

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 01.01.2023 - 31.12.2023

Date of report: April 23, 2024

COMVEX S.A.

Head office: Constanta, Port Precincts, Berth 80-84, code 900900

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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: 11.655.971 nominative shares, with a nominal value of 2.5 RON/share

1. Analysis of Comvex activity

1.1.

a) Details on the main activity of the issuer

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 Minerals Terminal is specialized in handling, storing and transshipment of dry bulk raw goods such as iron ore, coal, coke, bauxite.

Apart from the existing Minerals Terminal, Comvex has developed a Grain Terminal in berth 80, covering an approximately 60,000 sqm surface.

b) Incorporation date

COMVEX S.A. was incorporated in 1991.

c) Details of any merger or significant restructuring of the issuer, its subsidiaries or the controlled entities, during the financial year

During the financial year 2023 there were no mergers or reorganizations of the company.

d) Details on any asset procurement and/or sale

Main increases in fixed assets performed during 2023:

- Investments in tangible fixed assets in progress 12,364,718 RON;
- Land improvements, constructions and equipment 3,445,769 RON.

During 2022 the sold fixed assets have had a value of 658,999 RON.

e) *Details of the main results of any evaluation on the issuer activity*

Not applicable.

1.1.1. General evaluation elements:

- a) *Profit*
gross profit 2023: 222,627,396 RON
- b) *Turnover*
turnover: 425,706,251 RON
- c) *Export*
Not applicable
- d) *Costs*
costs: - Expenses from exploitation 222,219,573 RON
- financial expenses: 14,158,339 RON
- e) *% of the market*
30%
- f) liquidity (available in the account etc.) at 31.12.2023: 107,905,143 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 Mineral 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.

Apart from the existing Minerals Terminal, COMVEX has developed a Grain Terminal in Berth 80, covering an approximately 60,000 sqm surface. The location provides important logistic advantages, respectively: the deepest berth in the Black Sea, vicinity with the barges terminal (the vicinity with the Danube - Black Sea Canal) for river transport from Danube neighbour countries, direct and easy access to the railway, short distance and direct access to highway A2. Thus, COMVEX will provide grain producers

Translation from the Romanian language

in Romania, Hungary, Serbia, Bulgaria the possibility to deliver the obtained production on great capacity ships, 100,000-120,000 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:

	2021	2022	2023
Total income from exploitation	169,798,710	382,149,897	447,821,360
Turnover	161,235,635	356,917,155	425,706,251

	2021		2022		2023	
	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)	89.84%	94.61%	86.40%	92.50%	91.76%	96.530%
Income from goods sales	2.40%	2.53%	6.50%	6.96%	2.40%	2.53%
Other incomes	7.76%	2.86%	7.10%	0.53%	5.84%	0.94%
	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 Mineral 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 Black Sea and the East part of the Mediterranean Sea allows the direct operation of grain vessels of over 100,000 tdw, which creates an exceptional competitive advantage both for COMVEX as well as for the Port of Constanta, in its entirety. The accomplishment of the COMVEX Terminal is a premiere in Romania and is opening the markets within the hinterland of Constanta Port towards any global destination.

To make the Grain Terminal activity more efficient, the Company is developing the investment project "Increasing the storage capacity at Berth 80 Grain Terminal in the North Constanta Port". In the first stage, the project consists of the construction of silo cells and related operating equipment works that will increase the storage capacity of grains and/or oilseeds by 11,800 tons. The company is also implementing a potential continuation of the Project, in a secondary stage, which aims to expand storage and

operating capacity by up to 38,000 tons, thus reaching a total additional capacity of up to 50,000 tons.

In this context, by the end of 2023, the Company concluded with the Management Authority for the Transport Program 2021-2027, within the Ministry of Transport, the non-reimbursable financing contract for the implementation of the project SMIS code: 312766, entitled: "Increasing storage capacity at Berth 80 Grain Terminal in the Constanta North Port". The total budget of the project is RON 28,425,967 (EUR 5.7 million equivalent), of which RON 9,950,799.95 (EUR 1,999,999 equivalent) is non-reimbursable financing in the form of state aid.

The specific objective of the project is the construction of two temporary grain storage cells with a total capacity of 11,800 metric tons in the western area of the Grain Terminal at berth 80 by 31.12.2024.

The specific objective of the Financing Scheme under the 2021-2027 Transport Program is to perform investments in sea and inland ports (Constanta, Galati, Giurgiu, in ports located along the Danube - Black Sea Canal including Poarta Alba - Midia - Năvodari, along the Sulina Canal or in "satellite" ports of the Port of Constanta (Midia, Mangalia), in order to reduce the immediate negative effects of the geopolitical crisis caused by Russia's aggression against Ukraine. At the same time, in line with the Communication 217/2022 from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – "An action plan for the EU-Ukraine solidarity lane to facilitate Ukraine's agricultural exports and bilateral trade with the EU", the priority is to mobilize and make optimal use of existing infrastructure and equipment, to expand capacity where possible and to increase and diversify the number of routes that could be used for trade continuity. Investments in new infrastructure and equipment as well as in upgrading existing ones are also necessary, but often require medium and long-term perspectives.

The project "Increasing storage capacity at Berth 80 Grain Terminal in the Port of Constanta North" responds very well to these objectives as its implementation will increase the capacity to handle grain from Ukraine, thus facilitating Ukraine's exports to EU and non-EU countries, helping to eliminate the effects of the blockage of Ukrainian Black Sea ports by Russian aggression. The project will concretely contribute to the above objectives by increasing temporary storage capacity by 11,800 t and reducing temporary storage time from an average of 27 days to 17 days. It is the operator's intention that this project will be the first stage of a larger development of the grain terminal so that Ukraine's grain traffic can be served even more extensively. According to traffic estimates for the period 2024-2027 the project "Increasing storage capacity at Berth 80 Grain Terminal in the Port of Constanta North" will serve an average of 750,000 tons of grain from Ukraine exceeding an operation of 1.5 million tons destined exclusively for Ukraine. Please note that this estimate is conservative based on the estimated grain flow.

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 9001:2015.

The goods loading and unloading operations involve a significant equipment number and the correct functioning of the involved equipment is ensured by way of permanent maintenance and service works.

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

During the year 2023, through the Mineral Terminal there have been performed handling, storage and transshipment of the bulk raw materials services, such as iron ores, coking coal, bauxite, coke, scrap iron for clients such as Ferrexpo Middle East, Transport Trade Services, Liberty Galati, Danube Shipping Management, PSJ Arcelormittal Kryvyi Rih, Romcim (previously known as CRH) Romania, Holcim Romania, Vitol Swiss, Glencore International AG, Danube Transport Services (DTS).

The Grain Terminal has provided handling services, storing and transshipment for clients such as Viterra Agriculture Romania, Al Dahra Agriculture Romania, TOI Commodities S.A., Global Grain International, Cerealcon Dolj, Global Grain International, Quadra Commodities S.A., Sierentz, Trade Agro Union and others, also comprising commodities originating from Ukraine.

The iron ore was handled for the steel factories of Galati – Romania Smederevo – Serbia, Linz-Austria and Kosice-Slovakia, as well as for end-users in Algeria, China, Turkey, Italy. The coking coal was unloaded for the complex of Dunajvaros in Hungary, and Arcelor Mitall Kryvyi Rih Ucraina. Energy coal/PCI for the thermal power stations of Romania, for cement factories from Romania, Serbia, Slovakia, Poland and Moldavia. The anthracite coal, for the steel plants and cement factories from Serbia and Bosnia. The slag was destined for Holcim cement factories. The petroleum coke went to Romcim and Holcim cement factories in Romania and to Moravacem Serbia. Metallurgical coke was shipped to steel plants in Serbia, Italy, Belgium and Turkey. The destination for the bauxite was the alumina factory Alum Tulcea.. The coal homogeneous was used by the Romcim and Heidelberg cement plants in Romania. And the iron ore homogeneous was shipped to China.

The raw materials have been dispatched to the beneficiaries by mean of maritime vessels, or by railway (wagons), by river (barges) or by road (trucks).

The Grain Terminal turnover has increased by aprox. 35%, compared with the one registered the previous year, due to the significant increase of the quantities of raw materials handled through the terminal, in the same context as above, including the commodities originating from Ukraine.

Translation from the Romanian language

Starting with year 2022, the Company's activity has recorded an important expansion on the background of the increase of cargo traffic through the port of Constanta, increase generated by the geo-political context within the area. Therefore, as a result of the Russian-Ukrainian war and, implicitly, the closure and/or dramatic restriction of operations through Ukrainian ports, Romania has become one of the main transport routes for goods from Ukraine, being used as a transit country. In addition, given the increasing demand for port operation services, the tariffs charged in the port of Constanta have also increased, generating significant revenues and accordingly financial results. In the presented context, the Mineral Terminal turnover has increased by approx. 10%, compared with the one registered the previous year.

The grains handled through the Grain Terminal have been dispatched to Saudi Arabia, Cyprus, Egypt, United Arab Emirates, France, Greece, Jordan, Israel, Lebanon, Libya, The Netherlands, Portugal, Spain, Sudan, Tunisia, Turkey, Belgium, Yemen, Great Britain and Italy.

The Grains Terminal turnover has increased by approx.) 35% compared with the one registered the previous year, due to the significant increase of the quantities of raw materials handled through the Terminal, in the same context as above, including commodities originating from Ukraine.

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.

During the year 2023, the percentage of Comvex Mineral Terminal on the handling services market for the iron ore, coal, coke, bauxite was of approximately 60%. Among the company's competitors we list: North Star Shipping, TTS Operator S.A, Socep S.A, Decirom, Umex S.A, Schenker.

As regards the Grain Terminal, its percentage on the handling services market for grains was of approximately 20%.

Among the company's competitors there are: United Shipping Agency, North Star Shipping (ADM), Chimpex (Ameropa), Socep, Umex, Silotrans (CHS), Canopus Star.

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.

The conflict determined by the Russian Federation against Ukraine is still on going at the date the present Report is presented. The intensity of the conflict is variable and neither the initial purposes of Russia are accomplished, nor the answer Ukraine gave led to any termination of the hostilities in a favorable way for Ukraine. As a consequence, we may still assess the extension of this war with the affecting of an important part of Ukraine.

Considering the war against Ukraine and the invasion of its territory, Romania's western partners (EU and USA) imposed economic sanctions more and more drastic on several important actors of Russian economy and Russian State in its entirety. These sanctions are still in force and there is the possibility for them to increase during 2024.

The impact of these economic sanctions, as well as their potential extension, shall affect both on short term as well as on average and long term, the global economic and politic context triggered by the crisis in Ukraine.

Thusly, it must be observed the fact that, Russia represented over time one of the main exporters of grains, especially through the basin of the Black Sea, where our company operates. On the other hand is important to underline that together with Ukraine, Russia holds more than a quarter of the global wheat exports. More than that, Ukraine is in top 5 states of the general grains market, with corn, wheat and Soya beans.

The price of grains has significantly increased once the war started, considering that the request remained constant and showed significant fluctuations in the following period. The effects of such variations are still affecting in a significant manner the logistics of grain global market.

While establishing the general Company's strategy, we are still evaluating that the geopolitical stability of Romania shall not be affected, considering the country's membership to NATO and EU. On the other hand we do not see how it could be possible for transports through the Bosfor and Dardanele straits to be blocked, although it is obvious they shall be affected in certain measures.

We estimate that the effects of the war, whichever it might be its end, as well as of the economic sanctions will continue to have a powerful impact on the exports from Ukraine and Russian Federation. We hereby estimate that the grain handling activity in Constanta Port will continue to take over a part of the Ukrainian exports during the year 2024 as well, representing the first alternative to the Ukrainian ports, specialized in this industry. Of course, the level of such transfer towards Constanta Port will be influenced by the size of the damages the attack strategy of Rusia will have against the Ukrainian ports.

Obviously the impact of the war on the global economy is a negative one, because Ukraine's production seems to be diminished to a large extent for 2023, and transport of large quantities and capacity to make payments and use usual financial warranty instruments may generate problems in global supply.

On the other hand from the point of view of operating raw materials through the mineral terminal, it must be underlined that, during the war,. there were some fluctuations due to the bottlenecks mentioned above. Even if the war has brought a higher flow of such goods, there is no guarantee that these flows cannot be affected by the continuation of military operations.

Furthermore, the total and long term impact of the war may not be determined at the time of drafting this report. On the other side, the Company has acquired additional experience during 2022 and 2023 which shows increased resilience for the future and a capacity to adapt significantly higher for any further potential scenario.

The Management of the Company is closely monitoring the political and economic situation and searches for ways to mitigate the impact of the war on Comvex.

The Management of the Company shall closely monitor the evolution of the situation and shall adopt all necessary measures to mitigate, up to exclusion, the effects this situation may produce on the Company.

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 2023: 416

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.

During the year 2023, the Company carried out the specific activities without causing major environmental consequences and were not noted any non-compliance with the conditions provided by the Environmental Permit no. 24/27.01.2021 issued by the Environmental Protection Agency of Constanta.

At the Convex company level, there is a well-developed strategy for environmental protection (emission limitation programs, instructions and working procedures regarding environmental protection and efficient waste management), through which the operations carried out are periodically monitored and evaluated. This strategy led to the certification of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, certifications relevant to the company's activity.

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.

The Company is exposed by its operations to the following risks:

- Operational risk
- Market risk
- Credit risk
- Foreign Exchange risk
- Liquidity risk

Operational risk derives from the possibility of the occurrence of accidents, errors, faulty operation, as well as from the influences of the environment on the operational and financial results. The Company's policy is to continuously improve performances of the equipments

and machinery and maintain the same high standards of the services offered to the Company's clients.

Thusly, the Company implemented an integrated management system of quality-environment-safety-food safety with results on the improvement of the organisation's image, by satisfying requirements of quality, environment, labour safety, improvement of the relations with public authorities and business partners. Also, in order to limit risks and liabilities, the company has signed insurance policies for equipments and machinery, as well as policies for third party civil liability. In order to minimise the environment's influence on the results, the Company continuously observes the greening of the Mineral Terminal by eliminating the waste periodically generated due to the specific of the activity, .

Market risk is the risk that the market price's variation affects income and financial results of the Company or the value of the held financial instruments. The Company continuously observes the evolution of the market and industries it caters for in order to adjust forecasts and estimations regarding financial performances of the company.

Credit risk is the risk of financial loss for the company which occurs if a client or counterparty to a financial instrument does not fulfil its contractual obligations. The Company is mainly exposed to the credit risk arising from rendering services to clients. Thusly, the Company observes the deadlines for cashing receivables and correlating them with debt payment deadlines.

Foreign Exchange risk occurs when the company concludes transactions expressed in another currency other than its operational currency. The Company is mainly exposed to the foreign exchange risk with acquisitions performed from suppliers of materials, spare parts, but also service providers with which the tariffs are negotiated in euro. In order to minimise the foreign exchange risk, both the Company's income and expenditure were correlated to euro by setting the tariffs for services performed in euro and by linking the main expenditures of the company to the same currency (wages, rent, etc). The company observes deadlines and insuring cash availability for paying, so that the foreign exchange risk may be minimised.

Liquidity risk occurs from the management by the company of circulating assets and expenditures for financing and reimbursement of the amount of the principal for its credit instruments. Comvex's policy is to make sure it always has enough cash to allow fulfilment of its obligations when they become due. To reach this objective, it always searches to maintain enough cash balance to satisfy the payment needs. At the end of the financial year, the Company has enough liquid resources to honour its obligations from all forecasted reasonable circumstances. Also, the Company observes to correlate assets and liabilities on short term, respectively long term, by performing average and long term investments from resources of average and long term. The Company does not have any unpaid due obligations to the state budget.

