Facility approved amount	Signing date	Final maturity	Balance on 31.12.2019
1	Raiffeisen Bank	Long term bank loan for financing the investments "Minerals unloading equipment from wagons" and "Automation of SADTV"	EUR	1.800.000	19.08.2015	30.06.2021	600.000
2	Raiffeisen Bank si Eximbank	Long term bank loan for financing the investment "Grain Terminal "	EUR	36.384.200	16.05.2017	20.12.2026	35.684.200
	TOTAL						**36.284.200**

In order to finance the investment “Grain terminal” on berth 80, the Company contracted in May 2017 a long-term bank loan of EUR 36.4 million. The financing was equally granted by Raiffeisen Bank and EximBank, also benefiting of a guarantee issued by EximBank In the Name and on Account of the Romanian State, amounting EUR 18.144 million. The facility will be reimbursed in quarterly installments, starting from September 2019 (according to the last approval for modification of contract clauses, from

March 13, 2019) and until the end of 2026. The credit facility balance on 31 December 2019 was EUR 35.684.200.

d) Subsequent Events and Covid-19 Impact

Towards the end of 2019, news of COVID-19 (Coronavirus) first appeared in China, with the World Health Organization reporting a limited number of cases of an unknown virus as of December 31, 2019. In the first months of 2020, the virus spread. globally, triggering a pandemic. Although the impact of the pandemic cannot yet be determined at the time of issuing these individual annual financial statements, it appears that the negative effects on global trade and on the Company's business may be more severe than initially expected. Certain currencies in which the Company is exposed have depreciated and stock markets have declined. Management considers that this pandemic is an event after the balance sheet date that does not lead to the adjustment of the individual annual financial statements.

As the pandemic is currently uncontrollable and rapidly evolving, management considers it impossible to estimate the potential impact of this event on the Company's financial position and financial performance until the date of preparation of these financial statements. The impact will be determined and included in any depreciation and impairment of the Company's assets in 2020.

Management is closely monitoring the situation and looking for ways to minimize the impact of the pandemic on the entity. Although we do not currently have such information from our customers, if the supply of raw materials and materials to the plants and industries served by the Company could be interrupted for a longer period, and the Company's revenues could decrease.

Fear of the virus and efforts to prevent its spread have led to significant changes in business and social models. Thus, the Company has adopted a series of measures in order to ensure the health and safety of employees and business partners, such as work from a distance / home, the implementation of procedures for dividing teams in shifts, staff separation and ensuring a program of flexible work, in order to ensure social distance and compliance with hygiene rules as regulated by the instructions of public health authorities, as well as the establishment of specific disinfection protocols within the Company, including in all areas where Comvex staff operate.

Management will continue to monitor the potential impact of the coronavirus pandemic and will take all possible measures to mitigate any adverse effects on the Company's business.

e) Exceptional revenues and expenses

During 2019, exceptional revenues of 13.360.850 lei (USD 3.093.800) were registered, representing the auction award price of a quantity of 159.681,58 tons of iron ore. Thus, in October 2019, the receivable held by the Company against Aria International Gmh (obtained under the Assignment Agreement concluded with Efa) was capitalized.

Dynamic Trade Finance Fund Ltd through which Comvex acquired the quality of assignee creditor) by depositing it on the account of the price of the goods and buying the quantity of 159.681,58 tons of iron ore, quantity sold and subsequently shipped to China.

f) Leasing and leaseback operations

At the end of 2019, the balance of leasing financing was RON 239.953, representing the equivalent of EUR 50.207. Leasing financing was contracted to buy some equipment and automobiles required to business performance.

g) Fees paid to auditors / censors

In 2019, the company paid the financial auditor the fees according to the contract concluded between the parties.

g) Contingent liabilities and commitments undertaken

The Company has the following commitments:

	31 December 2019 (RON)
(i) Capital commitments	
(ii) Commitments related to operational leasing contracts in which the Company is tenant	
(iii) Guarantees granted to third parties	1.348.674
(iv) Contingent debts	
(v) Commitments related to pensions	

h) Commitments received

	31 December 2019 (RON)
Received pledges and guarantees (letters of bank guarantee for paid advances)	129.518
Other received guarantees	2.574.878
Total	**2.704.396**

i) Related party transactions

(1) Aquisitions of good and services

	31 Decembrie 2018 (RON)	31 Decembrie 209 (RON)
Aquisition of services		
g) other jointly controlled parties	669.901	697.432
Total	669.901	697.432

(2) Balances resulted from sales/aquisition of good and services

	31 Decembrie 2018 (RON)	31 Decembrie 2019 (RON)
Receivables		
g) other jointly controlled parties	886.660	675.272
Total	886.660	675.272

	31 Decembrie 2018 (RON)	31 Decembrie 2019 (RON)
Debts		
g) other jointly controlled parties	66.488	-
Total	66.488	-

Receivables relating to other jointly controlled parties represents the capital investment made for the improvement of a equipment rented for current activities of the Company. Debts relating to other jointly controlled parties represents to the rent recorded for that equipment. The capital investment has been transferred by sale to the owner of the equipment and is recovered by deduction it in installments from the monthly rent due.

(3) Borrowings for related parties

	31 December 2018 (RON)	31 December 2019 (RON)
Loans and interests		
e) jointly controlled entities in which the entity is a shareholder	1.124.325	1.152.145
Total	**1.124.325**	**1.152.145**

The amount of 1.152.145 lei represents the balance of the total amount corresponding to the interest receivable, related to the loan granted to CDRV Asssociates SRL, in which the Company has the quality of founder and holds 20% of its share capital. The loan was fully repaid by CDRV Associates SRL, and the interest will be collected as the real estate project developed by this company is capitalized.