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 2022, 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 2023, the total capital expenditure was the amount of lei 15,151,487, representing various modernizations and investments in tangible fixed assets in progress for both terminals as well as for the improvement of the IT security.

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 related 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.

2. Tangible assets of the company

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

Mineral Terminal

Location and characteristics of the main production capacities:

- 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.

Grain Terminal

The total storage capacity: approximately 200,000 mt, calculated for wheat.

The storage area is 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.

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.

The major concern of every grain facility is dust. Through design and equipment selection, 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 are 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 COMVEX Grain Terminal are fully monitored and automated by PC and PLC systems.

Implementing the SCADA system and full terminal automation maintain efficiency, help processing data for smart decisions and communicates issues which help to mitigate downtime. In addition, the implementation of Truck Management System and Terminal Management System minimizes various operational risks and provide smooth terminal operation.

The SCADA system, Terminal automation and truck management system provided by SIEMENS, while inventory management system is provided by BENTO.

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

The accounting policy on estimating the expected way of consuming the future economic benefits incorporated within the depreciable assets relevant for the Mineral Terminal takes into account (i) the financial-economic context in which the Company carries out its activity and (ii) the fact that although the activity of the Mineral Terminal is not a linear one, it is still necessary that the Terminal's equipments are sized so as to be able to serve picks of activity in function of the influx of vessels and evolution of the industries it caters to.

Thusly the accounting policy on estimating the expected way of consuming the future economic benefits incorporated within the depreciable assets used for the Mineral Terminal is the depreciation method in accordance with the provisions of OMFP 1802/2014, article 240 point (1) para. d), respectively "the depreciation calculated based on the product or service unit" for tangible fixed assets that was directly involved in operating the total quantity that remained to be handled during the rest of the utilization lifetime of Comvex Mineral Terminal equipment.

The other tangible fixed assets related to the Grain Terminal, respectively other shared assets that are used for the activity of both terminals, are depreciated based on the straight line depreciation method. For them the depreciation shall be determined based on the entry value, by applying the straight line depreciation method during the estimated utilization lifetime of the assets.

The depreciation is calculated starting on the following month of the commissioning date and until the full recovery of the entry value. Land is not depreciated as is considered it has an indefinite lifetime.

Tangible assets	Duration remained for depreciation (years)
Buildings and constructions	57
Technological equipment	20
Indicators and control devices	15
Means of transport	24
Furniture and other fixed assets	15

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.

3. Market of the securities issued by the trading company

3.1. Stating the markets in Romania 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.

The Company aims to integrate both of its activities (minerals and grain) and to secure the Company's development financing needs from its profits. At the same time, it also aims to maintain the Company's potential for continued development, thereby ensuring the Company's long-term sustainable profitability.

2021

In accordance with the OGMS no. 353 of April 28, 2022, the Ordinary General Meeting of Shareholders decided to distribute dividends with the total amount of 8,427,267 RON, respectively setting a gross dividend per share with the value of 0.723 Ron.

In accordance with the OGMS no. 368 of September 23, 2022, the Ordinary General Meeting of Shareholders decided to distribute dividends with the total amount of 21,572,871 RON, respectively setting a gross dividend per share with the value of 1.8508 Ron.

2022

In accordance with the OGMS no. 382 of August 28, 2023, the Ordinary General Meeting of Shareholders decided to distribute dividends with the total amount of 149,999,525 RON, respectively setting a gross dividend per share with the value of 12.8689 Ron.

2023

In accordance with the OGMS no. 395 of April 22, 2024, the Ordinary General Meeting of Shareholders decided to distribute dividends with the total amount of 125,000,000 RON, respectively setting a gross dividend per share with the value of 10.7241 Ron

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 shares 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 issuer's managers and the following information for each manager:

a) CV (name, surname, age, qualification, professional experience, position and seniority in office);

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

The Board of Directors appointed by the decision of the Ordinary General Meeting of Shareholders no. 364 of 23rd of September 2022, for a 4 years mandate, i.e. 2022 - 2026, has the following composition:

- Viorel PANAIT – President
- Dan Ion DRĂGOI – Member of the Board
- Corneliu Bogdan IDU- Member of the Board
- Edmond Costin ȘANDRU – Member of the Board
- George CHIOCARU – Member of the Board

George CHIOCARU – He is a Graduate of the Faculty of Law within Bucharest University. Postgraduate courses: Constanța Maritime University, courses Port handling equipment for bulk cargo operations; Bulk cargo operations in seaports. Professional **experience**: he has an over 13 years of business law activity. Starting with March 2021 he is granting legal assistance as Head of legal for all entities of Liberty Steel Group in Central and Eastern Europe.

Dan Ion DRĂGOI – He 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 – He 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.

Viorel PANAIT – He is a graduate of 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 40 years of experience in port operation. 1981 – 1991 engineer at Port Operation Enterprise MTTc - Head of Department.

Edmond Costin ȘANDRU - He is a graduate of the Faculty of Civil Marine within Mircea cel Bătrân Naval **Academy** of Constanta, profile naval engineering and navigation.

Postgraduate courses: Maritime University of Constanta, courses Port handling equipment for bulk cargo operations; Operation of bulk cargo in seaports. Professional experience: has over 14 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 self-assessed their activity performed during 2022 according to the Directors report.

Also the Board of Directors' activity was positively assessed by means of the decision of the General Assembly of the Shareholders of approval of the Directors' report.

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:

In order to observe the legal provisions in force in the domain of the corporate governing, the Company paid the remuneration and benefits granted to the Directors and the General Manager in accordance with the decisions passed by the General Meeting of Shareholders and in compliance with the mechanism established by the decisions of the Ordinary General Meeting of Shareholders no. 366 and 367 dated 23rd of September 2022, namely:

- By decision of the Ordinary General Meeting of Shareholders no. 366 dated 23rd of September 2022, it has been decided as follows: *"During the 2022 – 2026 mandate, the remuneration of the members of the Board of Directors shall be maintained at the level of that established by the decision of the Ordinary General Meeting of Shareholders no. 303/24.09.2018, respectively 50% from the gross remuneration of the General Manager. During their mandate, for the members of the Board of Directors cost related to communication, transport, vehicle, delegations, daily subsistence, accommodation, protocol, private pension insurance and health insurance will be borne"*.
- By decision of the Ordinary General Meeting of Shareholders no. 367 dated 23rd of September 2022, there have been set the additional remunerations for the members of the Board of Directors, as follows: *"During the 2022 – 2026 mandate, the general limits of the additional remuneration for the members of the Board of Directors shall be maintained at the level established by the decision of the Ordinary General Meeting of Shareholders no. 304/24.09.2018, respectively between 10% and 30% of the remuneration of the directors"*.

Thus, according to the OGMS decision no. 367 of 23rd September 2022, the general limits of the fix additional remuneration granted to the members of the Board of Directors that fulfilled specific duties within the Board, respectively the members of the Audit Committee, the Remuneration Committee, the Project Analysis Committee and the Corporate Structuring and Internal Organization Committee for the participation in the committees are set between 10% and 30% from the remuneration of the directors.

- The general limits of the remuneration granted to the General Manager were set by the decision of the Ordinary General Meeting of Shareholders, respectively: between 5 and 30 Company average gross salaries. In accordance with the approval of the General Meeting of Shareholders, the Board of Directors established the remuneration of the General Manager at 15 Company average gross salaries.

In the table below it is detailed the method for determining the remuneration granted to the directors and the general manager, by reference to the above mentioned mechanism, for the period 1st of January – 31st of December 2023:

Year 2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Average gross salary/company	8,301	7,691	12,741	9,681	9,759	12,278	9,570	11,949	16,575	9,766	9,431	15,585
No. employees	401	398	404	403	402	411	416	418	417	417	422	421

Note: The average gross salary includes basic salary, salary supplements, bonuses and other additions.

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
- Liberty Holdco Galati & Skopje Limited loc. London GBR, both holding more than 25% of the securities.

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

Executive management of the company:

Irina - Violeta Oprea - Financial Manager
Alexandru Toader – Mineral Terminal Operational Manager
Dan Dolghin – Grain Terminal Operational 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:

Not applicable.

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 31.12.2023 are attached.

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

The financial auditor who audited the financial statements of the year 2023 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.

	2021	2022	2023
FIXED ASSETS	436,544,733	427,295,613	420,905,785
TRADE RECEIVABLES	25,807,353	48,652,137	53,856,867
CASH AND LIQUID ASSETS	18,463,924	103,305,936	107,905,143
SHORT TERM INVESTMENTS	-	-	-
TOTAL CURRENT ASSETS	66,483,330	181,937,590	199,515,322
CURRENT LIABILITIES	55,132,778	95,157,739	90,497,662
TOTAL ASSETS MINUS CURRENT DEBTS	453,891,342	518,940,459	533,180,502

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;

	2021	2022	2023
NET SALES - (TURNOVER)	161,235,635	356,917,155	425,706,251
GROSS INCOME -(TOTAL INCOME from operation)	169,798,710	382,149,897	447,821,360
STAFF COSTS	41,480,190	57,360,741	69,654,493
EXPENDITURE ON EXTERNAL PROVISIONS	32,498,050	49,397,316	51,280,679
OTHER OPERATION COSTS	56,254,540	140,706,207	103,648,320
ADJUSTMENTS FOR PROVISIONS	471,086	8,007,824	-2,363,919

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	2022	2023
		(lei)	(lei)
Cash flows from operating activities:			
Net cash flow generated from operating activities		164,935,234	238,355,436
Interest paid		(4,005,771)	(7,417,763)
Income tax paid		(16,315,550)	(28,585,226)
Net cash from operating activities		144,613,913	202,352,448
Cash flows from investment activities:			
Cash payment for the purchase of land and fixed assets, intangible assets and other long-term assets		(19,963,346)	(19,277,647)
Cash receipts from the sale of land and buildings, installations and equipment, intangible assets and other long-term assets		200,446	630,901
Interest receipts		1,972	3,368,606
Dividends received		-	-
Payment in cash for the acquisition of participation interests or investments in financial assets		-	-
Net cash from investment activities		(19,760,928)	(15,278,140)
Cash flows from financing activities:			
Cash receipts from credits		9,723,708	-
Cash repayments of borrowed amounts		(26,738,618)	(27,329,890)
Granted loans		-	-
Cash payments of the lessee to reduce the liabilities related to financial leasing operations		(909,190)	(899,205)
Effect of exchange rate fluctuations on loans and debts		(877,768)	199,666
Equity Increase		-	-
Dividends paid		(21,209,105)	(155,440,692)
Net cash from financing activities		(40,010,973)	(182,475,101)
Net increase in cash and cash equivalents			
		84,842,012	4,599,207
Cash and cash equivalents at the beginning of the financial year		18,463,924	103,305,936
Cash and cash equivalents at the end of the financial year		103,305,936	107,905,143

Appendixes:

Financial Statements

Report of the financial auditor;
Board of Directors Report

**President of the Board of Directors,
General Manager,**

Viorel Panait

Financial Manager,

Irina Oprea

CORPORATE GOVERNANCE

STATEMENT REGARDING THE CORPORATE GOVERNANCE

Provisions of Principles of Corporate Governance for AeRO-BVB market	Observes	Does not observe or partially observes	Reason for non conformity/Other mentions
<p>A.1. The Company must have an intern regulation of the Board which includes terms of reference regarding the Board, key management positions for the Company, management of the conflict of interests</p>	YES		
<p>A.2. Any other professional commitments of the Board Members, inclusively the position of executive or non-executive member of the Board of other companies (excluding branches of the company) and non-profit organisations, shall be brought to the attention of the Board before the nomination and during the mandate</p>	YES		
<p>A.3. Each member of the Board shall inform the Board regarding any connection with a shareholder who owns directly or indirectly shares representing no less than 5% of the total number of voting rights.</p>	YES		
<p>A.4. The annual Report must inform if a Board evaluation took place, under the management of the President. It must also contain the number of meetings of the Board.</p>	YES		
<p>A.5. There is a procedure regarding cooperation with the Certified Consultant for the period in which this cooperation is imposed by BVB</p>	YES		
<p>B.1. The Board shall adopt a policy so that any transaction of the company with a branch representing 5% or more of the net assets of the company, according</p>		NO	<p>This is not the case, as Comvex does not have branches. In case Comvex shall</p>

to the most recent financial statements, be approved by the Board			have branches, the Board of Directors shall adopt the necessary policies.
B.2. The internal Audit must be performed by a separate organisational structure (the department of internal audit) within the company or by the services of an independent third party, which shall report to the Board, and, within the company shall report directly to the General Manager.	YES		
C.1. The Company shall publish in the annual report a section which shall include the total income of the Board Members and the General Manager for the respective financial year and the total value of all bonuses or any variable compensations and, also, the key hypotheses and principles for the calculus of the above mentioned income.	YES		
D.1. Additionally to the information provided by legal provisions, the company's internet page shall contain a section dedicated to the Relationship with the Investors, both in Romanian as well as in English, with all relevant information interesting for the investors	YES		
D.2. The Company must have adopted a company dividend policy, as a set of directions regarding the distribution of the net profit, policy which the company states it shall observe. The principles of the dividend policy must be published on the company's internet page		Partially	The Company prepared a set of general principles regarding the dividend policy. The Company's dividend policy takes into account the necessity for incorporating both its activities (mineral and grain) and optimizing the activity in line with the circular economy principles and, essentially, the finance conditions for new investments.
D.3. The Company must have adopted a policy regarding	YES		

prognosis and if these shall be supplied or not.			
D.4. The Company must establish the date and place of a general meeting so that it could allow the participation of as many shareholders as possible.	YES		
D.5. The financial statements shall include information both in Romanian as well as in English, regarding the main factors which influence changes at the level of sales, operational profit, net profit or any other relevant financial indicator.	YES		
D.6. The Company shall organise at least one meeting / phone conference with annalists and investors, each year. The information presented on these occasions shall be published in the section Relationship with the Investors from the company's internet page, at the moment of that meeting / phone conference.	YES		The Company shall promote the organisation of such a conference after the publishing of the financial results, both of the company as well as those of other market players.

President of the Board of Directors,
General Manager,

Viorel Panait

Economic Manager,

Irina Oprea

PRESS RELEASE
regarding the availability of Annual Report for 2023

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 2023** 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.

Contact: Madalina Militaru.

Phone: 0241-603051, email: office@comvex.ro

President,

Viorel Panait

Translation from the Romanian language/The Romanian version shall prevail

COMVEX SA

ANNUAL FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2023**

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

COMVEX SA

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR CONCLUDED 31 DECEMBER 2023

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Statement of changes in shareholders' equity	8 - 9
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County Constanta
 Entity COMVEX SA
 Address: city Constanta
 Port Precincts Berth 80-84
 Phone 0241.639.016, fax 0241.639.010
 Trade Registry number J13/622/1991

Ownership Private
 Main activity
 (NACE Group) Handling
 NACE group code 5224
 Sole registration code 1909360

BALANCE SHEET

(Code 10)

	Row	Note	31 December 2022	31 December 2023
			(RON)	(RON)
A. FIXED ASSETS				
I. INTANGIBLE ASSETS				
1. Concessions, patents, licenses, trademarks, similar rights and values and other intangible assets	01	1a)	<u>683759</u>	<u>582.857</u>
TOTAL	02		683.759	582.857
II. TANGIBLE ASSETS				
1. Lands and buildings	03	1b)	176.508.638	177.113.751
2. Technical installations and machines	04		225.143.212	218.048.598
3. Other equipment, tools and furniture	05		903.412	1.167.462
4. Tangible assets in progress	06		23.498.989	23.201.914
5. Advances	07		<u>557.203</u>	<u>790.803</u>
TOTAL	08		426.611.454	420.322.528
III. FINANCIAL ASSETS				
1. Shares in subsidiaries	09	1c)	<u>400</u>	<u>400</u>
TOTAL	10		400	400
FIXED ASSETS - TOTAL	11		427.295.613	420.905.785
B. CURRENT ASSETS				
I. INVENTORY				
1. Raw materials and consumables	12		24.030.708	35.634.146
2. Finished products and goods			5.250	5967
3. Advances	13		<u>2.295.669</u>	<u>260.224</u>
TOTAL	14		26.331.627	35.900.337
II. ACCOUNTS RECEIVABLE				
1. Trade receivables	15		48.652.137	53.856.867
2. Receivables from associates and jointly controlled entities	16	<u>8 i)</u>	397.272	
3. Other receivables	17		<u>3.250.618</u>	<u>1.852.975</u>
TOTAL	18		52.300.027	55.709.842

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

COMVEX SA

BALANCE SHEET

	Row	Note	<u>31 December 2022</u> (RON)	<u>31 December 2023</u> (RON)
IV. CASH AND BANK ACCOUNTS	19		<u>103.305.936</u>	<u>107.905.143</u>
CURRENT ASSETS - TOTAL	20		181.937.590	199.515.322
C. PREPAID EXPENSES	21		5.305.284	3.742.337
1. Amounts to be expensed in less than one year	22		2.375.303	1.813.128
2. Amounts to be expensed in more than one year	23		2.929.981	1.929.209
D. LIABILITIES: AMOUNTS TO BE PAID IN LESS THAN ONE YEAR				
1. Amounts due to credit institutions	24	4,8c)	32.708.244	30.400.769
2. Advances cashed for orders	25		56.662	56.662
3. Trade liabilities - suppliers	26		40.593.136	40.798.976
4. Other liabilities, including tax and social security payables	27		<u>21.799.697</u>	<u>19.241.255</u>
TOTAL	28		95.157.739	90.497.662
E. NET CURRENT ASSETS / NET CURRENT LIABILITIES	29		88.714.865	110.345.508
F. TOTAL ASSETS LESS CURRENT LIABILITIES	30		518.940.459	533.180.502
G. LIABILITIES: AMOUNTS TO BE PAID IN MORE THAN ONE YEAR				
1. Amounts due to credit institutions	31	4,8 c)	109.576.005	84.748.282
2. Amounts owed to associates and jointly controlled entities	32	8 i)	9.894.800	<u>9.949.200</u>
3. Other liabilities, including tax and social security payables	33		<u>1.316.673</u>	<u>1.507.433</u>
TOTAL	34		120.787.478	96.204.914
H. PROVISIONS				
1. Provisions for taxes			<u>989.480</u>	
1. Other provisions	35	2)	10.352.855	8.978.416
TOTAL	36		<u>11.342.335</u>	<u>8.978.416</u>

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

COMVEX SA

BALANCE SHEET

	Row	Note	31 December 2022	31 December 2023
			(RON)	(RON)
I. INCOME IN ADVANCE				
1. Subsidies for investments	37		4.744.226	4.515.957
Amounts to be released in less than one year	38		440.289	485.280
Amounts to be released in more than one year	39		4.303.937	<u>4.030.677</u>
TOTAL	40		<u>4.744.226</u>	<u>4.515.957</u>
J. CAPITAL AND RESERVES				
I. SHARE CAPITAL				
1. Subscribed and paid up share capital	41	6 b)	<u>29.139.928</u>	<u>29.139.928</u>
TOTAL	42		29.139.928	29.139.928
II. SHARE CAPITAL PREMIUMS	43		41.553	41.553
III. REVALUATION RESERVES	44	1b)	71.639.267	67.299.826
IV. RESERVES				
1. Legal reserves	45		5.827.986	5.827.986
2. Other reserves	46		57.968.945	64.958.313
TOTAL	47		63.796.931	70.786.299
V. REPORTED PROFIT <u>Balance C</u>				
	48		113.528.355	73.966.013
VI. PROFIT OR LOSS OF				
FINANCIAL YEAR <u>Balance C</u>	49		104.360.675	189.722.243
Profit distribution	50		-	6.989.368
SHAREHOLDERS' EQUITY - TOTAL	51		<u>382.506.709</u>	<u>423.966.494</u>
SHAREHOLDERS' EQUITY – TOTAL	52		<u>382.506.709</u>	<u>423.966.494</u>

Authorised for issue and signed on behalf of the Board of Directors as at 18.03.2024:

ADMINISTRATOR

Name and surname PANAIT VIOREL

Signature _____

Unit's stamp

DRAWN UP BY,

Name and surname OPREA IRINA

Position FINANCIAL DIRECTOR

Signature _____

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

COMVEX SA

	Row	Note	2022	2023
			(RON)	(RON)
1. Net turnover	01		<u>356.917.155</u>	<u>425.706.251</u>
-out of which, the net turnover corresponding to the preponderant activity actually performed	02		<u>330.161.731</u>	<u>410.933.862</u>
Revenues from services rendered	03		332.059.236	414.951.734
Revenues from sales of goods	04		24.857.919	10.754.517
2. Revenues from operating subsidies	05		30	-
3. revenues from revaluation of tangible assets	06	1 b)	-	-
4. Other operating revenues:	07		25.232.712	22.115.109
- out of which, income arising from subsidies for investments	08		<u>26.593</u>	<u>32.343</u>
OPERATING INCOME – TOTAL	09		382.149.897	447.821.360
5. a) Raw material and consumable Expenses	10		18.643.425	20.784.817
Other material expenses	11		646.953	824.708
b) Other external expenses (energy and water)	12		22.831.124	18.661.264
-out of which expenses with energy (acc.6051)	13		21.851.546	17.573.263
-expenses regarding the consumption of natural gas (ct.6053)			646.299	562.605
c) Merchandise expenses	14		21.878.971	9.936.650
Trade discounts received	15		33.118	10.928
6. Staff costs, out of which:	16		<u>57.360.741</u>	<u>69.654.493</u>
a) Wages and salaries	17	7 b)	54.461.771	66.066.604
b) Expenses with insurance and social security	18		2.898.970	3.587.889
7. a) Tangible and intangible assets value adjustment	19	1 a) b)	<u>26.247.176</u>	<u>22.403.617</u>
a.1) Expenses	20		24.105.605	24.336.664
a.2) Other Expenses	21		2.145.137	
a.3) Revenues	22		(3.566)	(1.933.047)
b) Current assets value adjustment	23		<u>1.550.786</u>	<u>7.573</u>
b.1) Expenses	24		1.550.786	785.256
b.2) Revenues	25		-	(777.683)
8. Other operating expenses	26		<u>98.338.206</u>	<u>82.321.298</u>
8.1 External services expenses	27	8 j)	33.276.473	51.280.679
8.2 Expenses with royalties, management locations and rent (acc.612), of witch:	28		11.421.242	14.636.017

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

COMVEX SA

	Row	Note	<u>2022</u> <u>(RON)</u>	<u>2023</u> <u>(RON)</u>
-expenses with royalties (acc.6121)	29		-	-
-expenses with management locations (acc.6122)	30		-	-
-expenses with rent (acc 6123)	31		11.421.242	14.636.017
8.3 Expenses with consultancy (acc 618)	32		4.699.600	519.274
8.4 Other taxes and similar expenses;transfers and contributions due under special regulations	33		1.070.409	1.450.182
8.3 Environment protection expenses	34		541	767
8.4 Other expenses	35		47.869.940	14.434.379
Provisions adjustments	36		<u>8.007.824</u>	<u>(2.363.919)</u>
- Expenses	37		8.341.621	2.351.945
- Revenues	38		(333.797)	(4.715.864)
OPERATING EXPENSES – TOTAL	39		255.472.088	222.219.573
OPERATING PROFIT				
- Profit	40		126.677.809	225.601.787
9. Income from participating interests	41			
10. Interest income	42		1.972	3.368.606
11. Other financial income	43		<u>5.735.999</u>	<u>7.815.342</u>
FINANCIAL INCOME – TOTAL	44		5.737.971	11.183.948
13. Interest expenses	45		4.005.771	7.417.763
Other financial expenses	46		<u>4.064.258</u>	<u>6.740.576</u>
FINANCIAL EXPENSES – TOTAL	47		8.070.029	14.158.339
FINANCIAL PROFIT OR LOSS				
- Loss	48		2.332.058	2.974.391
TOTAL INCOME	49		<u>387.887.868</u>	<u>459.005.308</u>
TOTAL EXPENSES	50		<u>263.542.117</u>	<u>236.377.912</u>
PROFIT OR GROSS LOSS (A)				
- Profit	51		<u>124.345.751</u>	<u>222.627.396</u>
15. Income tax	52		<u>19.985.076</u>	<u>32.905.153</u>
- Profit	53		<u>104.360.675</u>	<u>189.722.243</u>

Authorised for issue and signed on behalf of the Board of Directors at 18.03.2024 by

COMVEX SA

ADMINISTRATOR

Name and surname PANAIT VIOREL

Signature _____

Unit's stamp

DRAWN UP BY,

Name and surname OPREA IRINA

Position FINANCIAL MANAGER

Signature _____

STATEMENT OF TREASURY CASH FLOW

	<u>Note</u>	<u>2022</u> <u>(RON)</u>	<u>2023</u> <u>(RON)</u>
Cash flows from operating activities:			
Net cash flows from operating activities	9	164.935.234	238.355.436
Interest paid		(4.005.771)	(7.417.763)
Income tax paid		<u>(16.315.550)</u>	<u>(28.585.226)</u>
Net cash flow generated by operating activities		144.613.913	202.352.448
Cash flows from investment activities:			
Cash payments for acquisition of land and fixed assets, intangible assets and other long-term assets		(19.963.346)	(19.277.647)
Cash proceeds from sale of land and buildings, plant and equipment, intangible assets and other long-term assets		200.446	630.901
Interest proceeds		1.972	3.368.606
Net cash flow generated by investment activities		(19.760.928)	<u>(15.278.140)</u>
Cash flows from financing activities:			
Cash proceeds from loans		9.723.708	-
Cash repayment of loans		(26.738.618)	(27.329.870)
Loans received		-	-
Cash payments of the lessee for decrease of financial leasing liabilities		(909.190)	(899.205)
Effect on exchange rate fluctuations on loans and liabilities		(877.768)	194.666
Dividends paid		<u>(21.209.105)</u>	<u>(154.440.692)</u>
Net cash flow generated by financing activities		(40.010.973)	(182.475.101)
Net increase in cash and cash equivalents		84.842.012	4.599.207
Cash and cash equivalents at the beginning of the financial year		<u>18.463.924</u>	<u>103.305.936</u>
Cash and cash equivalents at the end of the financial year		<u>103.305.936</u>	<u>107.905.143</u>

On December 31, 2023, the balance of cash and cash equivalents includes the cash amount of RON 4.450.042 (as of Decembet 31, 2022: RON 8.821.197), restricted for dividend payments due to the Company's shareholders, payments that are made by the Central Depository through the designated payment agent in accordance with the legal provisions in force.

ADMINISTRATOR

Name and surname PANAIT VIOREL

Signature _____

Unit's stamp

DRAWN UP BY,

Name and surname OPREA IRINA

Position FINANCIAL MANAGER

Signature _____

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 2022 (RON) 1	Increases (RON) 2	Decreases/ Distributions (RON) 3	Balance at 31 December 2022 (RON) 4	Increases (RON) 6	Decreases/ Distributions (RON) 7	Balance at 31 December 2023 (RON) 8
Subscribed share capital (note 6b)	29.139.928	-	-	29.139.928	-	-	29.139.928
Share premium	41.553	-	-	41.553	-	-	41.553
Revaluation reserves (note 1b)	76.490.045	-	4.850.778	71.639.267	-	4.339.441	67.299.826
Legal reserves (note 3)	5.827.986	-	-	5.827.986	-	-	5.827.986
Other reserves	57.968.945	-	-	57.968.945	6.989.368	-	64.958.313
Reported result representing the profit not distributed or loss not covered							
Credit balance (note3)	66.883.890	31.127.665	30.000.138	68.011.416	104.360.675	149.999.525	22.372.566
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	-	1.737.068	3.521.065
Reported result from realised surplus from revaluation reserves (note 1b)	34.728.023	4.850.778	-	39.578.802	4.339.441	-	43.918.242

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

COMVEX SA

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Shareholders' equity <u>Item</u>	Balance at			Decreases/			Balance at		
	<u>1 January 2022</u> (RON)	<u>Increases</u> (RON)	<u>Distributions</u> (RON)	<u>31 December 2022</u> (RON)	<u>Increases</u> (RON)	<u>Distributions</u> (RON)	<u>31 December 2023</u> (RON)		
	1	2	3	4	6	7	8		
Profit or loss of the financial year									
Credit balance	32.387.501	104.360.675	32.387.501	104.360.675	189.722.243	104.360.675	189.722.243		
Profit distribution (note 3)	<u>1.259.836</u>	-	<u>1.259.836</u>		<u>6.989.368</u>		<u>6.989.368</u>		
Total shareholders' equity	<u>308.146.172</u>	<u>140.339.118</u>	<u>65.978.581</u>	<u>382.506.709</u>	<u>298.422.359</u>	<u>256.962.573</u>	<u>423.966.494</u>		

Other reserves represent reserves established by the Company from the profits of the previous years, mainly representing amounts allocated for investments financed from its own sources. Out of the total amount of RON 64.958.313, the amount of RON 6.989.368 represents reserves established from the profit of the year 2023, for which the Company benefited from tax exemption on the reinvested profit. These amounts will be taxed during the tax period in which they are used.

The reported result from correction of accounting errors during the year 2023 refers mainly to the rectification of the profit tax of the year ended on December 31, 2022 with the amounts resulting from the application of tax bonus granted by OUG 153/2020.

ADMINISTRATOR

Name and surname PANAIT VIOREL

Signature _____

Unit's stamp

DRAWN UP BY,

Name and surname OPREA IRINAPosition FINANCIAL MANAGER

Signature _____

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

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REPORTING ENTITY

These financial statements have been prepared by Convex SA (the “Company”).