9. NET CASH FLOW FROM OPERATING ACTIVITY

	Financial year ended 31 December 2018 (RON)	Financial year ended 31 December 2019 (RON)
Operating activities:		
Net profit	7.612.509	15.293.843
Adjustments for net result reconciliation with the net cash used in operating activities:		
Value adjustment of tangible and intangible assets - net	3.982.636	10.551.221
Adjustments for provisions for current assets - net	816.537	376.973
Adjustments for provisions for financial assets - net	3.472	
Provision adjustments for risks and charges - net		
Profit/(loss) from selling of tangible and intangible assets	5.751	(3.972)
Profit/(loss) from selling of financial assets or short term investments	1.000	
Income tax	1.529.084	1.011.548
Interest income	(89.971)	(4.067)
Interest expense	173.394	89.372
Increase of cash generated from operations before changes in working capital	14.034.412	27.314.918
Changes in working capital:		
(Increase)/decrease in trade receivables		
Balance and other receivables	(1.807.195)	(6.126.754)
(Increase)/Decrease in inventories balance	(719.908)	(2.068.873)
Increase in trade payables balance and other payables	4.473.216	23.195.236
Net cash flow generated from operations	15.980.525	42.314.527

10. CONTINGENCIES

(a) Litigations

(1) Starting 2015, Comvex refused the payment of invoices related to the use tariff of port area (UDP tariff) issued by Compania Nationala Administratia Porturilor Maritime SA Constanta (CN APM), based on the following considerations:

- Unilateral increase by CN APM of the use tariff of port area in mode, in the context of a pre-existing contract imposing the parties the negotiation obligation;
- CN APM failure/wrong accomplishment of its contractually assumed obligations.

In this sense, starting January 2015, Comvex refused to pay the increased tariff from EUR 0.05 /m2/month to EUR 0.08/ m2/month as the latter tariff had no correspondent in the contractual mechanism and starting April 2015, Comvex invoked the exception for failure to execute the counter services related to the use tariff of port area of EUR 0.05 / m2/month regulated in the contract with CN APM. In its payment refuses of use tariff of port area, COMVEX has consistently detailed the reasons underlying such refuses, attaching in this sense justifying photo boards, showing with no doubt CN APM failure/wrong meeting of its contractually assumed obligations.

The value of refuses related to the tariff of EUR 0.05 /m2 reaches RON 2.813.425,5 without VAT, a provisioned amount, avoiding in this way the impairment of the future financial position of the Company. The total value of refuses related to the tariff of EUR 0.03 /m2 amounts to RON 2.536.826,84 without VAT, an amount which cannot impair the financial position of the Company because, as mentioned above, there is no contractual correspondent for that tariff.

On 31 December 2019 the total value of penalties reached RON 6.772.354 (penalties calculated for all invoices rejected on payment related both to the EUR 0.05 tariff and for the increased one of EUR 0.08 euro).

(2) In April 2019, the Company concluded with Viofeli the service contract no. 719 / 09.04.2019 for the handling of 6,000 tons of coal for the Mintia Deva thermal power plant.

During the storage of the goods, it was found that this coal has a high self-ignition potential, and in July, in the conditions of rising temperatures, the goods began to smoke and ignite themselves, generating smoke and ash. The company notified the client and started specific procedures to limit fire outbreaks. For the steps to limit the effects of coal self-ignition, the Company invoiced the value of the services performed, as agreed with the client Viofeli by additional act to the service contract.

The uncollected balance from the Viofeli client is in the amount of 1.911.095,10 lei. In order to recover this amount, the Company registered at the Commercial and Maritime Arbitration Court attached to CCINA Constanta an action requesting the defendant to pay the amount of 1.619.861,04 lei representing invoices for services and storage of goods issued between June and November 2019, following in the following period to submit a request to increase the claims with the amount of 291.234,06 lei representing invoices issued during November-December 2019.

The situation will be unblocked at the competent court (Court of Arbitration) - following its decision the Company having the possibility to execute the existing goods in the terminal - or by the decision of the coal-fired power plant in the terminal, the payment to be made directly to the Company, possibility which is being investigated in parallel with the action brought before the Court of Arbitration. Management considers that the amounts related to these receivables will be recovered, therefore no impairment adjustment was established on December 31, 2019.

(3) During 2019, the file no. 8671/118/2017 registered by the plaintiff Raimondo de Rubeis against the Company on the role of the Constanta Tribunal regarding his revocation from office, by rejecting the appeal made by the plaintiff against the Sentence pronounced by the court of first instance. However, Raimondo de Rubeis filed an appeal, which has the first trial date set on 13.05.2020.

Regarding the resolution of this appeal, the management of the Company considers that the decision pronounced by the High Court of Cassation and Justice will not have a significant adverse effect on the economic results and financial position of the Company, which, moreover, provided legal assistance and qualified representation. this file and has taken all the necessary legal steps.

Also, during 2019, the plaintiff Raimondo de Rubeis registered in the Bucharest Tribunal an action having as object the cancellation of the acquisition operations of 40 shares of the Company and of the subscription operations of 2.050.000 shares of the Company in the cart the procedure for increasing the share capital by the defendants Dragoi Anca Mihaela and Nicola Ruxandra Ioana, within the file no. 27863/3/2019.

The Bucharest Tribunal admitted the exception of territorial incompetence at the deadline of 17.01.2020, the case being declined to the Constanta Tribunal, which has not yet established a trial term for the continuation of the procedure.

The management of the Company considers that the solution of this file will not have a significant adverse impact on the economic and financial results of the Company, it also providing legal assistance and representation in this case and has taken all necessary legal steps.

(b) Taxation

The Romanian taxation system underwent multiple modifications in the last years and is in a fhase of adaptation to the European Union legislation. As a result, there are still different interpretations of the fiscal legislation. In various circumstances, the tax authorities may have different approaches to certain issues, and assess additional tax liabilities, together with late payment interest and penalties (currently, 0,02% per day of delay). In Romania, tax periods remain open for tax inspection for 5 years. The Company's management considers that the tax liabilities included in these financial statements are fairly stated.

ADMINISTRATOR	DRAWN UP BY,
Name and surname PANAIT VIOREL	Name and surname OPREA IRINA
Signature____________________	Position FINANCIAL MANAGER
	Signature____________

Unit's stamp

COMVEX

DIRECTORS REPORT FOR THE FINANCIAL YEAR 2019

General introduction

COMVEX S.A. was incorporated in 1991, being the largest bulk raw material handling terminal in Black Sea area, covering a surface of de 700,386 m² in South of Constanta Port, Romania.

The Company's registered premise is in Constanta, Port of Constanta, Berth 80-84, registered with the Trade Register under no. J13/622/1991 and having the sole fiscal code RO1909360.

COMVEX terminal is the leading specialist on the market in handling, storing and transshipment of dry bulk minerals such as iron ore, coal, coke, bauxite, operating from a modern and fully equipped facility location in the Port of Constanta.

COMVEX is the only terminal for the operation of solid bulk goods in the Black Sea area that is able to cater for Cape size vessels of up to 220,000 tdw, holding a discharge line at the maritime quay formed of 5 berths with a total length of 1,400 m and water depth comprised between 10.8 and 18.5 m. In addition, COMVEX benefits geographically from having access through the waterway network which includes the Danube.