1 FIXED ASSETS**a) Intangible assets**

	Concessions, patents, licenses, trademarks, similar rights and values and other Intangible assets <u>(RON)</u>
Gross value	
Balance at 1 January 2023	3.972.632
Increases	447.783
Ceded assets, transfers and other reductions	<u>24.992</u>
Balance at 31 December 2023	4.395.423
Accumulated value adjustments	
Balance at 1 January 2023	3.288.873
Adjustments in the current financial year	548.685
Reductions or reversals	<u>24.992</u>
Balance at 31 December 2023	3.812.566
Net carrying amount at 1 January 2023	<u>683.759</u>
Net carrying amount at 31 December 2023	<u>582.857</u>

b) Tangible assets

	Lands and lands improv ements	Buildings	Technical installation s and machines	Other plant, Equipment , tools and furniture	Tangible assets in progres s	Advances	Total
	(RON)	(RON)	(RON)	(RON)	(RON)	(RON)	(RON)
Gross Value							
Balance at 1 January 2023	37.086	188.152.368	257.675.828	1.254.202	25.296.512	571.364	472.987.360
Increases	-	6.584.839	10.413.240	541.606	12.364.718	1.199.055	31.103.454
Ceded assets, transfers and other reductions		174.059	483.879	1.062	14.327.520	965.451	15.951.971
Balance at 31 December 2023	<u>37.086</u>	<u>194.563.148</u>	<u>267.605.189</u>	<u>1.794.746</u>	<u>23.333.710</u>	<u>804.968</u>	<u>488.138.847</u>
Accumulated Amortisation							
Balance at 1 January 2023	3.709	11.515.350	32.356.536	350.174	-	-	44.225.769
Amortisation registered during the financial year	3.709	5.978.958	17.527.678	277.634			23.787.980
Reductions due to revaluation		15.241	398.755	524			414.520
Reductions or reversals	=		=	=			=
Balance at 31 Decembrie 2023	<u>7.418</u>	<u>17.479.067</u>	<u>49.485.459</u>	<u>627.284</u>			<u>67.599.229</u>
Provisions							
Balance at 1 January 2023		161.757	176.080	616	1.797.523	14.161	2.150.137
Increases						-	
Decreases		<u>161.757</u>	<u>104.947</u>	<u>616</u>	<u>1.665.727</u>		<u>1.933.047</u>
Balance at 31 Decembrie 2023		=	<u>71.133</u>	=	<u>131.796</u>	<u>14.161</u>	<u>217.090</u>
Net carrying amount at la 1 January 2023	<u>33.377</u>	<u>176.475.261</u>	<u>225.143.212</u>	<u>903.412</u>	<u>23.498.989</u>	<u>557.203</u>	<u>426.611.454</u>
Net carrying amount at la 31 Decembrie 2023	<u>29.668</u>	<u>177.084.081</u>	<u>218.048.597</u>	<u>1.167.462</u>	<u>23.201.914</u>	<u>790.803</u>	<u>420.322.528</u>

Revaluation of tangible assets

On December 31st, 2023, the Company did not proceed to the revaluation of tangible assets, the last registered revaluation being as of 31.12.2020.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED AT 31 DECEMBER 2023

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

	<u>31 December 2022</u>	<u>31 December 2023</u>
	(RON)	(RON)
Revaluation reserve at the beginning of the financial year	76.490.045	71.639.267
Differences from revaluation transferred in the current financial year	-	-
Transfer at the reported result of the surplus from revaluation reserves	<u>4.850.778</u>	<u>4.339.441</u>
Revaluation reserve at the end of the financial year	<u>71.639.267</u>	<u>67.299.826</u>

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.

c) Financial assets

The financial assets are evaluated at historical cost and in 2023 no events were registered leading to their depreciation.

On December 31st, 2023, the Company had no subsidiaries.

On December 31st, 2023, the Company owned securities under the form of participating interests in the following associated/jointly controlled entities:

<u>Subsidiary's name</u>	<u>Held percentage</u> (%)	<u>Value of capital and reserves</u>	<u>Profit/ (loss) at 31 December 2023</u>
1. CDRV Associates SRL	20	<u>400</u>	=

2 PROVISIONS

Type of provision	Balance at 1 January 2023	Into account	Transfers from account	Balance at 31 December 2023
	(RON)	(RON)	(RON)	(RON)
Provisions for taxes	989.480	-	989.480	-
Other provisions	10.352.855	2.351.945	3.726.384	8.978.416
Adjustments for the impairment of tangible assets	2.135.976		1.933.047	202.929
Adjustments for the impairment of participation securities held	3.472			3.472
Adjustments for loss of value of other fixed assets	82.035			82.035
Adjustments for the impairment of receivables related to tangible assets	14.161	-		14.161
Adjustments for the impairment of current assets such as stocks	538.317	377.967	<u>82.966</u>	833.318
Adjustments for the impairment of assets	7.091.530	404.486	691.915	6.804.103

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

Thus, at 31 December 2023, the the total amount of RON 8.978.416 presented as „Other provisions” include the following provisions:

- Provisions worth RON 2.813.426 recorded for the payment refusals to CN APM due to non-fulfillment or default/wrong fulfillment of its obligations contractually assumed; provisions were also made for the penalties related to this amount, refused payment by Comvex, in the amount of RON 2,407,751. Information regarding the refusals formulated to CN APM can be found in Note 10 a)1;
- Provisions for unused holidays in the amount of RON 1.648.962;
- Estimated provisions for the bonus calculated for the fulfillment of the performance indicators evaluated on 31.12.2023 and the individual contribution made to the objectives and results of the Company (Key Performance Indicators) in the amount of RON 1.784.633.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED AT 31 DECEMBER 2023

Adjustments for impairment of property, plant and equipment refers to:

- Value adjustments for stocks with no movement, slow movement, physically or morally obsolete. The adjustment value was set up based on the suppliers' offers and after the analysis conducted by the internal evaluation commission;
- Adjustments for the individual depreciation of tangible assets;
- 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 2023, along with the proposal for the distribution of the profit for year 2023, are as follows:

<u>Destination</u>	<u>Distribution in 2022</u>	<u>Proposal for distribution of profit from 2023</u>
	(RON)	(RON)
Profit distributed in:		189.722.243
- legal reserve		6.989.368
- other reserves		-
- gross dividends	149.999.525	125.000.000
- undistributed		57.732.875

4 LIABILITIES SITUATION

At 31 December 2023, the long term liabilities were as follows:

	<u>Between 1- 5 years</u>	<u>>5 years</u>
Amounts due to financial/credit institutions	84.748.281	
Amounts due to third party entities	9.949.200	
Other liabilities, including taxes and social security payables	1.507.431	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED AT 31 DECEMBER 2023

As at 31 December 2023, Comvex has a bank loan contract for financing of the investments (see note 8 c) for details related to the loan contracts), for which there have been constituted the following guarantees:

- First rank mortgage over some fixed assets - movable and immovable assets;
- Movable mortgage on current accounts opened by the Company at Raiffeisen Bank and Eximbank.

As at 31.12.2023, the Company has a financing facility for working capital in the amount of RON 4.970.615 (equivalent of euro 999.199 million) granted by Eximbank. In March 2021, the Company accessed a bank loan in the form of an advance on a current account for current activity, in the amount of EUR 1 million. The loan was granted by Raiffeisen Bank, had a grace period of 12 months for capital repayments, and the final maturity on 15.12.2023. The facility was fully repaid until the end of 2023.

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"). Taking into account the presentation requirements entered into force in 2023, as well as to provide a fair image, the Company also presented the comparative amounts related to the previous year for the changes required in 2023.

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

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".

(2) 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.

(3) 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 of each branch of activity: Mineral Terminal and Grain Terminal. For the Mineral Terminal, the management of the Company takes into consideration the operating flows forecasted by the recurring clients for 2024, while for the Grain Terminal has made an analyses taking into consideration the operating flows from the contracts already concluded in the last agricultural year as well as the cash potential given by the future commercial relations.

For the year ended December 31, 2023, the Company generated sufficient profits and liquidity and meets the financial indicators related to the contracted financing, thus managing the main obligations due on December 31, 2023.

The company took also in consideration the subsequent events (note 8l) and based on these analyzes, the management considers that the Company will be able to continue its activity in the foreseeable future and therefore the application of the principle of business continuity in preparing the financial statements is justified.

(4) 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) 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.

(ii) 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.

Starting 2006, tangible assets revaluation is performed at the fair value established based on evaluations usually made by qualified professionals in evaluation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED AT 31 DECEMBER 2023

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.

Lastly, Management updated the carrying amount of property, plant and equipment revalued in accordance with OMF 1802 as of December 31, 2020 based on market information and found that there is sufficient market information available on fair value to support current fair values. On December 31, 2023, the management considered that there is no need for a new update of the book value, the premises considered for the revaluation of tangible assets on December 31, 2020 remaining valid.

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 accumulated depreciation at the revaluation date is deducted from the gross carrying amount of the asset and the net amount is recalculated to the revalued amount of the asset. The transfer of the revaluation reserve to retained earnings is made as the asset is used.

Also, the Company operates a series of tangible assets grouped on the two activities: Grain Terminal and Mineral Terminal, which operate intermittently and seasonally, in close connection with the operating flows coming from the clients.

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.

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

The accounting policy regarding the estimation of the expected consumption of future economic benefits incorporated in the depreciable assets related to the Mineral Terminal takes into account (i) the economic-financial context in which the Company operates and (ii) the fact that, although the activity of the Minerals Terminal it is not a linear one, however it is necessary that the equipments of the Terminal be dimensioned so that they can take over the high activity periods, depending of the influx of ships and the evolution of the industries that serve them.

Thus, the accounting policy regarding the estimation of the expected way of consuming the future economic benefits incorporated in the depreciable assets applied for the Mineral Terminal is the depreciation method according to OMFP 1802/2014, art. 240, point (1), paragraph d), respectively "depreciation calculated per unit of product or service" for tangible assets that directly contribute to the handling of quantities remaining to be handled during the remaining life of the Comvex Mineral Terminal equipment .

The other tangible fixed assets related to the Grain Terminal, respectively other common assets that serve both lines of activity, will continue to be depreciated according straight-line method. For these, amortisation is calculated at entry value, using the straight-line method for the whole useful life of the assets, as follows:

<u>Asset</u>	<u>Years</u>
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 land is not depreciated as it is considered to have an indefinite lifespan.

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 the loans obtained for the acquisition, construction or production of tangible assets for which the starting date of the capitalization occurs after 2015, January 1st, are included in their production costs, in so far as they relate to the production period. Fees and bank charges related to long-term loans are recognized as expenses incurred in advance until the completion of the construction of the asset for which the loans were contracted, and will be transferred to expenses staggered, during the repayment period of those loans.

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.

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 obsolete.

The company manages a series of stocks (parts / spare parts), of strategic importance for the good development of the operational activity.

Most of these stocks were purchased in previous years, to be used for maintenance activities related to the fixed assets, as any unplanned shutdown generates significant costs for the Company. 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 commissions related to long term loans are recognized as prepaid expenses until the completion of the construction of the asset for which the loans were contracted. 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.

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

Government 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED AT 31 DECEMBER 2023

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 refer.

X Corectarea erorilor contabile

The correction of significant errors related to previous financial years is carried out on account of the reported result. Insignificant errors related to previous financial years are corrected on the profit and loss account.

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 2023 amounted to RON 29.139.928 (31 December 2022 RON 29.139.928) representing 11.655.971 shares (December 31st, 2023: 11.655.971 shares). All shares are ordinary, fully subscribed and paid in on December 31st 2023. All shares have the same voting right and a nominal value of RON 2,5 /share (December 31st, 2023: RON 2,5 /share).

The structure of shareholders on December 31st, 2022 is the following:

	<u>Number of shares</u>	<u>Amount (RON)</u>	<u>Percentage (%)</u>
Solidmet SRL	3.576.953	8.942.383	30,6877
Liberty Holdco Galati&Skopje 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	483.556	1.208.890	4,1486
Alti actionari-persoane juridice	<u>217.856</u>	<u>544.640</u>	<u>1,8691</u>
Total	<u>11.655.971</u>	<u>29.139.928</u>	<u>100</u>

c) Shares issued during the financial year

During the year 2023 there were no changes in share capital evolution.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED AT 31 DECEMBER 2023

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 <u>31 December 2022</u> (RON)	Financial year ended on <u>31 December 2023</u> (RON)
<i>Salaries:</i>		
Directors (*)	6.581.130	8.442.406
Management	<u>5.839.413</u>	<u>7.457.469</u>
	<u>12.420.543</u>	<u>15.899.875</u>

(*) also includes the contributions paid, including contributions for daily travel allowances and benefits in the form of health insurance

	<u>31 December 2022</u> (RON)	<u>31 December 2023</u> (RON)
<i>Salaries payable as at the end of the period:</i>	<u>701.087</u>	<u>684.048</u>

b) Employees

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

	<u>2022</u>	<u>2023</u>
Administrative personnel	73	77
Operational personnel	<u>312</u>	<u>339</u>
	385	416

Expenses with personnel include the following:

	<u>2022</u>	<u>2023</u>
Expenses for social security	<u>2.898.970</u>	<u>3.587.889</u>
Expenses with salaries and indemnities	<u>54.461.771</u>	<u>66.066.604</u>

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 m² 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 54001:2018. In addition, the cereal terminal is certified to the ISO 22000: 2018 (food safety management system) standard. It also complies with the requirements of the International Ship and Port Facility Security (ISPS) Code.

b) Information regarding the 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 Liberty Holdco Galati&Skopje Limited, both owning more than 25% of the equity interests

c) Financing

As of December 31, 2023, the Company has a bank loan contract for investments, as well as a financing agreement granted for the purpose of financing the current activity as presented in the table below:

No	Bank	Destinati on	Ccy	Approved amount	Signing date	Maturity	Balance as of 31.12.2023	Out of which short term	Out of which long term
1	Raiffeisen Bank si Eximbank	Long-term bank loan to finance the "Grain Terminal" investment	EUR	38.384.200	16.05.2017	08.08.2028	22.148.200	5.112.000	17.036.200
		Equivalent in:	RON				110.178.436	25.430.155	84.748.282
2	Eximbank	Short-term financing loan	EUR				999.199	999.199	-
		Equivalent in:	RON				4.970.615	4.970.615	
	TOTAL		EUR				23.147.390	6.111.190	17.036.200
	TOTAL	Equivalent in:	RON				115.149.051	30.400.770	84.748.282

In order to finance the investment "Grain terminal" on berth 80, the Company contracted a long-term bank loan of EUR 36.4 million. The financing was equally granted by Raiffeisen Bank and EximBank, also benefiting until May 2022 of a guarantee issued by EximBank In the Name and on Account of the Romanian State, amounting EUR 18.144 million. In 2022, the Facility was extended with an additional amount of EUR 2 million granted to finance the increase in the capacity to unload grains from barges, repayable after the initial maturity period, respectively in 2028. The total Facility is repaid in quarterly installments, starting from September 2019 (according to the approval of the amendment of the contractual clauses dated 13.03.2019) and has a final maturity of August 8, 2028.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED AT 31 DECEMBER 2023

The balance of the credit facility, including the additional amount obtained in 2022, on December 31, 2023 was in the amount of RON 110.178.436 (EUR 22.148.200).

The credit agreement obtained for the financing of the Cereal Terminal contains a series of financial conditions ("financial covenants") that must be fulfilled by the Company every financial year.

The first test year was the financial year starting with the year ended 31 December 2021.

The indicators for 2022 are:

- Debt Service Coverage Rate - as a ratio between Cash Flow and Net Debt Service - having as a reference value > 1.2

-The Indebtedness Indicator- as a ratio between Net Financial Debts and EBITDA- having as a reference value <3

On December 31, 2023, both indicators were met.

On 31.12.2023, the Company has a financing facility for working capital in the amount of RON 4.970.615 (the equivalent of 999.199 million EUR) granted by Eximbank, fully used at the end of 2022. In March 2021, the Company accessed a loan bank in the form of an advance on a current account for the current activity, in the amount of EUR 1 million. The loan was granted by Raiffeisen Bank, with the final maturity on 15.12.2023, the balance at the end of 2023 beeing zero.

d) Leasing and leaseback operations

At the end of 2023, the balance of leasing financing was RON 2.191.676 representing the equivalent of EUR 436.365. Leasing financing was contracted for the purchase of cars necessary for the activity.

e) Fees paid to auditors / censors

In 2023, the company paid the financial auditor the fees according to the contract concluded between the parties.

f) Contingent liabilities and commitments undertaken

The Company has the following commitments:

	31st of December 2023
	RON
(i) Capital commitments	-
(ii) Commitments related to operational leasing contracts and land rental contracts	115.328.745
(iii) Guarantees granted to third parties	1.517.217
(iv) Contingent debts (note 10a)	-
(v) Commitments related to pensions	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED AT 31 DECEMBER 2023

Commitments related to the operational leasing and land rental contracts refer to the rent calculated for the entire validity period of the land rental contracts (respectively until 31.12.2049 at the latest) signed with the National Company "Administratia Porturilor Maritime". The guarantees granted to third parties refer to the amounts granted in the form of bank guarantee letters issued in favor of CN APM to guarantee the monthly rent according to the rental contracts.

g) Derivative instruments

The company has no derivative instruments.

h) Commitments received

31st of December 2023
(lei)

Received pledges and guarantees (letters of bank guarantee for paid advances)

Other received guarantees

Total

i) Related party and jointly controlled parties transactions

The company carried out the following transactions with related parties and jointly controlled parties:

Entity	Relation	Transaction
Solidmet SRL	Related party	Loan received in 2020

(1) Aquisitions of good and services

	<u>31st of December 2022</u>	<u>31st of December</u>
	(RON)	2023
		(RON)
Aquisition of services		
<i>a) other jointly controlled parties</i>	_____ -	_____ -

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

	<u>31st of December 2022</u>	<u>31st of December 2023</u>
	(RON)	(RON)
Receivables		
<i>a) other jointly controlled parties</i>	397.272	_____ -

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED AT 31 DECEMBER 2023

Receivables in relation to other related parties refer to capital investments made for equipment leased for the purpose of carrying out the Company's business.

(3) Loans received

	<u>31st of December 2022</u> (lei)	<u>31st of December</u> <u>2023</u> (lei)
Loan received from:		
<i>a) related parties</i>	<u>9.894.800</u>	<u>9.949.200</u>

During 2020, Solidmet SRL has granted a loan for the Company amounting EUR 2.000.000 in order to cover the last amounts to be paid for the completion of the Grain Terminal investment project. The loan has a maturity of 5 years starting with 01.05.2020 and it is not an interest bearer. The loan was also presented in Note 4 as a long-term debt.

j) Other expenses regarding third parties

Descrerie	31.12.2022	31.12.2023
Maintenance and repairs expenses	4.995.964	6.177.879
Insurance expenses	1.828.807	2.352.532
Exoenses related to training of personnel	41.905	30.300
Commissions and fees	2.360.299	2.780.698
Protocol, advertising and publicity expenses	2.541.918	2.737.516
Transport of personnel	225.619	280.758
Travel and transfer expenses	713.842	1.438.135
Post and telecommunications expenses	582.895	620.739
Banking fees and commissions and similar services	1.849.594	1.108.702
<u>Other third party services</u>	<u>18.135.630</u>	<u>33.753.420</u>
Total	33.276.473	51.280.679

Regarding the maintenance and repair expenses, the company records those maintenance and revision costs that do not meet the capitalization criteria.

Rent and royalties expenses include the rent paid to CNAPM for the port territory, as well as the rental of equipment and specialized machinery for the activity of handling goods in the Mineral Terminal.

The expenses with commissions and fees include also the costs representing the services provided by the lawyers with whom the company collaborates.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED AT 31 DECEMBER 2023

Other expenses with services performed by third parties refer mainly to various services subcontracted from third parties (transport on the Danube by TTS) and integrated into the services offered to clients by the Company, cargo analysis and inspection services, guard and security services, support IT etc.

From the total of other expenses with services performed by third parties in 2023, the amount of RON 9.200.602 lei represents expenses with hired labor (RON 4.875.127 in 2022), the amount of RON 7.917.354 represents railway maneuvers performed (RON 4.321.265 in 2022).

Other expenses

Of the total other expenses in the amount of RON 14.434.379 in 2023, the amount of RON 9.936.650 represents expenses for greening services of the operating perimeter of the Mineral Terminal (RON 21.530.207 in 2022), performed by Ropamial. The rest of the expenses represent, mainly, expenses with various services subcontracted from third parties (transport on the Danube performed by TTS, loading services performed by DB Schenker) and integrated into the services offered to clients by the Company, respectively RON 3.560.859 in 2023 (RON 22.339.354 in 2022). In 2022, this type of expenses made with the aim of offering an integrated service to clients, was presented by the Company on the "Other expenses" line, and in 2023 it was recorded as "Expenses regarding external services" and presented as such on this line.

k) Turnover

	Financial year ended 31 December 2022 (lei)	Financial year ended 31 December 2023 (lei)
Revenues from services	332.059.236	414.951.734
Revenues from sale of goods	<u>24.857.919</u>	<u>10.754.517</u>
	<u>356.917.155</u>	<u>425.706.251</u>

Revenues from services refer mainly to revenues rendered for bulk raw material handling and storage services, performed for the clients of both terminals belonging to the Company, respectively the Mineral Terminal and the Cereal Terminal.

The revenues from sale of goods refers to the revenues obtained from the valorisation/sale of homogenous of coal and iron ore obtained from the processing of materials mixes resulted as technological losses from handling operations in mineral terminal.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED AT 31 DECEMBER 2023

	Financial year ended 31 December 2022 (lei)	Financial year ended 31 December 2023 (lei)
Mineral Terminal turnover	233.544.062	260.475.198
Grain Terminal turnover	<u>123.373.091</u>	<u>165.231.053</u>
	<u>356.917.155</u>	<u>425.706.251</u>

The turnover recorded in both terminals increased compared to the one recorded last year based on the increase in the quantities of materials handled, especially in the Grain Terminal, as well as based on the existing geo-political context. Thus, during 2023, the company's activity registered an important expansion based on the increase in cargo traffic through the Port of Constanța, an increase generated by the area geo-political context. Thus, as a result of the Russian-Ukrainian war and, implicitly, the closure and/or dramatic restriction of operations through Ukrainian ports, Romania became one of the main transport routes for goods from Ukraine, being used as a transit country. In addition, considering the increase in demand for port operation services, the tariffs applied in the Port of Constanța have also registered increases, generating important revenues and financial results to match.

d) Subsequent events

There are no significant subsequent events.

The Company's performance for January and February 2024 is in line with the Company's management expectations, but uncertainty about the geo-political situation in the region and national decisions related to it may impact the Company, as described in more detail in the Directors' Report. The Company's management closely monitors the situation and will take all necessary measures to reduce any impact.

9 NET CASH FLOW FROM OPERATING ACTIVITY

	Financial year ended 31 December 2022 (RON)	Financial year ended 31 December 2023 (RON)
Operating activities:		
Net profit	104.360.675	189.722.243
Adjustments for net result reconciliation with the net cash used in operating activities:		
Value adjustment of tangible and intangible assets - net	26.247.176	22.403.617
Adjustments for provisions for current assets - net	1.550.786	7.573
Adjustments for provisions for financial assets - net	8.007.824	(2.363.919)
Provision adjustments for risks and charges - net		
Profit/(loss) from selling of tangible and intangible assets	81.943	1.670.205
Income tax	19.985.076	32.905.153
Interest income	(1.972)	(3.368.606)
Interest expense	<u>4.005.771</u>	<u>7.417.763</u>
Increase of cash generated from operations before changes in working capital	164.237.277	248.394.030
Changes in working capital:		
(Increase)/decrease in trade receivables		
Balance and other receivables	(27.196.672)	469.298
(Increase)/Decrease in inventories balance	(3.838.050)	(11.892.449)
Increase in trade payables balance and other payables	<u>31.732.679</u>	<u>1.384.557</u>
Net cash flow generated from operations	<u>164.935.234</u>	<u>238.355.436</u>

10 CONTINGENCIES AND OTHER LITIGATIONS

(a) Litigations

- (1) On December 31, 2023, the Company has several ongoing litigations with Compania Nationala Administratia Porturilor Maritime SA Constanta (CN APM), determined by Comvex` s refusal to pay the tariff for using the port infrastructure (UDP), taking into consideration the following aspects:
- (i) Unilateral increase by CN APM of the tariff for using the port infrastructure in the context of a pre-existing contract providing the parties` obligation to negotiate;
 - (ii) CN APM`s non fulfilment/faulty fulfilment of its contractually assumed obligations.

Thus, starting with January 2015, the Company refused to pay the increased tariff from EUR 0.05 euro /m2/month to 0.08 euro / m2/month, as the increased tariff has no correspondent in the contractual mechanism and starting with April 2015, Comvex invoked the failure to fulfil with the counter services related to the UDP tariff of 0.05 euro /m2/month provided within the agreement 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 0.05 euro /m2 for April 2015 – September 2016 is in the amount of RON 2,813,425.5 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 0.03 euro /m2 amounts to RON 1.322.255 without VAT, amount which cannot impair the financial position of the Company because, as mentioned above, there is no contractual correspondent for that tariff, the Company not recognising any adjustments in the financial statements. We mention that the claims of CNAPM regarding the payment of the counter value of the tariff for using the port infrastructure increased with 0.03 euro /m2/month were already rejected by the Court as having no merits, thusly CNAPM transmitted until now part of the invoices for cancellation of the tariff of 0.03 euro /m2.

On December 31, 2023, the total value of the refused penalties was of RON 6.652.829 from which the amount of RON 2,407,751 represents refused penalties for the tariff of 0.05 euro/m2 and the difference of RON 4.245.078 - represents refused penalties for the increased tariff of 0.05 euro/m2 to 0,08 euro (for which CNAPM did not issue cancellation invoices). We make the same mention that CNAPM has already cancelled part of the penalties for the increased tariff of 0,03 euro/m2. The Company did not recognise any adjustments in the financial statements for the refused penalties regarding the increased tariff.

On December 23, 2020 by means of Decision no. 1476/2020 ordered in File no. 6744/118/2015, the Constanta County Court dismissed entirely the claim submitted by CN APM by which they requested the obligation of Comvex to the payment of the amount representing the UDP invoices refused to be paid during the period of 30.01.2015 – 29.01.2016 as well as the related penalties. CN APM has filed an appeal against Decision no. 1476/2020.

By Civil Decision no. 412/07.10.2021 ordered by the Constanta Appeal Court was admitted the appeal introduced by CN APM SA, was partly changed the appealed decision, respectively the related requests were partly admitted, the defendant Comvex SA was obliged to the payment to the plaintiff CN APM SA of the amount of RON 1,924,807.23 representing the tariff for using the port infrastructure calculated for the period of 30.01.2015 – 14.01.2016 at the level of 0,05 euro/m² and to the payment of delay penalties relative to the tariff for using the port infrastructure calculated at the level of 0,05 euro paid late. The rest of the claims relative to the payment of the counter value of the tariff for using the port infrastructure increased with 0,03 euro/m²/month were rejected as having no merits.

Both Comvex and CN APM introduced appeal against the decision of the Constanta Appeal Court in file 6744/118/2015. The appeal introduced by Comvex targets the request regarding the obligation to the payment of the amount of RON 1,924,807.23 representing the tariff for using the port infrastructure of 0,05 euro/m² and the relevant penalties, and the appeal introduced by CN APM targets the Court's solution of rejection the request to increase the tariff for using the port infrastructure from 0,05 euro/m²/month to 0,08 euro/m²/month.

By the Closing of 01.03.2023 the High Court of Cassation and Justice admitted the request made by Comvex and referred the Constitutional Court to the resolution of the exception of unconstitutionality of the provisions of art. 483 para. 2 Civil Procedure Code.

At the same time, the High Court of Cassation and Justice suspended the judgment of the appeals declared by Comvex and CN APM until the resolution of the exception of unconstitutionality.

Taking into consideration the technical expert assessment reports performed for the file, favourable to the Company, the decision ordered by Constanta County Court on 23rd of December 2020, the superficiality of the reasoning of the appeal decision, the Management of the Company assesses the admission of CN APM's appeal as having minimum chances and respectively real changes for admission for Comvex's appeal.

(2) Other disputes

On the docket of the Constanta County Court, section II civil, it is registered file no. 27863/3/2019*, having as subject: ascertaining the absolute nullity of the operation of transmission of the right of ownership of a number of 40 shares each, issued by Comvex SA, by Mrs. Drăgoi Anca Mihaela and Mrs. Nicola Ruxandra Ioana and a number of 2,050,000 shares each, shares issued by Comvex SA, subscribed during increase of registered share capital, by Mrs. Drăgoi Anca Mihaela and Mrs. Nicola Ruxandra Ioana.

The file is pending in Court, at the stage of merits. The management of Comvex S.A. has taken all required measures in front of the competent courts until this date, contracting legal assistance and qualified representation for the Company, for the best interest of the Company.

The Management of the Company assesses that none of the claims introduced in this Report have any significant adverse effect on the economic results and financial position of the Company.

(b) Processing of personal data

With effect from 25 May 2018, Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95 / 46 / EC ("Regulation") applies in all Member States of the European Union, including Romania. Failure to comply with the Regulation and national legislation on the protection of personal data may result in fines of up to 4% of the overall turnover of the Company or EUR 20 million, whichever is greater.

In this context, the Company has taken the necessary steps to ensure compliance and implementation of the provisions of the Regulation, as well as the national legislation on data protection. However, despite the Company's efforts to ensure compliance with the Regulation, we cannot guarantee that the relevant authorities with the power of interpretation and control, in particular the Supervisory Authority for Personal Data Processing ("ANSPDCP"), with general competence in the field of The protection of personal data will embrace the same conclusions, as they ultimately have the power to assess the compliance of a processing activity with data protection regulations, whenever it exercises control powers. Thus, ANSPDCP may issue opinions different from those expressed and / or implemented by the Company, which may lead to the application of sanctions and implicitly to the impact of the Company's operations or its financial position.

(c) Taxation

The Romanian taxation system underwent multiple modifications in the last years and is in a phase 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, 0,03% 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

Name and surname PANAIT VIOREL

Signature _____

Unit's stamp

DRAWN UP BY,

Name and surname OPREA IRINA

Position FINANCIAL MANAGER

Signature _____

COMVEX S.A.

Registered office: Dana 80-84, Constanța Port, Romania

Share capital: 29,139,927.5 lei

Unique Registration Code: 1909360

Trade Registry Number: J13/622/1991

AFIDAVIT

The undersigned, Viorel Panait, President of the Bord of directors, General Manager and Irina-Violeta Oprea, Financial Manager, hereby undertake full liability for the draw up of the yearly financial statements for the year ended at 31.12.2023 and we hereby confirm that, in accordance with our knowledge:

- a) The yearly financial statements have been drawn up in accordance with the applicable accounting standards and they offer a real and compliant image of the actual status of the assets, debts, financial position and profit and loss account of the Company;
- b) The Bord of Directors report includes an accurate analysis of the development and performance of the Company, as well as an overview of the main risks and uncertainties typical for the relevant activity;
- c) The yearly financial statements offer a accurate picture of the financial position and all the other information related to the performed activity;
- d) Comvex performs its activity in accordance with the continuity principle.