Due to its location and excellent access potential to industrial plants in Europe, COMVEX is able to provide its customers, such as major mining companies from Australia, Brazil, India, Africa, USA and Canada, the ability to make deliveries to industrial plants in Romania, Hungary, Austria, Ukraine, Bulgaria, and Serbia, on a "just in time" basis.

In addition to the existing Mineral Terminal, COMVEX has developed a Grain Terminal in Berth 80 on a surface of approximately 60,000 sqm. The location provides important logistic advantages, respectively: the deepest berth in the Black Sea, vicinity with the barges terminal for river transport from countries near the Danube, direct and easy access to the railway, short distance and direct access to highway A2. Thus, COMVEX will provide grain producers in Romania, Hungary, Serbia, Bulgaria the possibility to deliver the obtained production on ships of great capacity, 100-120,000 tdw.

The Company has implemented an integrated management system, being certified on quality management standards ISO 9001:2015, environment management system according to ISO 14001:2015 and health and security at work management system according to OHSAS 18001:2007. It is also compliant with the requirements of the International Ship and Port Facility Code Security (ISPS).

The Company carries out its activity by applying internal control norms and procedures, by complying with the requirements of all hierarchic and operational levels: approval, authorization, verification, operating performances assessment, assets securing, separation of positions. As for the human resources policy, the Company considered its employees' professional training according to the position assignments and responsibilities. To assess the internal control, the Company's management implemented the Internal Organization Rule and the internal procedure manuals. The internal auditors are those assessing the internal control system of the Company and they offer an impartial and professional analysis of the organization risks.

In its relation to the shareholders, Comvex applies the transparency principles provided by the applicable capital market legislation. At the same time, in view of assuring a greater transparency, Comvex follows the Principles of Corporate Governance. Assuring an organized working frame, based on firm principles helps on a long term to maximize value both for the shareholders, and for the interested public.

Information on shareholders

Comvex is traded on the Alternative Trading system managed by the Bucharest Stock Exchange (AeRO), having the symbol CMVX. Its share capital amounts to RON 29,139,927.5, divided in 11,655,971 nominative, dematerialized shares, with a nominal value of RON 2.5 lei/share. The shareholders ledger is managed by the Central Depository S.A.

On 31.12.2019, the structure of shareholders was:

Shareholder	No. of shared	Percentage (%)
Solidmet SRL	3,576,953	30.6877%
Expert Placement Services Limited	3,277,526	28.1189%
Nicola Ruxandra-Ioana	2,050,040	17.5879%
Dragoi Anca Mihaela	2,050,040	17.5879%
Other shareholders – individuals	496,058	4.2558%
Other shareholders – legal persons	205,354	1.7618%
Total	**11,655,971**	**100.00%**

Company management

The Company is managed in a unitary system and by a Board of Directors, made up of 5 (five) members, for a mandate of 4 (four) years each.

The Board of Directors is assigned to meet all the required and useful actions for the achievement of the Company's object of activity, except for those provided by law as being in the exclusive charge of the General Meeting of Shareholders.

The members of the Board of Directors will exert their mandate with the prudence and diligence of a good administrator, with loyalty, in the Company's best interest and they will not disclose confidential information and the commercial secrets of the Company they have access to in their position as directors, even after the end of their mandate as directors. Also, the Directors of the Company shall participate in all General Meetings of Shareholders.

The Board of Directors represents the Company in its relation to third parties and in court through its Chairman. The Board of Directors delegated the Company's management to the General Manager.

The Board of Directors exerts the current management of the Company, having the assignments provided for in the Articles of Incorporation of COMVEX S.A.

According to the decision of the Ordinary General Meeting of Shareholders no. 302 from September 24, 2018, the Board of Directors nominated, for a term of 4 years, respectively 2018 - 2022, has the following composition: Viorel Panait - Chairman of the Board, Dan- Ion Drăgoi - member of the Board, Corneliu Bogdan Idu- member of the Board, Edmond Costin Șandru - Board of Directors member

Activity evolution

During 2019, Comvex operated in its terminal as many as 168 ships with raw materials in bulk.

Comvex provided services of handling, storage and transshipment of the raw materials in bulk, such as iron ores, coking coal, energy coal, bauxite, coke, scrap iron for clients such as Aria SE, Transport Trade Services, Liberty Galati (former ArcelorMittal Galați), Vitol Elveția, Brightroad, Alum S.A. Tulcea, CRH Romania, CRH Serbia, Danube Transport Services, C.Steinweg Romania, Cerealcom, Sisecam Soda Lukavac, Danube Shipping Management.

In order to diversify its activity, along with the ore Terminal, the company has developed a Grain Terminal in berth 80, with a capacity of 200,000 tons.

The development of a Grain Terminal in the deepest berth of the Balck Sea and the East part of the Mediteranean Sea shall allow the direct operation of grain vessels of over 100,000 tdw, which shall create an exceptional competitive advantage both for COMVEX as well as for the Port of Constanta, in its entirety. The accomplishment of the COMVEX Terminal shall be a premiere in Romania and shall open the markets within the hinterland of Constanta Port towards any global destination.

The value of the investment amounted to about 52 million euros and was financed by a bank loan for investments in the amount of 36.4 million euros, the rest being insured from own funds. The bank financing was granted equally by Raiffeisen Bank and EximBank, benefited from a guarantee issued by EximBank in the Name and Account of the Romanian State, amounting to 18.144 million euros and will be be reimbursed until the end of 2026. The balance of the facility credit at 31.12.2019 amounted to EUR 35,684,200.

The construction of the Grain Terminal is completed in a proportion of about 98% and the construction-assembly works regarding the unloading basin for rail transport will be completed in May, 2020. At the end of year 2019, 2 groups of storage cells were put into operation, while the rest of the equipment to be put into operation in the next period. The part representing constructions is currently in the reception phase of the works with the Constanța City Hall. Starting with September, 2019, it began the tests and commisions performed in order to set and adjust the optimal parameters of storage cells and equipments. Thus, until 31.12.2019, it was received and shipped the quantity of 45,988 tons of cereals.

In connection with the future activity, but also with the existing one, in 2019 the Company maintained its activity of greening the Terminal in order to eliminate wastes periodically generated by the specific of the activity performed. In this regard, in 2019 were processed wastes recovered in a quantity of 189,817 tons of homogenous products of difrent ores with the characteristics of the operated goods.

Main economic-financial ratios

The analysis elements from this report are substantiated by the data in the annual financial statements drafted on 31.12.2019 according to the Law of Accounting no. 82/1991, republished, Law 31/1990 republished, with all further amendments and completions, by the provisions included in Order no. 1802/2014 of the Ministry of Finances for the approval of Accounting Regulations regarding individual annual financial statements and the consolidated annual financial statements.

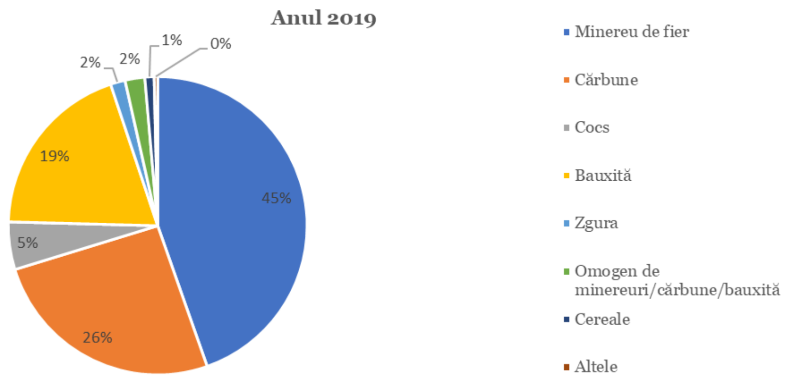
Comvex S.A. has been considering the fulfillment of its obligations under the law as regards the correct, accurate and up-to-date organization and management of the accounting. The assessment, registration in the unit accounting and presentation of patrimony elements was performed in compliance with the principles, policies and accounting methods. The receivables and debts in foreign currency were converted into RON considering the foreign currency exchange rates on the date of 31.12.2019.

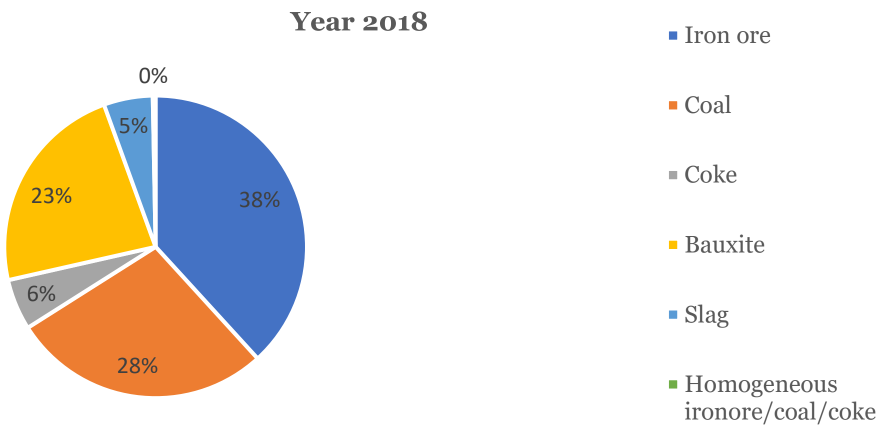
Ratios	**MU**	**Year 2018**	**Year 2019**
Handled tons	tons	8,544,835	8,878,045
Turnover	RON	77,288,258	119,887,694
Total revenues, of which	RON	86,689,009	160,771,786
-Operating	RON	83,561,630	158,697,058
-Financial	RON	3,127,379	2,074,728
Total expenses, of which:	RON	77,547,415	144,466,395
-Operating	RON	73,986,955	139,243,393
-Financial	RON	3,560,460	5,223,002
Net profit	RON	7,612,510	15,293,843
Fixed assets	RON	295,999,201	442,260,715
Cash available	RON	13,424,137	15,548,526
Receivables	RON	19,561,153	24,268,185
Stocks	RON	14,571,429	16,343,069
Total debts	RON	155,846,300	214,230,232

Comvex S.A. handled in 2019 a total quantity of 8,878,045 tons of bulk raw materials, with approx. 4% more than the quantity operated the previous year (respectively 8,544,835 tons of bulk raw materials). During the entire year 2019 there were operated 168 maritime ships, as oposed of 252 maritime ships in 2018.

The distribution by types of merchandise of the total quantity handled in the Comvex terminal is shown in the table below:

Type of cargo	Year 2018	Year 2019
	tons	tons
Iron ore	3,266,201	3,961,933
Coal	2,374,712	2,275,391
Coke	465,564	458,042
Bauxite	1,964,743	1,729,538
Slag	447,709	140,907
Homogeneous of Ores/coal/bauxite	25,906	189,817
Cereals		89,049
Others		33,368
	8,544,835	**8,878,045**





Total Revenues (lei)

	Year 2018	Year 2019
Turover, out of which:	77,288,258	119,887,694
Revenues form sales of goods	*4,422,998*	*38,505,888*
Other operational revenues	6,273,372	38,809,364
Financial Revenues	3,127,379	2,074,728
Total revenues	**86,689,009**	**160,771,786**

The turnover (RON) split by clients is shown in the table and graph below:

Client	Year 2018	Year 2019
	RON	RON
Aria SE	-	36,145,102
Liberty Galati	29,034,947	23,078,091
Transport Trade Services	8,598,267	15,183,971
Vitol Elveția	6,063,551	10,876,238
CRH România	4,632,692	9,166,796
Alum Tulcea	9,188,245	8,361,177
Danube Transport Services	1,965,168	2,885,151
Brightroad Ltd	7,306,827	2,070,152
Viofeli	-	1,843,803
CRH Serbia	2,029,887	1,654,538
Chimpex	1,303,309	1,383,760
Danube Shipping Management	393,963	1,322,716
Cerealcom	-	1,321,823
Sisecam	787,335	1,141,154
Steinweg	2,200,431	664,718
Alții	3,783,636	2,788,504
	77,288,257	119,887,694

The iron ore was handled for the steel factories of Galați and Smederevo – Serbia and Ostrava – Slovacia. The coal was unloaded for the complex of Dunajvaros in Hungary, energy coal for the thermal power stations of Romania (Iasi and Deva) and the thermal power stations of Bulgaria and Serbia, and the antracit coal, for the steel factories and cement factories of Spain, Italy, Turkey and Egypt. The coke was dispatched to the steel factory Smederevo Serbia and the factories Lafarge Romania and Lafarge Serbia. The destination for the bauzite was the alumina factory Alum Tulcea.