Viorel Panait,

Irina-Violeta Oprea,



Independent Auditor's Report

To the Shareholders of COMVEX SA

Report on the audit of the financial statements

Our opinion

In our opinion, the annual financial statements (further referred to as "financial statements") give a true and fair view of the financial position of COMVEX S.A. (the "Company") as of 31 December 2023, and the Company's financial performance and cash flows for the year then ended in accordance with the Order of the Minister of Public Finance of Romania no. 1802/2014 and subsequent changes and amendments ("OMF 1802/2014") and the accounting policies presented in Note 5 to these financial statements.

Our opinion is consistent with our additional report to the Audit Committee dated 19 March 2024.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2023;
- the profit and loss account for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial statements as at 31 December 2023 are identified as follows:

- | | |
|---------------------------|----------------------|
| • Total equity | Thousand Ron 423,966 |
| • Net profit for the year | Thousand Ron 189,722 |

The Company's registered office is in Constanța Harbour, Dana 80-84, Romania and the Company's unique fiscal registration code is RO19093360.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Law 162/2017 regarding statutory audit of annual financial statements and annual consolidated financial statements and regarding changes to other regulations and subsequent amendments ("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.

PricewaterhouseCoopers Audit S.R.L.
Ana Tower, 24/3 floor, 1A Poligrafiei Blvd, District 1, 013704 Bucharest, Romania
EUID ROONRC.J40/17223/1993, fiscal registration code RO4282940, share capital RON 7,630
T: +40 21 225 3000, www.pwc.ro

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.



Independence

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

In good faith and based on the best information, we declare that the non-audit services we provided to the Company in the period between January 1 and December 31, 2023 are in accordance with Law 162/2017.

Our audit approach

Overview

Materiality: Company's overall materiality is Thousand Ron 8,687, which represent 5% from the average of profits before tax for the years ended 31 December 2023 and 31 December 2022.

Key audit matter Recognition of revenue from production sold

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Company materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.



Overall Company materiality	Thousand Ron 8,687
How we determined it	5% from the average of profits before tax for the years ended 31 December 2023 and 31 December 2022.
Rationale for the materiality benchmark applied	We chose average of profit before tax for the year ended 31 December 2023 and 31 December 2022 as the benchmark, because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by its stakeholders, and it is a generally accepted benchmark. We chose 5%, which in our experience is an acceptable quantitative materiality threshold for this benchmark.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Recognition of revenue from production sold	
<p>For the financial year ended on 31 December 2023, the value of revenues from the sold production increased significantly to Thousand Ron 410,934 from Thousand Ron 330,162 for the financial year ended on 31 December 2022, as a result of the increase in the volume of goods operated by terminals as well as due to price increases in 2023. Revenues from sold production mainly include revenues from the provision of bulk cargo reception, storage and handling services to a wide range of customers related to the industries served by each individual terminal (Note 8k). These revenues are recognized as they are realized, that is, as these services are provided to customers (Note 5T). We have focused on this aspect because revenue is one of the Company's key performance indicators and therefore there is an inherent risk in connection with its recognition by management for meeting specific objectives or expectations.</p>	<p>Our audit procedures for evaluating the recognition of revenue from production sold included the following:</p> <ul style="list-style-type: none"> -testing the effectiveness of the Company's main controls to prevent and detect fraud and errors in revenue recognition. This procedure included testing the controls for revenue recognition based on the services performed, by reference to a sample of transactions; - inspecting contracts with customers, on a sample basis, to understand the terms of sales transactions, and to assess whether the Company's revenue recognition criteria were in accordance with the requirements and accounting standards in force; - the evaluation, on a sample basis, of the recognition in the corresponding financial period of the revenues recorded near the end of the financial year, by comparing the selected transactions with the relevant documentation, including invoices, and ship unloading/loading reports to establish the performance period; - obtaining confirmations of transactions on a sample basis; - examination of the sales register after the end of the financial year to identify if there are significant credit notes issued and, as the case may be, inspect the

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Key audit matter	How our audit addressed the key audit matter
Recognition of revenue from production sold	
	<p>relevant documentation to assess whether the related revenues have been accounted for in the corresponding financial period;</p> <p>- the examination of collections on a sample basis as well as the assessment of adjustments for the depreciation of receivables.</p>

Reporting on other information including the Administrators' Report

The Administrators are responsible for the other information. The other information comprises the Administrators' Report, but does not include the financial statements and our auditor's report thereon.

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 our responsibility is to consider whether the Administrators' Report was prepared in accordance with OMF 1802/2014, articles 489 - 492.

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

- the information given in the Administrators' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Administrators' Report has been prepared 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, we are required to report if we have identified material misstatements in the Administrators' Report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements, that give a true and fair view in accordance with OMF 1802/2014 and with the accounting policies presented in the Note 5 to the 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.

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



Auditor's responsibilities for the audit of the financial statements

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 these 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 those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse



consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Appointment

We were first appointed by Ordinary General Shareholders Meeting as auditors of COMVEX S.A. on 26 January 2018. Our appointment has been renewed by Ordinary General Shareholders Meeting representing a total period of uninterrupted engagement appointment of 7 years, covering the financial years ended 31 December 2017 up to 31 December 2023.

The financial auditor responsible for carrying out the audit resulting in this independent auditor's report is Doina Bîrsan.

**Refer to the original signed
Romanian version**

Doina Bîrsan

Financial Auditor registered with

the Public Electronic Register of financial auditors and audit firms under no. AF4407

Audit firm registered with

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

Bucharest, 19 March 2024

COMVEX

DIRECTORS REPORT FOR THE FINANCIAL YEAR 2023

General introduction

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

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

COMVEX terminal is the market leader, specialised 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 Constanta Port.

Comvex is the only terminal operating solid bulk goods in the Black Sea area, that has the capacity to cater for Cape size vessels (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, being located within the close vicinity of the East end of the Danube-Black Sea Canal, so that Constanta Port is at the same time a Danube river port.

Due to its location and excellent access potential to industrial areas in Europe, COMVEX is able to provide its customers, such as major bulk raw material providers in 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.

Apart from the existing Minerals Terminal, COMVEX has developed a Grain Terminal in Berth 80, covering an approximately 60,000 sqm surface. The location provides important logistic advantages, respectively: the deepest berth in the Black Sea, vicinity with the barges terminal (the vicinity with the Danube - Black Sea Canal) for river transport from Danube neighbour countries, 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 great capacity ships, 100,000-120,000 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 ISO 45001:2018. Additionally, the Grain Terminal is certified according to ISO standard 22000:2018 (food management system). It is also compliant with the requirements of the International Ship and Port Facility Code Security (ISPS).

Translation from the Romanian language; Romanian version shall prevail

The Company carries out its activity by applying internal control standards 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 company's risks.

In relation to the shareholders, Comvex applies the transparency principles provided by the capital market legislation in force. Moreover, in view of assuring a greater transparency, Comvex follows the Principles of Corporate Governance. Assuring an organized working frame, based on strong principles, helps on the long term to maximize the 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, having a nominal value of RON 2.5 lei/share. The shareholders ledger is managed by the Central Depository S.A.

On 31.12.2023 the share capital structure was as follows:

Shareholder	No. of shares	Percentage (%)
Solidmet SRL	3,576,953	30.6877%
Liberty Holdco Galati& Skopje Limited loc. Londra GBR	3,277,526	28.1189%
Ruxandra-Ioana Nicola	2,050,040	17.5879%
Anca Mihaela Drăgoi	2,050,040	17.5879%
Other shareholders-individuals	483,556	4.1486%
Other shareholders-legal entities	217,856	1.8691%
Total	11,655,971	100.00%

Company management

Board of Directors

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

The Board of Directors is assigned to take 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 fulfil 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 capacity as directors, including after the termination of their mandate as directors. Also, the Directors of the Company must attend all General Meetings of Shareholders.

The Board of Directors represents the Company in 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 conducts the current management of the Company, having the duties provided for in the Articles of Incorporation of COMVEX S.A.

The Board of Directors appointed by the decision of the Ordinary General Meeting of Shareholders no. 364 of 23rd of September 2022, for a 4 year mandate, i.e. 2022 - 2026, has the following composition:

Name and Surname	Position
Viorel PANAIT	President C.A.
Dan-Ion DRĂGOI	Member C.A.
Corneliu Bogdan IDU	Member C.A.
George CHIOCARU	Member C.A.
Edmond Costin ȘANDRU	Member C.A.

The remuneration of the directors is determined by the General Meeting of Comvex Shareholders in accordance with the provisions of Law no. 31/1990 and the Company's Articles of Association. By the decision of the Ordinary General Meeting of Shareholders no. 365 dated 23rd of September 2022, the Remuneration Policy for the Company's management structure was approved, drawn up in accordance with the provisions of Article 106 of Law no. 24/2017 on issuers of financial instruments and market operations, republished, as further amended and supplemented.

Translation from the Romanian language; Romanian version shall prevail

In order to observe the legal provisions in force in the domain of the corporate governing, the Company paid the remuneration and benefits granted to the Directors and the General Manager in accordance with the decisions passed by the General Meeting of Shareholders and in compliance with the mechanism established by the decisions of the Ordinary General Meeting of Shareholders no. 366 and 367 dated 23rd of September 2022, namely:

- By decision of the Ordinary General Meeting of Shareholders no. 366 dated 23rd of September 2022, it has been decided as follows: "During the 2022 – 2026 mandate, the remuneration of the members of the Board of Directors shall be maintained at the level of that established by the decision of the Ordinary General Meeting of Shareholders no. 303/24.09.2018, respectively 50% from the gross remuneration of the General Manager. During their mandate, for the members of the Board of Directors cost related to communication, transport, vehicle, delegations, daily subsistence, accommodation, protocol, private pension insurance and health insurance will be borne".
- By decision of the Ordinary General Meeting of Shareholders no. 367 dated 23rd of September 2022, there have been set the additional remunerations for the members of the Board of Directors, as follows: "During the 2022 – 2026 mandate, the general limits of the additional remuneration for the members of the Board of Directors shall be maintained at the level established by the decision of the Ordinary General Meeting of Shareholders no. 304/24.09.2018, respectively between 10% and 30% of the remuneration of the directors".

Thus, according to the OGMS decision no. 367 of 23rd September 2022, the general limits of the fix additional remuneration granted to the members of the Board of Directors that fulfilled specific duties within the Board, respectively the members of the Audit Committee, the Remuneration Committee, the Project Analysis Committee and the Corporate Structuring and Internal Organization Committee for the participation in the committees are set between 10% and 30% from the remuneration of the directors.

- The general limits of the remuneration granted to the General Manager were set by the decision of the Ordinary General Meeting of Shareholders, respectively: between 5 and 30 Company average gross salaries. In accordance with the approval of the General Meeting of Shareholders, the Board of Directors established the remuneration of the General Manager at 15 Company average gross salaries.

In the table below it is detailed the method for determining the remuneration granted to the directors and the general manager, by reference to the above mentioned mechanism, for the period 1st of January – 31st of December 2023:

Year 2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Average gross salary/company	8,301	7,691	12,741	9,681	9,759	12,278	9,570	11,949	16,575	9,766	9,431	15,585
No. employees	401	398	404	403	402	411	416	418	417	417	422	421

Note: The average gross salary includes basic salary, salary supplements, bonuses and other additions.

Furthermore, the Company implemented a management system based on key performance indicators, applicable to the Company management as well as all the staff, that is part of the remuneration policy. The evaluation system based on the key performance indicators (KPI) shall be reflected in a set of indicators relevant for the achievement of the Company's objectives.

Activity evolution

During the year 2023, through Comvex Terminals there have been operated several 238 ships with bulk raw materials, out of which 89 within the Mineral Terminal and 149 within the Grain Terminal.

As far as the Mineral Terminal is concerned, the Company has taken all the measures for constant improvement of the activity within the Terminal as well as the performance of the activity at the highest standards for the clients. During the year 2023, through the Mineral Terminal there have been performed handling, storage and transshipment of the bulk raw materials services, such as iron ores, coking coal, bauxite, coke, scrap iron for clients such as Ferrexpo Middle East, Transport Trade Services, Liberty Galati, Danube Shipping Management, PSJ Arcelormittal Kryvyi Rih, Romcim (previously known as CRH) Romania, Holcim Romania, Vitol Switzerland, Glencore International AG, Danube Transport Services (DTS)

In order to diversify its activity, apart from the Mineral Terminal, the company developed a Grain Terminal within Berth no. 80, with a 200.000 tons capacity. 2023 was the third year in which the Grain Terminal was fully functional.

The development of a Grain Terminal within the deepest berth at the Black Sea as well as the East of the Mediterranean Sea, allows direct operation of grain vessels of over 100,000 tdw, which represents an important competitive advantage both for Comvex and Constanta Port. Comvex Terminal is a premier for Romania and it is opening Constanta Port hinterland markets towards global destinations.

Through the Grain Terminal there have been performed handling, storage, and transshipment for clients such as Viterra Agriculture Romania, Al Dahra Agriculture Romania, TOI Commodities S.A., Cerealcom Dolj, Global Grain International, Quadra Commodities SA, Sierentz, Trade Agro Union and others, also comprising commodities originating from Ukraine.

During the year 2023, the Company carried out the specific activities without causing major environmental consequences and were not noted any non-compliance with the conditions provided by the Environmental Permit no. 24/27.01.2021 issued by the Environmental Protection Agency of Constanta.

Main economic-financial ratios

The analysis elements from this report are substantiated by the data in the annual financial statements drafted on 31.12.2023 in accordance with Accounting Law no. 82/1991, as republished, Company Law 31/1990, as further amended and supplemented, republished, by the provisions included in Ministry of Finances Order no. 1802/2014 for the approval of Accounting Regulations regarding individual annual financial statements and the consolidated annual financial statements, as well as the provisions of Order 2649/2023 amending and supplementing some accounting regulations.

Translation from the Romanian language; Romanian version shall prevail

Comvex S.A. has been considering the fulfilment 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 31.12.2023.

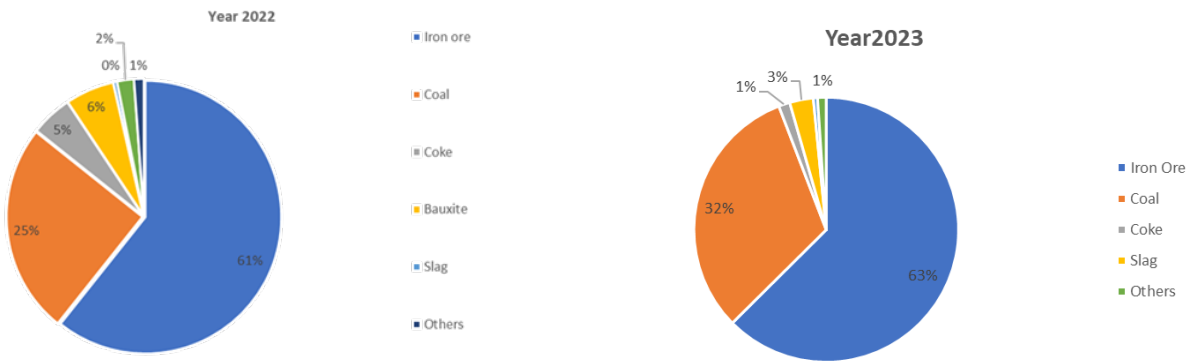
Ratios	MU	Year 2022	Year 2023
Handled tons MT	<i>Tons</i>	9,143,888	8,430,853
Handled tons GT	<i>tons</i>	5,306,057	7,018,266
Turnover	<i>Lei</i>	356,917,155	425,706,251
Total revenues, out of which:	<i>Lei</i>	387,887,868	459,005,308
<i>Operating</i>	<i>Lei</i>	382,149,897	447,821,360
<i>Financial</i>	<i>Lei</i>	5,737,971	11,183,948
Total expenses, out of which:	<i>Lei</i>	263,542,116	236,377,912
<i>Operating</i>	<i>Lei</i>	255,472,087	222,219,573
<i>Financial</i>	<i>Lei</i>	8,070,029	14,158,339
Net profit	<i>Lei</i>	104,360,675	189,722,243
Fixed assets	<i>Lei</i>	427,295,613	420,905,785
Cash available	<i>Lei</i>	103,305,940	107,905,143
Receivable	<i>Lei</i>	52,300,027	55,709,842
Stocks	<i>Lei</i>	26,331,627	36,900,337
Debts	<i>Lei</i>	215,945,213	186,702,576

The Mineral Terminal operated in 2023 a total quantity of 8,430,853 raw materials tons, compared to 9,143,888 bulk raw materials tons, the quantity operated during the previous year. During the entire year of 2023 there have been operated 89 maritime vessels, compared to 158 vessels during 2022.