The slag had as final destination cement factories from Egipt and several countries from West Africa. Iron ore and homogeneous iron ore were shipped to steel plants in China.

Raw materials dispatch to beneficiaries was performed either by maritime ships, or by railway (wagons), or by river (barges), or by road (tracks).

The turnover has increased with approx. 55% as compared to the one registered last year as a result of the increase of the quantity of raw materials handled, but especially related to the valorification of iron ore and the homogenization of iron ore. Thus, in October 2019, the Company managed to conclude a transaction through which it resolved one of the most important disputes in which it was involved. Through this transaction, the Company was able to capitalize a historical claim held by Comvex against Aria International Gmh (obtained under the Assignment Agreement concluded with Efa Dynamic Trade Finance Fund Ltd by which Comvex acquired the status of assignee creditor). Subsequently, Comvex filed this claim on account of the price of the goods and acquired title to a quantity of 159,681.58 tons of iron ore at the auction organized by the bailiff, within the legal enforcement proceedings. The entire quantity of goods thus acquired was sold and shipped to China. The revenues obtained from the sale of the quantity of ore were of 15,694,081 lei (equivalent to 3,672,676 USD).

In order to green the Terminal by eliminating the waste generated historically and periodically by the specifics of the activity carried out, in 2019 was processed and recovered waste in the amount of 189,817 tons in the form of homogeneous products of various ores with characteristics similar to the handled materials.

Out of the total of 38,125,734 lei representing other operating revenues, 19,994,944 lei lei represents the entry into accounting of ores/coal/bauxite homogeneous and 13,360,885 lei represents the entry into accounting of iron ore at the auction award price.

The financial revenues represent favorable differences of foreign exchange rates.

Total Expenses (RON)

	Year 2018	**Year 2019**
Personnel expenses	24,792,481	29,272,089
Expenses with materials, consumables, other auxiliary materials	8,134,923	10,978,806
Repaires expenses	2,723,446	2,595,294
Costs of sales of goods	3,812,475	33,355,829
Utilities expenses	5,803,037	7,243,546
Rent expenses	7,150,390	8,429,557
Depreciation expenses	4,005,507	4,757,580
Net expenses from revaluation of fixed assets		5,789,235

Expenses with teminal Greening	3,803,208	19,994,944
Other operationg expenses, including third paties services	11,401,001	15,255,879
Tax on profit and local taxes	2,361,487	1,570,634
Financial expenses	3,560,460	5,223,002
Total Expenses	**77,547,415**	**144,466,395**

Personnel expenses include the expenses related to personnel (wages and due contributions) and indemnities of the Directors of the Company. The increase in salary expenses is due both to the increase of the RON/EUR exchange rate (salaries being set in euros and paid at the average exchange iesrate of the month), but also to the increase in the number of employees from 235 at the end of 2018 to 299 employees at the end of 2019 in order to start the activity of the Grain Terminal.

Expenses with goods mainly represent the exit from accounting of the homogeneous ores/coal/bauxite. These expenses registered an increase compared to the previous year in close connection with the increase in the quantity of homogeneous products processed and capitalized.

Out of the total rent expenses, the amount of 3,919,795.81 lei represents the rent paid to CN APM. Ret expenses decreased compared to the previous year (4.137.784 lei in 2018), following the favourable settlement in court, in May 2019, for 3 technological platforms that were previously rented from CN APM and, respectively, for which the Company paid rent previously. In the action of claim, Comvex presented the fact that the 3 three claimed platforms were designed by Iptana - the general designer of the Port of Constanța, to serve the mineral activity. Thusly, in 1991, when it was divided the patrimony of the former Întreprinderea de Exploatare Portuară (Port Operations Company) between CNAPM and Comvex, the platforms were allocated by Iptana as being part of the patrimony of Comvex, but, they were not effectively transffered into the accounts of Comvex.

The rest of expenses with rents represent rents for specialized equipments and machineries for cargo handling activity, expenses that registered an increase in 2019 compared to 2018 in close connection with the activity of greening the Mineral Terminal (capitalization of the homogeneous) and moving a quantity of iron ore from the main storage area to the sea quay area, in order to load it onto the ship.

Depreciation expenses increased following the commissioning at the end of 2018 of ongoing investments in the Mineral Terminal. The expenses with amortization also include depreciation adjustments for fixed assets, including those in conservation. In 2019, a number of 111 fixed assets were kept in conservation, such as equipments and machineries. On 31st of December 2019 they were analyzed by an expert evaluator for the depreciation test, following to be put into operation in 2020.

Other operating expenses include expenses with insurances, telecommunications, as well as other services rendered by third parties.

The expenses with the profit tax decreased due to the application by the Company of the provisions of art. 22 paragraph (1) of Law no. 227/2015, with subsequent amendments, according to which: “The profit invested in technological equipment, (....) put into operation, used for the purpose of carrying out the economic activity, is exempt from tax ...” Thus, the profit tax exempted according to art. 22 of Law 227/2015 was in the amount of 2,608,862 lei, the profit invested in technological equipment being registered as reserves related to the reinvested profit.

Of the total financial expenses in the amount of 5,223,002 lei, 89,371 lei represent expenses with interest related to long-term investment loans contracted to finance investments (other than those for the Grain Terminal, which are capitalized until the commissioning of the entire investment) and leasing contracts, the rest representing negative exchange rate differences arising mainly from the revaluation of the bank loan contracted for the Grain Terminal.

According to the provisions of OMFP no. 1802/2014, the Company shall capitalize the interest due for the bank loan contracted for financing the Grain Terminal until the commissioning of the investment. The amount of the capitalized interest in the current year in relation to that credit facility was in the amount of 3,477,504 lei.

Net profit

The Company registered in 2019 a net profit of RON 15,293,843 lei, as compared to RON 7,612,510 in 2018. The profit increase was generated by the turnover increase based on the incresed quantity of handled raw materials, explained above, but also to the profit tax exemption in connection with the gross profit invested in technological equipment.

Fixed Assets

On 31st of December 2019, the Company revised the value of tangible assets used for the activity of handling of minerals, starting from the premise of putting into operation in 2020 of all assets under conservation. The revaluation included all assets in the form of buildings, equipment, spare parts stocks and assets under construction to serve the current business. The test was based on comparing the book value at 31.12.2019 with the value in use determined by analyzing future cash flows that will be generated. Following the review, there were negative adjustments (net amounts) to be recorded on the expense account in the net amount of 5,789,235 lei.

The increase in fixed assets was mainly caused by the increase in the value of the fixed assets in progress for the "Grain Terminal" investment as at 31.12.2019.

Stocks

Stocks went up as compared to the end of 2018 due to the increase of the company’s activity. From the total of 16,343,069 lei stocks on 31st of December 2019, the amount of 6,590,586 lei represents materials stocks for the investments.

Receivables

Receivables in balance on 31st of December 2019 went up as compared to the end of 2018, Receivables on balance at 31.12.2019 increased compared to the end of 2018, this increase being closely related to the increase in turnover.

Out of the total of 24,268,185 lei receivables in stock on 31.12.2019, the amount of 1,911,095.10 lei represents receivables registered against the client Viofeli. They represents invoices for loading / unloading services, storage and firefighting interventions.

In April 2019, Comvex concluded with Viofeli the contract no. 719 / 09.04.2019 for the handling of 6,000 tons of coal. At the client's request, in June was signed the additional act no. 1 to supplement the quantity of coal handled in the Comvex Terminal, respectively up to the quantity of 500,000 tons. From the information provided by the client, the coal unloaded in the Comvex terminal was to be expedite to Mintia Deva thermal power plant.

During the storage of the goods, it was found that this coal has a high potential for self-ignition, and in July, in the conditions of rising temperatures, the goods began to smoke and ignite, generating smoke and ash. The company notified the customer and started specific procedures to limit fire outbreaks. For the actions taken in order to limit the effects of self-ignition of coal, the Company invoiced the value of the services performed, as agreed with the client Viofeli by another additional act to the service contract.

The uncollected balance from the Viofeli client is in the amount of 1,911,095.10 lei. In order to recover this amount, the Company registered at the Commercial and Maritime Arbitration Court attached to CCINA Constanța an action requesting the defendant to pay the amount of 1,619,861.04 lei representing invoices for services and storage of goods issued during June- November 2019, following that, in the next period, an application will be submitted to increase the claims with the amount of 291,234.06 lei representing invoices issued during November-December 2019.

Cash available

The cash available at 31st of December 2019 amounted to 15,548,526 lei, as compared to 13,424,137 lei at 31st of December 2018. The increase is closely related to the increase in turnover. Part of the amounts collected in 2019 were used to provide resources to finance the new investment in the Grain Terminal.

Debts

Out of the total of 214,230,232 lei debts in balance at the end of 2019, the amount of 173,413,077 lei represents the sums due to credit institutions, out of which the amount of 168,633,777 lei represents the balance of the bank loan contracted in order to finance the Grain Terminal. The balance of leasing financing amounts to 239,953 lei, representing the equivalent of EUR 50,207. The leasing financing was contracted for the purchase of equipment and cars necessary for the activity.

Litigations

On 31st of December 2019, the Company has ongoing litigations with Compania Nationala Administratia Porturilor Maritime SA Constanta (CN APM), generated by Comvex's refusal to pay the tariff for using the port area (UDP tariff).

Starting with the beginning of year 2015, Comvex submitted refused to payt the invoices issued by CN APM for the UDP tariff , based on the following considerations:

- Unilateral increase by CN APM of the UDP tariff without complying with the contractual conditions, in the context of a pre-existing contract providing the parties' obligation to negociate;
- CN APM's non fulfilment/faulty fulfilment of its contractually assumed obligations.

In this sense, starting with January 2015, Comvex refused to pay the increased tariff from EUR 0.05 /m2/month to EUR 0.08/ m2/month, as the increased tariff has no correspondent in the contractual mechanism and starting with April 2015, Comvex invoked the exception of failure to execute the counter services related to the UDP tariff of EUR 0.05 /m2/month provided within the contract concluded with CN APM. Through its refusal to pay the UDP tariff, COMVEX has consistently detailed the reasons underlying such refuses, attaching in this sense justifying photo boards, showing with no doubt that CN APM non fulfilment/faulty fulfilment of its contractually assumed obligations.

The value of the refusals related to the tariff of EUR 0.05 /m2 is in the amount of 2,813,425.5 lei without VAT, amount which was provisioned, thusly avoiding the impairment of the future financial position of the Company. The total value of the refusals related to the tariff of EUR 0,03 /m2 amounts to 2,536,826.84 lei without VAT, amount which cannot impair the financial position of the Company because, as mentioned above, there is no contractual correspondent for that tariff.

On 31st of December 2019, the total value of penalties is of 6.772.354 lei (penalties calculated for all invoices refused to be paid, related both to the EUR 0.05 tariff as well as to the increased one from EUR 0.05 to EUR 0.08).

During 2019, it was finally settled the file no. 8671/118/2017 registered by the plaintiff Raimondo de Rubeis against the Company with Constanța Court regarding his mandate revocation, by rejecting the appeal submited by the plaintiff against the first instance court rulling. However, Raimondo de Rubeis filed a second appeal, which has the first term on 13.05.2020.

Regarding the settlements of the above mentioned second appeal, the Management of the Company considers that the thecision to be issued by the Supreme Court in this respect shall not have a significant adverse impact neither on the economic results nor on the financial position of the Company and has engajed legal assistance and qualified representation for the file and has undertaken all the required legal steps.

Furthermore, during the year 2019, the plaintiff Raimondo de Rubeis also submitted with the Bucharest Court the file no. 27863/3/2019, regarding the annulment of the purchase of a number of 40 shares issued by the Company by each of the defendants Drăgoi Anca Mihaela and Nicola Ruxandra Ioana and the subsequent subscription of a number of 2,500,000 shares issued by the Company during the share capital increase by each of the defendants Drăgoi Anca Mihaela and Nicola Ruxandra Ioana.

The Bucharest Court decided on the territorial jurisdiction exception, setting it has no territorial jurisdiction, on 17.01.2020 declining its competence in favour of Constanta Court, that has not yet established a term for further procedures in this respect.

The Management of the Company considers that the decision to be issued in the above mentioned file shall not have a significant impact on the financial and economic results of the Company and has engajed legal assistance and qualified representation for the file and has undertaken all the required legal steps.

The Management of the Company considers that these actions shall not have a significant impact onto the economic results and financial position of the Company.

Profit distribution

RON

Gross profit as at 31.12.2019:	**16,305,391**
Tax on the related profit	*1,011,548*
Profit after tax as at 31.12.2019:	**15,293,843**
Legal reserves	*815,270*
Other reserves	*14,478,573*
Accounting loss covering	*0*
Net profit to be distributed at 31.12.2019	**0**

In December 2019, technological equipment was put into operation for which the Company can apply the provisions of art. 22 of Law no. 227/2015, with subsequent amendments, regarding the tax exemption of the reinvested profit.