The distribution by types of goods of the total handled quantity (tons) within Comvex Mineral Terminal is as follows:

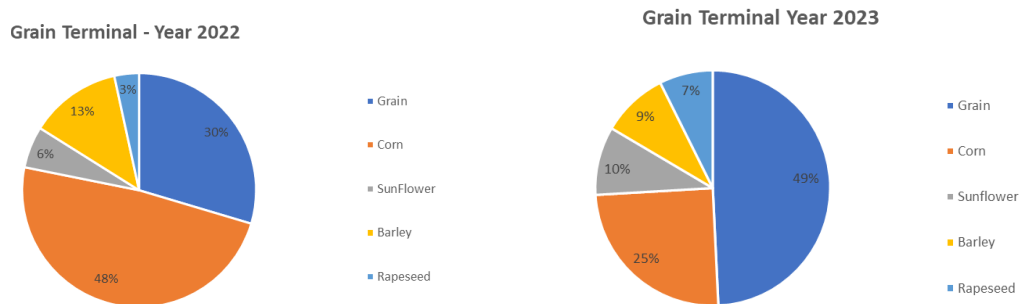
	Year 2022	Year 2023
	tons	tons
Iron ore	5,552,362	5,245,184
Coal	2,282,593	2,663,842
Coke	450,479	116,309
Bauxite	530,109	0
Slag	39,568	243,773
Homogeneous of ores/coal/bauxite	181,731	43,129
Others	107,047	88,616
	9,143,888	8,430,853

Translation from the Romanian language; Romanian version shall prevail



The distribution by types of goods of the total handled quantity (tons) within Comvex Grain Terminal is as follow:

	Year 2022	Year 2023
	tons	tons
Wheat	1,571,119	3,455,548
Corn	2,576,095	1,743,412
Sunflower	305,090	659,964
Barley	672,508	642,105
Rapeseed	181,245	517,237
	5,306,057	7,018,266



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Total Revenues (lei)

	<u>Year 2022</u>	<u>Year 2023</u>
Turnover, out of which	356,917,155	425,706,252
<i>Revenues from the sale of goods</i>	<i>24,857,919</i>	<i>10,754,517</i>
Other revenues	25,232,742	22,115,108
Financial revenues	5,737,971	11,183,948
Total revenues	387,887,868	459,005,308

The turnover (lei) split by clients and the two Terminals is as follows:

Client	<u>Year 2022</u>	<u>Year 2023</u>
	RON	RON
Ferrexpo Middle East	61,705,635	69,444,621
Transport Trade Services	38,518,662	63,261,918
Danube Shipping Management	15,817,234	30,064,959
Vitol Elveția	13,728,204	21,321,865
Liberty Galați	21,181,033	13,987,226
Romcim (CRH) România	9,793,595	13,440,509
Metinvest International SA	15,161,548	8,457,227
PSJ ArcelorMittal Khryvy	999,963	8,121,200
Temperi Logistic Ltd		6,437,708
Glencore International AG	12,033,857	5,409,293
Ascom International	12,018,756	4,102,673
Holcim Romania	3,105,011	4,096,323
Hampton Resources Ltd		3,725,643
Danube Transport Service	5,038,473	2,644,112
Steinweg	2,728,541	2,373,295
Alum Tulcea	5,203,985	-
Promet Steel JSC	4,016,249	-
Heidelbergcement Romania	1,900,192	-
Others	10,593,124	3,586,627
Total turnover TM	233,544,063	260,475,198

Translation from the Romanian language; Romanian version shall prevail

Client	Year 2022	Year 2023
	RON	RON
Viterra	45,511,367	72,015,179
Quadra		29,907,930
Al Dahra	36,277,615	21,280,119
TOI Commodities	19,564,678	16,140,984
Sierentz & Cie Sarl		7,605,775
Trade Agro Union	14,750,555	3,889,760
Global Grain International	1,026,873	1,351,145
Cerealcom	5,087,174	11,124,711
Others	1,154,828	1,915,451
Total turnover TG	123,373,091	165,231,053

The iron ore was handled for the steel factories of Galati – Romania Smederevo – Serbia, Linz-Austria and Kosice-Slovakia, as well as for end-users in Algeria, China, Turkey, Italy. The coking coal was unloaded for the complex of Dunajvaros in Hungary, and Arcelor Mitall Kryvyi Rih Ucraina. Energy coal/PCI for the thermal power stations of Romania, for cement factories from Romania Serbia, Slovakia, Poland and Moldavia. The anthracite coal, for the steel plants and cement factories from Serbia and Bosnia. The slag was destined for Holcim cement factories. The petroleum coke went to Romcim and Holcim cement factories in Romania and to Moravacem Serbia. Metallurgical coke was shipped to steel plants in Serbia, Italy, Belgium and Turkey. The destination for the bauxite was the alumina factory Alum Tulcea. The coal homogeneous was used by the Romcim and Heidelberg cement plants in Romania. And the iron ore homogeneous was shipped to China.

The raw materials have been dispatched to the beneficiaries by mean of maritime vessels, or by railway (wagons), by river (barges) or by road (trucks).

Starting with 2022, the Company's activity has recorded an important expansion on the background of the increase of cargo traffic through the port of Constanta, an increase generated by the geo-political context within the area. Therefore, because of the Russian-Ukrainian war and, implicitly, the closure and/or dramatic restriction of operations through Ukrainian ports, Romania has become one of the main transport routes for goods from Ukraine, being used as a transit country. In addition, given the increasing demand for port operation services, the tariffs charged in the port of Constanta have also increased, generating significant revenues and accordingly financial results. Given the above detailed background, the turnover registered but the Mineral Terminal has increased with approximately 10% compared to the one registered during the previous year.

The grains handled through the Grain Terminal have been dispatched to Saudi Arabia, Cyprus, Egypt, United Arab Emirates, France, Greece, Jordan, Israel, Lebanon, Libya, The Netherlands, Portugal, Spain, Sudan, Tunisia, Turkey, Belgium, Yemen, Great Britain and Italy.

The Grains Terminal turnover has increased by approx.) 35% compared with the one registered the previous year, due to the significant increase of the quantities of raw materials handled through the Terminal, in the same context as above, including the commodities originating from Ukraine.

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The financial revenues represent favorable differences of foreign exchange rates.

Total expenses (lei)

	Year 2022	Year 2023
	RON	
Personnel expenses	57,360,741	69,654,493
Expenses with materials, consumables, other auxiliary materials	19,290,378	21,606,525
Utilities expenses	22,831,124	18,661,264
Expenses for the sales of goods	21,878,971	9,936,650
Depreciation expenses	24,105,605	24,336,664
Rent expenses	11,421,242	14,636,017
Third Parties Services	33,276,473	51,280,679
Terminal greening expenses	21,530,207	9,939,650
Other operating expenses	43,777,346	2,167,630
Financial expenses	8,070,029	14,158,340
Total expenses	263,542,116	236,377,912

Personnel expenses include the expenses related to personnel (wages and due contributions) as well as the directors. The increase in salary expenses is due (i) to the increase of the RON/EUR exchange rate (salaries being set in euros and paid in lei.), (ii) to the increase of the number of employees from 397 employees at the end of 2022 to 422 employees at the end of 2023, but also (iii) granting performance bonuses to employees during 2023 for accomplishing the performance indicators (KPIs), following the assessment of their individual performances in order to achieve the Company's objectives.

Out of the total rent expenses, the amount of lei 4,366,343 represents the rent paid to CN APM compared to lei 4,063,752 in 2022. The rest of expenses with rents represent, mainly, rents for specialized equipment and machineries for cargo handling activity, expenses that registered an increase in 2023 compared to 2022 mainly in connection with the activity of the Mineral Terminal.

As regards the depreciation expenses the accounting policy relative to the estimation of the forecasted manner of consuming future economic benefits incorporated in the depreciable assets of the Mineral Terminal takes into consideration (i) economic-financial context in which the Company is developing its activity and (ii) the fact that, even though the activity of the Mineral Terminal is not a constant one, however it is necessary for the Terminal equipment to be adjusted in order to be able to handle the peaks of activity in direct relation to the commissioned vessels and the evolution of the related industry.

Thusly the accountant policy relative to the estimation of the forecasted manner of consuming future economic benefits incorporated in the depreciable assets of the Mineral Terminal is the depreciation method in accordance with the provisions of OMFP 1802/2014, article 240 point (1) para. d) respectively "the depreciation calculated per unit of product or service" for tangible fixed assets that are directly involved in operating the remaining quantities to be handled during the period of remaining service life of the equipment of the Convex Mineral Terminal.

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The other tangible fixed assets related to the Grain Terminal, respectively other shared assets that are used for the activity of both terminals, shall continue to be depreciate based on the method of straight line depreciation. For this the depreciation shall be determined based on the entry value, by applying the straight line depreciation method during the estimated service life of the assets.

Out of the total expenses related to third parties' services registered in 2023, the amount of lei 9,200,602 represents rented work force expenses (lei 4,875,127 during 2022), the amount of lei 7,917,354 represent performed railway shunting (lei 4,321,265 during 2022), and the amount of lei 6,177,879 represent repair expenses (lei 4,995,964 during 2022). The rest of the expenses represent insurance, telecommunications, guard and security, freight survey, retainers, fees, advertising and publicity, travelling, as well as other third parties' services expenses.

Other operating expenses represent taxes and duties, consultancy, net adjustments related to provisions, sponsorships, expenses related to assets transferred and other capital expenses, as well as other occasional expenses made for the activity performance.

Out of the total financial expenses amounting to lei 14,158,340, the amount of lei 7,417,763 represents the expenses with the interests related to the loans and leasing agreements (lei 4,005,771 during 2022), the rest representing negative exchange rate differences. The increase in interest rates expenses was due to the increase of the Euribor rate, based on which the interest rates for the investment loan for financing the Grain Terminal are determined.

Net profit

The Company registered in 2023 a net profit of lei 189,722,243, as compared to lei 104,360,675 in 2022. The profit increase was generated by the increase in the turnover as it was detailed above.

Fixed assets

The fixed assets at the end of 2023 amounted to lei 420,905,785, compared to lei 427,295,613 at the end of 2022. The decrease in the balance of the fixed assets was influenced by their depreciation.

There has not been a revaluation of the fixed assets existing in the patrimony at the end of 2023.

Stocks

The increase of the stocks compared to the end of 2022 was directly due to the increase of activity registered in 2023. Out of the total of lei 35,900,337 stocks on December 31, 2023, the amount of lei 4,974,369 represents stocks of materials for investments and the amount of lei 25,283,503 represents spare parts that were bought for the proper performance of the activity in both terminals.

Receivables

The increase of receivables in stock on 31st of December 2023 compared to the end of 2022 was directly due to the increase of turnover.

Cash availability

The cash available on December 31, 2023 was in the amount of lei 107,905,142, compared to the amount of lei 103,305,940 available on December 31, 2022. The Company has improved its

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financial position during the year 2023 in relation to the available cash. During the year 2023 there have been approved and paid gross dividends amounting lei 149,999,525, representing part of the Company`s registered and undistributed profit for 2022, together with the registered and undistributed profits for previous financial years as follows: 2008-2018, 2020 and 2021.

Debts

Out of the total of lei 186,702,576 debts in balance at the end of 2023, the amount of lei 115,149,051 represents the amounts due to credit institutions for contracted bank loans, out of which the amount of lei 110,178,436 (respectively EUR 22,148,200) represents the balance of the bank loan for financing the Grain Terminal. In 2023 the Company reimbursed the capital rate in total amount of EUR 5,112,00 for this bank loan.

The balance of the leasing financing is the amount of lei 2,191,676, representing the equivalent of EUR 436,365.

Litigations

On December 31, 2023, the Company has several ongoing litigations with Compania Nationala Administratia Porturilor Maritime SA Constanta (CN APM), determined by Comvex`s refusal to pay the tariff for using the port infrastructure (UDP), taking into consideration the following aspects:

- i. Unilateral increase by CN APM of the tariff for using the port infrastructure in the context of a pre-existing contract providing the parties` obligation to negotiate;
- ii. CN APM`s non fulfilment/faulty fulfilment of its contractually assumed obligations.

Thus, starting with January 2015, the Company refused to pay the increased tariff from EUR 0.05 euro /m2/month to 0.08 euro / m2/month, as the increased tariff has no correspondent in the contractual mechanism and starting with April 2015, Comvex invoked the failure to fulfil with the counter services related to the UDP tariff of 0.05 euro /m2/month provided within the agreement 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 0.05 euro /m2 for April 2015 – September 2016 is in the amount of lei 2,813,425.5 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 0.03 euro /m2 amounts to lei 1,322,255 without VAT, amount which cannot impair the financial position of the Company because, as mentioned above, there is no contractual correspondent for that tariff, the Company not recognizing any adjustments in the financial statements. We mention that the claims of CNAPM regarding the payment of the counter value of the tariff for using the port infrastructure increased with 0.03 euro /m2/month were already rejected by the Court as having no merits, thusly CNAPM transmitted until now part of the invoices for cancellation of the tariff of 0.03 euro /m2.

On December 31, 2023, the total value of the refused penalties was of lei 6,652,829 from which the amount of lei 2,407,751 represents refused penalties for the tariff of 0.05 euro/m2 and the difference of lei 4,245,978 - represents refused penalties for the increased tariff of 0.05 euro/m2

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to 0,08 euro (for which CNAPM did not issue cancellation invoices). We make the same mention that CNAPM has already cancelled part of the penalties for the increased tariff of 0,03 euro/m². The Company did not recognize any adjustments in the financial statements for the refused penalties.

By Decision no. 1476/23.12.2020 ordered in File no. 6744/118/2015, the Constanta County Court dismissed entirely the claim submitted by CN APM by which they requested the obligation of Comvex to the payment of the amount representing the UDP invoices refused to be paid during the period of 30.01.2015 – 29.01.2016 as well as the related penalties. CN APM has filed an appeal against Decision no. 1476/2020.

By Civil Decision no. 412/07.10.2021 ordered by the Constanta Appeal Court was admitted the appeal introduced by CN APM SA, was partly changed the appealed decision, respectively the related requests were partly admitted, the defendant Comvex SA was obliged to the payment to the plaintiff CN APM SA of the amount of 1,924,807.23 lei representing the tariff for using the port infrastructure calculated for the period of 30.01.2015 – 14.01.2016 at the level of 0,05 euro/m² and to the payment of delay penalties relative to the tariff for using the port infrastructure calculated at the level of 0,05 euro paid late. The rest of the claims related to the payment of the counter value of the tariff for using the port infrastructure increased with 0,03 euro/m²/month were rejected as having no merits.