The investment for which the Company calculated the reinvested profit tax exemption is worth 19,541,397 lei, but the exemption was effectively applied only to the profit tax due in the fourth quarter, according to the limitations stipulated in the Fiscal Code. Thus, the reinvested profit for which he benefited from the tax exemption represented the sum of the entire profit obtained in the financial year 2019.

It is proposed to the General Meeting of Shareholders that the profit obtained on 31.12.2019 in the amount of 15,293,843 lei, to be distributed as follows:

i. 815,270 lei - in order to establish the legal reserve;

ii. the difference in the amount of 14,478,573 lei - in order to reinvest in technological equipment, according to the provisions of art. 22 of Law 227/2015 on the Fiscal Code, in this sense being allocated to other reserves related to reinvested profit.

Investments activity

In 2019, the total capital expenditures amounted to RON 109,890,591, out of which RON 102,794,980 represent investments in tangible and untangible fixed assets in progress, RON 5,702,752 investments in equipments and constructions and RON 1,392,858 intangible assets. The capital expenditures were registered in relation to the Grain Terminal and the implementation of the new integrated informatic system SAP.

The investments made in 2019 aimed the growth of the Company by the diversification of its activity by the development of a Grain Terminal, alongside the Minerals Terminal.

On the date of the herewith Report, the construction of the Grain Terminal is completed in proportion of approximately 98%, the construction and assembly works on the unloading tank for rail transport will be completed in May of this year. At the end of 2019, 2 groups of storage cells were put into operation, the rest of the equipment will be put into operation in the next period. The part representing constructions is currently in the phase of reception with Constanța City Hall. Starting with September 2019, the commisioning and tests performed in order to set and adjust the optimal parameters of the cells and equipment started.

The total storage capacity of the COMVEX Grain Terminal is 198,000 mt, calculated for wheat. The storage area consists of 18 large flat-bottomed silo cells (12 x 10,000 mt and 6 x 10,900 mt), 6 small flat-bottomed silo cells (2,250 mt each) and 6 conical-bottomed cells.

The COMVEX grain terminal is equipped with state-of-the-art handling equipment, supplied by AG Growth (Canada), a world leader in the grain handling industry. By designing and choosing the equipment, COMVEX opted for completely closed handling systems (belt and chain conveyors and bucket elevators). In addition, spot filters have been installed in critical areas, and truck unloading areas have suction systems.

The grain will be unloaded from barges, wagons and trucks and will be loaded on ships and trucks. The layout of the equipment of the Terminal ensures a great flexibility in operation. All equipment, systems and activities in the COMVEX Grain Terminal will be fully monitored and automated by PC and PLC systems.

The implementation of the SCADA system and the complete automation of the Terminal will ensure efficiency, data processing for smart decisions and communication of problems, which will help reduce downtime. In addition, the implementation of the Truck Management System and the Terminal Management System will minimize the various operational risks and ensure the smooth operation of the Terminal.

All of the above will provide customers of the COMVEX Grain Terminal with highly reliable services. The arrangement of the equipment and the automation solutions will give the possibility to mix cereals from any cell based on the predefined specifications and requirements of the clients. Meeting the specific requirements of customers, the COMVEX Grain Terminal will be able to add value to the handled grain.

The SCADA system, Terminal automation, truck and Terminal management systems are provided by SIEMENS.

Revenues and expense budget for year 2020

Comvex's orientation for 2020 is materialized in the following priority objectives:

(i) the commissioning of the "Cereal Terminal" investment so that it is completed and fully operational in the second part of year 2020;
(ii) consistent and continuous improvement of the activity of the ore terminal and performance at high standards of the services offered to the Company's clients;

The revenue and expenditure budget for 2020 takes into account an amount of 3.4 million tonnes entered in the Mineral Terminal and an amount of 1.9 million tonnes received in the Cereals Terminal.

Related to the activity of minerals, it is estimated a decrease in the amount of raw materials handled through the Comvex Terminal compared to 2019.

Thus, we expect that for some of the Company's traditional customers, the quantities of raw materials handled in the Mineral Terminal will remain approximately at the same level as 2019, while for other customers, such as Alum and Vitol, these quantities will be decreasing. Under these conditions, it is estimated that the turnover derived strictly from the unloading/loading of raw materials will decrease by approximately 25% compared to that achieved in 2019.

The launch and promotion of the Cereal Terminal Project was a constant in the concerns and activity of Comvex representatives at all levels, ever since the actual launch of the Project in 2017. Comvex intends to promote the Project's capabilities by showing its unique features and confirming the cooperation intentions that has previously discussed with various potential beneficiaries of the Terminal. We consider the relevant producers in Romania and in the hinterland of the Port of Constanța, as well as local and even global traders with operational interest in this hinterland.

Revenues for 2020 from the activities performed in the Mineral Terminal were budgeted based on the quantities estimated to be handled and the existing tariffs according to the contracts concluded with customers.

Operational expenditure for 2020 was budgeted based on the analysis of the previous year's expenditure and adjustments based on the new assumptions and the estimated volume of activity for 2020.

Expenditures on equipment maintenance were budgeted according to the preventive repair works and overhauls estimated to be necessary for the proper functioning of the equipment and machinery, taking into account their functional condition and age. The rent expenses were budgeted according to the contracts concluded with CN APM, respectively with the suppliers of rented equipment in order to carry out the activity of minerals in conditions of efficiency. Expenditures such as utilities and fuel were estimated based on the quantities of goods estimated to be handled in 2020. Other expenditures included in the budget were estimated according to the contracts concluded with service providers, as well as based on historical values and management estimates of the Company.

Personnel costs were estimated based on the number of existing employees and the provisions of the collective labour agreement. Expenditure ith TESA personnel, as well as some of the expenditure on technical personnel, was allocated equally between the two Terminals. In the same situation are the expenses like general and administrative expenses.

Estimates for 2020 for the Mineral Terminal are:

i. Turnover EUR 13,6 million Eur;
ii. EBITDA 2,5 million Eur;
iii. Net profit 0,8 million Eur.

The quantity received in the Grain Terminal was estimated based on contracts, agreements and discussions with existing and / or potential customers for the grain handling activity. Personnel costs were estimated according to the staff needed to be hired gradually as the activity increased.

The expenses with the utilities and the maintenance of the equipments were estimated according to the technical and functional parameters of the equipments, the prices of the utilities, respectively the necessary services, as well as the quantities of cereals received in the Terminal.

The financial expenses were estimated according to the provisions of the investment financing contract and the conditions of the State guarantee agreement.

Thus, the estimates for 2020 for the Cereals Terminal are:

(i) Turnover of EUR 11,1 million Eur;
(ii) EBITDA 4,4 million Eur;
(iii) Net profit 1,6 million Eur.

It is proposed to the Ordinary General Meeting of Shareholders to approve the income and expenses for 2020, as they are presented to shareholders.

Impact of COVID-19

Towards the end of 2019, news of COVID-19 (Coronavirus) first appeared in China, with the World Health Organization reporting a limited number of cases of an unknown virus on December 31, 2019. In the first months of 2020, the virus spread globally, triggering a pandemic. Although the impact of the pandemic cannot yet be determined at the time of writing, it is estimated that the adverse effects on global trade and the Company's business may be more severe than at an initial assessment. Certain currencies in which the Company is exposed have depreciated and stock markets have declined. Management considers that this pandemic is an event after the balance sheet date that does not lead to the adjustment of the individual annual financial statements. However, the situation created earlier this year could significantly affect estimates and the revenue and expenditure budget for 2020.

As the pandemic is currently uncontrollable and rapidly evolving, management considers it impossible to estimate the potential impact of this event on the Company's financial position and future financial performance. The impact will be determined and included in any depreciation and impairment of the Company's assets in 2020.

The Company's management closely monitors the health and economic situation and asses the ways to minimize the impact of the pandemic on Comvex. Although we do not currently have such information from our customers, if the supply of raw materials and materials to the plants and industries served by the Company could be interrupted for a longer period, the Company's revenues could decrease compared to the financial forecasts presented.

In addition, in relation to the cereal operation activity, the Company's management takes all the necessary actions to start the cereal operation activity at the full capacity of the Terminal in the shortest possible time. However, in the context of the current crisis caused by the Covid pandemic - 19 public authorities of the Romanian State have adopted legal norms with a significant impact on this activity. In this sense, we note the provisions of Military Ordinance no. 8/2020 suspending / prohibiting the export of cereals throughout the state of emergency. In this context, we expect that such a measure adopted at national level may have significant effects on the operation of the Cereal Terminal in 2020. Given that the Covid - 19 pandemic produces significant effects globally and there is the possibility of extending restrictive measures regarding the imports / exports of agricultural products that would transit the Port of Constanta through the Company's terminal during 2020, it is possible that the Company's revenues will also have a negative impact as a result. The Company's management will constantly monitor the evolution of the situation and, in particular, the potential extensions of the grain export restrictions and will take all necessary measures to limit to exclusion the effects that this situation may have on the Company.

Fear of the virus and efforts to prevent its spread have led to significant changes in business and social models. Thus, the Company has adopted a series of measures in order to ensure the health and safety of employees and business partners, such as remote work / home, the implementation of procedures for the division of teams in shifts, the separation of staff and the provision of a program of flexible work, in order to ensure social distancing and compliance with hygiene rules as regulated by the instructions of public health authorities, as well as the establishment of specific disinfection protocols within the Company, including in all areas where Comvex staff work.

Management will continue to monitor the potential impact of the coronavirus pandemic and will take all possible measures to mitigate any adverse effects on the Company's business.

Viorel Panait – Chairman of the Board of Directors

Independent Auditor's Report

To the Shareholders of Comvex SA

Report on the audit of the financial statements

Our Opinion

1 In our opinion, the accompanying financial statements give a true and fair view of the financial position of Comvex SA (the "Company") as of 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the requirements of the Order of the Minister of Public Finance of Romania no. 1802/2014 and subsequent amendments ("OMF 1802/2014") and the accounting policies presented in Note 5 to the accompanying financial statements.

What we have audited

2 The Company's financial statements comprise:

- the Balance sheet as at 31 December 2019;
- the Statement of profit and loss for the year then ended;
- the Statement of changes in equity for the year then ended;
- the Statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

The financial statements as at 31 December 2019 are identified as follows:

- Total equity: RON thousand 281,066;
- Net profit for the year: RON thousand 15,293.

The Company's registered office is in Constanta, incinta port dana 80-84 and the Company's unique fiscal registration code is 1909360.

Basis for opinion

3 We conducted our audit in accordance with International Standards on Auditing ("ISAs") and Law 162/2017. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

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

Independence

4 We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and the ethical requirements that are relevant to our audit of financial statements in Romania, including Law 162/2017. We have fulfilled our other responsibilities in accordance with these requirements and the IESBA Code.

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Other matters

5 The accompanying financial statements are not intended to present the financial position, results of operations and a complete set of notes to the financial statements of the Company in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Romania. Accordingly, the accompanying financial statements are not designed for those who are not informed about Romanian legal and statutory requirements including OMF 1802/2014.

Reporting on other information including the Administrators' Report

6 The Administrators are responsible for other information. The other information comprises the Administrators' Report, but does not include the financial statements and our auditor's report thereon. We obtained this other information prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information, including the Administrators' Report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Administrators' Report we read it and we report whether this was prepared in all material respects, in accordance with OMF 1802/2014, articles 489 - 492.

Based exclusively on the work undertaken in the course of our audit of the financial statements, in our opinion:

- the information given in the Administrators' Report for the financial year for which the financial statements are prepared is consistent in all material respects with the accompanying financial statements;
- the Administrators' Report has been prepared in all material respects in accordance with OMF 1802/2014, articles 489 - 492.

In addition, in light of the knowledge and understanding of the entity and its environment obtained in the course of the audit of the financial statements as at 31 December 2019, we are required to report if we have identified material misstatements in the Administrators' Report. We have nothing to report in this respect.

Responsibilities of Management for the financial statements

7 Management is responsible for the preparation of the accompanying financial statements, that give a true and fair view in accordance with the OMF 1802/2014 and with the accounting policies presented in the Note 5 to the accompanying financial statements, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

8 Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the accompanying financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Refer to the original signed Romanian version

Mihai Anița

Financial auditor registered with

the Public Electronic Register of financial auditors and audit firms under no AF489

On behalf of

PricewaterhouseCoopers Audit SRL

Audit firm registered with

the Public Electronic Register of financial auditors and audit firms under no FA6

Bucharest, 15 April 2020

This version of our report is a translation from the original, which was prepared in Romanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.