Both Comvex and CN APM introduced appeal against the decision of the Constanta Appeal Court in file 6744/118/2015. The appeal introduced by Comvex targets the request regarding the obligation to the payment of the amount of 1,924,807.23 lei representing the tariff for using the port infrastructure of 0,05 euro/m² and the relevant penalties, and the appeal introduced by CN APM targets the Court's solution of rejection the request to increase the tariff for using the port infrastructure from 0,05 euro/m²/month to 0,08 euro/m²/month.

By decision of 01.03.2023, the High Court of Cassation and Justice admitted the application filed by Comvex and referred the matter to the Constitutional Court for a ruling on the exception of unconstitutionality of Article 483 para. 2 Civil Procedure Code.

At the same time, the High Court of Cassation and Justice suspended the proceedings on the appeals filed by Comvex and CN APM until the ruling on the exception of unconstitutionality.

On the docket of the Constanta County Court, section II civil, it is registered file no. 27863/3/2019*, having as subject: ascertaining the absolute nullity of the operation of transmission of the right of ownership of a number of 40 shares each, issued by Comvex SA, by Drăgoi Anca Mihaela and Nicola Ruxandra Ioana and a number of 2,050,000 shares each, shares issued by Comvex SA, subscribed during increase of registered share capital, by Drăgoi Anca Mihaela and Nicola Ruxandra Ioana.

The file is pending in Court, at the stage of merits. The management of Comvex S.A. has taken all required measures in front of the competent courts until this date, contracting legal assistance and qualified representation for the Company, for the best interest of the Company.

The Management of the Company assesses that none of the claims introduced in this Report have any significant adverse effect on the economic results and financial position of the Company.

Profit distribution

	lei
Gross profit as of 31.12.2023:	222,627,396
<i>Tax on related profit</i>	<i>32,905,153</i>
Net Profit as of 31.12.2023:	189,722,243
Other reserves	6,989,368
Net Profit to be distributed as of 31.12.2023	182,732,875

During the first semester of 2023 there have been put into service some technological equipment by which the Company is able to implement the provisions of art. 22 of Law no. 227/2015, as further amended, regarding the tax relief for the reinvested profit.

The investment for which the Company has determined the tax relief is of lei 6,989,368. Therefore, the profit after taxation the previously amount is distributed to other reserves related to reinvested profit.

It is proposed to the General Meeting of Shareholders that the net profit registered on December 31, 2023 in the amount of lei 189,722,243 to be distributed as follows:

- (i) The amount of lei 6,989,368 – for reinvestment purpose in relation to technological equipment, in accordance with the provisions of art. 22 of Law 227/2015 regarding the Fiscal Code, and therefore, the said amount shall be distributed to other reserves connected to the reinvested profit;
- (ii) The amount of lei 125,000,000 shall be distributed as gross dividends;
- (iii) The difference amounting lei 57,732,875 shall remain undistributed.

Investment activity

In 2023, the total capital expenditure was the amount of lei 15,151,487, representing various modernizations and investments in tangible fixed assets in progress for both terminals as well as for the improvement of the IT security.

The Company's priority is to offer the highest level of handling and storage services for commodities, thus gaining the trust of its clients, offering the opportunity of increasing the quantities handled through Constanta Port.

To make the Grain Terminal activity more efficient, the Company is developing the investment project "Increasing the storage capacity at Berth 80 Grain Terminal in the North Constanta Port". In the first stage, the project consists of the construction of silo cells and related operating equipment works that will increase the storage capacity of grains and/or oilseeds by 11,800 tons. The company is also implementing a potential continuation of the Project, in a secondary stage, which aims to expand storage and operating capacity by up to 38,000 tons, thus reaching a total additional capacity of up to 50,000 tons.

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In this context, by the end of 2023, the Company concluded with the Management Authority for the Transport Program 2021-2027, within the Ministry of Transport, the non-reimbursable financing contract for the implementation of the project SMIS code: 312766, entitled: "Increasing storage capacity at Berth 80 Grain Terminal in the Constanta North Port". The total budget of the project is RON 28,425,967 (EUR 5.7 million equivalent), of which RON 9,950,799.95 (EUR 1,999,999 equivalent) is non-reimbursable financing in the form of state aid.

The specific objective of the project is the construction of two temporary grain storage cells with a total capacity of 11,800 metric tons in the western area of the Grain Terminal at berth 80 by 31.12.2024.

The specific objective of the Financing Scheme under the 2021-2027 Transport Program is to perform investments in sea and inland ports (Constanta, Galati, Giurgiu, in ports located along the Danube - Black Sea Canal including Poarta Alba - Midia - Năvodari, along the Sulina Canal or in "satellite" ports of the Port of Constanta (Midia, Mangalia), in order to reduce the immediate negative effects of the geopolitical crisis caused by Russia's aggression against Ukraine. At the same time, in line with the Communication 217/2022 from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – "An action plan for the EU-Ukraine solidarity lane to facilitate Ukraine's agricultural exports and bilateral trade with the EU", the priority is to mobilize and make optimal use of existing infrastructure and equipment, to expand capacity where possible and to increase and diversify the number of routes that could be used for trade continuity. Investments in new infrastructure and equipment as well as in upgrading existing ones are also necessary, but often require medium and long-term perspectives.

The project "Increasing storage capacity at Berth 80 Grain Terminal in the Port of Constanta North" responds very well to these objectives as its implementation will increase the capacity to handle grain from Ukraine, thus facilitating Ukraine's exports to EU and non-EU countries, helping to eliminate the effects of the blockage of Ukrainian Black Sea ports by Russian aggression. The project will concretely contribute to the above objectives by increasing temporary storage capacity by 11,800 t and reducing temporary storage time from an average of 27 days to 17 days. It is the operator's intention that this project will be the first stage of a larger development of the grain terminal so that Ukraine's grain traffic can be served even more extensively. According to traffic estimates for the period 2024-2027 the project "Increasing storage capacity at Berth 80 Grain Terminal in the Port of Constanta North" will serve an average of 750,000 tons of grain from Ukraine exceeding an operation of 1.5 million tons destined exclusively for Ukraine. Please note that this estimate is conservative based on the estimated grain flow.

Revenues and expenses budget for 2024

Comvex` s orientation for 2024 is materialized in the continuous improvement and growth of its activity and maintaining the high-quality standards of the services provided for the Company`s clients.

The launch and promotion of the Grain Terminal represented a constant concern for Comvex representatives` at all levels. Comvex shall continue to promote the capacity of the Project, by way of emphasizing its unique features and confirming the Company`s cooperation intentions that have been previously discussed with various potential clients of the Grain Terminal.

We are considering the most relevant grain producers in Romania and across the hinterland of Constanta Port, as well as local and global traders with operational interest in this hinterland.

The revenues and expenses budget for 2024 is based on a total quantity of 7.3 million tons manipulated in the Grain terminal and 11.6 million tons of cereals manipulated in the Mineral Terminal. The envisaged quantities for both terminals have been estimated by taking into consideration all the agreements and discussions with all existent and/or potential clients.

The quantity received in the Grain Terminal was estimated at approximately the same level as the one from the previous year, based on the agreements already concluded for the agricultural season 2023-2024 as well as agreements and discussions with existing and/or potential clients for the agricultural season starting with June 2024.

Operational expenditure for 2024 has been budgeted based on the analysis of the previous year expenditure and adjustments based on estimated increases of tariffs and prices for utilities, fuel, etc. and activity volume estimated for 2024 in relation to each terminal.

Personnel costs have been estimated based on the existing activity volume from 2023, the existing number of employees, and the provisions of the collective labor agreement. The expenditure with the TESA (technical, clerical and administrative) personnel, as well as the expenses with technical personnel have been allocated to the two Terminals based on the estimated activity to be performed by these personnel in relation to each Terminal. General and administrative expenses have been allocated equally between the two Terminals.

For the Mineral Terminal the expenditures with the maintenance of the equipment were budgeted according to the preventive repairs and estimated revisions which are considered necessary to the proper operation of the equipment and machinery, considering their operational status and age. For the Grain Terminal, the utilities and equipment maintenance expenditure were estimated considering the technical and operational parameters of the equipments, utilities` prices, respectively necessary services, as well as the grain quantities to be received within the Terminal.

The rent expenses have been budgeted according to the agreements concluded with CN APM, respectively the rented equipment suppliers to carry out the mineral`s activity considering efficiency conditions. Expenses such as utilities and fuel have been budgeted based on the quantity of goods estimated to be handled in 2023, taking into consideration the announced increases of tariffs.

Other expenditures included in the budget have been estimated based on the agreements concluded with service providers as well as historic values and the Company management assessment relative to the global increase of prices.

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Financial expenses were forecasted in accordance with the provisions of the financing contract for the investment "Grain Terminal".

The estimates for 2024 for the Grain Terminal are:

- (i) Turnover euro 34.5 million;
- (ii) EBITDA euro 21 million;
- (iii) Net profit euro 13.9 million.

The estimates for 2024 for the Mineral Terminal are:

- (i) Turnover euro 55.8 million;
- (ii) EBITDA euro 31.2 million;
- (iii) Net profit euro 23.8 million.

It is proposed to the Ordinary General Meeting of Shareholders to approve the income and expenses for 2024, as they are presented to shareholders.

Assessment of the Company's activity regarding risk management

The Company is exposed by its operations to the following risks:

- Operational risk
- Market risk
- Credit risk
- Foreign Exchange risk
- Liquidity risk

Operational risk derives from the possibility of the occurrence of accidents, errors, faulty operation, as well as from the influences of the environment on the operational and financial results. The Company's policy is to continuously improve performances of the equipments and machinery and maintain the same high standards of the services offered to the Company's clients.

Thusly, the Company implemented an integrated management system of quality-environment-safety-food safety with results on the improvement of the organisation's image, by satisfying requirements of quality, environment, labour safety, improvement of the relations with public authorities and business partners. Also, in order to limit risks and liabilities, the company has signed insurance policies for equipments and machinery, as well as policies for third party civil liability. In order to minimise the environment's influence on the results, the Company continuously observes the greening of the Mineral Terminal by eliminating the waste periodically generated due to the specific of the activity.

Market risk is the risk that the market price's variation affects the income and financial results of the Company or the value of the held financial instruments. The Company continuously observes the evolution of the market and industries it caters for to adjust forecasts and estimations regarding financial performances of the company.

Credit risk is the risk of financial loss for the company which occurs if a client or counterparty to a financial instrument does not fulfil its contractual obligations. The Company is mainly exposed to the credit risk arising from rendering services to clients. Thus, the Company observes the deadlines for cashing receivables and correlating them with debt payment deadlines.

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Foreign Exchange risk occurs when the company concludes transactions expressed in another currency other than its operational currency. The Company is mainly exposed to the foreign exchange risk with acquisitions performed from suppliers of materials, spare parts, but also service providers with which the tariffs are negotiated in euro. To minimize the foreign exchange risk, both the Company's income and expenditure were correlated to euro by setting the tariffs for services performed in euro and by linking the main expenditures of the company to the same currency (wages, rent, etc). The company observes deadlines and insuring cash availability for paying, so that the foreign exchange risk may be minimized.

Liquidity risk occurs from the management by the company of circulating assets and expenditures for financing and reimbursement of the amount of the principal for its credit instruments. Convex's policy is to make sure it always has enough cash to allow fulfilment of its obligations when they become due. To reach this objective, it always searches to maintain enough cash balance to satisfy the payment needs. At the end of the financial year, the Company has enough liquid resources to honour its obligations from all forecasted reasonable circumstances. Also, the Company observes to correlate assets and liabilities on short term, respectively long term, by performing average and long term investments from resources of average and long term. The Company does not have any unpaid due obligations to the state budget.

Economic impact of the war in Ukraine

The conflict determined by the Russian Federation against Ukraine is still on going at the date the present Report is presented. The intensity of the conflict is variable and neither the initial purposes of Russia are accomplished, nor the answer Ukraine gave led to any termination of the hostilities in a favorable way for Ukraine. As a consequence, we may still assess the extension of this war with the affecting of an important part of Ukraine.

Considering the war against Ukraine and the invasion of its territory, Romania's western partners (EU and USA) imposed economic sanctions more and more drastic on several important actors of Russian economy and Russian State in its entirety. These sanctions are still in force and there is the possibility for them to increase during 2024.

The impact of these economic sanctions, as well as their potential extension, shall affect both on short term as well as on average and long term, the global economic and politic context triggered by the crisis in Ukraine.

Thusly, it must be observed the fact that, Russia represented over time one of the main exporters of grains, especially through the basin of the Black Sea, where our company operates. On the other hand is important to underline that together with Ukraine, Russia holds more than a quarter of the global wheat exports. More than that, Ukraine is in top 5 states of the general grains market, with corn, wheat and Soya beans.

The price of grains has significantly increased once the war started, considering that the request remained constant and showed significant fluctuations in the following period. The effects of such variations are still affecting in a significant manner the logistics of grain global market.

While establishing the general Company's strategy, we are still evaluating that the geopolitical stability of Romania shall not be affected, considering the country's membership to NATO and EU. On the other hand we do not see how it could be possible for transports through the Bosfor

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and Dardanele straits to be blocked, although it is obvious they shall be affected in certain measures.

We estimate that the effects of the war, whichever it might be its end, as well as of the economic sanctions will continue to have a powerful impact on the exports from Ukraine and Russian Federation. We hereby estimate that the grain handling activity in Constanta Port will continue to take over a part of the Ukrainian exports during the year 2024 as well, representing the first alternative to the Ukrainian ports, specialized in this industry. Of course, the level of such transfer towards Constanta Port will be influenced by the size of the damages the attack strategy of Russia will have against the Ukrainian ports.

Obviously the impact of the war on the global economy is a negative one, because Ukraine's production seems to be diminished to a large extent for 2023, and transport of large quantities and capacity to make payments and use usual financial warranty instruments may generate problems in global supply.

More than that, maritime transport in itself is under a significant negative impact, considering the Russian Federation's operations in the Black Sea and the closing for commercial routes of the Azov Sea. There is always a significant risk of restricting the access of cargo ships or their transit routes to the Black Sea. We can say that there is also a risk of blockage of maritime traffic, but we consider such a scenario unlikely, given the data available at this time.

On the other hand from the point of view of operating raw materials through the mineral terminal, it must be underlined that, during the war, there were some fluctuations due to the bottlenecks mentioned above. Even if the war has brought a higher flow of such goods, there is no guarantee that these flows cannot be affected by the continuation of military operations.

Furthermore, the total and long term impact of the war may not be determined at the time of drafting this report. On the other side, the Company has acquired additional experience during 2022 and 2023 which shows increased resilience for the future and a capacity to adapt significantly higher for any further potential scenario.

The Management of the Company is closely monitoring the political and economic situation and searches for ways to mitigate the impact of the war on Comvex.

Although at present we do not have such information from our clients, in case the supply with raw materials and materials for the plants and industries the Company caters for might be stopped or diminished significantly for a longer period of time, the company's income might register also decreases compared to the presented financial forecasts.

The Management of the Company shall closely monitor the evolution of the situation and shall adopt all necessary measures to mitigate, up to exclusion, the effects this situation may produce on the Company.

Viorel Panait – President of the Board of Directors
18th March 2024